

# ModernGraham Valuation

Company Name:

Company Ticker BK

Date of Analysis

1/7/2017

Bank of New York  
Mellon 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	\$51,016,635,714	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	259.01%	Pass
4. Earnings Growth	PEmg < 20	19.00	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.30	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	2.54
MG Growth Estimate	11.13%
<b>MG Value</b>	<b>\$77.99</b>
MG Value based on 3% Growth	\$36.76
MG Value based on 0% Growth	\$21.55
Market Implied Growth Rate	5.25%

### MG Opinion

Current Price	\$48.17
% of Intrinsic Value	61.76%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

## Stage 3: Information for Further Research

Graham Number	\$48.91
PEmg	19.00
PB Ratio	1.30
Dividend Yield	1.45%
Number of Consecutive Years of Dividend Growth	6

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<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.11	Next Fiscal Year Estimate	\$2.54
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	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.53	Long-Term Debt & Capital Lease Obligation	\$25,367,000,000
Dec1997	\$1.36	Total Assets	\$374,114,000,000
Dec1996	\$1.21	Intangible Assets	\$21,120,000,000
		Total Liabilities	\$334,419,000,000
		Shares Outstanding (Diluted Average)	1,067,682,000





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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[Bank of New York Mellon Valuation – January 2016 Update \\$BK](#)  
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[Southside Bancshares Inc Valuation – Initial Coverage \\$SBSI](#)  
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