

# ModernGraham Valuation

## Company Name:

Company Ticker BAC  
Date of Analysis

7/13/2016

Bank of America  
Corp



## 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	\$141,503,254,331	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-22.19%	Fail
5. Moderate PEmg Ratio	PEmg < 20	14.53	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.57	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		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	0.92
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$35.60</b>
MG Value based on 3% Growth	\$13.41
MG Value based on 0% Growth	\$7.86
Market Implied Growth Rate	3.02%

### MG Opinion

Current Price	\$13.44
% of Intrinsic Value	37.75%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C+</b>

## Stage 3: Information for Further Research

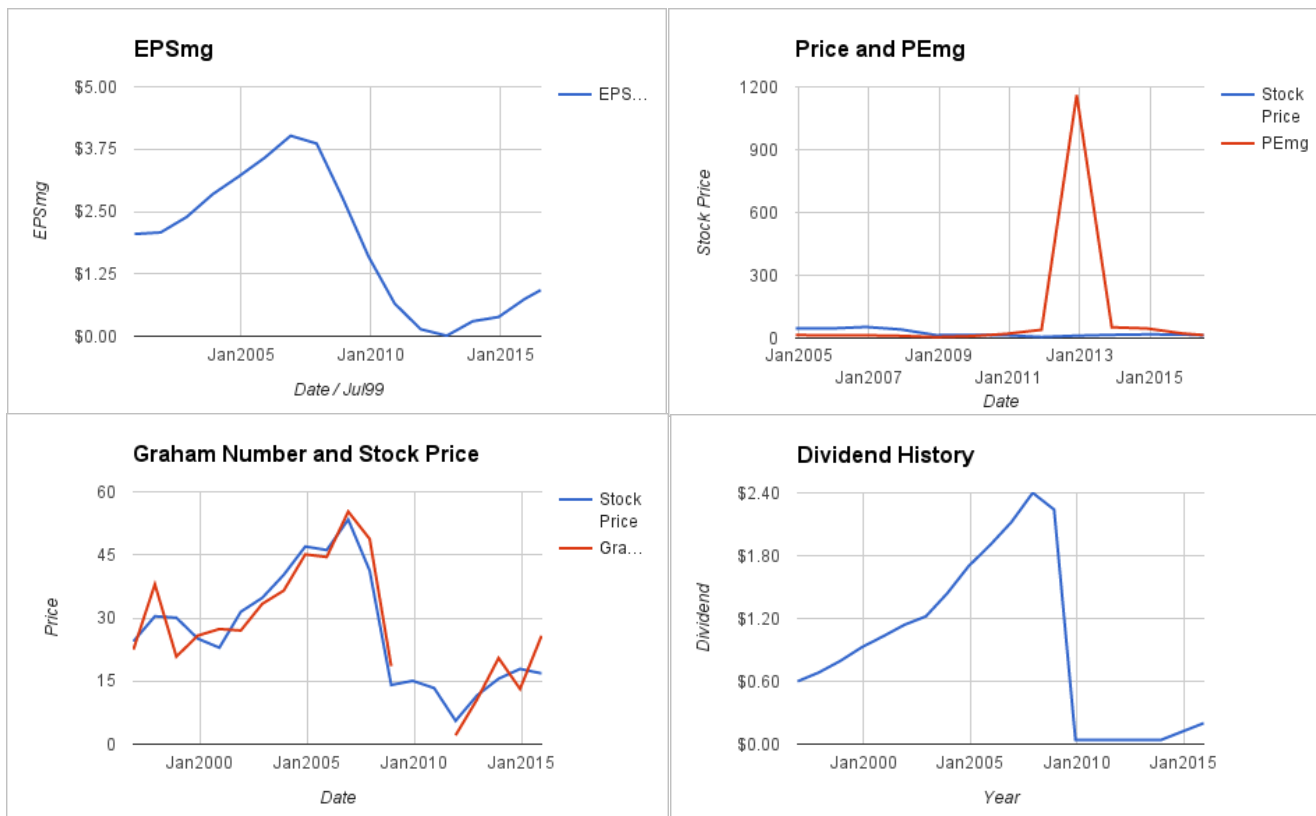
Graham Number	\$23.92
PEmg	14.53
PB Ratio	0.57
Dividend Yield	1.49%
Number of Consecutive Years of Dividend Growth	3

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.10	Next Fiscal Year Estimate	\$0.92
Dec2015	\$1.31	Dec2015	\$0.75
Dec2014	\$0.36	Dec2014	\$0.39
Dec2013	\$0.90	Dec2013	\$0.30
Dec2012	\$0.25	Dec2012	\$0.01
Dec2011	\$0.01	Dec2011	\$0.14
Dec2010	-\$0.37	Dec2010	\$0.66
Dec2009	-\$0.29	Dec2009	\$1.59
Dec2008	\$0.55	Dec2008	\$2.77
Dec2007	\$3.30	Dec2007	\$3.86
Dec2006	\$4.59	Dec2006	\$4.02
Dec2005	\$4.04	Dec2005	\$3.58
Dec2004	\$3.69	Dec2004	\$3.20
Dec2003	\$3.57	Dec2003	\$2.85
Dec2002	\$2.96	Dec2002	\$2.39
Dec2001	\$2.09	Dec2001	\$2.08
Dec2000	\$2.26	Dec2000	\$2.05
Dec1999	\$2.24	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$1.45	Long-Term Debt	\$232,849,000,000
Dec1997	\$2.09	Total Assets	\$2,185,498,000,000
Dec1996	\$1.96	Intangible Assets	\$75,970,000,000
		Total Liabilities	\$1,922,722,000,000
		Shares Outstanding (Diluted Average)	11,100,067,000





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

- [58 Companies in the Spotlight This Week – 1/31/15](#)
- [Bank of America Corporation Annual Valuation – 2015 \\$BAC](#)
- [14 Companies in the Spotlight This Week – 1/11/14](#)
- [ModernGraham Valuation: Bank of America Corp \(BAC\)](#)

Other  
ModernGraham  
posts about related  
companies

- [Fifth Third Bancorp Valuation – July 2016 \\$FITB](#)
- [Zions Bancorp Valuation – June 2016 \\$ZION](#)
- [Regions Financial Corp – June 2016 \\$RF](#)
- [Wells Fargo & Co Valuation – June 2016 \\$WFC](#)
- [Huntington Bancshares Inc Valuation – June 2016 \\$HBAN](#)
- [State Street Corp Valuation – June 2016 \\$STT](#)
- [KeyCorp Valuation – June 2016 \\$KEY](#)
- [PNC Financial Services Group Inc Valuation – June 2016 \\$PNC](#)
- [People's United Financial Inc Valuation – June 2016 \\$PBCT](#)
- [BB&T Corporation Valuation – May 2016 \\$BBT](#)