

ModernGraham Valuation

Bank of America
Corp



Company Name:

Company Ticker BAC

Date of Analysis

3/28/2018

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	\$301,062,014,163	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	-938.46%	Fail
5. Moderate PEmg Ratio	PEmg < 20	17.12	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.17	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	1.72
MG Growth Estimate	15.00%
MG Value	\$66.09
MG Value based on 3% Growth	\$24.89
MG Value based on 0% Growth	\$14.59
Market Implied Growth Rate	4.31%

MG Opinion

Current Price	\$29.39
% of Intrinsic Value	44.47%
Opinion	Undervalued
MG Grade	B+

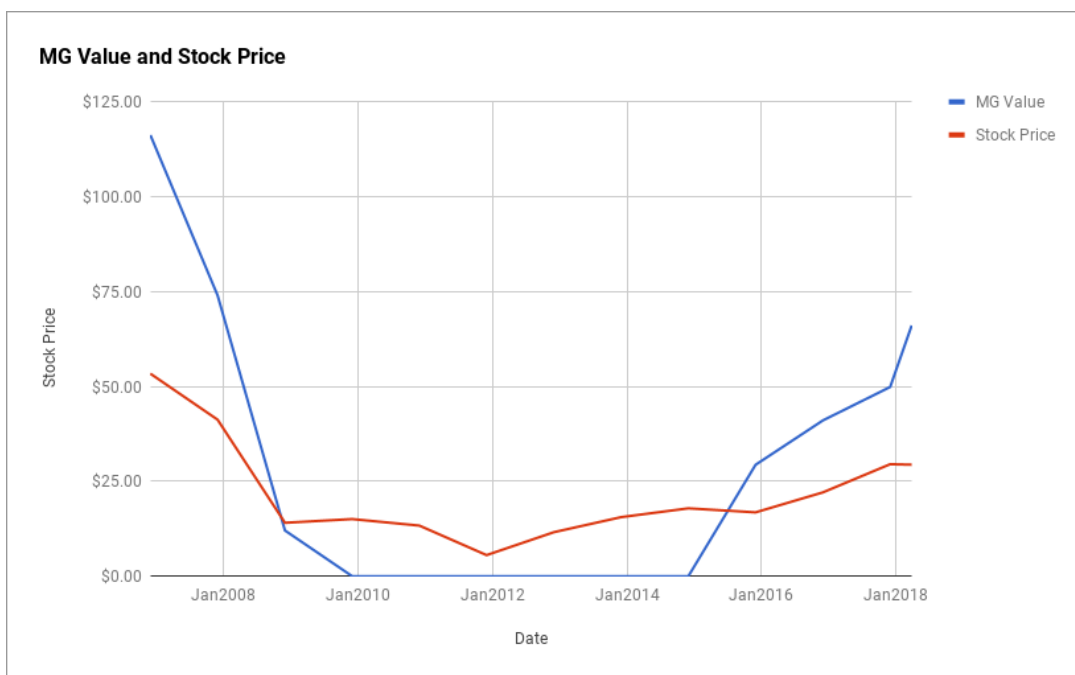
Stage 3: Information for Further Research

Graham Number	\$35.85
PEmg	17.12
PB Ratio	1.17
Dividend Yield	1.33%
Number of Consecutive Years of Dividend Growth	4

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	\$2.40	Next Fiscal Year Estimate	\$1.72
Dec2017	\$1.56	Dec2017	\$1.30
Dec2016	\$1.49	Dec2016	\$1.07
Dec2015	\$1.31	Dec2015	\$0.76
Dec2014	\$0.42	Dec2014	\$0.41
Dec2013	\$0.90	Dec2013	\$0.30
Dec2012	\$0.25	Dec2012	\$0.01
Dec2011	\$0.01	Dec2011	\$0.14
Dec2010	-\$0.37	Dec2010	\$0.65
Dec2009	-\$0.29	Dec2009	\$1.59
Dec2008	\$0.54	Dec2008	\$2.76
Dec2007	\$3.29	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	Balance Sheet Information 12/1/2017	
Dec2000	\$2.26	Long-Term Debt & Capital Lease Obligation	\$227,402,000,000
Dec1999	\$2.24	Total Assets	\$2,281,234,000,000
Dec1998	\$1.45	Intangible Assets	\$71,253,000,000
		Total Liabilities	\$2,014,088,000,000
		Shares Outstanding (Diluted Average)	10,652,437,000





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

- [5 Best Stocks For Value Investors This Week – 7/16/16](#)
- [Bank of America Corp Valuation – July 2016 \\$BAC](#)
- [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](#)

Other ModernGraham posts about related companies

- [Fifth Third Bancorp Valuation – March 2018 \\$FITB](#)
- [Regions Financial Corp Valuation – March 2018 \\$RF](#)
- [Huntington Bancshares Inc Valuation – March 2018 \\$HBAN](#)
- [Zions Bancorp Valuation – March 2018 \\$ZION](#)
- [State Street Corp Valuation – March 2018 \\$STT](#)
- [PNC Financial Services Group Inc Valuation – March 2018 \\$PNC](#)
- [KeyCorp Valuation – March 2018 \\$KEY](#)
- [Canadian Western Bank Valuation – March 2018 \\$TSE-CWB](#)
- [Simmons First National Corp Valuation – March 2018 \\$SFNC](#)
- [Citigroup Inc Valuation – March 2018 \\$C](#)