

1Q23 Financial Highlights

APRIL 18, 2023

1Q23 Financial Highlights

Revenue

\$4.4bn

EPS

\$1.12

Pre-tax income

\$1.2bn

Pre-tax margin

28%

Returns

ROE: **10.3%**
ROTCE: **20.2%**^(a)

Capital ratios

T1L: **5.8%**
CET1: **11.0%**

- Revenue up 11% YoY
 - Fee revenue flat YoY
 - Net interest revenue up 62% YoY
- Expense up 3% YoY
- Provision for credit losses was \$27mm
- Deposits up 1% QoQ
 - Average deposits down 3% QoQ
- Tier 1 leverage ratio flat QoQ
- Liquidity coverage ratio flat QoQ
- Returned **\$1.6bn** to common shareholders, including **\$1.3bn** of common share repurchases

1Q23 Financial Results

	1Q23	4Q22	1Q22	1Q23 vs.	
				4Q22	1Q22
<i>\$mm, except per share data or unless otherwise noted</i>					
Fee revenue	\$3,156	\$3,222	\$3,158	(2)%	—%
Investment and other revenue	79	(360)	70	N/M	N/M
Net interest revenue	1,128	1,056	698	7%	62%
Total revenue	\$4,363	\$3,918	\$3,926	11%	11%
Provision for credit losses	27	20	2	N/M	N/M
Noninterest expense	3,100	3,213	3,006	(4)%	3%
Income before income taxes	\$1,236	\$685	\$918	80%	35%
Net income applicable to common shareholders	\$905	\$509	\$699	78%	29%
EPS	\$1.12	\$0.62	\$0.86	81%	30%
Avg. common shares and equivalents outstanding (mm) – diluted	808	816	814	(1)%	(1)%
Operating leverage ^(a)				N/M	800 bps
Pre-tax margin	28%	17%	23%		
ROE	10.3%	5.7%	7.6%		
ROTCE^(b)	20.2%	11.5%	15.4%		

Notable items impacting the quarter

Increase / (decrease)	Revenue	Expense	EPS	
1Q23	(1)	5	\$(0.01)	Impact of litigation reserves and a disposal loss
4Q22	(460)	213	\$(0.67)	Impact of net loss from repositioning the securities portfolio, a disposal loss, severance expense and litigation reserves
1Q22	(88)	(1)	\$(0.08)	Accelerated amortization of deferred costs for depositary receipts services related to Russia

(a) Note: See page 12 in the Appendix for corresponding footnotes.

(b) Represents a non-GAAP measure. See page 13 in the Appendix for the corresponding reconciliation of the non-GAAP measure of ROTCE.

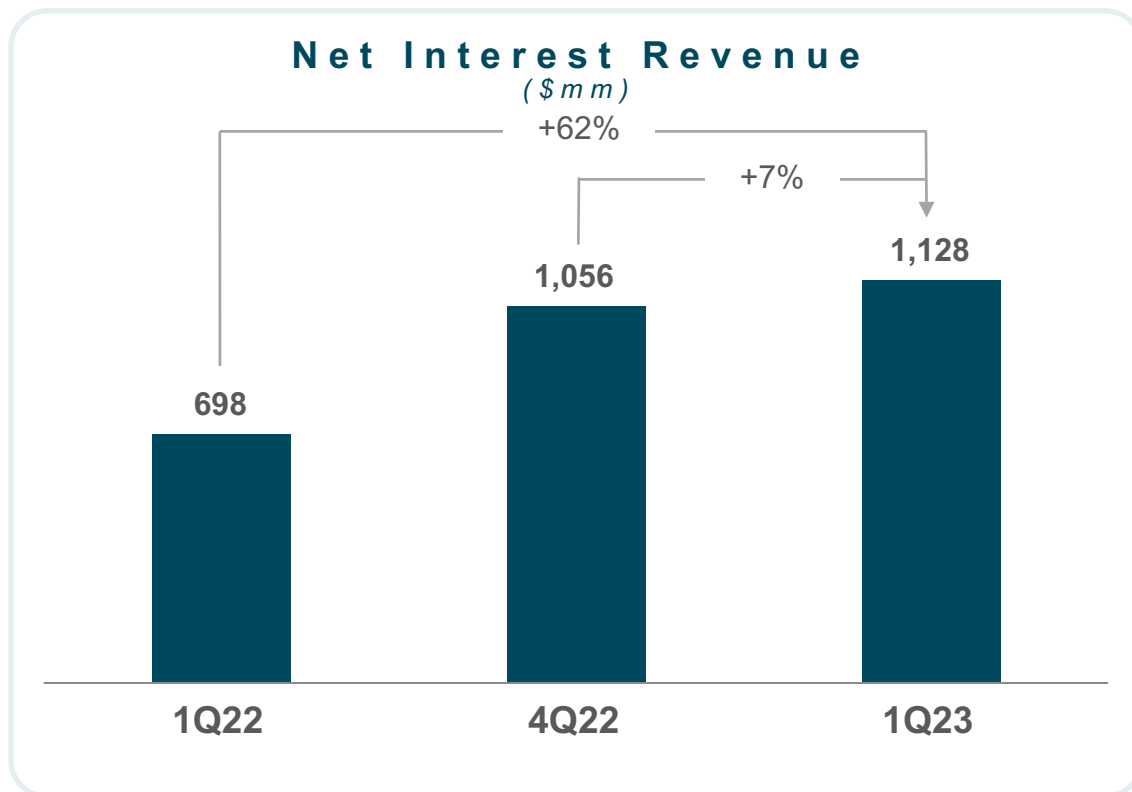
N/M – not meaningful.

Capital and Liquidity

	1Q23	4Q22	1Q22
<u>Consolidated regulatory capital ratios:</u>^(a)			
Tier 1 leverage ratio	5.8%	5.8%	5.3%
Supplementary leverage ratio ("SLR")	6.9	6.8	6.2
Common Equity Tier 1 ratio – Advanced Approaches	11.0	11.2	10.4
Common Equity Tier 1 ratio – Standardized Approach	11.4	11.3	10.1
<u>Consolidated regulatory liquidity ratios:</u>			
Liquidity coverage ratio ("LCR")	118%	118%	109%
Cash dividends per common share	\$0.37	\$0.37	\$0.34
Common stock dividends (\$mm)	\$304	\$305	\$278
Common stock repurchases (\$mm)	1,256	2	118
Book value per common share	\$45.36	\$44.40	\$45.76
Tangible book value per common share ^(b)	23.52	23.11	22.76
Common shares outstanding (mm)	789	808	808

Note: See page 12 in the Appendix for corresponding footnotes.

Net Interest Revenue and Balance Sheet Trends



- **Net interest revenue** of \$1,128mm **up 7% QoQ**, primarily reflects higher interest rates on interest-earning assets, partially offset by higher funding expense

<i>\$bn, avg.</i>	1Q23	1Q23 vs.	
		4Q22	1Q22
Deposits:			
Noninterest-bearing	\$70	(8)%	(23)%
Interest-bearing	204	(2)%	(9)%
Total deposits	\$274	(3)%	(13)%
Interest-earning assets:			
Cash and reverse repo	136	—%	(6)%
Loans	63	(6)%	(5)%
Investment securities:			
HQLA	119	—%	(6)%
Non-HQLA	25	(1)%	(14)%
Total investment securities	144	—%	(8)%
Total interest-earning assets	\$348	(1)%	(7)%

- Avg. **deposits** of \$274bn **down 3% QoQ**
- Avg. **interest-earning assets** of \$348bn **down 1% QoQ**

Noninterest Expense

<i>\$mm, unless otherwise noted</i>	1Q23	1Q23 vs.	
		4Q22	1Q22
Staff	\$1,791	(1)%	5%
Software and equipment	429	(1)%	8%
Professional, legal and other purchased services	375	(10)%	1%
Net occupancy	119	(17)%	(2)%
Sub-custodian and clearing	118	5%	—%
Distribution and servicing	85	(1)%	8%
Bank assessment charges	40	111%	14%
Business development	39	(13)%	30%
Amortization of intangible assets	14	(13)%	(18)%
Other	90	(37)%	(33)%
Total noninterest expense	\$3,100	(4)%	3%

- **Noninterest expense up 3% YoY**, primarily reflecting higher investments and revenue-related expenses, as well as the impact of inflation, partially offset by the favorable impact of efficiency savings, a stronger U.S. dollar and the impact of the Alcentra divestiture

Securities Services

\$mm, unless otherwise noted	1Q23	1Q23 vs.	
		4Q22	1Q22
<u>Total revenue by line of business:</u>			
Asset Servicing	\$1,664	(1)%	10%
Issuer Services	452	(8)%	69%
Total revenue	\$2,116	(3)%	19%
Provision for credit losses	—	N/M	N/M
Noninterest expense	1,556	(1)%	3%
Income before income taxes	\$560	(4)%	100%

Fee revenue	1,378	(5)%	4%
Net interest revenue	666	2%	77%
Foreign exchange revenue	139	(7)%	(6)%
Securities lending revenue ^(a)	48	(4)%	23%

Financial ratios, balance sheet data and metrics:

Pre-tax margin	26%	(47) bps	1,074 bps
AUC/A (\$trn, period end) ^{(b)(c)}	\$32.6	4%	(3)%
Deposits (\$bn, avg.)	\$167	(5)%	(13)%
Market value of securities on loan (\$bn, period end) ^(d)	\$441	(2)%	(2)%

- **Total revenue** of \$2,116mm **up 19% YoY**
 - **Asset Servicing up 10% YoY**, primarily reflecting higher net interest revenue and the abatement of money market fee waivers, partially offset by lower market values, the unfavorable impact of a stronger U.S. dollar and lower foreign exchange revenue
 - **Issuer Services up 69% YoY**, primarily reflecting the 1Q22 accelerated amortization of deferred costs for depositary receipts services related to Russia, higher net interest revenue and the abatement of money market fee waivers
- **Noninterest expense** of \$1,556mm **up 3% YoY**, primarily reflecting higher investments, as well as the impact of inflation, partially offset by the favorable impact of efficiency savings and a stronger U.S. dollar
- **Income before income taxes** of \$560mm **up 100% YoY**

Market and Wealth Services

\$mm, unless otherwise noted	1Q23	1Q23 vs.	
		4Q22	1Q22
<u>Total revenue by line of business:</u>			
Pershing	\$693	3%	22%
Treasury Services	412	8%	22%
Clearance and Collateral Management	362	5%	23%
Total revenue	\$1,467	5%	22%
Provision for credit losses	—	N/M	N/M
Noninterest expense	769	(2)%	9%
Income before income taxes	\$698	15%	41%

Fee revenue	999	1%	10%
Net interest revenue	453	14%	53%

Financial ratios, balance sheet data and metrics:

Pre-tax margin	48%	405 bps	624 bps
AUC/A (\$trn, end of period) ^{(a)/(b)}	\$13.7	8%	18%
Deposits (\$bn, avg.)	\$86	—%	(10)%
Pershing:			
Net new assets (U.S. platform) (\$bn) ^(c)	\$37	N/M	N/M
Avg. active clearing accounts ('000)	7,849	3%	6%
Treasury Services:			
Avg. daily U.S. dollar payment volumes ('000)	236	(4)%	(2)%
Clearance and Collateral Management:			
Avg. tri-party collateral management balances (\$bn)	\$5,626	3%	12%

- **Total revenue of \$1,467mm up 22% YoY**

- **Pershing up 22% YoY**, primarily reflecting the abatement of money market fee waivers and higher net interest revenue, partially offset by lower client activity
- **Treasury Services up 22% YoY**, primarily reflecting higher net interest revenue and the abatement of money market fee waivers
- **Clearance and Collateral Management up 23% YoY**, primarily reflecting higher net interest revenue and U.S. government clearance volumes

- **Noninterest expense of \$769mm up 9% YoY**, primarily reflecting higher investments and higher revenue-related expense, as well as the impact of inflation, partially offset by the favorable impact of efficiency savings and a stronger U.S. dollar

- **Income before income taxes of \$698mm up 41% YoY**

Investment and Wealth Management

\$mm, unless otherwise noted	1Q23	1Q23 vs.	
		4Q22	1Q22
<u>Total revenue by line of business:</u>			
Investment Management	\$557	1%	(15)%
Wealth Management	270	(2)%	(12)%
Total revenue	\$827	—%	(14)%
Provision for credit losses	—	N/M	N/M
Noninterest expense	734	5%	(3)%
Income before income taxes	\$93	(26)%	(56)%
Fee revenue	776	—%	(15)%
Net interest revenue	45	(13)%	(21)%

Financial ratios, balance sheet data and metrics:

Pre-tax margin	11%	(390) bps	(1,079) bps
Adjusted pre-tax operating margin – Non-GAAP ^(a)	13%	(438) bps	(1,146) bps
AUM (\$bn, end of period) ^(b)	\$1,908	4%	(16)%
Loans (\$bn, avg.)	\$14	(3)%	6%
Deposits (\$bn, avg.)	\$16	(2)%	(28)%
Wealth Management:			
Client assets (\$bn, end of period) ^(c)	\$279	4%	(9)%

- **Total revenue** of \$827mm **down 14% YoY**
 - **Investment Management down 15% YoY**, primarily reflecting the impact of the Alcentra divestiture, the mix of cumulative net inflows, lower market values and the unfavorable impact of a stronger U.S. dollar, partially offset by the abatement of money market fee waivers
 - **Wealth Management revenue down 12% YoY**, primarily reflecting lower market values and changes in product mix
- **Noninterest expense** of \$734mm **down 3% YoY**, primarily reflecting the impact of the Alcentra divestiture and the favorable impact of a stronger U.S. dollar, partially offset by higher revenue-related expenses
- **Income before income taxes** of \$93mm **down 56% YoY**
- **AUM** of \$1.9trn **down 16% YoY**, driven by lower market values, the unfavorable impact of a stronger U.S. dollar and the divestiture of Alcentra, partially offset by net inflows
- Wealth Management **client assets** of \$279bn **down 9% YoY**, primarily driven by lower market values

(a) Adjusted pre-tax operating margin is net of distribution and servicing expense. Represents a non-GAAP measure. See page 14 in the Appendix for corresponding reconciliation of the non-GAAP measure of adjusted pre-tax operating margin.

Note: See page 12 in the Appendix for the corresponding footnotes (b) and (c).

N/M – not meaningful.

Other Segment

\$mm, unless otherwise noted

	1Q23	4Q22	1Q22
Fee revenue	\$3	\$12	\$8
Investment and other revenue	(14)	(442)	12
Net interest (expense)	(36)	(48)	(32)
Total revenue	\$(47)	\$(478)	\$(12)
Provision for credit losses	27	2	17
Noninterest expense	41	153	33
(Loss) before income taxes	\$(115)	\$(633)	\$(62)

- **Total revenue** includes corporate treasury and other investment activity, including hedging activity which has an offsetting impact between fee and other revenue and net interest expense
 - QoQ increase in total revenue primarily reflects the \$449mm net loss from repositioning the securities portfolio in 4Q22
- **Provision for credit losses** was **\$27mm**, reflecting changes in the macroeconomic forecast
- **Noninterest expense** decreased QoQ, primarily driven by lower severance expense

Appendix

Footnotes

Page 3 – 1Q23 Financial Results

- (a) Operating leverage is the rate of increase (decrease) in total revenue less the rate of increase (decrease) in total noninterest expense.

Page 4 – Capital and Liquidity

- (a) Regulatory capital ratios for March 31, 2023 are preliminary. For our CET1 ratio, our effective capital ratios under the U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches, which for March 31, 2023 and Dec. 31, 2022 was the Advanced Approaches, and for March 31, 2022 was the Standardized Approach.
- (b) Tangible book value per common share — Non-GAAP excludes goodwill and intangible assets, net of deferred tax liabilities. See page 13 for corresponding reconciliation of this non-GAAP measure.

Page 7 – Securities Services

- (a) Included in investment services fees reported in the Asset Servicing line of business.
- (b) March 31, 2023 information is preliminary.
- (c) Consists of AUC/A primarily from the Asset Servicing line of business and, to a lesser extent, the Issuer Services line of business. Includes the AUC/A of CIBC Mellon Global Securities Services Company (“CIBC Mellon”), a joint venture with the Canadian Imperial Bank of Commerce, of \$1.5 trillion at March 31, 2023, \$1.5 trillion at Dec. 31, 2022, and \$1.7 trillion at March 31, 2022.
- (d) Represents the total amount of securities on loan in our agency securities lending program. Excludes securities for which BNY Mellon acts as agent on behalf of CIBC Mellon clients, which totaled \$69 billion at March 31, 2023, \$68 billion at Dec. 31, 2022, and \$78 billion at March 31, 2022.

Page 8 – Market and Wealth Services

- (a) March 31, 2023 information is preliminary.
- (b) Consists of AUC/A from the Clearance and Collateral Management and Pershing lines of business.
- (c) Net new assets represent net flows of assets (e.g., net cash deposits and net securities transfers, including dividends and interest) in customer accounts in Pershing LLC, a U.S. broker-dealer.

Page 9 – Investment and Wealth Management

- (b) March 31, 2023 information is preliminary. Excludes assets managed outside of the Investment and Wealth Management business segment.
- (c) March 31, 2023 information is preliminary. Includes AUM and AUC/A in the Wealth Management business.

Return on Common Equity and Tangible Common Equity Reconciliation

<i>\$mm</i>	1Q23	4Q22	1Q22
Net income applicable to common shareholders of The Bank of New York Mellon Corporation — GAAP	\$ 905	\$ 509	\$ 699
Add: Amortization of intangible assets	14	16	17
Less: Tax impact of amortization of intangible assets	3	4	4
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets — Non-GAAP	\$ 916	\$ 521	\$ 712
Average common shareholders' equity	\$ 35,604	\$ 35,259	\$ 37,363
Less: Average goodwill	16,160	16,229	17,490
Average intangible assets	2,899	2,905	2,979
Add: Deferred tax liability — tax deductible goodwill	1,187	1,181	1,184
Deferred tax liability — intangible assets	660	660	673
Average tangible common shareholders' equity — Non-GAAP	\$ 18,392	\$ 17,966	\$ 18,751
Return on common equity ^(a) — GAAP	10.3%	5.7%	7.6%
Return on tangible common equity ^(a) — Non-GAAP	20.2%	11.5%	15.4%

Book Value and Tangible Book Value Per Common Share Reconciliation

<i>\$mm, expect common shares and unless otherwise noted</i>	2023	2022	
	March 31	Dec. 31	March 31
BNY Mellon shareholders' equity at period end — GAAP	\$ 40,634	\$ 40,734	\$ 41,799
Less: Preferred stock	4,838	4,838	4,838
BNY Mellon common shareholders' equity at period end — GAAP	35,796	35,896	36,961
Less: Goodwill	16,192	16,150	17,462
Intangible assets	2,890	2,901	2,968
Add: Deferred tax liability — tax deductible goodwill	1,187	1,181	1,184
Deferred tax liability — intangible assets	660	660	673
BNY Mellon tangible common shareholders' equity at period end — Non-GAAP	\$ 18,561	\$ 18,686	\$ 18,388
Period-end common shares outstanding (in thousands)	789,134	808,445	807,798
Book value per common share — GAAP	\$ 45.36	\$ 44.40	\$ 45.76
Tangible book value per common share — Non-GAAP	\$ 23.52	\$ 23.11	\$ 22.76

Pre-tax Operating Margin Reconciliation – Investment and Wealth Management Segment

\$mm

	1Q23	4Q22	1Q22
Income before income taxes — GAAP	\$ 93	\$ 125	\$ 212
Total revenue — GAAP	\$ 827	\$ 825	\$ 964
Less: Distribution and servicing expense	86	87	79
Adjusted total revenue, net of distribution and servicing expense — Non-GAAP	\$ 741	\$ 738	\$ 885
Pre-tax operating margin — GAAP ^(a)	11%	15%	22%
Adjusted pre-tax operating margin, net of distribution and servicing expense — Non-GAAP ^(a)	13%	17%	24%

Diluted Earnings per Share Reconciliation – Impact of Notable Items

	1Q23	1Q22	1Q23 vs. 1Q22
Diluted earnings per common share — GAAP	\$ 1.12	\$ 0.86	30 %
Impact of notable items ^(b)	(0.01)	(0.08)	
Diluted earnings per common share, ex-notables — Non-GAAP	\$ 1.13	\$ 0.94	20%

(a) Income before income taxes divided by total revenue.

(b) Notable items in 1Q23 reflect litigation reserves and a disposal loss (reflected in investment and other revenue). Notable item in 1Q22 reflects the accelerated amortization of deferred costs for depositary receipts services related to Russia.

Cautionary Statement

A number of statements in The Bank of New York Mellon Corporation's (the "Corporation") presentations, the accompanying slides and the responses to your questions are "forward-looking statements." Words such as "estimate," "forecast," "project," "anticipate," "likely," "target," "expect," "intend," "continue," "seek," "believe," "plan," "goal," "could," "should," "would," "may," "might," "will," "strategy," "synergies," "opportunities," "trends," "ambition," "objective," "aim," "future," "potentially," "outlook" and words of similar meaning may signify forward-looking statements. These statements relate to, among other things, the Corporation's expectations regarding: capital plans including repurchases, strategic priorities, financial goals, organic growth, performance, organizational quality and efficiency, investments, including in technology and product development, capabilities, resiliency, revenue, net interest revenue, fees, expenses, cost discipline, sustainable growth, currency fluctuations, innovation in products and services, company management, human capital management (including related ambitions, objectives, aims and goals), deposits, interest rates and yield curves, securities portfolio, taxes, business opportunities, divestments, volatility, preliminary business metrics and regulatory capital ratios and statements regarding the Corporation's aspirations, as well as the Corporation's overall plans, strategies, goals, objectives, expectations, outlooks, estimates, intentions, targets, opportunities, focus and initiatives, including the potential effects of the coronavirus pandemic on any of the foregoing. 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 a number of factors, including, but not limited to, those discussed in "Risk Factors" in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Annual Report") and in other filings of the Corporation with the Securities and Exchange Commission (the "SEC"). Statements about the effects of the current and near-term market and macroeconomic outlook on the Corporation, including on its business, operations, financial performance and prospects, may constitute forward-looking statements, and 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), including geopolitical risks (including those related to Russia's invasion of Ukraine). The timing, manner and amount of repurchases is subject to various factors, including our capital position, capital deployment opportunities, prevailing market conditions, legal and regulatory considerations, and our outlook for the economic environment. Preliminary business metrics and regulatory capital ratios are subject to change, possibly materially, as the Corporation completes its Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. All forward-looking statements speak only as of April 18, 2023, 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 certain 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 the Corporation's management monitors financial performance. Additional disclosures relating to non-GAAP measures are contained in the Corporation's reports filed with the SEC, including the 2022 Annual Report, the first quarter 2023 earnings release and the first quarter 2023 financial supplement, and are available at www.bnymellon.com/investorrelations.