

ModernGraham Valuation

Company Name:

Company Ticker BK
Date of Analysis

Bank of New York
Mellon Corp

8/8/2016



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	\$45,470,233,652	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	250.00%	Pass
5. Moderate PEmg Ratio	PEmg < 20	16.44	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.14	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	2.47
MG Growth Estimate	10.44%
MG Value	\$72.55
MG Value based on 3% Growth	\$35.80
MG Value based on 0% Growth	\$20.98
Market Implied Growth Rate	3.97%

MG Opinion

Current Price	\$40.59
% of Intrinsic Value	55.95%
Opinion	Undervalued
MG Grade	C+

Stage 3: Information for Further Research

Graham Number	\$46.78
PEmg	16.44
PB Ratio	1.14
Dividend Yield	1.68%
Number of Consecutive Years of Dividend Growth	6

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	\$2.91	Next Fiscal Year Estimate	\$2.47
Dec2015	\$2.71	Dec2015	\$2.19
Dec2014	\$2.15	Dec2014	\$1.93
Dec2013	\$1.73	Dec2013	\$1.64
Dec2012	\$1.73	Dec2012	\$1.46
Dec2011	\$2.03	Dec2011	\$1.30
Dec2010	\$2.06	Dec2010	\$1.17
Dec2009	-\$1.16	Dec2009	\$1.03
Dec2008	\$1.20	Dec2008	\$2.16
Dec2007	\$2.18	Dec2007	\$2.53
Dec2006	\$3.94	Dec2006	\$2.51
Dec2005	\$2.03	Dec2005	\$1.76
Dec2004	\$1.85	Dec2004	\$1.64
Dec2003	\$1.52	Dec2003	\$1.61
Dec2002	\$1.24	Dec2002	\$1.68
Dec2001	\$1.81	Dec2001	\$1.86
Dec2000	\$1.92	Dec2000	\$1.81
Dec1999	\$2.27	Balance Sheet Information 6/1/2016	
Dec1998	\$1.53	Long-Term Debt & Capital Lease Obligation	\$24,671,000,000
Dec1997	\$1.36	Total Assets	\$372,351,000,000
Dec1996	\$1.21	Intangible Assets	\$21,239,000,000
		Total Liabilities	\$333,792,000,000
		Shares Outstanding (Diluted Average)	1,078,271,000





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**

- [19 Best Stocks For Value Investors This Week – 1/9/16](#)
- [Bank of New York Mellon Valuation – January 2016 Update \\$BK](#)
- [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](#)

**Other
ModernGraham
posts about related
companies**

- [Best Stocks to Invest In: the Bank Industry – August 2016](#)
- [JPMorgan Chase & Co Valuation – July 2016 \\$JPM](#)
- [Dominion Resources Inc Valuation – July 2016 \\$D](#)
- [M&T Bank Corp Valuation – July 2016 \\$MTB](#)
- [Citigroup Inc Valuation – July 2016 \\$C](#)
- [Bank of America Corp Valuation – July 2016 \\$BAC](#)
- [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](#)