BNY MELLON

The Bank of New York Mellon Corporation

Financial Supplement

Second Quarter 2020

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THE BANK OF NEW YORK MELLON CORPORATION
CONSOLIDATED FINANCIAL HIGHLIGHTS

BNY MELLON

(dollars in millions, except per common share amounts, or unless otherwise noted)	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 vs. 1Q20	2Q20 vs. 2Q19	YTD20	YTD19	YTD20 vs. YTD19
Selected income statement data										
Fee revenue	**$ 3,167**	$ 3,323	$ 3,971	$ 3,129	$ 3,105	**(5)%**	**2 %**	**$ 6,490**	$ 6,136	**6 %**
Net securities gains (losses)	**9**	9	(25)	(1)	7	**N/M**	**N/M**	**18**	8	**N/M**
Total fee and other revenue	**3,176**	3,332	3,946	3,128	3,112	**(5)**	**2**	**6,508**	6,144	**6**
Income (loss) from consolidated investment management funds	**54**	(38)	17	3	10	**N/M**	**N/M**	**16**	36	**N/M**
Net interest revenue	**780**	814	815	730	802	**(4)**	**(3)**	**1,594**	1,643	**(3)**
Total revenue	**4,010**	4,108	4,778	3,861	3,924	**(2)**	**2**	**8,118**	7,823	**4**
Provision for credit losses	**143**	169	(8)	(16)	(8)	**N/M**	**N/M**	**312**	(1)	**N/M**
Noninterest expense	**2,686**	2,712	2,964	2,590	2,647	**(1)**	**1**	**5,398**	5,346	**1**
Income before income taxes	**1,181**	1,227	1,822	1,287	1,285	**(4)**	**(8)**	**2,408**	2,478	**(3)**
Provision for income taxes	**216**	265	373	246	264	**(18)**	**(18)**	**481**	501	**(4)**
Net income	**$ 965**	$ 962	$ 1,449	$ 1,041	$ 1,021	**— %**	**(5)%**	**$ 1,927**	$ 1,977	**(3)%**
Net income applicable to common shareholders of The Bank of New York Mellon Corporation	**$ 901**	$ 944	$ 1,391	$ 1,002	$ 969	**(5)%**	**(7)%**	**$ 1,845**	$ 1,879	**(2)%**
Diluted earnings per common share	**$ 1.01**	$ 1.05	$ 1.52	$ 1.07	$ 1.01	**(4)%**	**— %**	**$ 2.06**	$ 1.95	**6 %**
Average common shares and equivalents outstanding - diluted *(in thousands)*	**890,561**	896,689	914,739	935,677	953,928	**(1)%**	**(7)%**	**893,603**	959,957	**(7)%**
Financial ratios *(Quarterly returns are annualized)*										
Pre-tax operating margin	**29%**	30%	38%	33%	33%			**30%**	32%	
Return on common equity	**9.4%**	10.1%	14.6%	10.6%	10.4%			**9.7%**	10.2%	
Return on tangible common equity – Non-GAAP *(a)*	**18.5%**	20.4%	29.3%	21.4%	21.2%			**19.4%**	20.9%	
Non-U.S. revenue as a percentage of total revenue	**36%**	36%	31%	37%	36%			**36%**	36%	
Period end										
Assets under custody and/or administration ("AUC/A") *(in trillions) (b)*	**$ 37.3**	$ 35.2	$ 37.1	$ 35.8	$ 35.5	**6 %**	**5 %**			
Assets under management ("AUM") *(in trillions)*	**$ 1.96**	$ 1.80	$ 1.91	$ 1.88	$ 1.84	**9 %**	**6 %**			
Full-time employees	**48,300**	47,900	48,400	48,700	49,100	**1 %**	**(2)%**			
Book value per common share	**$ 44.21**	$ 42.47	$ 42.12	$ 40.75	$ 40.30					
Tangible book value per common share – Non-GAAP *(a)*	**$ 23.31**	$ 21.53	$ 21.33	$ 20.59	$ 20.45					
Cash dividends per common share	**$ 0.31**	$ 0.31	$ 0.31	$ 0.31	$ 0.28					
Common dividend payout ratio	**31%**	30%	20%	29%	28%					
Closing stock price per common share	**$ 38.65**	$ 33.68	$ 50.33	$ 45.21	$ 44.15					
Market capitalization	**$ 34,239**	$ 29,822	$ 45,331	$ 41,693	$ 41,619					
Common shares outstanding *(in thousands)*	**885,862**	885,443	900,683	922,199	942,662					
Capital ratios at period end *(c)*										
Common Equity Tier 1 ("CET1") ratio	**12.6%**	11.3%	11.5%	11.1%	11.1%					
Tier 1 capital ratio	**15.4%**	13.5%	13.7%	13.2%	13.2%					
Total capital ratio	**16.3%**	14.3%	14.4%	14.0%	14.0%					
Tier 1 leverage ratio	**6.2%**	6.0%	6.6%	6.5%	6.8%					
Supplementary leverage ratio ("SLR")	**8.2%**	5.6%	6.1%	6.0%	6.3%					

(a) Non-GAAP information, for all periods presented, excludes goodwill and intangible assets, net of deferred tax liabilities. See "Supplemental Information - Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 16 for the reconciliation of Non-GAAP measures.

(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 June 30, 2020, $1.2 trillion at March 31, 2020, $1.5 trillion at Dec. 31, 2019 and $1.4 trillion at Sept. 30, 2019 and June 30, 2019.

(c) Regulatory capital ratios for June 30, 2020 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 June 30, 2020, Dec. 31, 2019, Sept. 30, 2019 and June 30, 2019, was the Advanced Approaches, and for March 31, 2020 was the Standardized Approach for the CET1 and Tier 1 capital ratios and the Advanced Approaches for the Total capital ratio.

N/M - Not meaningful.

THE BANK OF NEW YORK MELLON CORPORATION
CONDENSED CONSOLIDATED INCOME STATEMENT

BNY MELLON

(dollars in millions, except per share amounts; common shares in thousands)	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 vs. 1Q20	2Q20 vs. 2Q19	YTD20	YTD19	YTD20 vs. YTD19
Revenue										
Investment services fees:										
Asset servicing fees	**$ 1,173**	$ 1,159	$ 1,148	$ 1,152	$ 1,141	**1 %**	**3 %**	**$ 2,332**	$ 2,263	**3 %**
Clearing services fees	**431**	470	421	419	410	**(8)**	**5**	**901**	808	**12**
Issuer services fees	**277**	263	264	324	291	**5**	**(5)**	**540**	542	**—**
Treasury services fees	**144**	149	147	140	140	**(3)**	**3**	**293**	272	**8**
Total investment services fees	**2,025**	2,041	1,980	2,035	1,982	**(1)**	**2**	**4,066**	3,885	**5**
Investment management and performance fees	**786**	862	883	832	833	**(9)**	**(6)**	**1,648**	1,674	**(2)**
Foreign exchange and other trading revenue	**166**	319	168	150	166	**(48)**	**—**	**485**	336	**44**
Financing-related fees	**58**	59	46	49	50	**(2)**	**16**	**117**	101	**16**
Distribution and servicing	**27**	31	34	33	31	**(13)**	**(13)**	**58**	62	**(6)**
Investment and other income	**105**	11	860	30	43	**N/M**	**N/M**	**116**	78	**N/M**
Total fee revenue	**3,167**	3,323	3,971	3,129	3,105	**(5)**	**2**	**6,490**	6,136	**6**
Net securities gains (losses)	**9**	9	(25)	(1)	7	**N/M**	**N/M**	**18**	8	**N/M**
Total fee and other revenue	**3,176**	3,332	3,946	3,128	3,112	**(5)**	**2**	**6,508**	6,144	**6**
Income (loss) from consolidated investment management funds	**54**	(38)	17	3	10	**N/M**	**N/M**	**16**	36	**N/M**
Net interest revenue	**780**	814	815	730	802	**(4)**	**(3)**	**1,594**	1,643	**(3)**
Total revenue	**4,010**	4,108	4,778	3,861	3,924	**(2)**	**2**	**8,118**	7,823	**4**
Provision for credit losses	**143**	169	(8)	(16)	(8)	**N/M**	**N/M**	**312**	(1)	**N/M**
Noninterest expense										
Staff	**1,464**	1,482	1,639	1,479	1,421	**(1)**	**3**	**2,946**	2,945	**—**
Software and equipment	**345**	326	326	309	304	**6**	**13**	**671**	587	**14**
Professional, legal and other purchased services	**337**	330	367	316	337	**2**	**—**	**667**	662	**1**
Net occupancy	**137**	135	151	138	138	**1**	**(1)**	**272**	275	**(1)**
Sub-custodian and clearing	**120**	105	119	111	115	**14**	**4**	**225**	220	**2**
Distribution and servicing	**85**	91	92	97	94	**(7)**	**(10)**	**176**	185	**(5)**
Bank assessment charges	**35**	35	32	31	31	**—**	**13**	**70**	62	**13**
Business development	**20**	42	65	47	56	**(52)**	**(64)**	**62**	101	**(39)**
Amortization of intangible assets	**26**	26	28	30	30	**—**	**(13)**	**52**	59	**(12)**
Other	**117**	140	145	32	121	**(16)**	**(3)**	**257**	250	**3**
Total noninterest expense	**2,686**	2,712	2,964	2,590	2,647	**(1)**	**1**	**5,398**	5,346	**1**
Income before income taxes	**1,181**	1,227	1,822	1,287	1,285	**(4)**	**(8)**	**2,408**	2,478	**(3)**
Provision for income taxes	**216**	265	373	246	264	**(18)**	**(18)**	**481**	501	**(4)**
Net income	**965**	962	1,449	1,041	1,021	**—**	**(5)**	**1,927**	1,977	**(3)**
Net (income) loss attributable to noncontrolling interests	**(15)**	18	(9)	(3)	(4)	**N/M**	**N/M**	**3**	(14)	**N/M**
Preferred stock dividends	**(49)**	(36)	(49)	(36)	(48)	**N/M**	**N/M**	**(85)**	(84)	**1**
Net income applicable to common shareholders of The Bank of New York Mellon Corporation	**$ 901**	$ 944	$ 1,391	$ 1,002	$ 969	**(5)%**	**(7)%**	**$ 1,845**	$ 1,879	**(2)%**
Average common shares and equivalents outstanding: Basic	**889,020**	894,122	911,324	933,264	951,281	**(1)%**	**(7)%**	**891,642**	956,887	**(7)%**
Diluted	**890,561**	896,689	914,739	935,677	953,928	**(1)%**	**(7)%**	**893,603**	959,957	**(7)%**
Earnings per common share: Basic	**$ 1.01**	$ 1.05	$ 1.52	$ 1.07	$ 1.01	**(4)%**	**— %**	**$ 2.06**	$ 1.95	**6 %**
Diluted	**$ 1.01**	$ 1.05	$ 1.52	$ 1.07	$ 1.01	**(4)%**	**— %**	**$ 2.06**	$ 1.95	**6 %**

N/M - Not meaningful.

THE BANK OF NEW YORK MELLON CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET

BNY MELLON

	2020		2019		
(in millions)	**June 30**	March 31	Dec. 31	Sept. 30	June 30
Assets					
Cash and due from banks	**$ 4,776**	$ 5,091	$ 4,830	$ 6,718	$ 5,556
Interest-bearing deposits with the Federal Reserve and other central banks	**112,728**	146,535	95,042	73,811	69,700
Interest-bearing deposits with banks	**18,045**	22,672	14,811	15,417	15,491
Federal funds sold and securities purchased under resale agreements	**36,638**	27,363	30,182	43,723	61,201
Securities	**154,682**	139,273	123,033	122,340	120,142
Trading assets	**14,150**	12,918	13,571	10,180	8,629
Loans	**55,397**	62,368	54,953	54,881	52,396
Allowance for loan losses	**(302)**	(140)	(122)	(127)	(146)
Net loans	**55,095**	62,228	54,831	54,754	52,250
Premises and equipment	**3,598**	3,514	3,625	3,149	2,970
Accrued interest receivable	**540**	576	624	596	658
Goodwill	**17,253**	17,240	17,386	17,248	17,337
Intangible assets	**3,045**	3,070	3,107	3,124	3,160
Other assets	**21,306**	27,446	20,221	21,727	23,737
Subtotal assets of operations	**441,856**	467,926	381,263	372,787	380,831
Assets of consolidated investment management funds, at fair value	**460**	229	245	381	337
Total assets	**$ 442,316**	$ 468,155	$ 381,508	$ 373,168	$ 381,168
Liabilities					
Deposits	**$ 305,470**	$ 336,717	$ 259,466	$ 249,660	$ 252,877
Federal funds purchased and securities sold under repurchase agreements	**14,512**	13,128	11,401	11,796	11,757
Trading liabilities	**5,595**	6,625	4,841	4,756	3,768
Payables to customers and broker-dealers	**25,012**	24,016	18,758	18,364	18,946
Commercial paper	**665**	1,121	3,959	3,538	8,894
Other borrowed funds	**1,628**	1,544	599	820	1,921
Accrued taxes and other expenses	**5,029**	4,705	5,642	5,081	5,045
Other liabilities	**12,869**	11,425	7,612	9,796	7,916
Long-term debt	**27,566**	27,494	27,501	27,872	28,203
Subtotal liabilities of operations	**398,346**	426,775	339,779	331,683	339,327
Liabilities of consolidated investment management funds, at fair value	**4**	1	1	15	6
Total liabilities	**398,350**	426,776	339,780	331,698	339,333
Temporary equity					
Redeemable noncontrolling interests	**157**	140	143	147	136
Permanent equity					
Preferred stock	**4,532**	3,542	3,542	3,542	3,542
Common stock	**14**	14	14	14	14
Additional paid-in capital	**27,702**	27,644	27,515	27,471	27,406
Retained earnings	**33,224**	32,601	31,894	30,789	30,081
Accumulated other comprehensive loss, net of tax	**(1,943)**	(2,827)	(2,638)	(2,893)	(2,688)
Less: Treasury stock, at cost	**(19,832)**	(19,829)	(18,844)	(17,803)	(16,822)
Total The Bank of New York Mellon Corporation shareholders' equity	**43,697**	41,145	41,483	41,120	41,533
Nonredeemable noncontrolling interests of consolidated investment management funds	**112**	94	102	203	166
Total permanent equity	**43,809**	41,239	41,585	41,323	41,699
Total liabilities, temporary equity and permanent equity	**$ 442,316**	$ 468,155	$ 381,508	$ 373,168	$ 381,168

THE BANK OF NEW YORK MELLON CORPORATION
FEE AND OTHER REVENUE

BNY MELLON

(dollars in millions)	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 vs. 1Q20	2Q20 vs. 2Q19	YTD20	YTD19	YTD20 vs. YTD19
Investment services fees:										
Asset servicing fees *(a)*	**$ 1,117**	$ 1,108	$ 1,104	$ 1,109	$ 1,097	**1 %**	**2%**	**$ 2,225**	$ 2,171	**2%**
Securities lending revenue	**56**	51	44	43	44	**10**	**27**	**107**	92	**16**
Clearing services fees *(b)*	**431**	470	421	419	410	**(8)**	**5**	**901**	808	**12**
Issuer services fees	**277**	263	264	324	291	**5**	**(5)**	**540**	542	**—**
Treasury services fees	**144**	149	147	140	140	**(3)**	**3**	**293**	272	**8**
Total investment services fees	**2,025**	2,041	1,980	2,035	1,982	**(1)**	**2**	**4,066**	3,885	**5**
Investment management and performance fees *(c)*										
Investment management fees	**781**	812	835	830	831	**(4)**	**(6)**	**1,593**	1,641	**(3)**
Performance fees	**5**	50	48	2	2	**N/M**	**N/M**	**55**	33	**67**
Total investment management and performance fees *(d)*	**786**	862	883	832	833	**(9)**	**(6)**	**1,648**	1,674	**(2)**
Foreign exchange and other trading revenue:										
Foreign exchange	**174**	253	138	129	150	**(31)**	**16**	**427**	310	**38**
Other trading revenue	**(8)**	66	30	21	16	**N/M**	**N/M**	**58**	26	**N/M**
Total foreign exchange and other trading revenue	**166**	319	168	150	166	**(48)**	**—**	**485**	336	**44**
Financing-related fees	**58**	59	46	49	50	**(2)**	**16**	**117**	101	**16**
Distribution and servicing	**27**	31	34	33	31	**(13)**	**(13)**	**58**	62	**(6)**
Investment and other income:										
Corporate/bank-owned life insurance	**36**	36	43	33	32	**N/M**	**N/M**	**72**	62	**N/M**
Expense reimbursements from joint venture	**19**	21	20	21	19	**N/M**	**N/M**	**40**	38	**N/M**
Asset-related gains	**3**	4	815	2	1	**N/M**	**N/M**	**7**	2	**N/M**
Seed capital gains (losses) *(c)*	**23**	(31)	4	—	8	**N/M**	**N/M**	**(8)**	10	**N/M**
Other income (loss)	**24**	(19)	(22)	(26)	(17)	**N/M**	**N/M**	**5**	(34)	**N/M**
Total investment and other income *(c)*	**105**	11	860	30	43	**N/M**	**N/M**	**116**	78	**N/M**
Total fee revenue	**3,167**	3,323	3,971	3,129	3,105	**(5)**	**2**	**6,490**	6,136	**6**
Net securities gains (losses)	**9**	9	(25)	(1)	7	**N/M**	**N/M**	**18**	8	**N/M**
Total fee and other revenue	**$ 3,176**	$ 3,332	$ 3,946	$ 3,128	$ 3,112	**(5)%**	**2%**	**$ 6,508**	$ 6,144	**6%**

(a) Asset servicing fees include the fees from the Clearance and Collateral Management business.

(b) Clearing services fees are almost entirely earned by our Pershing business.

(c) Excludes seed capital gains related to consolidated investment management funds, which are reflected in operations of consolidated investment management funds.

(d) On a constant currency basis (Non-GAAP), investment management and performance fees decreased 5% compared with 2Q19. See "Supplemental Information - Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 16 for the reconciliation of this Non-GAAP measure.

N/M - Not meaningful.

THE BANK OF NEW YORK MELLON CORPORATION
AVERAGE BALANCES AND INTEREST RATES

BNY MELLON

(dollars in millions; average rates are annualized)	2Q20 Average balance	2Q20 Average rate	1Q20 Average balance	1Q20 Average rate	4Q19 Average balance	4Q19 Average rate	3Q19 Average balance	3Q19 Average rate	2Q19 Average balance	2Q19 Average rate
Assets										
Interest-earning assets:										
Interest-bearing deposits with the Federal Reserve and other central banks	**$ 94,229**	**(0.03)%**	$ 80,403	0.39%	$ 61,627	0.60%	$ 60,030	0.67%	$ 61,756	0.72%
Interest-bearing deposits with banks (primarily foreign banks)	**21,093**	**0.76**	17,081	1.37	15,788	1.63	15,324	1.89	13,666	1.87
Federal funds sold and securities purchased under resale agreements *(a)*	**30,265**	**0.82**	34,109	4.67	38,846	4.62	40,816	6.42	38,038	5.99
Margin loans	**12,791**	**1.28**	12,984	2.69	11,609	3.25	10,303	4.02	10,920	4.36
Non-margin loans:										
Domestic offices	**31,185**	**2.21**	31,720	3.02	29,690	3.36	29,285	2.75 *(b)*	29,492	3.86
Foreign offices	**12,743**	**1.84**	11,170	2.55	11,418	2.70	11,247	2.97	9,961	3.29
Total non-margin loans	**43,928**	**2.10**	42,890	2.89	41,108	3.18	40,532	2.81 *(b)*	39,453	3.71
Securities:										
U.S. government obligations	**27,901**	**1.52**	23,175	1.87	18,444	2.08	19,315	2.11	18,870	2.19
U.S. government agency obligations	**74,583**	**1.92**	69,046	2.32	67,494	2.36	67,235	2.49	66,445	2.58
State and political subdivisions *(c)*	**1,025**	**2.98**	1,033	3.06	1,134	3.03	1,217	3.05	1,735	2.89
Other securities *(c)*	**45,511**	**0.82**	36,375	0.95	35,242	1.64	33,729	1.75	30,770	2.04
Trading securities *(c)*	**6,236**	**1.13**	6,840	2.36	6,695	2.41	5,653	2.80	5,764	2.72
Total securities *(c)*	**155,256**	**1.50**	136,469	1.88	129,009	2.13	127,149	2.25	123,584	2.40
Total interest-earning assets *(c)*	**$ 357,562**	**1.06 %**	$ 323,936	1.95%	$ 297,987	2.30%	$ 294,154	2.63% *(b)*	$ 287,417	2.74%
Noninterest-earning assets	**57,797**		61,342		56,354		56,525		54,967	
Total assets	**$ 415,359**		$ 385,278		$ 354,341		$ 350,679		$ 342,384	
Liabilities and equity										
Interest-bearing liabilities:										
Interest-bearing deposits:										
Domestic offices	**$ 102,135**	**0.06 %**	$ 99,915	0.69%	$ 87,162	0.98%	$ 82,663	1.28%	$ 74,180	1.36%
Foreign offices	**108,508**	**(0.12)**	97,717	0.29	95,262	0.49	94,738	0.71	93,365	0.78
Total interest-bearing deposits	**210,643**	**(0.03)**	197,632	0.49	182,424	0.73	177,401	0.98	167,545	1.04
Federal funds purchased and securities sold under repurchase agreements *(a)*	**14,209**	**0.03**	13,919	7.96	12,668	9.11	13,432	13.08	11,809	12.64
Trading liabilities	**1,974**	**0.39**	1,626	1.61	1,504	2.25	1,371	2.33	1,735	2.47
Other borrowed funds	**2,272**	**1.30**	719	2.27	709	2.83	1,148	3.24	2,455	3.36
Commercial paper	**191**	**1.02**	1,581	1.56	1,792	1.66	3,796	2.26	2,957	2.43
Payables to customers and broker-dealers	**18,742**	**(0.01)**	16,386	0.73	15,178	1.07	15,440	1.52	15,666	1.76
Long-term debt	**28,122**	**2.42**	27,231	2.83	28,117	3.09	28,386	3.24	27,681	3.45
Total interest-bearing liabilities	**$ 276,153**	**0.24 %**	$ 259,094	1.17%	$ 242,392	1.48%	$ 240,974	1.99%	$ 229,848	2.03%
Total noninterest-bearing deposits	**72,411**		60,577		49,632		49,027		52,956	
Other noninterest-bearing liabilities	**24,121**		24,229		20,681		19,280		18,362	
Total The Bank of New York Mellon Corporation shareholders' equity	**42,486**		41,206		41,384		41,139		41,029	
Noncontrolling interests	**188**		172		252		259		189	
Total liabilities and equity	**$ 415,359**		$ 385,278		$ 354,341		$ 350,679		$ 342,384	
Net interest margin		**0.88 %**		1.01%		1.09%		0.99% *(b)*		1.12%
Net interest margin (FTE) – Non-GAAP *(d)*		**0.88 %**		1.01%		1.09%		1.00% *(b)*		1.12%

(a) Includes the average impact of offsetting under enforceable netting agreements of approximately $67 billion for 2Q20, $80 billion for 1Q20, $60 billion for 4Q19, $68 billion for 3Q19 and $51 billion for 2Q19. On a Non-GAAP basis, excluding the impact of offsetting, the yield on federal funds sold and securities purchased under resale agreements would have been 0.26% for 2Q20, 1.39% for 1Q20, 1.82% for 4Q19, 2.42% for 3Q19 and 2.57% for 2Q19. On a Non-GAAP basis, excluding the impact of offsetting, the rate on federal funds purchased and securities sold under repurchase agreements would have been 0.00% for 2Q20, 1.18% for 1Q20, 1.59% for 4Q19, 2.17% for 3Q19 and 2.39% for 2Q19. We believe providing the rates excluding the impact of netting is useful to investors as it is more reflective of the actual rates earned and paid.

(b) Includes the impact of the lease-related impairment of $70 million in 3Q19. On a Non-GAAP basis, excluding the lease-related impairment, the yield on non-margin loans in domestic offices would have been 3.70%, the yield on total non-margin loans would have been 3.50%, the yield on total interest-earning assets would have been 2.72% and the net interest margin and the net interest margin (FTE) – Non-GAAP would have been 1.09% in 3Q19.

(c) Average rates were calculated on an FTE basis, at tax rates of approximately 21%.

(d) See "Supplemental Information - Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 16 for the reconciliation of this Non-GAAP measure.

THE BANK OF NEW YORK MELLON CORPORATION
CAPITAL AND LIQUIDITY

BNY MELLON

	2020		2019		
(dollars in millions)	**June 30**	March 31	Dec. 31	Sept. 30	June 30
Consolidated regulatory capital ratios *(a)*					
Standardized Approach:					
CET1 capital	**$ 20,036**	$ 18,465	$ 18,540	$ 18,196	$ 18,534
Tier 1 capital	**24,487**	21,933	21,996	21,677	22,015
Total capital	**26,198**	23,494	23,449	23,145	23,500
Risk-weighted assets	**157,550**	163,006	148,695	148,399	149,226
CET1 ratio	**12.7 %**	11.3 %	12.5 %	12.3 %	12.4 %
Tier 1 capital ratio	**15.5**	13.5	14.8	14.6	14.8
Total capital ratio	**16.6**	14.4	15.8	15.6	15.7
Advanced Approaches:					
CET1 capital	**$ 20,036**	$ 18,465	$ 18,540	$ 18,196	$ 18,534
Tier 1 capital	**24,487**	21,933	21,996	21,677	22,015
Total capital	**25,948**	23,281	23,233	22,921	23,300
Risk-weighted assets	**159,191**	162,561	160,898	164,172	166,570
CET1 ratio	**12.6 %**	11.4 %	11.5 %	11.1 %	11.1 %
Tier 1 capital ratio	**15.4**	13.5	13.7	13.2	13.2
Total capital ratio	**16.3**	14.3	14.4	14.0	14.0
Tier 1 leverage ratio	**6.2 %**	6.0 %	6.6 %	6.5 %	6.8 %
SLR:					
Leverage exposure	**$ 297,281** *(b)*	$ 392,807	$ 362,452	$ 359,023	$ 350,747
SLR	**8.2 %** *(b)*	5.6 %	6.1 %	6.0 %	6.3 %
Average liquidity coverage ratio	**112 %**	115 %	120 %	117 %	117 %

(a) Regulatory capital ratios for June 30, 2020 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 June 30, 2020, Dec. 31, 2019, Sept. 30, 2019 and June 30, 2019, was the Advanced Approaches, and for March 31, 2020 was the Standardized Approach for the CET1 and Tier 1 capital ratios and the Advanced Approaches for the Total capital ratio.

(b) Reflects the application of a new rule effective April 1, 2020 to exclude certain central bank placements as well as the temporary exclusion of U.S. Treasury securities from the leverage exposure used in the SLR calculation. The temporary exclusion of U.S. Treasury securities from the SLR's leverage exposure increased our SLR by 40 basis points.

THE BANK OF NEW YORK MELLON CORPORATION
INVESTMENT SERVICES BUSINESS

BNY MELLON

(dollars in millions)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**2Q20 vs. 1Q20**	**2Q20 vs. 2Q19**	**YTD20**	YTD19	**YTD20 vs. YTD19**
Revenue:										
Investment services fees:										
Asset servicing fees (ex. securities lending revenue) *(a)*	**$ 1,113**	$ 1,101	$ 1,098	$ 1,099	$ 1,086	**1 %**	**2 %**	**$ 2,214**	$ 2,153	**3%**
Securities lending revenue	**51**	46	40	39	40	**11**	**28**	**97**	84	**15**
Clearing services fees *(b)*	**431**	470	421	419	411	**(8)**	**5**	**901**	809	**11**
Issuer services fees	**277**	263	264	324	291	**5**	**(5)**	**540**	542	**—**
Treasury services fees	**144**	149	147	139	140	**(3)**	**3**	**293**	272	**8**
Total investment services fees	**2,016**	2,029	1,970	2,020	1,968	**(1)**	**2**	**4,045**	3,860	**5**
Foreign exchange and other trading revenue	**178**	261	151	160	153	**(32)**	**16**	**439**	310	**42**
Other *(c)*	**145**	146	115	116	112	**(1)**	**29**	**291**	224	**30**
Total fee and other revenue	**2,339**	2,436	2,236	2,296	2,233	**(4)**	**5**	**4,775**	4,394	**9**
Net interest revenue	**768**	806	778	761	783	**(5)**	**(2)**	**1,574**	1,587	**(1)**
Total revenue	**3,107**	3,242	3,014	3,057	3,016	**(4)**	**3**	**6,349**	5,981	**6**
Provision for credit losses	**145**	149	(5)	(15)	(4)	**N/M**	**N/M**	**294**	4	**N/M**
Noninterest expense (ex. amortization of intangible assets)	**1,971**	1,969	2,160	1,952	1,943	**—**	**1**	**3,940**	3,904	**1**
Amortization of intangible assets	**18**	18	19	21	20	**—**	**(10)**	**36**	40	**(10)**
Total noninterest expense	**1,989**	1,987	2,179	1,973	1,963	**—**	**1**	**3,976**	3,944	**1**
Income before taxes	**$ 973**	$ 1,106	$ 840	$ 1,099	$ 1,057	**(12)%**	**(8)%**	**$ 2,079**	$ 2,033	**2%**
Pre-tax operating margin	**31%**	34%	28%	36%	35%			**33%**	34%	
Total revenue by line of business:										
Asset Servicing	**$ 1,463**	$ 1,531	$ 1,411	$ 1,411	$ 1,397	**(4)%**	**5 %**	**$ 2,994**	$ 2,812	**6%**
Pershing	**578**	653	579	575	572	**(11)**	**1**	**1,231**	1,133	**9**
Issuer Services	**431**	419	415	466	446	**3**	**(3)**	**850**	842	**1**
Treasury Services	**340**	339	329	312	317	**—**	**7**	**679**	634	**7**
Clearance and Collateral Management	**295**	300	280	293	284	**(2)**	**4**	**595**	560	**6**
Total revenue by line of business	**$ 3,107**	$ 3,242	$ 3,014	$ 3,057	$ 3,016	**(4)%**	**3 %**	**$ 6,349**	$ 5,981	**6%**

(a) Asset servicing fees include the fees from the Clearance and Collateral Management business.

(b) Clearing services fees are almost entirely earned by our Pershing business.

(c) Other revenue includes investment management fees, financing-related fees, distribution and servicing revenue, securities gains and losses and investment and other income.

N/M - Not meaningful.

(dollars in millions, unless otherwise noted)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**2Q20 vs. 1Q20**	**2Q20 vs. 2Q19**	**YTD20**	YTD19	**YTD20 vs. YTD19**
Average loans	**$ 43,113**	$ 41,789	$ 38,721	$ 37,005	$ 36,404	**3%**	**18%**	**$ 42,451**	$ 36,818	**15%**
Average assets	**$ 335,288**	$ 304,089	$ 278,098	$ 269,926	$ 264,781	**10%**	**27%**	**$ 319,689**	$ 260,432	**23%**
Average deposits	**$ 268,467**	$ 242,187	$ 215,388	$ 208,044	$ 201,146	**11%**	**33%**	**$ 255,327**	$ 198,131	**29%**
AUC/A at period end *(in trillions) (a)(b)*	**$ 37.3**	$ 35.2	$ 37.1	$ 35.8	$ 35.5	**6%**	**5%**			
Market value of securities on loan at period end *(in billions) (c)*	**$ 384**	$ 389	$ 378	$ 362	$ 369	**(1)%**	**4%**			
Pershing										
Net new assets (U.S. platform) *(in billions) (d)*	**$ 11**	$ 31	$ 33	$ 19	$ 21	**N/M**	**N/M**			
Average active clearing accounts (U.S. platform) (*in thousands)*	**6,507**	6,437	6,340	6,283	6,254	**1%**	**4%**			
Average long-term mutual fund assets (U.S. platform)	**$ 547,579**	$ 549,206	$ 573,475	$ 547,522	$ 532,384	**—%**	**3%**			
Average investor margin loans (U.S. platform)	**$ 9,235**	$ 9,419	$ 9,420	$ 9,222	$ 9,440	**(2)%**	**(2)%**			
Clearance and Collateral Management										
Average tri-party collateral management balances (*in billions)*	**$ 3,573**	$ 3,724	$ 3,562	$ 3,550	$ 3,400	**(4)%**	**5%**			

(a) June 30, 2020 information is preliminary.

(b) Includes the AUC/A of CIBC Mellon of $1.3 trillion at June 30, 2020, $1.2 trillion at March 31, 2020, $1.5 trillion at Dec. 31, 2019 and $1.4 trillion at Sept. 30, 2019 and June 30, 2019.

(c) 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 $62 billion at June 30, 2020, $59 billion at March 31, 2020, $60 billion at Dec. 31, 2019, $66 billion at Sept. 30, 2019 and $64 billion at June 30, 2019.

(d) Net new assets represents net flows of assets (e.g., net cash deposits and net securities transfers) in customer accounts in Pershing LLC, a U.S. broker-dealer.

N/M - Not meaningful.

THE BANK OF NEW YORK MELLON CORPORATION
INVESTMENT AND WEALTH MANAGEMENT BUSINESS
(formerly Investment Management business)

BNY MELLON

(dollars in millions)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**2Q20 vs. 1Q20**	**2Q20 vs. 2Q19**	**YTD20**	YTD19	**YTD20 vs. YTD19**
Revenue:										
Investment management fees *(a)*	**$ 782**	$ 812	$ 836	$ 830	$ 831	**(4)%**	**(6)%**	**$ 1,594**	$ 1,641	**(3)%**
Performance fees	**5**	50	48	2	2	**N/M**	**150**	**55**	33	**67**
Investment management and performance fees *(b)*	**787**	862	884	832	833	**(9)**	**(6)**	**1,649**	1,674	**(1)**
Distribution and servicing	**34**	43	44	45	44	**(21)**	**(23)**	**77**	89	**(13)**
Other *(a)*	**17**	(59)	(4)	(39)	(23)	**N/M**	**N/M**	**(42)**	(40)	**N/M**
Total fee and other revenue *(a)*	**838**	846	924	838	854	**(1)**	**(2)**	**1,684**	1,723	**(2)**
Net interest revenue	**48**	52	47	49	59	**(8)**	**(19)**	**100**	126	**(21)**
Total revenue	**886**	898	971	887	913	**(1)**	**(3)**	**1,784**	1,849	**(4)**
Provision for credit losses	**7**	9	—	—	(2)	**N/M**	**N/M**	**16**	(1)	**N/M**
Noninterest expense (ex. amortization of intangible assets)	**650**	687	722	582	646	**(5)**	**1**	**1,337**	1,306	**2**
Amortization of intangible assets	**8**	8	9	10	9	**—**	**(11)**	**16**	18	**(11)**
Total noninterest expense	**658**	695	731	592	655	**(5)**	**—**	**1,353**	1,324	**2**
Income before taxes	**$ 221**	$ 194	$ 240	$ 295	$ 260	**14 %**	**(15)%**	**$ 415**	$ 526	**(21)%**
Pre-tax operating margin	**25%**	22%	25%	33%	29%			**23%**	28%	
Adjusted pre-tax operating margin – Non-GAAP *(c)*	**28%**	24%	27%	37%	32%			**26%**	32%	
Total revenue by line of business:										
Investment Management (formerly Asset Management)	**$ 621**	$ 620	$ 692	$ 608	$ 622	**— %**	**— %**	**$ 1,241**	$ 1,262	**(2)%**
Wealth Management	**265**	278	279	279	291	**(5)**	**(9)**	**543**	587	**(7)**
Total revenue by line of business	**$ 886**	$ 898	$ 971	$ 887	$ 913	**(1)%**	**(3)%**	**$ 1,784**	$ 1,849	**(4)%**
Average loans	**$ 11,791**	$ 12,124	$ 12,022	$ 12,013	$ 12,205	**(3)%**	**(3)%**	**$ 11,958**	$ 12,271	**(3)%**
Average assets	**$ 30,327**	$ 30,543	$ 28,481	$ 27,840	$ 29,793	**(1)%**	**2 %**	**$ 30,435**	$ 30,819	**(1)%**
Average deposits	**$ 17,491**	$ 16,144	$ 15,195	$ 14,083	$ 14,615	**8 %**	**20 %**	**$ 16,817**	$ 15,211	**11 %**

(a) Total fee and other revenue includes the impact of the consolidated investment management funds, net of noncontrolling interests. Additionally, other revenue includes asset servicing fees, treasury services fees, foreign exchange and other trading revenue and investment and other income.

(b) On a constant currency basis (Non-GAAP), investment management and performance fees decreased 4% compared with 2Q19. See "Supplemental Information - Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 16 for the reconciliation of this Non-GAAP measure.

(c) Net of distribution and servicing expense. See "Supplemental Information - Explanation of GAAP and Non-GAAP Financial Measures" beginning on page 16 for the reconciliation of this Non-GAAP measure.

N/M - Not meaningful.

THE BANK OF NEW YORK MELLON CORPORATION
AUM BY PRODUCT, AUM FLOWS AND WEALTH MANAGEMENT CLIENT ASSETS

BNY MELLON

(dollars in billions)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**2Q20 vs. 1Q20**	**2Q20 vs. 2Q19**
AUM by product type *(a)(b)*							
Equity	**$ 141**	$ 120	$ 154	$ 147	$ 152	**18%**	**(7)%**
Fixed income	**224**	211	224	211	209	**6**	**7**
Index	**333**	274	339	321	322	**22**	**3**
Liability-driven investments	**752**	705	728	742	709	**7**	**6**
Multi-asset and alternative investments	**185**	171	192	182	184	**8**	**1**
Cash	**326**	315	273	278	267	**3**	**22**
Total AUM by product type	**$ 1,961**	$ 1,796	$ 1,910	$ 1,881	$ 1,843	**9%**	**6 %**
Changes in AUM *(a)(b)*							
Beginning balance of AUM	**$ 1,796**	$ 1,910	$ 1,881	$ 1,843	$ 1,841		
Net inflows (outflows):							
Long-term strategies:							
Equity	**(2)**	(2)	(6)	(4)	(2)		
Fixed income	**4**	—	5	2	(4)		
Liability-driven investments	**(2)**	(5)	(3)	(4)	1		
Multi-asset and alternative investments	**—**	(1)	3	(1)	1		
Total long-term active strategies (outflows)	**—**	(8)	(1)	(7)	(4)		
Index	**9**	3	(5)	(3)	(22)		
Total long-term strategies inflows (outflows)	**9**	(5)	(6)	(10)	(26)		
Short-term strategies:							
Cash	**11**	43	(7)	11	2		
Total net inflows (outflows)	**20**	38	(13)	1	(24)		
Net market impact	**143**	(91)	(20)	66	42		
Net currency impact	**2**	(61)	62	(29)	(16)		
Ending balance of AUM	**$ 1,961**	$ 1,796	$ 1,910	$ 1,881	$ 1,843	**9%**	**6 %**
Wealth Management client assets *(a)(c)*	**$ 254**	$ 236	$ 266	$ 259	$ 257	**8%**	**(1)%**

(a) June 30, 2020 information is preliminary.

(b) Excludes securities lending cash management assets and assets managed in the Investment Services business.

(c) Includes AUM and AUC/A in the Wealth Management business.

THE BANK OF NEW YORK MELLON CORPORATION
OTHER SEGMENT

BNY MELLON

(in millions)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**YTD20**	YTD19
Fee revenue	**$ 29**	$ 21	$ 817 (a)	$ (5)	$ 24	**$ 50**	$ 41
Net securities gains (losses)	**9**	9	(23)	(1)	7	**18**	8
Total fee and other revenue	**38**	30	794	(6)	31	**68**	49
Net interest (expense)	**(36)**	(44)	(10)	(80)	(40)	**(80)**	(70)
Total revenue (loss)	**2**	(14)	784	(86)	(9)	**(12)**	(21)
Provision for credit losses	**(9)**	11	(3)	(1)	(2)	**2**	(4)
Noninterest expense	**39**	30	54	25	29	**69**	78
(Loss) income before taxes	**$ (28)**	$ (55)	$ 733	$ (110)	$ (36)	**$ (83)**	$ (95)
Average loans and leases	**$ 1,815**	$ 1,961	$ 1,974	$ 1,817	$ 1,764	**$ 1,887**	$ 1,774
Average assets	**$ 49,744**	$ 50,646	$ 47,762	$ 52,913	$ 47,810	**$ 50,194**	$ 48,041

(a) Includes a gain on sale of an equity investment.

THE BANK OF NEW YORK MELLON CORPORATION
SECURITIES PORTFOLIO

BNY MELLON

(dollars in millions)	March 31, 2020 Fair value	2Q20 change in unrealized gain (loss)	June 30, 2020 Amortized cost	June 30, 2020 Fair value	Fair value as a % of amortized cost *(a)*	Unrealized gain (loss)	Ratings *(b)* AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	A1+/ A2 & SP-1+	Not rated
Agency RMBS	$ 57,074	$ 455	**$ 58,874**	**$ 60,401**	103%	$ 1,527	100%	—%	—%	—%	—%	—%
U.S. Treasury	24,825	(31)	**28,224**	**28,651**	102	427	100	—	—	—	—	—
Sovereign debt/sovereign guaranteed	13,833	47	**16,698**	**16,868**	101	170	75	6	18	1	—	—
Agency commercial MBS	11,416	159	**11,339**	**11,731**	103	392	100	—	—	—	—	—
Foreign covered bonds	5,349	62	**5,548**	**5,598**	101	50	100	—	—	—	—	—
Supranational	4,339	27	**5,434**	**5,484**	101	50	100	—	—	—	—	—
U.S. government agencies	3,346	29	**4,984**	**5,056**	101	72	100	—	—	—	—	—
CLOs	4,098	149	**4,526**	**4,432**	98	(94)	99	—	—	—	—	1
Foreign government agencies	2,761	14	**3,536**	**3,575**	101	39	95	5	—	—	—	—
Commercial paper and certificates of deposits *(c)(d)*	3,465	5	**3,386**	**3,392**	100	6	—	—	—	—	100	—
Other asset-backed securities	2,220	56	**2,724**	**2,743**	101	19	99	—	1	—	—	—
Non-agency commercial MBS	2,446	140	**2,517**	**2,602**	103	85	100	—	—	—	—	—
Non-agency RMBS *(e)*	1,548	66	**1,537**	**1,672**	109	135	50	8	2	24	—	16
State and political subdivisions	1,001	12	**1,166**	**1,196**	103	30	76	22	—	—	1	1
Corporate bonds	818	28	**789**	**831**	105	42	19	68	13	—	—	—
Other	1	—	**1**	**1**	100	—	—	—	—	—	—	100
Total securities	$ 138,540 *(f)*	$ 1,218	**$ 151,283**	**$ 154,233** *(f)(g)*	**102%**	**$ 2,950** *(f)(h)*	**94%**	**2%**	**2%**	**—%**	**2%**	**—%**

(a) Amortized cost reflects historical impairments.

(b) Represents ratings by S&P, or the equivalent.

(c) Includes amounts purchased from affiliated money market funds of $2,145 million at March 31, 2020 and $1,853 million at June 30, 2020.

(d) Includes amounts funded by borrowings from the Federal Reserve Bank under its Money Market Mutual Fund Liquidity Facility ("MMLF") program of $651 million at March 31, 2020 and $1,539 million at June 30, 2020.

(e) Includes RMBS that were included in the former Grantor Trust of $535 million at March 31, 2020 and $538 million at June 30, 2020.

(f) Includes net unrealized losses on derivatives hedging securities available-for-sale (including terminated hedges) of $1,846 million at March 31, 2020 and $1,817 million at June 30, 2020.

(g) At June 30, 2020, the securities portfolio, including the impact of interest rate swap hedges, is 74% fixed rate and 26% floating rate.

(h) Includes unrealized gains of $1,582 million at June 30, 2020 related to available-for-sale securities, net of hedges.

THE BANK OF NEW YORK MELLON CORPORATION
ALLOWANCE FOR CREDIT LOSSES AND NONPERFORMING ASSETS

BNY MELLON

	2020		2019		
(dollars in millions)	**June 30**	March 31	Dec. 31	Sept. 30	June 30
Allowance for credit losses - beginning of period:					
Allowance for loan losses	**$ 140**	$ 122	$ 127	$ 146	$ 146
Allowance for lending-related commitments	**148**	94	97	95	102
Allowance for other financial instruments	**41** *(a)*	N/A	N/A	N/A	N/A
Allowance for credit losses - beginning of period	**$ 329**	$ 216	$ 224	$ 241	$ 248
Impact of adopting ASU 2016-13, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments,* effective Jan. 1, 2020	**N/A**	(55) *(b)*	N/A	N/A	N/A
Net recoveries (charge-offs):					
Charge-offs	**—**	(1)	(1)	(1)	(1)
Recoveries	**3**	—	1	—	2
Total net recoveries (charge-offs)	**3**	(1)	—	(1)	1
Provision for credit losses	**143** *(b)*	169 *(b)*	(8)	(16)	(8)
Allowance for credit losses - end of period	**$ 475**	$ 329	$ 216	$ 224	$ 241
Allowance for credit losses - end of period:					
Allowance for loan losses	**$ 302**	$ 140	$ 122	$ 127	$ 146
Allowance for lending-related commitments	**152**	148	94	97	95
Allowance for other financial instruments	**21** *(a)*	41 *(a)*	N/A	N/A	N/A
Allowance for credit losses - end of period	**$ 475**	$ 329	$ 216	$ 224	$ 241
Allowance for loan losses as a percentage of total loans	**0.55%**	0.22%	0.22%	0.23%	0.28%
Nonperforming assets	**$ 88**	$ 88	$ 89	$ 88	$ 186 *(c)*

(a) Includes allowance for credit losses on federal funds sold and securities purchased under resale agreements, available-for-sale securities, accounts receivable, cash and due from banks and interest-bearing deposits with banks.

(b) Includes all instruments within the scope of ASU 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments.

(c) Includes nonperforming loans to a California utility company that filed for bankruptcy that were sold in 3Q19.

N/A - Not applicable.

BNY Mellon has included in this Financial Supplement certain Non-GAAP financial measures on a tangible basis as a supplement to GAAP information, which exclude goodwill and intangible assets, net of deferred tax liabilities. We believe that the return on tangible common equity is additional useful information for investors because it presents a measure of those assets that can generate income, and the tangible book value per common share is additional useful information because it presents the level of tangible assets in relation to shares of common stock outstanding.

Net interest revenue, on a fully taxable equivalent ("FTE") basis – Non-GAAP and net interest margin (FTE) – Non-GAAP and other FTE measures include the tax equivalent adjustments on tax-exempt income which allows for the comparison 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.

BNY Mellon has also included the adjusted pre-tax operating margin – Non-GAAP, which is the pre-tax operating margin for the Investment and Wealth Management business net of distribution and servicing expense that was passed to third parties who distribute or service our managed funds. We believe that this measure is useful when evaluating the performance of the Investment and Wealth Management business relative to industry competitors.

The presentation of the growth rates of investment management and performance fees on a constant currency basis permits investors to assess the significance of changes in foreign currency exchange rates. Growth rates on a constant currency basis were determined by applying the current period foreign currency exchange rates to the prior period revenue. BNY Mellon believes that this presentation, as a supplement to GAAP information, gives investors a clearer picture of the related revenue results without the variability caused by fluctuations in foreign currency exchange rates.

Notes:

Certain immaterial reclassifications/revisions have been made to prior periods to place them on a basis comparable with the current period's presentation.

In businesses where average deposits are greater than average loans, average assets include an allocation of investment securities equal to the difference.

Quarterly return on common and tangible common equity ratios are annualized.

Return on common equity and tangible common equity reconciliation							
(dollars in millions)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**YTD20**	YTD19
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	**$ 901**	$ 944	$ 1,391	$ 1,002	$ 969	**$ 1,845**	$ 1,879
Add: Amortization of intangible assets	**26**	26	28	30	30	**52**	59
Less: Tax impact of amortization of intangible assets	**6**	6	7	7	7	**12**	14
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets – Non-GAAP	**$ 921**	$ 964	$ 1,412	$ 1,025	$ 992	**$ 1,885**	$ 1,924
Average common shareholders' equity	**$ 38,476**	$ 37,664	$ 37,842	$ 37,597	$ 37,487	**$ 38,070**	$ 37,287
Less: Average goodwill	**17,243**	17,311	17,332	17,267	17,343	**17,277**	17,360
Average intangible assets	**3,058**	3,089	3,119	3,141	3,178	**3,073**	3,193
Add: Deferred tax liability – tax deductible goodwill	**1,119**	1,109	1,098	1,103	1,094	**1,119**	1,094
Deferred tax liability – intangible assets	**664**	666	670	679	687	**664**	687
Average tangible common shareholders' equity – Non-GAAP	**$ 19,958**	$ 19,039	$ 19,159	$ 18,971	$ 18,747	**$ 19,503**	$ 18,515
Return on common equity – GAAP	**9.4%**	10.1%	14.6%	10.6%	10.4%	**9.7%**	10.2%
Return on tangible common equity – Non-GAAP	**18.5%**	20.4%	29.3%	21.4%	21.2%	**19.4%**	20.9%

THE BANK OF NEW YORK MELLON CORPORATION
SUPPLEMENTAL INFORMATION – EXPLANATION OF GAAP AND NON-GAAP FINANCIAL MEASURES

BNY MELLON

Book value and tangible book value per common share reconciliation	2020		2019		
(dollars in millions, except common shares)	**June 30**	March 31	Dec. 31	Sept. 30	June 30
BNY Mellon shareholders' equity at period end – GAAP	**$ 43,697**	$ 41,145	$ 41,483	$ 41,120	$ 41,533
Less: Preferred stock	**4,532**	3,542	3,542	3,542	3,542
BNY Mellon common shareholders' equity at period end – GAAP	**39,165**	37,603	37,941	37,578	37,991
Less: Goodwill	**17,253**	17,240	17,386	17,248	17,337
Intangible assets	**3,045**	3,070	3,107	3,124	3,160
Add: Deferred tax liability – tax deductible goodwill	**1,119**	1,109	1,098	1,103	1,094
Deferred tax liability – intangible assets	**664**	666	670	679	687
BNY Mellon tangible common shareholders' equity at period end – Non-GAAP	**$ 20,650**	$ 19,068	$ 19,216	$ 18,988	$ 19,275
Period-end common shares outstanding *(in thousands)*	**885,862**	885,443	900,683	922,199	942,662
Book value per common share – GAAP	**$ 44.21**	$ 42.47	$ 42.12	$ 40.75	$ 40.30
Tangible book value per common share – Non-GAAP	**$ 23.31**	$ 21.53	$ 21.33	$ 20.59	$ 20.45

Net interest margin reconciliation					
(dollars in millions)	**2Q20**	1Q20	4Q19	3Q19	2Q19
Net interest revenue – GAAP	**$ 780**	$ 814	$ 815	$ 730	$ 802
Add: Tax equivalent adjustment	**2**	2	2	3	4
Net interest revenue (FTE) – Non-GAAP	**$ 782**	$ 816	$ 817	$ 733	$ 806
Average interest-earning assets	**$ 357,562**	$ 323,936	$ 297,987	$ 294,154	$ 287,417
Net interest margin – GAAP *(a)*	**0.88%**	1.01%	1.09%	0.99%	1.12%
Net interest margin (FTE) – Non-GAAP *(a)*	**0.88%**	1.01%	1.09%	1.00%	1.12%

(a) Net interest margin is annualized.

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Pre-tax operating margin reconciliation - Investment and Wealth Management business							
(dollars in millions)	**2Q20**	1Q20	4Q19	3Q19	2Q19	**YTD20**	YTD19
Income before income taxes – GAAP	**$ 221**	$ 194	$ 240	$ 295	$ 260	**$ 415**	$ 526
Total revenue – GAAP	**$ 886**	$ 898	$ 971	$ 887	$ 913	**$ 1,784**	$ 1,849
Less: Distribution and servicing expense	**86**	91	93	98	94	**177**	185
Adjusted total revenue, net of distribution and servicing expense – Non-GAAP	**$ 800**	$ 807	$ 878	$ 789	$ 819	**$ 1,607**	$ 1,664
Pre-tax operating margin – GAAP *(a)*	**25%**	22%	25 %	33%	29%	**23%**	28%
Adjusted pre-tax operating margin, net of distribution and servicing expense – Non-GAAP *(a)*	**28%**	24%	27 %	37%	32%	**26%**	32%

(a) Income before income taxes divided by total revenue.

Constant currency reconciliations			**2Q20 vs.**
(dollars in millions)	**2Q20**	2Q19	**2Q19**
Consolidated:			
Investment management and performance fees – GAAP	**$ 786**	$ 833	**(6)%**
Impact of changes in foreign currency exchange rates	**—**	(9)	
Adjusted investment management and performance fees – Non-GAAP	**$ 786**	$ 824	**(5)%**
Investment and Wealth Management business:			
Investment management and performance fees – GAAP	**$ 787**	$ 833	**(6)%**
Impact of changes in foreign currency exchange rates	**—**	(9)	
Adjusted investment management and performance fees – Non-GAAP	**$ 787**	$ 824	**(4)%**