



BNY MELLON

BNY Mellon

**Fourth Quarter 2015
Financial Highlights**

January 21, 2016



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: strategic priorities, financial goals, business improvement process, capital plans, 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, 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 results 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, 2014 (the “2014 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 January 21, 2016, 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.

Non-GAAP Measures: In this presentation we may 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 adjusted measures are contained in the Corporation’s reports filed with the SEC, including the 2014 Annual Report and the Corporation’s Earnings Release for the quarter ended December 31, 2015, included as an exhibit to our Current Report on Form 8-K filed on January 21, 2016 (the “Earnings Release”), available at www.bnymellon.com/investorrelations.

Fourth Quarter and Full-Year 2015 Financial Highlights

4Q15 (4Q15 vs. 4Q14)

- Earnings per common share of \$0.57, including:
 - \$0.11 per common share for the previously disclosed impairment charge related to a recent court decision, litigation and restructuring charges
 - Earnings per common share +17% on an adjusted basis¹
- Generated more than 300 bps of positive operating leverage on an adjusted basis¹
 - Total revenue +2% on an adjusted basis¹
 - Net interest revenue +7%
 - Total noninterest expense (2%) on an adjusted basis¹
- Executing on capital plan and return of value to common shareholders
 - Repurchased 10.1 million common shares for \$431 million
 - Return on tangible common equity¹ of 16%; 19% on an adjusted basis¹

FY 2015 (FY 2015 vs. FY 2014)

- Earnings per common share of \$2.71, including:
 - \$0.14 per common share for the previously disclosed impairment charge related to a recent court decision, litigation and restructuring charges
 - Earnings per common share +19% on an adjusted basis¹
- Generated more than 400 bps of positive operating leverage on an adjusted basis¹
- \$1,191 billion of estimated AUC/A new business wins
- \$3.1 billion of value returned to shareholders in the form of common stock dividends and share repurchases
- Return on tangible common equity¹ of 20%; 21% on an adjusted basis¹

¹ Represents a Non-GAAP measure. See Appendix for reconciliations. Additional disclosures regarding these measures and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: Pre-tax operating leverage is the rate of increase in total revenue less the rate of increase in total noninterest expense.

bps - basis points

Fourth Quarter 2015 Key Messages

- Executing on our strategic priorities; delivering on our three-year financial goals set at our 2014 Investor Day
- Focused on enhancing the client experience
 - Deepening existing client relationships and selectively adding new business
- Continued progress on our Business Improvement Process from investments to leverage scale, increase efficiency and effectiveness, and reduce risk and structural costs
- Continue to return significant value to shareholders through share repurchases and dividends

Fourth Quarter 2015 Key Performance Drivers

- Earnings per common share of \$0.68, +17% on an adjusted basis¹, driven by growth in Global Collateral Services and Broker-Dealer Services; Net Interest Revenue/Net Interest Margin driven by strategic balance sheet management; growth in Corporate Trust and securities lending; and expense control
- Investment management and performance fees (2%); on a constant currency basis (Non-GAAP)¹ +1%, driven by lower money market fee waivers and higher performance fees, partially offset by net outflows and lower market values
- Investment services fees were flat reflecting growth in the Global Collateral Services and Broker-Dealer Services and higher securities lending revenue, offset by lost business in clearing services due primarily to industry consolidations and the unfavorable impact of a stronger U.S. dollar
- Market-sensitive revenue driven by strategic balance sheet management and securities lending revenue growth
 - Foreign Exchange was flat reflecting lower volumes in standing instruction programs and lower volatility, offset by higher volumes in other trading programs and the impact of hedging activity for foreign currency placements
 - Securities Lending +24% driven by volume
 - Net Interest Revenue +\$48 million driven by higher yields, the shift out of cash into securities and loans and lower interest expense on deposits
- Provision for credit losses was \$163 million in 4Q15 reflecting the impairment charge related to a recent court decision versus a provision of \$1 million in 4Q14
- Noninterest expense on an adjusted basis¹ (2%) driven by lower expenses in nearly all categories, reflecting the favorable impact of a stronger U.S. dollar, offset by higher compensation and employee benefits expenses. The increase in compensation expenses primarily related to severance in support of our Business Improvement Process
- Effective tax rate of 20.1% in 4Q15. The rate is approximately 3% lower primarily due to the impact of the impairment charge and a 2% benefit from a more favorable geographic mix of earnings and higher tax-exempt income

¹ Represents a Non-GAAP measure. See Appendix for reconciliations. Additional disclosures regarding these measures and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: All comparisons are 4Q15 versus 4Q14.

Summary Financial Results for Fourth Quarter 2015

\$ in millions, except per share data	4Q15	3Q15	4Q14	Growth vs.	
				3Q15	4Q14
Revenue	\$ 3,726	\$ 3,790	\$ 3,689	(2)%	1 %
Expenses	\$ 2,692	\$ 2,680	\$ 3,524	— %	(24)%
Income before income taxes	\$ 871	\$ 1,109	\$ 164	(21)%	N/M
<i>Pre-tax operating margin</i>	23 %	29 %	4 %		
EPS	\$ 0.57	\$ 0.74	\$ 0.18	(23)%	N/M
Return on Tangible Common Equity¹	16.2%	20.8%	5.9%		

¹ Represents a Non-GAAP measure. See Appendix for reconciliation. Additional disclosures regarding this measure and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: Provision for credit losses was \$163 million in 4Q15 versus a provision of \$1 million in 4Q14 and a provision of \$1 million in 3Q15.

N/M - not meaningful

Summary Financial Results for Fourth Quarter 2015 (Non-GAAP)¹

\$ in millions, except per share data	4Q15	3Q15	4Q14	Growth vs.	
				3Q15	4Q14
Revenue	\$ 3,721	\$ 3,795	\$ 3,665	(2)%	2 %
Expenses	\$ 2,610	\$ 2,603	\$ 2,651	—%	(2)%
Operating leverage²				(222) bps	308 bps
Income before income taxes	\$ 1,118	\$ 1,191	\$ 1,013	(6)%	10 %
<i>Pre-tax operating margin</i>	30 %	31 %	28 %		
EPS	\$ 0.68	\$ 0.74	\$ 0.58	(8)%	17 %
Return on Tangible Common Equity	19.0%	21.0%	16.3%		

¹ Represents a Non-GAAP measure. See Appendix for reconciliations. Additional disclosures regarding these measures and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

² Pre-tax operating leverage is the rate of increase in total revenue less the rate of increase in total noninterest expense. The year-over-year pre-tax operating leverage (Non-GAAP) was based on growth in total revenue, as adjusted (Non-GAAP), of 153 basis points, and a decrease in total noninterest expense, as adjusted (Non-GAAP), of 155 basis points. The sequential operating leverage (Non-GAAP) was based on decline in total revenue, as adjusted (Non-GAAP), of 195 basis points, and an increase in total noninterest expense, as adjusted (Non-GAAP), of 27 basis points.
bps - basis points

Full-Year 2015 Key Performance Drivers

- Earnings per common share of \$2.85, +19% on an adjusted basis¹ driven by growth in Asset Servicing (Global Collateral Services/Broker-Dealer Services), Clearing Services, market-sensitive revenues and continued focus on our Business Improvement Process
- Investment management and performance fees (2%); on a constant currency basis (Non-GAAP)¹ +3%, reflecting lower money market fee waivers, strategic initiatives and higher market values, partially offset by net outflows and lower performance fees
- Investment services fees +2% reflecting net new business and organic growth, primarily in Global Collateral Services, Broker-Dealer Services and Asset Servicing and higher Clearing Services revenue
- Market-sensitive revenue driven by volume, volatility and rates
 - Foreign Exchange +29% driven by higher volatility and volumes
 - Securities Lending +11% driven by higher volumes, balances and spreads
 - Net Interest Revenue +5% driven by strategic balance sheet management
- Provision for credit losses was \$160 million in 2015 versus a credit of \$48 million in 2014
- Noninterest expense on an adjusted basis¹ (2%) primarily reflecting the favorable impact of a stronger U.S. dollar and the continued benefit of the Business Improvement Process
- Total payout ratio of 102%, or 97% on an adjusted basis¹

¹ Represents a Non-GAAP measure. See Appendix for reconciliations. Additional disclosures regarding these measures and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: All comparisons are 2015 versus 2014.

Summary Financial Results for Full-Year 2015

<i>\$ in millions, except per share data</i>	FY 2015		FY 2014		Growth vs.
					FY 2014
Revenue	\$	15,194	\$	15,692	(3)%
Expenses	\$	10,799	\$	12,177	(11)%
Income before income taxes	\$	4,235	\$	3,563	19 %
<i>Pre-tax operating margin</i>		28 %		23 %	
EPS		\$2.71		\$2.15	26 %
Return on Tangible Common Equity¹		19.7%		16.0%	

¹ Represents a Non-GAAP measure. See Appendix for reconciliation. Additional disclosures regarding this measure and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: Provision for credit losses was \$160 million in 2015 and a credit of \$48 million in 2014.

Summary Financial Results for Full-Year 2015 (Non-GAAP)¹

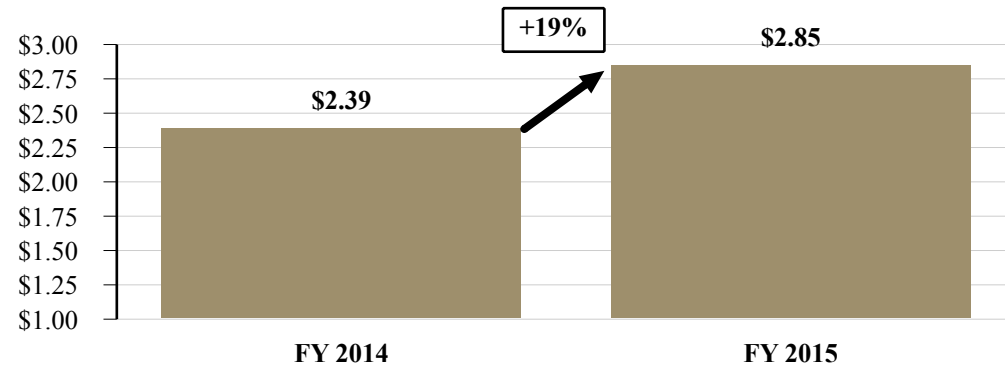
\$ in millions, except per share data	FY 2015		FY 2014		Growth vs.
					FY 2014
Revenue	\$	15,126	\$	14,772	2 %
Expenses	\$	10,453	\$	10,645	(2)%
Operating leverage²					420 bps
Income before income taxes	\$	4,683	\$	4,175	12 %
<i>Pre-tax operating margin</i>		31 %		28 %	
EPS		\$2.85		\$2.39	19 %
Return on Tangible Common Equity¹		20.7%		17.6%	

¹ Represents a Non-GAAP measure. See Appendix for reconciliation. Additional disclosures regarding this measure and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

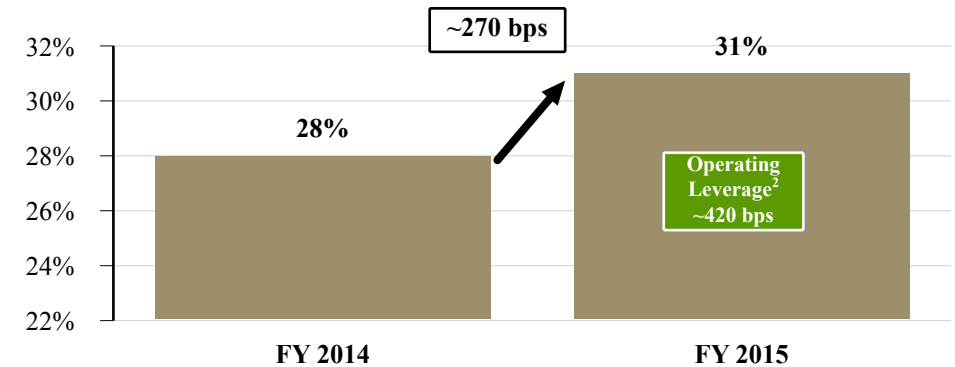
² Pre-tax operating leverage is the rate of increase in total revenue less the rate of increase in total noninterest expense. The year-over-year pre-tax operating leverage (Non-GAAP) was based on growth in total revenue, as adjusted (Non-GAAP), of 240 basis points, and a decrease in total noninterest expense, as adjusted (Non-GAAP), of 180 basis points.

2015 Full-Year Performance (Non-GAAP)¹

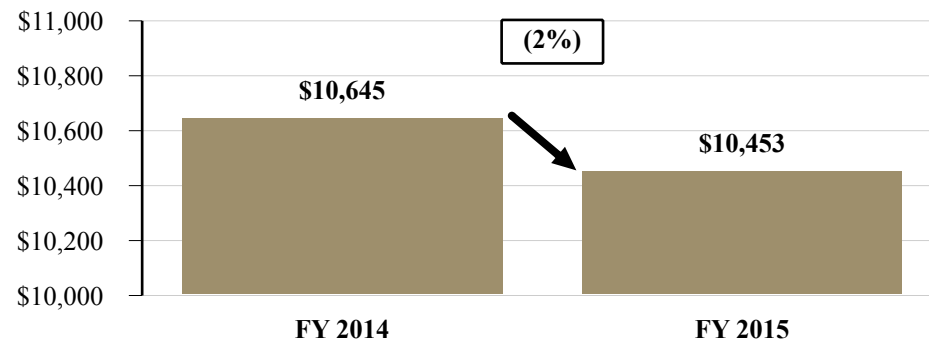
Earnings Per Share



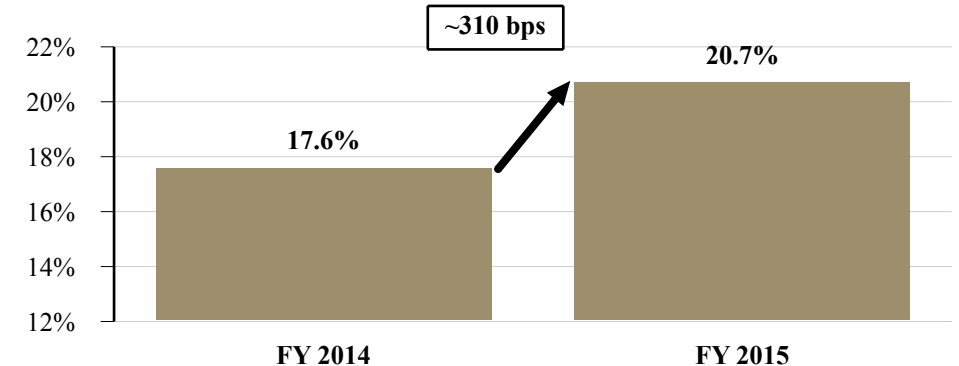
Pre-Tax Operating Margin



Noninterest Expense (\$ in millions)



Return on Tangible Common Equity



¹ Represents a Non-GAAP measure. See Appendix for reconciliation. Additional disclosures regarding this measure and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

² Pre-tax operating leverage is the rate of increase in total revenue less the rate of increase in total noninterest expense. The year-over-year pre-tax operating leverage (Non-GAAP) was based on growth in total revenue, as adjusted (Non-GAAP), of 240 basis points, and a decrease in total noninterest expense, as adjusted (Non-GAAP), of 180 basis points.

Fee and Other Revenue (Consolidated)

(\$ in millions)	4Q15	Growth vs.		Year-over-Year Drivers
		3Q15	4Q14	
Investment services fees:				
Asset servicing ¹	\$ 1,032	(2)%	1%	<u>Asset Servicing</u> • Growth in Global Collateral Services and Broker-Dealer Services and higher securities lending revenue, partially offset by the unfavorable impact of a stronger U.S. dollar
Clearing services	339	(2)	(2)	<u>Clearing Services</u> • Primarily reflects lost business due to industry consolidations
Issuer services	199	(36)	3	<u>Issuer Services</u> • Net new business and lower money market fee waivers in Corporate Trust, partially offset by the unfavorable impact of a stronger U.S. dollar in Corporate Trust
Treasury services	137	—	(6)	<u>Treasury Services</u> • Higher compensating balance credits provided to clients and lower volumes
Total investment services fees	1,707	(8)	—	<u>Investment Management and Performance Fees</u> • +1% on a constant currency basis (Non-GAAP) ² , reflecting lower money market fee waivers and higher performance fees, partially offset by net outflows and lower market values
Investment management and performance fees	864	4	(2)	<u>Foreign Exchange & Other Trading Revenue</u> • FX revenue of \$165MM - Lower volumes in standing instruction programs and lower volatility, were offset by higher volumes in other trading programs and the impact of hedging activity for foreign currency placements. Other trading revenue increased primarily reflecting the losses on hedging activities within one of the Investment Management boutiques recorded in 4Q14
Foreign exchange and other trading revenue	173	(3)	15	<u>Financing-related Fees</u> • Higher fees related to secured intraday credit provided to dealers in connection with their tri-party repo activity
Financing-related fees	51	(28)	19	<u>Investment and other income</u> • Higher other income related to termination fees in our clearing business and seed capital gains, partially offset by lower asset-related gains and lease residual losses
Distribution and servicing	41	—	(5)	
Total fee revenue excluding investment and other income	2,836	(5)	—	
Investment and other income	93	58	19	
Total fee revenue	2,929	(3)	1	
Net securities gains	21	N/M	N/M	
Total fee and other revenue	\$ 2,950	(3)%	1%	

¹ Asset servicing fees include securities lending revenue of \$46 million in 4Q15, \$37 million in 4Q14, and \$38 million in 3Q15.

² Represents a Non-GAAP measure. See Appendix for reconciliations. Additional disclosures regarding these measures and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: Please reference earnings release for quarter-over-quarter variance explanations.

N/M - not meaningful

Investment Management Metrics

Change in Assets Under Management (AUM) ¹	4Q15	FY 2015	Growth vs.	
			3Q15	4Q14
<i>\$ in billions</i>				
Beginning balance of AUM	\$1,625	\$1,686		
Net inflows (outflows):				
Long-Term:				
Equity	(9)	(31)		
Fixed income	1	(1)		
Index	(16)	(27)		
Liability-driven investments ²	11	35		
Alternative investments	2	7		
Total long-term inflows (outflows)	(11)	(17)		
Short-term:				
Cash	2	(18)		
Total net inflows (outflows)	(9)	(35)		
Net market/currency impact/acquisition	9	(26)		
Ending balance of AUM ³	\$1,625	\$1,625	—%	(4)%

Average balances:	4Q15	Growth vs.	
		3Q15	4Q14
<i>\$ in millions</i>			
Average loans	\$ 13,447	5%	21%
Average deposits	\$ 15,497	1%	6%

¹ Excludes securities lending cash management assets and assets managed in the Investment Services business. In 3Q15, prior period AUM was restated to reflect the reclassification of Meriten from the Investment Management business to the Other segment.

² Includes currency overlay assets under management.

³ Preliminary.

Investment Services Metrics

	4Q15	Growth vs.	
		3Q15	4Q14
Assets under custody and/or administration at period end (<i>trillions</i>) ^{1,2}	\$ 28.9	1 %	1 %
Estimated new business wins (AUC/A) (<i>billions</i>) ²	\$ 49		
Market value of securities on loan at period end (<i>billions</i>) ³	\$ 277	(4)%	(4)%
Average loans (<i>millions</i>)	\$ 36,960	(3)%	4 %
Average deposits (<i>millions</i>)	\$ 226,774	(1)%	(1)%
<u>Broker-Dealer</u>			
Average tri-party repo balances (<i>billions</i>)	\$ 2,153	1 %	2 %
<u>Clearing Services</u>			
Global DARTS volume (<i>thousands</i>)	230	(7)%	(5)%
Average active clearing accounts (U.S. platform) (<i>thousands</i>)	5,959	(2)%	1 %
Average long-term mutual fund assets (U.S. platform) (<i>millions</i>)	\$ 437,260	(2)%	(3)%
<u>Depository Receipts</u>			
Number of sponsored programs	1,145	(3)%	(10)%

¹ Includes the AUC/A of CIBC Mellon of \$1.0 trillion at Dec. 31, 2015 and Sept. 30, 2015, \$1.1 trillion at Dec. 31, 2014.

² Preliminary.

³ Represents the total amount of securities on loan managed by the Investment Services business. Excludes securities for which BNY Mellon acts as agent on behalf of CIBC Mellon clients, which totaled \$55 billion at Dec. 31, 2015, \$61 billion at Sept. 30, 2015 and \$65 billion at Dec. 31, 2014.

Net Interest Revenue

(\$ in millions)	4Q15	Growth vs.		Year-over-Year Drivers
		3Q15	4Q14	
Net interest revenue (non-FTE)	\$ 760	— %	7 %	<u>Net Interest Revenue</u> <ul style="list-style-type: none"> • Higher yields <ul style="list-style-type: none"> • Shift out of cash into securities and loans • Lower interest expense on deposits
Net interest revenue (FTE) - Non-GAAP	774	—	7	
Net interest margin (FTE)	0.99%	1 bps	8 bps	
<u>Selected Average Balances:</u>				
Cash/interbank investments	\$ 128,328	(1)%	(9)%	
Trading account securities	2,786	2	(29)	
Securities	119,532	(1)	2	
Loans	61,964	—	9	
Interest-earning assets	312,610	(1)	(2)	
Interest-bearing deposits	160,334	(6)	(2)	
Noninterest-bearing deposits	85,878	1	1	

Note: Please reference earnings release for quarter-over-quarter variance explanations.

FTE – fully taxable equivalent

bps – basis points

Noninterest Expense

(\$ in millions)	4Q15	Growth vs.	
		3Q15	4Q14
Staff	\$ 1,481	3%	4 %
Professional, legal and other purchased services	328	9	(16)
Software and equipment	225	—	(4)
Net occupancy	148	(3)	(1)
Distribution and servicing	92	(3)	(10)
Sub-custodian	60	(8)	(14)
Business development	75	27	—
Other	201	(25)	(5)
Amortization of intangible assets	64	(3)	(12)
M&I, litigation and restructuring charges	18	N/M	N/M
Total noninterest expense – GAAP	\$ 2,692	—%	(24)%
Total noninterest expense excluding amortization of intangible assets and M&I, litigation and restructuring charges – Non-GAAP¹	\$ 2,610	—%	(2)%
Full-time employees	51,200	(100)	900

Year-over-Year Drivers

- Staff expense increased reflecting severance expense of approximately \$55 million recorded in 4Q15 in ongoing support of our Business Improvement Process and an approximately \$30 million adjustment related to updated information received from an administrator of our health care benefits, partially offset by the impact of curtailing the U.S. pension plan.
- Other expense decreased primarily reflecting approximately \$35 million of adjustments to bank assessment charges, partially offset by higher asset-based taxes.

¹ Represents a Non-GAAP measure. See Appendix for reconciliation. Additional disclosures regarding this measure and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

Note: Please reference earnings release for quarter-over-quarter variance explanations.

N/M - not meaningful

Capital Ratios

	12/31/15	9/30/15	12/31/14	Highlights
Consolidated regulatory capital ratios:^{1,2}				
CET1 ratio	10.8%	10.5%	11.2%	<ul style="list-style-type: none"> Repurchased 10.1 million common shares for \$431 million in 4Q15; 55.6 million common shares for \$2.4 billion in FY15 In 4Q15, declared a quarterly dividend of \$0.17 per common share; \$0.68 per common share in FY15 Compliant with fully phased-in U.S. Liquidity Coverage Ratio (LCR)⁵
Tier 1 capital ratio	12.3	11.9	12.2	
Total (Tier 1 plus Tier 2) capital ratio	12.5	12.2	12.5	
Leverage capital ratio	5.9	5.9	5.6	
Selected regulatory capital ratios - fully phased-in - Non-GAAP:¹				
Estimated CET1 ratio:				
Standardized approach	10.3%	9.9%	10.6%	
Advanced approach	9.5	9.3	9.8	
Estimated supplementary leverage ratio ("SLR") ^{3,4}	4.9%	4.8%	4.4%	

Note: See corresponding footnotes on following slide.

Capital Ratio Footnotes

¹ Dec. 31, 2015 regulatory capital ratios are preliminary. See the “Capital Ratios” section in the earnings release for additional detail.

² At Dec. 31, 2015 and Sept. 30, 2015, the CET1, Tier 1 and Total risk-based consolidated regulatory capital ratios determined under the transitional Basel III Standardized Approach were 11.6%, 13.2% and 13.6%, and 11.2%, 12.7%, and 13.1%, respectively. At Dec. 31, 2014, the CET1, Tier 1 and Total risk-based consolidated regulatory capital ratios determined under the transitional Standardized Approach were 15.0%, 16.3% and 16.9%, and were calculated based on Basel III components of capital, as phased-in, and asset risk-weightings using Basel I-based requirements.

³ Please reference slide 27. See the “Capital Ratios” section in the earnings release for additional detail.

⁴ The estimated SLR on a fully phased-in basis (Non-GAAP) for our largest bank subsidiary, The Bank of New York Mellon, was 4.8% at Dec. 31, 2015 and 4.6% at Sept. 30, 2015. At Dec. 31, 2015 and Sept. 30, 2015, total Tier 1 capital was \$15,142 million and \$14,882 million, respectively, and total leverage exposure was \$316,268 million and \$322,531 million, respectively, for The Bank of New York Mellon.

⁵ The U.S. LCR rules became effective Jan. 1, 2015 and require BNY Mellon to meet an LCR of 80%, increasing annually by 10% increments until fully phased-in on Jan. 1, 2017, at which time we will be required to meet an LCR of 100%. Our estimated LCR on a consolidated basis is compliant with the fully phased-in requirements of the U.S. LCR as of Dec. 31, 2015 based on our current understanding of the U.S. LCR rules.



APPENDIX

Investment Management

(\$ in millions)	4Q15	Growth vs.	
		3Q15	4Q14
Investment management and performance fees	\$ 854	5%	(1)%
Distribution and servicing	39	5	—
Other ¹	25	N/M	N/M
Net interest revenue	84	1	22
Total Revenue	\$ 1,002	8%	2 %
Noninterest expense (ex. amortization of intangible assets)	\$ 691	3%	(3)%
Income before taxes (ex. amortization of intangible assets)	\$ 311	19%	17 %
Amortization of intangible assets	24	—%	(17)%
Income before taxes	\$ 287	21%	22 %
Pre-tax operating margin	29%	313 bps	457 bps
Adjusted pre-tax operating margin ^{2,3}	36%	229 bps	327 bps

¹ Total fee and other revenue includes the impact of the consolidated investment management funds, net of noncontrolling interests. Additionally, other revenue includes asset servicing, treasury services, foreign exchange and other trading revenue and investment and other income.

² Excludes the net negative impact of money market fee waivers, amortization of intangible assets and is net of distribution and servicing expense.

³ Represents a Non-GAAP measure. See Slide 28 for reconciliation. Additional disclosures regarding these measures and other Non-GAAP adjusted measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.

N/M - not meaningful bps – basis points

Investment Services

(\$ in millions)	4Q15	Growth vs.	
		3Q15	4Q14
Investment services fees:			
Asset servicing	\$ 1,005	(3)%	1%
Clearing services	337	(2)	(3)
Issuer services	199	(36)	3
Treasury services	135	—	(5)
Total investment services fees	\$ 1,676	(8)	—
Foreign exchange and other trading revenue	148	(16)	(10)
Other ¹	102	17	46
Net interest revenue	632	1	10
Total revenue	\$ 2,558	(6)%	3%
Noninterest expense (ex. amortization of intangible assets)	\$ 1,765	(3)	(30)
Income before taxes (ex. amortization of intangible assets)	\$ 793	(11)%	N/M
Amortization of intangible assets	40	(2)	(7)
Income before taxes	\$ 753	(12)%	N/M
Pre-tax operating margin	29%	(197) bps	N/M
Pre-tax operating margin (ex. amortization of intangible assets)	31%	(188) bps	N/M
Investment services fees as a percentage of noninterest expense ²	96%	(468) bps	363 bps

¹ Other revenue includes investment management fees, financing-related fees, distribution and servicing revenue and investment and other income.

² Noninterest expense excludes amortization of intangible assets and litigation expense.

N/M - not meaningful bps – basis points

Expense & Pre-Tax Operating Margin - Non-GAAP Reconciliation

(\$ in millions)	4Q15	3Q15	4Q14	QoQ Operating Leverage	YoY Operating Leverage
Total revenue – GAAP	\$ 3,726	\$ 3,790	\$ 3,689		
Less: Net income (loss) attributable to noncontrolling interests of consolidated investment management funds	5	(5)	24		
Total revenue, as adjusted – Non-GAAP²	\$ 3,721	\$ 3,795	\$ 3,665	(1.95)%	1.53 %
Total noninterest expense – GAAP	\$ 2,692	\$ 2,680	\$ 3,524		
Less: Amortization of intangible assets	64	66	73		
M&I, litigation and restructuring charges	18	11	800		
Total noninterest expense excluding amortization of intangible assets and M&I, litigation and restructuring charges – Non-GAAP²	\$ 2,610	\$ 2,603	\$ 2,651	0.27 %	(1.55)%
Less: Provision for credit losses	163	1	1		
Add: Impairment charge related to a recent court decision	170	—	—		
Income before income taxes, as adjusted – Non-GAAP²	\$ 1,118	\$ 1,191	\$ 1,013		
Pre-tax operating margin – Non-GAAP^{1,2}	30%³	31%³	28%	Operating Leverage	
				(222) bps	+308 bps

¹ Income before taxes divided by total revenue.

² Non-GAAP excludes net income (loss) attributable to noncontrolling interests of consolidated investment management funds, amortization of intangible assets, M&I, litigation and restructuring charges (recoveries), and the impairment charge related to a recent court decision, if applicable.

³ Our GAAP earnings include tax-advantaged investments such as low income housing, renewable energy, bank-owned life insurance and tax-exempt securities. The benefits of these investments are primarily reflected in tax expense. If reported on a tax-equivalent basis these investments would increase revenue and income before taxes by \$73 million for 4Q15, \$53 million for 3Q15, \$52 million for 2Q15 and \$64 million for 1Q15 and would increase our pre-tax operating margin by approximately 1.5% for 4Q15, 1.0% for 3Q15, 0.9% for 2Q15 and 1.2% for 1Q15.

Expense & Pre-Tax Operating Margin - Non-GAAP Reconciliation

(\$ in millions)	FY 2015	FY 2014	Operating Leverage
Total revenue – GAAP	\$ 15,194	\$ 15,692	
Less: Net income (loss) attributable to noncontrolling interests of consolidated investment management funds	68	84	
Gain on the sale of our investment in Wing Hang	—	490	
Gain on the sale of the One Wall Street building	—	346	
Total revenue, as adjusted – Non-GAAP²	\$ 15,126	\$ 14,772	2.40%
Total noninterest expense – GAAP	\$ 10,799	\$ 12,177	
Less: Amortization of intangible assets	261	298	
M&I, litigation and restructuring charges	85	1,130	
Charge related to investment management funds, net of incentives	—	104	
Total noninterest expense excluding amortization of intangible assets and M&I, litigation and restructuring charges – Non-GAAP²	\$ 10,453	\$ 10,645	(1.80)%
Less: Provision for credit losses	160	(48)	
Add: Impairment charge related to a recent court decision	170	—	
Income before income taxes, as adjusted – Non-GAAP ²	\$ 4,683	\$ 4,175	
Pre-tax operating margin – Non-GAAP^{1,2}	31%	28%	Operating Leverage +420 bps

¹ Income before taxes divided by total revenue.

² Non-GAAP excludes net income (loss) attributable to noncontrolling interests of consolidated investment management funds, the gains on the sales of our investment in Wing Hang Bank and the One Wall Street building, amortization of intangible assets, M&I, litigation and restructuring charges (recoveries), and the impairment charge related to a recent court decision, if applicable.

Return on Tangible Common Equity Reconciliation

(\$ in millions)	4Q15	3Q15	4Q14	FY 2015	FY 2014
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	\$ 637	\$ 820	\$ 209	\$ 3,053	\$ 2,494
Add: Amortization of intangible assets, net of tax	42	43	47	172	194
Net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP	679	863	256	3,225	2,688
Less: Gain on the sale of our investment in Wing Hang	—	—	—	—	315
Gain on the sale of the One Wall Street building	—	—	—	—	204
Benefit primarily related to a tax carryback claim	—	—	150	—	150
Add: M&I, litigation and restructuring charges	12	8	608	56	860
Charge related to investment management funds, net of incentives	—	—	—	—	81
Impairment charge related to a recent court decision	106	—	—	106	—
Net income applicable to common shareholders of The Bank of New York Mellon Corporation, as adjusted – Non-GAAP ²	\$ 797	\$ 871	\$ 714	\$ 3,387	\$ 2,960
Average common shareholders' equity	\$ 35,664	\$ 35,588	\$ 36,859	\$ 35,564	\$ 36,618
Less: Average goodwill	17,673	17,742	17,924	17,731	18,063
Average intangible assets	3,887	3,962	4,174	3,992	4,305
Add: Deferred tax liability – tax deductible goodwill ¹	1,401	1,379	1,340	1,401	1,340
Deferred tax liability – intangible assets ¹	1,148	1,164	1,216	1,148	1,216
Average tangible common shareholders' equity - Non-GAAP	\$ 16,653	\$ 16,427	\$ 17,317	\$ 16,390	\$ 16,806
Return on tangible common equity – Non-GAAP ³	16.2%	20.8%	5.9%	19.7%	16.0%
Return on tangible common equity – Non-GAAP adjusted ^{2,3}	19.0%	21.0%	16.3%	20.7%	17.6%

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

² Non-GAAP excludes amortization of intangible assets, net of tax, the gains on the sales of our investment in Wing Hang and the One Wall Street building, the benefit primarily related to a tax carryback claim, charge related to investment management funds, net of incentives, M&I, litigation and restructuring charges (recoveries) and the impairment charge related to a recent court decision, if applicable.

³ Annualized.

Earnings Per Share & Total Payout Reconciliation

Earnings per share - Quarterly	4Q15	3Q15	4Q14	Growth vs.	
				3Q15	4Q14
GAAP results	\$ 0.57	\$ 0.74	\$ 0.18		
Add: Litigation and restructuring charges	0.01	0.01	0.53		
Impairment charge related to a recent court decision	0.10	—	—		
Less: Benefit primarily related to tax carryback claim	—	—	0.13		
Non-GAAP results	\$ 0.68	\$ 0.74 ¹	\$ 0.58	(8)%	17%

Earnings per share - Yearly	FY 2015	FY 2014	Growth
			FY 2014
GAAP results	2.71	2.15	
Add: Litigation and restructuring charges	0.05	0.74	
Impairment charge related to a recent court decision	0.09	—	
Charge related to investment management funds, net of incentives	—	0.07	
Less: Gain on the sale of our investment in Wing Hang Bank	—	0.27	
Gain on the sale of the One Wall Street building	—	0.18	
Benefit primarily related to tax carryback claim	—	0.13	
Non-GAAP results	2.85	2.39 ¹	19%

Total Payout - FY 2015 (\$ in millions)	FY 2015	Total Payout
		Ratio
Dividends	\$ 762	
Common stock repurchased	2,355	
Total Capital Deployed	3,117	
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	3,053	102%
Add: Litigation and restructuring	56	
Impairment charge related to a recent court decision	106	
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – excluding impairment charge related to a recent court decision, litigation and restructuring	\$ 3,215	97%

¹ Does not foot due to rounding.

GAAP Revenue Reconciliation

<i>Revenue - GAAP</i> (\$ in millions)	4Q15	3Q15	4Q14	FY 2015	FY 2014
Investment services fees:					
Asset servicing ¹	\$ 1,032	\$ 1,057	\$ 1,019	\$ 4,187	\$ 4,075
Clearing services	339	345	347	1,375	1,335
Issuer services	199	313	193	978	968
Treasury services	137	137	145	555	564
Total investment services fees	1,707	1,852	1,704	7,095	6,942
Investment management and performance fees	864	829	885	3,438	3,492
Foreign exchange and other trading revenue	173	179	151	768	570
Financing-related fees	51	71	43	220	169
Distribution and servicing	41	41	43	162	173
Investment and other income	93	59	78	316	1,212
Total fee revenue	2,929	3,031	2,904	11,999	12,558
Net securities gains	21	22	31	83	91
Total fee and other revenue	\$ 2,950	\$ 3,053	\$ 2,935	\$ 12,082	\$ 12,649
(Loss) Income from consolidated investment management funds	16	(22)	42	86	163
Net interest revenue	760	759	712	3,026	2,880
Total revenue - GAAP	\$ 3,726	\$ 3,790	\$ 3,689	\$ 15,194	\$ 15,692

¹ Asset servicing fees include securities lending revenue of \$46 million in 4Q15, \$37 million in 4Q14, and \$38 million in 3Q15; \$176 million for 2015 and \$158 million for 2014.

Estimated Fully Phased-In SLR¹ - Non-GAAP Reconciliation

(\$ in millions)	12/31/15 ²	9/30/15	12/31/14
Total estimated fully phased-in Basel III CET1 - Non-GAAP	\$ 16,082	\$ 16,077	\$ 15,931
Additional Tier 1 capital	2,530	2,528	1,550
Total Tier 1 capital	\$ 18,612	\$ 18,605	\$ 17,481
Total leverage exposure:			
Quarterly average total assets	\$ 368,590	\$ 373,453	\$ 385,232
Less: Amounts deducted from Tier 1 capital	19,403	19,532	19,947
Total on-balance sheet assets, as adjusted	349,187	353,921	365,285
Off-balance sheet exposures:			
Potential future exposure for derivatives contracts (plus certain other items)	7,358	8,358	11,376
Repo-style transaction exposures included in SLR	440	362	302
Credit-equivalent amount of other off-balance sheet exposures (less SLR exclusions)	26,224	27,482	21,850
Total off-balance sheet exposures	34,022	36,202	33,528
Total leverage exposure	\$ 383,209	\$ 390,123	\$ 398,813
Estimated fully phased-in SLR - Non-GAAP	4.9% ³	4.8% ³	4.4%

¹ The estimated fully phased-in SLR (Non-GAAP) is based on our interpretation of the U.S. capital rules. When the SLR is fully phased-in, we expect to maintain an SLR of over 5%. 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.

² Dec. 31, 2015 information is preliminary.

³ The estimated SLR on a fully phased-in basis (Non-GAAP) for our largest bank subsidiary, The Bank of New York Mellon, was 4.8% at Dec. 31, 2015 and 4.6% at Sept. 30, 2015. At Dec. 31, 2015 and Sept. 30, 2015, total Tier 1 capital was \$15,142 million and \$14,882 million, respectively, and total leverage exposure was \$316,268 million and \$322,531 million, respectively, for The Bank of New York Mellon.

Pre-Tax Operating Margin – Investment Management Reconciliation

	4Q15	3Q15	4Q14
<i>(\$ in millions)</i>			
Income before income taxes – GAAP	\$ 287	\$ 237	\$ 236
Add: Amortization of intangible assets	24	24	29
Money market fee waivers	23	28	33
Income before income taxes excluding amortization of intangible assets and money market fee waivers – Non-GAAP	\$ 334	\$ 289	\$ 298
Total revenue – GAAP	\$ 1,002	\$ 929	\$ 981
Less: Distribution and servicing expense	92	94	101
Money market fee waivers benefiting distribution and servicing expense	27	35	37
Add: Money market fee waivers impacting total revenue	50	63	70
Total revenue net of distribution and servicing expense and excluding money market fee waivers - Non-GAAP	\$ 933	\$ 863	\$ 913
Pre-tax operating margin ¹	29%	26%	24%
Pre-tax operating margin excluding amortization of intangible assets, money market fee waivers and net of distribution and servicing expense – Non-GAAP ¹	36%	34%	33%

¹ Income before taxes divided by total revenue.

Investment Management and Performance Fees - Non-GAAP

<i>Investment management and performance fees - Consolidated</i> (\$ in millions)			Growth vs.
	4Q15	4Q14	4Q14
Investment management and performance fees - GAAP	\$ 864	\$ 885	(2)%
Impact of changes in foreign currency exchange rates	—	(27)	
Investment management and performance fees, as adjusted - Non-GAAP	\$ 864	\$ 858	1 %

<i>Investment management fees - Investment Management business</i> (\$ in millions)			Growth vs.
	4Q15	4Q14	4Q14
Investment management fees - GAAP	\$ 799	\$ 827	(3)%
Impact of changes in foreign currency exchange rates	—	(24)	
Investment management fees, as adjusted - Non-GAAP	\$ 799	\$ 803	— %

<i>Investment management and performance fees - Consolidated</i> (\$ in millions)			Growth vs.
	2015	2014	2014
Investment management and performance fees - GAAP	\$ 3,438	\$ 3,492	(2)%
Impact of changes in foreign currency exchange rates	—	(151)	
Investment management and performance fees, as adjusted - Non-GAAP	\$ 3,438	\$ 3,342	3 %