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Fourth Quarter 2017 Financial Highlights

January 18, 2018

Cautionary Statement

A number of statements in 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”, “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: estimated capital ratios and expectations regarding those ratios, preliminary business metrics; estimated impact of U.S. tax legislation, including the effective tax rate, 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, 2016 (the “2016 Annual Report”) and Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 (the “Form 10-Q”), and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”), including the Corporation’s Earnings Release for the quarter ended December 31, 2017, included as an exhibit to our Current Report on Form 8-K filed on January 18, 2018 (the “Earnings Release”). Such forward-looking statements speak only as of January 18, 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.

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 measures are contained in the Corporation’s reports filed with the SEC, including the 2016 Annual Report, the Form 10-Q and the Earnings Release, available at www.bnymellon.com/investorrelations.

Summary Financial Results for 2017 - GAAP

- Fourth quarter earnings of $1.13 billion, or $1.08 per common share
  - Total revenue of $3.7 billion, down 2%
    - Includes a $320 million negative impact related to the U.S. tax legislation and other charges[1]; which decreased total revenue growth by 8%
  - Total expense of $3.0 billion, up 14%
    - Includes $282 million pre-tax impact for severance, litigation and other charges[1]; which increased total expense growth by 11%
- Full-year 2017 earnings of $3.9 billion, or $3.72 per common share, an increase of 18%
  - Total revenue of $15.5 billion, up 2%
  - Total expense of $11.0 billion, up 4%
    - Includes the impact of U.S. tax legislation, severance, litigation and other charges[1]; which decreased revenue growth by 2% and increased expense growth by 3%
    - These items increased earnings per share growth by 5%
  - In the fourth quarter nearly $900 million through share repurchases and dividends and $3.6 billion in full-year 2017
- The significant items below impacted the fourth quarter

Significant items in the quarter[2]

($ in millions, except per share data)	Revenue	Expense	Net Income	EPS
U.S. tax legislation	**$ (283)**	**$ —**	**$ 427**	**$ 0.41**
Total other charges[3]	**(37)**	**282**	**(246)**	**(0.24)**

[1] Other charges include an asset impairment and investment securities losses related to the sale of certain securities.
[2] See Appendix for additional details regarding the impact of significant items in 4Q17.
[3] Total other charges includes severance, litigation, an asset impairment and investment securities losses related to the sale of certain securities.

Financial Results for Fourth Quarter 2017 - GAAP

($ in millions, except per share data)	4Q17	3Q17	4Q16	3Q17	4Q16
Revenue	**$3,728**	**$4,016**	**$3,790**	**(7)%**	**(2)%**
Expense	**$3,006**	**$2,654**	**$2,631**	**13%**	**14%**
Income before income taxes	**$ 728**	**$1,368**	**$1,152**	**(47)%**	**(37)%**
Pre-tax operating margin[2]	***20%***	***34%***	***30%***		
EPS	**$ 1.08**	**$ 0.94**	**$ 0.77**	**15%**	**40%**
Return on common equity[1]	**12.1%**	**10.6%**	**9.3%**	**+149 bps**	**+280 bps**

Commentary

- Revenue
  - Includes a $320 million negative impact related to the U.S. tax legislation and other charges[3]; which decreased total revenue growth by 8%
    - $279 million negative impact from U.S. tax legislation included in investment and other income
- Expense
  - Includes $282 million pre-tax impact for severance, litigation and other charges[3]; which increased expense growth by 11%

[1] Annualized.
[2] Our GAAP earnings include tax-advantaged investments such as low income housing, renewable energy, corporate/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 $66 million for 4Q17, $102 million for 3Q17 and $92 million for 4Q16 and would increase our pre-tax operating margin by approximately 1.4% for 4Q17, 1.6% and 3Q17, and 1.7% for 4Q16.
[3] Other charges include an asset impairment and investment securities losses related to the sale of certain securities.
Note: Provision for credit losses was a credit of $6 million in 4Q17, a credit of $6 million in 3Q17 and $7 million in 4Q16.
bps - basis points

Estimated U.S. Tax Legislation Impact[1]

US Tax Cuts and Job Act Impact *($ in millions)*	Total Revenue	Income Taxes	Net Income
Remeasurement of net deferred tax liabilities[2]	**$ —**	**$ 1,191**	**$ 1,191**
Repatriation tax	**—**	**(723)**	**(723)**
Other items	**(4)**	**(39)**	**(43)**
Renewable energy investments	**(279)**	**281**	**2**
	$ (283)	**$ 710**	**$ 427**

- Increased net income by an estimated $427 million
- Regulatory capital decreased by $551 million driven by the repatriation tax, offset by the tax benefit related to the remeasurement of certain deferred tax liabilities
- U.S. tax legislation on renewable energy investments was de minimis to net income; pre-tax accounting resulted in a reduction of $279 million recorded in investments and other income which was offset by the tax benefit from remeasurement of associated deferred tax liabilities

Commentary

- New U.S. tax legislation is expected to stimulate economic activity which should be positive for business
- Effective tax rate for 2018 expected to be approximately 21%
- Base Erosion Anti-abuse Tax (“BEAT”) not expected to have an impact in 2018. Impact beyond 2018 uncertain, but currently expect it to be immaterial
- Capital and liquidity requirements for our Non-U.S. entities currently expected to limit amount of funds that will be repatriated
- Capital distribution plans for the first half of 2018 not impacted; the remainder of the year’s buybacks is subject to the CCAR process

[1] Our estimate of the impact of U.S. tax legislation is based on certain assumptions and our current interpretation of the Tax Cuts and Jobs Act, and may change, possibly materially, as we refine our analysis and as further information becomes available.
[2] Excluding deferred tax liabilities related to energy investments.

Financial Results for Full Year 2017 - GAAP

($ in millions, except per share data)	FY17	FY16	Growth vs. FY16
Revenue	**$ 15,543**	**$ 15,237**	**2%**
Expense	**$ 10,957**	**$ 10,523**	**4%**
Operating leverage[1]			**(211) bps**
Income before income taxes	**$ 4,610**	**$ 4,725**	**(2)%**
Pre-tax operating margin[2]	***30%***	***31%***	
EPS	**$ 3.72**	**$ 3.15**	**18%**
Return on common equity	**10.8%**	**9.6%**	**+119 bps**

Commentary

- Includes impact of U.S. tax legislation, severance, litigation and other charges[3]; which decreased revenue growth by 2% and increased expense growth by 3%

[1] Operating leverage is the rate of increase in total revenue less the rate of increase (or decrease) in total noninterest expense. The year-over-year operating leverage was based on an increase in total revenue of 201 basis points, and an increase in total noninterest expense, of 412 basis points.
[2] Our GAAP earnings include tax-advantaged investments such as low income housing, renewable energy, corporate/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 $375 million for FY17 and $317 million for FY16 and would increase our pre-tax operating margin by approximately 1.7% for FY17 and 1.4% for FY16.
[3] Other charges include an asset impairment and investment securities losses related to the sale of certain securities.
Note: Provision for credit losses was a credit of $24 million in FY17 and a credit of $11 million in FY16.
bps - basis points

Fee and Other Revenue - GAAP (Consolidated)

($ in millions)	4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Investment services fees:			
Asset servicing[1]	$ 1,130	2%	6%
Clearing services	400	4	13
Issuer services	197	(32)	(7)
Treasury services	137	(3)	(2)
Total investment services fees	1,864	(3)	5
Investment management and performance fees	962	7	13
Foreign exchange and other trading revenue	166	(4)	3
Financing-related fees	54	—	8
Distribution and servicing	38	(5)	(7)
Investment and other (loss) income	(198)	N/M	N/M
Total fee revenue	2,886	(8)	(2)
Net securities (losses) gains	(26)	N/M	N/M
Total fee and other revenue	$ 2,860	(10)%	(3)%

[1] Asset servicing fees include securities lending revenue of $51 million in 4Q17, $47 million in 3Q17, and $54 million in 4Q16.
N/M - not meaningful

Investment Management Metrics

Change in Assets Under Management (AUM)[1, 2] ($ in billions)	4Q17	LTM 4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Beginning balance of AUM	$ 1,824	$ 1,648		
Net inflows (outflows):				
Long-term strategies:				
Equity	(6)	(14)		
Fixed income	(2)	6		
Liability-driven investments[3]	23	50		
Multi-asset and alternative investments	2	8		
Total long-term active strategies inflows (outflows)	17	50		
Index	(1)	(17)		
Total long-term strategies inflows (outflows)	16	33		
Short-term strategies:				
Cash	(4)	30		
Total net inflows (outflows)	12	63		
Net market impact/other	47	106		
Net currency impact	10	76		
Ending balance of AUM	$ 1,893	$ 1,893	4%	15%

Average balances ($ in millions)	4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Average loans	$ 16,813	1%	7%
Average deposits	$ 11,633	(6)%	(25)%

[1] Changes and ending balance are preliminary.
[2] Excludes securities lending cash management assets and assets managed in the Investment Services business.
[3] Includes currency overlay assets under management.

Investment Services Metrics

		4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Assets under custody and/or administration at period end *(trillions)*[1, 2]	$	33.3	3%	11%
Estimated new business wins (AUC/A) *(billions)*[1]	$	575		
Market value of securities on loan at period end *(billions)*[3]	$	408	7%	38%
Average loans *(millions)*	$	38,845	2%	(15)%
Average deposits *(millions)*	$	204,680	3%	(4)%
Broker-Dealer				
Average tri-party repo balances *(billions)*	$	2,606	3%	13%
Clearing Services				
Average active clearing accounts (U.S. platform) *(thousands)*		6,126	(1)%	3%
Average long-term mutual fund assets (U.S. platform) *(millions)*	$	508,873	2%	16%

[1] Preliminary.
[2] Includes the AUC/A of CIBC Mellon Global Securities Services Company ("CIBC Mellon"), a joint venture with the Canadian Imperial Bank of Commerce, of $1.3 trillion at Dec. 31, 2017 and Sept. 30, 2017 and $1.2 trillion at Dec. 31, 2016.
[3] Represents the total amount of securities on loan in our agency securities lending program managed by the Investment Services business. Excludes securities for which BNY Mellon acts as agent on behalf of CIBC Mellon clients, which totaled $71 billion at Dec. 31, 2017, $68 billion at Sept. 30, 2017 and $63 billion at Dec. 31, 2016.

Net Interest Revenue

($ in millions)		4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Net interest revenue – GAAP	$	851	1%	2%
Tax equivalent adjustment		11	N/M	N/M
Net interest revenue (FTE) – Non-GAAP[1]	$	862	1%	2%
Net interest margin - GAAP		1.14%	(1) bps	(2) bps
Net interest margin (FTE) – Non-GAAP[1]		1.16%	— bps	(1) bps
Selected Average Balances:				
Cash/interbank investments	$	117,446	3%	13%
Trading account securities		2,723	15	19
Securities		120,225	1	2
Loans		56,772	1	(11)
Interest-earning assets		297,166	2	3
Interest-bearing deposits		147,763	4	1
Noninterest-bearing deposits		69,111	(2)	(16)
Long-term debt		28,245	—	13

[1] Net interest revenue (FTE) – Non-GAAP and net interest margin (FTE) – Non-GAAP include the tax equivalent adjustments on tax-exempt income which allows for comparisons of amounts arising from both taxable and tax-exempt sources and is consistent with industry practice. The adjustment to an FTE basis has no impact on net income.
FTE – fully taxable equivalent; N/M – not meaningful; bps – basis points

Noninterest Expense

($ in millions)		4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Staff	$	1,614	10%	16%
Professional, legal and other purchased services		338	11	4
Software and equipment		297	27	25
Net occupancy		153	9	—
Distribution and servicing		106	(3)	8
Sub-custodian		59	(5)	4
Business development		66	35	(7)
Bank assessment charges		53	4	—
Other		188	6	7
Amortization of intangible assets		52	—	(13)
M&I, litigation and restructuring charges		80	N/M	N/M
Total noninterest expense – GAAP	$	3,006	13%	14%
Adjusted total noninterest expense excluding amortization of intangible assets and M&I, litigation and restructuring charges – Non-GAAP	$	2,874	11%	12%
Full-time employees		52,500	(400)	500
Staff expense as a percentage of total revenue		43%		

N/M - not meaningful

Capital Ratios

	12/31/17	09/30/17	12/31/16
Consolidated regulatory capital ratios:[1]			
Standardized Approach:			
CET1 ratio	12.0%	12.3%	12.3%
Tier 1 capital ratio	14.2	14.6	14.5
Total (Tier 1 plus Tier 2) capital ratio	15.1	15.6	15.2
Advanced Approach:			
CET1 ratio	10.7	11.1	10.6
Tier 1 capital ratio	12.7	13.2	12.6
Total (Tier 1 plus Tier 2) capital ratio	13.4	14.0	13.0
Leverage capital ratio[2]	6.6	6.8	6.6
Supplementary leverage ratio ("SLR")	6.1	6.3	6.0
BNY Mellon shareholders' equity to total asset ratio	11.1	11.4	11.6
BNY Mellon common shareholders' equity to total assets ratio	10.1	10.4	10.6
Selected regulatory capital ratios – fully phased-in – Non-GAAP:[1, 3, 4]			
CET1 ratio:			
Standardized Approach	11.5%	11.9%	11.3%
Advanced Approach	10.3	10.7	9.7
SLR	5.9	6.1	5.6

Note: See corresponding footnotes on following slide.

Capital Ratio Footnotes

[1] Dec. 31, 2017 regulatory capital ratios are preliminary. See the “Capital and Liquidity” section in the earnings release for additional detail. For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under the U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches.

[2] The leverage capital ratio is based on Tier 1 capital, as phased-in and quarterly average total assets.

[3] Please reference slides 20 & 21. See the “Capital and Liquidity” section in the earnings release for additional detail.

[4] Estimated.

Liquidity Coverage Ratio (“LCR”)

The U.S. LCR rules became fully phased-in on Jan. 1, 2017 and require BNY Mellon to meet an LCR of 100%. On a consolidated basis, our average LCR was 118% for 4Q17. High-quality liquid assets (“HQLA”) before haircuts and trapped liquidity, totaled $193 billion at Dec. 31, 2017 and averaged $170 billion for 4Q17.

Appendix

Fourth Quarter Impact of Significant Items - Consolidated

($ in millions, except per share data)	Results - GAAP	U.S. tax legislation	Other charges[1]
Fee and other revenue	$ 2,860	$ (279)	$ (37)
Income from consolidated investment management funds	17	—	—
Net interest revenue	851	(4)	—
Total revenue	3,728	(283)	(37)
Provision for credit losses	(6)	—	—
Total noninterest expense	3,006	—	282
Income before taxes	728	(283)	(319)
(Benefit) provision for income taxes	(453)	(710)	(73)
Net income	1,181	427	(246)
Diluted earnings per common share	$ 1.08	$ 0.41	$ (0.24)

Our estimate of the impact of U.S. tax legislation is based on certain assumptions and our current interpretation of the Tax Cuts and Jobs Act, and may change, possibly materially, as we refine our analysis and as further information becomes available.

[1] Other charges include severance, litigation, an asset impairment and investment securities losses related to the sale of certain securities.

Fourth Quarter Impact of Significant Items - Business Segments

Business Segments ($ in millions)	U.S. tax legislation			Other charges[1]			
	Investment Management	Investment Services	Other	Investment Management	Investment Services	Other	Total
Fee and other revenue	$ —	$ —	$ (279)	$ —	$ —	$ (37)	$ (37)
Net interest revenue	—	—	(4)	—	—	—	—
Total revenue	—	—	(283)	—	—	(37)	(37)
Total noninterest expense	—	—	—	30	233	19	282
Income before taxes	$ —	$ —	$ (283)	$ (30)	$ (233)	$ (56)	$ (319)

[1] Other charges include severance, litigation, an asset impairment and investment securities losses related to the sale of certain securities.

Investment Management

($ in millions)		4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Investment management and performance fees[1]	$	948	7%	14%
Distribution and servicing		51	—	6
Other[1]		(25)	N/M	N/M
Net interest revenue		74	(10)	(8)
Total revenue[1]		1,048	5	9
Provision for credit losses		1	N/M	N/M
Noninterest expense (ex. amortization of intangible assets)		756	10	13
Amortization of intangible assets		15	—	(32)
Total noninterest expense		771	10	11
Income before taxes	$	276	(8)%	6%
Income before taxes (ex. amortization of intangible assets) – Non-GAAP	$	291	(8)%	3%
Pre-tax operating margin		26%	(366) bps	(78) bps
Adjusted pre-tax operating margin – Non-GAAP[2, 3]		31%	(422) bps	(240) bps

[1] Total 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] Represents a Non-GAAP measure. See Slide 22 for reconciliation. Additional disclosures regarding these measures and other Non-GAAP measures are available in the Corporation's reports filed with the SEC, available at www.bnymellon.com/investorrelations.
[3] Excludes amortization of intangible assets, provision for credit losses and distribution and servicing expense.
N/M - not meaningful; bps – basis points

Investment Services

($ in millions)		4Q17	Growth vs. 3Q17	Growth vs. 4Q16
Investment services fees:				
Asset servicing	$	1,106	2%	6%
Clearing services		400	5	13
Issuer services		196	(32)	(7)
Treasury services		136	(4)	(2)
Total investment services fees		1,838	(3)	5
Foreign exchange and other trading revenue		168	9	7
Other[1]		135	(5)	5
Net interest revenue		813	5	14
Total revenue		2,954	—	8
Provision for credit losses		(2)	N/M	N/M
Noninterest expense (ex. amortization of intangible assets)		2,060	12	15
Amortization of intangible assets		37	—	(3)
Total noninterest expense		2,097	12	15
Income before taxes	$	859	(21)%	(7)%
Income before taxes (ex. amortization of intangible assets) – Non-GAAP	$	896	(21)%	(7)%
Pre-tax operating margin		29%	(779) bps	(448) bps
Adjusted pre-tax operating margin (ex. provision for credit losses and amortization of intangible assets) – Non-GAAP		30%	(779) bps	(472) bps

[1] Other revenue includes investment management fees, financing-related fees, distribution and servicing revenue and investment and other income.
N/M - not meaningful; bps – basis points

Return on Common Equity and Tangible Common Equity Reconciliation

($ in millions)	4Q17	3Q17	4Q16	FY17	FY16
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	$ 1,126	$ 983	$ 822	$ 3,915	$ 3,425
Add: Amortization of intangible assets	52	52	60	209	237
Less: Tax impact of amortization of intangible assets	18	17	19	72	81
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP	1,160	1,018	863	4,052	3,581
Add: M&I, litigation and restructuring charges	80	6	7	106	49
(Recovery) related to Sentinel					(13)
Less: Tax impact of M&I, litigation and restructuring charges	15	—	3	20	16
Tax impact of (recovery) related to Sentinel					(5)
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, as adjusted – Non-GAAP[1]	$ 1,225	$ 1,024	$ 867	$ 4,138	$ 3,606
Average common shareholders' equity	$ 36,952	$ 36,780	$ 35,171	$ 36,145	$ 35,504
Less: Average goodwill	17,518	17,497	17,344	17,441	17,497
Average intangible assets	3,437	3,487	3,638	3,508	3,737
Add: Deferred tax liability – tax deductible goodwill[2]	1,034	1,561	1,497	1,034	1,497
Deferred tax liability – intangible assets[2]	718	1,092	1,105	718	1,105
Average tangible common shareholders' equity – Non-GAAP	$ 17,749	$ 18,449	$ 16,791	$ 16,948	$ 16,872
Return on common equity – GAAP[3]	12.1%	10.6%	9.3%	10.8%	9.6%
Adjusted return on common equity – Non-GAAP[1, 3]	13.2%	11.0%	9.8%	11.4%	10.2%
Return on tangible common equity – Non-GAAP[3]	25.9%	21.9%	20.4%	23.9%	21.2%
Adjusted return on tangible common equity – Non-GAAP[1, 3]	27.4%	22.0%	20.5%	24.4%	21.4%

[1] Non-GAAP information for all periods presented excludes amortization of intangible assets and M&I, litigation and restructuring charges. Non-GAAP information for FY16 also excludes the (recovery) charge related to the Sentinel loan.
[2] 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.
[3] Quarterly returns are annualized.

Basel III Capital Components & Ratios

($ in millions)	12/31/17[1]		09/30/17		12/31/16	
	Transitional basis[2]	Fully phased-in Non-GAAP[3]	Transitional basis[2]	Fully phased-in Non-GAAP[3]	Transitional basis[2]	Fully phased-in Non-GAAP[3]
CET1:						
Common shareholders' equity	$ 37,859	$ 37,709	$ 37,195	$ 36,981	$ 35,794	$ 35,269
Goodwill and intangible assets	(18,684)	(19,223)	(17,876)	(18,351)	(17,314)	(18,312)
Net pension fund assets	(169)	(211)	(72)	(90)	(55)	(90)
Equity method investments	(372)	(387)	(334)	(348)	(313)	(344)
Deferred tax assets	(33)	(41)	(31)	(39)	(19)	(32)
Other	(8)	(9)	(12)	(12)	—	(1)
Total CET1	18,593	17,838	18,870	18,141	18,093	16,490
Other Tier 1 capital:						
Preferred stock	3,542	3,542	3,542	3,542	3,542	3,542
Deferred tax assets	(8)	—	(8)	—	(13)	—
Net pension fund assets	(42)	—	(19)	—	(36)	—
Other	(41)	(41)	(34)	(34)	(121)	(121)
Total Tier 1 capital	22,044	21,339	22,351	21,649	21,465	19,911
Tier 2 capital:						
Subordinated debt	1,250	1,250	1,300	1,250	550	550
Allowance for credit losses	261	261	265	265	281	281
Trust preferred securities	—	—	—	—	148	—
Other	(12)	(12)	(7)	(7)	(12)	(11)
Total Tier 2 capital - Standardized Approach	1,499	1,499	1,558	1,508	967	820
Excess of expected credit losses	33	33	49	49	50	50
Less: Allowance for credit losses	261	261	265	265	281	281
Total Tier 2 capital - Advanced Approach	$ 1,271	$ 1,271	$ 1,342	$ 1,292	$ 736	$ 589
Total capital:						
Standardized Approach	$ 23,543	$ 22,838	$ 23,909	$ 23,157	$ 22,432	$ 20,731
Advanced Approach	$ 23,315	$ 22,610	$ 23,693	$ 22,941	$ 22,201	$ 20,500
Risk-weighted assets:						
Standardized Approach	$ 155,498	$ 155,309	$ 153,494	$ 152,995	$ 147,671	$ 146,475
Advanced Approach	$ 174,117	$ 173,916	$ 169,822	$ 169,293	$ 170,495	$ 169,227
Standardized Approach:						
CET1 ratio	12.0%	11.5%	12.3%	11.9%	12.3%	11.3%
Tier 1 capital ratio	14.2	13.7	14.6	14.2	14.5	13.6
Total (Tier 1 plus Tier 2) capital ratio	15.1	14.7	15.6	15.1	15.2	14.2
Advanced Approach:						
CET1 ratio	10.7%	10.3%	11.1%	10.7%	10.6%	9.7%
Tier 1 capital ratio	12.7	12.3	13.2	12.8	12.6	11.8
Total (Tier 1 plus Tier 2) capital ratio	13.4	13.0	14.0	13.6	13.0	12.1

[1] Preliminary.
[2] Reflects transitional adjustments to CET1, Tier 1 capital and Tier 2 capital required under the U.S. capital rules.
[3] Estimated.

Supplementary Leverage Ratio

($ in millions)	12/30/17[1]		09/30/17		12/31/16	
	Transitional basis	Fully phased-in (Non-GAAP)[2]	Transitional basis	Fully phased-in (Non-GAAP)[2]	Transitional basis	Fully phased-in (Non-GAAP)[2]
Consolidated:						
Tier 1 capital	$ 22,044	$ 21,339	$ 22,351	$ 21,649	$ 21,465	$ 19,911
Total leverage exposure:						
Quarterly average total assets	$ 350,786	$ 350,786	$ 345,709	$ 345,709	$ 344,142	$ 344,142
Less: Amounts deducted from Tier 1 capital	19,186	19,892	18,154	18,856	17,333	18,887
Total on-balance sheet assets, as adjusted	331,600	330,894	327,555	326,853	326,809	325,255
Off-balance sheet exposures:						
Potential future exposure for derivative contracts (plus certain other items)	6,613	6,613	6,213	6,213	6,021	6,021
Repo-style transaction exposures	1,086	1,086	1,034	1,034	533	533
Credit-equivalent amount of other off-balance sheet exposures (less SLR exclusions)	21,959	21,959	21,860	21,860	23,274	23,274
Total off-balance sheet exposures	29,658	29,658	29,107	29,107	29,828	29,828
Total leverage exposure	$ 361,258	$ 360,552	$ 356,662	$ 355,960	$ 356,637	$ 355,083
SLR - Consolidated[3]	6.1%	5.9%	6.3%	6.1%	6.0%	5.6%
The Bank of New York Mellon, our largest bank subsidiary						
Tier 1 capital	$ 20,478	$ 19,768	$ 20,718	$ 19,955	$ 19,011	$ 17,708
Total leverage exposure	$ 296,517	$ 296,231	$ 292,759	$ 292,421	$ 291,022	$ 290,230
SLR - The Bank of New York Mellon[3]	6.9%	6.7%	7.1%	6.8%	6.5%	6.1%

[1] Preliminary.
[2] Estimated.
[3] 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 in 2018 as a required minimum ratio, 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. 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."

Investment Management Business Pre-Tax Operating Margin - Non-GAAP Reconciliation

($ in millions)	4Q17	3Q17	4Q16
Income before income taxes – GAAP	$ 276	$ 300	$ 260
Add: Amortization of intangible assets	15	15	22
Provision for credit losses	1	(2)	6
Adjusted income before income taxes, excluding amortization of intangible assets and provision for credit losses – Non-GAAP	$ 292	$ 313	$ 288
Total revenue – GAAP	$ 1,048	$ 1,000	$ 960
Less: Distribution and servicing expense	107	110	98
Adjusted total revenue, net of distribution and servicing expense – Non-GAAP	$ 941	$ 890	$ 862
Pre-tax operating margin – GAAP[1]	26%	30%	27%
Adjusted pre-tax operating margin, excluding amortization of intangible assets, provision for credit losses and distribution and servicing expense – Non-GAAP[1]	31%	35%	33%

[1] Income before taxes divided by total revenue.