

ModernGraham Valuation

Company Name:

State Street Corp

Company Ticker

STT

Date of Analysis

11/27/2015



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	\$29,293,092,568	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	21.83%	Fail
4. Earnings Growth	PEmg < 20	16.59	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.39	Pass
6. Moderate Price to Assets			

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	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	4.38
MG Growth Estimate	15.00%
MG Value	\$168.45
MG Value based on 3% Growth	\$63.44
MG Value based on 0% Growth	\$37.19
Market Implied Growth Rate	4.05%

MG Opinion

Current Price	\$72.60
% of Intrinsic Value	43.10%
Opinion	Undervalued

Stage 3: Information for Further Research

Graham Number	\$66.44
PEmg	16.59
PB Ratio	1.39
Dividend Yield	1.76%
Number of Consecutive Years of Dividend Growth	5

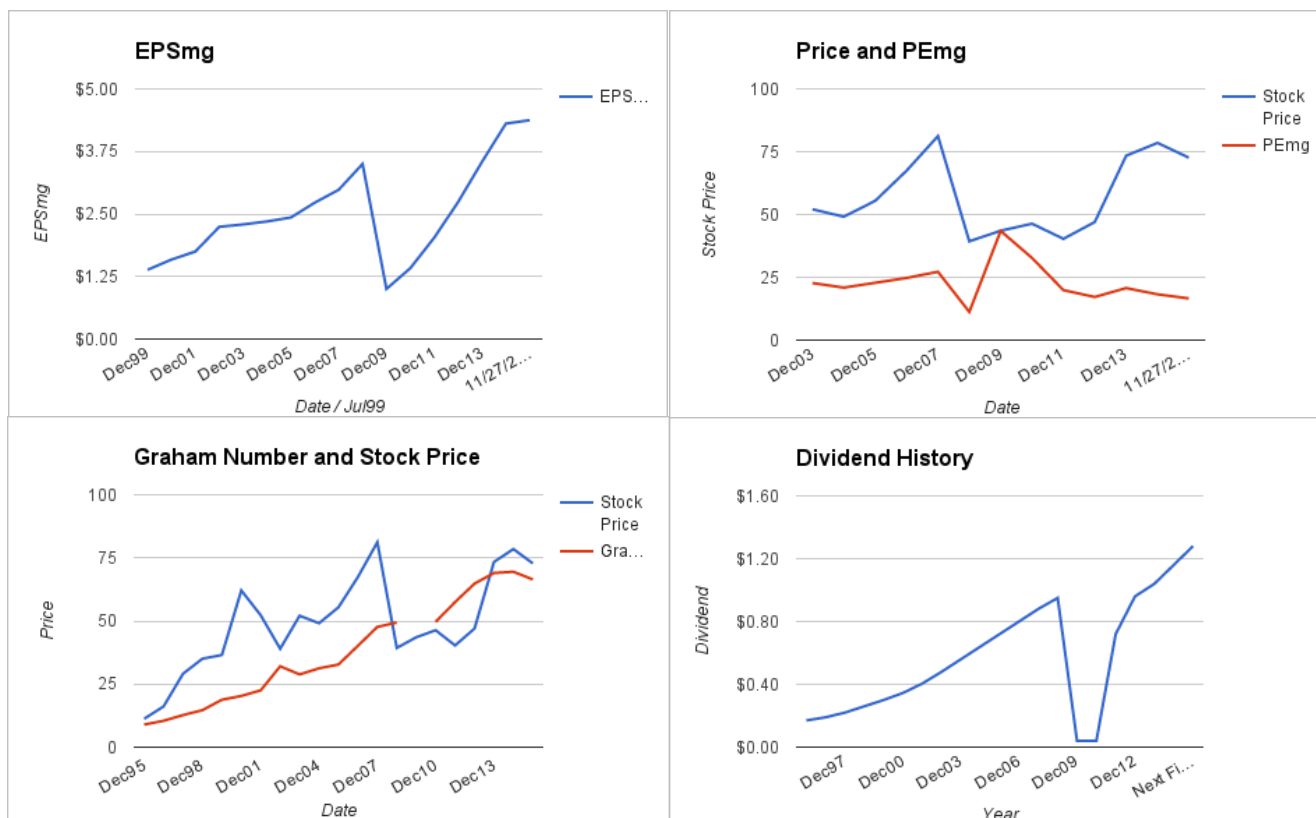
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.26	Next Fiscal Year Estimate	\$4.38
Dec14	\$4.57	Dec14	\$4.31
Dec13	\$4.62	Dec13	\$3.54
Dec12	\$4.20	Dec12	\$2.74
Dec11	\$3.79	Dec11	\$2.03
Dec10	\$3.09	Dec10	\$1.42
Dec09	-\$4.32	Dec09	\$1.00
Dec08	\$4.30	Dec08	\$3.50
Dec07	\$3.45	Dec07	\$2.98
Dec06	\$3.29	Dec06	\$2.73
Dec05	\$2.50	Dec05	\$2.43
Dec04	\$2.35	Dec04	\$2.35
Dec03	\$2.15	Dec03	\$2.29
Dec02	\$3.10	Dec02	\$2.24
Dec01	\$1.90	Dec01	\$1.75
Dec00	\$1.82	Dec00	\$1.59
Dec99	\$1.89	Dec99	\$1.38
Dec98	\$1.33	Balance Sheet Information	
Dec97	\$1.16	Sep15	
Dec96	\$0.89	Long-Term Debt	\$12,025,000,000
Dec95	\$0.74	Total Assets	\$247,274,000,000
		Intangible Assets	\$7,536,000,000
		Total Liabilities	\$225,774,000,000
		Shares Outstanding (Diluted Average)	412,167,000





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.

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