



BNY MELLON

BNY Mellon

**First Quarter 2018
Financial Highlights**

April 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, client experience, driving revenue growth, preliminary business metrics; 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 April 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.

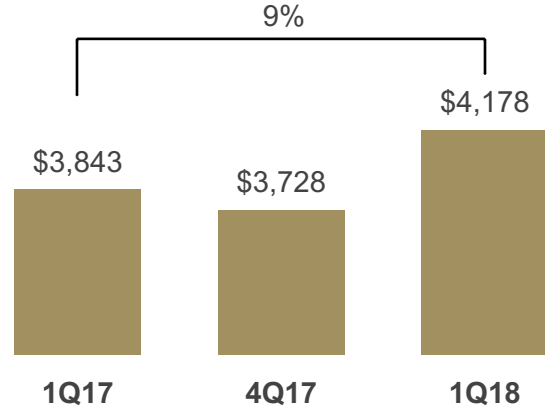
First Quarter 2018 - Financial Highlights

(\$ in millions, except per share data)	1Q18	Growth vs.		Financial Performance
		4Q17	1Q17	
Fee revenue	\$ 3,319	15%	10%	<ul style="list-style-type: none"> • Earnings of \$1.14 billion and diluted earnings per common share of \$1.10 • Total revenue of \$4.2 billion, up 9% <ul style="list-style-type: none"> ◦ Fee revenue up 10% ◦ Net interest revenue up 16% ◦ Weaker U.S. dollar increased total revenue by ~2% • Total noninterest expense of \$2.7 billion, up 4% <ul style="list-style-type: none"> ◦ Generated positive operating leverage and increased margin from 31% to 35% ◦ Weaker U.S. dollar increased expense ~3% • Returned approximately \$890 million of capital to common shareholders <ul style="list-style-type: none"> ◦ Repurchased 11 million common shares for \$644 million ◦ Paid \$246 million in dividends to common shareholders
Net securities (losses) gains	(49)	N/M	N/M	
Fee and other revenue	3,270	14	8	
(Loss) income from consolidated investment management funds	(11)	N/M	N/M	
Net interest revenue	919	8	16	
Total revenue	4,178	12	9	
Provision for credit losses	(5)	N/M	N/M	
Noninterest expenses	2,739	(9)	4	
Income before income taxes	1,444	N/M	20	
Net income applicable to common shareholders	\$ 1,135	1%	29%	
Operating leverage ^(a)		N/M	+505 bps	
Pre-tax operating margin	35%	N/M	+316 bps	
Earnings per common share	\$ 1.10	2%	33%	
Common equity Tier 1 ("CET1") ^(b)	10.7%	+42 bps	+70 bps	
Return on tangible common equity ("ROTCE") ^(c)	25.9%	(7) bps	+364 bps	

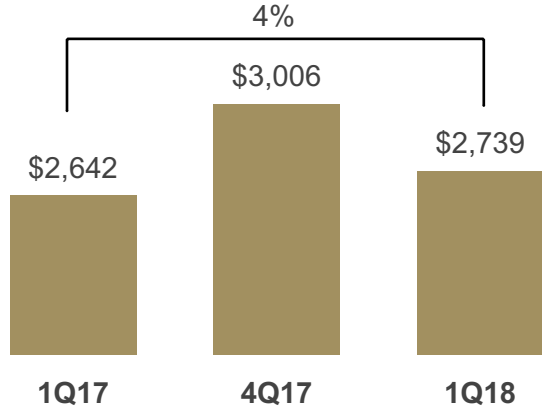
Note: See page 13 for corresponding footnotes in Appendix. N/M - not meaningful; bps - basis points

First Quarter 2018 - Financial Highlights

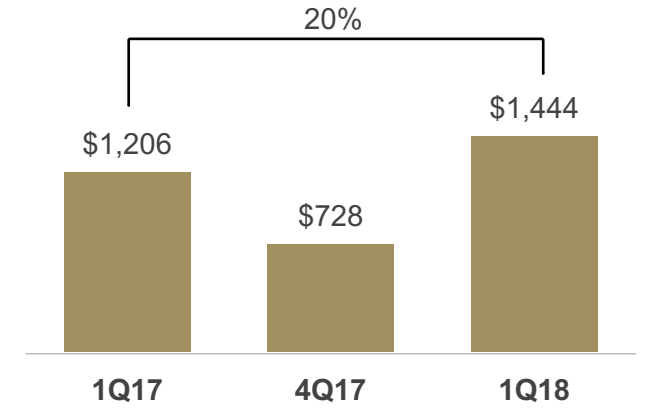
Total Revenue (\$mm)



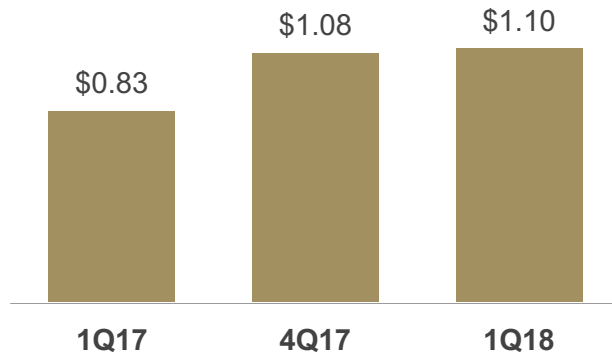
Total Noninterest Expense (\$mm)



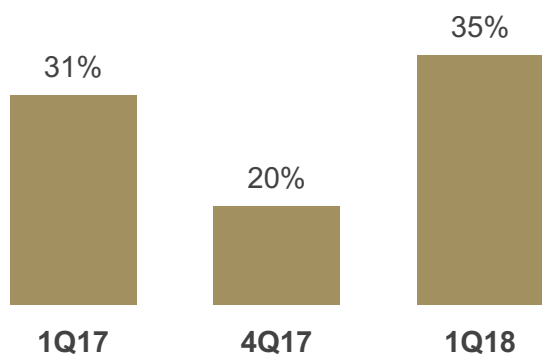
Income Before Income Taxes (\$mm)



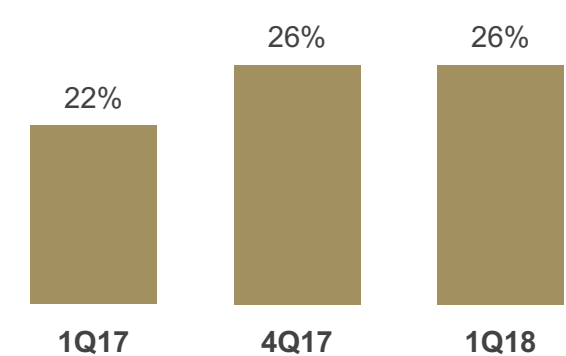
Earnings Per Share



Pre-tax Operating Margin



ROTCE^(a)



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

Investment Services Business Highlights

Financial Highlights (\$millions)	1Q18	Growth vs.	
		4Q17	1Q17
Total revenue by line of business: ^(a)			
Asset Servicing	\$ 1,519	4%	13%
Pershing	581	2	11
Issuer Services	418	19	6
Treasury Services	321	—	6
Clearance and Collateral Management	255	1	13
Total revenue by line of business	3,094	5	11
Provision for credit losses	(7)	N/M	N/M
Noninterest expense	1,949	(7)	5
Income before taxes	\$ 1,152	34%	22%
Pre-tax operating margin	37%	816 bps	347 bps

Key Metrics (\$millions unless otherwise noted)	1Q18	Growth vs.	
		4Q17	1Q17
Foreign exchange revenue	\$ 169	1 %	10 %
Securities lending revenue	\$ 48	7 %	20 %
Average loans	\$ 39,200	1 %	(8)%
Average deposits	\$ 214,130	5 %	8 %
AUC/A at period end (in trillions) ^{(b) (c)}	\$ 33.5	1 %	9 %
Market value of securities on loan at period end (in billions) ^(d)	\$ 436	7 %	39 %
Pershing			
Average active clearing accounts (U.S. platform) (in thousands)	6,075	(1)%	— %
Average long-term mutual fund assets (U.S. platform)	\$ 514,542	1 %	12 %
Average investor margin loans (U.S. platform)	\$ 10,930	11 %	2 %
Clearance and Collateral Management			
Average tri-party repo balances (in trillions)	\$ 2.7	4 %	14 %

Business Performance Drivers

year-over-year

- Total revenue up 11%
- Asset Servicing, up 13%
 - Higher net interest revenue, fees driven by higher volumes, market values and foreign exchange volumes, and the favorable impact of a weaker U.S. dollar
- Pershing, up 11%
 - Higher net interest revenue and fees from growth in long-term mutual fund balances and clearance volumes
- Issuer Services, up 6%
 - Higher net interest revenue in Corporate Trust and the favorable impact of a weaker U.S. dollar
- Treasury Services, up 6%
 - Higher net interest revenue and payment volumes
- Clearance and Collateral Management, up 13%
 - Growth in collateral management, higher clearance volumes and net interest revenue
- Total noninterest expense up 5%
 - Higher technology costs
 - Unfavorable impact of the weaker U.S. dollar
 - Higher volume-related sub-custodian and clearing expense
 - Partially offset by lower consulting expenses
- AUC/A increased 9% to \$33.5 trillion

Note: See page 13 for corresponding footnotes in Appendix. See page 14 "Change in Presentation" for additional information on the Investment Services business. N/M - not meaningful

Investment Management Business Highlights

Financial Highlights (\$millions)	1Q18	Growth vs.	
		4Q17	1Q17
Total revenue by line of business: ^(a)			
Asset Management	\$ 770	4%	16%
Wealth Management	318	3	5
Total revenue by line of business	1,088	4	13
Provision for credit losses	2	N/M	N/M
Noninterest expense	705	(9)	3
Income before taxes	\$ 381	38%	38%
Pre-tax operating margin	35%	871 bps	628 bps
Adjusted pre-tax operating margin – Non-GAAP ^(b)	39%	968 bps	688 bps

Key Metrics (\$millions unless otherwise noted)	1Q18	Growth vs.	
		4Q17	1Q17
Average loans	\$ 16,876	— %	4 %
Average deposits	\$ 13,363	15 %	(15)%
Total Wealth Management client assets (in billions) ^(c)	\$ 246	(2)%	4 %
Changes in AUM (in billions): ^(d)		4Q17	1Q17
Beginning balance of AUM	\$ 1,893	\$1,824	\$1,648
Net inflows (outflows):			
Equity	—	(6)	(4)
Fixed income	7	(2)	2
Liability-driven investments ^(e)	13	23	14
Multi-asset and alternative investments	(3)	2	2
Index	(13)	(1)	—
Total long-term strategies inflows	4	16	14
Cash	(14)	(4)	13
Total net (outflows) inflows	(10)	12	27
Net market impact	(14)	47	41
Net currency impact	29	10	11
Divestiture/Other ^(f)	(30)	—	—
Ending balance of AUM	\$ 1,868	\$1,893	\$1,727

Business Performance Drivers

year-over-year

- Total revenue up 13%
 - Asset Management, up 16%
 - Higher equity market values
 - Favorable impact of weaker U.S. dollar
 - Higher performance fees
 - CenterSquare sale
 - Wealth Management, up 5%
 - Higher equity market values
 - Net new business
 - Partially offset by lower net interest revenue from lower deposit balances
- Total noninterest expense up 3%
 - Unfavorable impact of weaker U.S. dollar

Note: See page 13 for corresponding footnotes in Appendix. See page 14 "Change in Presentation" for additional information on the Investment Management business. N/M - not meaningful

Other Segment

Financial Highlights (\$millions)	1Q18	4Q17	1Q17
Fee revenue	\$ 57	\$ (221)	\$ 62
Net securities (losses) gains	(49)	(26)	10
Total fee and other revenue (loss)	8	(247)	72
Net interest (expense)	(1)	(36)	(1)
Total revenue (loss)	7	(283)	71
Provision for credit losses	—	(5)	(8)
Noninterest expense	87	135	107
(Loss) before taxes	\$ (80)	\$ (413)	\$ (28)

Business Performance Drivers

- Fee revenue increased sequentially, primarily reflecting the 4Q17 impact of the enactment of the U.S. tax legislation
- Net securities losses in 1Q18 primarily related to sale of approximately \$1 billion of debt securities
- Noninterest expense decreased year-over-year reflecting lower professional, legal and other purchased services, partially offset by higher incentive expense

Capital and Liquidity

	March 31, 2018	Dec. 31, 2017
Consolidated regulatory capital ratios - fully phased-in basis: ^(a) ^(b)		
Advanced Approach:		
CET1 ratio	10.7%	10.3%
Tier 1 capital ratio	12.7	12.3
Total capital ratio	13.5	13.0
Tier 1 leverage ratio	6.5	6.4
Supplementary leverage ratio ("SLR")	5.9	5.9
Average liquidity coverage ratio ("LCR")	116%	118%
Book value per common share ^(c)	\$ 37.78	\$ 37.21
Tangible book value per common share – Non-GAAP ^(c)	\$ 18.78	\$ 18.24
Cash dividends per common share	\$ 0.24	\$ 0.24
Common dividend payout ratio	22%	22%
Closing stock price per common share	\$ 51.53	\$ 53.86
Market capitalization (<i>in millions</i>)	\$ 52,080	\$ 54,584
Common shares outstanding (<i>in thousands</i>)	1,010,676	1,013,442

Note: See page 13 for corresponding footnotes in Appendix.

Net Interest Revenue □

(\$ in millions)	1Q18	Growth vs.	
		4Q17	1Q17
Net interest revenue	\$ 919	8%	16% □
Add: Tax equivalent adjustment	6	N/M	N/M □
Net interest revenue (FTE) – Non-GAAP ^(a)	\$ 925	7%	15%
Net interest margin □	1.22%	8 bps	9 bps
Net interest margin (FTE) – Non-GAAP ^(a) □	1.23%	7 bps	9 bps
<u>Selected average balances:</u>			
Cash/interbank investments	\$120,821	3%	14%
Trading account securities	4,183	54	86
Securities	118,459	(1)	3
Loans	58,606	3	(3)
Interest-earning assets	302,069	2	7
Interest-bearing deposits	155,704	5	11
Federal funds purchased and securities sold under repurchase agreements	18,963	(6)	—
Long-term debt	28,407	1	10
Other interest-bearing liabilities	23,920	(8)	5
Interest-bearing liabilities	226,994	2	9
Noninterest-bearing deposits	71,005	3	(3)

Financial Performance Drivers

year-over-year

- □ Net interest revenue up 16%
 - □ Higher interest rates and deposits
 - □ Partially offset by higher average long-term debt
- □ NIM up 9 bps to 1.22%

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

Noninterest Expense

(\$ in millions)	1Q18	Growth vs.	
		4Q17	1Q17
Staff ^(a)	\$ 1,576	(3)%	6%
Professional, legal and other purchased services	291	(14)	(7)
Software and equipment	234	(21)	5
Net occupancy	139	(9)	2
Sub-custodian and clearing ^(b)	119	17	16
Distribution and servicing	106	—	6
Bank assessment charges	52	(2)	(9)
Business development	51	(23)	—
Amortization of intangible assets	49	(6)	(6)
Other ^{(a)(b)(c)}	122	(42)	3
Total noninterest expense <input type="checkbox"/>	\$ 2,739	(9)%	4% <input type="checkbox"/>

Financial Performance Drivers year-over-year

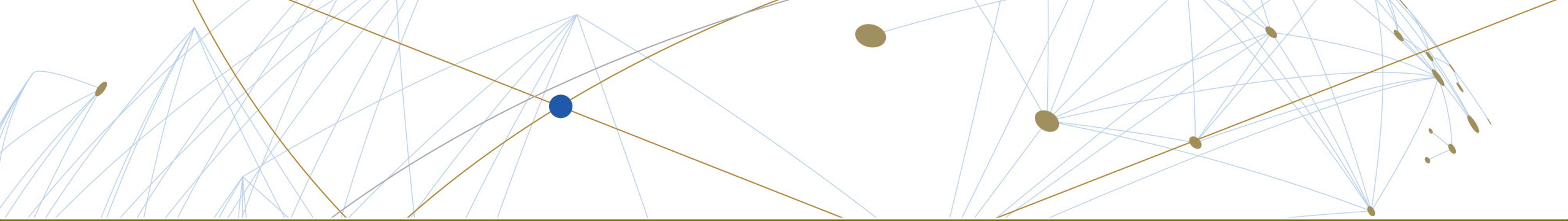
- Noninterest expense up 4%
 - Unfavorable impact of weaker U.S. dollar
 - Higher staff expense
 - Higher volume-related sub-custodian and clearing expenses
 - Partially offset by lower consulting expense

Note: See page 13 for corresponding footnotes in Appendix.

Fee and Other Revenue

(\$ in millions)	1Q18	Growth vs.	
		4Q17	1Q17
Investment services fees:			
Asset servicing	\$ 1,113	3%	10%
Securities lending	55	8	12
Clearing services	414	4	10
Issuer services	260	32	4
Treasury services	138	1	(1)
Total investment services fees	1,980	6	8
Investment management and performance fees	960	—	14
Foreign exchange	183	5	19
Other trading revenue (loss)	26	N/M	N/M
Total foreign exchange and other trading revenue	209	26	27
Financing-related fees	52	(4)	(5)
Distribution and servicing	36	(5)	(12)
Investment and other income (loss)	82	N/M	N/M
Total fee revenue	3,319	15	10
Net securities (losses) gains	(49)	N/M	N/M
Total fee and other revenue	\$ 3,270	14%	8%

Note: N/M - not meaningful



Appendix

Footnotes

First 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 March 31, 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 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) See "Change in Presentation" on page 14 for additional information on the Investment Services business.
- (b) Includes the AUC/A of CIBC Mellon Global Securities Services Company ("CIBC Mellon"), a joint venture with the Canadian Imperial Bank of Commerce, of \$1.3 trillion at March 31, 2018 and Dec. 31, 2017 and \$1.2 trillion at March 31, 2017.
- (c) Current period is preliminary.
- (d) 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 \$73 billion at March 31, 2018, \$71 billion at Dec. 31, 2017 and \$65 billion at March 31, 2017.

Investment Management Business Highlights, Page 6

- (a) See "Change in Presentation" on page 14 for additional information on the Investment Management business
- (b) 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.
- (c) Current period is preliminary. Includes AUM and AUC/A in the Wealth Management business.
- (d) Current period is preliminary. Excludes securities lending cash management assets and assets managed in the Investment Services business.
- (e) Includes currency overlay AUM.
- (f) 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 March 31, 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) Regulatory capital ratios for Dec. 31, 2017 are presented on a fully phased-in basis. 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.

Noninterest Expense, Page 10

- (a) In 1Q18, we adopted new accounting guidance included in ASU 2017-07, Compensation-Retirement Benefits - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which required the reclassification of the components of pension and other post-retirement costs, other than the service cost component. As a result, staff expense increased and other expense decreased. Prior periods have been reclassified.
- (b) Beginning in 1Q18, clearing expense, which was previously included in other expense, was included with sub-custodian expense. Prior periods have been reclassified.
- (c) Beginning in 1Q18, merger and integration ("M&I"), litigation and restructuring charges are no longer separately disclosed. Expenses previously reported in this line have been reclassified to existing expenses, primarily other expense.

Change in Presentation

In 1Q18, we began presenting total revenue for each of the primary lines of business in our two principal businesses. The table to the right summarizes the products and services in each line of business and the primary types of revenue generated. BNY Mellon believes that the updated presentations provides investors a clearer picture of our business results and permits investors to view revenue on a basis consistent with management.

The following updates to our presentations also began in 1Q18. Prior period have been reclassified or restated.

- Clearing expense, previously included in other expense, has been reclassified to sub-custodian expense and renamed sub-custodian and clearing expense.
- M&I, litigation and restructuring charges are no longer separately disclosed on the income statement. Expenses previously reported in this line have been reclassified to existing expenses, primarily other expense.
- The adjusted pre-tax operating margin (Non-GAAP) for the Investment Management business no longer excludes amortization of intangible assets and provision for credit losses.

Investment Services business

<i>Lines of business</i>	<i>Primary products and services</i>	<i>Primary types of revenue</i> <input type="checkbox"/>
Asset Servicing	Custody, accounting, ETF services, middle-office solutions, transfer agency, services for private equity and real estate funds, foreign exchange, securities lending, liquidity/lending services, prime brokerage and data analytics	- Asset servicing fees (includes securities lending revenue) - Foreign exchange revenue - Net interest revenue - Financing-related fees
Pershing	Clearing and custody, investment, wealth and retirement solutions, technology and enterprise data management, trading services, and prime brokerage	- Clearing services fees - Net interest revenue
Issuer Services	Corporate Trust (trustee, administration and agency services and reporting and transparency) and Depositary Receipts, (issuer services and support for brokers and investors)	- Issuer services fees - Net interest revenue - Foreign exchange revenue
Treasury Services	Integrated cash management solutions including payments, foreign exchange, liquidity management, receivables processing and payables management and trade finance and processing	- Treasury services fees - Net interest revenue
Clearance and Collateral Management	U.S. government clearing, global collateral management and tri-party repo	- Asset servicing fees - Net interest revenue

Investment Management business

<i>Lines of business</i> <input type="checkbox"/>	<i>Primary products and services</i> <input type="checkbox"/>	<i>Primary types of revenue</i> <input type="checkbox"/>
Asset Management <input type="checkbox"/>	Diversified investment management strategies and distribution of investment products	- Investment management fees - Performance fees - Distribution and servicing fees
Wealth Management <input type="checkbox"/>	Investment management, custody, wealth and estate planning and private banking services	- Investment management fees - Net interest revenue

Return on Common Equity and Tangible Common Equity Reconciliation

(\$ in millions)	1Q18	4Q17	1Q17
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$ 1,135	\$ 1,126	\$ 880
Add: Amortization of intangible assets	49	52	52
Less: Tax impact of amortization of intangible assets	12	18	18
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP	\$ 1,172	\$ 1,160	\$ 914
Average common shareholders' equity	\$ 37,593	\$ 36,952	\$ 34,965
Less: Average goodwill	17,581	17,518	17,338
Average intangible assets	3,397	3,437	3,578
Add: Deferred tax liability – tax deductible goodwill ^(a)	1,042	1,034	1,518
Deferred tax liability – intangible assets ^(a)	716	718	1,100
Average tangible common shareholders' equity – Non-GAAP	\$ 18,373	\$ 17,749	\$ 16,667
Return on common equity (annualized) – GAAP	12.2%	12.1%	10.2%
Return on tangible common equity (annualized) – Non-GAAP	25.9%	25.9%	22.2%

Book Value and Tangible Book Value Per Share Reconciliation

(\$ in millions, except common shares)	March 31, 2018	Dec. 31, 2017	March 31, 2017
BNY Mellon shareholders' equity at period end – GAAP	\$ 41,728	\$ 41,251	\$ 39,138
Less: Preferred stock	3,542	3,542	3,542
BNY Mellon common shareholders' equity at period end – GAAP	38,186	37,709	35,596
Less: Goodwill	17,596	17,564	17,355
Intangible assets	3,370	3,411	3,549
Add: Deferred tax liability – tax deductible goodwill ^(a)	1,042	1,034	1,518
Deferred tax liability – intangible assets ^(a)	716	718	1,100
BNY Mellon tangible common shareholders' equity at period end – Non-GAAP	\$ 18,978	\$ 18,486	\$ 17,310
Period-end common shares outstanding (in thousands)	1,010,676	1,013,442	1,039,877
Book value per common share – GAAP	\$ 37.78	\$ 37.21	\$ 34.23
Tangible book value per common share – Non-GAAP	\$ 18.78	\$ 18.24	\$ 16.65

(a) Deferred tax liabilities, for the prior periods, are based on fully phased-in U.S. capital rules.

Pre-tax Operating Margin Reconciliation - Investment Management Business

<i>(\$ in millions)</i>	1Q18	4Q17	1Q17
Income before income taxes – GAAP	\$ 381	\$ 276	\$ 277
Total revenue – GAAP	\$ 1,088	\$ 1,048	\$ 963
Less: Distribution and servicing expense	110	107	101
Adjusted total revenue, net of distribution and servicing expense – Non-GAAP	\$ 978	\$ 941	\$ 862
Pre-tax operating margin – GAAP ^(a)	35%	26%	29% □
Adjusted pre-tax operating margin, excluding distribution and servicing expense – Non-GAAP ^(a)	39%	29%	32% □

4Q17 Impact of U.S. Tax Legislation and Other Charges

<i>(\$ in millions, except per share data)</i>	U.S. Tax Legislation	Other Charges ^(b)
Fee and other revenue	\$ (279)	\$ (37)
Income from consolidated investment management funds	—	—
Net interest revenue	(4)	—
Total revenue	(283)	(37)
Provision for credit losses	—	—
Total noninterest expense	—	282
Income before taxes	(283)	(319)
(Benefit) provision for income taxes	(710)	(73)
Net income	\$ 427	\$ (246) □
Diluted earnings per common share	\$ 0.41	\$ (0.24)

Our estimate of the impact of U.S. tax legislation is based on certain assumptions and our current interpretation of the Tax Cuts and Jobs Act, and may change, possibly materially, as we refine our analysis and as further information becomes available.

(a) Income before taxes divided by total revenue.

(b) Other charges include severance, litigation, an asset impairment and investment securities losses related to the sale of certain securities.