

Appendix

Investment Management

Major Contributor to Our Strong Capital Position

	Financial Implications of Potential Separation		Potential Valuation Impact
Capital	RemainCo’s spot and stress capital position is weaker post-separation - Asset Management - spin requires debt to fund a repatriation of capital to RemainCo - RemainCo - issue stock or reduce future capital payout to neutralize impact on capital	➔	Negative
Earnings	Cost of additional debt Loss of synergies between businesses Asset Management would face public company costs	➔	Negative
Price / Earnings Impact	Currently, no material multiple differentiation	➔	Neutral

G-SIB, CCAR and Corporate Peer Groups

<i>G-SIB Members</i>		<i>CCAR Banks</i>		<i>11-Member Corporate Peer Group</i>
BNY Mellon	Bank of China	BNY Mellon	PNC Financial Services	BlackRock
Bank of America	Banco Bilbao Vizcaya Argentaria	Northern Trust	SunTrust Banks	Charles Schwab
Barclays	BNP Paribas	State Street	Regions Financial Corporation	Franklin Resources
Citigroup	Credit Suisse	American Express	JP Morgan Chase	JP Morgan Chase
Goldman Sachs	Credit Agricole	Discover Financial	BB&T	Morgan Stanley
HSBC	Deutsche Bank	Wells Fargo	Goldman Sachs	Northern Trust
JP Morgan Chase	Industrial and Commercial Bank of China	KeyBank	Morgan Stanley	PNC Financial Services
Morgan Stanley	Mitsubishi UFJ FG	Capital One	Citigroup	Prudential Financial
Royal Bank of Scotland	Mizuho FG	U.S. Bancorp	Bank of America	State Street
Standard Chartered	Nordea	Fifth Third Bank		U.S. Bancorp
State Street	Santander			Wells Fargo
UBS	Societe Generale			
Wells Fargo	Sumitomo Mitsui			
	Unicredit Group			

Estimated Fully Phased-In Basel III CET1 Ratio - Non-GAAP¹

(\$MM)	9/30/14
Total Tier 1 capital	\$ 21,019
Adjustments to determine estimated fully phased-in Basel III CET1:	
Deferred tax liability – tax deductible intangible assets	—
Intangible deduction	(2,388)
Preferred stock	(1,562)
Trust preferred securities	(162)
Other comprehensive income (loss) and net pension fund assets:	
Securities available-for-sale	578
Pension liabilities	(675)
Net pension fund assets	—
Total other comprehensive income (loss) and net pension fund assets	(97)
Equity method investments	(92)
Deferred tax assets	—
Other	2
Total estimated fully phased-in Basel III CET1	\$ 16,720
<u>Under the Standardized Approach:</u>	
Estimated fully phased-in Basel III risk-weighted assets	\$ 154,298
Estimated fully phased-in Basel III CET1 ratio – Non-GAAP ²	10.8%
<u>Under the Advanced Approach:</u>	
Estimated fully phased-in Basel III risk-weighted assets	\$ 167,933
Estimated fully phased-in Basel III CET1 ratio – Non-GAAP ²	10.0%

¹ Sept. 30, 2014 information is preliminary.

² Beginning with June 30, 2014, risk-based capital ratios include the net impact of including the total consolidated assets of certain consolidated investment management funds in risk-weighted assets. These assets were not included in prior periods.

Business – Revenue and Pretax Income

<i>Revenue</i> (\$MM)	4Q13	1Q14	2Q14	3Q14	LTM 9/30/14
Investment Management	\$ 1,061	\$ 970	\$ 1,036	\$ 1,003	\$ 4,070
Investment Services	2,470	2,477	2,513	2,588	10,048

<i>Pretax Income</i> (\$MM)	4Q13	1Q14	2Q14	3Q14	LTM 9/30/14
Investment Management	\$ 301	\$ 277	\$ 202	\$ 276	\$ 1,056
Investment Services	648	699	689	753	2,789

NOTE: Pretax metrics for Investment Services and Investment Management exclude the impact of intangible amortization.

Disclosures

All statistics are global and represent the minimum number of BNY Mellon client relationships in each category.

- **Fortune 500** (as of 12/31/13)
// *Fortune* magazine, May 2013; Global 500 data
- **Central Banks** (as of June 2013)
// CIA World Factbook, IMF, annual reports
- **Pensions & EB Funds** (as of 2/26/14)
// Reprinted with permission of Pensions & Investments, Copyright 2013 // Metric is Plan Assets, millions (converted in thousands)
- **Endowments** (as of 2/26/14)
// Reprinted with permission of NACUBO, Copyright 2013 // Metric is Total Market Value of Endowments, in thousands, as of FYE 2011
// Data source used by *P&I Magazine*
- **Life & Health Insurance Companies** (as of 2/26/14)
// Reprinted with permission of A.M. Best Company, Inc., Copyright 2013 // Metric is 2012 Total Admitted Assets, in thousands
- **QS World Universities Top 50 (of 400 listed)** (as of 12/31/2013)
// www.topuniversities.com/university-rankings/world-university-rankings/2013

Historical Performance – Growth Rates

(\$MM)	2011	2013	2011-2013 CAGR
Total Revenue - GAAP	14,798	15,048	
Less: Net income attributable to noncontrolling interests related to consolidated investment management funds	50	80	
Impact of Shareowner Services	302	-	
Net gain related to an equity investment	-	9	
Total Revenue – Non-GAAP	\$14,446	\$14,959	2%
Fee Revenue – GAAP	\$11,566	\$11,715	
Less: Impact of Shareowner Services	302	-	
Net gain related to an equity investment	-	9	
Fee Revenue – Non-GAAP	\$11,264	\$11,706	2%
Net interest revenue – (GAAP)	\$2,984	\$3,009	0%
Noninterest expense- GAAP	\$11,112	\$11,306	
Less: Intangible amortization (excludes impact of Shareowner Services for 2011)	415	342	
M&I, litigation & restructuring	390	70	
Impact of Shareowner Services	189	-	
Net charge related to investment management funds, net of incentives	-	12	
Noninterest expense– Non-GAAP	\$10,118	\$10,882	4%

(\$MM)	2013
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$2,040
Add: Amortization of intangible assets, net of tax	220
Net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP	2,260
Add: M&I, litigation and restructuring charges	45
Net charge related to the disallowance of certain foreign tax credits	593
Net charge related to investment management funds, net of incentives	9
Net income applicable to common shareholders of The Bank of New York Mellon Corporation, as adjusted – Non GAAP¹	\$2,907
Average common shareholders' equity	\$34,832
Return on common equity – Non-GAAP¹	8.3%

¹ Non-GAAP excludes M&I, litigation and restructuring charges, the net charge related to the disallowance of certain foreign tax credits and the net charge related to investment management funds, net of incentives, if applicable.

Noninterest Expense – Non-GAAP

Total noninterest expense – GAAP	\$2,877	\$2,739	\$2,946	\$2,968	\$11,530
Less: Amortization of intangible assets	82	75	75	75	307
M&I, litigation and restructuring charges	2	(12)	122	220	332
Charge (recovery) related to investment management funds, net of incentives	-	(5)	109	-	104
Total noninterest expense excluding amortization of intangible assets, M&I, litigation and restructuring charges and the charge related to investment management funds, net of incentives – Non-GAAP	\$2,793	\$2,681	\$2,640	\$2,673	\$10,787

(\$MM)	4Q12	1Q13	2Q13	3Q13	LTM 9/30/13
Total noninterest expense – GAAP	\$2,825	\$2,828	\$2,822	\$2,779	\$11,254
Less: Amortization of intangible assets	96	86	93	81	356
M&I, litigation and restructuring charges	46	39	13	16	114
Charge (recovery) related to investment management funds, net of incentives	-	39	(27)	-	12
Total noninterest expense excluding amortization of intangible assets, M&I, litigation and restructuring charges and the charge related to investment management funds, net of incentives – Non-GAAP	\$2,683	\$2,664	\$2,743	\$2,682	\$10,772

Operating Margin – Non-GAAP

	\$15,070	\$15,614
<i>Net securities gains (losses)</i>	(152)	(99)
<i>Loss (gain) on equity investments & asset sales</i>	(184)	175
<i>Accretable discount</i>	(226)	(179)
<i>Earnings attributable to non-controlling interest</i>	(75)	(77)
<i>FTE adjustment</i>	58	68
<i>Gain on the sale of our investment in Wing Hang</i>	-	(490)
<i>Gain on the sale of the One Wall Street building</i>	-	(346)
Core Revenue	\$14,491	\$14,666
T		
<i>Amortization of intangible assets</i>	(356)	(307)
<i>M&I, litigation & restructuring</i>	(114)	(332)
<i>Net charge related to investment management funds, net of incentives</i>	(12)	(104)
Core Expense	\$10,772	\$10,787
Core Pretax Income	\$3,719	\$3,879
Core Pretax Margin	25.7%	26.4%

Disclosures

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 U.S.D. 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	Sixth largest global asset manager Source: <i>Pensions & Investments</i> , December 2013
Wealth Management	Seventh largest U.S. wealth manager Source: <i>Barron's</i> , Sept 2013
Collateral Management (2014) & Fixed Income Lender (2014) – First Place	Source Global Investor/ISF
Securities Lending (2013) and Collateral Optimization (2014) – Roll of Honor	Source: Global Custodian
Best Forecast, Best FX Research and World's Best FX Provider (2014)	Source: Global Finance

Pretax Operating Margin – Investment Management

(\$MM)	2011	2013	LTM 9/30/14
Income before income taxes – GAAP	\$682	\$968	\$928
Add: Amortization of intangible assets	213	148	128
Money market fee waivers	94	108	125
Net charge related to investment management funds, net of incentives	-	12	104
Income before income taxes excluding amortization of intangible assets, money market fee waivers and the charge related to investment management funds, net of incentives – Non-GAAP	\$989	\$1,236	\$1,285
Total revenue – GAAP	\$3,396	\$3,928	\$4,070
Less: Distribution and servicing expense	412	429	430
Money market fee waivers benefiting distribution and servicing expense	148	147	151
Add: Money market fee waivers impacting total revenue	242	255	276
Total revenue net of distribution and servicing expense and excluding money market fee waivers - Non-GAAP	\$3,078	\$3,607	\$3,765
Pre-tax operating margin excluding amortization of intangible assets, money market fee waivers, the charge related to investment management funds, net of incentives and net of distribution and servicing expense – Non-GAAP ¹	32%	34%	34%

¹ Income before taxes divided by total revenue.

Pretax Income Growth – Non-GAAP – Investment Management



Income before income taxes – GAAP	\$682	\$968	\$928		
Add: Amortization of intangible assets	213	148	128		
Charge (recovery) related to investment management funds, net of incentives	-	12	104		
Income before income taxes excluding amortization of intangible assets and the charge related to investment management funds, net of incentives – Non-GAAP	\$895	\$1,128	\$1,160	26%	30%

Return on Tangible Common Equity – Non-GAAP

Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$2,510	\$2,419	\$2,040
Add: Amortization of intangible assets, net of tax	269	247	220
Net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP	2,779	2,666	2,260
Less: Gain on the sale of investment in Wing Hang	-	-	-
Gain on the sale of the One Wall Street building	-	-	-
Add: M&I, litigation and restructuring charges	240	339	45
Net charge related to the disallowance of certain foreign tax credits	-	-	593
Net charge related to investment management funds, net of incentives	-	12	9
Net income applicable to common shareholders of The Bank of New York Mellon Corporation, as adjusted – Non-GAAP ²	\$3,019	\$3,017	\$2,907
Average common shareholders' equity	\$33,519	\$34,333	\$34,832
Less: Average goodwill	18,129	17,967	17,988
Average intangible Assets	5,498	4,982	4,619
Add: Deferred tax liability – tax deductible goodwill ¹	967	1,130	1,302
Deferred tax liability – intangible assets ¹	1,459	1,310	1,222
Average tangible common shareholders' equity	\$12,318	\$13,824	\$14,749
Return on tangible common equity – Non-GAAP adjusted ²	24.5%	21.8%	19.7%

1 Deferred tax liabilities are based on fully phased-in Basel III rules.

2 Non-GAAP excludes M&I, litigation and restructuring charges, the net charge related to investment management funds, net of incentives and the net charge related to the disallowance of certain foreign tax credits, where applicable.

Dodd-Frank Act Stress Test – Severely Adverse Scenario

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
BNY Mellon	BK	14.1	16.1	13.1	1.0
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	CMA	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

Estimated SLR – Non-GAAP

Estimated SLR - Non-GAAP ¹ (\$MM)	9/30/14
Total CET1 - fully phased-in	\$ 16,720
Additional Tier 1 capital	1,560
Total Tier 1 capital	\$ 18,280
Total leverage exposure:	
Quarterly average total assets	380,409
Less: Amounts deducted from Tier 1 capital	20,166
Total on-balance sheet assets, as adjusted	360,243
Off-balance sheet exposures:	
Potential future exposure for derivatives contracts (plus certain other items)	11,694
Repo-style transaction exposures included in SLR	—
Credit-equivalent amount other off-balance sheet exposures (less SLR exclusions)	21,924
Total off-balance sheet exposures	33,618
Total leverage exposure	\$ 393,861
Estimated SLR	4.6%

¹ The estimated fully phased-in SLR as of Sept. 30, 2014 is based on our interpretation of the Final Capital Rules, as supplemented by the Federal Reserve's final rules on the SLR. On a fully phased-in basis, we expect to satisfy a minimum SLR of over 5%, 3% attributable to a regulatory minimum SLR, and greater than 2% attributable to a buffer applicable to U.S. G-SIBs.

Disclosures

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