

ModernGraham Valuation

Company Name:

Company Ticker BK
Date of Analysis

Bank of New York
Mellon Corp

1/8/2016



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	\$40,732,043,699	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	-11.48%	Fail
5. Moderate PEmg Ratio	PEmg < 20	17.04	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.08	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	2.18
MG Growth Estimate	10.16%
MG Value	\$62.80
MG Value based on 3% Growth	\$31.60
MG Value based on 0% Growth	\$18.52
Market Implied Growth Rate	4.27%

MG Opinion

Current Price	\$37.13
% of Intrinsic Value	59.12%
Opinion	Undervalued

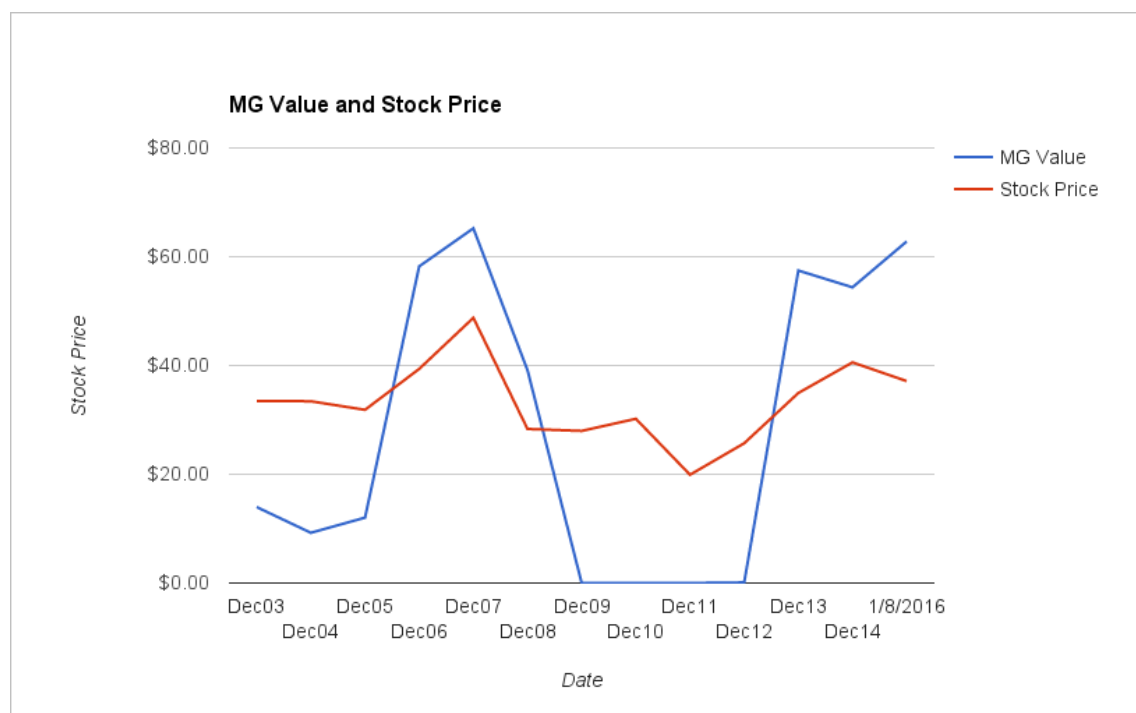
Stage 3: Information for Further Research

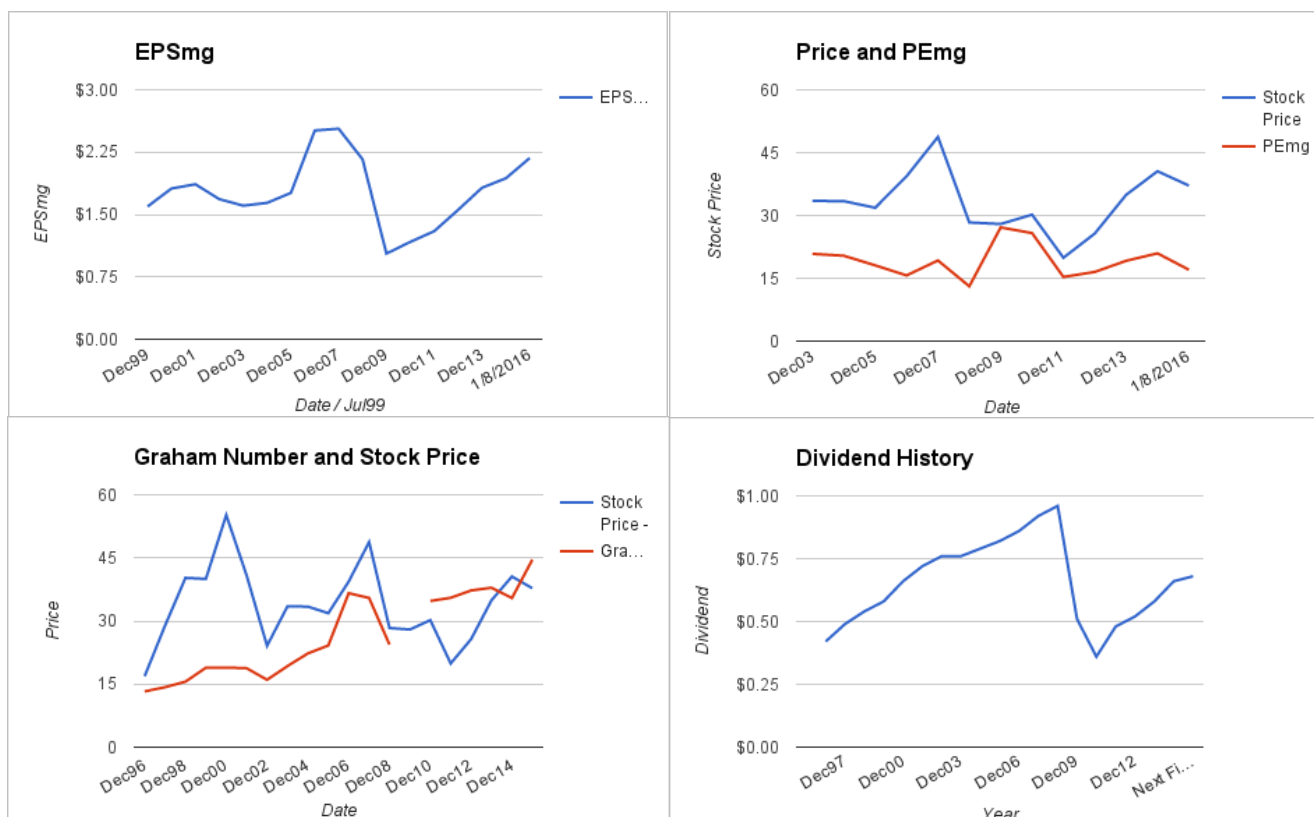
Graham Number	\$44.58
PEmg	17.04
PB Ratio	1.08
Dividend Yield	1.83%
Number of Consecutive Years of Dividend Growth	5

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	\$2.71	Next Fiscal Year Estimate	\$2.18
Dec14	\$1.74	Dec14	\$1.94
Dec13	\$2.03	Dec13	\$1.82
Dec12	\$2.03	Dec12	\$1.56
Dec11	\$2.03	Dec11	\$1.30
Dec10	\$2.06	Dec10	\$1.17
Dec09	-\$1.16	Dec09	\$1.03
Dec08	\$1.20	Dec08	\$2.16
Dec07	\$2.18	Dec07	\$2.53
Dec06	\$3.94	Dec06	\$2.51
Dec05	\$2.03	Dec05	\$1.76
Dec04	\$1.85	Dec04	\$1.64
Dec03	\$1.52	Dec03	\$1.61
Dec02	\$1.24	Dec02	\$1.68
Dec01	\$1.81	Dec01	\$1.86
Dec00	\$1.92	Dec00	\$1.81
Dec99	\$2.27	Dec99	\$1.60
Dec98	\$1.53	Balance Sheet Information Sep15	
Dec97	\$1.36	Long-Term Debt	\$22,078,000,000
Dec96	\$1.21	Total Assets	\$377,371,000,000
Dec95	\$0.00	Intangible Assets	\$21,593,000,000
		Total Liabilities	\$339,201,000,000
		Shares Outstanding (Diluted Average)	1,105,645,000





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

- [10 Companies Benjamin Graham Would Invest In Today – October 2015](#)
- [8 Best Stocks For Value Investors This Week – 10/13/15](#)
- [Bank of New York Mellon Corporation Analysis – October 2015 Update \\$BK](#)
- [The Best Stocks of the Financial Services Industry – September 2015](#)
- [The 9 Best Stocks For Value Investors This Week – 7/18/15](#)

Other
ModernGraham
posts about related
companies

- [Fifth Third Bancorp Valuation – January 2016 Update \\$FITB](#)
- [Huntington Bancshares Valuation – January 2016 Update \\$HBAN](#)
- [Wells Fargo & Co Valuation – December 2015 Update \\$WFC](#)
- [Citigroup Inc Valuation – December 2015 Update \\$C](#)
- [People's United Financial Corp Valuation – December 2015 Update \\$PBCT](#)
- [M&T Bank Corp Valuation – December 2015 Update \\$MTB](#)
- [KeyCorp Valuation – November 2015 Update \\$KEY](#)
- [State Street Corp Valuation – November 2015 Update \\$STT](#)
- [BB&T Corporation Valuation – November 2015 Update \\$BBT](#)
- [PNC Financial Services Group Valuation – November 2015 Update \\$PNC](#)