



BNY MELLON

Investor Day

March 8, 2018



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”, “target”, “expect”, “intend”, “continue”, “seek”, “believe”, “plan”, “goal”, “could”, “should”, “may”, “will”, “strategy”, “opportunities”, “trends” 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, client experience, driving revenue growth, estimated capital ratios and expectations regarding those ratios, preliminary business metrics; 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, 2017 (the “2017 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 March 8, 2018, 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 2017 Annual Report, and are available at www.bnymellon.com/investorrelations.

NOTE: All financial data for the Corporation throughout the presentation is as of March 8, 2018 unless otherwise noted.

Investor Day 2018 Agenda

Start Time	End Time	Session	Speaker
7:15 AM	8:00 AM	BREAKFAST/REGISTRATION	
8:00 AM	8:05 AM	Welcome	Valerie Haertel Global Head of Investor Relations
8:05 AM	8:50 AM	Opening Remarks/Strategic Overview	Charlie Scharf Chairman and Chief Executive Officer
8:50 AM	9:20 AM	Firm Overview	Michael Santomassimo Chief Financial Officer
9:20 AM	9:50 AM	Investment Management	Mitchell E. Harris Chief Executive Officer, Investment Management
9:50 AM	10:05 AM	Pershing	Lisa Dolly Chief Executive Officer, Pershing
10:05 AM	10:20 AM	BREAK	
10:20 AM	10:50 AM	Asset Servicing	Hani Kablawi Chief Executive Officer, Global Asset Servicing and Chairman, EMEA
10:50 AM	11:20 AM	Clearing, Markets and Global Client Management	Todd Gibbons Chief Executive Officer, Clearing, Markets and Global Client Management
11:20 AM	11:30 AM	Closing Remarks	Charlie Scharf Chairman and Chief Executive Officer
11:30 AM	12:30 PM	Q&A	All Speakers
12:30 PM	1:00 PM	LUNCH	



Investor Day 2018

Strategic Overview

Charlie Scharf

Chairman and Chief Executive Officer

March 8, 2018



Great history and culture



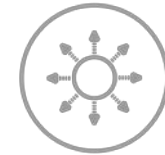
A strong and unique franchise



Clear, focused, and financially attractive business model



Continued focus on operating leverage



Investing for growth by

- Improving execution
- Expanding technology-enabled solutions
- Leveraging **all** of BNY Mellon

Great history, strong culture and demonstrated ability to change



BNY MELLON

Great history

- Founded in 1784 by Alexander Hamilton
- First company traded on the NYSE
- Andrew Mellon – one of the longest serving Secretaries of the Treasury



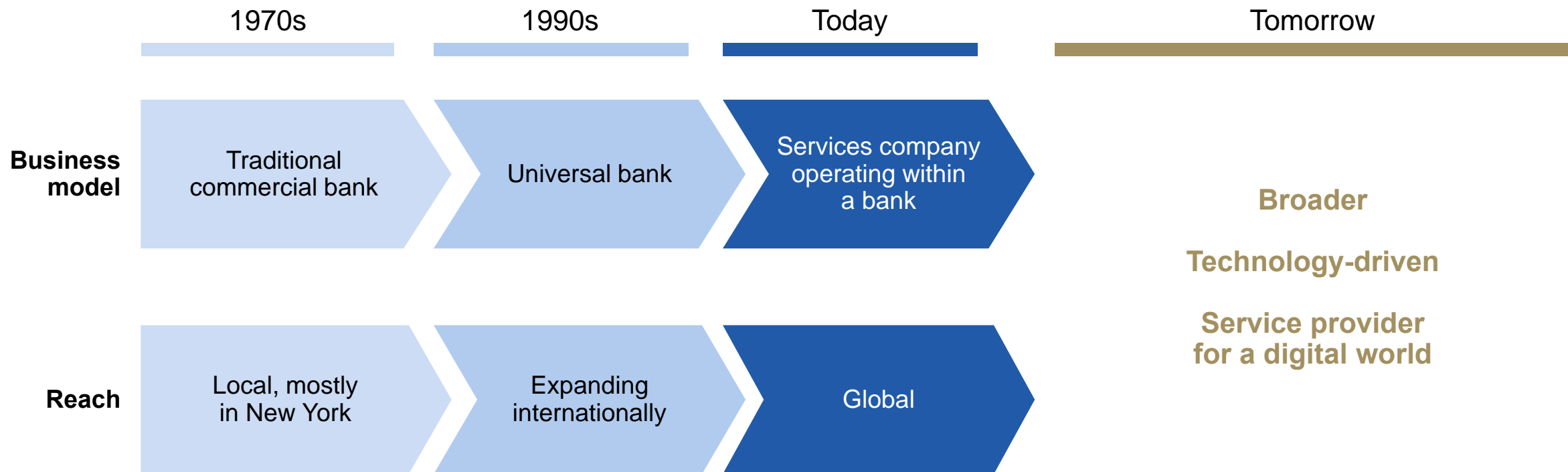
Strong culture

- Proud
- Client-driven
- Low risk tolerance
- Methodical
- Objective
- Intellectually honest



Proven record and willingness to change and evolve

Our evolution over time





Great history and culture



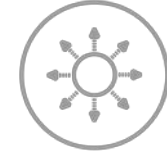
A strong and unique franchise



Clear, focused, and financially attractive business model



Continued focus on operating leverage



Investing for growth by

- Improving execution
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- Leveraging **all** of BNY Mellon

BNY Mellon today – a services company operating within a bank

Investment Services

Full range of institutional, clearance, cash management and global payments services

\$33.3 trillion AUC/A

>\$24 trillion assets on data management platform

7+ million global investor accounts at Pershing with over \$1.8 trillion under custody

Clear \$1.7 trillion USD per day on average

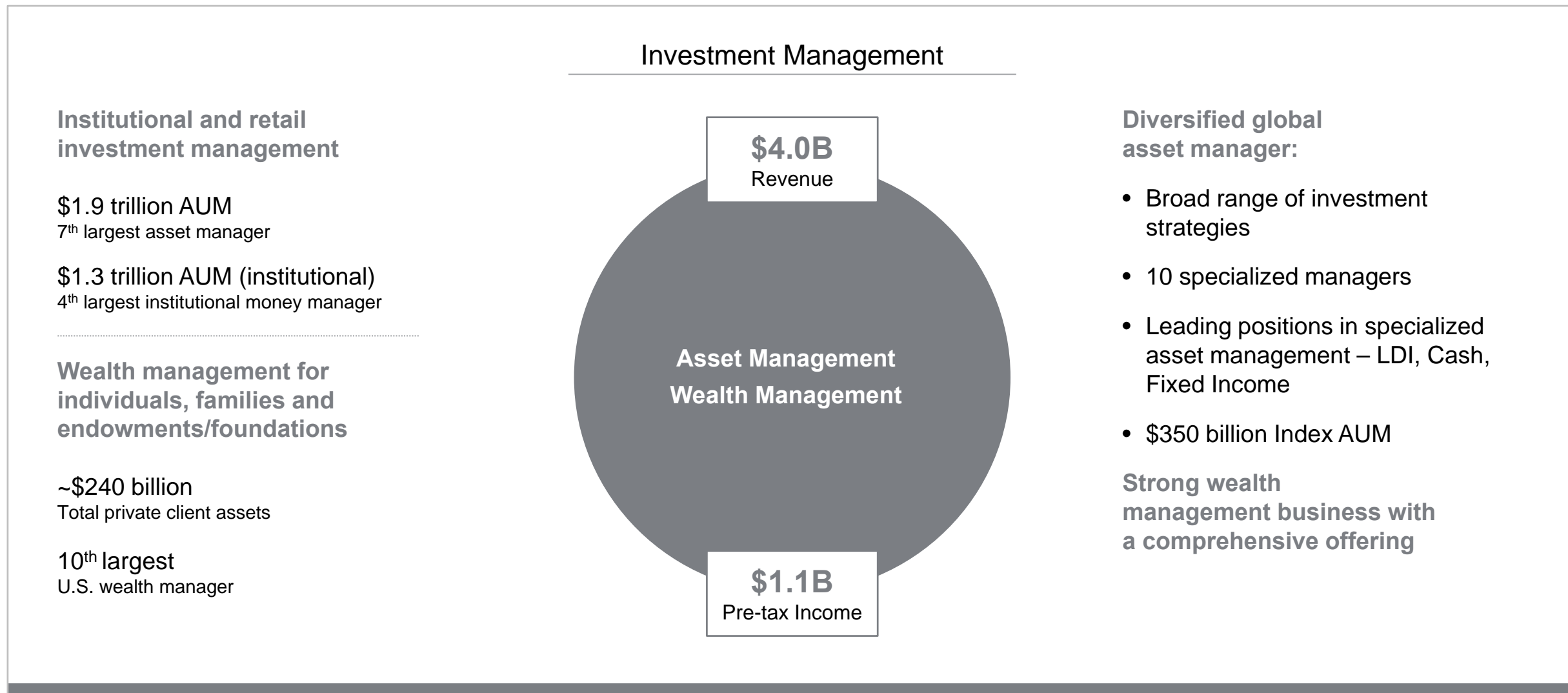
\$2.5 trillion average Tri-party repo balances



- Services business
- Technology dependent
- Moving to technology-driven

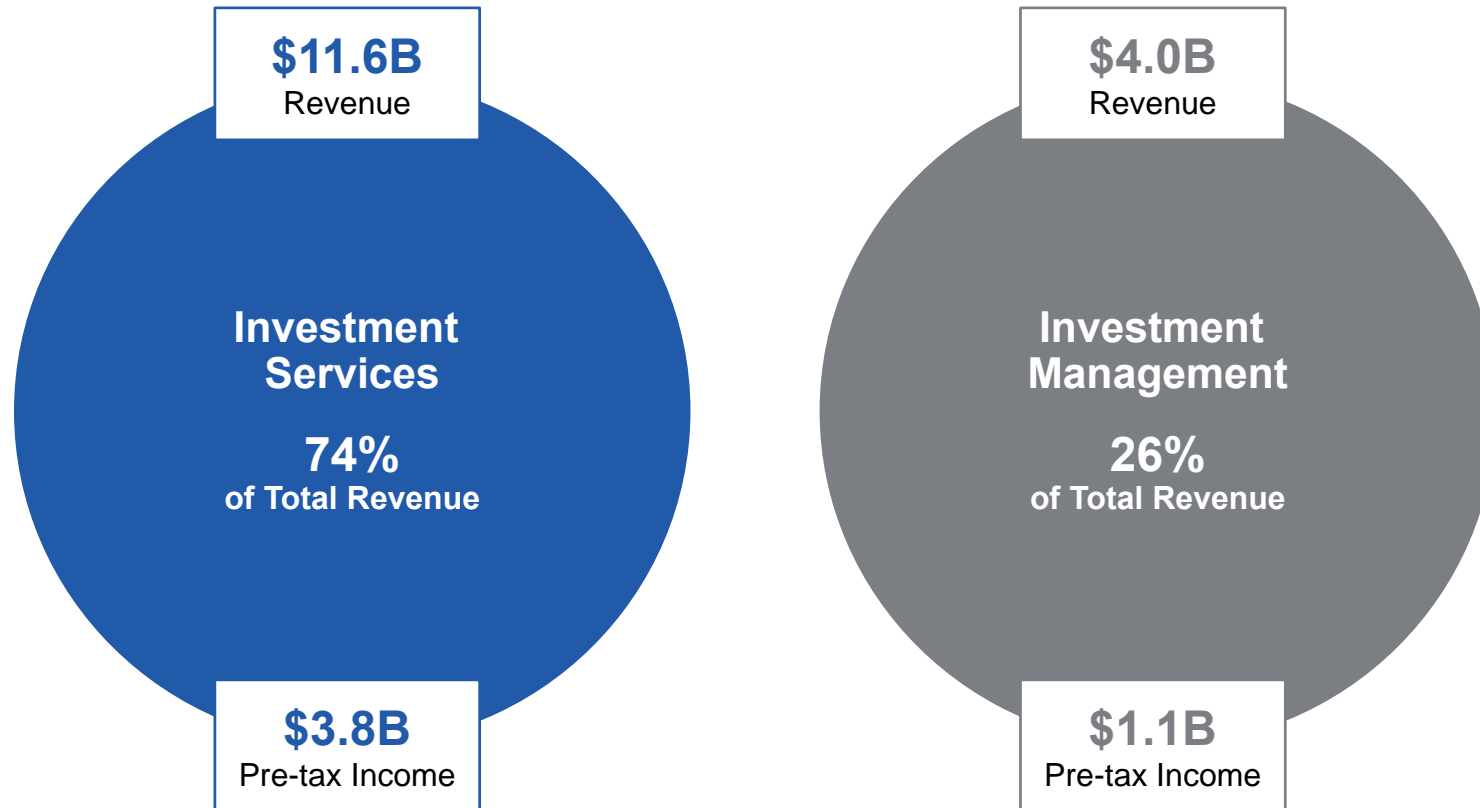
NOTE: Revenue and pre-tax income metrics for Investment Services reflect year-end December 31, 2017.

BNY Mellon today – a services company operating within a bank



NOTE: Revenue and pre-tax income metrics for Investment Management reflect year-end December 31, 2017. See Appendix for additional disclosure regarding rankings.

BNY Mellon today – a services company operating within a bank



Diversified fee-based businesses

NOTE: Revenue and pre-tax income metrics for Investment Services and Investment Management reflect year-end December 31, 2017. Revenue metrics exclude the Other segment.

All businesses operate at scale

Investment Services



Asset Servicing

- #1 Global Custodian
- #1 Securities Lending

Pershing

- #1 U.S. Clearing Firm

Issuer Services

- #1 Depositary Receipts
- #1 Corporate Trust

Treasury Services

- #5 U.S. Dollar Clearing

Clearance and Collateral Management

- 83% of U.S. Government Securities

Investment Management



Asset Management

- #7 Global Asset Manager

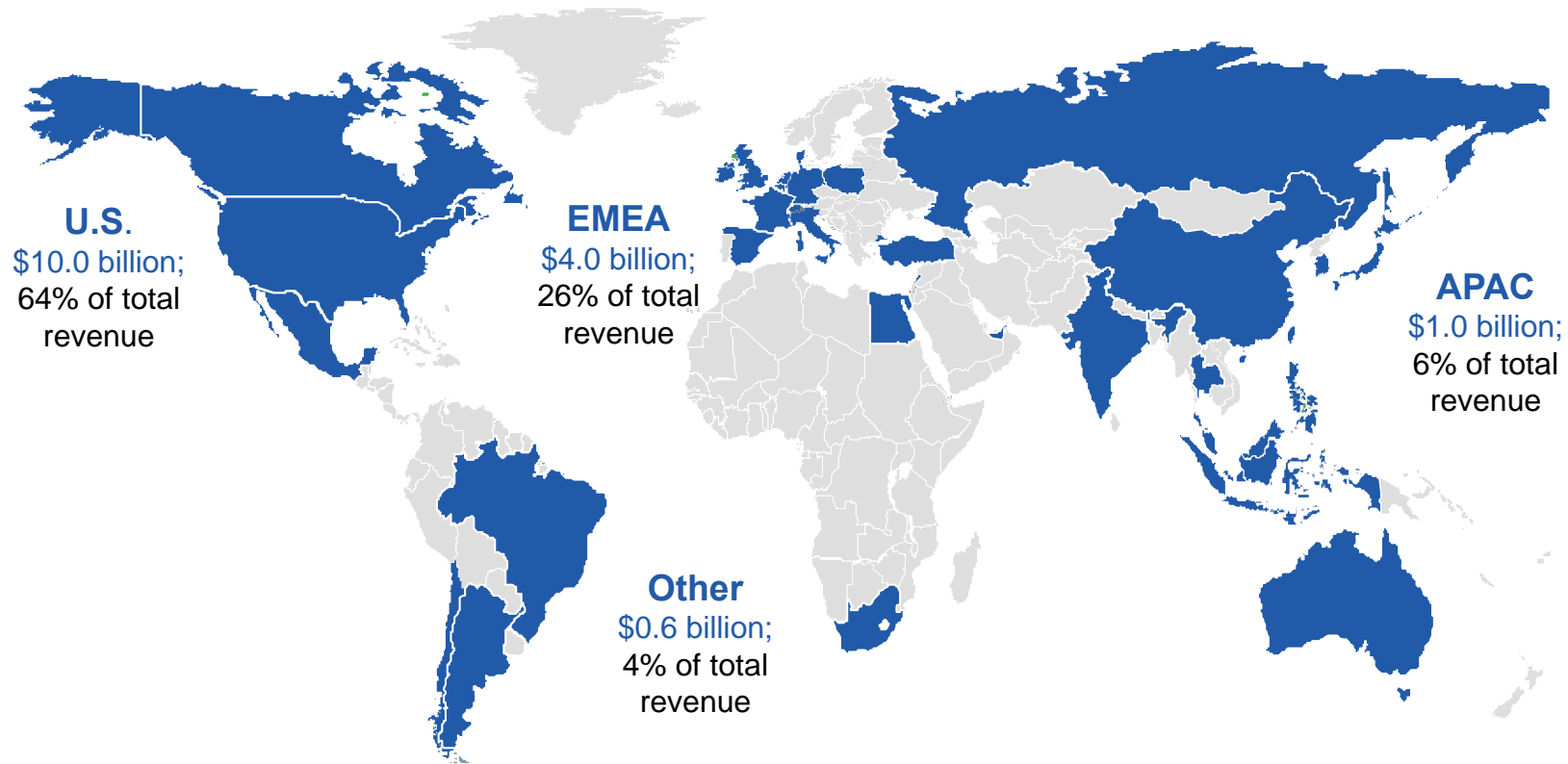
Wealth Management

- #10 U.S. Wealth Manager

Scale is a competitive advantage

Note: See Appendix for additional information regarding rankings.

Our business is global

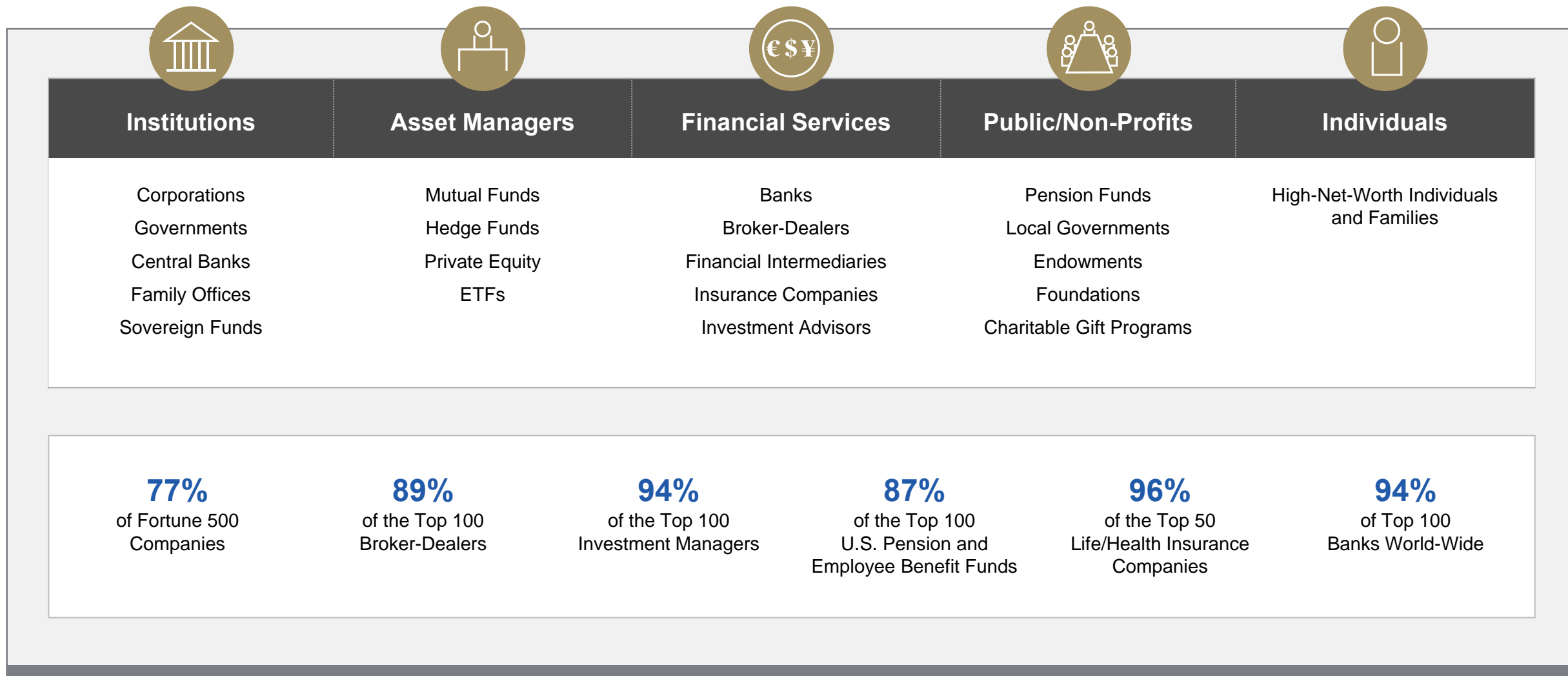


Global reach

- 36% of revenue in 2017 was generated outside of the U.S.
- Operating in 35 countries...
- ...and more than 100 markets
- 47% of employees are outside the U.S.

Global reach is a competitive advantage – and an opportunity

Outstanding client franchise



Note: See Appendix for additional information regarding rankings.

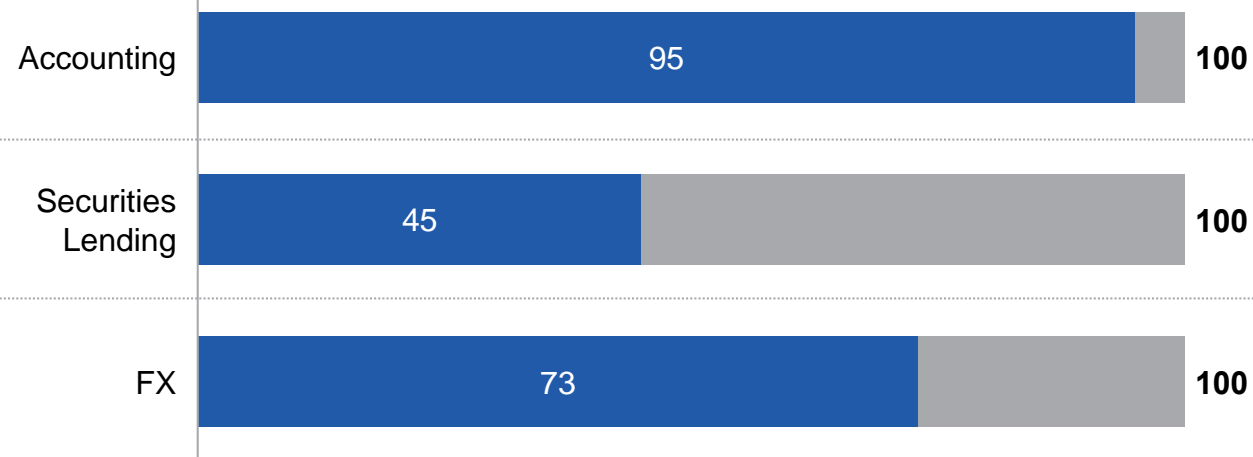
Core custody is an anchor to broader relationships



Custody is an anchor solution

Number of top 100 custody clients using

Number of top 5 custody clients using



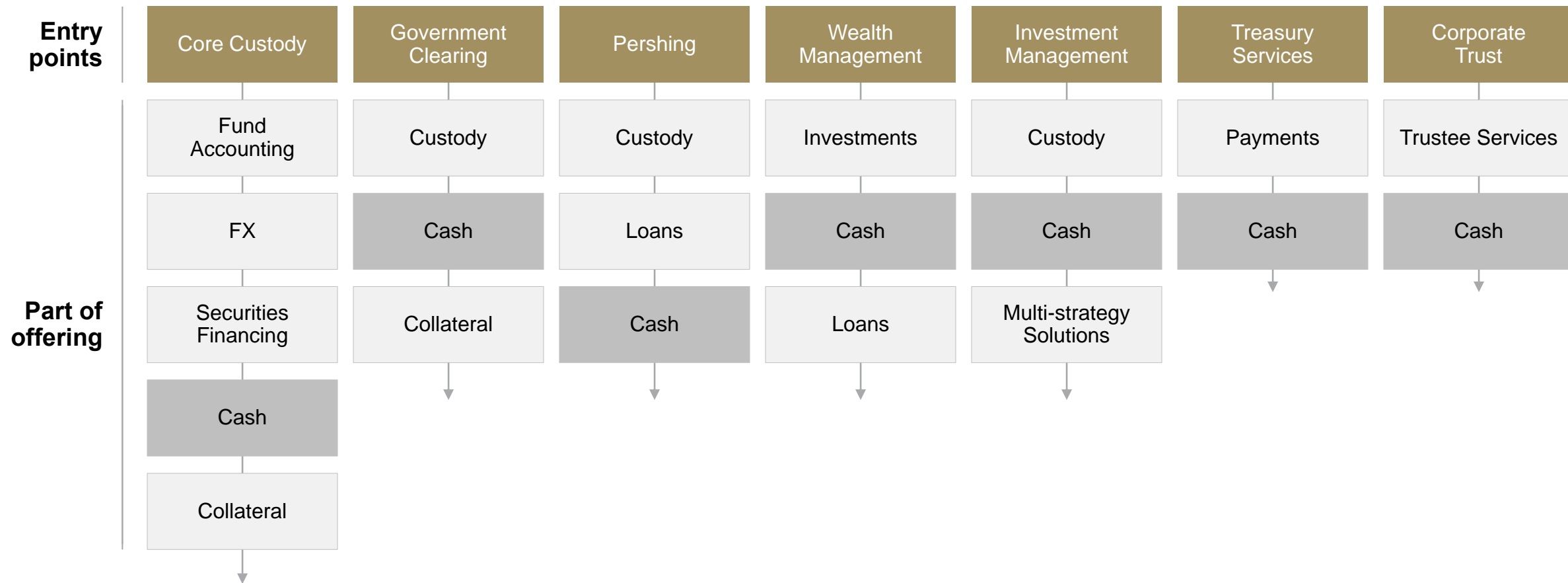
4 of 5

3 of 5

5 of 5

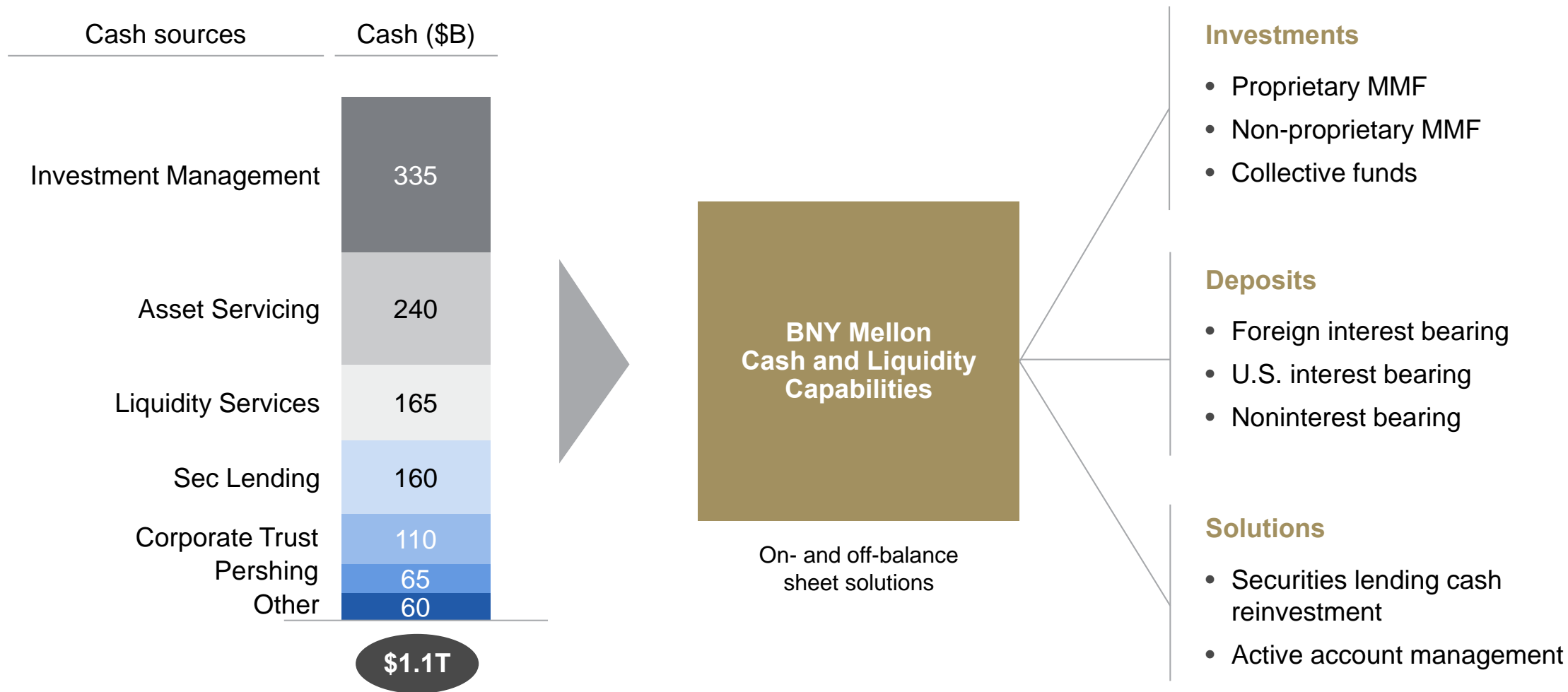
Diversified fee-based businesses

Our businesses are naturally multi-product



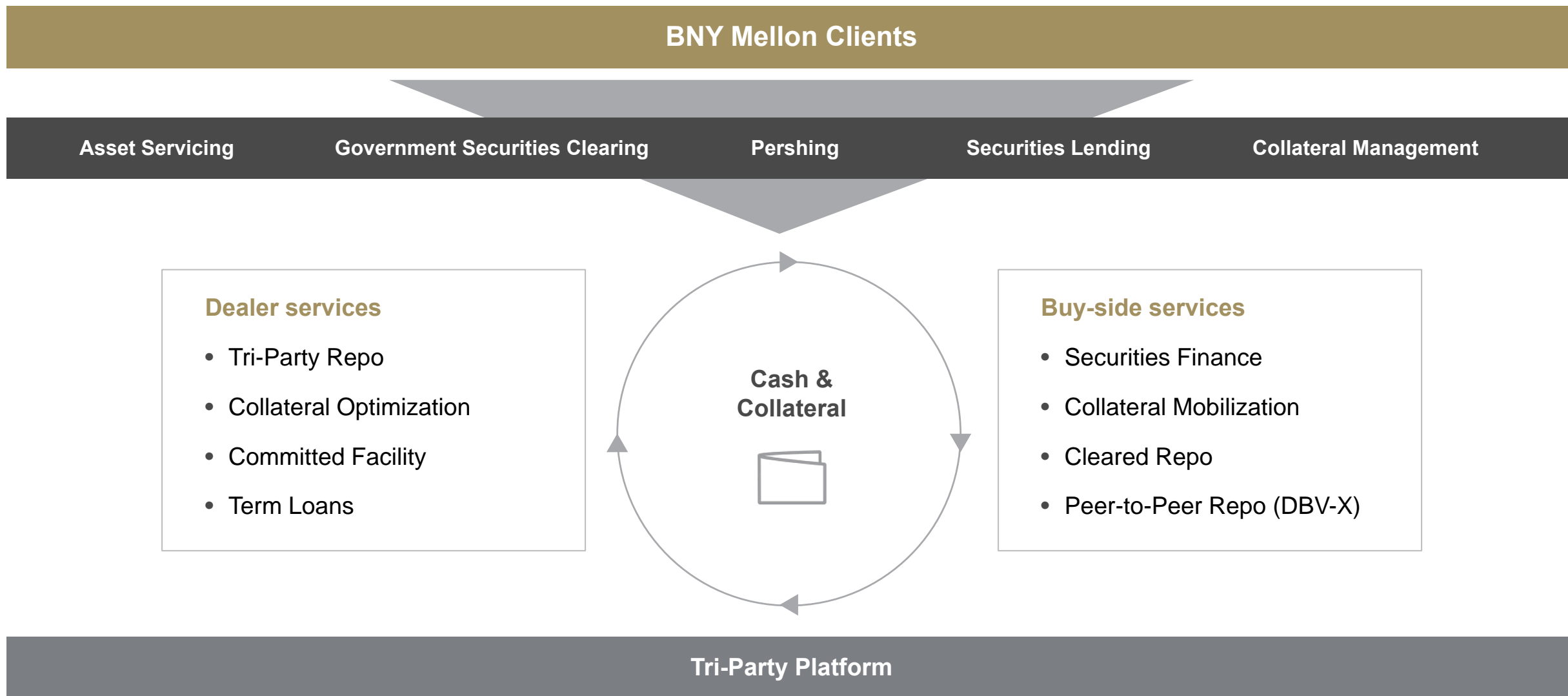
These create unique franchises

Cash and liquidity is a business – enabled by the entire company



1. Other includes: Clearance and Collateral Services

Collateral is a unique opportunity





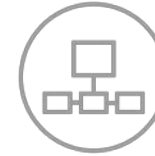
Great history and culture



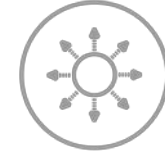
A strong and unique franchise



**Clear, focused,
and financially
attractive
business model**



Continued focus on operating leverage

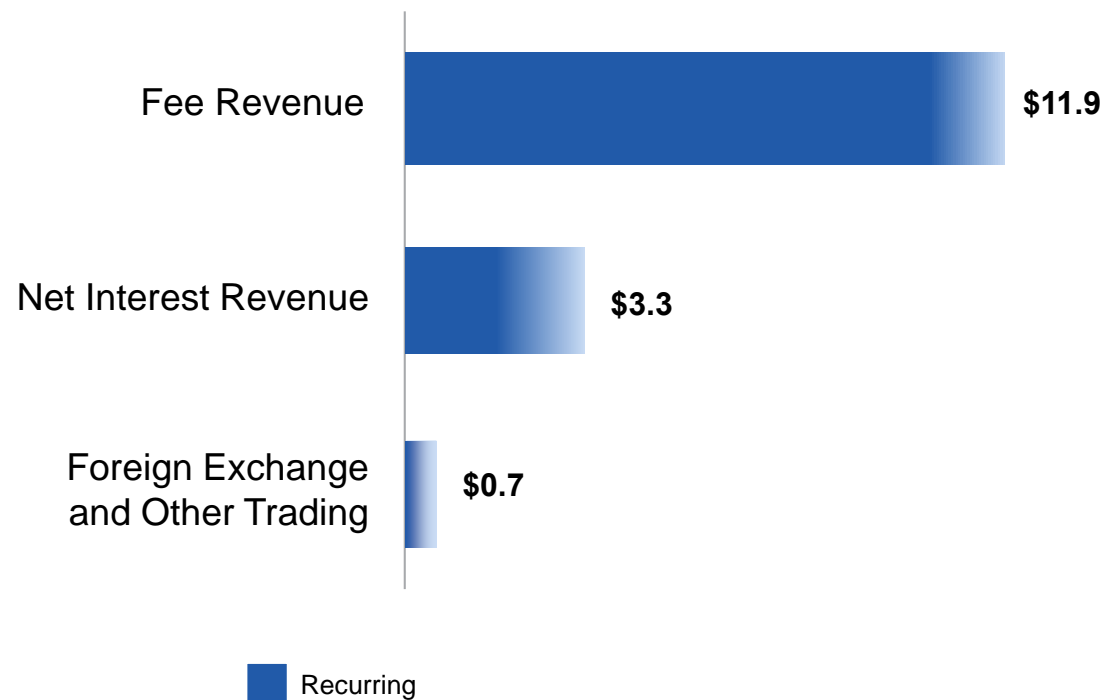


Investing for growth by

- Improving execution
- Expanding technology-enabled solutions
- Leveraging **all** of BNY Mellon

Focused on fee-based, recurring revenue

BNY Mellon revenue¹ by type



- ~75% of our revenue is fees
- Significant percentage of our net interest income is “fee-like” and predictable

The categories include:

- Operational deposits
- Low risk loans
- Broker-Dealer customer payables

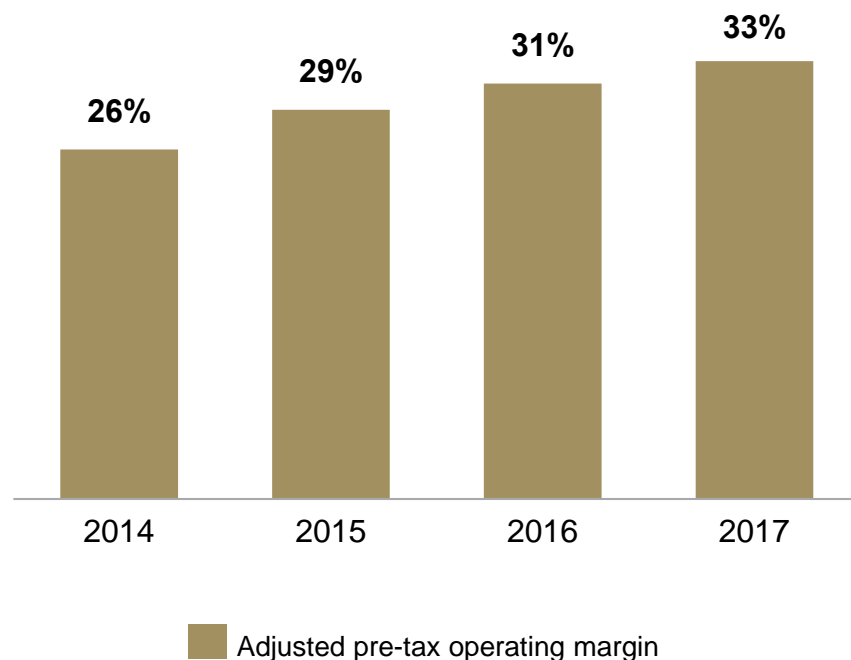
>80% of our revenue is recurring fees or predictable net interest revenue

NOTE: Fee revenue excludes Foreign Exchange and Other Trading revenue. Total revenue does not sum to \$15.8B due to rounding.

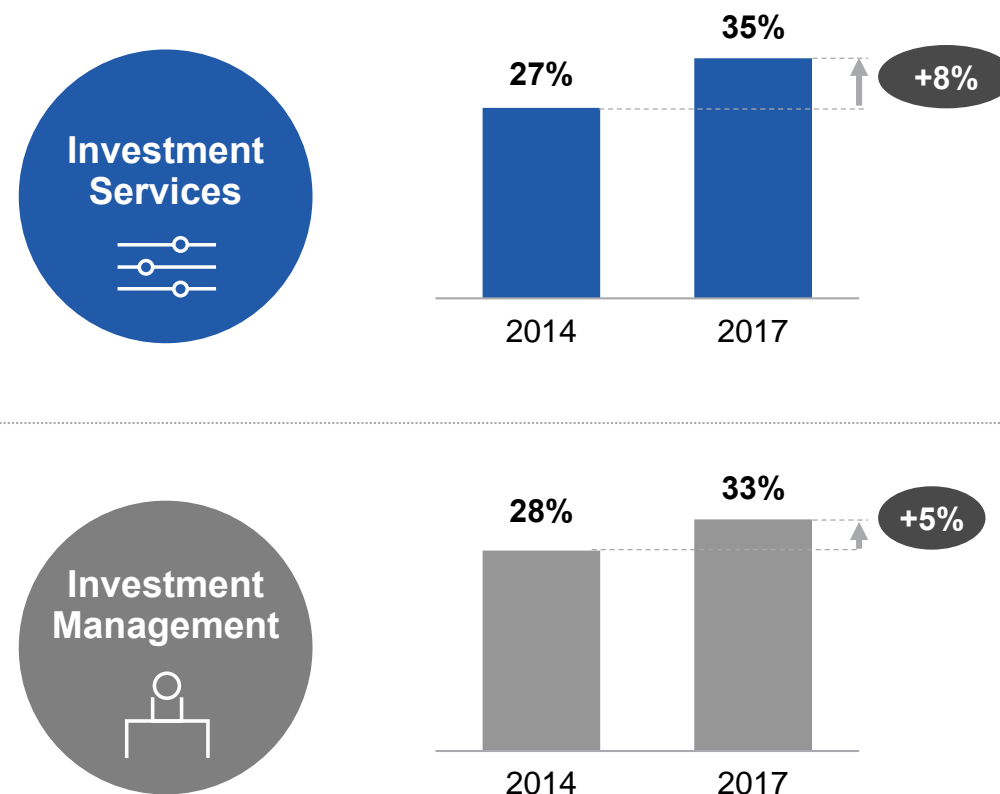
1. Reflects a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Strong and growing margins

BNY Mellon overall operating margin¹ growth
(includes intangible amortization)



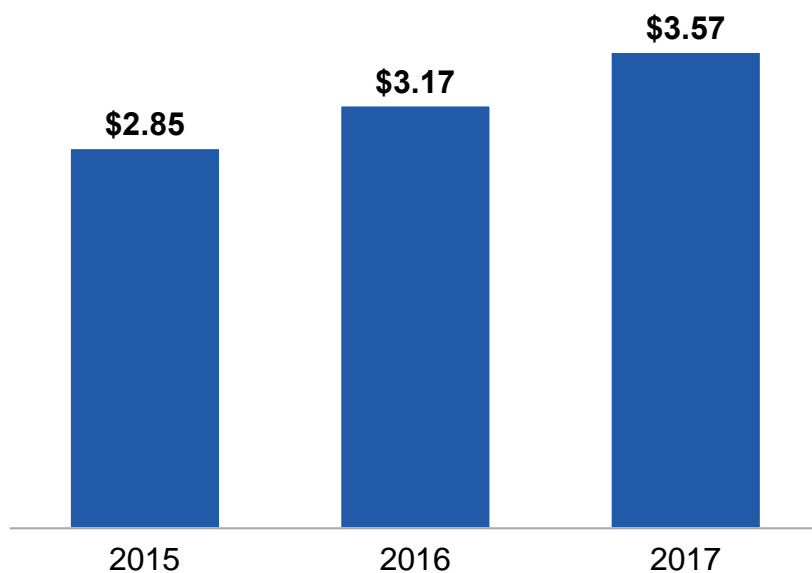
Operating margin¹ growth by business



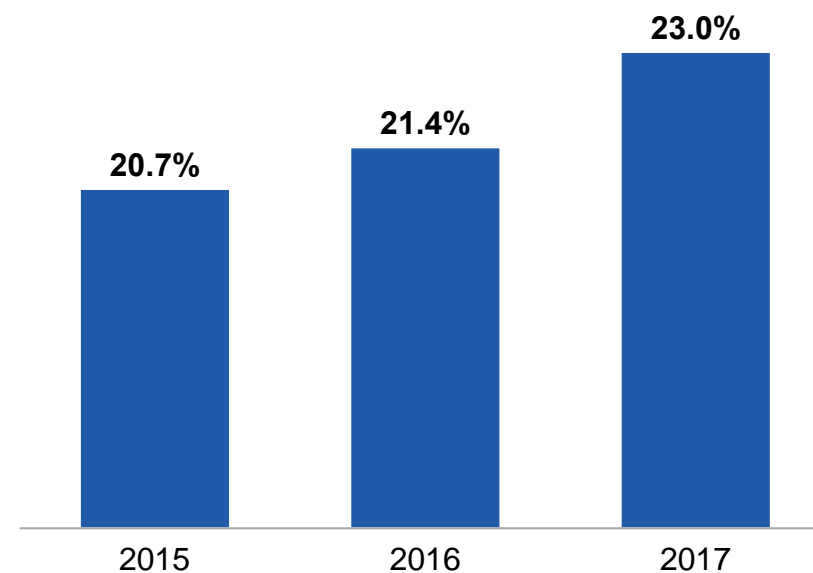
1. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Generating consistent EPS growth with high returns

Operating earnings per share¹

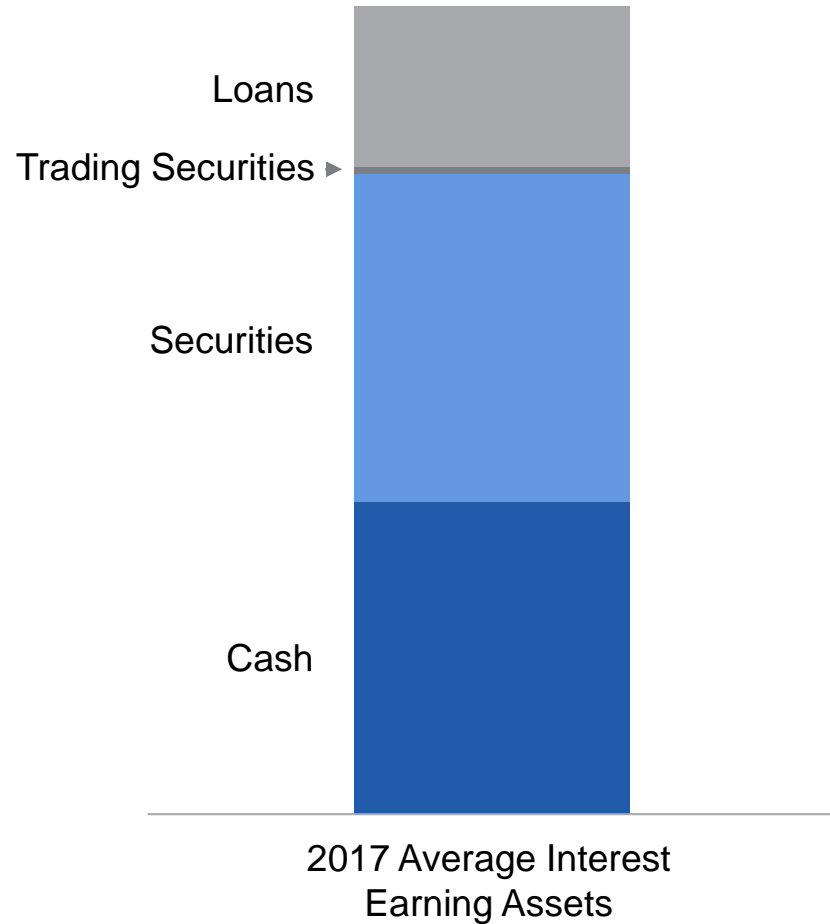


Adjusted return on tangible common equity¹



1. Financial results referenced for the total Corporation are calculated on a non-GAAP operating basis, which excludes merger and integration, litigation and restructuring charges for all periods. Also excluded from 2017 results are the fourth quarter 2017 significant items, which included an estimated net benefit related to the Tax Cuts and Jobs Act ("U.S. tax legislation"), severance and other charges. See Appendix for a reconciliation of these non-GAAP measures.

Without taking substantial credit and market risk



Majority of loans in support of operating businesses

<1% trading assets

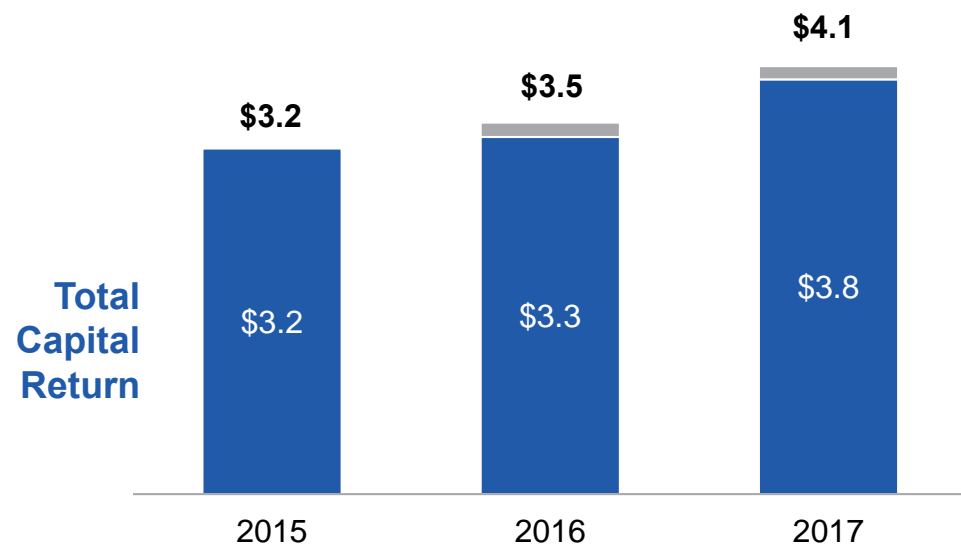
41% predominantly highly rated, liquid assets

39% of assets in cash

No meaningful derivatives

Consistently returning majority of generated capital to shareholders

Payout of net income (\$B)



Share Repurchases	\$2.4	\$2.4	\$2.7
Dividends Paid ¹	\$0.9	\$0.9	\$1.1

 Payout (share repurchases and dividend)

2017 Capital return payout ratios

Common Dividend Payout Ratio	23%
Share Repurchase Payout Ratio	69%
Total Payout Ratio	92%

NOTE: Total capital return may not foot due to rounding. Net income reflects net income applicable to shareholders. 1. Includes common and preferred dividends.

Earnings growth and capital generation should continue to drive strong returns – 2017 example

Common stock capital return yield

Common Dividend Yield 1.7%

Share Repurchase Yield 5.2%

Total Capital Return Yield 6.9%



Net Income¹ Growth After Tax: 9%

NOTE: Capital return yield reflects dividend and share repurchases divided by annualized average market capitalization. 1. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Revenue growth rate disappointing – but improving and majority market-driven

2014 Investor Day targets

Flat rate environment

3.5%-4.5%

Normalized rate environment

6%-8%

Model has embedded leverage

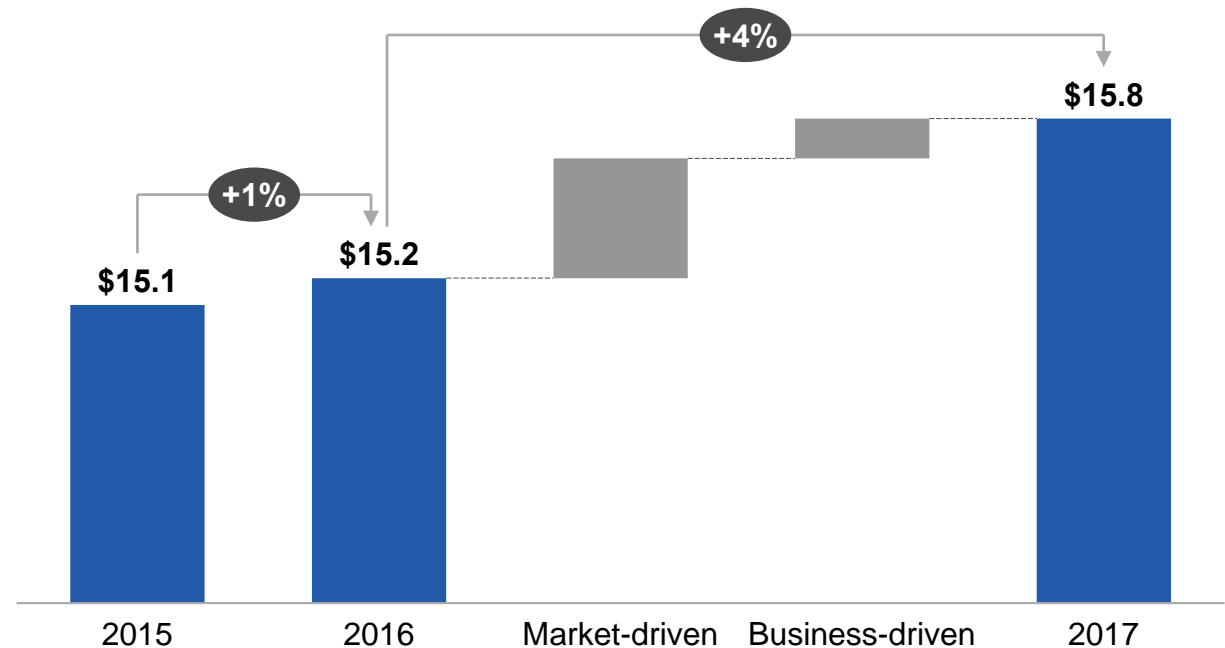
1%

2-3

1% increase in revenue growth...

...translates to 2-3 percentage points of EPS growth

Revenue¹ growth 2015-2017 (\$B)



NOTE: Vertical axis truncated. 1. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations



Great history and culture



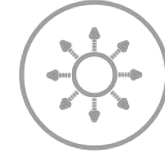
A strong and unique franchise



Clear, focused, and financially attractive business model



Continued focus on operating leverage

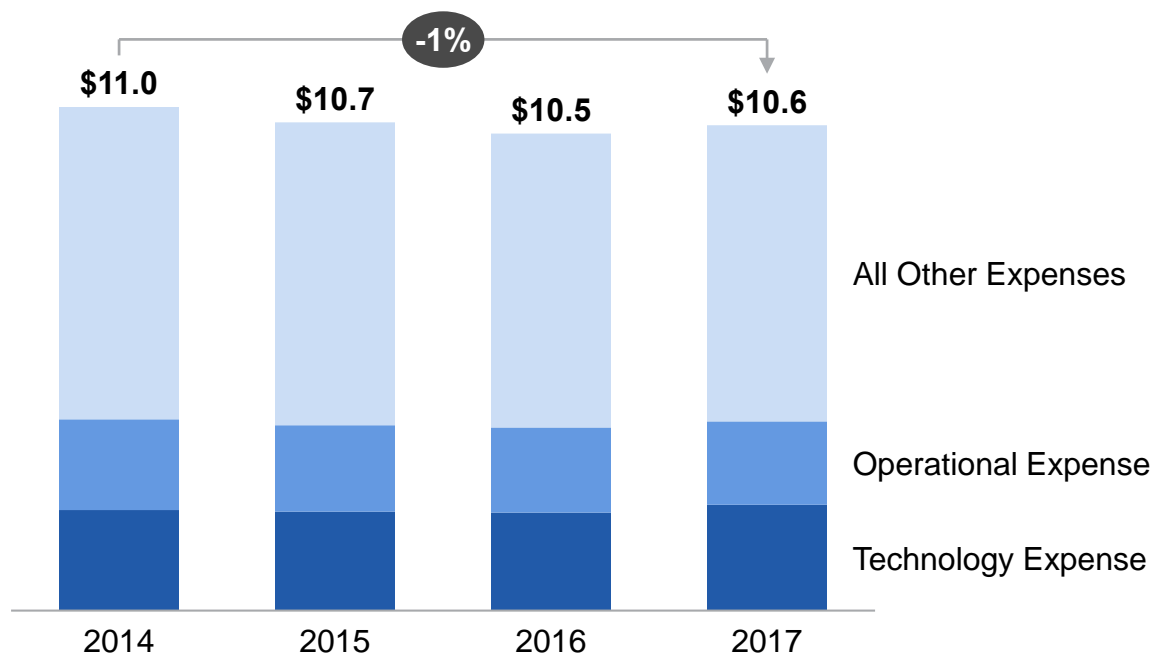


Investing for growth by

- Improving execution
- Expanding technology-enabled solutions
- Leveraging **all** of BNY Mellon

Continued focus on operating efficiency

Expense¹ growth 2014-2017 (\$B)



- Regulatory expenses grew 24% between 2014 and 2017
- Efficiency
 - Increased volumes
 - Operational expenses (8%)

Expenses driving margin improvement

1. Reflects a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

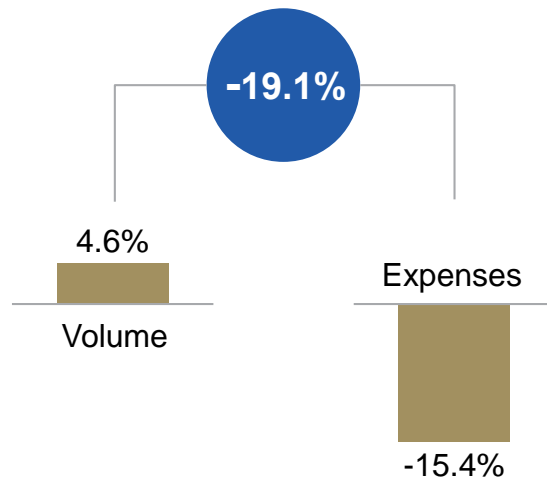
Continuing to focus on operating efficiency

Select examples

U.S. Transfer Agency

2016-2017

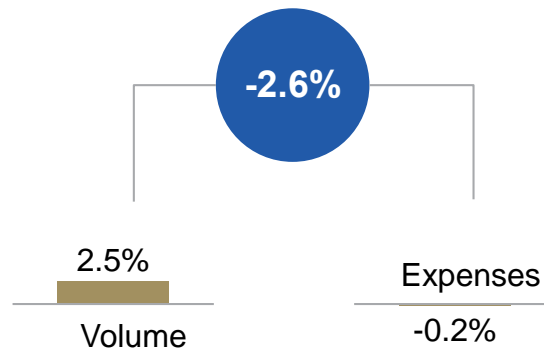
Cost Per Transaction



Accounting

2016-2017

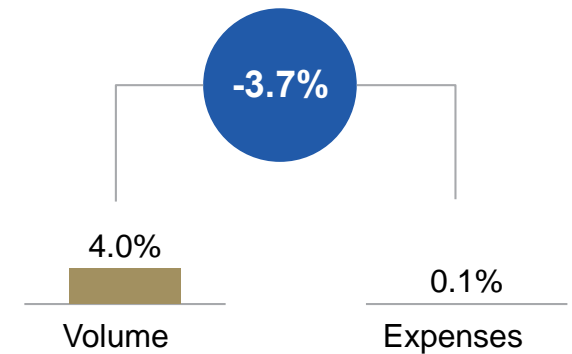
Cost Per Transaction



Core Securities Process

2016-2017

Cost Per Transaction



Operating efficiencies

So Far

Going Forward

- Optimizing geographic footprint
- Organizational streamlining and flattening
- More disciplined procurement

- Real estate portfolio
- Digital workplace strategy
- Investing in automation

- More organizational streamlining and flattening
- Operating center consolidation
- Workflow automation for pricing, accounting, account opening
- Digital transaction capture (faxes, recons, trades)
- More self-service (manual file delivery, “hands free” NAV)
- Integrated pricing and reference data
- Machine learning tools replacing manual functions
- Process engineering and robotics



Great history and culture



A strong and unique franchise



Clear, focused, and financially attractive business model



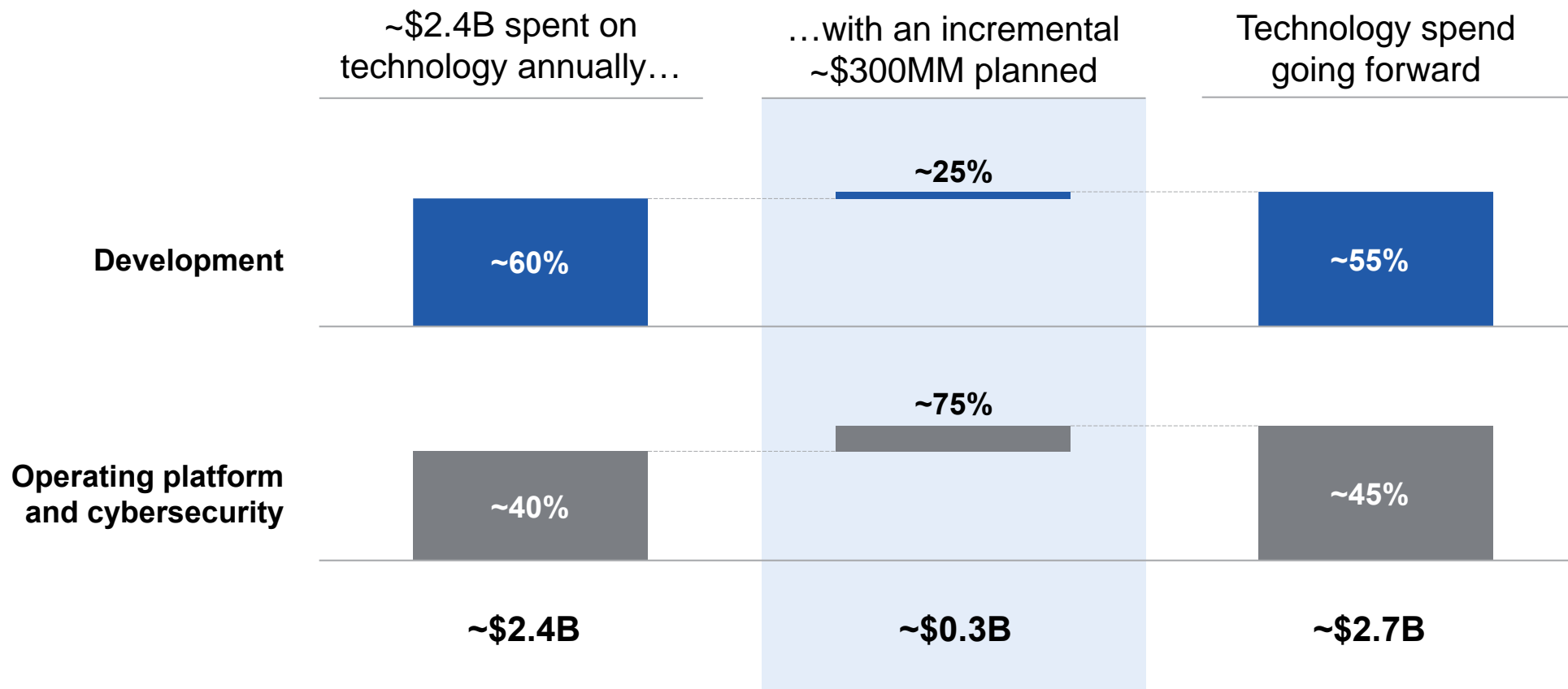
Continued focus on operating leverage



Investing for growth by

- **Improving execution**
- **Expanding technology-enabled solutions**
- **Leveraging all of BNY Mellon**

Technology investment increasing – a clear priority for success



Operating platform must be a priority, while... continuing to expand development resources

Technology investments cut across time horizons

Near-Term Investments

Minimize risk as well as increase reliability and quality

- Technology infrastructure
 - Data centers
 - Network architecture
 - Platform consolidation
 - New test environments
 - Continued cyber enhancements
 - Regulatory enhancements
- Digital examples
 - Electronic trading
 - APIs



Longer-Term Investments

Strategic investments across all businesses

- Pershing Advisor Artificial Intelligence Platform
- Digital markets solutions – collateral, financing, liquidity
- Blockchain
- Componentized Asset Servicing solutions and APIs
- Eagle Data Management Platform
- Client dashboards for operational oversight
- Real-time payments
- Data science/analytic tools to support investment process

Growth related initiatives at different stages of development

Today

Tomorrow



- 74 new fund launches over last two years
- Specialty, alternative, passive strategies
- Investment Services partnership
- Private Wealth footprint growth

- Passive/factor-based, multi-asset solutions
- Advanced analytics
- Grow restructured U.S. active business
- Global Asset Management – Europe, Japan, SWFs
- Digital portals and solutions

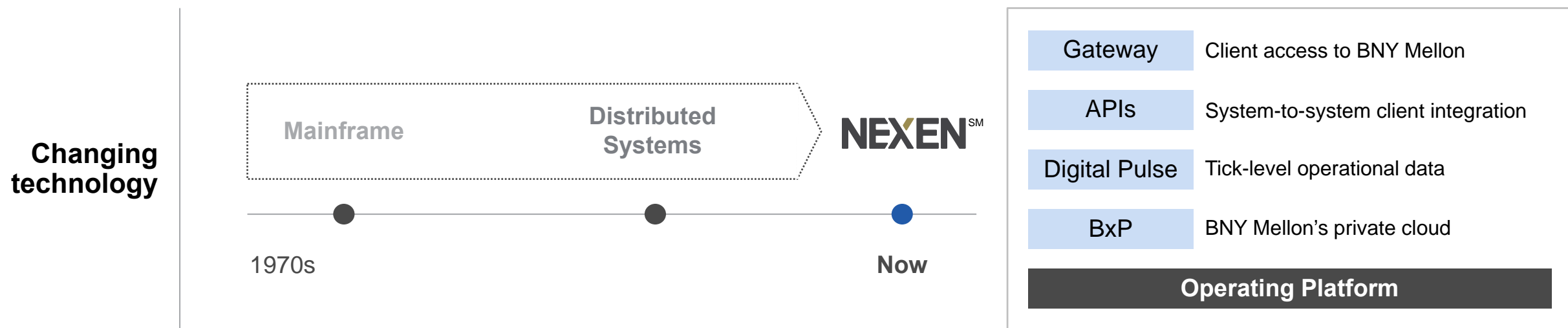


- Continuing technology consolidations
- Alternative and ETF servicing platforms
- Data management
- RIA/Advisor solutions
- Cash and Liquidity
- Collateral management for sell-side

- Client experience enhancements
- Private Equity platform
- Digital and real-time payments
- Solutions to reach retail investors and advisors
- Collateral management for buy-side

Note: SWFs – Sovereign Wealth Funds

And we are changing how we do business



Deliver constant client coverage and leverage all of BNY Mellon

Improved organic growth will be driven by a series of actions

- Differentiated operating platforms
- Consistent solutions-oriented client coverage
- Business by business focus on execution
- Digital investments
 - Internal capabilities
 - External partners
- Management focus



- No silver bullet
- Long sales cycles
- Look for gradual and steady improvements

While we continue focus on operating leverage and EPS growth



Investor Day 2018

BNY Mellon Financial Overview

Michael Santomassimo

Chief Financial Officer

March 8, 2018

Introduction

BNY Mellon Financial Overview

Attractive business model

- Dynamic business model delivering long-term value and growth opportunities over time
- Diversified and stable business mix with high percentage of recurring revenue

Lower risk profile

- Lower credit and market risk
- Strong and liquid balance sheet driven by stable deposits
- Consistent returns and proven capital generation

Disciplined execution

- Executed on earnings and capital targets since 2014 Investor Day
- Continued focus on efficiency and margin improvement
- Returning significant capital while improving capital ratios

Outlook

- Investment and capital return priorities
- Revenue and operational efficiency initiatives
- First quarter 2018 financial outlook

Our investment thesis – delivering consistency over time

A dynamic model delivering long-term value to clients and shareholders

Attractive Business Model



- Diversified business mix
- Majority of revenue from recurring fees
- Low risk-weighted assets model enables growth with limited new capital required
- Serving a critical industry

High Risk-Adjusted Returns



- Lower credit risk business model
- Highly liquid
- >20% ROTCE¹

Strong EPS Growth

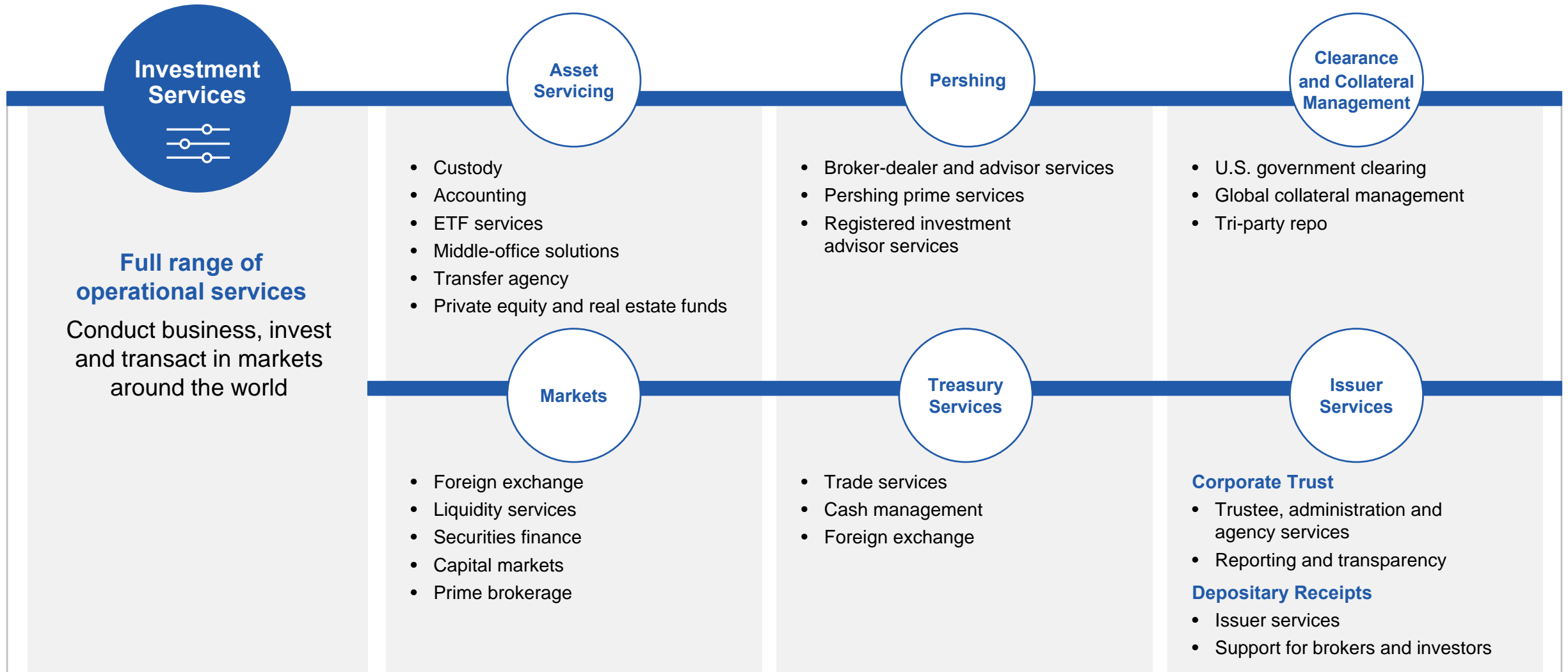


- Industry leader
- Increasing scale benefits
- Positive operating leverage
- Positive capital generation

1. ROTCE represents the Return on Tangible Common Equity. This is a non-GAAP measure. See Appendix for reconciliations.

Investment Services

Broad set of capabilities



Investment Management

Investment Management



Diversified global asset manager

Offering a broad range of investment strategies from 10 specialized managers

Comprehensive wealth management offering

Asset Management

#7

Asset Manager, by Global Assets Under Management



Wealth Management

#10

Wealth Manager, by U.S. Client Assets



Note: See Appendix for additional information regarding rankings.

1. Amherst Capital Management is a majority-owned subsidiary of BNY Mellon, and is minority-owned by Amherst Holdings, LLC; 2. BNY Mellon owns a minority interest in Siguler Guff & Company, LP and certain related entities (including Siguler Guff Advisers, LLC).

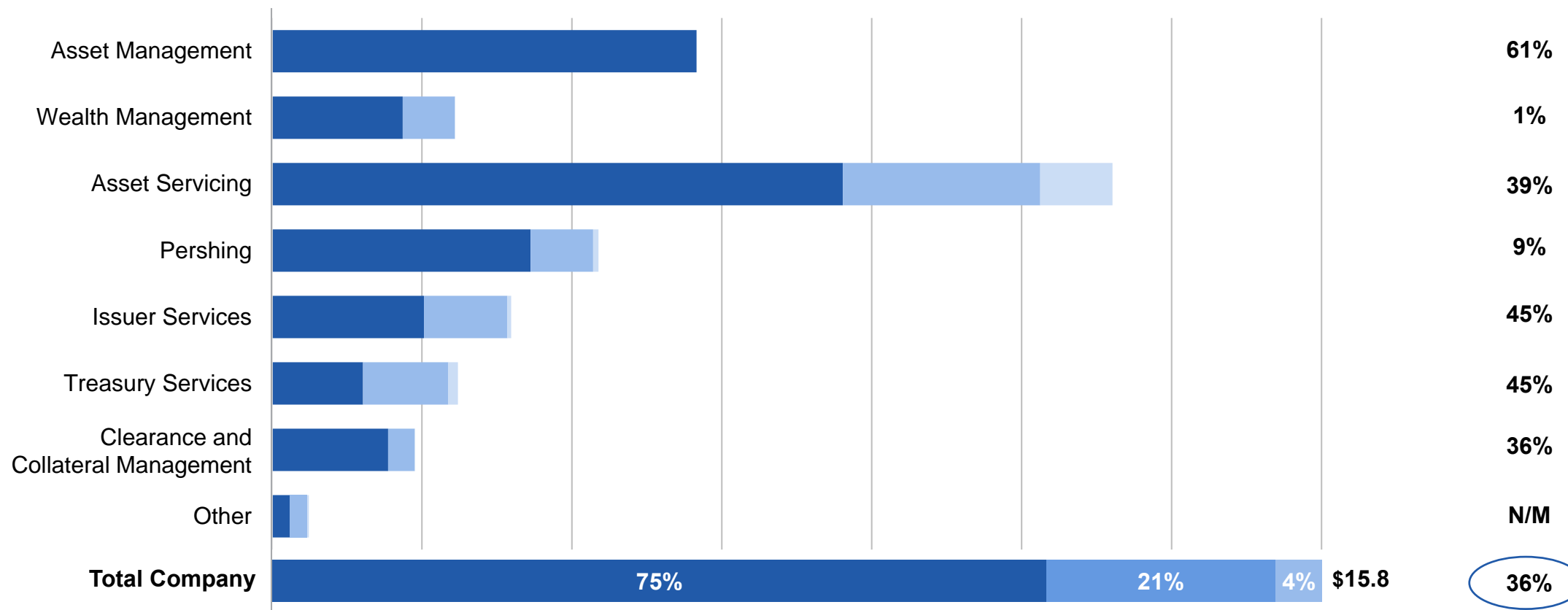
Diversified, recurring revenue stream

Significant amount of revenue is predictable over time

FY17 – Total Operating Revenue¹

% Non-U.S. Revenue

(\$ billions)



Revenue % ■ Fee Revenue ■ Net Interest Revenue ■ Foreign Exchange and Other Trading

NOTE: Fee revenue excludes Foreign Exchange and Other Trading revenue.

1. Reflects a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Significant synergies exist across the businesses

Serving common clients and delivering complementary capabilities

Asset Management

- Cash → \$100B AUM swept by Investment Services
- “Top 5” Asset Servicing client
- Investment expertise

Wealth Management

- Mortgage capability for Pershing clients
- Over \$2B in Wealth Management client assets utilizing Pershing self-directed capabilities

Asset Servicing

- FX and Securities Financing
- Securities settlement firm-wide

Pershing

- Combined bank and brokerage custody
- Provides access to advisers for Asset Servicing clients (\$488B in average mutual fund balances)

Clearance and Collateral Management

- >\$2.5T in Tri-party balances creates unique buy-side collateral and financing capabilities

Treasury Services

- Payment utility \$1.7T average daily volume cleared, supporting all BNY Mellon businesses

Issuer Services

- 26% of Corporate Trust revenue from BNY Mellon enterprise financial institution relationships

Markets

- Facilitates buy-side access to collateral and liquidity solutions, leveraging differentiated tri-party platform capabilities

Relationship Synergies

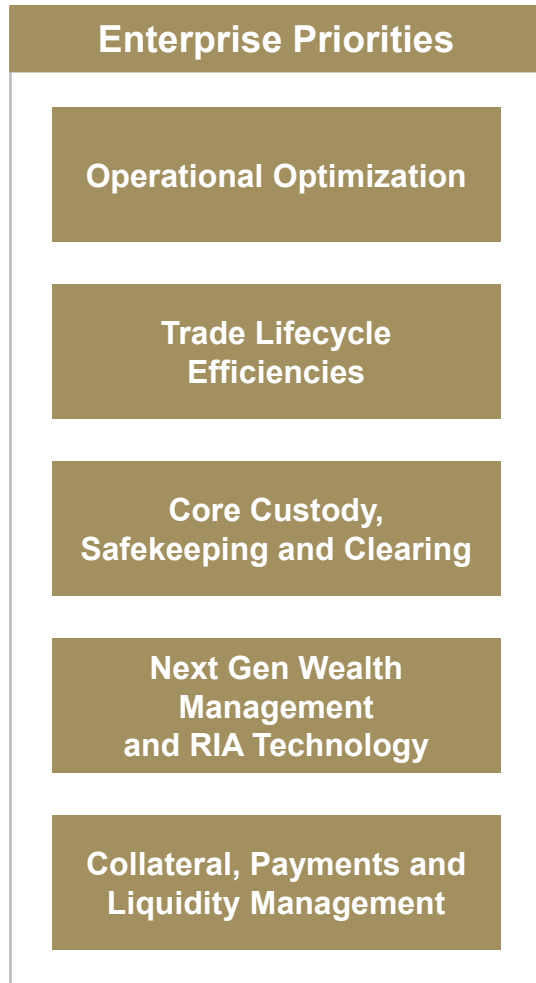
- >75% of firm revenue from clients served by multiple businesses
- Dedicated enterprise management to top ~700 clients

Cost Synergies

- >40% of combined technology and operations expense base devoted to services that support multiple businesses

Investing for the future

Focused strategy to transform the client experience and operating model



	Illustrative Examples	
Automation/ Machine Learning	<ul style="list-style-type: none">• Auto custody limits• Failure Forecasting	<ul style="list-style-type: none">• Optical character recognition• Intelligent matching and routing
Fintech Partnerships	<ul style="list-style-type: none">• Real-time payments• Collateral management (HazelTree)• Bond Liquidity (Algomi)	<ul style="list-style-type: none">• Payments (Volante)• Innovation (B-Hive)
Integration	<ul style="list-style-type: none">• Digital Eyes – financial reporting• Symphony messaging bot• DBVX – repo platform	
Blockchain	<ul style="list-style-type: none">• Utility Settlement Coin• R3 consortium• BDS 360 – resiliency system	<ul style="list-style-type: none">• Enterprise Ethereum Alliance

Regulatory outlook showing modest improvement

Pace of regulatory change slowing but continued execution is key

Progress Since 2014

- **Capital:** Basel III implementation, Leverage ratio, SLR
- **Liquidity:** LCR, enhanced standards
- **Recovery and Resolution:** Substantial progress in plans
- **Market Reforms:** MMF reform, Tri-party repo reform, MiFID II, UCITS

Current Focus

- Pace of U.S. regulatory change slowed
- Implementation of EU regulations; well-positioned for Brexit
- Assisting clients with MiFID implications
- Regulatory focus on new technologies
- EU data standards (GDPR)

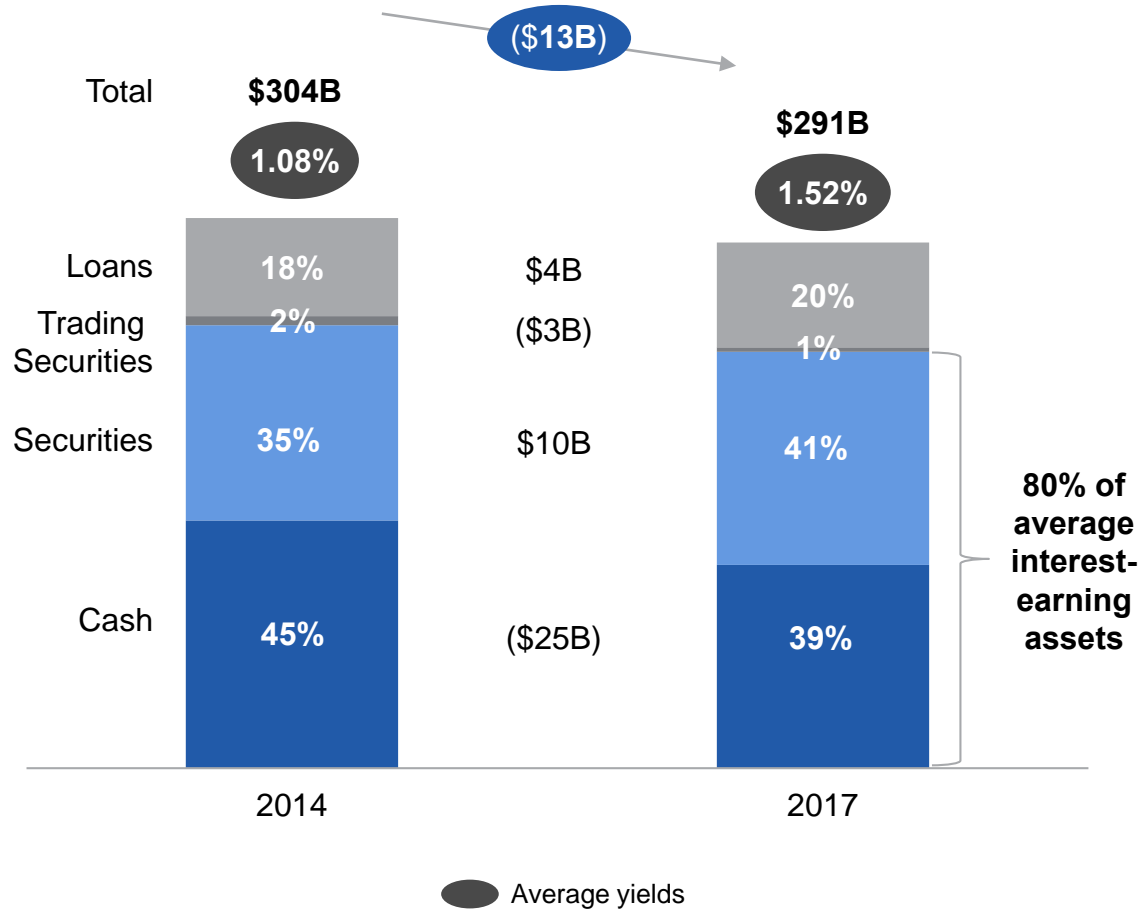
GDPR = General Data Protection Regulation
LCR = Liquidity Coverage Ratio

MiFID = Markets In Financial Instruments Directive
MMF = Money Market Fund

SLR = Supplementary Leverage Ratio
UCITS = Undertakings for Collective Investment in Transferable Securities

Lower credit and market risk

Average Interest-Earning Assets



NOTE: Totals may not foot due to rounding.

High Quality Securities Portfolio: \$118B

>90% of securities portfolio rated AAA/AA-
 ~75% are U.S. treasury, agency and sovereign securities

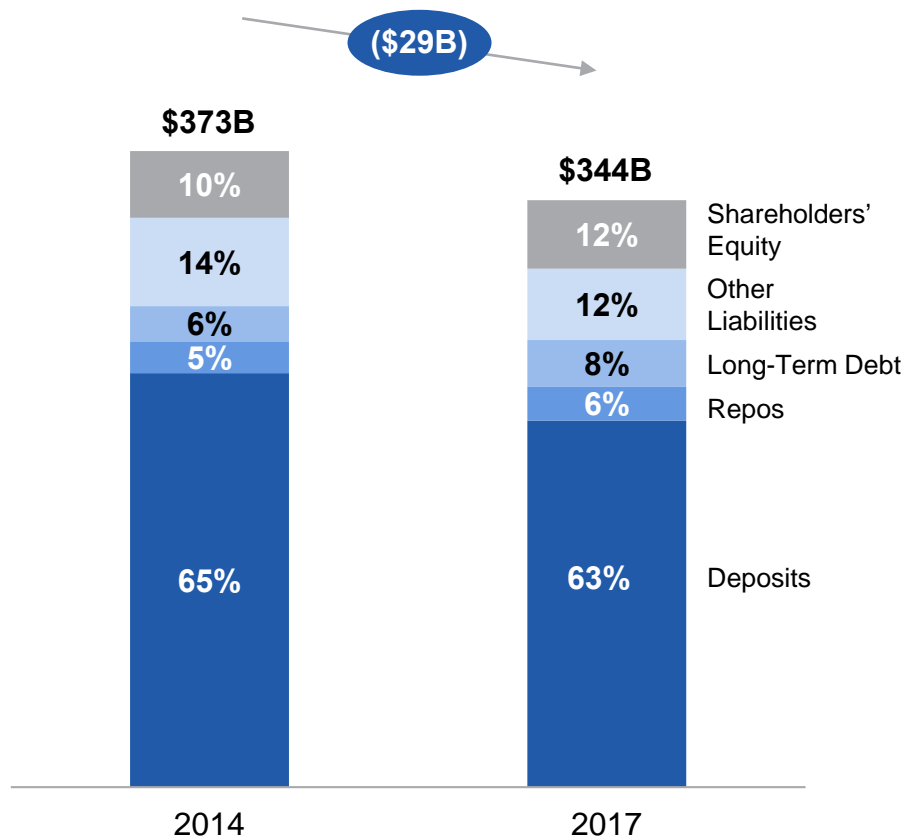
High Quality Loan Portfolio: \$58B



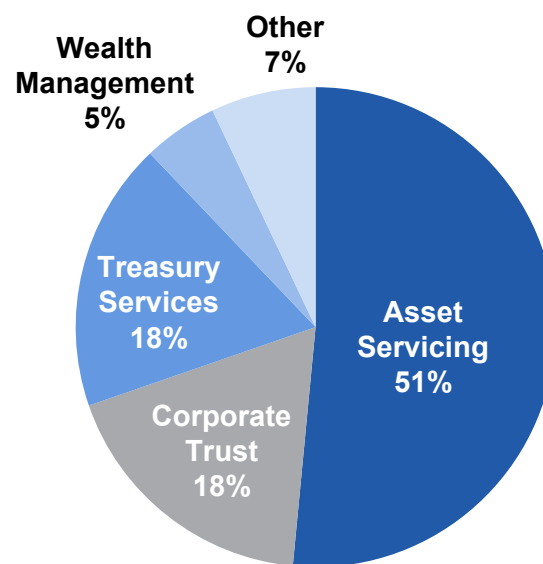
NOTE: Securities and loan percentage metrics reflect averages of 2017 quarterly period-end amounts.

Client deposits drive size of balance sheet

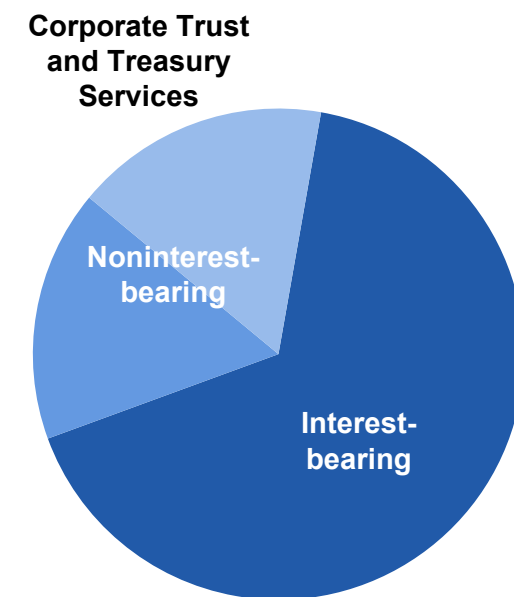
Average Liabilities and Equity – 2014-2017



Deposits by Business – 2017



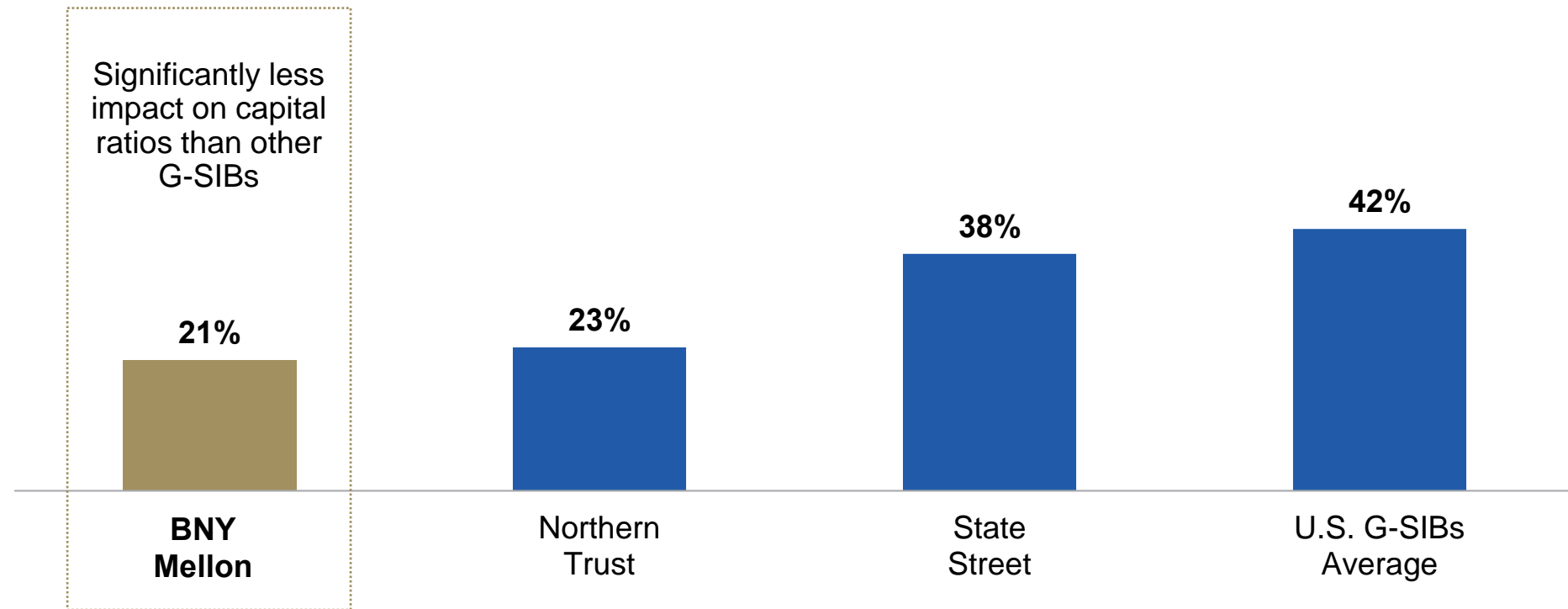
Deposits by Type – 2017



NOTE: Totals may not foot due to rounding. Other liabilities include payables to customers and broker-dealers, commercial paper, other borrowed funds, trading liabilities, and other noninterest-bearing liabilities.

Business performs well in stress

Reduction in Tier 1 Leverage Ratio after Stress
(2017 CCAR Severely Adverse Scenario)



Source: Federal Reserve—Comprehensive Capital Analysis and Review (CCAR). NOTE: U.S. G-SIBs peer group average excludes BNY Mellon and State Street. Northern Trust is not designated as a U.S. G-SIB.

Executing since 2014 Investor Day



Financial Performance

- Achieved upper end of EPS target
- Revenue growth below target range; focused on organic growth
- Generated positive operating leverage of ~300 bps



Operational Improvements

- Exceeded operating margin goals
- Drove operational efficiency gains in most areas
- Disciplined expense management



Capital Generation/Distribution

- >\$12B in gross capital generated
- >\$10B in capital distributed
 - More than \$7B in share repurchases
 - Almost \$3B in dividends



Capital/Liquidity

- 23.0% adjusted return on tangible common equity¹ in 2017
- Capital and liquidity ratios well above regulatory minimums
 - Common equity tier 1 ratio of 10.3% (advanced) – fully phased in¹
 - SLR of 5.9% – fully phased in¹
 - Average LCR of 118% at year-end 2017

1. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Reasonable execution versus 2014 Investor Day goals

	Growth	Investor Day Goals (as published in 2014)	CAGR 2015-2017 Operating Results ¹
		Normalized	
Total Company	Revenue	6-8%	2%
	Expense	N/A	(1%)
	EPS	12-15%	14%
Investment Management	Revenue	8-10%	1%
	Pre-tax Income	12-14%	3%
Investment Services	Revenue	4-6%	4%
	Pre-tax Income	10-12%	12%

1. Adjusted for M&I, litigation and restructuring expenses for all periods as well as the impact of U.S. tax legislation, investment securities losses related to the sale of certain securities, severance and asset impairment charges in 4Q17. Results in 2014 adjusted for the impact of gains related to the sales of our equity investment in Wing Hang and the One Wall Street building, a benefit primarily related to a tax carryback claim and a charge related to investment management funds, net of incentives. See Appendix for a reconciliation. NOTE: Investor Day Goals in 2014 reflect 3-year compound annual growth rates presented on a non-GAAP basis and excluded merger and integration, amortization of intangible assets, restructuring and litigation expenses and other non-recurring items. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

2017 Performance

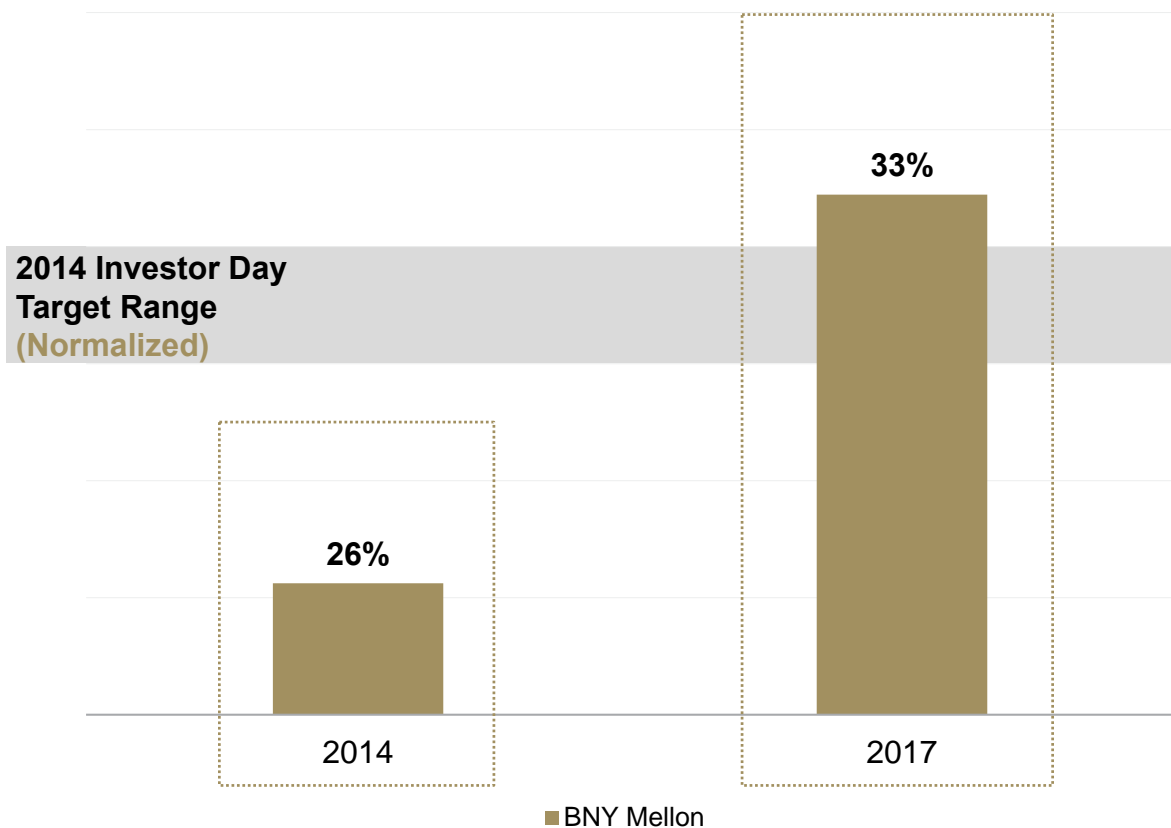
	2017 Reported	Operating Adjustments	2017 Operating ¹	Better/(Worse) vs. 2016 Operating
\$ in billions, except EPS				
Revenue	\$15.5	\$0.3	\$15.8	4%
Expense	\$11.0	(\$0.3)	\$10.6	\$10.4 Ex. Intangible amortization (2%)
Net Income	\$3.9	(\$0.2)	\$3.8	9%
Operating Margin	30%	3%	33%	34% Ex. Intangible amortization 169bps
Tax Rate	10.8%	14%	24.5%	42bps
EPS	\$3.72	(\$0.15)	\$3.57	13%

1. Reflects non-GAAP measures. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations
NOTE: May not foot due to rounding.

Continued focus on efficiency showing in margin improvement

Creating ongoing capacity to invest while delivering operating leverage

Adjusted Pre-tax Operating Margin¹ (Including Intangible Amortization)



Operating Efficiency Gains

2015-2017

- Optimizing geographic footprint
- Organizational streamlining and flattening
- More disciplined procurement
- Real estate portfolio
- Process engineering and robotics
- Digital workplace strategy
- Investing in automation

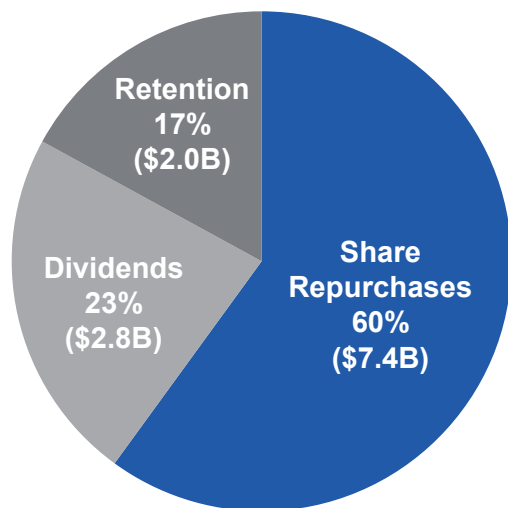
1. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Returning significant capital while improving key ratios

Maintaining returns and ratios within current ranges

Capital Deployment¹ (\$B)

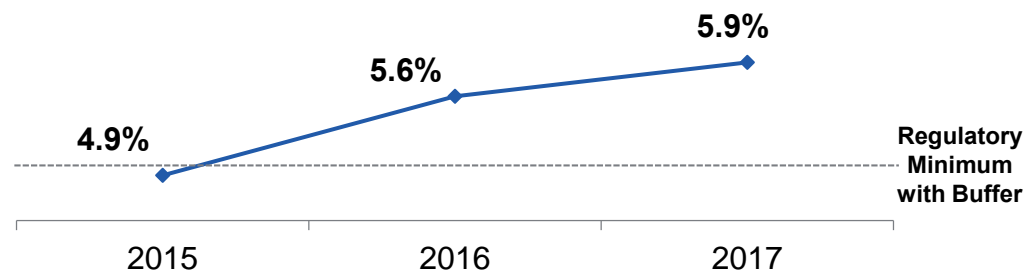
(Cumulative 2015-2017)



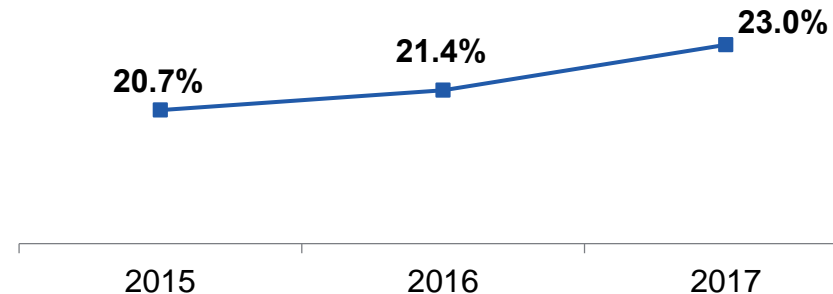
Common Dividends Per Share

2015	2016	2017
\$0.68	\$0.72	\$0.86

SLR² – Fully Phased-In (Non-GAAP)



Adjusted Return on Tangible Common Equity² (Non-GAAP)

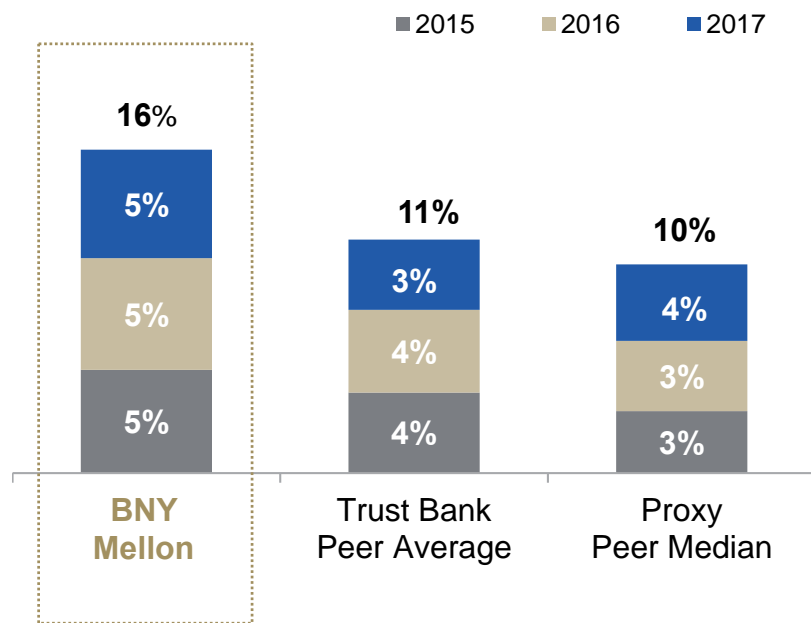


1. Includes common and preferred dividends. 2. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Returns driven by consistent earnings and execution of capital distribution plan

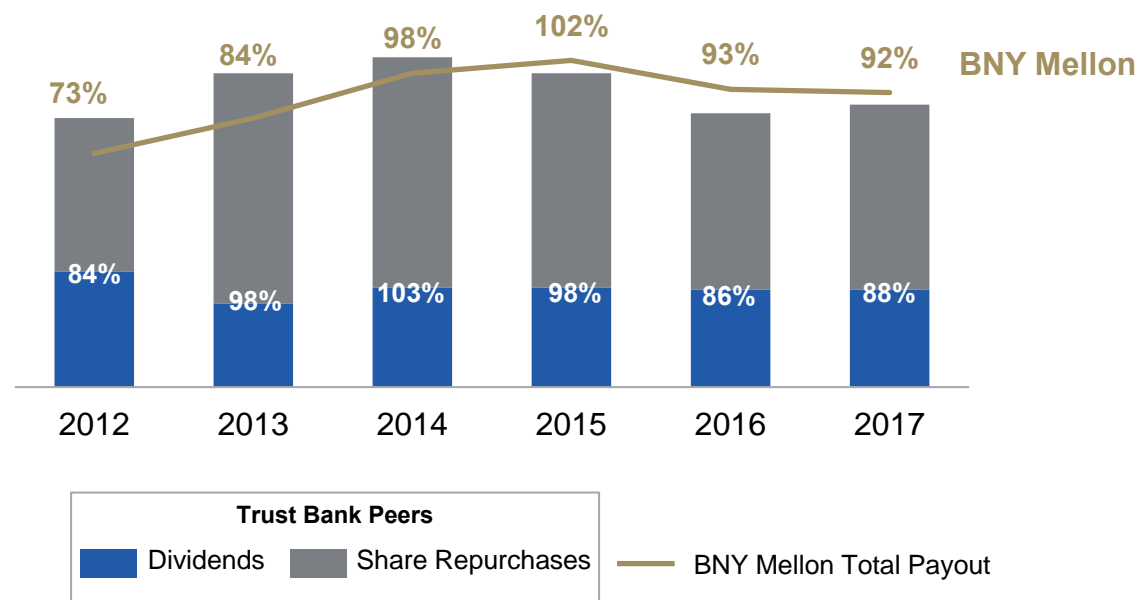
Gross Reduction in Shares Outstanding

(cumulative: 2015-2017)



BNY Mellon vs. Trust Banks Payout Ratios Over Time

(2012-2017)



Clear investment priorities and approach to capital deployment

Investment Priorities

Investing in our operating platform and organic growth

Business line extensions; new products; technology platforms

Acquisition strategy

Extend business capabilities and enhance growth opportunity

Capital return to shareholders

Expected investment returns must exceed that of repurchasing shares

Dividends and Share Repurchase Goals

Total payout ratio of ~100%+

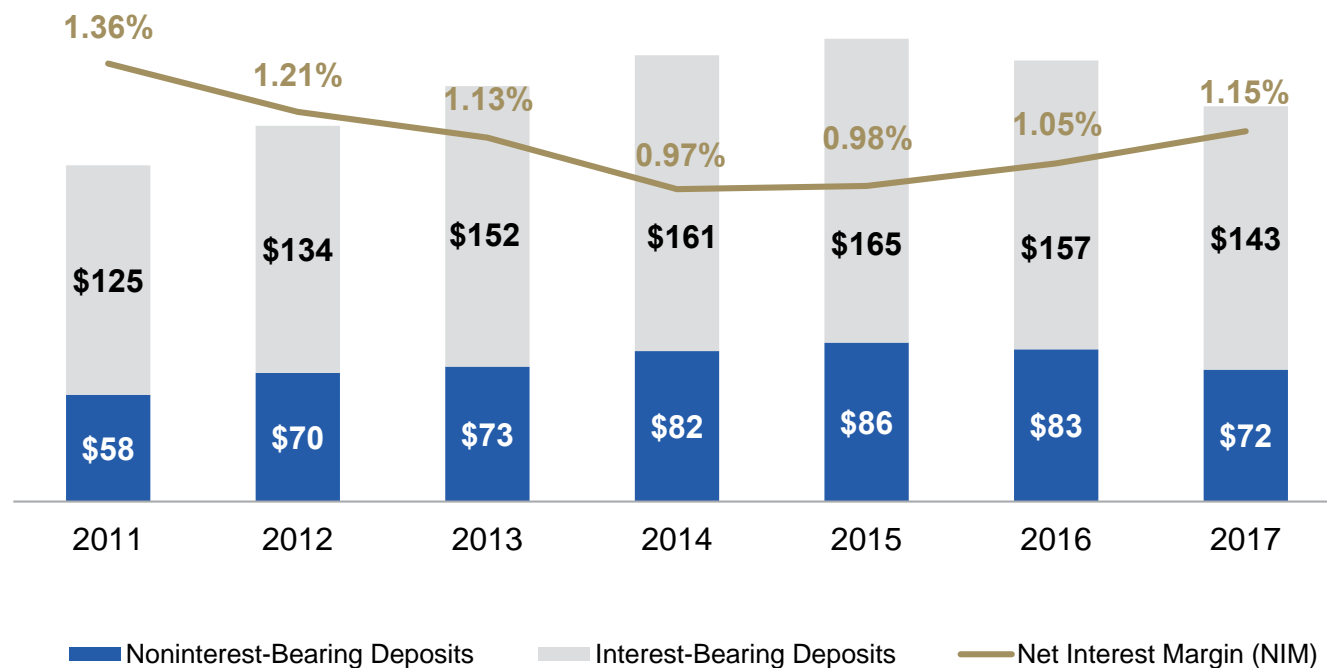
- Dividends: ~20-30%
- Share repurchases: ~80%+

NOTE: Subject to regulatory and other approvals.

Client deposit activity largely as expected

Deposit volatility and NIM expansion with higher interest rates

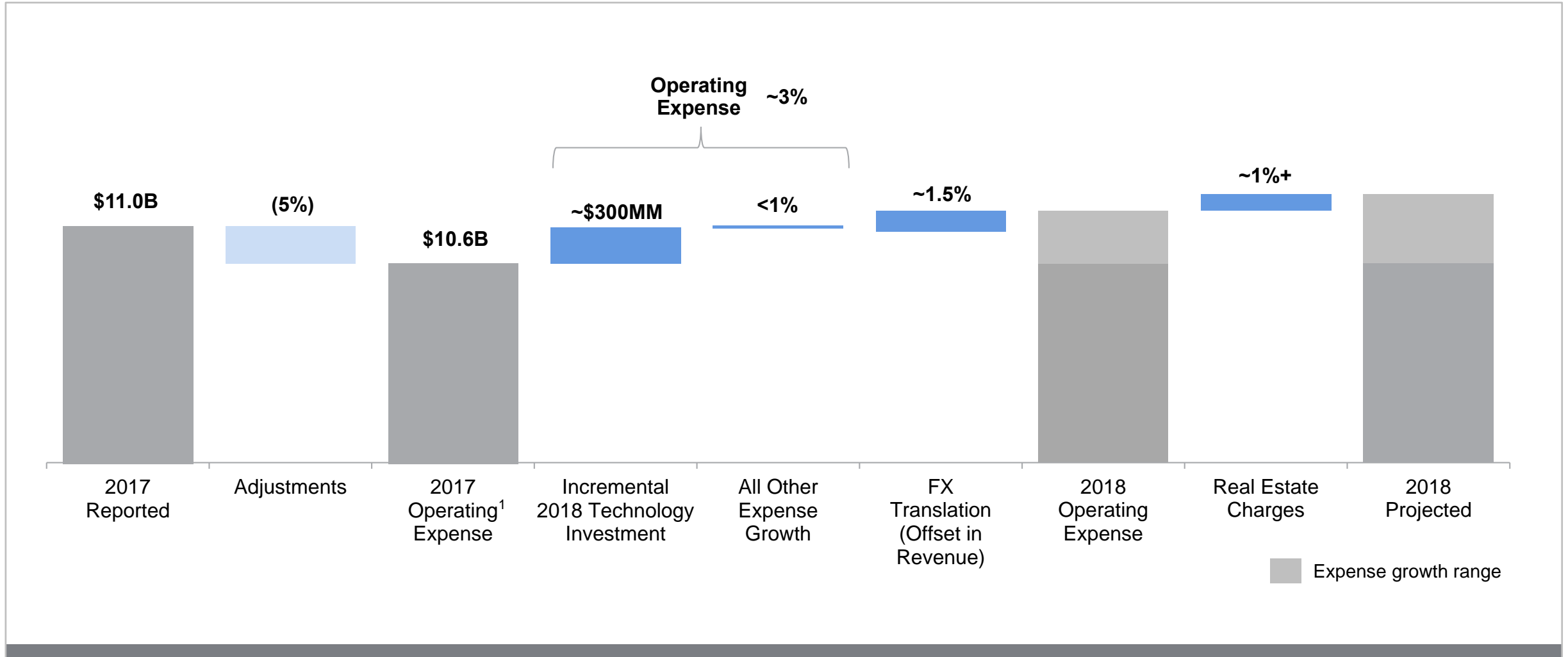
Average BNY Mellon Deposits (\$B)



Expectations Going Forward

- Deposits impacted by:
 - Higher rates
 - Reduction in Federal Reserve balance sheet
 - Growth in economic activity
- Deposit betas will increase as rates rise
- Noninterest-bearing deposits as a percentage of total deposits likely to further decline
- Higher net interest revenue and net interest margin expansion
- Normalized NIM of 1.25%-1.40%

2018 Expense outlook



1. Operating noninterest expense is a non-GAAP measure and excludes litigation and 4Q17 significant items, merger and integration, and restructuring charges. Significant items in 4Q17 include severance, an asset impairment and investment securities losses related to the sale of certain securities. Additional disclosures regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

2018 Outlook

First Quarter 2018 – Operating ¹	
Net Interest Revenue	12-14%+ vs. 1Q17
Investment/Other Income	\$60-70MM (Expect \$40-60MM per quarter)
Securities Gains/(Losses)	~(\$50MM)
Expense	4-5% vs. 1Q17 (~2% of growth driven by foreign currency translation)
Tax Rate	~19-20% (Expect 21% effective tax rate for 2018)

1. Reflects non-GAAP measures. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorelations

2018 Financial profile – excluding real estate charge

	2017 ¹	FX Impact	2018
Revenue	4%	Increases both revenue and expense growth rates	<ul style="list-style-type: none"> Continued reasonable operating performance based on 2017 earnings of \$3.57 Operating results will include <ul style="list-style-type: none"> \$50MM investment portfolio losses in 1st quarter Severance ~\$300MM technology expense increase Tax reduction to ~21% (~\$200MM) Expect charge in 4th quarter related to real estate repositioning
Expense	2%		
Pre-tax Income	10%	Minimal impact	
Net Income	9%		
EPS	12.6%		
Operating Margin	32.9%	↓	
Assumptions: Equity markets grow ~5% from year-end 2017 Continued normalization of interest rates Normal market volatility			

1. Represents non-GAAP measures. See Appendix for reconciliations. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Our investment thesis – delivering consistency over time

A dynamic model delivering long-term value to clients and shareholders

Attractive Business Model



- Diversified business mix
- Majority of revenue from recurring fees
- Low risk weighted asset model enables growth with limited new capital required
- Serving a critical industry

High Risk-Adjusted Returns



- Lower credit risk business model
- Highly liquid
- >20% ROTCE¹

Strong EPS Growth



- Industry leader
- Increasing scale benefits
- Positive operating leverage
- Positive capital generation

1. ROTCE represents the Return on Tangible Common Equity. This is a non-GAAP measure. See Appendix for reconciliations.



Investor Day 2018

Investment Management

Mitchell E. Harris

Chief Executive Officer, Investment Management

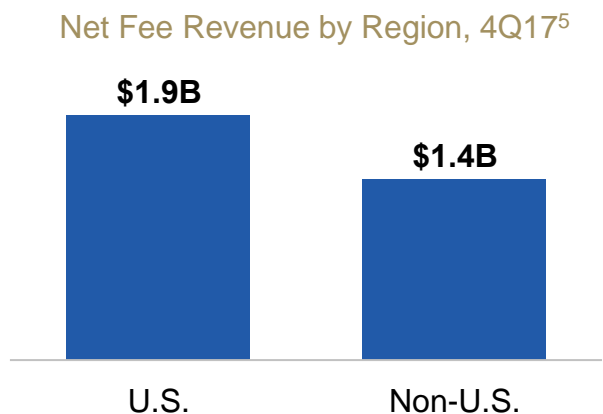
March 8, 2018

Investment Management – a scaled, global, diversified business

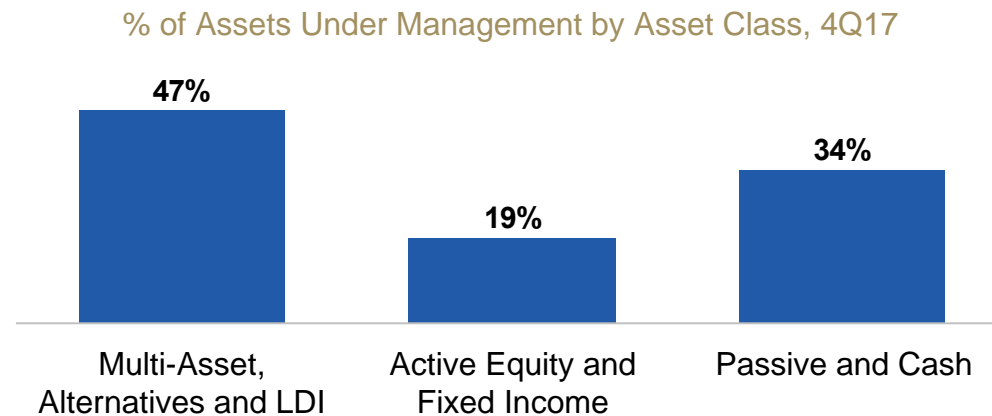
Scaled



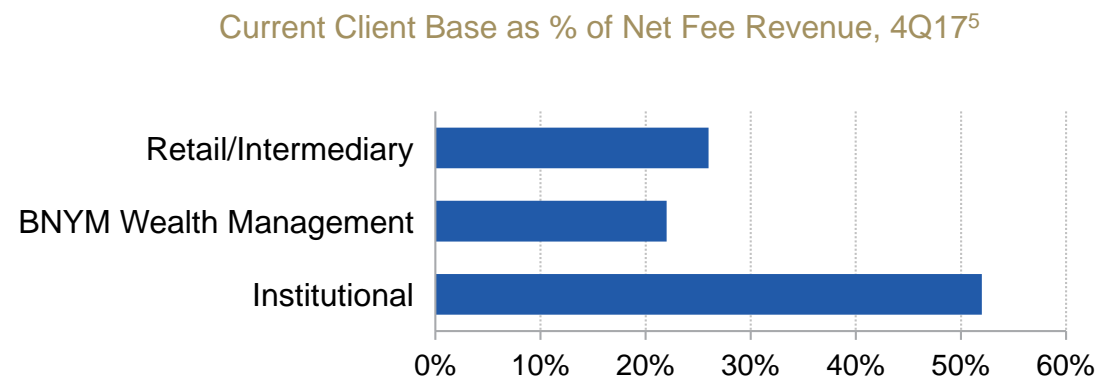
Global



Diversified Product Offering



Balanced Client Base



1. As of 4Q17; 2. Pensions & Investments/Willis Towers Watson 2016 data, published October 2017; 3. Pensions & Investments 2016 data, published May 2017; 4. Barron's Top 40 Wealth Management Firms 2016 data, published September 2017; 5. Net fee revenue reflects Investment Management's 4Q17 annualized total fee and other revenue, net of distribution and servicing expense. Region (U.S. vs. Non-U.S.) based on country of client domicile. See appendix for a reconciliation.

Go-to-market through our portfolio of asset/wealth management companies – our model has a number of advantages

Our Model



Benefits...

...For Clients

- Broad selection of investment solutions
- Flexible engagement

...For Asset Management Companies

- Alignment through shadow equity
- Investment process autonomy
- Global distribution
- Access to scalable services not core to investment managers
- Seed capital

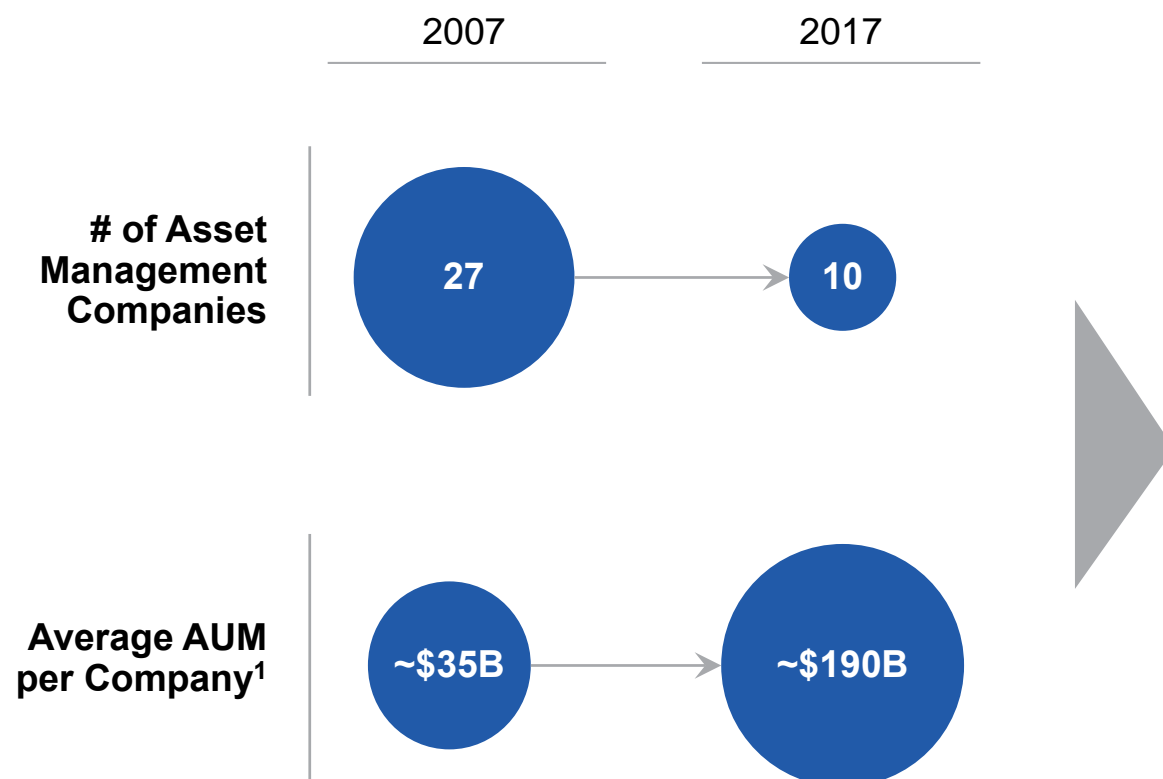
...For Shareholders

- Deep bench of business leaders
- Highly diversified business
- Complementary to the rest of BNY Mellon
- Increased transparency







1. Amherst Capital Management is a majority-owned subsidiary of BNY Mellon, and is minority-owned by Amherst Holdings, LLC; 2. BNY Mellon owns a minority interest in Siguler Guff & Company, LP and certain related entities (including Siguler Guff Advisers, LLC).

Streamlined our business portfolio to drive scale and better serve our clients – today, six asset management companies comprise ~94% of our business

Focused the Portfolio



Six At-Scale Companies

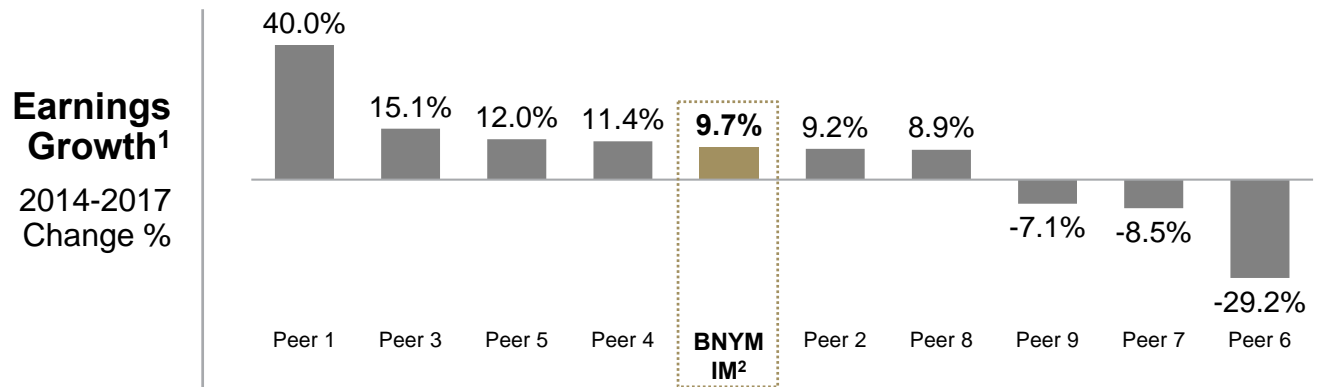
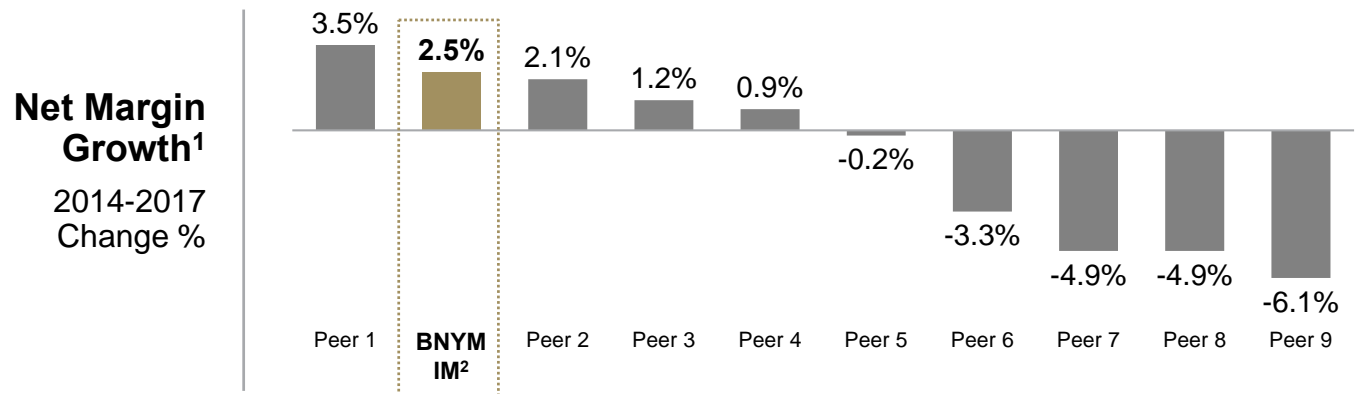
Company	AUM (\$B)	% of Total AUM
 Leader in global Fixed Income, risk management solutions and Absolute Return investing	\$791	42%
 Single and Multi-Asset investment solutions using both Active and Passive strategies	\$577	30%
 Domestic and offshore Money Market funds and Cash investment solutions	\$233	12%
 Active manager of Equity, Bond, Multi-Asset, Real-Return and Income solutions	\$73	4%
 Global Equity investment management	\$67	4%
 Global sub-investment grade Debt asset management	\$33	2%

94%

1. Average AUM represents Investment Management total AUM as of 4Q17 divided by the number of asset management companies; 2. U.S. NewCo refers to Asset Management North America, the legal entity that combined the former Mellon Capital, Standish and The Boston Company businesses.

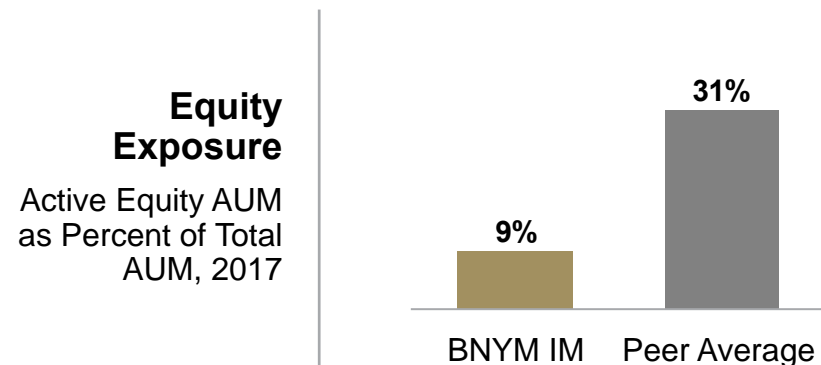
Solid margin and earnings growth since our last Investor Day

Our Financial Performance



Growth in net margin and earnings attributed to **cost discipline, focused execution, and positive net flows in LDI, Multi-Asset and Alternatives ...**

Our Business Exposure

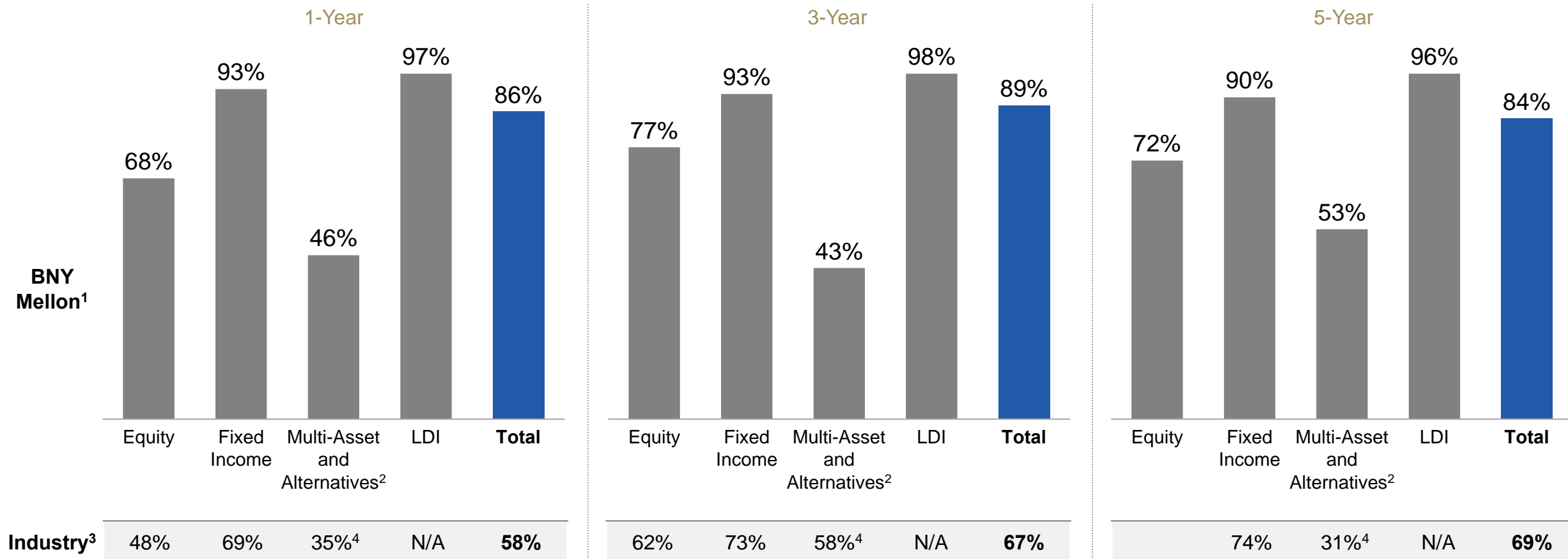


...despite **low equity markets exposure** and **significant non-U.S. exposure**

1. Peers include: BlackRock; Eaton Vance; Franklin Templeton; Invesco; J.P. Morgan Asset Management; Legg Mason; Natixis; Schroders; T. Rowe Price. Peer data sourced from company filings; 2. See appendix for a reconciliation. Peers are presented on the same basis where information is disclosed; 3. Non-U.S. net fee revenue reflects Investment Management's 4Q17 annualized total fee and other revenue, net of distribution and servicing expense earned from non-U.S. domiciled clients.

Continue to deliver strong investment performance

% of Long-Term Active AUM Ahead of Benchmark



1. As of 4Q17. Includes all discretionary Active AUM. If an account has multiple benchmarks, the benchmark that is most representative of that account's strategy was used; 2. Multi-Asset and Alternatives category includes: a) Multi-Asset strategies that invest in two or more asset classes such as Equities, Fixed Income, Currencies, Commodities, Derivatives; b) Single-Asset strategies such as Absolute Return Currency, Commodities, Market Neutral and Long/Short, REITs, Real Assets; and c) Structured Fixed Income strategies such as CLOs, Direct Lending, Distressed Debt, Bank Loans. 3. As of 4Q17. Information provided by eVestment, which is a self-reporting data source and thus only select products across asset managers are reported. Data may include non-discretionary AUM. AUM for which no benchmark was provided was excluded from the computation; for all AUM included, the primary benchmark provided by eVestment was used; 4. The Multi-Asset and Alternatives category includes: Fund of Funds, Hedge Funds, Long/Short, MLPs & REITs, Real Assets, Multi-Asset.

Executing on our strategy within a dynamic operating environment

Dynamic Operating Environment

Low Yield Environment

Technology

Regulation

Demographics



Product Barbell

Since 2008, Industry Traditional Active AUM down 12%,
Passive up 7%, Alternatives and Solutions up 5%¹

Fee Compression

Since 2012, industry fees down 13%²

Low Organic Growth

Industry growth has slowed to 1% post-crisis
vs. 4% pre-crisis¹

Profits Under Pressure

Industry profit pool below 2007 levels¹



Strategy for Growth

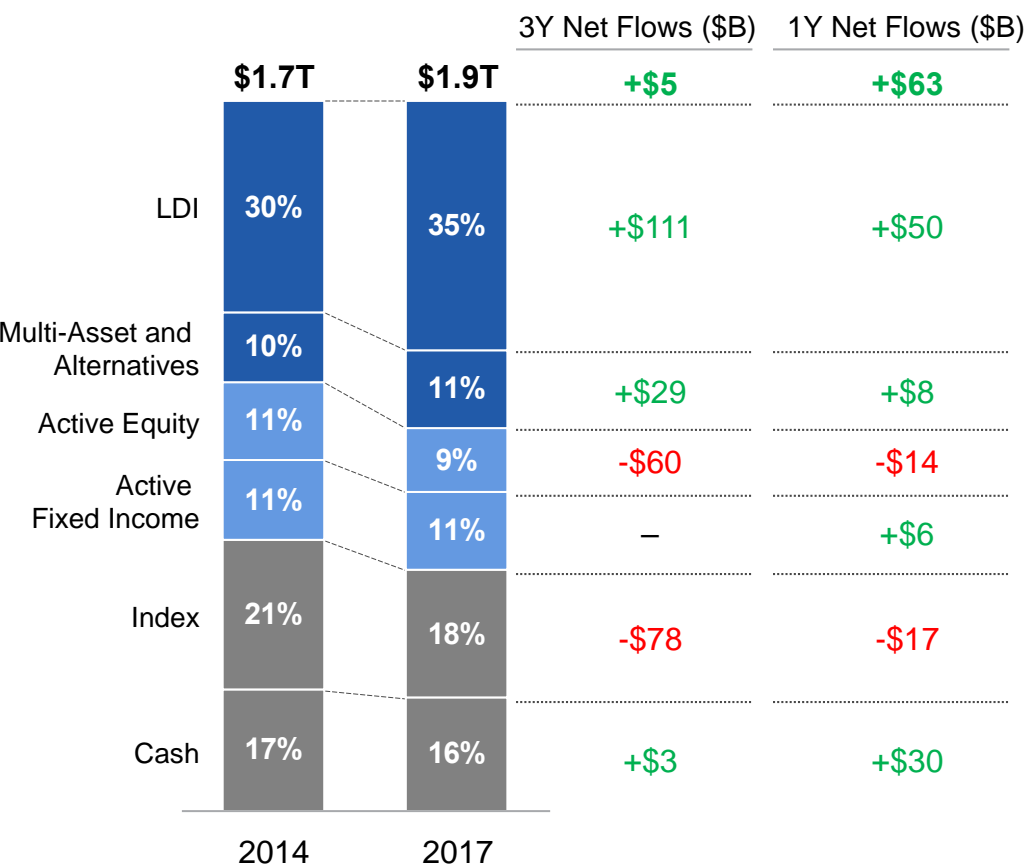
- 1 Continue pivoting product strategy to anticipate client demand**
 - Build on leading positions in LDI, Cash, Private Debt
 - Continue to restructure U.S. Traditional Active
 - Expand Passive and Alternatives capabilities
- 2 Leverage our multi-distribution model to extend our reach**
- 3 Expand Wealth Management's reach in high-growth markets and client segments**
- 4 Harness synergies across BNY Mellon**
- 5 Invest in technology and infrastructure**

1. BCG 2016 data, published July 2017. Traditional Active is equivalent to Core Active as defined by BCG (i.e. includes actively managed domestic Large-Cap Equity, domestic Government and Corporate Debt, Money Market, and Structured products); 2. Casey Quirk 2016 data, customized report published in 2017. Industry fee rates implied based on global AUM and revenue pool estimates.

Continue to evolve our product offering to meet changing client needs

Business Mix Change Driven by Growth in LDI, Multi-Asset and Alternatives; Outflows in Active Equity and Index

Assets Under Management by Asset Class
2014-2017

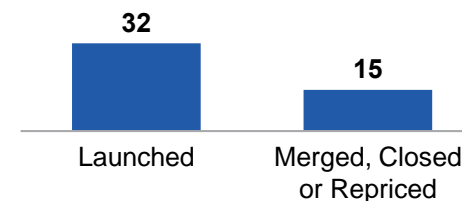


Actively Repositioning our Product Portfolio

Recent Launches, Mergers, Closures or Repricing Actions, 2016-2017¹

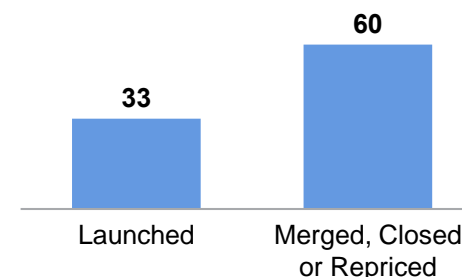
Example Launches

LDI, Multi-Asset and Alternatives



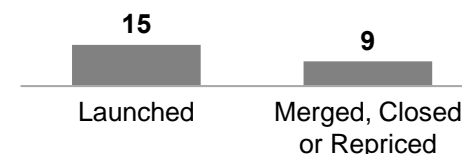
- Direct Lending and Mezzanine
- Income Equity Multi-Asset
- Collateralized Loan Obligations

Active Equity and Fixed Income



- Mobility Innovation
- Internet of Things
- Global Credit Buy and Maintain

Index and Cash



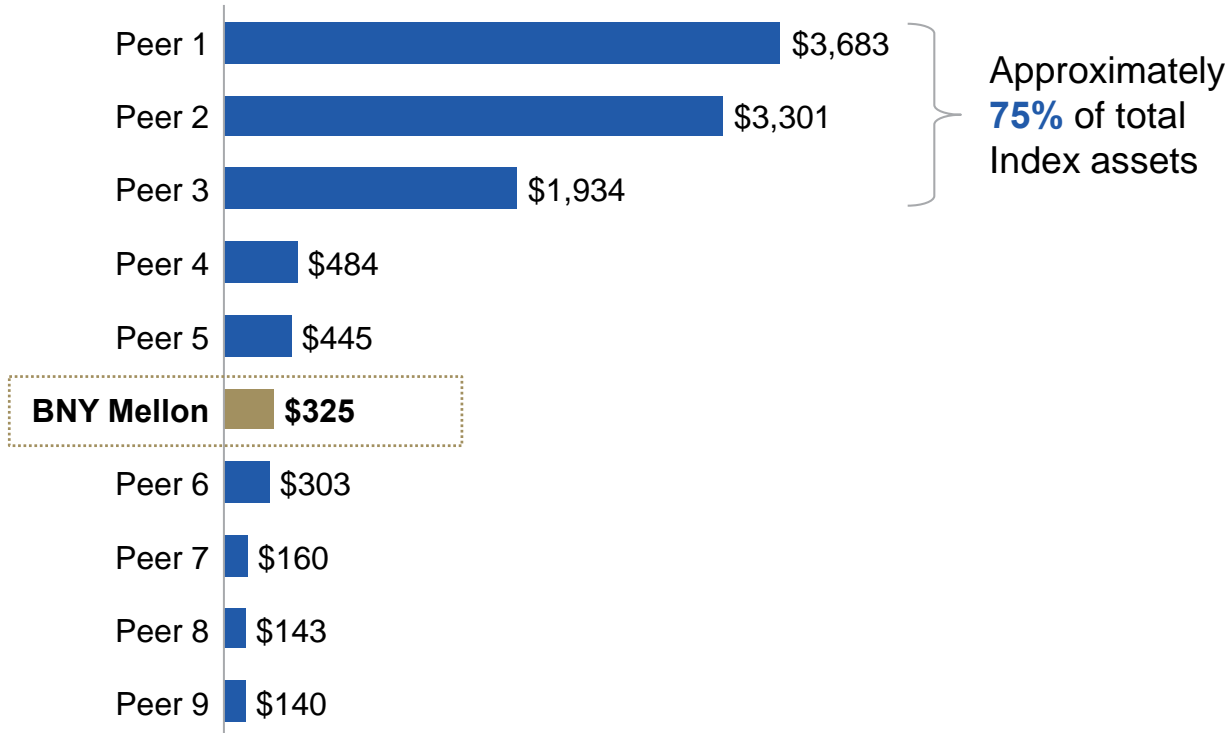
- Customized Beta Solutions
- Ultra-Short Income

1. Launches include new products plus extensions of existing products into new markets. Mergers, closures or repricing data excludes institutional separate accounts.

Expanding our passive capabilities with a focus on both “building blocks” for multi-asset solutions and specialty beta products

6th Largest Index Manager

Top Index Managers (\$B)¹



Our Strategy

- Expand the range of Passive/Factor-based strategies we offer to accommodate growing demand for “**building blocks**” from our **Multi-Asset solutions** businesses
- Develop **customized Beta solutions**, such as Single-Factor, Multi-Factor and Enhanced Index strategies, where there is a greater ability to differentiate and align more closely with clients’ unique investment objectives
- Expand **sub-advisory partnerships** with leaders in the Passive/ETF space

1. Pensions & Investments data as of June 2017. Peers include: BlackRock; Geode; Invesco; Legal & General; Northern Trust; Nuveen; PGIM; State Street; Vanguard.

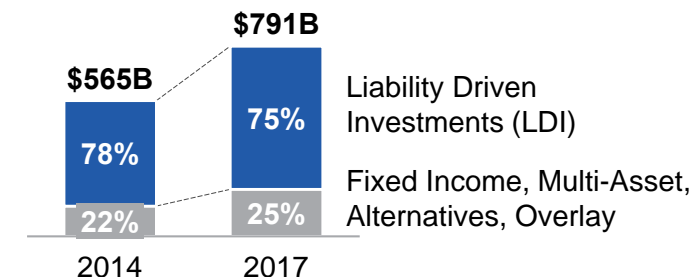
Insight is one of our key engines of growth

Continue Building on Our Growth Momentum

A Leading U.K. Manager

- Founded in 2002, with offices in London, New York, Sydney
- Second largest U.K. asset manager¹
- Nearly \$600B in LDI assets in 2017
- 750 professionals globally

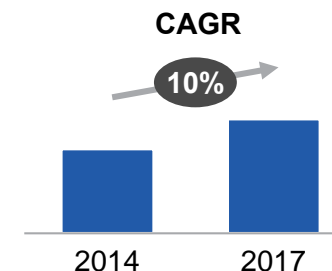
Assets Under Management



Delivered Strong Growth

- Pioneer in LDI and outcome-based investing
- Developed a comprehensive set of investment capabilities (from LDI, Cash and Currency management to Fixed Income, Absolute Return and Alternatives)
- Created customized solutions to meet investors' unique needs (e.g., risk profile, inflation sensitivity, currency exposure, liquidity)
- Delivered growth through strong investment performance and excellence in risk management and client service

Revenue Growth²



Strategy to Expand Capabilities and Reach

Deliver components for the next phase of Insight's evolution

- Longevity
- Integrated Solutions
- Secured Finance
- Retirement

Build out U.S. business

- U.S. LDI
- Absolute Return
- U.S./Global Credit
- Emerging Markets Debt

1. IPE 2016 data published June 2017; 2. Insight is based in the U.K. and its 2014-2017 revenue CAGR in local currency (GBP) was 19%. The 10% CAGR shown on the chart represents Insight's 2014-2017 revenue growth, as measured in BNY Mellon's reporting currency (USD).

Restructuring our U.S. business to create a scaled, relevant multi-asset manager

Combined Three Large Businesses in the U.S...

U.S. NewCo: A \$577B AUM Asset Manager¹



BNY Mellon to merge units to create \$560bn fund powerhouse – Financial Times²

BNY Rolls Up Three Boutiques Into One Multi-Asset Giant – FundFire³

...In Order to...

- Pivot from areas that are under threat (Traditional Active) to **areas of opportunity** (Multi-Asset)
- Drive **scale**
- **Increase the depth and breadth of resources** available to serve our clients
- Bring the “best of each firm” together to **improve client outcomes and experiences**

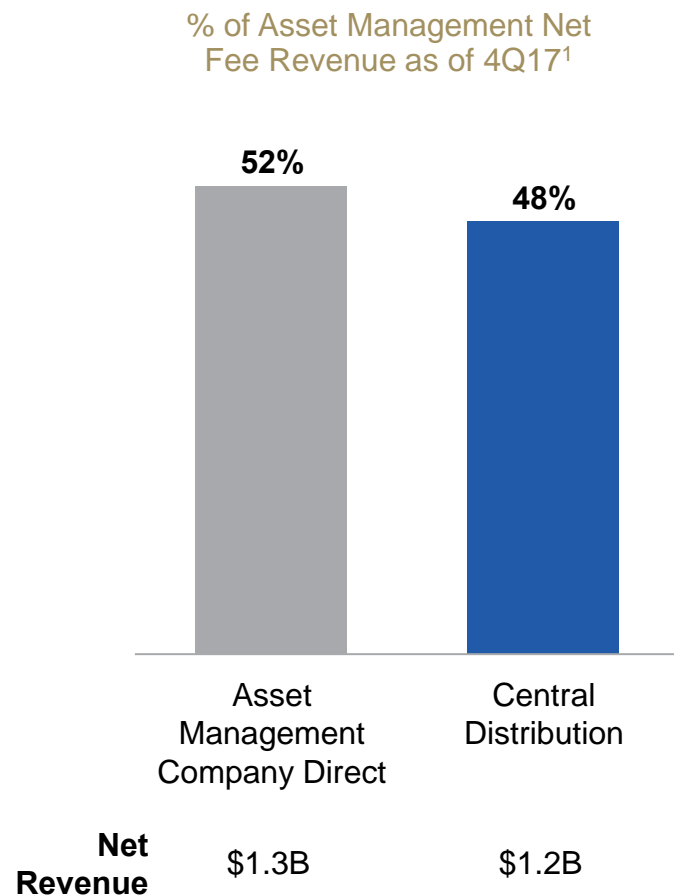
...Now Executing on a Strategy for Growth

- Consolidating fundamental, macro and quantitative research to **augment and systematize investment processes**
- Combining trading in a single platform to **increase our positioning** with trading partners and **leverage more robust data sets and tools**
- Realizing synergies in management, support functions and middle/back-office and **redeploying savings towards investment talent and new technology**
- Consolidating distribution to **increase client reach**

1. As of 4Q17; 2. Published November 13, 2017; 3. Published November 14, 2017.

Differentiated distribution model to support our businesses

Multi-Distribution Model



Key Roles

Asset Management Company Direct

- Institutional (in local markets)
- Specialized (e.g., LDI, Alternatives)
- Consultant-driven sales

Central Distribution

- Intermediary vehicles (e.g., Mutual Funds, Collectives, UCITS, SMAs)
- Help our asset management companies grow their international footprint

- Partnership across BNY Mellon to serve large clients

Current Focus

Global

- Expand product vehicle offerings
- Clarify branding



North America

- Address challenges in/refresh U.S. Intermediary
- Refine product needs by channel
- Raise profile of our Non-U.S. asset management companies



EMEA

- Grow in Continental Europe
- Diversify U.K. Retail business
- Pivot towards Active for Sovereigns



APAC

- Build on momentum in Japan Retail
- Deepen relationships with Asian Sovereign Institutions

1. Net fee revenue reflects Asset Management's 4Q17 annualized total fee and other revenue, net of distribution and servicing expense. See appendix for a reconciliation.

Strong Wealth Management franchise with a comprehensive offering

A Premier Wealth Management Franchise

#10
Wealth Manager,
by U.S. Client Assets¹

>\$200B
Client Assets²

~\$12B
Client
Deposits³

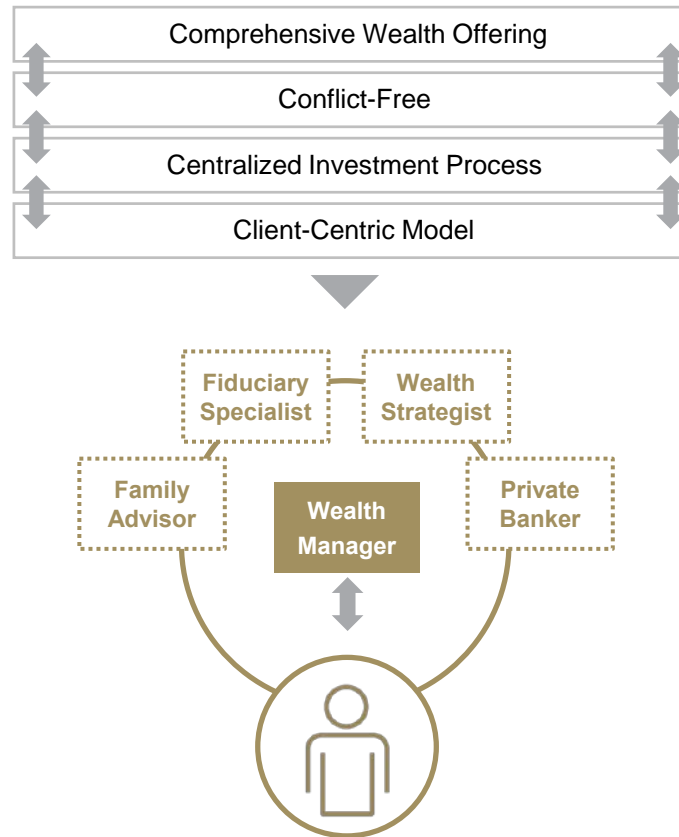
36
Offices in the
U.S., along with
4 Non-U.S.²

>18,000
Relationships spanning
HNW Individuals and
Institutions⁴

97%
Client Retention
Rate²

96%
Client Satisfaction
Rate⁵

Differentiated Business Model



Key Benefits of a Combined Asset and Wealth Management Business

Benefits to Asset Management

- Access to High-Net-Worth channel

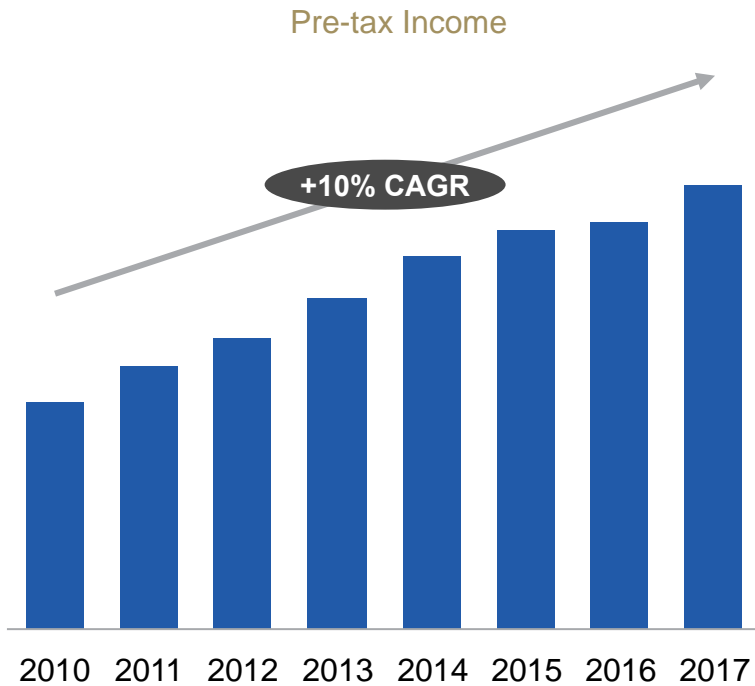
Benefits to Wealth Management

- Co-design solutions tailored to client needs
- Direct access to specialist investment talent
- Institutional quality products

1. Barron's Top 40 Wealth Management Firms 2016 data, published September 2017; 2. As of 4Q17; 3. Represents average 4Q17 balance; 4. Institutions include Family Offices, Endowments and Foundations; 5. Based on BNY Mellon Wealth Management's 2017 Client Satisfaction Survey.

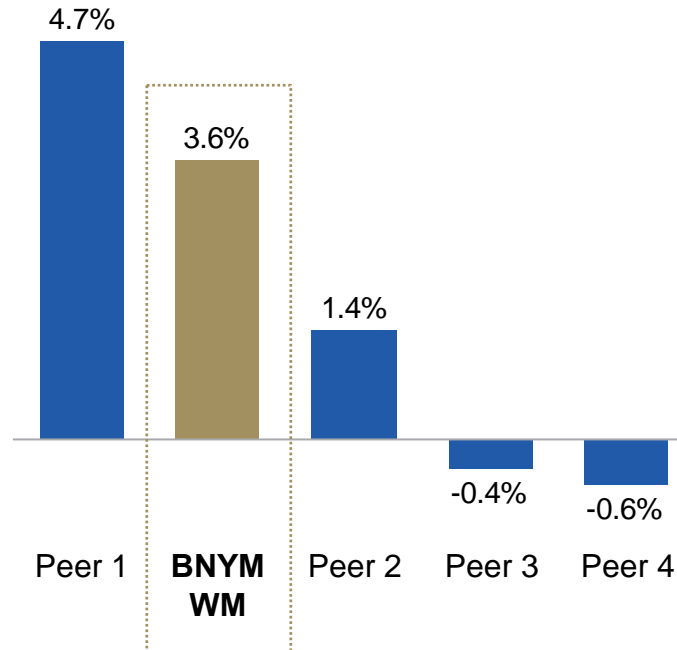
Wealth Management has delivered solid results – strategy focused on high-growth markets and segments

Consistent Pre-tax Income Growth...



...and Solid Performance Relative to Peers

2014-2017 Fee Revenue CAGR vs. Peers¹



Growth Strategy



Increase sales coverage in key growth markets



Expand and deepen referral networks



Customize offering to better serve high-growth client segments



Upgrade infrastructure to provide a premier client experience



Increase access to innovative Alternatives solutions

1. Companies' financial filings. Peers include: Bank of America (Global Wealth and Investment Management); J.P. Morgan (Wealth Management), assumes all net interest income attributable to Wealth Management business; Northern Trust (Wealth Management); UBS (Wealth Management Americas).

Leveraging the advantages of being part of BNY Mellon

Connections Between Investment Management and the Rest of BNY Mellon

Asset Servicing

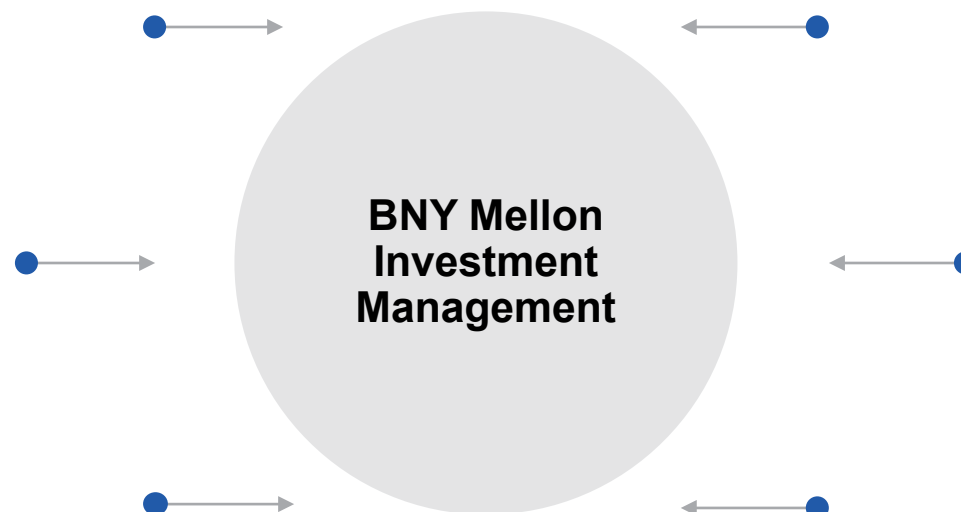
- Investment Management is a Top 5 client of Asset Servicing¹

Markets

- Markets provides foreign exchange, derivative strategies and liquidity management solutions for Wealth Management clients

Pershing

- Wealth Management provides banking and insurance solutions to Pershing clients
- Wealth Management leverages the Pershing platform to extend self-directed capabilities to clients
- Wealth Management partners with Pershing on technology solutions



Enterprise Relationships

- Partnership across BNY Mellon to serve large clients

Cash Management

- Investment Management's Cash Investment Strategies manages over \$100B for Investment Services platforms/portal²

Balance Sheet

- BNY Mellon provides over \$900MM in seed capital for our asset management companies²
- Asset Management manages BNY Mellon treasury and pension fund assets
- Balance sheet enables Wealth Management to provide credit and lending services to clients

1. Funds managed by BNY Mellon Investment Management collectively represent a Top 5 client of Asset Servicing on a revenue basis. 2. As of 4Q17

Recap – Strategic focus in key areas to drive business performance

- Proven ability to execute and maintain relentless cost discipline
- Understand the changing macro environment and anticipating shifting client needs

Clear set of priorities for 2018:

- **Product Strategy:** Build on leading positions in LDI, Cash and Private Debt; expand Alternatives and Passive capabilities; complete restructure of U.S. Traditional Active business
- **Distribution:** Refresh U.S. intermediary; selective buildout of APAC and Europe; simplify brand and messaging
- **Wealth Management:** Continue focus on high-growth client and market segments
- **BNY Mellon Synergies:** Seed new products; grow enterprise relationships
- **Technology and Infrastructure:** Advance the consolidation of U.S. operations and trading; connect data science to enhance investment processes



Investor Day 2018

Pershing

Lisa Dolly

Chief Executive Officer, Pershing

March 8, 2018

Pershing is an industry leader serving the world's top clients

Strength, Scale and Stability

#1

Clearing Firm by
Broker-Dealer Clients¹

\$1.8T+

Assets Under Custody
and/or Administration

\$500B+

Mutual Fund
Assets

7MM+

Global Investor Accounts

49MM

Securities Positions

~1,400

Clients

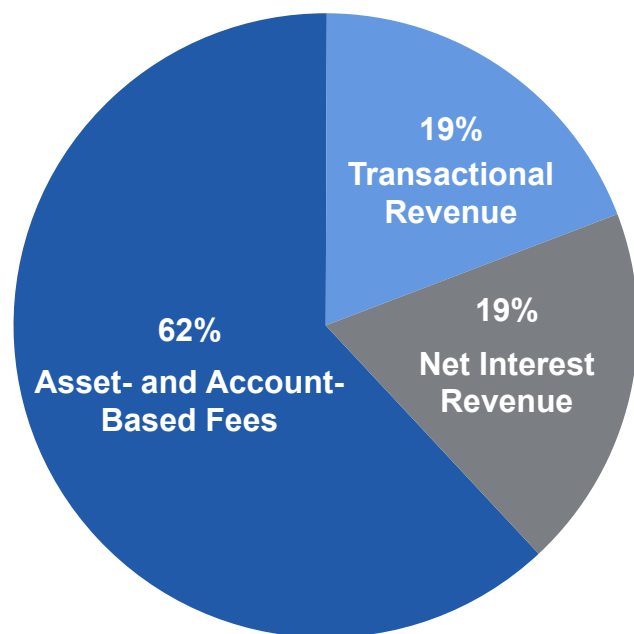
21MM

Mutual Fund Positions

Note: As of December 31, 2017. ¹InvestmentNews, Top Clearing Firm Ranking, 08/17.

Majority of Pershing revenue is recurring

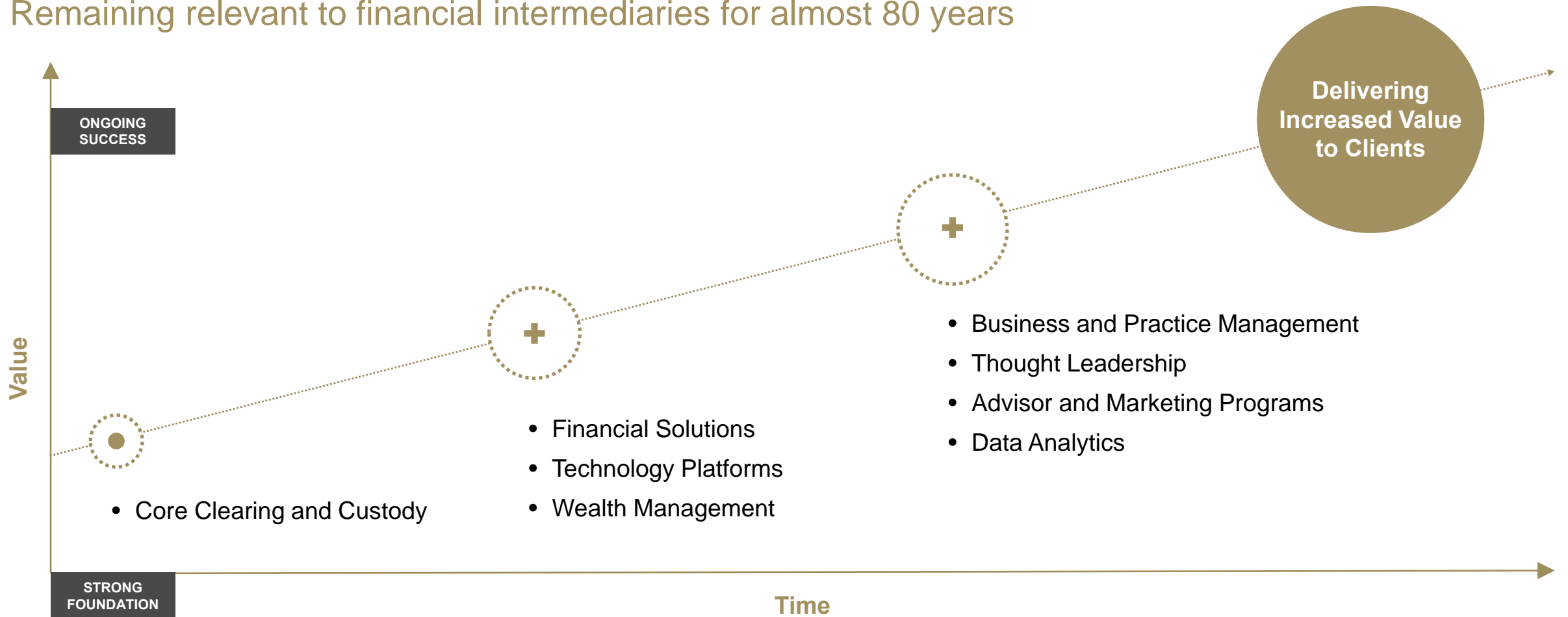
% of 2017 Revenue



Revenue Category	Driver
Transactional Revenue	
Clearance	Trades
Trading	Trades
Net Interest Revenue	
Interest	Balances
Asset- and Account-Based Fees	
Mutual Funds	Positions
	Assets
Money Market/FDIC Funds	Balances
Retirement Accounts	Accounts
Custody	Assets, Services
Technology	Services

Positioning clients for opportunity

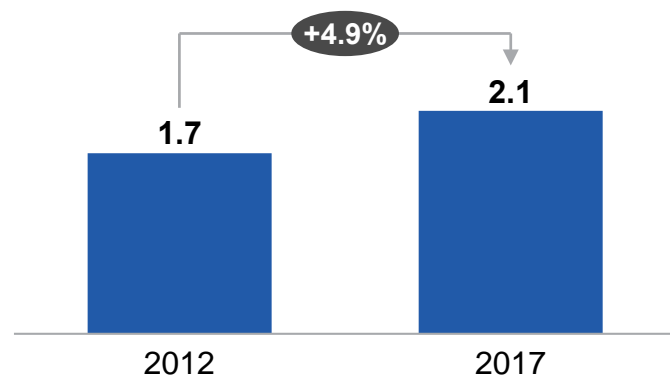
Remaining relevant to financial intermediaries for almost 80 years



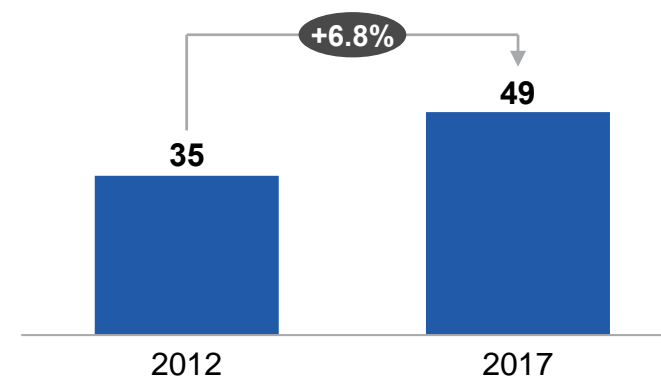
Client base has expanded over time: Broker-Dealers | RIAs | Family Offices | Hedge/'40 Act Funds | Wealth Managers

Pershing's growth by the numbers

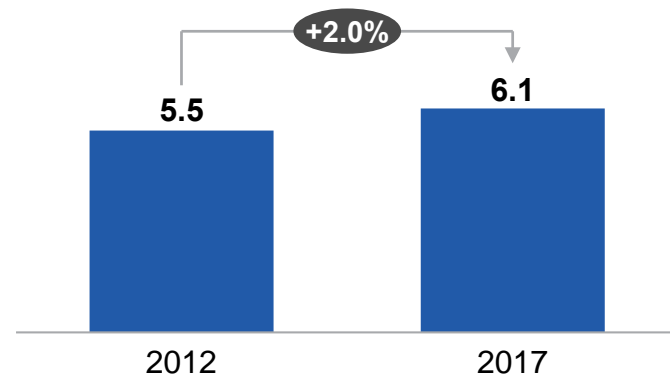
Total Revenue CAGR (\$B)



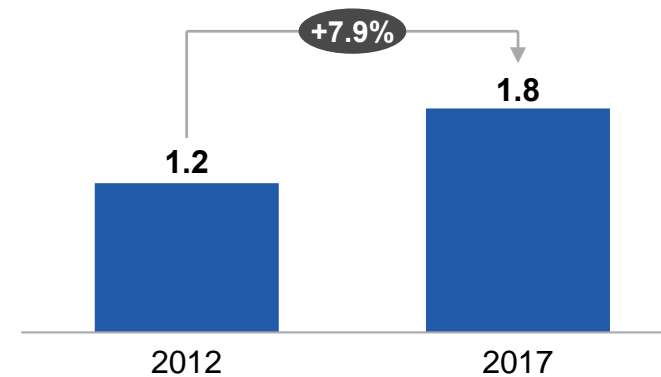
Total U.S. Positions CAGR (\$MM)



U.S. Active Accounts CAGR (\$MM)



Assets Under Custody and/or Administration CAGR (\$T)



Connecting product manufacturers and clients

Clients

Breadth and Variety of
Our Clients

~800 Broker-Dealers

~500 Registered
Investment Advisors

~100 Hedge/'40 Act Funds

~100,000 Investment
professionals



Product Manufacturers

Depth and Choice
Across Our Platform

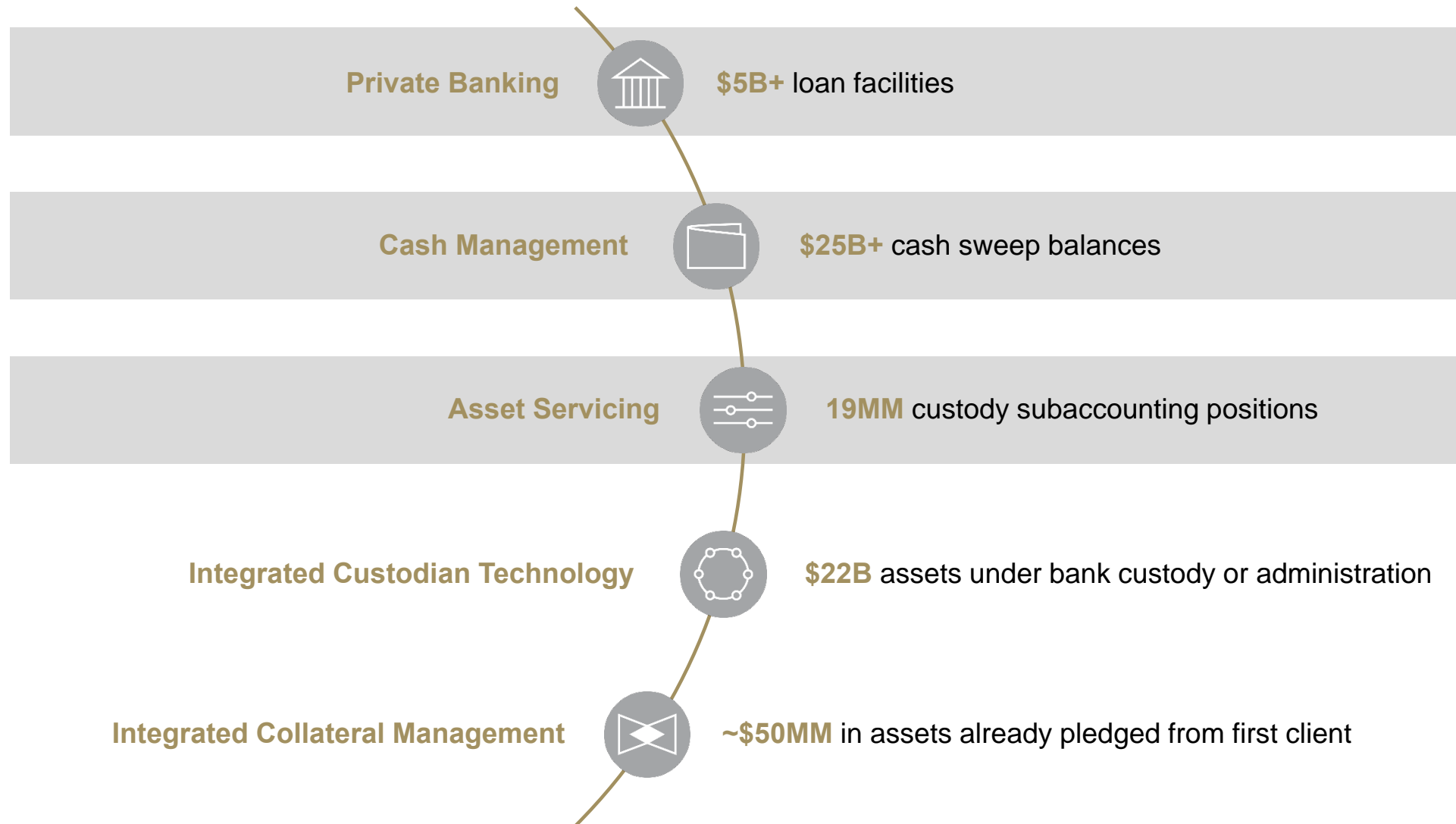
800 Fund families

60 Insurance carriers

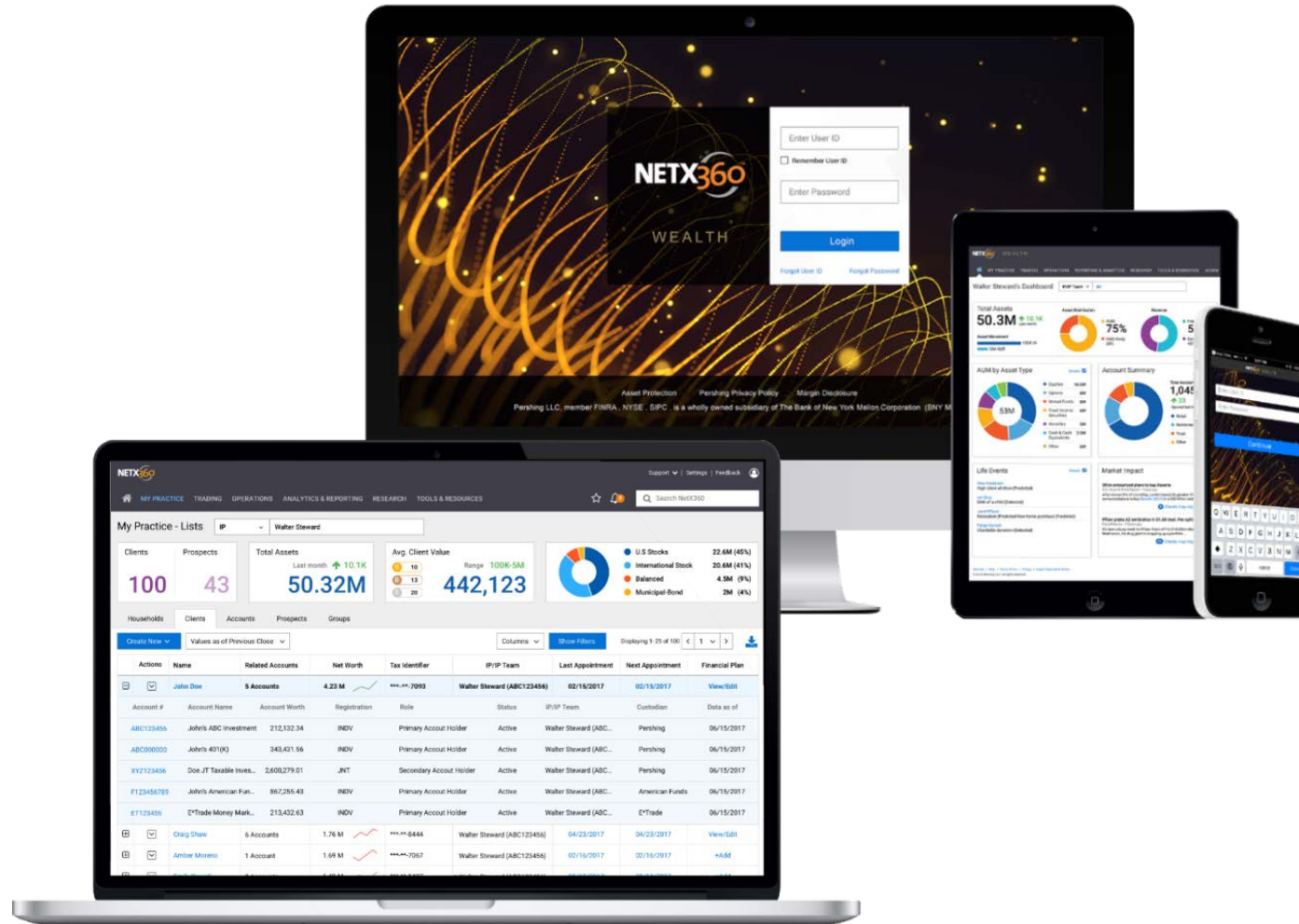
130 ETF managers

500 Separately
managed account
managers

Comprehensive solutions from BNY Mellon



Technology as a business enabler



Delivering integrated proprietary and third-party solutions


Prospecting and Client Relationship	Wealth Planning	Client Onboarding	Proposal, Model Management and Performance	Aggregation/ Portfolio Analytics	Trade/Order Management	Digital Advice
   	   	    	  	    	     	  


Note: Pershing has over 400 third-party solutions including those providing market data and analytics. The above are examples specific to technology integration. Trademark(s) belong to their respective owners.


Navigating a shifting landscape to deliver value to clients

Capitalizing on trends to evolve our strategy...

...and deliver value

 **Global Growth of High-Net-Worth Investors**

 **Shift from Commission to Fees**

 **Regulatory Change**



Next Generation Wealth Management Platform

e-Delivery

Client Onboarding Capabilities

API Capabilities

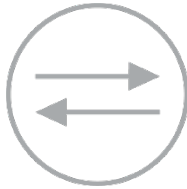
Enterprise Forms and Customized Letter Solutions

Third-Party Investment Management Modeling

e-Signature

Data Vault

Summary



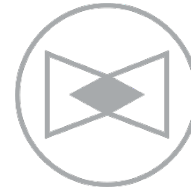
**More than
a clearing firm**



**Unique
set of capabilities**



**A platform of size
and scale**



**Powered by
structural change**



**Diversified revenue
streams not dependent
on trade volumes**



Investor Day 2018

We'll be returning shortly



Investor Day 2018

Asset Servicing

Hani Kablawi

Chief Executive Officer, Global Asset Servicing and Chairman, EMEA

March 8, 2018

Leading global asset servicer

Scale

\$33.3T

Assets under custody and/or administration

88MM

Settlements processed per year

\$1.1T

Cash managed and serviced across BNY Mellon

~8MM

NAVs in 2017

>\$24T

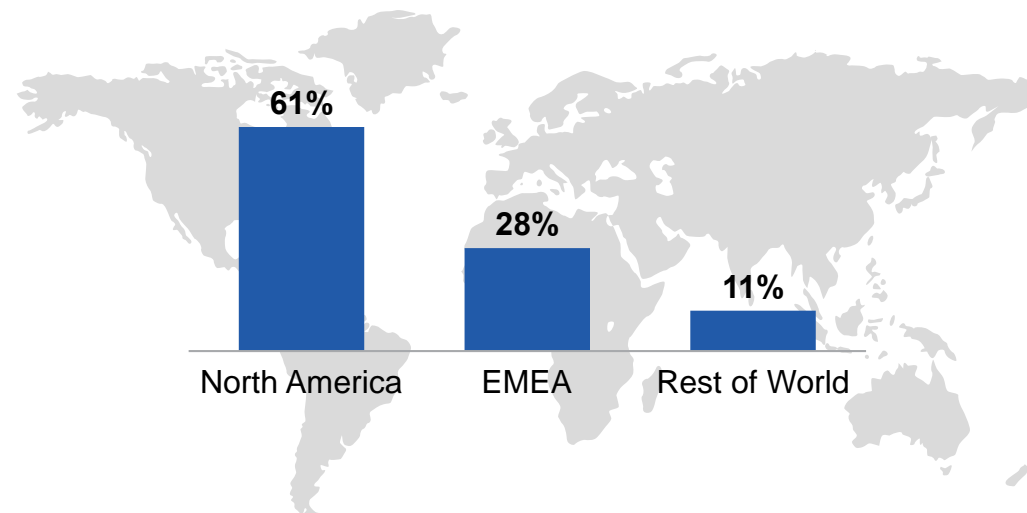
Utilizing BNY Mellon's Eagle Data Management capabilities

~200MM

Subaccounting and Transfer Agency transactions processed in 2017

Global reach

% of Total Revenue 2017



Diverse client segments

Investment Managers **83** of top 100 are clients

Pensions/Pension Administrators **47** of top 100 are clients

Insurance **41** of top 50 Life/Health insurance companies are clients

Hedge Funds **16** of top 20 are clients

Sovereign Funds **7** of top 10 funds are clients

Note: See Appendix for additional information regarding rankings.

Breadth and depth of capabilities, many profitable solutions

Asset Servicing Client



Chief Risk Officer

Chief Operating Officer



Chief Technology/
Data Officer



Chief Investment Officer



Head of Distribution

I Need...

Controls

Regulatory Roadmaps

Control Dashboards

Asset Security

Safekeeping

Information Security

Recordkeeping

Cybersecurity

Outsourcing Oversight

I Need...

Efficiency

Fund Accounting

Custody

Real Estate and Private Equity Admin

ETF Servicing

Cost Transparency

APIs

Hedge Fund Admin

Real-Time Positions

Transfer Agency

Middle Office Outsourcing

I Need...

Performance

Performance and Risk Analytics

FX

Securities Finance

Equities

Collateral Management

Fixed Income

Cash Management

I Need...

Growth

New Market Access

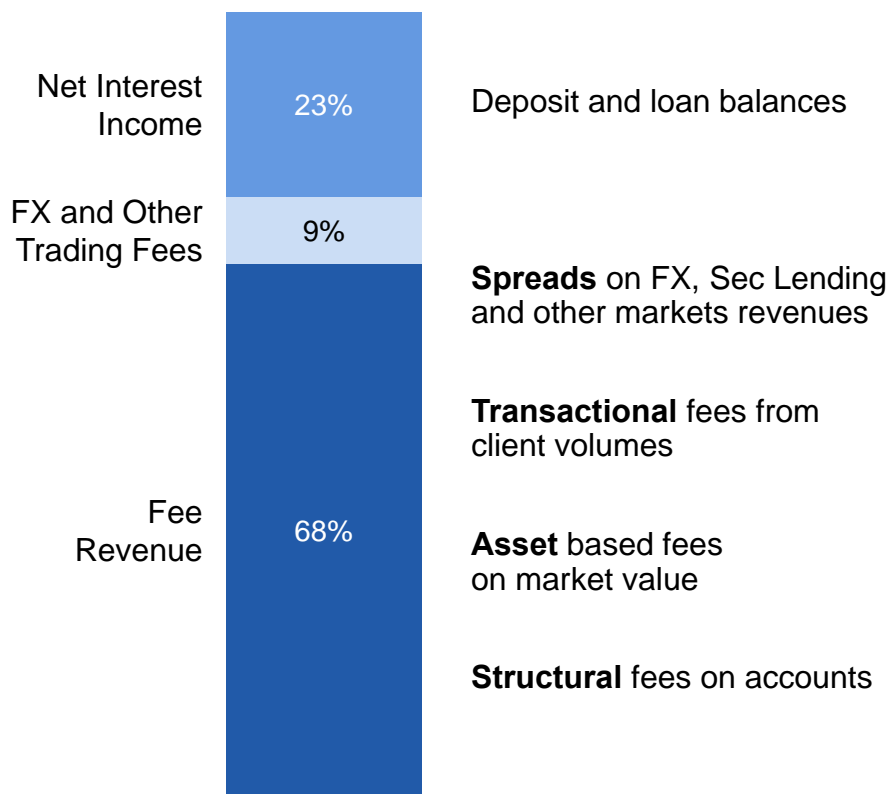
Distribution Analytics

Intermediary Platform

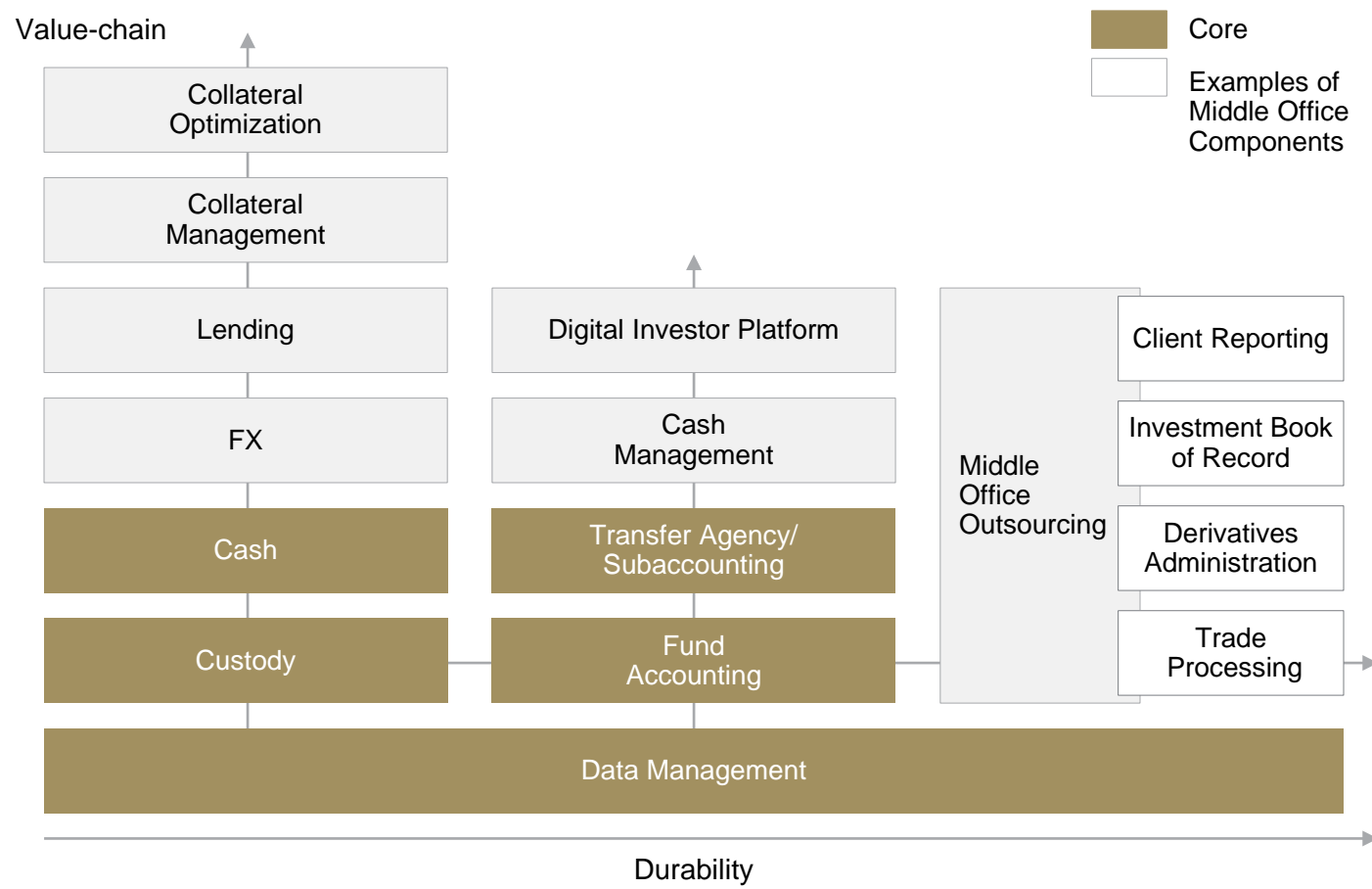
Data Management

Highly predictable revenue – expanding client relationships from the core

Majority of revenue from fees



Sample solutions



Performance since 2014 Investor Day

Drivers of performance

Outcomes



Strengthened
core and
expanded
margins

- Exited lower margin, lower return businesses
- Leveraged talent in lower cost locations
- Significantly advanced our platform consolidation strategy
- Improved client profitability and new business discipline
- Increased operating capacity while reducing costs
- Expanded digital integration with our clients

**Pre-tax
Margin**



633 bps¹



Solutions
and Growth

- \$4.4T in AUC/A growth, including \$2.7T in wins
- Added \$3.6T of assets supported on BNY Mellon Eagle technology
- Delivered platforms for Real Estate, Hedge Funds, ETFs

**Revenue
Growth**



3.2%
2014-2017
CAGR

1. Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Evolving client needs while fee pressure continues

Substantial change on multiple dimensions



Low Yield Environment

Lower than **normal rates** create return challenges



Technology

Accelerating innovation changes the investment process



Financial Sector Regulation

Increasing **compliance costs** and distribution **complexity**



Demographics

Aging population and **retirement risk shifting** to individuals

Clients increasingly demand

Digital Solutions

Cost Efficiency

Risk Management

Regulatory Compliance

Focus going forward

Maintain expanded margins and focus on accelerating fee growth



Continuing to
strengthen our core
and improve
operational efficiency

- Automate by enhancing workflow, increasing digital intake of data, and deploying machine learning
- Provide operational transparency
- Continually focus on strengthening our operating platform



Building solutions
and integrating with clients

- 1 Competing more effectively in the core business**
Custody, Fund Administration, Investor Solutions
- 2 Serving faster-growing Alternative and ETF managers**
Private Equity, Real Estate, Hedge Funds, ETFs
- 3 Delivering industry-leading data management solutions**
Software solutions, integration, analytics, APIs
- 4 Creating markets capabilities that enhance client outcomes**
Trading, financing, collateral, liquidity
- 5 Helping our clients service their investor base**
End investors, distribution efficiency/effectiveness

1 Competing more effectively in the core business

Enhancements to the core...

Efficiency

Quality

Client Experience




...are improving our competitive position...

- Preferred partner – scale and capability
- Substantial number of large deals have come to market in recent years
- New outsourcing as well as take-away business
- Solutions developed for these large clients can be delivered to the rest of our client base

...resulting in wins

- Significant wins in 2017
- **\$575B** in new AUC/A in 4Q17
- Expanding existing relationships
- Growing the pipeline: **21%** growth in the number of opportunities from 2016 to 2017

2 Serving faster-growing Alternative and ETF managers

Growing assets	Outsourcing trend	Capitalizing on the opportunity	Strong and growing position
<p>Industry AUM, 2013-17 CAGR¹</p> <p>Real Estate \$3.1T / 12.8%</p>		<ul style="list-style-type: none"> Accelerate global expansion Leverage scale to adjacent client segments 	<p>7 of top 20 Real Estate Fund Managers²</p>
<p>Hedge Funds \$3.6T / 5.9%</p>		<ul style="list-style-type: none"> Deepen existing client relationships Expand enterprise solutions 	<p>16 of top 20 Hedge Fund Managers³</p>
<p>Private Equity \$4.1T / 5.8%</p>		<ul style="list-style-type: none"> Explore strategic opportunities to accelerate scale 	<p>5 of top 20 Private Equity Firms⁴</p>
<p>ETF \$4.8T / 15.1%</p>		<ul style="list-style-type: none"> Deliver comprehensive ETF platform solutions 	<p>3rd largest ETF Administrator and Custodian⁵</p>

1. National Council of Real Estate Investment Fiduciaries (NCREIF), the European Association for Investors in Non-Listed Real Estate Vehicles (INREV), and the Asian Association for Investors in Non-Listed Real Estate Vehicles (ANREV) Annual Fund Manager Survey Report and 2017E based on 2016 AUM adjusted per Q1 and Q2 NCREIF Fund Index-Open End Snapshot results (for Real Estate); Preqin Yearly Global Hedge Fund Reports (for Hedge Funds); Preqin. 2017E based upon December 31, 2016 adjusted for funds closed in first half 2017 (for Private Equity); ETFIGI.com (for ETFs); 2. Preqin Special Report: The Real Estate Top 100 (Sep 2017), 3. Preqin League Tables Sep 2017, 4. Preqin Special Report: The Private Equity Top 100 (Feb 2017), 5. 2017 Mutual Fund Service Guide

Delivering industry-leading data management solutions



Overview

- **Eagle** was founded in 1989; acquired by Mellon Financial in 2001¹
- Data Management solutions for largest Asset Managers and Owners
- Extended solutions for Accounting, Performance Measurement and Attribution
- 1,000 FTEs in 15 global locations; more than $\frac{2}{3}$ of employees in technical roles



Well-established offering

>\$24T

utilizing BNY Mellon's Eagle Data Management capabilities

16 of 25

largest Global Asset Managers²

62 of top 200

Global Asset Managers²



Central to what we do

- Widely used to support key Asset Servicing clients across the Asset Manager, Asset Owner, and Insurance segments
- 19 of Asset Servicing's top 50 clients are also Eagle's clients
- Eagle services over 50% of BNY Mellon's Investment Management companies

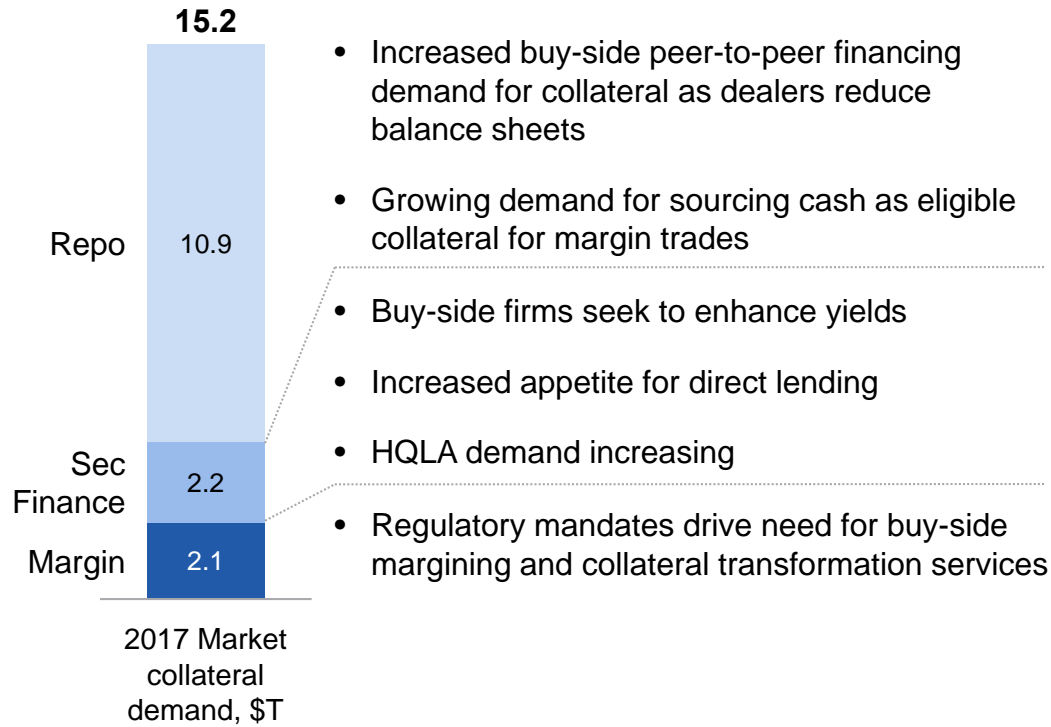
1. Bank of New York merged with Mellon Financial Corporation to form Bank of New York Mellon in 2007; 2. Defined as global buy-side investment management companies with \$15B AUM or greater

4 Creating markets capabilities that enhance client outcomes

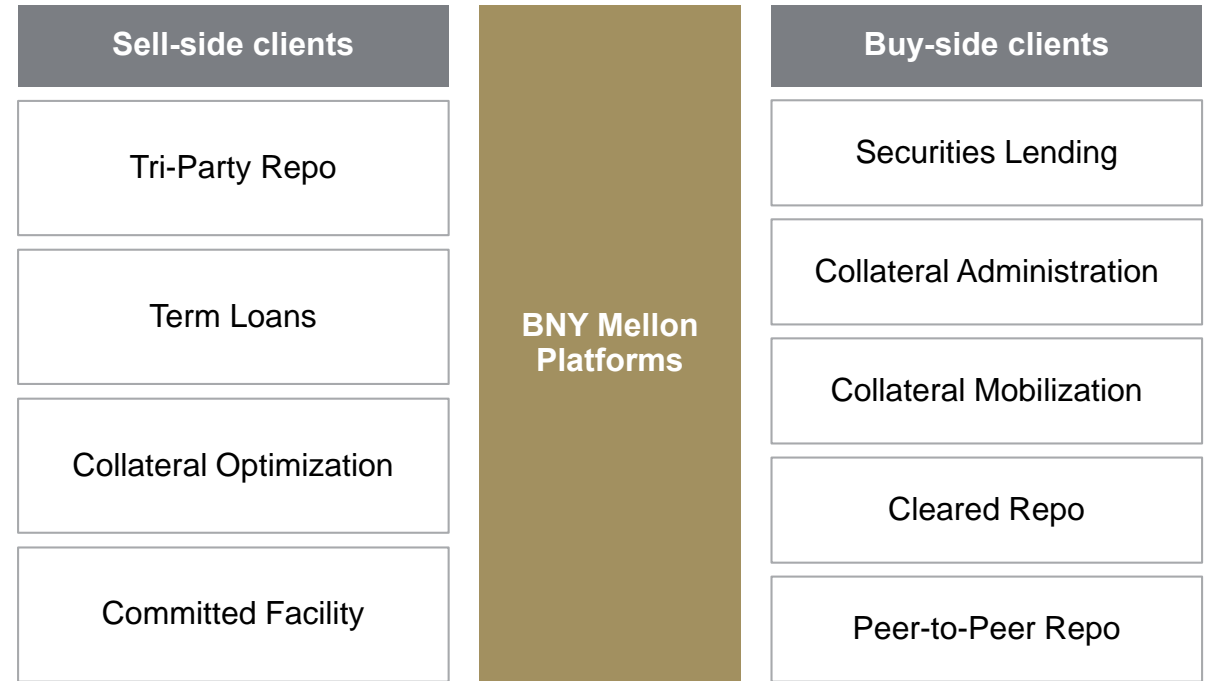
Integrated markets solutions for our clients

Trading/Execution	Securities Finance	Peer-to-Peer Lending	Collateral Management	Cash and Liquidity	Credit Intermediation
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Buy-side need for collateral services increasing



We are uniquely positioned to serve both sides of the trade

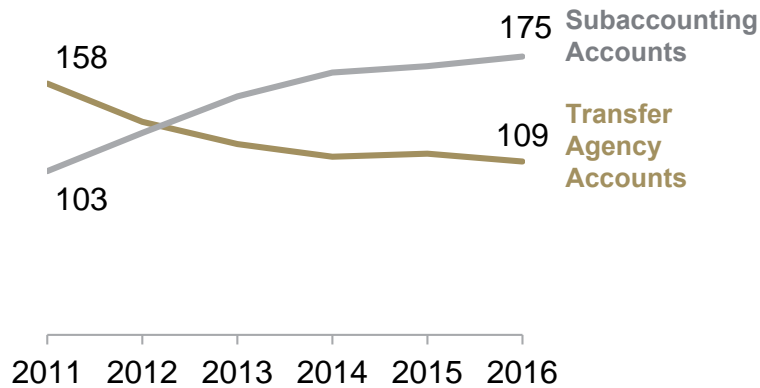


Data sources: International Securities Lending Association 7th Edition ISLA Securities Lending Market Report (Securities Finance), EU Repo, US Repo: Tri-Party, Bilateral, Margin, Euroclear: Annual Reports, 2017HY Report, Clearstream: 2015, 2016, and 2017.

Helping our clients service their investor base

Capturing shift of investor positions from investment managers to distributors

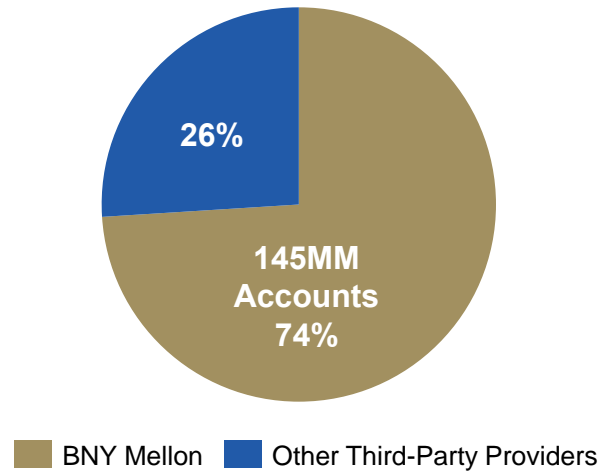
Third-Party Subaccounting and Transfer Agency Account Volumes¹ (MM)



- Distributors have consolidated positions to brokerage platforms, away from investment manager recordkeeping platforms
- The fiduciary standard and the shift to fee-based models are further accelerating this trend

BNY Mellon is the largest subaccounting provider

Third-Party Subaccounting Market Share²



- Strong market position serving distributors
- Synergies with Pershing create competitive advantage

Our opportunities

1. Subaccounting is increasingly important to Investment Managers
2. Transfer Agency remains a core component of the Investment Manager solution set
3. Digital front-end extends subaccounting platform to serve new types of clients:
 - Investment Manager direct-sold accounts
 - Investable Health Savings Accounts
 - U.S. State-Sponsored Plans (college savings, retirement, and disability)

1. Mutual Fund Services Guide – Years 2012 through 2017; 2. 2017 Mutual Fund Services Guide

Positioned for growth

Why clients have chosen us

Trust and scale

Breadth and depth
of services and solutions

Client-centric culture

Subject matter expertise

Unique data and
technology assets

Enterprise synergies

Investment Management,
cash and passive
capabilities

Markets for trading,
financing, collateral, liquidity

High quality, low risk
balance sheet

Pershing capabilities for
advisors and investors

Focus going forward



Efficient operating platform

1

Competing more effectively

2

Alternatives and ETFs

3

Data management

4

Markets capabilities

5

Investor servicing

Sustainable growth in revenue and earnings



Investor Day 2018

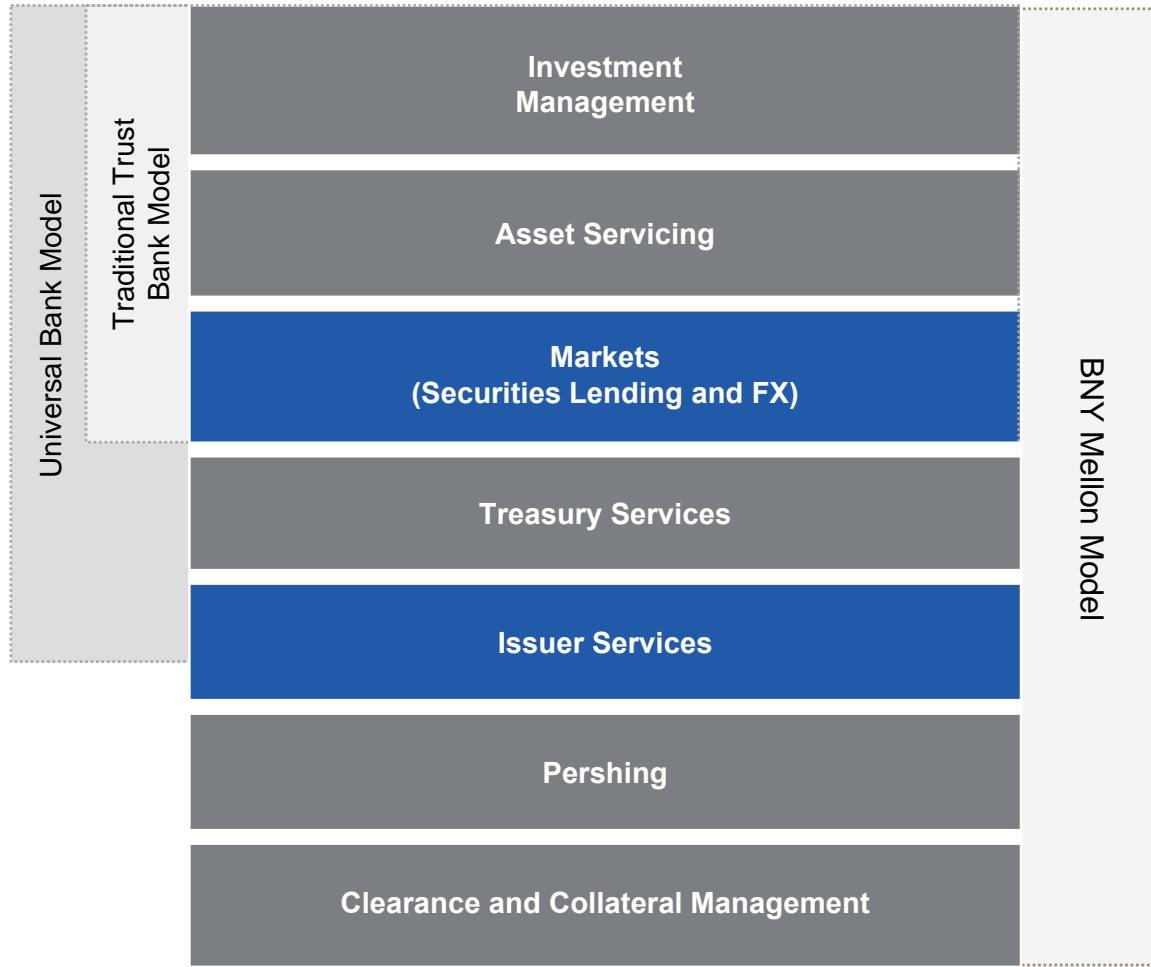
Delivering Differentiated Solutions to Clients

Todd Gibbons

Chief Executive Officer, Clearing, Markets and Global Client Management

March 8, 2018

Delivering broad servicing capabilities to our clients



Clients Served



Investors



Intermediaries



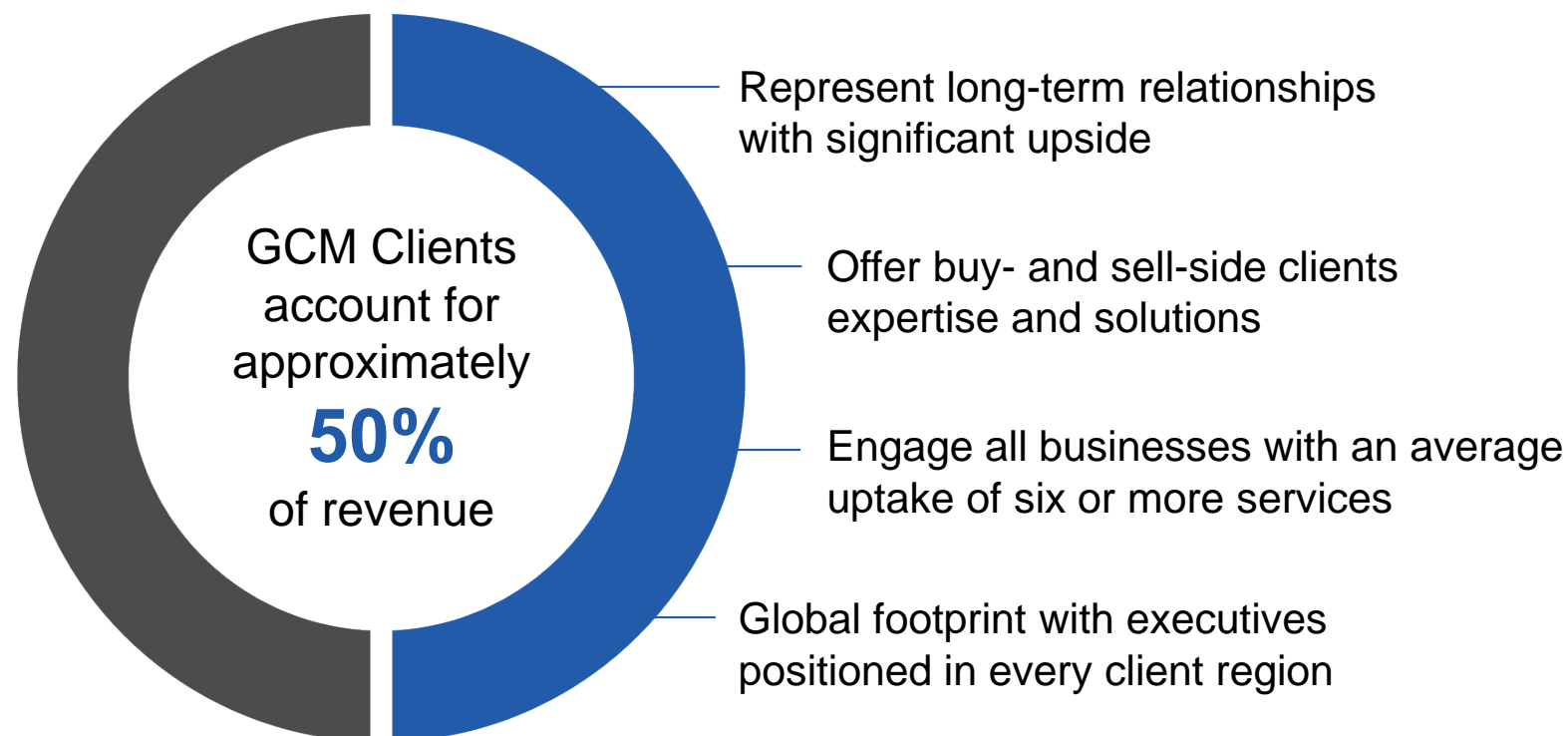
Issuers

Key Points:

- Service capital market participants, not just investors
- Multiple foundational products offering alternative relationship entry points
- Breadth enables greater expertise, deeper client relationships and more high-value services

Building valuable and enduring relationships with our top clients

Global Client Management (GCM) consists of teams of senior bankers with deep industry expertise in our client segments



Deepening client relationships by connecting clients to our company

Breadth of Top Client Relationships

	Asset Servicing	Clearance and Collateral Management	Pershing	Treasury Services	Markets	Issuer Services	Investment Management
Banks, Broker-Dealers, Advisors	67%	32%	31%	86%	65%	60%	32%
Corporates, Governments, Not-for-Profits	76%	3%	1%	53%	80%	79%	52%
Insurance	87%	2%	40%	72%	82%	88%	70%
Investment Management	83%	9%	40%	36%	77%	54%	8%

Percentages represent approximately top 700 clients who use multiple high-value services

Case Studies



1. Identify Needs

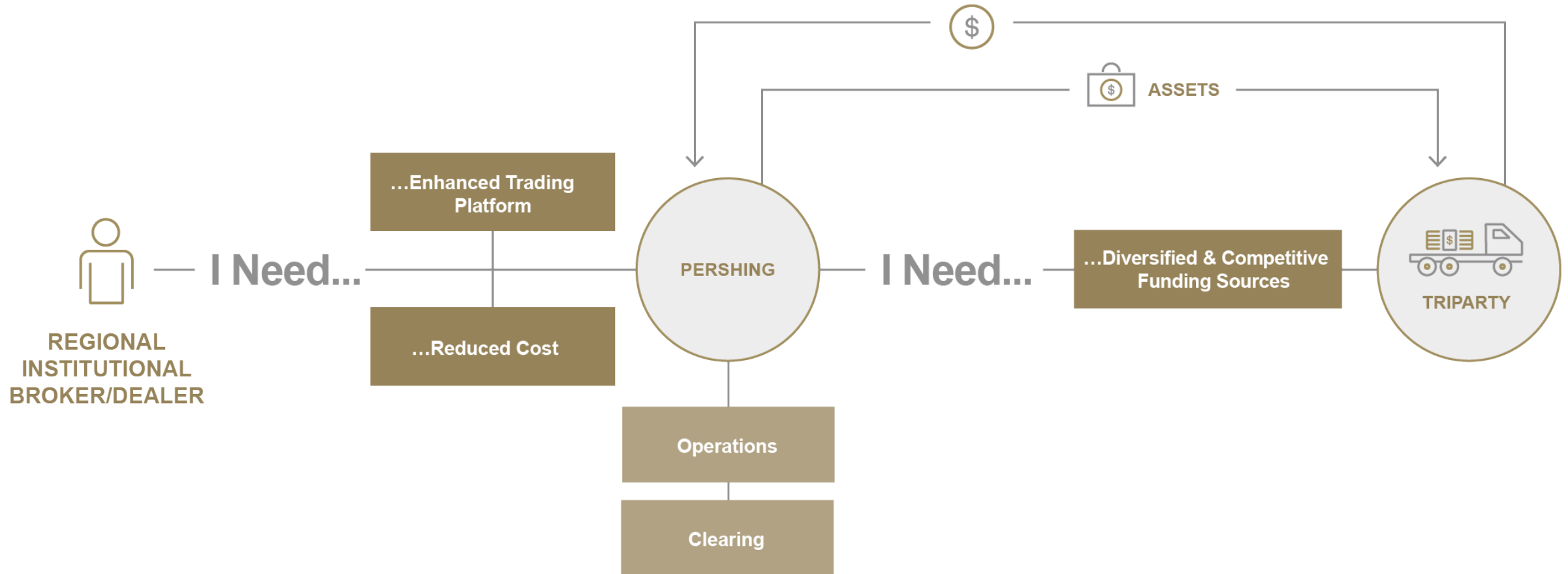


2. Solve Problems

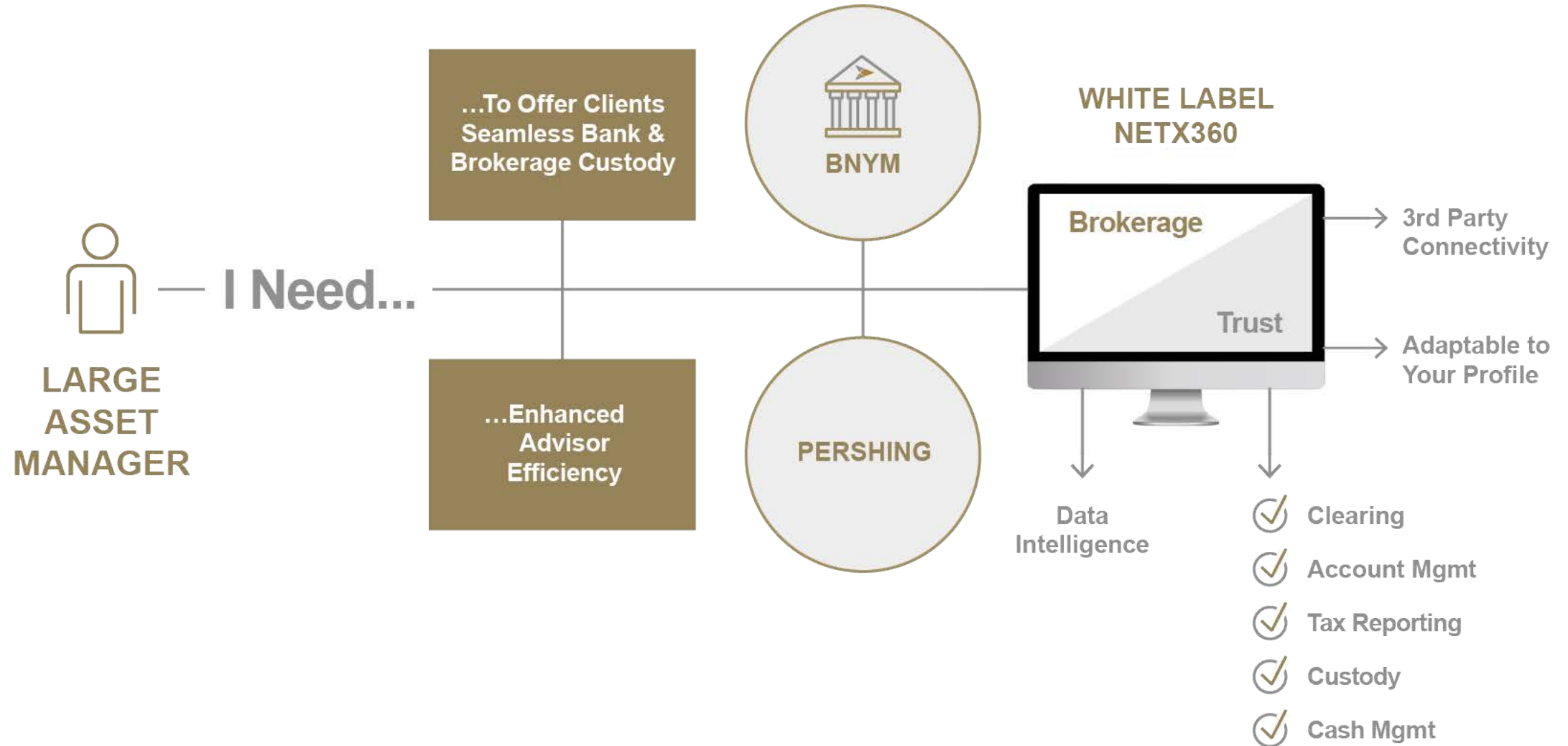


3. Build Enduring Relationships

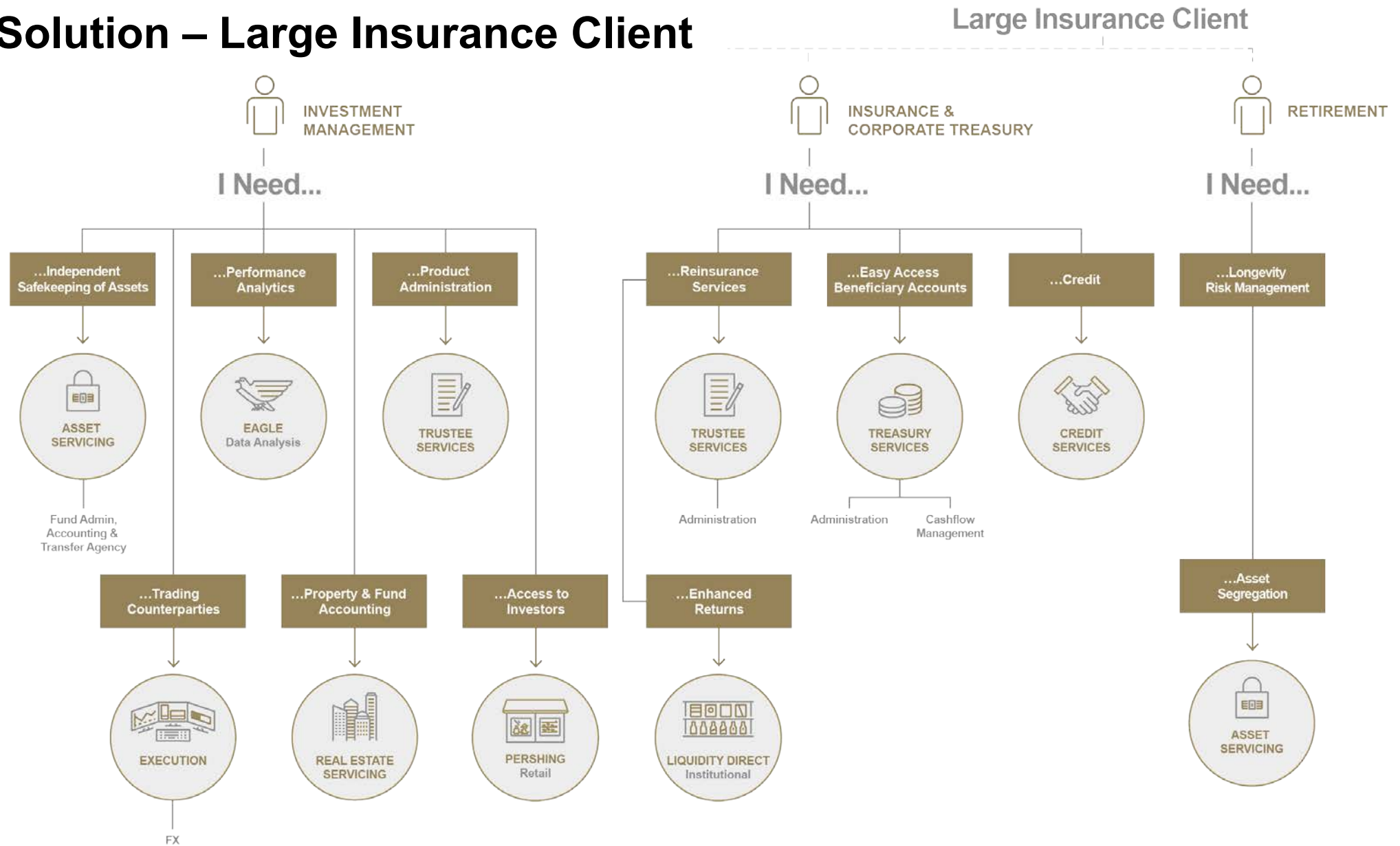
Client Solution – Regional Institutional Broker/Dealer



Client Solution – Large Asset Manager

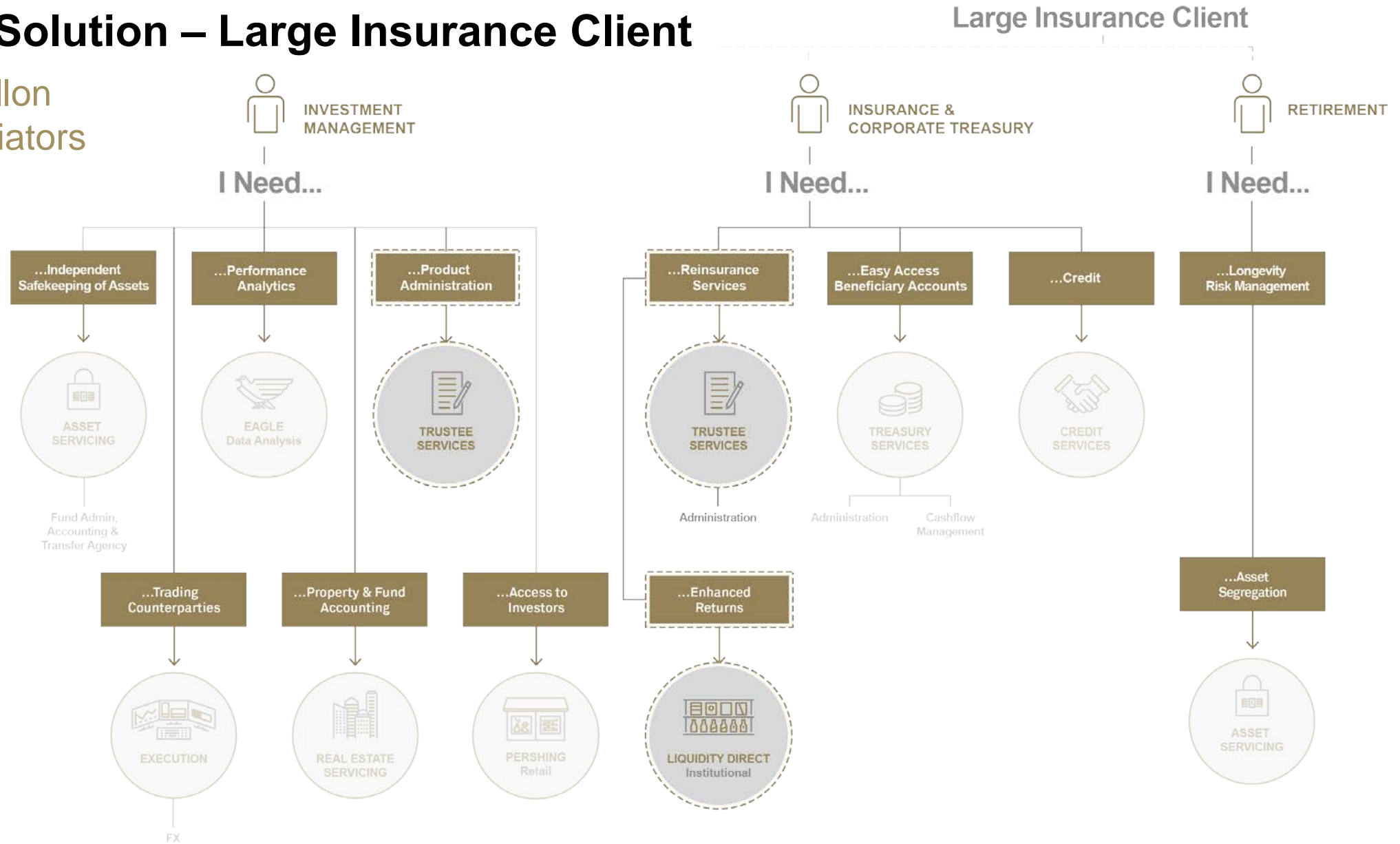


Client Solution – Large Insurance Client

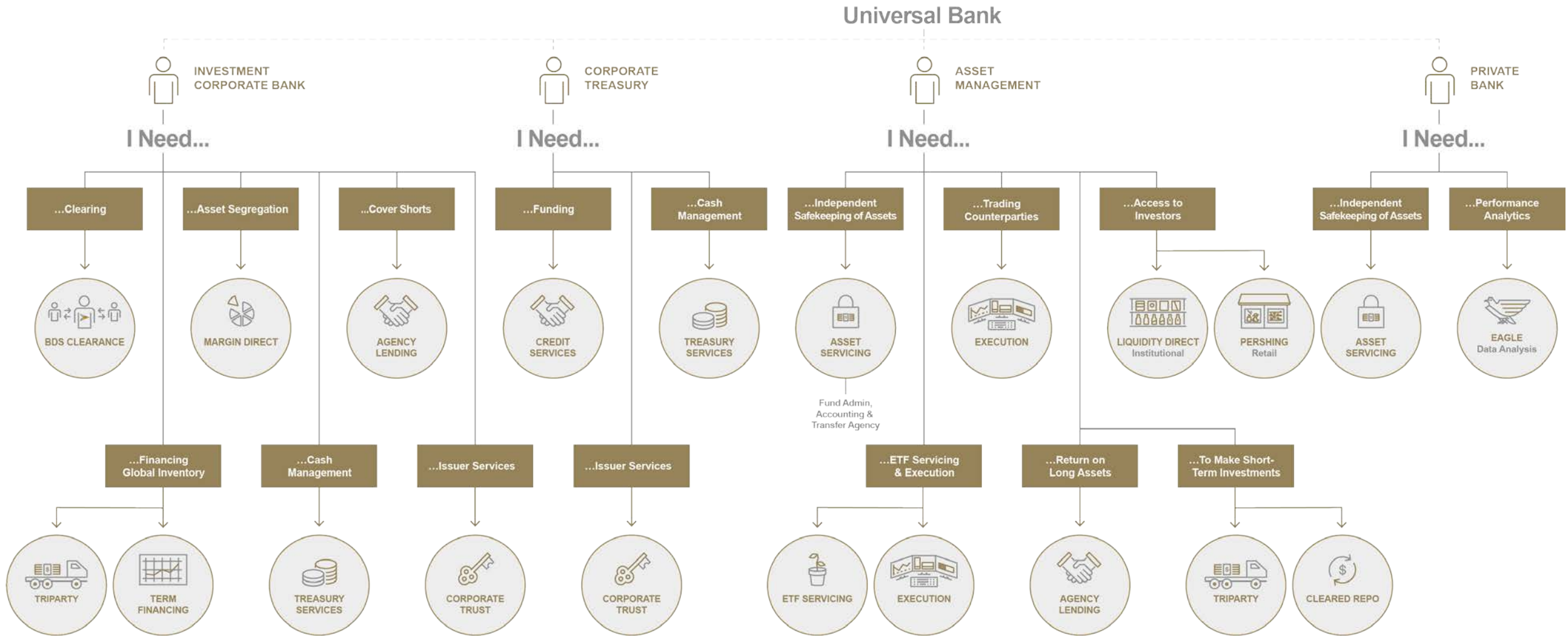


Client Solution – Large Insurance Client

BNY Mellon Differentiators



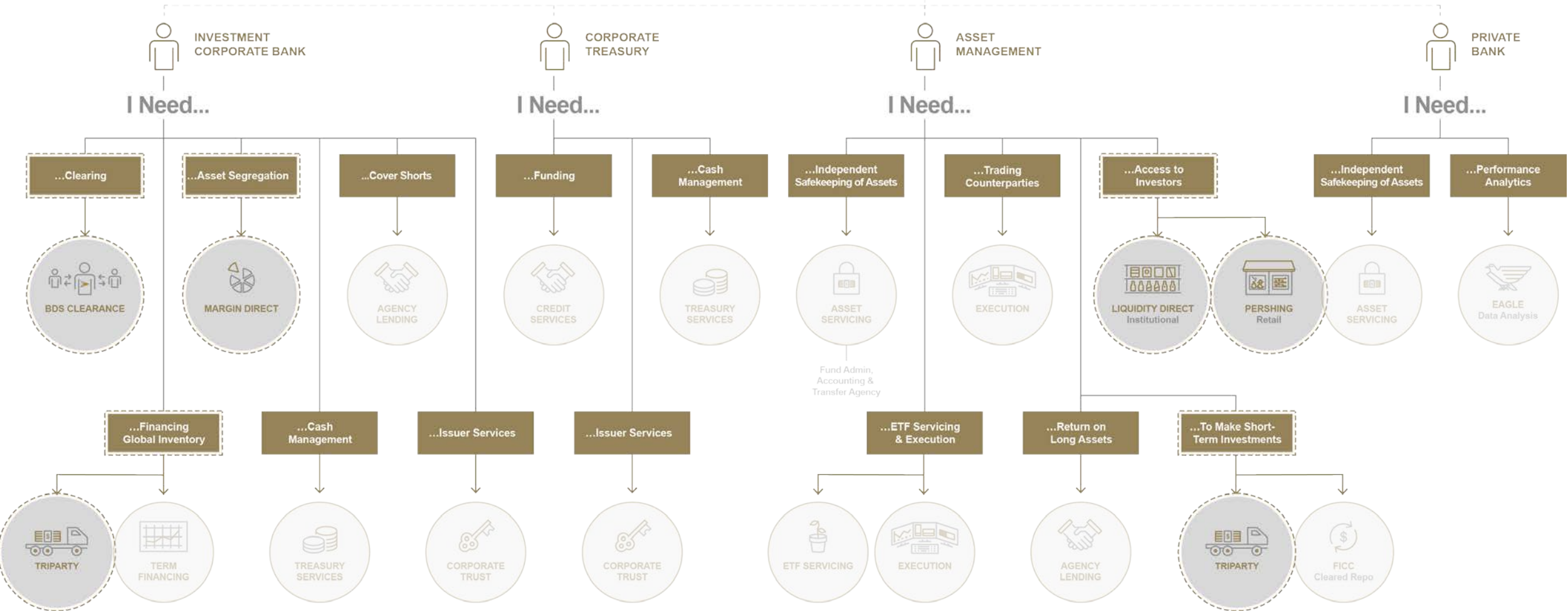
Client Solution – Universal Bank



Client Solution – Universal Bank

BNY Mellon Differentiators

Universal Bank



Key takeaways

Distinctive
Model



Deep Client
Relationships



Sustainable
Growth



Investor Day 2018

Closing and Outlook

Charlie Scharf

Chairman and Chief Executive Officer

March 8, 2018

2019 Financial growth and margin profile

	2017 ¹	2019
Revenue	4%	Growth rate slightly up vs. 2017
Expense	2%	Growth rate slightly up vs. 2017
EPS	12.6%	Low- to mid-double digit
Operating Margin	32.9%	~75-100bps from 2018 (excluding 2018 real estate charge)

Assumptions:

Equity markets grow ~5% from year-end 2018

Continued normalization of interest rates

1. Represents non-GAAP measures. See Appendix for reconciliations. Additional disclosure regarding non-GAAP measures is available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations

Sources of increased revenue growth – different by business

Asset Servicing

- Core custody and accounting growth: Improving win rates, reducing attrition
- Real Estate, Hedge Fund, Private Equity and ETF solutions
- Data Management solutions for buy-side
- Relationship expansion with high-value markets and retail-investor solutions

Issuer Services

- Corporate Trust – Increase salesforce, relationships, expanded products
- Depository Receipts – Focus on profitability not growth

Pershing Treasury Services Clearance and Collateral Management Securities Finance FX and Liquidity

- Expanded client technology platform, RIA platform
- Real-time payments
- Collateral management
- Securities Finance, e-FX capabilities

Investment Management

- LDI, Cash, Private Debt
- Expand Passives and Alternatives
- Wealth Management

Key messages

- Strong and unique franchise
- Clear, defined and financially attractive business model
- Will maintain our risk profile
- Will maintain our shareholder friendly capital return (subject to approvals)
- Focus on continuing to improve performance
- Expect to continue investing while increasing operating margins
 - Expense increases to be paced with revenue growth
 - Investments include existing operating platform, expanding business resources and digital capabilities
- Focused on incrementally increasing organic revenue growth year-by-year



Investor Day 2018

Q&A

Appendix



Financial profile – revenue and expense growth reconciliation

(\$MM)	2016	2017	Growth vs. 2016
Fee and other revenue–GAAP	\$12,073	\$12,165	
Income from consolidated investment management funds–GAAP	26	70	
Net interest revenue–GAAP	3,138	3,308	
Total Revenue–GAAP	\$15,237	\$15,543	2.0%
Net income attributable to noncontrolling interests of consolidated investment management funds	(10)	(33)	
U.S. tax legislation (4Q17)	–	283	
Other charges (a)	–	37	
Total Revenue, as adjusted–Non-GAAP	\$15,227	\$15,830	4.0%
Total noninterest expense–GAAP	\$10,523	\$10,957	4.1%
M&I, litigation and restructuring	(49)	(106)	
Other charges (a)	–	(203)	
Total noninterest expense–Non-GAAP	\$10,474	\$10,648	1.7%

(a) Other charges impacting total revenue include investment securities losses related to the sale of certain securities recorded in the fourth quarter of 2017. Other charges impacting total noninterest expense include severance and an asset impairment both recorded in the fourth quarter of 2017.

Financial profile – net income and EPS growth reconciliation

Reconciliation of net income (\$MM) and diluted EPS		2016		2017	
(\$MM, except per share amounts)		Net Income	Diluted EPS	Net Income	Diluted EPS
Net income applicable to common shareholders–GAAP		\$3,425	\$3.15	\$3,915	\$3.72
Impact of M&I, litigation and restructuring charges–after-tax		\$33	\$0.03	\$86	\$0.08
(Recovery) impairment charge related to Sentinel–after-tax		(\$8)	(\$0.01)	–	–
Net benefit related to U.S. tax legislation (4Q17)		–	–	(427)	(0.41)
Severance, asset impairment and securities losses–after-tax (4Q17)		–	–	181	0.17
Net income applicable to common shareholders–Non-GAAP		\$3,450	\$3.17	\$3,755	\$3.57
Adjusted Net Income (\$MM) and EPS Growth		2016	2017	Growth vs. 2016	
		Net Income			
Net income applicable to common shareholders–GAAP		\$3,425	\$3,915		14%
Net adjustments		25	(160)		
Net income applicable to common shareholders–Non-GAAP		\$3,450	\$3,755		9%
		Diluted EPS			
Earnings per share–GAAP		\$3.15	\$3.72		18%
Net adjustments		0.02	(0.15)		
Earnings per share–Non-GAAP		\$3.17	\$3.57		13%

NOTE: Total EPS may not foot due to rounding.

Total revenue and noninterest expense reconciliation

(\$MM)	2014	2015	2016	2017
Fee and other revenue—GAAP	\$12,649	\$12,082	\$12,073	\$12,165
Income from consolidated investment management funds—GAAP	163	86	26	70
Net interest revenue—GAAP	2,880	3,026	3,138	3,308
Total Revenue—GAAP	\$15,692	\$15,194	\$15,237	\$15,543
Net income attributable to noncontrolling interests of consolidated investment management funds	(84)	(68)	(10)	(33)
U.S. tax legislation (4Q17)	—	—	—	283
Other charges (4Q17)	—	—	—	37
Total Revenue, as adjusted—Non-GAAP	\$15,608	\$15,126	\$15,227	\$15,830
Total noninterest expense—GAAP	\$12,177	\$10,799	\$10,523	\$10,957
M&I, litigation and restructuring	(1,130)	(85)	(49)	(106)
Other charges (a)	—	—	—	(203)
Total noninterest expense—Non-GAAP	\$11,047	\$10,714	\$10,474	\$10,648

(a) Other charges impacting total revenue include investment securities losses related to the sale of certain securities recorded in the fourth quarter of 2017. Other charges impacting total noninterest expense include severance and an asset impairment both recorded in the fourth quarter of 2017.

Income before income taxes – Non-GAAP

(\$MM)	2016	2017	Growth vs. 2016
Total Revenue—GAAP	\$15,237	\$15,543	2%
Net income attributable to noncontrolling interests of consolidated investment management funds	(10)	(33)	
U.S. tax legislation (4Q17)	—	283	
Other charges (a)	—	37	
Total Revenue, as adjusted—Non-GAAP	\$15,227	\$15,830	4%
Total noninterest expense—GAAP	\$10,523	\$10,957	4%
M&I, litigation and restructuring	(49)	(106)	
Other charges (a)	—	(203)	
Total noninterest expense—Non-GAAP	\$10,474	\$10,648	2%
Provision for credit losses	(11)	(24)	
(Recovery) impairment charge related to Sentinel	(13)	—	
Income before income taxes—GAAP	\$4,725	\$4,610	(2%)
Adjusted income before income taxes—Non-GAAP	\$4,751	\$5,206	10%

(a) Other charges include severance, an asset impairment and investment securities losses related to the sale of certain securities.

Consolidated operating margin – Non-GAAP

(\$MM)	2014	2015	2016	2017
Income before income taxes–GAAP	\$3,563	\$4,235	\$4,725	\$4,610
Less: Net income attributable to noncontrolling interests of consolidated investment management funds	84	68	10	33
Add: Gain on the sale of an investment in Wing Hang	(490)	–	–	–
Gain on the sale of the One Wall Street building	(346)	–	–	–
M&I, litigation and restructuring charges	1,130	85	49	106
Charge related to investment management funds, net of incentives	104	–	–	–
(Recovery) impairment charge related to Sentinel	–	170	(13)	–
Tax legislation	–	–	–	283
Other charges (a)	–	–	–	240
Income before income taxes–Non-GAAP	\$3,877	\$4,422	\$4,751	\$5,206
Fee and other revenue–GAAP	\$12,649	12,082	\$12,073	\$12,165
Income from consolidated investment management funds–GAAP	163	86	26	70
Net interest revenue–GAAP	2,880	3,026	3,138	3,308
Total Revenue–GAAP	\$15,692	\$15,194	\$15,237	\$15,543
Less: Net income attributable to noncontrolling interests of consolidated investment management funds	84	68	10	33
Add: Gain on the sale of the One Wall Street building	(490)	–	–	–
Gain on the sale of an investment in Wing Hang	(346)	–	–	–
Tax legislation	–	–	–	283
Other charges (a)	–	–	–	37
Total Revenue, as adjusted–Non-GAAP	\$14,772	\$15,126	\$15,227	\$15,830
Pre-tax operating margin	23%	28%	31%	30%
Pre-tax operating margin–Non-GAAP	26%	29%	31%	33%

NOTE: Pre-tax operating margin reflects income before taxes divided by total revenue.

(a) Other charges impacting total revenue include investment securities losses related to the sale of certain securities recorded in the fourth quarter of 2017. Other charges impacting income before taxes include severance, an asset impairment and investment securities losses related to the sale of certain securities all recorded in the fourth quarter of 2017. .

Investment Management operating margin – Non-GAAP

(\$MM)	2014	2017	CAGR 2014 –2017
Total Revenue–GAAP	\$3,931	\$3,997	1%
Less: Distribution and servicing expense	423	422	
Adjusted total revenue, net of distribution and servicing expense	\$3,508	\$3,575	
Total noninterest expense–GAAP	\$3,039	\$2,854	(2%)
Less: Charge related to investment management funds, net of incentives	104	–	
Other charges – 4Q17 severance and litigation	–	30	
Adjusted total noninterest expense, excluding charge related to investment management funds, net of incentives and Other charges (4Q17 severance and litigation)	\$2,935	\$2,824	
Amortization of intangible assets	(118)	(60)	
Provision for credit losses	–	2	
Income before income taxes–GAAP	\$892	\$1,141	
Adjusted income before income taxes, excluding amortization of intangible assets, charge related to investment management funds, provision for credit losses and other charges (4Q17 severance and litigation)	\$1,114	\$1,233	3%
Adjusted income before income taxes, excluding provision for credit losses and other charges (4Q17 severance and litigation)	\$996	\$1,173	
Pre-tax operating margin–GAAP	23%	29%	
Adjusted income before income taxes, excluding charge related to investment management funds, provision for credit losses and other charges (4Q17 severance and litigation)	28%	33%	

NOTE: Pre-tax operating margin reflects income before taxes divided by total revenue.

Investment Services operating margin – Non-GAAP

(\$MM)	2014	2017	CAGR 2014 –2017
Total Revenue–GAAP	\$10,350	\$11,585	4%
Total noninterest expense–GAAP	\$8,241	\$7,747	(2%)
Less: Litigation (4Q14)	702	–	
Other charges–4Q17 severance, litigation and an asset impairment	–	233	
Adjusted total noninterest expense, excluding litigation and Other charges	\$7,539	\$7,514	
Amortization of intangible assets	(175)	(149)	
Provision for credit losses	(21)	(7)	
Income before income taxes–GAAP	\$2,130	\$3,845	
Adjusted income before income taxes, excluding amortization of intangible assets, provision for credit losses and other charges (4Q17 severance and litigation)	\$2,986	\$4,220	12%
Adjusted income before income taxes, excluding provision for credit losses and other charges (4Q17 severance and litigation)	\$2,811	\$4,071	
Pre-tax operating margin–GAAP	21%	33%	
Adjusted income before income taxes, excluding provision for credit losses and other charges (4Q17 severance and litigation)	27%	35%	

NOTE: Pre-tax operating margin reflects income before taxes divided by total revenue.

Historical performance – revenue and expense growth reconciliation

(\$MM)	2014	2017	CAGR 2015–2017
Fee and other revenue–GAAP	\$12,649	\$12,165	
Income from consolidated investment management funds–GAAP	163	70	
Net interest revenue–GAAP	2,880	3,308	
Total Revenue–GAAP	\$15,692	\$15,543	(0%)
Net income attributable to noncontrolling interests of consolidated investment management funds	(84)	(33)	
Gain on the sale of the One Wall Street building	(490)	–	
Gain on the sale of an investment in Wing Hang	(346)	–	
U.S. tax legislation (4Q17)	–	283	
Other charges (a)	–	37	
Total Revenue, as adjusted–Non-GAAP	\$14,772	\$15,830	2%
Total noninterest expense–GAAP	\$12,177	\$10,957	(4%)
M&I, litigation and restructuring	(1,130)	(106)	
Charge related to investment management funds, net of incentives	(104)	–	
Other Charges (a)	–	(203)	
Total noninterest expense–Non-GAAP	\$10,943	\$10,648	(1%)

(a) Other charges impacting total revenue include investment securities losses related to the sale of certain securities recorded in the fourth quarter of 2017. Other charges impacting total noninterest expense include severance and an asset impairment both recorded in the fourth quarter of 2017.

Historical performance – EPS growth reconciliation

Reconciliation of net income (\$MM) and diluted EPS		2014		2017	
(\$MM, except per share amounts)		Net Income	Diluted EPS	Net Income	Diluted EPS
Net income applicable to common shareholders–GAAP		\$2,494	\$2.15	\$3,915	\$3.72
Gain on the sale of an investment in Wing Hang		(315)	0.27	–	–
Gain on the sale of the One Wall Street building		(204)	0.18	–	–
Benefit primarily related to a tax carryback claim		(150)	0.13	–	–
Litigation and restructuring charges		860	0.74	–	–
Charge related to investment management funds, net of incentives		81	0.07	–	–
Benefit related to U.S. tax legislation (4Q17)		–	–	(427)	(0.41)
Other charges (a)		–	–	246	0.24
Other		–	–	21	0.01
Net income applicable to common shareholders–Non-GAAP		\$2,766	\$2.39	\$3,755	\$3.57
Adjusted EPS Growth		Diluted EPS		CAGR	
		2014	2017	2015–2017	
Earnings per share–GAAP		\$2.15	\$3.72		
Net adjustments		0.24	(0.15)		
Earnings per share–Non-GAAP		\$2.39	\$3.57	14%	

NOTE: Total EPS may not foot due to rounding.

(a) Other charges include severance, an asset impairment and investment securities losses related to the sale of certain securities all recorded in the fourth quarter of 2017.

Supplementary leverage ratio – Non-GAAP

Fully Phased-In (Estimated) (\$MM)	2015	2016	2017
Consolidated:			
Total Tier 1 capital	\$18,612	\$19,911	\$21,339
Total leverage exposure:			
Quarterly average total assets	\$368,590	\$344,142	\$350,786
Less: Amounts deducted from Tier 1 capital	19,403	18,887	19,892
Total on-balance sheet assets, as adjusted	349,187	325,255	330,894
Off-balance sheet exposures:			
Potential future exposure for derivative contracts (plus certain other items)	7,158	6,021	6,603
Repo-style transaction exposures	440	533	1,086
Credit-equivalent amount of other off-balance sheet exposures (less SLR exclusions)	26,025	23,274	21,960
Total off-balance sheet asset exposures	33,623	29,828	29,649
Total leverage exposures	\$382,810	\$355,083	\$360,543
SLR–Consolidated (a)	4.9%	5.6%	5.9%
The Bank of New York Mellon, largest bank subsidiary:			
Tier 1 capital	\$15,142	\$17,708	\$19,768
Total leverage exposure	\$316,270	\$290,230	\$296,224
SLR – The Bank of New York Mellon (a)	4.8%	6.1%	6.7%

(a) The estimated fully phased-in SLR (Non-GAAP) is based on our interpretation of the U.S. capital rules. The minimum required SLR is 3% and there is a 2% buffer, in addition to the minimum, that is applicable to U.S. G-SIBs. The insured depository institution subsidiaries of the U.S. G-SIBs, including those of BNY Mellon, must maintain a 6% SLR to be considered “well-capitalized.”

Return on tangible common equity – Non-GAAP

(\$MM)	2015	2016	2017
Net income applicable to common shareholders of The Bank of New York Mellon Corporation–GAAP	\$3,053	\$3,425	\$3,915
Add: Amortization of intangible assets	261	237	209
Less: Tax impact of amortization of intangible assets	89	81	72
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets–Non-GAAP	3,225	3,581	4,052
Add: M&I, litigation and restructuring charges	85	49	106
(Recovery) impairment charge related to Sentinel	170	(13)	–
Tax legislation	–	–	283
Other charges (a)	–	–	240
Less: Tax impact of M&I, litigation and restructuring charges	29	16	20
Tax impact of (recovery) impairment charge related to Sentinel	–	–	–
Tax impact of tax legislation	–	–	710
Tax impact of Other charges (a)	64	(5)	59
Net income applicable to common shareholders of The Bank of New York Mellon Corporation, as adjusted–Non-GAAP (b)	\$3,387	\$3,606	\$3,892
Average common shareholders' equity	\$35,564	\$35,504	\$36,145
Less: Average goodwill	17,731	17,497	17,441
Average intangible Assets	3,992	3,737	3,508
Add: Deferred tax liability–tax deductible goodwill (c)	1,401	1,497	1,034
Deferred tax liability–intangible assets (c)	1,148	1,105	718
Average tangible common shareholders' equity	\$16,390	\$16,872	\$16,948
Return on tangible common equity–Non-GAAP	19.7%	21.2%	23.9%
Adjusted return on tangible common equity–Non-GAAP (b)	20.7%	21.4%	23.0%

(a) Other charges include severance, an asset impairment and investment securities losses related to the sale of certain securities all recorded in the fourth quarter of 2017. (b) Non-GAAP information for all periods presented excludes amortization of intangible assets and M&I, litigation and restructuring charges. Non-GAAP information for 2017 also excludes the positive impact of the U.S. tax legislation and other charges, both recorded in the fourth quarter of 2017. Non-GAAP information for 2016 and 2015 also excludes the (recovery) impairment charge, respectively, related to the loan to Sentinel. (c) Deferred tax liabilities are based on fully phased-in Basel III capital rules. Deferred tax liabilities at Dec. 31, 2017 have been remeasured at the lower statutory corporate tax rate.

Capital generation and deployment

(\$B)	2015	2016	2017	Total 2015–2017
Net Income Applicable to Shareholders	\$3.2	\$3.5	\$4.1	\$10.8
Other Comprehensive Income	(1.0)	(1.2)	1.4	(0.7)
Share Issuances (Benefit Plans)	0.6	0.7	0.7	2.0
Change in Goodwill and Intangibles	0.5	0.6	(0.9)	0.2
Capital Generation	\$3.4	\$3.7	\$5.3	\$12.3
Common Dividends	(\$0.8)	(\$0.8)	(\$0.9)	(\$2.4)
Preferred Dividends	(0.1)	(0.1)	(0.2)	(0.4)
Dividends (Common and Preferred)	(\$0.9)	(\$0.9)	(\$1.1)	(\$2.8)
Share Repurchases (including Benefit Plans)	(2.4)	(2.4)	(2.7)	(7.4)
Capital Retention	\$0.1	\$0.4	\$1.5	\$2.0

NOTE: Totals may not foot due to rounding.

Key regulatory ratios

BHC Regulatory Capital Ratios	Regulatory Minimums ¹	Regulatory Minimums with Buffers as Phased-In		BNY Mellon Actual ²	
		2018	2019	2016	2017
Capital conservation buffer (CET1)	N/A	1.875%	2.5%	0.625%	1.25%
U.S. G-SIB Surcharge (CET1)	N/A	1.125%	1.5%	0.375%	0.75%
Standardized:					
CET1 Ratio	N/A	7.5%	8.5%	12.3%	11.9%
Tier 1 Capital Ratio	6.0%	9.0%	10.0%	14.5%	14.2%
Total Capital Ratio	10.0%	11.0%	12.0%	15.2%	15.1%
Advanced:					
CET1 Ratio	N/A	7.5%	8.5%	10.6%	10.7%
Tier 1 Capital Ratio	6.0%	9.0%	10.0%	12.6%	12.7%
Total Capital Ratio	10.0%	11.0%	12.0%	13.0%	13.4%
Leverage Capital Ratio²	N/A	4.0%	4.0%	6.6%	6.6%
SLR	N/A	5.0%	5.0%	6.0%	6.1%
Estimated Common Equity Tier 1 (fully phased-in):					
Standardized Approach	8.5%	7.5%	8.5%	11.3%	11.5%
Advanced Approach	8.5%	7.5%	8.5%	9.7%	10.3%
Estimated SLR (fully phased-in)	5.0%	5.0%	5.0%	5.6%	5.9%
Estimated SLR (Bank) (fully phased-in)	6.0%	6.0%	6.0%	6.1%	6.7%
Other Ratios					
	Regulatory Minimums¹	2018	2019	2016	2017
Liquidity Coverage Ratio	100%	100%	100%	114%	118%

1. Reflects regulatory minimums for well capitalized. 2. Reflects ratios as of year-end.

Comprehensive capital analysis and review – severely adverse scenario

Bank Holding Company	Ticker/ Identifier	Tier 1 Leverage Ratio (%)		Stress Impact	Stress Impact (%) ¹
		Actual 4Q16	Minimum		
BNY Mellon	BK	6.6	5.2	1.4	21%
Northern Trust Corporation	NTRS	8.0	6.2	1.8	23%
U.S. Bancorp	USB	9.0	6.5	2.5	28%
Wells Fargo & Company	WFC	8.9	6.3	2.6	29%
Capital One Financial Corporation (Adjusted)	COF	9.9	6.4	3.5	35%
PNC Financial Services Group	PNC	10.1	6.4	3.7	37%
State Street Corporation	STT	6.5	4.0	2.5	38%
Bank of America Corporation	BAC	8.9	5.4	3.5	39%
JPMorgan Chase & Co.	JPM	8.4	5.0	3.4	40%
Citigroup	C	10.1	6.1	4.0	40%
HSBC North America Holdings	HSBC	9.6	5.2	4.4	46%
Morgan Stanley	MS	8.4	4.2	4.2	50%
Goldman Sachs Group	GS	9.4	4.5	4.9	52%
American Express Company (Adjusted)	AXP	11.6	5.5	6.1	53%
U.S. GSIBs (Average) – Ex. BNY Mellon and State Street	–	9.0	5.3	3.8	42%

NOTE: U.S. G-SIBs shown in bold font. 1 Stress impact (%) reflects the absolute stress reduction in Tier 1 Leverage as a percentage of the Tier 1 Leverage at end of 4Q16.

Tax rate reconciliation

(\$MM)	2016	2017	Growth vs. 2017
Income Before Income Taxes—GAAP	\$4,725	\$4,610	(2%)
Impact of M&I, litigation and restructuring charges	49	106	
Impact of tax legislation	—	283	
Impact of (recovery) impairment charge related to Sentinel	(13)	—	
Other charges (a)	—	240	
Income Before Income Taxes—Non-GAAP	\$4,761	\$5,240	
Income tax expense—GAAP	\$1,177	\$496	
Tax impact of M&I, litigation and restructuring charges	16	20	
Tax impact of tax legislation	—	710	
Tax impact of (recovery) impairment charge related to Sentinel	(5)	—	
Tax impact of other charges (a)	—	59	
Adjusted income tax expense—Non-GAAP	\$1,187	\$1,285	
Tax Rate—GAAP	24.9%	10.8%	
Adjusted Tax Rate	24.9%	24.5%	42bps

(a) Other charges impacting income before taxes include severance, an asset impairment and investment securities losses related to the sale of certain securities all recorded in the fourth quarter of 2017.

Financial reconciliation

Pre-tax Operating Margin – Investment Management business			
(\$MM)	2017	2014	2017 vs. 2014
Income before taxes - GAAP	\$1,141	\$892	27.9%
Add: Amortization of intangible assets	\$60	\$118	(49.6%)
Charge related to investment management funds, net of incentives	–	\$104	N/M
Severance, litigation and other charges	\$35	\$12	N/M
Adjusted income before income taxes excluding amortization of intangible assets, the charge related to investment management funds, net of incentives, severance, litigation and other charges – Non-GAAP	\$1,236	\$1,127	9.7%
Add: Provision for credit losses	2	–	N/M
Adjusted income before income taxes excluding amortization of intangible assets, provision for credit losses, the charge related to investment management funds, net of incentives, severance, litigation and other charges – Non-GAAP	\$1,238	\$1,127	9.9%
Total revenue – GAAP	\$3,997	\$3,931	1.7%
Less: Distribution and servicing expense	\$422	\$423	(0.3%)
Adjusted total revenue, net of distribution and servicing expense – Non-GAAP	\$3,575	\$3,508	1.9%
Pre-tax operating margin	28.6%	22.7%	5.9%
Adjusted Pre-tax operating margin excluding amortization of intangible assets, provision for credit losses, the charge related to investment management funds, net of incentives, severance, litigation and other charges – Non-GAAP	34.6%	32.1%	2.5%

Financial reconciliation

Net Fee Revenue – Investment Management business		
(\$MM)	Ann. 12/31/17	Full-Year 2017
Total fee and other revenue	\$3,760	\$3,668
Less: Distribution and servicing expense	\$420	\$422
Adjusted fee and other revenue, net of distribution and servicing expense – Non-GAAP	\$3,340	\$3,246
Asset Management	\$2,520	\$2,466
Wealth Management	\$820	\$780
Adjusted fee and other revenue, net of distribution and servicing expense – Non-GAAP	\$3,340	\$3,246

U.S. G-SIBs and corporate peer groups

US G-SIB Members

BNY Mellon

Bank of America

Citigroup

Goldman Sachs

JP Morgan Chase

Morgan Stanley

State Street

Wells Fargo

11-Member Corporate (Proxy) Peer Group

BlackRock

Charles Schwab

Franklin Resources

JP Morgan Chase

Morgan Stanley

Northern Trust

PNC Financial Services

Prudential Financial

State Street

U.S. Bancorp

Wells Fargo

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