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Subject: FW: BK: Barron's: BNY Mellon has more room to run higher
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Barron's: BNY Mellon has more room to run higher • 8:29 AM

[Stephen Alpher](#), SA News Editor

- "In many ways, we're going back to our roots," says Gerald Hassell, CEO since 2011, "looking at every single dollar that's spent, making sure it's spent wisely." It appears to be working. BNY Mellon (NYSE:BK) achieved that rarest of banking feats in Q4, with noninterest expenses down 5% year-over-year even as revenue edged higher, and expenses at 74% of revenue are now inline with peers State Street (NYSE:STT) and Northern Trust (NASDAQ:NTRS).
- Naturally, this hasn't gone unnoticed by investors, which have bid up the shares 60% since *Barron's* took a bullish peek two years ago vs. a 50% gain for the broad market. There's more room to run, writes Jack Willoughby, noting BNY Mellon sells for just 1.2x book value vs. 1.6x for State Street and 2x for Northern Trust.
- Catalysts include the benefit of rising rates, which - after years of threats to do so - finally appears to be certain to happen in 2015. ZIRP has forced the bank to cut fees for institutional clients, and has also slimmed lending and investment margins, which account for 20% of revenue. There's also the chance of a higher dividend thanks to the bank's cruise through this year's stress test.
- And if management somehow loses focus, there's Nelson Peltz's Trian Fund - an owner of a 2.5% stake in the bank - looking over its shoulder.