ModernGraham Valuation

Company Name:

Bank of New York Mellon Corp



Company Ticker BK
Date of Analysis

1/7/2017

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

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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	
4. Earnings Growth	beginning and end	259.01% Pass
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5. Moderate PEmg Ratio PEmg < 20 19.00 Pass
6. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.30 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
 2.54

 MG Growth Estimate
 11.13%

 MG Value
 \$77.99

 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%

Opinion Undervalued

MG Grade 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
 6

 Growth
 6

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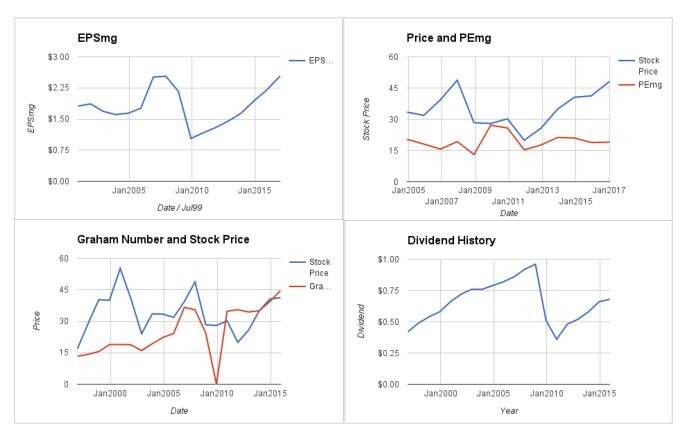
 Google Finance
 MSN Money

 Yahoo Finance
 Seeking Alpha

 GuruFocus
 SEC Filings

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	Balance Sheet Information	9/1/2016
		Long-Term Debt & Capital Lease	_
Dec1998	•	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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10 Companies Benjamin Graham Would Invest In Today - October 2015

Other ModernGraham posts about related companies ServisFirst Bancshares Inc Valuation - Initial Coverage \$SFBS

<u>Ingredion Inc Valuation – Initial Coverage \$INGR</u>

<u>City Holding Company Valuation – Initial Coverage \$CHCO</u>

Southside Bancshares Inc Valuation - Initial Coverage \$SBSI

<u>Independent Bank Corp Valuation – Initial Coverage \$INDB</u>

Cullen/Frost Bankers Inc Valuation – Initial Coverage \$CFR Signature Bank Valuation – Initial Coverage \$SBNY

Cardinal Financial Corp Valuation – Initial Coverage \$CFNL

<u>Citizens Financial Group Inc Valuation – Initial Coverage \$CFG</u>

BB&T Corporation Valuation – November 2016 \$BBT