Technology Strategy and Digital Transformation

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“Platform of the Future” - Why a Platform / Ecosystem?

Omni-Channel
- ‘Own’ customer relationship
- Multi-product customer experience to meet life events
- Integrated value chain

Retail banks, Retailers, Energy Companies

Ecosystem Driver
- Provide a branded open platform
- Ensure great customer experience
- Plug and play third-party products
- Customer knowledge from all data
- Match customer needs with providers
- Extract ‘rents’

Amazon, Alibaba, Fidelity, eBay, YouTube

Supplier
- Sell through other companies
- Potential for loss of power
- Core skills: low-cost producer, incremental innovation

Insurance via agent, Electronic producer via retailer, Mutual fund via broker

Modular Producer
- Plug and play product/service
- Able to adapt to any ecosystem
- Constant innovation of product/service

PayPal, Kabbage

Knowledge of End Consumer
- Partial
- Complete

Who controls key decisions: brand, contracts, price, quality, participants, IP and data ownership, regulation

Current State
Future State

Source: MIT Sloan Management – Center for Information Systems Research (CISR)
# Benefits of the NEXEN Ecosystem

## Clients, Employees and Shareholders

<table>
<thead>
<tr>
<th>OUTCOME</th>
<th>CHARACTERISTIC</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Efficient and Easy Client Experience</td>
<td>Consistent Access and Experience</td>
<td>• Cohesive user interface and platform experience across users and devices</td>
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<td>• Interaction among BNY Mellon, platform and consumers / developers</td>
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<td>User / Developer Communities</td>
<td>• Faster client onboarding</td>
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<td>• Developer, product, and support communities for hybrid platforms and open</td>
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<td>source software</td>
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<td>Increased Return on Technology Investment</td>
<td>Reusable Components</td>
<td>• Cost reduction by eliminating duplicate business processes, interoperable</td>
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<td>business services</td>
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<td>Open Platforms</td>
<td>• Organic growth by building once and re-using for many clients, driving</td>
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<td>economics of scale</td>
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<td>• Improved time-to-market</td>
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<td>• Standard, accessible electronic services via APIs that empower clients</td>
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<td>Innovative Solutions Delivered Quickly</td>
<td>Third-Party Contributors</td>
<td>• Third-party providers and developers developing new and innovative solutions on the platform, expanding offerings far beyond core competencies</td>
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<td>Organic Platform Growth</td>
<td>• Easier client transitions to new service lines, and common data sources</td>
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<td>lead to platform growth</td>
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<td>• Increased market share due to network effect and lock-in</td>
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NEXEN Creates a Powerful Digital Ecosystem Advantage
Currently 12,000+ NEXEN Gateway Users from 950+ Clients

Create a Digital Platform with a Powerful Ecosystem
- Single-entry gateway
- Common infrastructure and shared components (e.g. API Store, App store, Digital Pulse)
- 320 applications currently on our private cloud platform (BNY Mellon extreme Platform – BXP)

Provide Consistent, Efficient and Easy Client Experience
- Ushering in a new digital transformation; culture and retraining
- Breaking down legacy systems into reusable services
- Consolidating platforms
- Continuous improvement through performance and usage monitoring

Leverage Third-Party Solutions
- Stocking API store (62 APIs complete/500+ APIs in Lab)
- Currently connected with FinTechs and delivering services
- Exploring 40+ FinTechs to populate App store

Deliver Business Insights Through Innovative Solutions
- Collaborating with clients to develop solutions that better meet their needs with our data tools and FinTech services
- Building and standardizing NEXEN data

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