

# 2019 Annual Meeting of Stockholders

April 9, 2019

## Investment Services

**\$12.3B**  
Revenue

Asset Servicing  
Pershing  
Issuer Services  
Markets  
Clearance and Collateral  
Treasury Services

**\$4.2B**  
Pre-tax Income

## Investment Management

**\$4.1B**  
Revenue

Asset Management  
Wealth Management

**\$1.3B**  
Pre-tax Income

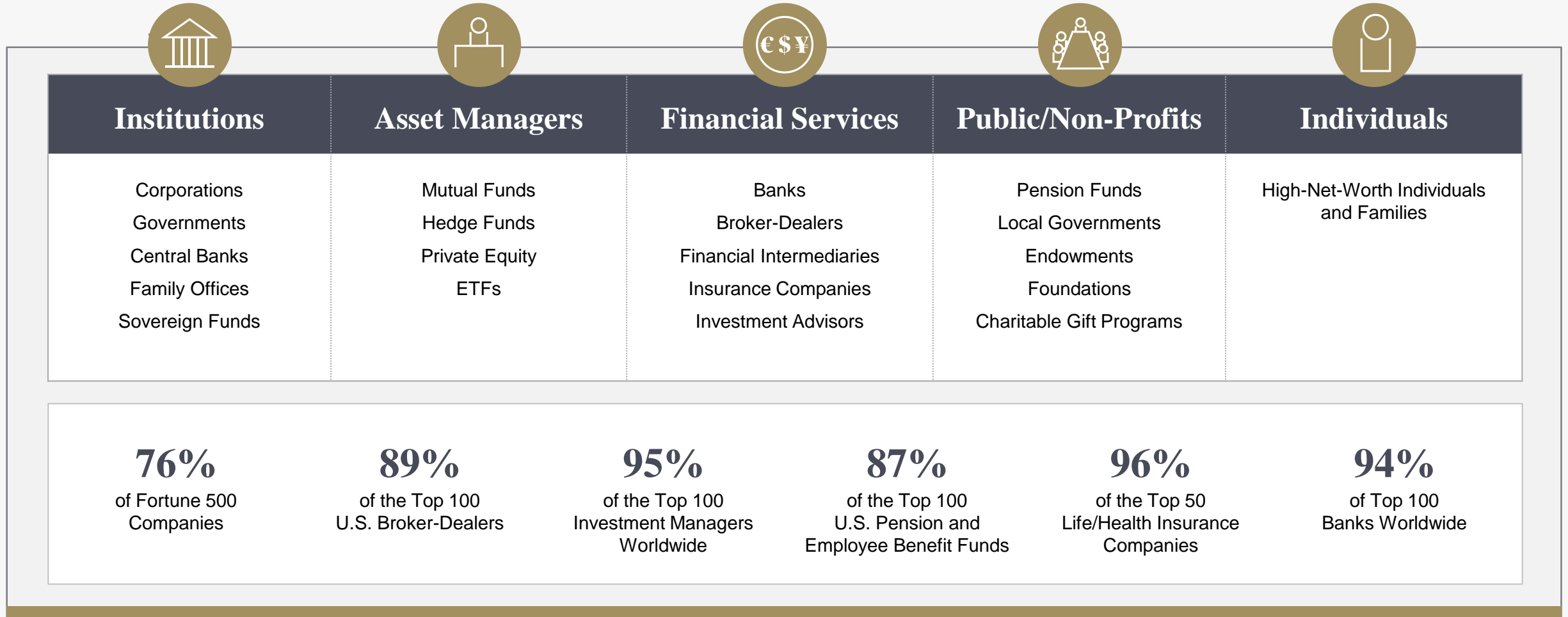
- Services business
- Technology driven

- Diversified global asset manager
- Broad range of investment strategies
- 8 specialized managers
- Leading positions in specialized asset management – LDI, Cash, Fixed Income
- Strong wealth management business with a comprehensive offering

Full range of institutional services, clearance, cash management and global payments services			Institutional and retail investment management	Wealth management for individuals, families and endowments / foundations
<b>\$33.1 trillion AUC/A</b> World's largest custodian	<b>~7 million</b> global investor accounts at Pershing with over <b>\$1.7 trillion</b> under custody and/or administration	<b>&gt;\$24 trillion</b> Assets on data management platform <b>\$1.7 trillion</b> Average USD cleared per day	<b>\$1.7 trillion AUM</b> 7 <sup>th</sup> Largest asset manager <b>\$1.5 trillion AUM (institutional)</b> 4 <sup>th</sup> Largest institutional money manager	<b>\$239 billion</b> Total private client assets <b>11<sup>th</sup> largest</b> U.S wealth manager

NOTE: Revenue and pre-tax income metrics for Investment Services and Investment Management reflect the full year 2018. Revenue metrics exclude the Other segment.

# Serving the world's clients through leading capabilities



NOTE: See Appendix for additional information regarding rankings.

# 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



- Prudent credit risk business model
- Robust liquidity profile
- >22% ROTCE<sup>1</sup>

## Strong EPS Growth



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

1. ROTCE represents the Return on Tangible Common Shareholders' Equity, a Non-GAAP measure, excludes goodwill and intangible assets, net of deferred tax liabilities. See Appendix for a reconciliation.

# 2018 Financial Performance

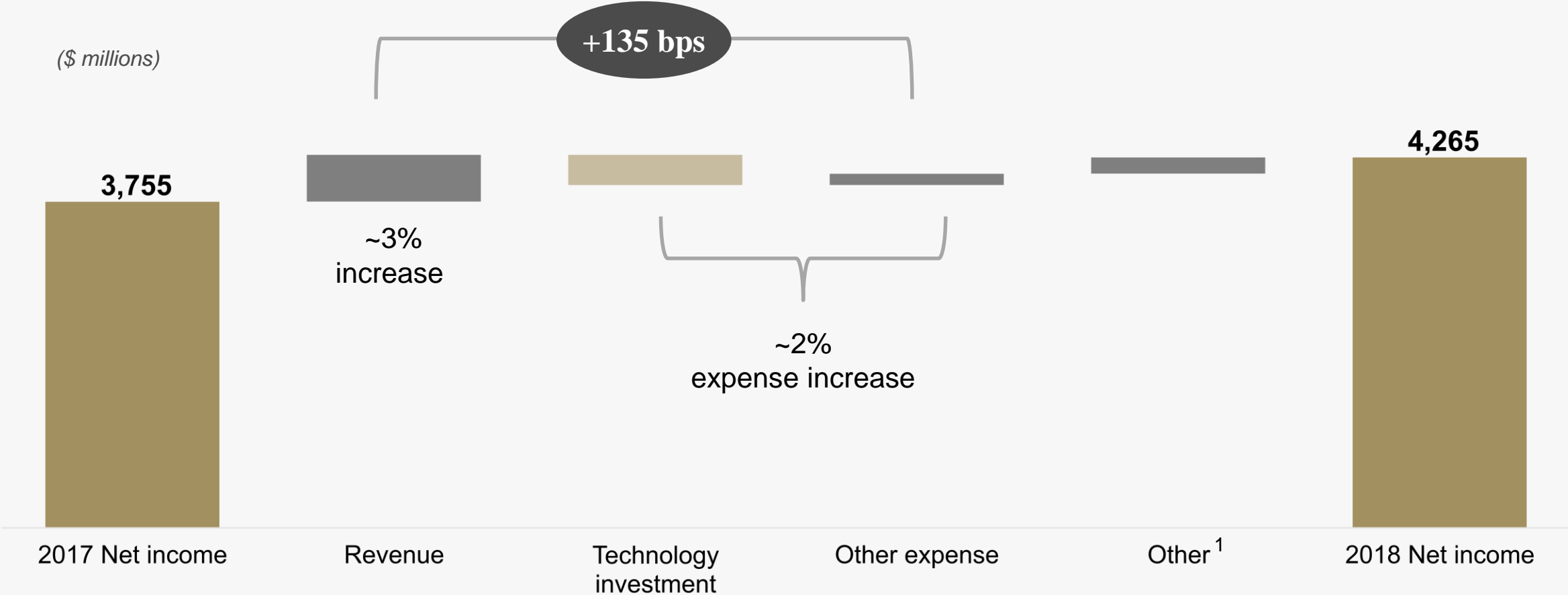
\$ in billions, except EPS	2018 Reported	Impact of 2018 Notable Items	2018 Operating <sup>1</sup>	2018 vs. 2017 Operating <sup>2</sup>
<b>Revenue</b>	\$16.4	-	\$16.4	3%
<b>Expense</b>	\$11.2	(\$0.3)	\$10.9	2%
<b>Net Income</b>	\$4.1	\$0.2	\$4.3	14%
<b>Operating Margin</b>	32%	2%	34%	79bps
<b>EPS</b>	\$4.04	\$0.17	\$4.21	18%

NOTE: May not foot due to rounding.

1. Reflects 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](http://www.bnymellon.com/investorrelations).

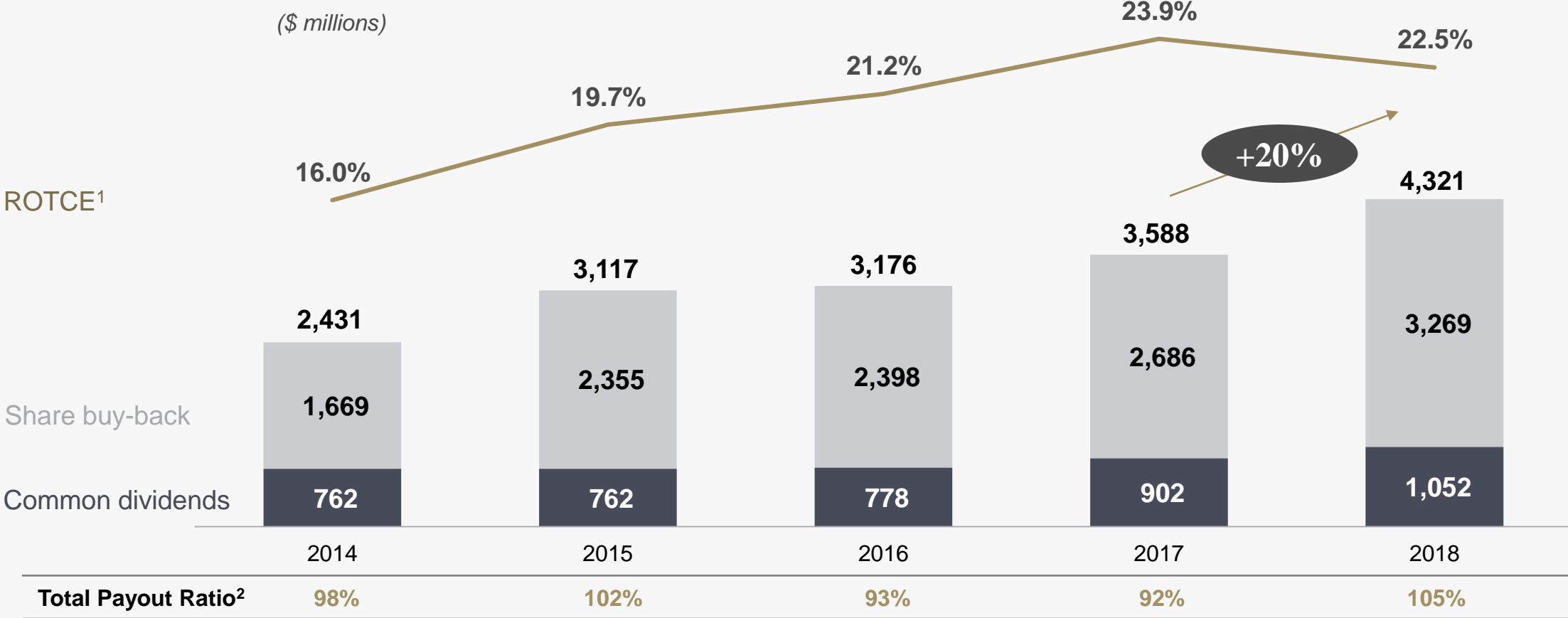
2. Calculation is based off of operating results for full years 2018 and 2017.

# Generating positive operating leverage



NOTE: The above reflects 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](http://www.bnymellon.com/investorrelations).  
 1. Other includes the changes in the following: provision for income tax, preferred stock dividend and income taxes.

# Returning majority of generated capital to shareholders



1. ROTCE represents the Return on Tangible Common Shareholders' Equity, a Non-GAAP measure, excludes goodwill and intangible assets, net of deferred tax liabilities. See Appendix for a reconciliation.  
 2. Total payout ratio excludes preferred dividends.

# Delivering progress on our priorities

<p><b>Asset Servicing and Markets</b></p> <ul style="list-style-type: none"> <li>• Alliance with BlackRock Solutions</li> <li>• Focused investments in servicing capabilities for alternative managers             <ul style="list-style-type: none"> <li>• Real estate</li> <li>• Credit managers</li> <li>• Private equity</li> </ul> </li> <li>• Formed new team to build data business</li> <li>• Expanded foreign exchange and securities lending options</li> </ul>	<p><b>Pershing</b></p> <ul style="list-style-type: none"> <li>• Strong demand for offering in U.S. and UK</li> <li>• Accelerating investments in RIA servicing</li> </ul>
	<p><b>Issuer Services</b></p> <ul style="list-style-type: none"> <li>• Launching new platform for CLO and traditional loan products as well as improved client reporting</li> <li>• Added new sales and relationship management</li> </ul>
	<p><b>Clearance &amp; Collateral Management</b></p> <ul style="list-style-type: none"> <li>• Extending collateral optimization services</li> <li>• Completed conversion of new government clearing clients</li> </ul>
	<p><b>Treasury Services</b></p> <ul style="list-style-type: none"> <li>• New leadership</li> <li>• Focus on growing high-margin payment, FX and associated liability deposits from target clients globally</li> </ul>
	<p><b>Investment Management</b></p> <ul style="list-style-type: none"> <li>• Consolidating in North America to create multi-asset capabilities through Mellon</li> <li>• Investing in thematic, passives, alternatives, smart beta and LDI</li> <li>• New leadership in Wealth Management</li> <li>• Investing in goals-based advice tools and digital capabilities</li> </ul>



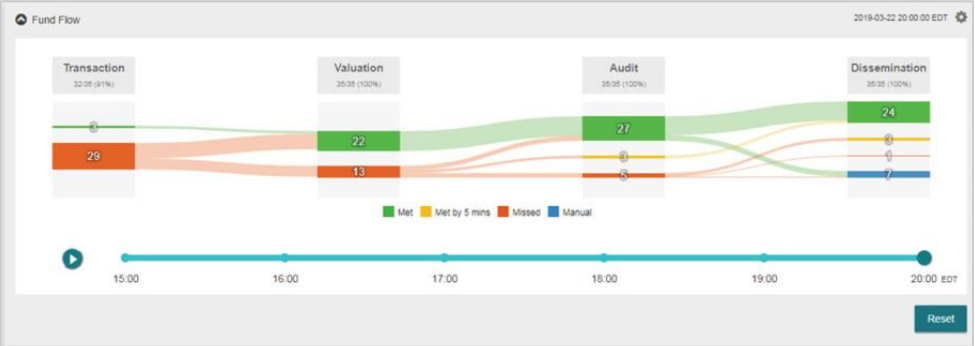
# Announcing a new alliance: BNY Mellon and BlackRock Solutions



# Analytics tools and improved workflows to build new competitive advantages for asset managers

## NAV Construction

See the steps of the NAV process so clients can track funds through the various events in their lifecycle and proactively address issues. Get a clearer picture of every move a fund makes.



## Custody Activity

Review transactions with an enhanced level of detail and accuracy, viewing by account, date, asset type, location, type, or status. Clients can even search for a particular security, currency or reference number and produce summaries and reports with unparalleled specificity.

The screenshot shows a table of custody activity with columns for Account, Account No., Transaction Type, ISIN, Security Name, Status, Transaction Narrat..., Trade Date, Settle D..., and Units. The table is powered by BNY MELLON. The first two rows show transactions for a Demo Account.

Account	Account No.	Transaction Type	ISIN	Security Name	Status	Transaction Narrat...	Trade Date	Settle D...	Units
457123	Demo Account	Security Deposit	US9128280617	UNITED STATES TREAS NTS 1.5 30NOV19	FAIL	AWAITING SECURITE...	3/21/2019	3/21/2019	-2,500,000.0000
457123	Demo Account	Sell	US9128280617	UNITED STATES TREAS NTS 1.5 30NOV19	FAIL	INSUFFICIENT SECU...	3/20/2019	3/21/2019	-1,850,000.0000

# In closing

- ✓ Sustainable and unique franchise with **scale and global diversification**
- ✓ Maintaining a **low-risk profile**
- ✓ **Progressing** on our strategic priorities
- ✓ **Investing** in the future while also **increasing operating margins**
- ✓ Maintaining our **shareholder friendly capital return** (subject to approvals)



BNY MELLON

# 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: our risk profile, performance, capital plans, investments, strategic priorities, financial goals, client experience and revenue growth; and statements regarding the Corporation's aspirations, as well as the Corporation’s overall plans, strategies, goals, objectives, expectations, outlooks, estimates, intentions, targets, opportunities and initiatives. These forward-looking statements are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond the Corporation’s control).
- Actual outcomes may differ materially from those expressed or implied as a result of the factors described under “Forward Looking Statements” and “Risk Factors” in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2018 (the “2018 Annual Report”) and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”). Such forward-looking statements speak only as of April 9, 2019, and the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events. For additional information regarding the Corporation, please refer to the Corporation's SEC filings available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).
- Non-GAAP Measures: In this presentation we discuss some non-GAAP measures in detailing the Corporation’s performance, which exclude certain items or otherwise include components that differ from GAAP. We believe these measures are useful to the investment community in analyzing the financial results and trends of ongoing operations. We believe they facilitate comparisons with prior periods and reflect the principal basis on which our management monitors financial performance. Additional disclosures relating to non-GAAP measures are contained in the Corporation’s reports filed with the SEC, including the 2018 Annual Report, and are available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

# Appendix

# Disclosures

Slide 3:

BNY Mellon client data as of December 2018

Willis Towers Watson, October 30, 2018. Based on discretionary assets under management at the end of 2017; does not include saving/current accounts or assets unrelated to investment business, money market funds, advisory portfolios, or transactional assets. Analysis based on data supplied by third parties in U.S. dollars

Investment Managers, Pensions and Employee Benefits: Pensions & Investments, P&I Crain Communications Inc. ©2019

Barron's, "America's Top 40 Wealth Management Firms," September 24, 2018. Ranked by submitted assets under management

Slide 4:

Fortune 500: Fortune, Time Inc. ©2018

Broker-Dealers: Investment News, InvestmentNews LLC ©2019

Investment Managers, Pensions and Employee Benefits: Pensions & Investments, P&I Crain Communications Inc. ©2019

Life and Health Insurance Companies: A.M. Best, A.M. Best Company, Inc. ©2019

Banks: relbanks.com, Relbanks.com ©2011-2018

# Revenue, expense and pre-tax operating margin reconciliation

(\$MM)	2018	2017	Growth vs. 2017
<b>Total revenue – GAAP</b>	<b>\$16,392</b>	<b>\$15,543</b>	<b>5%</b>
Exclude the impact of notable items (a)(b)	(13)	(320)	
<b>Total revenue, excluding notable items – Non-GAAP</b>	<b>\$16,405</b>	<b>\$15,863</b>	<b>3%</b>
<b>Total noninterest expense – GAAP</b>	<b>\$11,211</b>	<b>\$10,957</b>	<b>2%</b>
Exclude the impact of notable items (a)(b)	343	309	
<b>Total noninterest expense, excluding notable items – Non-GAAP</b>	<b>\$10,868</b>	<b>\$10,648</b>	<b>2%</b>
<b>Income before income taxes—GAAP</b>	<b>\$5,192</b>	<b>\$4,610</b>	<b>13%</b>
Exclude the impact of notable items (a)(b)			
Total revenue	(13)	(320)	
Total noninterest expense	343	309	
<b>Income before taxes, excluding notable items - Non-GAAP</b>	<b>\$5,548</b>	<b>\$5,239</b>	<b>6%</b>
Pre-tax operating margin – GAAP (c)	32%	30%	
<b>Pre-tax operating margin, excluding notable items – Non-GAAP (c)</b>	<b>34%</b>	<b>33%</b>	

NOTE: Pre-tax operating margin reflects income before taxes divided by total revenue. (a) 2018 includes adjustments to provisional estimates for U.S. tax legislation and other changes, severance, expenses associated with consolidating real estate and litigation expense, each recorded in 4Q18. Also includes expenses associated with consolidating real estate recorded in 2Q18 and adjustments to provisional estimates for U.S. tax legislation and other changes and litigation expense, both recorded in 3Q18. (b) 2017 includes the estimated net benefit of U.S. tax legislation, severance, an asset impairment and investment securities losses related to the sale of certain securities, each recorded in 4Q17, and litigation expense recorded in 2017. (c) Income before taxes divided by total revenue.



# Net income and EPS reconciliation

(\$MM)	2018		2017		2018 vs. 2017	
	Results	Diluted EPS	Results	Diluted EPS	Results	Diluted EPS
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	<b>\$4,097</b>	<b>\$4.04</b>	\$3,915	\$3.72	<b>5%</b>	<b>9%</b>
Exclude the impact of notable items: (a)(b)						
Total revenue	(13)		(320)			
Total noninterest expense	343		309			
Provision for income taxes	(188)		(789)			
Net impact of notable items	<b>(168)</b>	<b>(0.17)</b>	160	0.15		
Net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding notable items – Non-GAAP	<b>\$4,265</b>	<b>\$4.21</b>	\$3,755	\$3.57	<b>14%</b>	<b>18%</b>

(a) 2018 includes adjustments to provisional estimates for U.S. tax legislation and other changes, severance, expenses associated with consolidating real estate and litigation expense, each recorded in 4Q18. Also includes expenses associated with consolidating real estate recorded in 2Q18 and adjustments to provisional estimates for U.S. tax legislation and other changes and litigation expense, both recorded in 3Q18.

(b) 2017 includes the estimated net benefit of U.S. tax legislation, severance, an asset impairment and investment securities losses related to the sale of certain securities, each recorded in 4Q17, and litigation expense recorded in 2017.

# Return on common equity and tangible common equity reconciliation

(\$MM)	2018	2017	2016	2015	2014
Net income applicable to common shareholders of The Bank of New York Mellon Corporation—GAAP	\$4,097	\$3,915	\$3,425	\$3,053	\$2,494
Add: Amortization of intangible assets	180	209	237	261	298
Less: Tax impact of amortization of intangible assets	42	72	81	89	104
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets—Non-GAAP	\$4,235	\$4,052	\$3,581	3,225	2,688
Average common shareholders' equity	\$37,818	\$36,145	\$35,504	\$35,564	\$36,618
Less: Average goodwill	17,458	17,441	17,497	17,731	18,063
Average intangible assets	3,314	3,508	3,737	3,992	4,305
Add: Deferred tax liability—tax deductible goodwill (a)	1,072	1,034	1,497	1,401	1,340
Deferred tax liability—intangible assets (a)	692	718	1,105	1,148	1,216
Average tangible common shareholders' equity – Non-GAAP	\$18,810	\$16,948	\$16,872	\$16,390	\$16,806
Return on common shareholders' equity – GAAP	10.8%	10.8%	9.6%	8.6%	6.8%
Return on tangible common shareholders' equity—Non-GAAP	22.5%	23.9%	21.2%	19.7%	16.0%

(a) Deferred tax liabilities are based on fully phased-in U.S. capital rules

# Definitions

## Acronym

## Definition

**AUC/A**

Assets under custody and/or administration

**AUM**

Assets under management

**CLO**

Collateralized loan obligation

**EPS**

Earnings per share

**ETF**

Exchange-traded fund

**GAAP**

Generally accepted accounting principles

**LDI**

Liability-driven investment

**RIA**

Registered independent advisor

**ROTCE**

Return on tangible common shareholders' equity



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