The Bank of New York Mellon Corporation

BNY MELLON

2015 Mid-Cycle
Dodd-Frank Act Stress Test Results

July 13, 2015

Severely Adverse Scenario

Introduction

Throughout this document The Bank of New York Mellon Corporation on a consolidated basis is referred to as BNY Mellon, the Firm, we, our and us. BNY Mellon operates in 35 countries and serves more than 100 markets worldwide. The Firm is designed to lead the banking industry in providing services that enable institutions and individuals to manage and administer their financial assets. BNY Mellon strives to be the global provider of choice for:

- Asset management
- Wealth management
- Investment services

BNY Mellon's global client base consists of corporations, high-net-worth individuals and families, public funds and government agencies, foundations and endowments; global financial institutions including banks, broker-dealers, asset managers, insurance companies and central banks; financial intermediaries and independent registered investment advisors; and hedge fund managers. BNY Mellon is not focused on lending as a primary business and does not have a dedicated retail bank.

BNY Mellon is unique in its singular focus on the investment process - managing and servicing global financial assets. The Firm understands its role as a systemically important financial market intermediary and is committed to ensuring that it maintains adequate capital resources to absorb losses without disrupting its ability to conduct business. BNY Mellon's key business model differentiators include the following:

- BNY Mellon serves as a single point of contact for clients that create, trade, hold, manage, service, distribute or restructure investments.
- BNY Mellon has diverse streams of income, with a strategic focus on its Investment Management and Investment Servicing businesses.
- The Firm's income statement is driven by non-interest income (over 80%), which provides an annuity-like revenue stream which tends to be more stable in periods of stress.
- BNY Mellon offers a range of services that are "sticky." In many cases, the Firm believes that clients would not be able to change service providers without a considerable investment of time, money, or other resources. This stable feature enhances the Firm's business model and revenue streams.
- The Firm does not provide traditional banking services to retail clients other than high-net-worth individuals within the Wealth Management business; it does not lend to consumers in scale nor operate consumer banking branches.
- BNY Mellon's clients are primarily large corporations and financial institutions, to which credit is typically extended on a secured basis and as a means to attract fee-based business, rather than as a stand-alone activity. This results in lower levels of non-performing assets than is typical for the industry.

BNY Mellon's businesses benefit from the global growth in financial assets, the globalization of the investment process, changes in demographics and the continued evolution of the regulatory landscape. Our strategy is designed to create economic value by differentiating our services to create competitive advantages that will deliver value to our clients and shareholders within prudent, responsible, and pragmatic risk parameters. BNY Mellon's business model focuses on maintaining financial stability throughout market cycles, and accordingly, strives to maintain a strong balance sheet. Consequently, the Firm assumes less risk than most other financial service companies of its size, with one of its primary risks being operational.

Additional financial and other information about BNY Mellon and its principal business activities can be found in its 2014 Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and other filings, referred to as SEC filings, with the Securities and Exchange Commission, which we make available on the Investor Relations section of our corporate website at https://www.bnymellon.com.

BNY Mellon is required to conduct company-run stress tests semi-annually (an "annual stress test" and a "mid-cycle stress test") and to disclose the results under the Severely Adverse Scenario pursuant to the requirements of 12 CFR Part 252 (the "Regulation"). Whereas the annual stress test is conducted as part of the Federal Reserve's Comprehensive Capital Analysis and Review ("CCAR") process, the mid-cycle stress test is conducted two quarters later, or between each annual CCAR exercise, utilizing a different as-of date. The mid-cycle stress test utilizes three hypothetical economic scenarios that are developed and run independently by each individual bank holding company ("BHC") as opposed to the annual stress test that utilizes three scenarios provided by the Federal Reserve in addition to at least one internally-developed stress scenario. The Federal Reserve evaluates each BHC's mid-cycle stress test in its ongoing assessment of the BHC; however, the mid-cycle stress test is not conducted under the Federal Reserve's Capital Plan Rule nor is it part of the CCAR process.

Accordingly, we have developed the following disclosure, which contains the information required by the Regulation to be disclosed publicly. The information contained in this disclosure has been prepared in accordance with the Regulation. Any differences in the presentation of information concerning BNY Mellon contained herein relative to how the Firm presents such information for other purposes are solely due to our efforts to comply with the Regulation. The information presented herein does not, in any way, reflect changes to our organizational structure, business plans or practices, or strategy.

The projections contained in this document are based on BNY Mellon's internally-developed Severely Adverse Scenario. The results of its mid-cycle stress test under this scenario represent estimates of potential outcomes based on hypothetical economic conditions. BNY Mellon's mid-cycle stress test seeks to incorporate loss events tailored to its unique risk profile. BNY Mellon developed an idiosyncratic Severely Adverse Scenario that is premised on counterparty credit risk to capture the unique risks inherent in our core activities. The Firm relies on various models to forecast performance under stressed conditions. These models cover loss estimates, revenue projections, scenario infrastructure, and risk-weighted asset calculations. The projections contained within this disclosure represent hypothetical estimates that involve an economic outcome that is more adverse than expected, and accordingly these projections are not forecasts.

As required by the Regulation, the Severely Adverse Scenario described in this document includes certain capital action assumptions ("Dodd-Frank Capital Actions") when computing pro forma capital ratios across the nine quarter planning horizon. These Dodd-Frank Capital Actions include actual capital actions for the second quarter of 2015 and, for the second through ninth quarters of the planning horizon, common stock dividends equal to the quarterly average dollar amount of common stock dividends that BNY Mellon paid in the previous four quarters, payments on all other instruments eligible for inclusion in the numerator of a regulatory capital ratio equal to the stated dividend, interest, or principal due on such instrument during the quarter, and no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio, except for redemptions related to expensed employee compensation. Dodd-Frank Capital Actions include an assumption of no new issuances of capital instruments over the second through ninth quarters of the planning horizon, except for issuances related to expensed employee compensation. In practice, if a severely adverse economic scenario were to in fact occur, it is highly likely that BNY Mellon would respond with certain capital conservation actions consistent with internal policy, and could change planned distributions. The stress test results summarized in this report should not be interpreted as expected or likely outcomes, but rather as a possible result under hypothetical, highly adverse economic conditions.

A description of the types of risks included in the mid-cycle stress test, a general description of methodologies applied and a summary of our mid-cycle stress test results under the Severely Adverse Scenario follows.

Description of types of risks included in the mid-cycle stress test

When conducting the mid-cycle stress test under the Severely Adverse Scenario (which, as noted above, incorporates Dodd-Frank Capital Actions), BNY Mellon evaluated and incorporated the principal risks that have been determined to influence it. These risks include operational/business risk, market risk, credit risk, and liquidity risk. The following table presents the primary types of risk typically embedded in on- and off-balance-sheet instruments.

Table 1: Risks of BNY Mellon's On- and Off-balance Sheet Instruments

Balance Sheet Instruments	Types of Risk
Assets:	
Interest-bearing deposits with banks	Credit
Federal funds sold and securities purchased under resale agreements	Market, Credit
Securities	Market, Credit
Trading assets	Market, Credit
Loans	Credit
Goodwill	Operational/Business, Market
Intangible assets	Operational/Business, Market
Liabilities:	
Deposits	Liquidity
Federal funds purchased and securities sold under repurchase agreements	Liquidity
Trading liabilities	Market, Liquidity
Payables to customers and broker-dealers	Liquidity
Commercial paper	Liquidity
Off-balance sheet instruments:	
Lending commitments	Credit, Liquidity
Standby letter of credit	Credit, Liquidity
Commercial letters of credit	Credit, Liquidity
Securities lending indemnifications	Market, Credit

Operational/Business Risk. Operational risk is the risk of loss resulting from inadequate or failed internal processes, human factors and systems, or breaches of technology and information systems, or from external events. Operational risk also includes fiduciary risk, reputational risk, and the risk of potential legal or regulatory actions that could arise as a result of noncompliance with applicable laws and/or regulatory requirements.

Market Risk. Market risk is the risk of loss due to adverse changes in the financial markets. BNY Mellon's market risks are primarily interest rate, foreign exchange risk, and equity risk. Market risk particularly impacts our exposures that are marked-to-market such as the securities portfolio, trading book, and equity investments.

Credit Risk. Credit Risk is the possible loss we would suffer if any of our borrowers or other counterparties were to default on their obligations to us. Credit risk is resident in the majority of our assets, but is primarily concentrated in the loan and securities books, as well as in off-balance sheet exposures such as lending commitments, letters of credit, and securities lending indemnifications.

Liquidity Risk. Liquidity risk is the risk that BNY Mellon cannot meet its cash and collateral obligations at a reasonable cost for both expected and unexpected cash flows without adversely affecting daily operations or financial conditions. Liquidity risk can arise from cash flow mismatches, market constraints from inability to convert assets to cash, inability to raise cash in the markets, deposit run-off, or contingent liquidity events. Thus, liquidity risk is inherent in the majority of our balance sheet exposures.

BNY Mellon's mid-cycle stress test under the Severely Adverse Scenario contained wide-ranging impacts across multiple risk areas, including the principal risk types identified above. To incorporate these risks into our mid-cycle stress test, BNY Mellon identified and stressed key risk drivers and assumptions to estimate how losses might be incurred and how an event in one risk may migrate into other areas. The following section discusses BNY Mellon's methodology for translating the Severely Adverse Scenario's variables into various financial impacts including expected losses, net income, on- or off-balance sheet exposure, liquidity, leverage, and capital positions. Please refer to BNY Mellon's Annual Report on Form 10-K for the year ended December 31, 2014 for a broader description of the BNY Mellon's capital planning and risk management process.

General description of methodologies

BNY Mellon has forecasted projected losses, pre-provision net revenue, provision for loan and lease losses and other items affecting capital using a series of models and estimation techniques that translate the economic and financial variables in the Severely Adverse Scenario to the projections detailed below.

Occasionally it is necessary to supplement modeled projections with expert judgment where historical data may be inadequate to project loss and revenue estimates or historical relationships may not hold up under forward-looking hypothetical scenarios. In these cases, BNY Mellon ensures consistency of projections with the conditions of the stress test through a cross-functional governance structure and control environment that incorporates multiple levels of review, challenge, and approval.

Provision for loan losses. BNY Mellon has developed a series of models to estimate losses on various types of loans. Loss projection methods are product-specific and link economic variables to credit performance based on historical and expected relationships. The table below identifies major loan types and key assumptions used to derive loss estimates.

Table 2: Credit Portfolio Loss Methodologies and Assumptions

Loan Type	Description of Methodology	Key Assumptions
First-lien, Closed End Domestic Residential Mortgages	• Statistical model estimated using loan-level data on mortgage characteristics and performance supplemented by macroeconomic indicators and house price data	• Macroeconomic factors such as: - Housing Price Index ("HPI") - Unemployment rate - Mortgage rates
Home Equity Lines of Credit ("HELOCs")	• Loss given default ("LGD") approach based on historical relationships between macroeconomic factors and non-accrual loan balance data	• Macroeconomic factors such as: - HPI - Unemployment rate
Domestic Commercial Real Estate Loans	• Individually assigning counterparties stressed ratings by adjusting the inputs to BNY Mellon's commercial real estate ("CRE") probability of default ("PD") scorecard, which produces a stressed PD for each quarter. For each impaired exposure, a downturn LGD percentage is applied to the exposure at default ("EAD") to generate an immediate credit loss	• Macroeconomic factors such as: - Unemployment rate - BBB corporate yield - Commercial real estate prices - Prime rate
Corporate Wholesale and Other*	• Expected loss model relying on stressed transition matrix, PD, LGD, and usage given default ("UGD"). The stressed transition matrix was linked to macroeconomic factors through statistical models. For each impaired exposure, a downturn LGD percentage is applied to the EAD to generate an immediate credit loss	• Macroeconomic factors such as: - Unemployment - Capacity utilization - 10-year Treasury yield - 2-year Treasury yield

**C&I, loans to depositories and other financial institutions, loans for purchasing or carrying securities, overdrafts, and leases*

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Realized gains/losses on securities. BNY Mellon uses instrument-specific methodologies to forecast other-than-temporary impairment ("OTTI") on its securities investment portfolio. These securities are divided into two separate and distinct classes: securities we intend to hold to maturity are classified as held to maturity ("HTM"), and all other securities are classified as available-for-sale ("AFS"). Loss estimates are recognized in accordance with BNY Mellon's established accounting policy. The table below identifies major security types and key assumptions used to derive loss estimates.

Table 3: Securities Portfolio OTTI Methodologies and Assumptions

Security Type	Description of Methodology	Key Assumptions
Domestic Non-Agency Residential Mortgage-Backed Securities ("RMBS")	• Statistical model estimated using loan-level data on mortgage characteristics and performance supplemented by macroeconomic indicators and house price data	• Collateral type and characteristics • Macroeconomic factors such as: - HPI - Unemployment rate - Mortgage rates
Foreign RMBS	• Combines macro-economic variables, historical pool performance, and the pool level characteristics to generate monthly performance measures such as delinquencies, CPR, CDR and charge offs. The performance measures are then used in a waterfall tool to determine losses on foreign RMBS tranches	• Collateral type and characteristics • Macroeconomic factors such as: - HPI - Unemployment rate - Interest rates
Commercial Mortgage-Backed Securities ("CMBS")	• Combines macro-economic variables, CRE market factors and loan-level details to generate the credit risk measures including PD and LGD. PD and LGD are then used to determine losses on CMBS	• Loan details • Property type and characteristics • Macroeconomic factors such as: - HPI - Unemployment rate - Federal Funds rate - Treasury 10 Year
Consumer Asset-Backed Securities ("ABS")	• Combines macro-economic variables, historical pool performance and the pool level characteristics to generate monthly performance measures such as delinquencies, CPR, CDR and charge offs. The performance measures are then used in a waterfall tool to determine losses on ABS tranches	• Collateral type and characteristics • Macroeconomic factors such as: - Unemployment rate - Treasury rates - LIBOR rates
Bond Portfolio*	• PD/LGD approach	• Product-specific ratings transition analysis
CLOs	• Bottom-up cash flow modeling approach in which the collateral performance is modeled on a loan-level basis	• Underlying collateral metrics including: - Prepayment rate - Default rate - Severity rate

**This portfolio consists of corporate bonds, municipal bonds, sovereign bonds, and covered bonds*

Operational losses. In addition, BNY Mellon used a methodology to estimate operational losses that incorporates both internal and external data. We forecast both litigation and non-litigation operational losses under separate methodologies.

For non-litigation loss estimates, BNY Mellon's forecasting methodology leverages the

Advanced Measurement Approach ("AMA") capital model which uses internal and external data. Operational loss is stressed to the same level to which the macroeconomic environment is stressed. The loss projection for a stress scenario is a stressed percentile of the loss distribution from the AMA capital model, with the stressed percentile reflecting the stress level of the macroeconomic environment as determined by a principal component analysis of the macroeconomic factors.

For litigation loss estimates, BNY Mellon's forecasting methodology relies on a combination of high frequency, low severity cases and low frequency, high severity cases that draw from historical experience as well as potential losses associated with new litigation that may arise over the normal course of business (within the projection horizon).

Pre-provision net revenue. Consistent with the balance sheet and exposure assumptions used for loss estimation, BNY Mellon developed a model to project all key elements of pre-provision net revenue including net interest income, non-interest income, and non-interest expense.

Table 4: Pre-Provision Net Revenue Methodologies and Assumptions

PPNR Component	Description of Methodology	Key Assumptions
Net Interest Income	• Current and forecasted balance sheet positions and cash flows are modeled by product type and reflect growth, runoff, prepayment and loss projection assumptions	• Future balance sheet growth • Runoff and pricing assumptions • Interest rates • Prepayment assumptions
Non-Interest Revenue	• Total non-interest revenue projection is composed of a series of granular projection models for individual revenue lines developed using historical data • A majority are regression models tied to the external economic factors and used to describe the forward scenarios. In cases where regression models were insufficiently robust, historical averages were employed	• Asset and trading volumes • Growth rates • Macroeconomic factors, such as: - GDP - Equity indices - Volatility
Non-Interest Expense	• Variable expenses were modeled based on historical expense to non-interest revenue relationships • Expenses deemed to be fixed in nature are projected generally in line with inflation • Distinct Board-approved initiatives identified by management are additionally layered into the projections over the projection horizon	• Non-interest revenue projections • Growth rates

Capital position. BNY Mellon's forecasting process employed a set of methodologies to layer in the effect of losses, pre-provision net revenue, and provision for loan and lease losses on pro forma capital levels and ratios.

Future balance sheet growth, runoff, and pricing assumptions were derived from business line forecasts, historical trends, market dynamics, and balance sheet strategy input from senior management and are reflective of the economic and interest rate environments being analyzed under the Severely Adverse Scenario. BNY Mellon forecasts risk-weighted assets ("RWA") based on the changes in its individual asset components in each quarter of the projection horizon. Credit RWA was projected in a manner consistent with the phased-in transitional provisions of the final U.S. capital rule, which looks to the U.S. capital rules' standardized approach methodology ("standardized approach") for calculating credit RWA for the Common Equity Tier 1, Tier 1 capital and Total capital ratios. Additionally, the market risk capital rules were used over the entire projection period for calculating market risk RWA and the Basel I-based capital rules were used when projecting credit RWA with respect to BNY Mellon's Tier 1 common ratio. The Firm recognizes that during recent quarters the U.S. capital rules' advanced approaches risk-weighting framework ("advanced approaches") has been the Firm's constraining measure. In addition, the Firm recognizes that the final U.S. capital rules' transitional phase-in timeline for many significant items, including adjusted other comprehensive income, intangible assets, and required regulatory capital levels and buffers, works to enhance its excess capital position in the near term. BNY Mellon's Severely Adverse Scenario post-stress capital position reflects regulatory capital inclusive of PPNR and stress losses. Additionally, as discussed above, BNY Mellon's Severely Adverse Scenario post-stress capital utilizes, in the second through ninth quarters of the planning horizon, the Dodd-Frank Capital Actions, which proscribe a series of assumptions regarding capital actions, including with respect to common stock dividends, contracted payments, and a general assumption of no redemptions, repurchases, or issuances of capital instruments. These assumptions do not reflect BNY Mellon's currently planned capital actions, and might not reflect its behavior in an actual severely stressed environment.

Description of the Severely Adverse Scenario

For the Severely Adverse Scenario for this mid-cycle stress test, BNY Mellon designed and selected a Severely Adverse Scenario premised on counterparty credit risk that is designed to capture the unique risks inherent in our core activities. As discussed below, key elements of BNY Mellon's Severely Adverse Scenario include the default of a large credit counterparty and a severe macroeconomic downturn.

BNY Mellon considers the potential intra-day default of a large credit counterparty with a substantial level of unsecured intra-day and term limits to be a key risk. If a top BNY Mellon counterparty fails, BNY Mellon could be exposed to large idiosyncratic default losses on its exposures to the failed counterparty. To effectively capture direct credit counterparty default risk in a stress scenario and assess the potential impact, it is critical to select a counterparty to which BNY Mellon has exposure large enough to generate substantial losses and drive a meaningful stress to our capital. Based on a review of, among other matters, BNY Mellon's particular vulnerabilities and current exposures, considering the type of exposure and potential severity of the loss, BNY Mellon selected a direct credit counterparty whose intra-day default would generate substantial losses and would meaningfully stress regulatory capital. In addition to involving the default of our single largest unsecured non-sovereign financial counterparty, the Severely Adverse Scenario includes, among other elements, a severe economic downturn lasting for several quarters that leads to further financial pressures for BNY Mellon and is designed to be more prolonged and severe than the Adverse Scenario for this mid-cycle stress test.

The macroeconomic variables used in the Severely Adverse Scenario are consistent with a global economy that enters a significant economic downturn that persists for several quarters; recovery does not begin until late 2016. U.S. GDP growth does not return until the sixth quarter of the projection period, while U.S. equity markets decline for six straight quarters (a decline of nearly 60% in aggregate from their starting point). U.S. unemployment peaks above 11% while home prices decline throughout the entire projection horizon. U.S. Treasuries see a flight to quality (10 year rates falling initially and remaining low for multiple quarters), while credit spreads widen dramatically, and volatility lingers throughout much of the projection period.

These macroeconomic variables and parameters were projected in consideration of both historical events and forward-looking circumstances. Where possible, BNY Mellon relied on historically observed reactions of key variables to the default of a primary market participant. In cases where market circumstances varied from historical precedent, expert judgment was used to develop a comprehensive set of assumptions over the projection horizon consistent with the magnitude and nature of such a stress event.

BNY Mellon incorporated the full set of material exposures, activities, and risks, both on and off the balance sheet, in the Severely Adverse Scenario. Certain key risks captured include, among others, the following:

- Credit risk was captured through the intra-day default of one of the Firm's largest unsecured credit counterparties, through the general deterioration of its credit portfolio, and through credit-driven devaluations in the securities portfolio due to the scenario's significant economic downturn.
- Market risk was captured through the scenario's significant economic downturn (including sharp equity market declines and volatility in foreign exchange and interest rate markets) and its impact on BNY Mellon's OTC derivatives portfolio, securities portfolio, trading book, and equity investments, as well as the liquidation of the collateral posted by the defaulting large credit counterparty.
- Operational risk was captured in the scenario through the scenario's consideration of the potential for increased operational losses across all BNY Mellon lines of business that may result from such volatility.
- Liquidity risk was considered in the context of a major financial institution default and the impact such an event might have on credit and the general flow of funds. BNY Mellon considered the potential impact on cash flows, liquidity position, profitability, and other aspects of its financial condition to assess the potential for liquidity to become impaired over the projection horizon as a result of the stress event.

Explanation of the most significant causes for changes in regulatory capital

As demonstrated by BNY Mellon's DFAST results, the Firm maintains excess regulatory capital in every quarter of the planning horizon under the Severely Adverse Scenario. This success is driven by a number of factors, including the Firm's strong capital generation and its risk profile. However, BNY Mellon recognizes that the U.S. capital rules' transitional phase-in timeline for many significant items, including AOCI, intangible assets, and required regulatory capital levels and buffers, works to enhance its excess capital position in the near term. BNY Mellon further recognizes that its capital position was enhanced because the DFAST 2015 exercise does not yet require RWA to be calculated under the advanced approaches during recent quarters, and the advanced approaches has been the Firm's constraining measure in recent quarters.

The most significant cause for declines to BNY Mellon's regulatory capital ratios over the planning horizon under the Severely Adverse Scenario is losses related to the default of a major credit counterparty, which occurs in the first projection quarter. Additionally, impairments within the securities portfolio and trading book losses occurring in the first projection quarter also contribute to the decline in BNY Mellon's regulatory capital ratios.

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BNY Mellon – Tables of Statistical Results.

MID-CYCLE RESULTS

Dodd-Frank Act Stress Testing Results

Projected Stressed Capital Ratios
BNY Mellon Estimates in the Severely Adverse Scenario

The capital ratios are calculated using the Dodd-Frank Capital Actions. These projections represent hypothetical estimates that involve an economic outcome that is more adverse than expected. These estimates are not forecasts. The minimum capital ratio presented is for the period from the second quarter of 2015 through the second quarter of 2017.

Table 5: Projected Stressed Capital Ratios through Q2 2017 under the Severely Adverse Scenario

	Actual Q1 2015	Stressed Capital Ratios	
		Ending	Minimum
Tier 1 common ratio (%)	13.4	14.5	11.4
Common Equity Tier 1 capital ratio (%)	10.8[1]	9.3	8.0
Tier 1 capital ratio (%)	11.7[1]	11.0	9.5
Total capital ratio (%)	12.2[1]	11.6	10.0
Tier 1 leverage ratio (%)	5.6	6.3	5.8

1 Actual first quarter 2015 Common Equity Tier 1, Tier 1 and Total capital ratios are calculated using the standardized approach. At March 31, 2015 BNY Mellon's reported constraining Common Equity Tier 1, Tier 1 capital, and Total capital ratios were 10.0%, 10.9%, and 11.2%, respectively, based on asset risk-weightings using the U.S. capital rules' advanced approaches risk weighting framework.

Table 6: Projected Loan Losses by Type of Loan for Q2 2015 through Q2 2017 under the Severely Adverse Scenario

	Millions of Dollars	Portfolio Loss Rates (%)[1]
Loan losses	$4,914	10.2%
First-lien mortgages, domestic	$ 62	0.9%
Junior liens and HELOCs, domestic	$ 0	0.0%
Commercial and industrial	$ 121	3.6%
Commercial real estate, domestic	$ 73	4.0%
Credit cards	$ 0	0.0%
Other consumer	$ 10	0.4%
Other loans	$4,648	14.0%

1. Average loan balances used to calculate portfolio loss rates exclude loans held for sale and loans held for investment under the fair value option, and are calculated over nine quarters.

Table 7: Projected Losses, Revenue, and Net Income Before Taxes for Q2 2015 through Q2 2017 under the Severely Adverse Scenario

	Millions of Dollars	Percent of Average Assets[1]
Pre-provision net revenue[2]	$4,318	1.6%
Other revenue[3]	$ 0	0.0%
less		
Provisions	$5,061	1.8%
Realized losses/(gains) on securities (AFS/HTM)	$ 300	0.1%
Trading and counterparty losses[4]	$ 374	0.1%
Other losses/(gains)[5]	$ 246	0.1%
equals		
Net income before taxes	$(1,663)	(0.6)%

1. Average assets are averaged over the nine-quarter planning horizon.
2. Pre-provision net revenue includes losses from operational-risk events, mortgage repurchase expenses, and other real estate owned costs.
3. Other revenue includes one-time income and (expense) items not included in pre-provision net revenue.
4. Trading and counterparty losses include mark-to-market and credit valuation adjustments losses and losses arising from the counterparty default scenario component applied to derivatives, securities lending, and repurchase agreement activities.
5. - Other losses/gains includes projected change in fair value of loans held for sale and loans held for investment measured under the fair value option, and goodwill impairment losses.

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Forward-Looking Statements

Additional information related to BNY Mellon is contained in BNY Mellon’s reports filed with the Securities and Exchange Commission (the “SEC”), including the Annual Report on Form 10-K for the year ended December 31, 2014 (including the Annual Report to Shareholders (the “Annual Report”) included with the 10-K) (the “2014 Form 10-K”), the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K (each, a “‘34 Act Report”). These periodic ‘34 Act Reports can be viewed, as they become available, on the SEC's website at www.sec.gov and at www.bnymellon.com. Information contained in ’34 Act Reports that BNY Mellon furnishes to the SEC subsequent to the date of the 2014 Form 10-K may modify, update and supersede the information contained in the 2014 Form 10-K and provided in this document.

This document and BNY Mellon’s ‘34 Act Reports referred to above contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “estimate,” “forecast,” “project,” “anticipate,” “confident,” “target,” “expect,” “intend,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “may,” “will,” “strategy,” “opportunities,” “trends” and words of similar meaning, signify forward-looking statements. These statements are based on the current beliefs and expectations of BNY Mellon’s management and are subject to significant risks and uncertainties that are subject to change based on various important factors (some of which are beyond BNY Mellon’s control). Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause BNY Mellon’s actual results to differ materially from those described in the forward-looking statements can be found in the “Risk Factors” section of the 2014 Form 10-K and other subsequent ’34 Act Reports filed with the SEC. All forward-looking statements speak only as of the date on which such statements are made and BNY Mellon does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.