



BNY MELLON

# ANNUAL MEETING OF STOCKHOLDERS

April 8, 2014

# Cautionary Statement

A number of statements in our presentations, the accompanying slides and the responses to your questions are “forward-looking statements.” These statements relate to, among other things, The Bank of New York Mellon (the expectations regarding: Investment positioning for growth; the Fed Funds Effective rate and impact of increases on our business; signs of an abatement in Corporate Trust run-off, and positive growth; our strong capital position and return on tangible equity; projected margin impacts of investment management initiatives; our ability to perform well in stress scenarios and maintain our high payout ratios; our 2014 capital plan; expense control plans and investing for organic growth; strengthening regulatory / compliance and risk management; cross-business solutions; the benefits to having investment management and investment services under one company; our business ability to drive shareholder value; possible gains relating to real estate sales; changes in technology and staffing; our growth position; and statements regarding the Corporation's aspirations, as well as the overall plans, strategies, goals, objectives, expectations, 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 control).

Actual results 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, 2013 (the “2013 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 8, 2014, 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.

Non-GAAP Measures: In this presentation we may discuss some non-GAAP adjusted measures in detailing the Corporation’s performance. 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 adjusted measures are contained in the Corporation’s reports filed with the SEC, including the 2013 Annual Report, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

# The Investments Company for the World

## Expertise Across the Investment Lifecycle



\* Securities transactions are effected, where required, only through registered broker-dealers.

# The Investments Company for the World

## Global Market Leadership

*Consolidated Revenue of ~\$15.0B and Pretax Income of ~\$3.7B in 2013\**

<b>Investment Services</b> (35% non-U.S. revenue)		<b>Revenue: ~\$10.2B</b> <b>Pretax Income: ~\$2.9B</b>	
<b>Asset Servicing</b>	Largest global custodian ranked by Assets Under Custody / Administration	<b>Corporate Trust</b>	#1 Global corporate trust service provider
<b>Alternative Investment Services</b>	#3 fund administrator	<b>Treasury Services</b>	Top 5 in U.S.D. payments
<b>Broker-Dealer Services</b>	#1 (U.S.), growing globally	<b>Global Markets</b>	Client driven trading
<b>Pershing</b>	#1 clearing firm U.S., U.K., Ireland, Australia	<b>Global Collateral Services</b>	Leveraging the breadth of Investment Services
<b>Depository Receipts</b>	#1 in market share (~60%)		
<b>Investment Management</b> (46% non-U.S. revenue)		<b>Revenue: ~\$4.0B</b> <b>Pretax Income: ~\$1.1B</b>	
<b>Asset Management</b>	Top 10 global asset manager	<b>Wealth Management</b>	#7 U.S. wealth manager

\* Consolidated revenue and pretax income include the Other segment. Pretax income for Investment Services and Investment Management exclude amortization of intangible assets. See Appendix for revenue and pretax income reconciliation. Rankings reflect BNY Mellon's size in the markets in which it operates and are based on internal data as well as BNY Mellon's knowledge of those markets. For additional details regarding these rankings, see Appendix and / or pages 25-26 of our Annual Report for the year ended December 31, 2013, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

# 2013 Highlights

	Growth Year-over-Year	
Pretax Income	+12%	<ul style="list-style-type: none"> <li>➤ Net income (16%)</li> <li>➤ +9% (excluding disallowance of certain tax credits) <sup>2</sup></li> </ul>
Investment Management Fees <sup>1</sup>	+7%	<ul style="list-style-type: none"> <li>➤ AUM +14%</li> <li>➤ Net AUM inflows of \$100 billion</li> </ul>
Investment Services Fees	+4%	<ul style="list-style-type: none"> <li>➤ AUC/A +\$1.3 trillion (+5%)</li> <li>➤ Estimated new AUC/A wins of \$639 billion</li> </ul>
Net Interest Revenue	+1%	<ul style="list-style-type: none"> <li>➤ Mix of interest-earning assets, lower funding costs and higher interest-earning assets offset by lower yields</li> </ul>
Operating Expenses	0%	<ul style="list-style-type: none"> <li>➤ Lower litigation provision, offset by higher core expenses in support of fee growth and increasing regulatory / risk / compliance costs</li> </ul>
	<b>2013</b>	
Total Shareholder Return	39%	
Return on Tangible Common Equity <sup>2</sup>	20%	
Share Repurchases	\$1B	<ul style="list-style-type: none"> <li>➤ 83% total payout ratio</li> </ul>
Quarterly Dividend Increase	15%	<ul style="list-style-type: none"> <li>➤ Repurchased ~3% of shares outstanding</li> </ul>

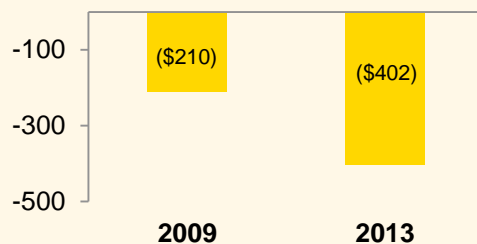
<sup>1</sup> Includes Performance fees.

<sup>2</sup> Represents a non-GAAP adjusted measure. See Appendix for reconciliation. Additional disclosure regarding this measure and other non-GAAP adjusted measures SEC, including our 2013 Annual Report, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

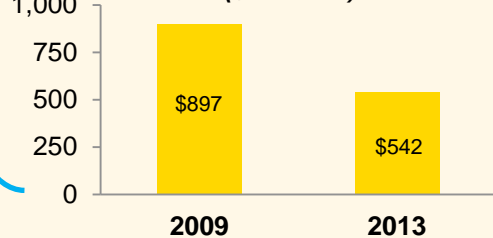
# A Look at 2013 Solid Pretax Income Growth Despite Factors Unique to BNY Mellon

Pretax Income +12%

**Money Market Fee Waivers Pretax Trend (\$millions)**

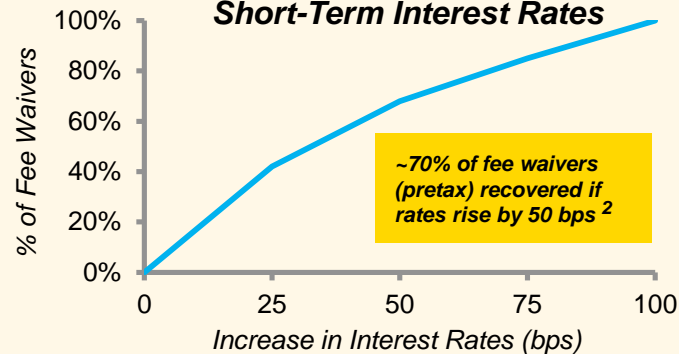


**Corporate Trust Pretax Income<sup>1</sup> (\$millions)**



**Combined pretax margin dilution of ~260 bps from 2009 to 2013**

**Rapid Recovery of Fee Waivers With Rising Short-Term Interest Rates**



**Pretax decline partially driven by structured debt run-off**

**Structured debt run-off expected to abate in the next 18 to 24 months**

1 Excludes the impact of intangible amortization and money market fee waivers.

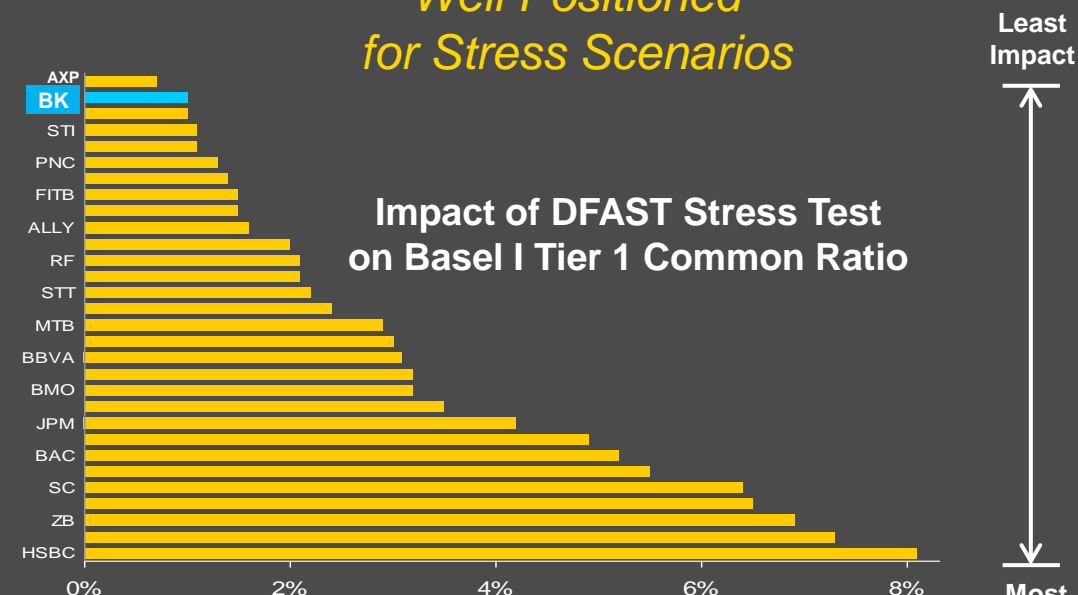
2 Assumes no change in client behavior.

# Strong Capital Generation Provides Financial Flexibility

*Well Positioned  
for Stress Scenarios*

Strong Capital Position and Returns (At 12/31/13)		
Basel III Tier 1 Common (Non-GAAP) <sup>1</sup>	<i>Standardized</i>	<i>Advanced</i>
	10.6%	11.3%
Return on Tangible Common Equity (Non-GAAP) <sup>1</sup>	20%	

<sup>1</sup> Represents a non-GAAP adjusted measure. See Appendix for a reconciliation. Additional disclosure regarding this measure and other non-GAAP adjusted measures filed with the SEC, including our 2013 Annual Report, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).



SOURCE: Federal Reserve Dodd-Frank Act Stress Test (DFAST) 2014: Supervisory Stress Test Methodology and Results See Appendix for additional detail.

*Provides Financial Flexibility...*

	2011	2012	2013	2014 CCAR Plan
Share Repurchases <sup>2</sup>	\$873MM or 36MM shares (3% of shares outstanding)	\$1.1B or 51MM shares (4% of shares outstanding)	\$1B or 35MM shares (3% of shares outstanding)	\$1.74B (4% of shares outstanding) <sup>3</sup>
Quarterly Dividend Increase	+44%	+0%	+15%	+13%
Payout Ratio	58%	73%	83%	93% <sup>4</sup>

<sup>2</sup> Percent of outstanding shares repurchased is based on shares outstanding at the beginning (January 1) of each year, respectively.

<sup>3</sup> Assumes shares repurchased at closing stock price of \$35.27 (on 4/2/14) and total common shares outstanding of 1,142MM at 1/1/14.

<sup>4</sup> Ratio calculated using Full Year 2014 First Call consensus net income estimates as a benchmark.

# Investing in Our Franchise

## Investing for Organic Growth

### Investment Services

- Outsourcing platform
- Global Collateral Services
- Global / Capital Markets expansion
- Enterprise payment hub



## Regulatory / Risk Management

### Investment Services

Investing to strengthen regulatory / risk / compliance / staff and systems

Tri-Party Reform  
Broker-Dealer Clearance



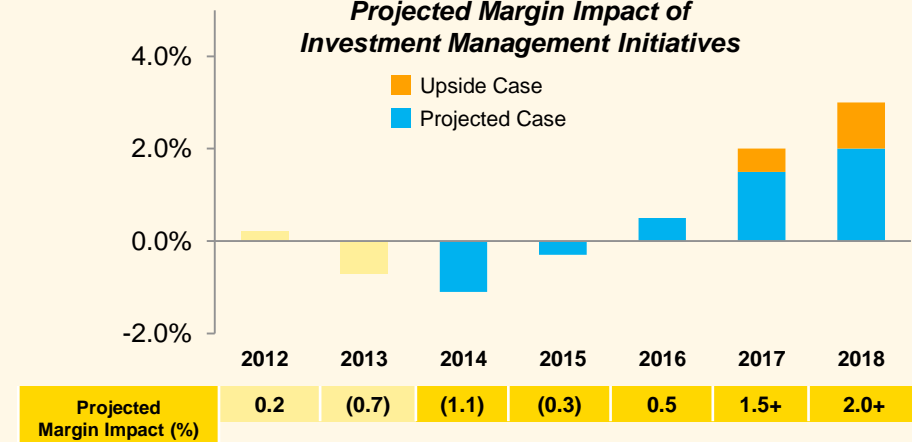
**~\$73MM increase  
in BDS expenses<sup>1</sup>  
(2011-2013)**

## Investment Management

- Enhanced distribution to retail investors
- Wealth Management expansion
- APAC Strategy developing local capabilities
- Expanding investment offerings



**Projected Margin Impact of  
Investment Management Initiatives**



<sup>1</sup> Represents increase in the business unit servicing Tri-Party / Clearance.

BDS = Broker-Dealer Services



# Investment Management & Investment Services

## Benefits of Combination

Investment Management	Investment Capabilities Deepen Client Relationships	Collaboration Provides Additional Growth Opportunities														
<p>Investment Management has been a highly successful contributor to earnings</p> <p>Minimal balance sheet usage</p> <p>ratings and stress test performance -- diverse revenue streams and fee-generating business</p> <p>Corporate brand and excellent credit ratings are attractive to large, sophisticated investors</p> <p>Strong long-term growth potential</p>	<p><b>Net Asset Flows (2011-2013)</b></p> <table border="1"> <caption>Net Asset Flows (2011-2013)</caption> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>LDI</td> <td>\$141B</td> </tr> <tr> <td>Index</td> <td>\$57B</td> </tr> <tr> <td>Active</td> <td>\$32B</td> </tr> <tr> <td>Alternative</td> <td>\$5B</td> </tr> <tr> <td>Money Market</td> <td>(\$30B)</td> </tr> <tr> <td><b>Total</b></td> <td><b>~\$205B</b></td> </tr> </tbody> </table> <p><b>Liability-Driven Investments (LDI)</b> Strong financial position of Holding Company parent is attractive to client base</p> <p><b>Index and money market products</b> Attractive asset classes for Investment</p>	Category	Value	LDI	\$141B	Index	\$57B	Active	\$32B	Alternative	\$5B	Money Market	(\$30B)	<b>Total</b>	<b>~\$205B</b>	<p>Global Partnered Sales <i>Investment Management &amp; Investment Services</i></p> <p>Leverage Pershing platform for Investment Management product distribution <i>Investment Management &amp; Investment Services</i></p> <p>Increased money market distribution <i>Investment Management &amp; Investment Services</i></p> <p>Asia Separately Managed Accounts platform <i>Pershing &amp; Investment Management</i></p> <p>Brokerage and Bank Services <i>Pershing &amp; Wealth Management</i></p> <p>Intermediary Private Banking solution <i>Pershing &amp; Wealth Management</i></p>
Category	Value															
LDI	\$141B															
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<b>Total</b>	<b>~\$205B</b>															

# Focused on Expense Control and Operating Leverage

<b>Bending the Cost Curve</b>	
<b>Technology</b>	Getting more out of existing spend
<b>Managing Real Estate</b>	Consolidating our space net reduction of ~700,000 square feet in New York City
<b>Consolidating Platforms</b>	Custody: three platforms to one Fund accounting: five platforms to three
<b>Re-engineering</b>	Rationalizing client-coverage teams Insourcing application developers

# Driving Shareholder Value

- ✓ Actively realigning the business model for the new regulatory environment
- ✓ Bending the cost curve and driving positive operating leverage
- ✓ Generating 20%+ returns on tangible capital, enabling:
  - Dividend increases
  - Share repurchases
  - Investments in our businesses

**Positioned for Growth**



BNY MELLON

# APPENDIX

# Reconciliation Schedule

## Business - Revenue and Pretax Income

REVENUE \$ MILLION	1Q13	2Q13	3Q13	4Q13	2013
INVESTMENT SERVICES	2,515	2,604	2,566	2,469	10,154
	953	985	987	1,061	3,986
PRETAX INCOME \$ MILLION					
VESTMENT SERVICES	718	778	800	650	2,946
INVESTMENT MANAGEMENT	249	311	290	292	1,142
					4,088

\* Totals exclude the Other segment. Pretax metrics exclude the impact of intangible amortization.

# Reconciliation Schedule

## Return on Tangible Common Equity and Net Income

Net Income (\$millions) (Ex. Intangible Amortization)		2013	(\$millions) Average Tangible Common Shareholders' Equity		2013
Net income – continuing operations		\$2,047	Average Common Shareholders' Equity		\$34,832
Intangible amortization – after-tax		220	Average Goodwill		(17,988)
M&I, litigation and restructuring		45	Average Intangible Assets		(4,619)
Net charge related to the disallowance of certain tax credits		593	Deferred Tax Liability – tax deductible goodwill		1,302
<b>Adjusted Net Income<sup>1</sup></b>		<b>\$2,905</b>	Deferred Tax Liability – non-tax deductible intangible assets		1,222
			<b>Average Tangible Common Shareholders' Equity</b>		<b>\$14,749</b>
			<b>Return on Tangible Common Equity<sup>1</sup></b>		<b>19.7%</b>

Net Income (\$millions)	2013	2012
Net income – continuing operations	\$2,047	\$2,427
Net charge related to the disallowance of certain tax credits	593	-
<b>Adjusted Net Income<sup>1</sup></b>	<b>\$2,640</b>	<b>\$2,427</b>
<b>Adjusted Net Income</b>		<b>8.8%</b>

<sup>1</sup> Represents a non-GAAP adjusted measure. Additional disclosure regarding this and other non-GAAP adjusted measures for the year ended December 31, 2013, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

including our Annual Report

# Dodd-Frank Act Stress Test

## Impact on Tier 1 Common Equity Ratio

Bank Holding Company	Ticker/ Identifier	Tier 1 Common Ratio (%)			Stress Impact
		Actual Q3 2013	Ending	Minimum	
American Express Company	AXP	12.8	14.0	12.1	0.7
<b>BNY Mellon</b>	<b>BK</b>	<b>14.1</b>	<b>16.1</b>	<b>13.1</b>	<b>1.0</b>
BB&T Corporation	BBT	9.4	8.4	8.4	1.0
SunTrust Banks	STI	9.9	9.0	8.8	1.1
U.S. Bancorp	USB	9.3	8.3	8.2	1.1
PNC Financial Services Group	PNC	10.3	9.0	9.0	1.3
Northern Trust Corporation	NTRS	13.1	11.7	11.7	1.4
Discover Financial Services	DFS	14.7	13.7	13.2	1.5
Fifth Third Bancorp	FITB	9.9	8.4	8.4	1.5
Ally Financial	ALLY	7.9	6.3	6.3	1.6
KeyCorp	KEY	11.2	9.3	9.2	2.0
Regions Financial Corporation	RF	11.0	9.0	8.9	2.1
Comerica Incorporated	COM	10.7	8.6	8.6	2.1
State Street Corporation	STT	15.5	14.7	13.3	2.2
Wells Fargo & Company	WFC	10.6	8.2	8.2	2.4
M&T Bank Corporation	MTB	9.1	6.2	6.2	2.9
UnionBanCal Corporation	UNB	11.1	8.1	8.1	3.0
BBVA Compass Bancshares	BBVA	11.6	8.5	8.5	3.1
RBS Citizens Financial Group	RBS	13.9	10.7	10.7	3.2
BMO Financial Corp.	BMO	10.8	7.6	7.6	3.2
Huntington Bancshares Incorporated	HBAN	10.9	7.4	7.4	3.5
JPMorgan Chase & Co.	JPM	10.5	6.7	6.3	4.2
Capital One Financial Corporation	COF	12.7	7.8	7.8	4.9
Bank of America Corporation	BAC	11.1	6.0	5.9	5.2
Citigroup	C	12.7	7.2	7.2	5.5
Santander Holdings USA	SC	13.7	7.3	7.3	6.4
Morgan Stanley	MS	12.6	7.6	6.1	6.5
Zions Bancorporation	ZB	10.5	3.6	3.6	6.9
Goldman Sachs Group	GS	14.2	9.2	6.9	7.3
HSBC North America Holdings	HSBC	14.7	6.6	6.6	8.1

SOURCE:  
Federal Reserve Dodd-Frank Act Stress  
Test (DFAST) 2014: *Supervisory Stress  
Test Methodology and Results*



# Disclosures

Asset Servicing: Largest global custodian ranked by Assets Under Custody and / or Administration	Source: Globalcustody.net, 2013, data as of June 30, 2013 or as otherwise noted by relevant ranked entity.
Broker-Dealer Services: #1 (U.S.), growing globally	Leading provider of U.S. Government Securities clearance services Source: Federal Reserve Bank of New York - Fedwire Securities High Volume Customer Report, March 2013
Alternative Investment Services: #3 fund administrator	Based on single manager funds and funds of hedge fund assets under administration combined. Source: HFMWeek 20th Biannual AuA Survey - June 2013
Corporate Trust: #1 Global Corporate Trust Service Provider	Source: Thomson Reuters and Dealogic, first quarter, 2013
Depository Receipts: #1 in market share (~60%)	Leader in sponsored global depository receipts programs Source: BNY Mellon. Data as of December 31, 2013
Pershing: #1 U.S. clearing firm	Pershing LLC., ranked by number of broker-dealer customers Source: <i>Investment News</i> , 2012
Treasury Services: Top 5 in USD payments	Fifth largest participant in CHIPS funds transfer volume Fifth largest Fedwire payment processor Source: CHIPS High Volume Customer Report, June 2013 and Fedwire High Volume Customer Report, June 2013
Asset Management	Eighth largest global asset manager Source: <i>Pensions &amp; Investments</i> , November 2013
Wealth Management	Seventh largest U.S. wealth manager Source: <i>Barron's</i> , Sept 2013