



BNY MELLON

BNY Mellon

**Second Quarter 2018
Financial Highlights**

July 19, 2018

Cautionary Statement

A number of statements in our presentations, the accompanying slides and the responses to your questions are “forward-looking statements.” Words such as “estimate”, “forecast”, “project”, “anticipate”, “target”, “expect”, “intend”, “continue”, “seek”, “believe”, “plan”, “goal”, “could”, “should”, “may”, “will”, “strategy”, “opportunities”, “trends” and words of similar meaning signify forward-looking statements. These statements relate to, among other things, The Bank of New York Mellon Corporation’s (the “Corporation”) expectations regarding: capital plans, strategic priorities, financial goals, driving revenue growth, expenses, including costs associated with the Corporation’s relocation strategy and timing of such costs, deposits, taxes, business opportunities, preliminary business metrics and regulatory capital ratios; and statements regarding the Corporation’s aspirations, as well as the Corporation’s overall plans, strategies, goals, objectives, expectations, outlooks, estimates, intentions, targets, opportunities and initiatives. These forward-looking statements are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond the Corporation’s control).

Actual outcomes may differ materially from those expressed or implied as a result of the factors described under “Forward Looking Statements” and “Risk Factors” in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2017 (the “2017 Annual Report”) and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”). Such forward-looking statements speak only as of July 19, 2018, and the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events. For additional information regarding the Corporation, please refer to the Corporation’s SEC filings available at www.bnymellon.com/investorrelations.

Non-GAAP Measures: In this presentation we discuss some non-GAAP measures in detailing the Corporation’s performance, which exclude certain items or otherwise include components that differ from GAAP. We believe these measures are useful to the investment community in analyzing the financial results and trends of ongoing operations. We believe they facilitate comparisons with prior periods and reflect the principal basis on which our management monitors financial performance. Additional disclosures relating to non-GAAP measures are contained in the Corporation’s reports filed with the SEC, including the 2017 Annual Report, and are available at www.bnymellon.com/investorrelations.

Second Quarter 2018 - Financial Highlights

(\$ in millions, except per share data)	2Q18	Growth vs.	
		1Q18	2Q17
Fee revenue	\$ 3,209	(3)%	3%
Net securities gains (losses)	1	N/M	N/M
Fee and other revenue	3,210	(2)	3
Income (loss) from consolidated investment management funds	12	N/M	N/M
Net interest revenue	916	—	11
Total revenue	4,138	(1)	5
Provision for credit losses	(3)	N/M	N/M
Noninterest expenses	2,747	—	3
Income before income taxes	1,394	(3)	7
Net income applicable to common shareholders	\$ 1,055	(7)%	14%
Operating leverage ^(a)		(125) bps	+113 bps
Pre-tax operating margin	34%	(84) bps	+63 bps
Earnings per common share	\$ 1.03	(6)%	17%
Common equity Tier 1 (“CET1”) ^(b)	11.0%	+30 bps	+59 bps
Return on common equity (annualized)	11.2%	(104) bps	+84 bps
Return on tangible common equity (“ROTCE”) ^(c)	23.5%	(241) bps	+151 bps

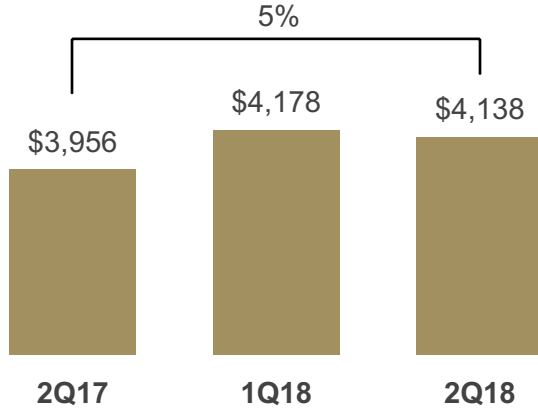
Financial Performance

- Earnings of \$1.06 billion or \$1.03 earnings per common share
 - Positive operating leverage of 113 bps
- Estimated cost of relocating corporate headquarters of \$75 million
 - \$12 million recorded in 2Q18 and expect remainder in 4Q18
- Returned \$895 million of capital to common shareholders
 - Repurchased 12 million common shares for \$651 million
 - Paid \$244 million in dividends to common shareholders
- Authorized to repurchase \$2.4 billion of common shares through 2Q19 and increased quarterly dividend 17% to \$0.28 per share in 3Q18

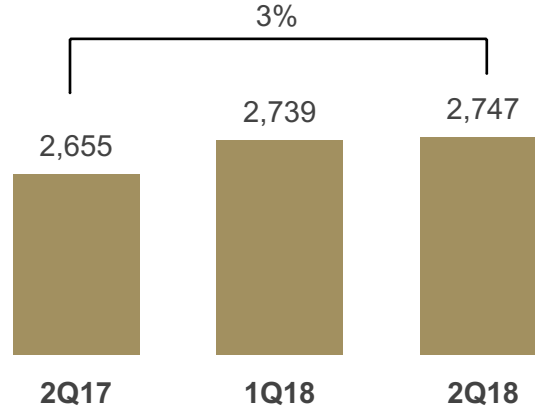
Note: See page 13 for corresponding footnotes in Appendix. N/M - not meaningful; bps - basis points

Second Quarter 2018 - Financial Highlights

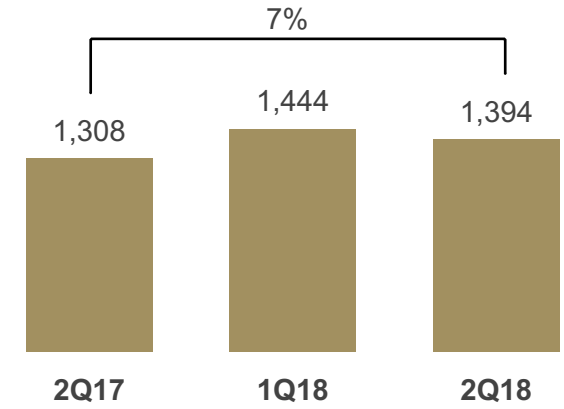
Total Revenue (\$mm)



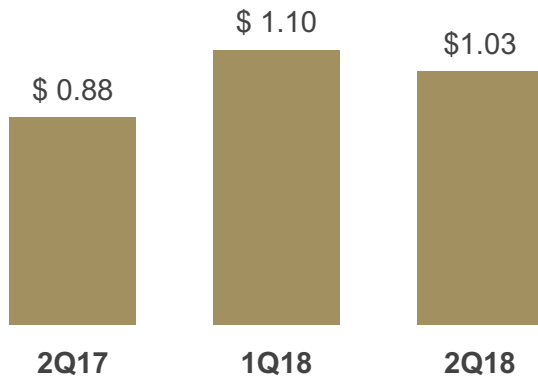
Total Noninterest Expense (\$mm)



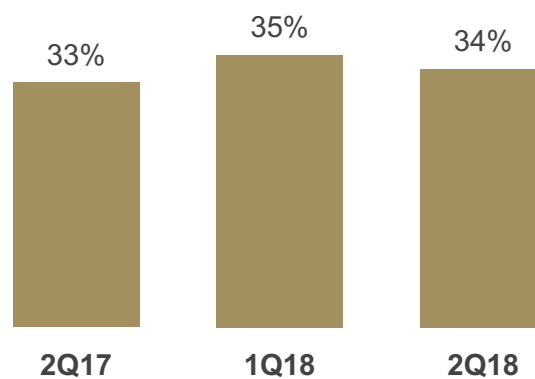
Income Before Income Taxes (\$mm)



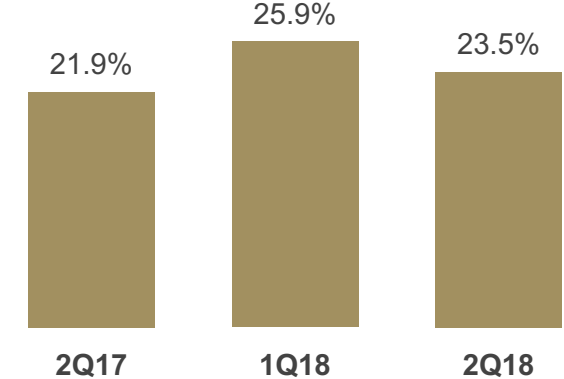
Earnings Per Share



Pre-tax Operating Margin



ROTCE^(a)



(a) Represents a Non-GAAP measure. See Appendix for reconciliation.

Investment Services Business Highlights

Financial Highlights (\$ millions)	2Q18	Growth vs.	
		1Q18	2Q17
Total revenue by line of business:			
Asset Servicing	\$ 1,520	— %	10%
Pershing	558	(4)	2
Issuer Services	431	3	8
Treasury Services	329	2	6
Clearance and Collateral Management	269	5	11
Total revenue by line of business	3,107	—	8
Provision for credit losses	1	N/M	N/M
Noninterest expense	1,967	1	2
Income before taxes	\$ 1,139	(1)%	20%
Pre-tax operating margin	37%	(56) bps	360 bps

Key Metrics (\$ millions unless otherwise noted)	2Q18	Growth vs.	
		1Q18	2Q17
Foreign exchange revenue	\$ 172	2 %	19 %
Securities lending revenue	\$ 55	15 %	31 %
Average loans	\$ 38,002	(3)%	(7)%
Average deposits	\$ 203,064	(5)%	1 %
AUC/A at period end (in trillions) ^(a)	\$ 33.6	— %	8 %
Market value of securities on loan at period end (in billions) ^(b)	\$ 432	(1)%	29 %
Pershing			
Average active clearing accounts (U.S. platform) (in thousands)	6,080	— %	(1)%
Average long-term mutual fund assets (U.S. platform)	\$ 512,645	— %	7 %
Average investor margin loans (U.S. platform)	\$ 10,772	(1)%	10 %
Clearance and Collateral Management			
Average tri-party collateral mgmt. balances (in trillions)	\$ 2.8	4 %	12 %

Note: See page 13 for corresponding footnotes in Appendix. N/M - not meaningful; bps - basis points

Business Performance Drivers

year-over-year

- Asset Servicing, up 10%
 - Higher net interest revenue, foreign exchange and securities lending volumes, equity market values and the favorable impact of a weaker U.S. dollar
- Pershing, up 2%
 - Higher net interest revenue and fees due to growth in long-term mutual fund balances, partially offset by the impact of lost business
- Issuer Services, up 8%
 - Higher net interest revenue in Corporate Trust and higher Depository Receipts revenue
- Treasury Services, up 6%
 - Higher net interest revenue and payment volumes
- Clearance and Collateral Management, up 11%
 - Growth in collateral management, higher clearance volumes and net interest revenue
- Total noninterest expense, up 2%
 - Investments in technology
 - Unfavorable impact of the weaker U.S. dollar
- AUC/A of \$33.6 trillion, up 8%
 - Reflecting higher market values and business growth

Investment Management Business Highlights

Financial Highlights (\$ millions)	2Q18	Growth vs.	
		1Q18	2Q17
Total revenue by line of business:			
Asset Management	\$ 702	(9)%	3%
Wealth Management	316	(1)	4
Total revenue by line of business	1,018	(6)	3
Provision for credit losses	2	N/M	N/M
Noninterest expense	697	(1)	—
Income before taxes	\$ 319	(16)%	11%
Pre-tax operating margin	31%	(380) bps	200 bps
Adjusted pre-tax operating margin – Non-GAAP ^(a)	35%	(425) bps	205 bps

Key Metrics (\$ millions unless otherwise noted)	2Q18	Growth vs.	
		1Q18	2Q17
Average loans	\$ 16,974	1%	3 %
Average deposits	\$ 14,252	7%	(4)%
Wealth Management client assets (in billions) ^(b)	\$ 254	3%	6 %
Changes in AUM (in billions): ^(c)		1Q18	2Q17
Beginning balance of AUM	\$ 1,868	\$1,893	\$1,727
Net (outflows) inflows:			
Equity	(3)	—	(2)
Fixed income	(4)	7	2
Liability-driven investments ^(d)	2	13	15
Multi-asset and alternative investments	(3)	(3)	1
Index	(7)	(13)	(13)
Total long-term strategies (outflows) inflows	(15)	4	3
Cash	(11)	(14)	11
Total net (outflows) inflows	(26)	(10)	14
Net market impact	17	(14)	1
Net currency impact	(53)	29	29
Divestiture/Other ^(e)	(1)	(30)	—
Ending balance of AUM	\$ 1,805	\$1,868	\$1,771

Business Performance Drivers

year-over-year

- Asset Management, up 3%
 - Higher equity market values
 - Favorable impact of weaker U.S. dollar
 - Partially offset by the divestiture of CenterSquare and the impact of net outflows
- Wealth Management, up 4%
 - Higher equity market values
 - Partially offset by lower net interest revenue

Note: See page 13 for corresponding footnotes in Appendix. N/M - not meaningful; bps - basis points

Other Segment

Financial Highlights (\$ millions)	2Q18	1Q18	2Q17
Fee revenue	\$ 40	\$ 57	\$ 113
Net securities gains (losses)	1	(49)	—
Total fee and other revenue	41	8	113
Net interest (expense)	(35)	(1)	(22)
Total revenue	6	7	91
Provision for credit losses	(6)	—	(4)
Noninterest expense	81	87	28
(Loss) income before taxes	\$ (69)	\$ (80)	\$ 67

Business Performance Drivers

year-over-year

- Fee revenue decreased primarily reflecting the lease-related gains recorded in 2Q17 and lower income from corporate/bank-owned life insurance
- Net interest expense increased primarily resulting from corporate treasury activity
- Noninterest expense increase was impacted by investments in technology and expenses associated with the continued consolidation of our real estate

Capital and Liquidity

	June 30, 2018	March 31, 2018	Dec. 31, 2017
Consolidated regulatory capital ratios: ^(a)			fully phased-in ^(b)
Advanced Approach:			
CET1 ratio	11.0%	10.7%	10.3%
Tier 1 capital ratio	13.1	12.7	12.3
Total capital ratio	13.9	13.4	13.0
Tier 1 leverage ratio	6.7	6.5	6.4
Supplementary leverage ratio ("SLR")	6.2	5.9	5.9
Average liquidity coverage ratio ("LCR")	118%	116%	118%
Book value per common share ^(c)	\$ 37.97	\$ 37.78	\$ 37.21
Tangible book value per common share – Non-GAAP ^(c)	\$ 19.00	\$ 18.78	\$ 18.24
Cash dividends per common share	\$ 0.24	\$ 0.24	\$ 0.24
Common dividend payout ratio	23%	22%	22%
Closing stock price per common share	\$ 53.93	\$ 51.53	\$ 53.86
Market capitalization (<i>in millions</i>)	\$ 53,927	\$ 52,080	\$ 54,584
Common shares outstanding (<i>in thousands</i>)	999,945	1,010,676	1,013,442

Note: See page 13 for corresponding footnotes in Appendix.

Net Interest Revenue

(\$ in millions)	2Q18	Growth vs.	
		1Q18	2Q17
Net interest revenue	\$ 916	—%	11%
Add: Tax equivalent adjustment	5	N/M	N/M
Net interest revenue (FTE) – Non-GAAP ^(a)	\$ 921	—%	10%
Net interest margin	1.26%	4 bps	12 bps
Net interest margin (FTE) – Non-GAAP ^(a)	1.26%	3 bps	10 bps
<u>Selected average balances:</u>			
Cash/interbank investments	\$113,475	(6)%	2%
Trading account securities	3,784	(10)	54
Securities	117,761	(1)	—
Loans	57,066	(3)	(3)
Interest-earning assets	292,086	(3)	1
Interest-bearing deposits	152,799	(2)	7
Federal funds purchased and securities sold under repurchase agreements	18,146	(4)	1
Long-term debt	28,349	—	3
Other interest-bearing liabilities	23,815	—	(6)
Interest-bearing liabilities	223,109	(2)	5
Noninterest-bearing deposits	64,768	(9)	(12)

Financial Performance Drivers

year-over-year

- Net interest revenue up 11%
 - Higher interest rates
- NIM up 12 bps to 1.26%

Note: See page 13 for corresponding footnotes in Appendix. FTE – fully taxable equivalent; N/M – not meaningful; bps – basis points

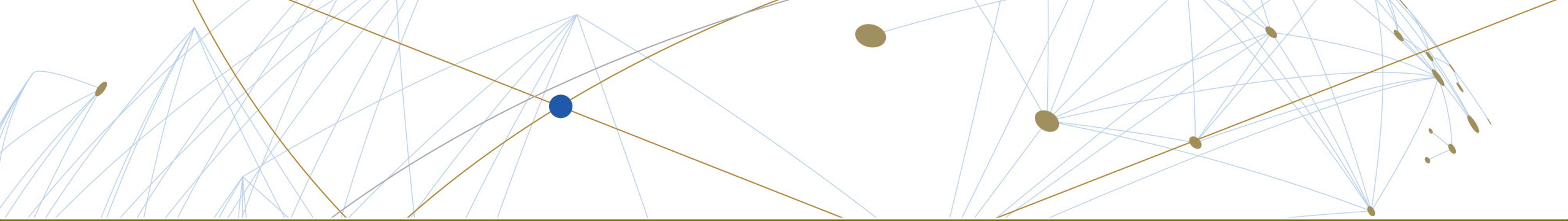
Noninterest Expense

(\$ in millions)	2Q18	Growth vs.		Financial Performance Drivers <i>year-over-year</i>
		1Q18	2Q17	
Staff	\$ 1,489	(6)%	4%	<ul style="list-style-type: none"> • Noninterest expense up 3% <ul style="list-style-type: none"> ◦ Investments in technology, which impacted staff, professional, legal and other purchased services and software and equipment expenses ◦ Unfavorable impact of a weaker U.S. dollar and expenses associated with the continued consolidation of our real estate • Estimated cost of relocating corporate headquarters of \$75 million <ul style="list-style-type: none"> ◦ \$12 million was recorded in 2Q18 and expect remainder in 4Q18
Professional, legal and other purchased services	328	13	3	
Software and equipment	266	14	15	
Net occupancy	156	12	11	
Sub-custodian and clearing	110	(8)	2	
Distribution and servicing	106	—	2	
Business development	62	22	(2)	
Bank assessment charges	47	(10)	(20)	
Amortization of intangible assets	48	(2)	(9)	
Other	135	11	(7)	
Total noninterest expense	\$ 2,747	—%	3%	

Fee and Other Revenue

(\$ in millions)	2Q18	Growth vs.	
		1Q18	2Q17
Investment services fees:			
Asset servicing	\$ 1,097	(1)%	6%
Securities lending	60	9	25
Clearing services	392	(5)	(1)
Issuer services	266	2	10
Treasury services	140	1	—
Total investment services fees	1,955	(1)	5
Investment management and performance fees	910	(5)	4
Foreign exchange	171	(7)	13
Other trading revenue	16	N/M	N/M
Total foreign exchange and other trading revenue	187	(11)	13
Financing-related fees	53	2	—
Distribution and servicing	34	(6)	(17)
Investment and other income	70	N/M	N/M
Total fee revenue	3,209	(3)	3
Net securities gains	1	N/M	N/M
Total fee and other revenue	\$ 3,210	(2)%	3%

Note: N/M - not meaningful



Appendix

Footnotes

Second Quarter 2018 - Financial Highlights, Page 3

- (a) Operating leverage is the rate of increase (decrease) in total revenue less the rate of increase (decrease) in total noninterest expense.
- (b) Regulatory capital ratios for June 30, 2018 are preliminary. For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under the U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches, which for each of the periods referenced was the advanced approach.
- (c) Quarterly results are annualized. Represents a Non-GAAP measure. See Appendix for a reconciliation.

Investment Services Business Highlights, Page 5

- (a) Current period is preliminary. Includes the AUC/A of CIBC Mellon Global Securities Services Company ("CIBC Mellon"), a joint venture with the Canadian Imperial Bank of Commerce, of \$1.4 trillion at June 30, 2018, \$1.3 trillion at March 31, 2018 and \$1.2 trillion at June 30, 2017.
- (b) Represents the total amount of securities on loan in our agency securities lending program managed by the Investment Services business. Excludes securities for which BNY Mellon acts as agent on behalf of CIBC Mellon clients, which totaled \$70 billion at June 30, 2018, \$73 billion at March 31, 2018 and \$66 billion at June 30, 2017.

Investment Management Business Highlights, Page 6

- (a) Net of distribution and servicing expense. See corresponding Appendix pages for reconciliation of this Non-GAAP measure. In 1Q18, the adjusted pre-tax margin - Non-GAAP for prior periods was restated to include amortization of intangible assets and the provision for credit losses.
- (b) Current period is preliminary. Includes AUM and AUC/A in the Wealth Management business.
- (c) Current period is preliminary. Excludes securities lending cash management assets and assets managed in the Investment Services business.
- (d) Includes currency overlay AUM.
- (e) Primarily reflects a change in methodology beginning in 1Q18 to exclude AUM related to equity method investments as well as the CenterSquare divestiture.

Capital and Liquidity, Page 8

- (a) Regulatory capital ratios for June 30, 2018 are preliminary. For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under the U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches, which for the periods included was the Advanced Approaches.
- (b) On a transitional basis at Dec. 31, 2017, the CET1 ratio was 10.7%, the Tier 1 capital ratio was 12.7%, the Total capital ratio was 13.4%, the Tier 1 leverage ratio was 6.6% and the SLR was 6.1%.
- (c) Tangible book value per common share – Non-GAAP excludes goodwill and intangible assets, net of deferred tax liabilities. See corresponding Appendix pages for reconciliation of this Non-GAAP measure.

Net Interest Revenue, Page 9

- (a) Net interest revenue (FTE) – Non-GAAP and net interest margin (FTE) – Non-GAAP include the tax equivalent adjustments on tax-exempt income which allows for comparisons of amounts arising from both taxable and tax-exempt sources and is consistent with industry practice. The adjustment to an FTE basis has no impact on net income.

Return on Common Equity and Tangible Common Equity Reconciliation

(\$ in millions)	2Q18	1Q18	2Q17
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$ 1,055	\$ 1,135	\$ 926
Add: Amortization of intangible assets	48	49	53
Less: Tax impact of amortization of intangible assets	11	12	19
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP	\$ 1,092	\$ 1,172	\$ 960
Average common shareholders' equity	\$ 37,750	\$ 37,593	\$ 35,862
Less: Average goodwill	17,505	17,581	17,408
Average intangible assets	3,341	3,397	3,532
Add: Deferred tax liability – tax deductible goodwill ^(a)	1,054	1,042	1,542
Deferred tax liability – intangible assets ^(a)	709	716	1,095
Average tangible common shareholders' equity – Non-GAAP	\$ 18,667	\$ 18,373	\$ 17,559
Return on common equity (annualized) – GAAP	11.2%	12.2%	10.4%
Return on tangible common equity (annualized) – Non-GAAP	23.5%	25.9%	21.9%

Book Value and Tangible Book Value Per Share Reconciliation

(\$ in millions, except common shares)	June 30, 2018	March 31, 2018	Dec. 31, 2017
BNY Mellon shareholders' equity at period end – GAAP	\$ 41,505	\$ 41,728	\$ 41,251
Less: Preferred stock	3,542	3,542	3,542
BNY Mellon common shareholders' equity at period end – GAAP	37,963	38,186	37,709
Less: Goodwill	17,418	17,596	17,564
Intangible assets	3,308	3,370	3,411
Add: Deferred tax liability – tax deductible goodwill ^(a)	1,054	1,042	1,034
Deferred tax liability – intangible assets ^(a)	709	716	718
BNY Mellon tangible common shareholders' equity at period end – Non-GAAP	\$ 19,000	\$ 18,978	\$ 18,486
Period-end common shares outstanding (in thousands)	999,945	1,010,676	1,013,442
Book value per common share – GAAP	\$ 37.97	\$ 37.78	\$ 37.21
Tangible book value per common share – Non-GAAP	\$ 19.00	\$ 18.78	\$ 18.24

(a) Deferred tax liabilities for 2Q17 are based on fully phased-in U.S. capital rules.

Pre-tax Operating Margin Reconciliation - Investment Management Business

<i>(\$ in millions)</i>	2Q18	1Q18	2Q17
Income before income taxes – GAAP	\$ 319	\$ 381	\$ 288
Total revenue – GAAP	\$ 1,018	\$ 1,088	\$ 986
Less: Distribution and servicing expense	103	110	104
Adjusted total revenue, net of distribution and servicing expense – Non-GAAP	\$ 915	\$ 978	\$ 882
Pre-tax operating margin – GAAP ^(a)	31%	35%	29%
Adjusted pre-tax operating margin, excluding distribution and servicing expense – Non-GAAP ^(a)	35%	39%	33%

(a) Income before taxes divided by total revenue.