

Third Quarter 2019 Financial Highlights

October 16, 2019

3Q19 Financial Results

Profits

- › Net Income: \$1,002 million ^(a)
- › Diluted EPS: \$1.07

Returns

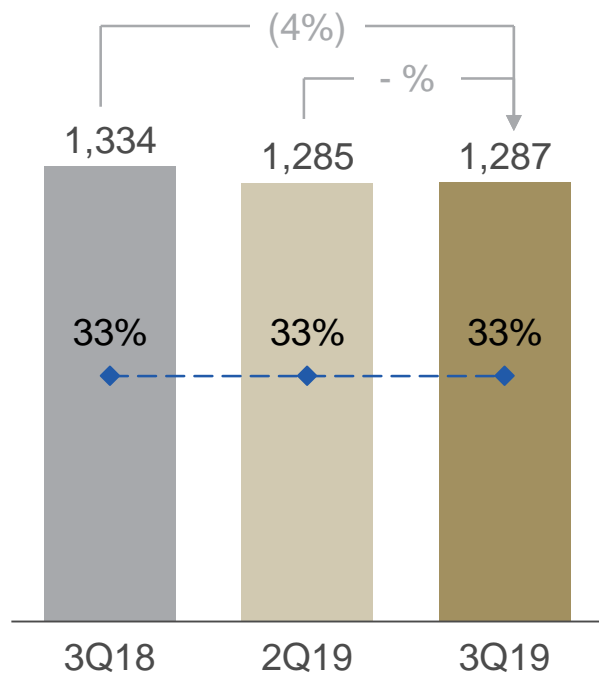
- › ROE: 10.6%
- › ROTCE: 21.4% ^(b)
- › Returned \$1.3 billion to shareholders

Balance Sheet

- › CET1: 11.1%
- › SLR: 6.1%

Pre-tax Income

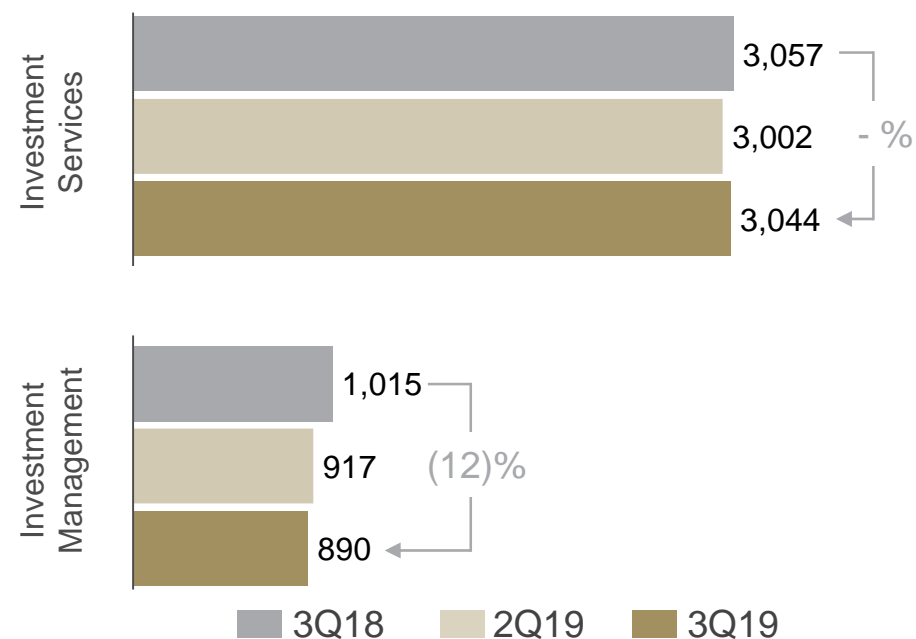
(\$ million)



— ◆ — Pre-tax operating margin

Total Revenue

(\$ million)



- › Lower revenues mainly due to net interest revenue and investment management and performance fees
- › Flat Investment Services revenues as fee growth was more than offset by lower net interest revenue
- › Ongoing cost efficiency
- › Stable operating margin
- › Attractive capital returns

3Q19 Financial Highlights

(\$ millions, except per share data)

	3Q19	Δ 2Q19	Δ 3Q18
Total revenue	\$3,861	(2)%	(5)%
<i>Fee revenue</i>	3,129	1	(1)
<i>Net interest revenue</i>	730	(9)	(18)
Provision for credit losses	(16)	N/M	N/M
Noninterest expense	2,590	(2)	(5)
Income before income taxes	1,287	-	(4)
Net income applicable to common shareholders	\$1,002	3%	(7)%
Earnings per common share	\$1.07	6%	1%
Operating leverage ^(a)		54 bps	30 bps
Pre-tax operating margin	33%	53 bps	52 bps
Return on common equity	10.6%	21 bps	(65) bps
Return on tangible common equity ^(b)	21.4%	22 bps	(165) bps

Notable items impacting 3Q19 and 3Q18

Increase / (decrease)	Revenue	Expense	EPS
3Q19	(70)	(74)	\$0.01
3Q18	(13)	62	\$(0.01)

- › 3Q19 includes a lease-related impairment negatively impacting net interest revenue and a net reduction of reserves for tax-related exposure of certain investment management funds benefiting expenses
- › 3Q18 includes adjustments for U.S. tax legislation and litigation charge impact

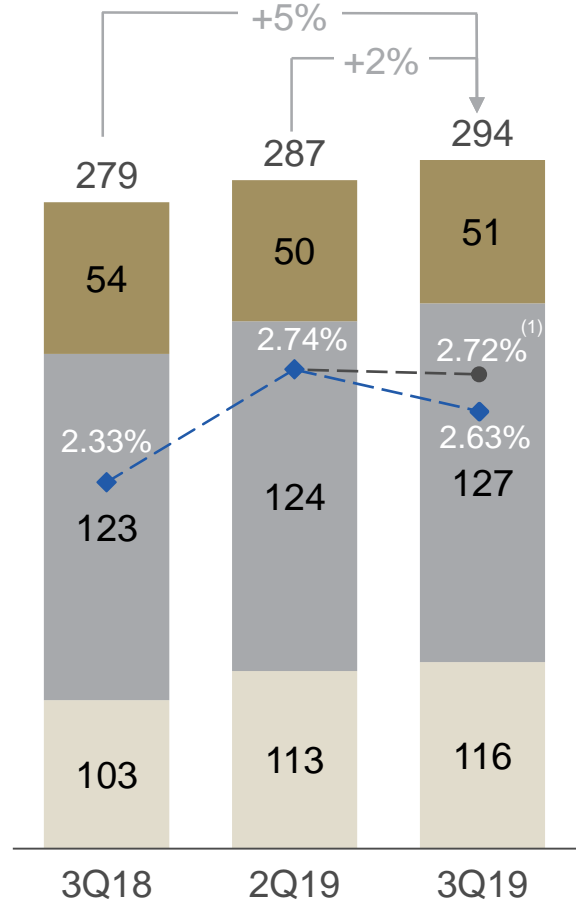
Capital and Liquidity

	3Q19	2Q19	3Q18
Consolidated regulatory capital ratios: ^(a)			
Common Equity Tier 1 (“CET1”) ratio	11.1%	11.1%	11.2%
Tier 1 capital ratio	13.2	13.2	13.3
Total capital ratio	14.0	14.0	14.1
Tier 1 leverage ratio	6.6	6.8	7.0
Supplementary leverage ratio (“SLR”)	6.1	6.3	6.4
Average liquidity coverage ratio (“LCR”)	117%	117%	121%
Book value per common share	\$40.75	\$40.30	\$38.45
Tangible book value per common share – (non-GAAP) ^(b)	\$20.59	\$20.45	\$19.35
Cash dividends per common share	\$0.31	\$0.28	\$0.28
Common shares outstanding (thousands)	922,199	942,662	988,777

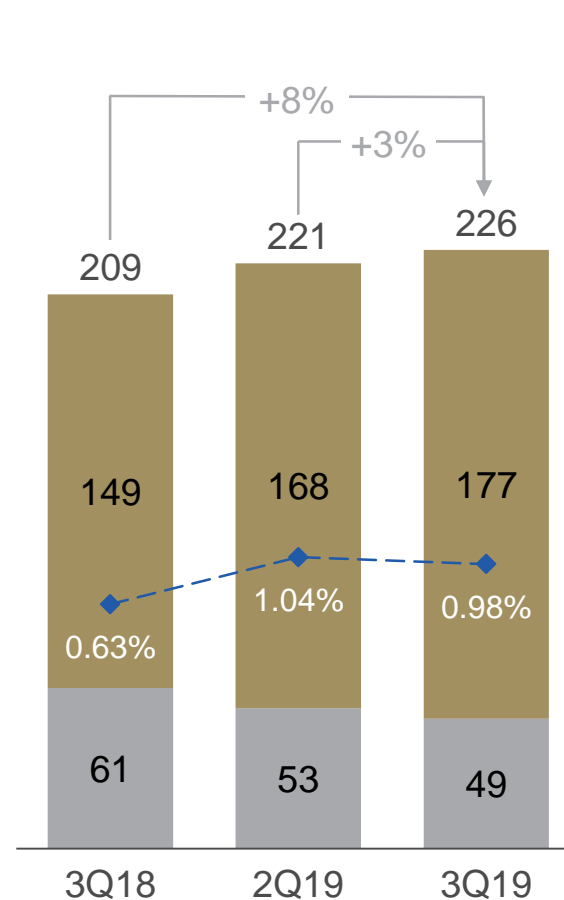
Balance Sheet

(\$ billions unless otherwise noted)

Average Interest-Earning Assets



Average Deposits



— ◆ — Total interest-earning assets average rate
 ■ Loans
 ■ Securities
 ■ Cash/Reverse Repo

— ◆ — Interest-bearing deposits rate
 ■ Interest-bearing deposits
 ■ Noninterest-bearing deposits

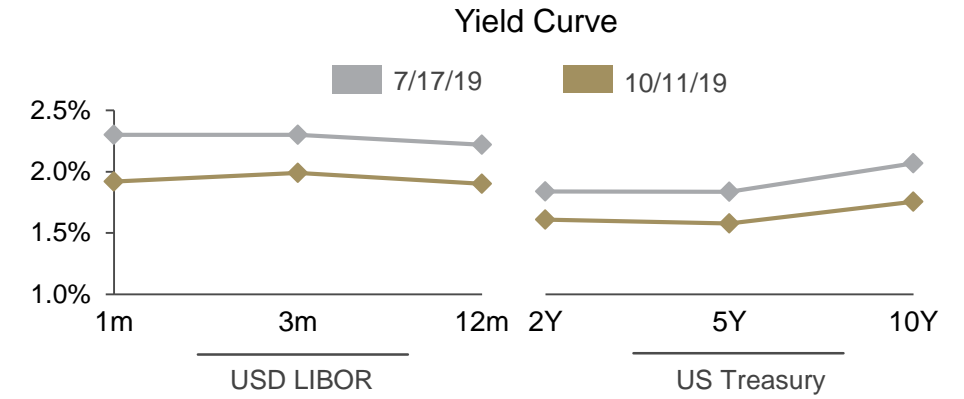
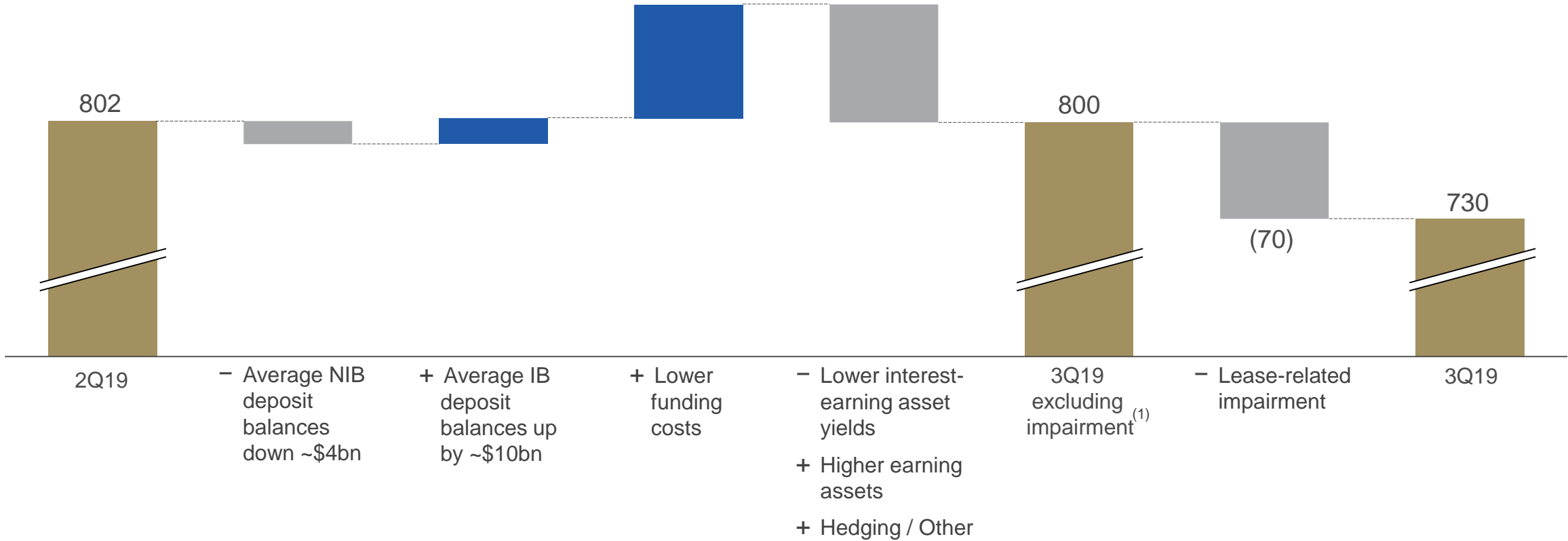
- › Higher deposit balances
 - higher interest-bearing deposits partially offset by lower noninterest-bearing deposit balances
- › High quality and liquid securities portfolio
- › Lower yield on interest-earning assets sequentially
- › Net interest revenue of \$730 million and NIM of 0.99%
 - quarter-on-quarter decline primarily driven by lease-related impairment of \$70 million

	3Q19	Δ 2Q19	Δ 3Q18
Net interest revenue (\$m)	730	(9)%	(18)%
excluding impairment ⁽¹⁾	800	(0)%	(10)%
Net interest margin	0.99%	(13) bps	(28) bps
excluding impairment ⁽¹⁾	1.09%	(3) bps	(18) bps

(1) Represents a non-GAAP measure; excludes \$70m lease-related impairment, or 10bp impact to NIM, and a 9bp impact to the interest-earning assets average rate.

Net Interest Revenue

Drivers of Sequential NIR Change (\$ millions)



(1) Represents a non-GAAP measure. See page 5 for additional information.
Third Quarter 2019 – Financial Highlights

Noninterest Expense

<i>(\$ millions)</i>	3Q19	Δ 2Q19	Δ 3Q18
Staff	\$1,479	4%	- %
Professional, legal and other purchased services	316	(6)	(5)
Software and equipment	309	2	18
Net occupancy	138	-	(1)
Sub-custodian and clearing	111	(3)	5
Distribution and servicing	97	3	(2)
Business development	47	(16)	(8)
Bank assessment charges	31	-	(37)
Amortization of intangible assets	30	-	(38)
Other	32	(74)	(82)
Total noninterest expense	\$2,590	(2)%	(5)%

- › Noninterest expense down 5% year-over-year
 - mostly due to reduction of previously established reserves for potential tax-related exposure of certain investment management funds that we manage, net of staff expense, and lower litigation expense
 - the remaining slight decrease primarily reflects the continued investments in technology, which were more than offset by lower other expenses and the favorable impact of a stronger U.S. dollar

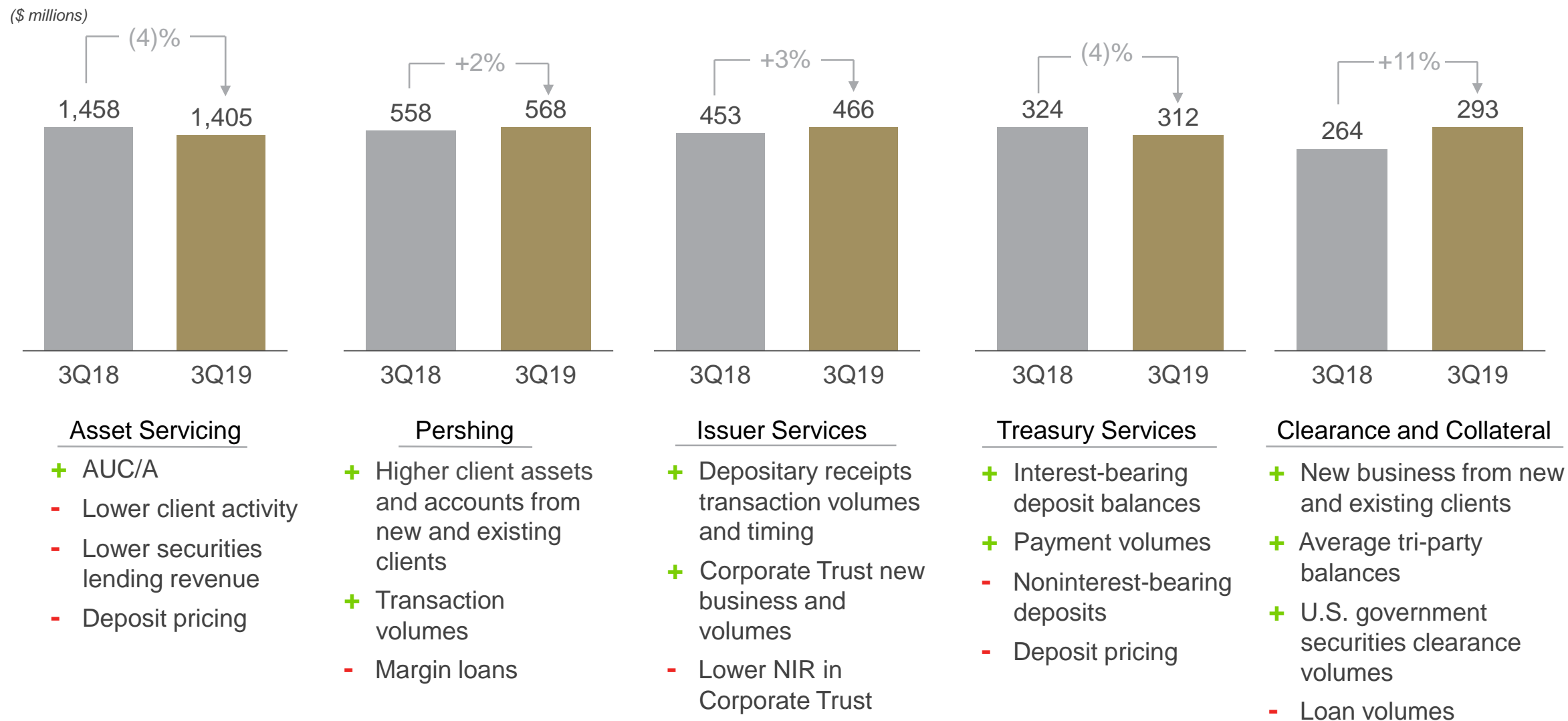
- › Technology expenses are included in staff, professional, legal and other purchased services and software and equipment

Investment Services

Financial Highlights (\$ millions unless otherwise noted)	3Q19	Δ 2Q19	Δ 3Q18
Total revenue by line of business:			
Asset Servicing	\$1,405	1%	(4)%
Pershing	568	1	2
Issuer Services	466	4	3
Treasury Services	312	(2)	(4)
Clearance and Collateral Management	293	3	11
Total revenue	3,044	1	-
Provision for credit losses	(15)	N/M	N/M
Noninterest expense	1,965	1	(3)
Income before taxes	\$1,094	4%	7%
Pre-tax operating margin	36%	91 bps	240 bps
Key Metrics			
Foreign exchange and other trading revenue	\$160	5%	(1)%
Securities lending revenue	39	(3)	(25)
Average loans	32,758	1	(7)
Average deposits	208,044	3	8
AUC/A at period end ^(tr) ^(a)	35.8	1	4
Market value of securities on loan at period end ^(bn) ^(b)	\$362	(2)%	(13)%
Pershing			
Average active clearing accounts (U.S. platform) (thousands)	6,283	-	3
Clearance and Collateral Management			
Average tri-party collateral mgmt. balances ^(tr)	\$3.6	4%	19%

- › Asset Servicing down 4% year-over-year on lower client activity, securities lending revenue and net interest revenue and the unfavorable impact of a stronger U.S. dollar
- › Pershing up 2% on growth in client assets and accounts partially offset by lower net interest revenue
- › Issuer Services up 3% on higher Depositary Receipts revenue and higher volumes in Corporate Trust, partially offset by lower net interest revenue in Corporate Trust
- › Treasury Services down 4% on lower net interest revenue
- › Clearance and Collateral Management up 11% on growth in clearance volumes and collateral management from new business, partially offset by lower net interest revenue
- › AUC/A of \$35.8 trillion up 4% on higher market values and net new business, partially offset by the unfavorable impact of a stronger U.S. dollar

Investment Services - Revenue Drivers



Investment Management

Financial Highlights (\$ millions unless otherwise noted)	3Q19	Δ 2Q19	Δ 3Q18
Total revenue by line of business:			
Asset Management	\$605	(2)%	(14)%
Wealth Management	285	(5)	(8)
Total revenue	890	(3)	(12)
Provision for credit losses	-	N/M	N/M
Noninterest expense	590	(10)	(16)
Income before taxes	\$300	13%	(5)%
Pre-tax operating margin	34%	466 bps	250 bps
Pre-tax operating margin (non-GAAP) ^(a)	38%	553 bps	330 bps
Key Metrics			
Average loans	\$16,260	- %	(3)%
Average deposits	14,083	(4)	(4)
Wealth Management client assets ^(bn) ^(b)	\$259	1%	(1)%
Changes in AUM ^(bn) ^(c)	3Q19	2Q19	3Q18
Beginning balance	\$1,843	\$1,841	\$1,805
Equity	(4)	(2)	(2)
Fixed income	2	(4)	2
Liability-driven investments	(4)	1	16
Multi-asset and alternatives	(1)	1	2
Index	(3)	(22)	(3)
Cash	11	2	-
Total net inflows (outflows)	1	(24)	15
Net market impact	66	42	18
Net currency impact	(29)	(16)	(10)
Ending balance	\$1,881	\$1,843	\$1,828

- › Asset Management down 14% year-over-year on cumulative AUM outflows since 3Q18, lower performance fees, the impact of hedging activities and the unfavorable impact of a stronger U.S. dollar, partially offset by higher market values
- › Wealth Management down 8% primarily reflects lower net interest revenue, partially offset by higher market values
- › Noninterest expense down 16% primarily reflecting the net reduction of the reserves for tax-related exposure of certain investment management funds, the favorable impact of a stronger U.S. dollar and lower staff expense
- › AUM of \$1.9 trillion up 3% primarily reflecting higher market values, partially offset by the unfavorable impact of a stronger U.S. dollar and net outflows

Other Segment

(\$ millions)	3Q19	2Q19	3Q18
Fee revenue	\$5	\$34	\$7
Net securities (losses) gains	(1)	7	-
Total fee and other revenue	4	41	7
Net interest (expense)	(80)	(40)	(13)
Total (loss) revenue	(76)	1	(6)
Provision for credit losses	(1)	(2)	(2)
Noninterest expense	35	39	6
(Loss) before taxes	\$(110)	\$(36)	\$(10)

- › Fee revenue, net securities (losses) gains and net interest expense include corporate treasury and other investment activity, including hedging activity which offsets between fee revenue and net interest expense
- › Total revenue decreased and net interest expense increased year-over-year reflecting the lease-related impairment and corporate treasury activity
- › Noninterest expense increased year-over-year primarily reflecting higher staff expense



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Appendix

Footnotes

3Q19 Financial Results - Page 2

- (a) Reflects net income applicable to common shareholders.
- (b) Quarterly returns are annualized. See page 14 for a reconciliation of this non-GAAP measure.

3Q19 Financial Highlights - Page 3

- (a) Operating leverage is the rate of increase (decrease) in total revenue less the rate of increase (decrease) in total noninterest expense.
- (b) Quarterly returns are annualized. See page 14 for a reconciliation of this non-GAAP measure.

Capital and Liquidity, Page 4

- (a) Regulatory capital ratios for Sept. 30, 2019 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 the periods included was the Advanced Approaches.
- (b) Tangible book value per common share – non-GAAP – excludes goodwill and intangible assets, net of deferred tax liabilities. See page 14 for a reconciliation of this non-GAAP measure.

Investment Services, Page 8

- (a) Current period is preliminary. Includes the AUC/A of CIBC Mellon Global Securities Services Company (“CIBC Mellon”), a joint venture with the Canadian Imperial Bank of Commerce, of \$1.4 trillion at Sept. 30, 2019, June 30, 2019 and Sept. 30, 2018.
- (b) 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 \$66 billion at Sept. 30, 2019, \$64 billion at June 30, 2019 and \$69 billion at Sept. 30, 2018.

Investment Management, Page 10

- (a) Net of distribution and servicing expense. See page 15 for a reconciliation of this non-GAAP measure.
- (b) Current period is preliminary. Includes AUM and AUC/A in the Wealth Management business.
- (c) Current period is preliminary. Excludes securities lending cash management assets and assets managed in the Investment Services business.

Return on Common Equity and Tangible Common Equity Reconciliation

(\$ millions)	3Q19	2Q19	3Q18
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$1,002	\$969	\$1,075
Add: Amortization of intangible assets	30	30	48
Less: Tax impact of amortization of intangible assets	7	7	11
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets – non-GAAP	\$1,025	\$992	\$1,112
Average common shareholders' equity	\$37,597	\$37,487	\$38,036
Less: Average goodwill	17,267	17,343	17,391
Average intangible assets	3,141	3,178	3,283
Add: Deferred tax liability – tax deductible goodwill	1,103	1,094	1,066
Deferred tax liability – intangible assets	679	687	699
Average tangible common shareholders' equity – non-GAAP	\$18,971	\$18,747	\$19,127
Return on common equity (<i>annualized</i>) – GAAP	10.6%	10.4%	11.2%
Return on tangible common equity (<i>annualized</i>) – non-GAAP	21.4%	21.2%	23.1%

Book Value and Tangible Book Value Per Common Share Reconciliation

(\$ millions, except common shares)	Sept. 30, 2019	Jun 30, 2019	Sept. 30, 2018
BNY Mellon shareholders' equity at period end – GAAP	\$41,120	\$41,533	\$41,560
Less: Preferred stock	3,542	3,542	3,542
BNY Mellon common shareholders' equity at period end – GAAP	37,578	37,991	38,018
Less: Goodwill	17,248	17,337	17,390
Intangible assets	3,124	3,160	3,258
Add: Deferred tax liability – tax deductible goodwill	1,103	1,094	1,066
Deferred tax liability – intangible assets	679	687	699
BNY Mellon tangible common shareholders' equity at period end – non-GAAP	\$18,988	\$19,275	\$19,135
Period-end common shares outstanding (thousands)	922,199	942,662	988,777
Book value per common share – GAAP	\$40.75	\$40.30	\$38.45
Tangible book value per common share – non-GAAP	\$20.59	\$20.45	\$19.35

Pre-tax Operating Margin Reconciliation - Investment Management Business

<i>(\$ millions)</i>	3Q19	2Q19	3Q18
Income before income taxes – GAAP	\$300	\$265	\$316
Total revenue – GAAP	\$890	\$917	\$1,015
Less: Distribution and servicing expense	98	94	99
Adjusted total revenue, net of distribution and servicing expense – non-GAAP	\$792	\$823	\$916
Pre-tax operating margin – GAAP ^(a)	34%	29%	31%
Pre-tax operating margin, net of distribution and servicing expense – non-GAAP ^(a)	38%	32%	35%

(a) Income before income taxes divided by total revenue.
Third Quarter 2019 – Financial Highlights

Cautionary Statement

A number of statements in our presentations, the accompanying slides and the responses to your questions are “forward-looking statements.” Words such as “estimate,” “forecast,” “project,” “anticipate,” “likely,” “target,” “expect,” “intend,” “continue,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “would,” “may,” “might,” “will,” “strategy,” “synergies,” “opportunities,” “trends,” “future” and words of similar meaning signify forward-looking statements. These statements relate to, among other things, The Bank of New York Mellon Corporation’s (the “Corporation”) expectations regarding: capital plans, strategic priorities, financial goals, organic growth, performance, organizational quality and efficiency, investments, including in technology and product development, capabilities, revenue, net interest revenue, fees, expenses, cost discipline, sustainable growth, company management, deposits, interest rates and yield curves, securities portfolio, taxes, business opportunities, divestments, volatility, preliminary business metrics and regulatory capital ratios; and statements regarding the Corporation’s aspirations, as well as the Corporation’s overall plans, strategies, goals, objectives, expectations, outlooks, 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 Corporation’s control).

Actual outcomes 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, 2018 (the “2018 Annual Report”) and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”). Preliminary business metrics and regulatory capital ratios are subject to change, possibly materially, as the Corporation completes its Quarterly Report on Form 10-Q for the third quarter of 2019. All forward-looking statements speak only as of October 16, 2019, 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. For additional information regarding the Corporation, please refer to the Corporation’s SEC filings available at www.bnymellon.com/investorrelations.

Non-GAAP Measures: In this presentation we discuss some non-GAAP measures in detailing the Corporation’s performance, which exclude certain items or otherwise include components that differ from GAAP. 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 measures are contained in the Corporation’s reports filed with the SEC, including the 2018 Annual Report, and are available at www.bnymellon.com/investorrelations.