

ModernGraham Valuation

SVB Financial
Group



Company Name:

Company Ticker SIVB

Date of Analysis

3/14/2019

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$12,930,426,391	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		361.84%	Pass
5. Moderate PEmg Ratio	PEmg < 20	16.91	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.50	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Fail
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	14.52
MG Growth Estimate	15.00%
MG Value	\$558.84
MG Value based on 3% Growth	\$210.47
MG Value based on 0% Growth	\$123.38
Market Implied Growth Rate	4.21%

MG Opinion

Current Price	\$245.49
% of Intrinsic Value	43.93%
Opinion	Undervalued
MG Grade	D+

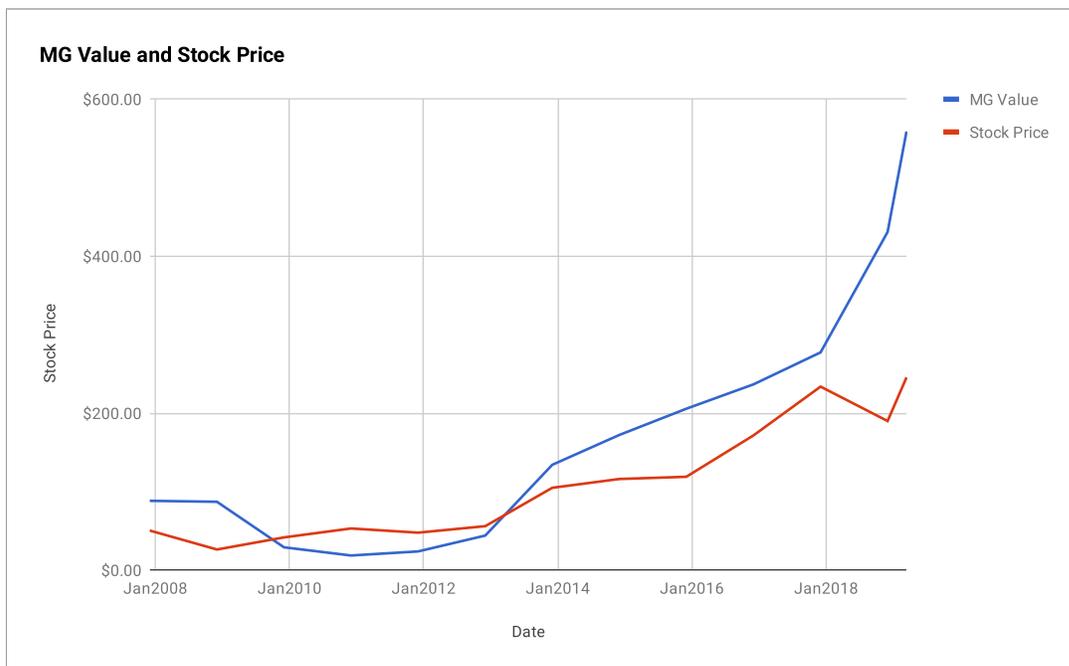
Stage 3: Information for Further Research

Graham Number	\$205.49
PEmg	16.91
PB Ratio	2.50
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$19.29	Next Fiscal Year Estimate	\$14.52
Dec2018	\$18.11	Dec2018	\$11.19
Dec2017	\$9.20	Dec2017	\$7.36
Dec2016	\$7.31	Dec2016	\$6.15
Dec2015	\$6.62	Dec2015	\$5.34
Dec2014	\$5.31	Dec2014	\$4.47
Dec2013	\$4.67	Dec2013	\$3.73
Dec2012	\$3.91	Dec2012	\$3.03
Dec2011	\$3.94	Dec2011	\$2.56
Dec2010	\$2.24	Dec2010	\$1.96
Dec2009	\$0.66	Dec2009	\$1.95
Dec2008	\$2.16	Dec2008	\$2.53
Dec2007	\$3.37	Dec2007	\$2.49
Dec2006	\$2.38	Dec2006	\$1.90
Dec2005	\$2.40	Dec2005	\$1.60
Dec2004	\$1.70	Dec2004	\$1.36
Dec2003	\$0.35	Dec2003	\$1.31
Dec2002	\$1.21	Balance Sheet Information 12/1/2018	
Dec2001	\$1.79	Long-Term Debt & Capital Lease Obligation	\$696,465,000
Dec2000	\$3.23	Total Assets	\$56,927,979,000
Dec1999	\$1.23	Intangible Assets	\$0
		Total Liabilities	\$51,663,136,000
		Shares Outstanding (Diluted Average)	53,688,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company
[SVB Financial Group Valuation – June 2018 \\$SIVB](#)
[SVB Financial Group Valuation – Initial Coverage \\$SIVB](#)

Other ModernGraham posts about related companies
[US Bancorp Valuation – March 2019 #USB](#)
[Citizens Financial Group Inc Valuation – February 2019 \\$CFG](#)
[BB&T Corp Valuation – February 2019 \\$BBT](#)
[M&T Bank Corp Valuation – February 2019 \\$MTB](#)
[Bank of America Corp Valuation – January 2019 \\$BAC](#)
[Fifth Third Bancorp Valuation – January 2019 \\$FITB](#)
[Zions Bancorp Valuation – January 2019 \\$ZION](#)
[Regions Financial Corp Valuation – January 2019 \\$RF](#)
[Huntington Bancshares Inc Valuation – January 2019 \\$HBAN](#)
[PNC Financial Services Group Inc Valuation – January 2019 \\$PNC](#)