

---

**From:** Richard Kahn <[REDACTED]>  
**Sent:** Thursday, July 21, 2016 12:12 PM  
**To:** Jeffrey Epstein  
**Subject:** Fwd: BNY Mellon: 2Q16 First Pass: In Line as Gross Margins Offset Expense Beat

Sent from my iPhone  
=br>Begin forwarded message:

From: "Morgan Stanley" <[REDACTED]>  
Date: July 21, 2016 at 8:04:13 A= EDT  
To: [REDACTED]  
Subject: BNY Mellon: 2Q16 First Pass: In=Line as Gross Margins Offset Expense Beat  
Reply-To: <mswmir-cie-feedback@morg=nstanley.com>

<<http://www.morganstanley.com/img/cs/=pacer.gif>> <<http://www.morganstanley.com/img/cs/=pacer.gif>>  
<<http://www.morganstanley.com/img/cs/=pacer.gif>> <<http://www.morganstanley.com/img/cs/=pacer.gif>>  
<<http://www.morganstanley.com/img/cs/=pacer.gif>> <<http://www.morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/=pacer.gif>> <<http://www.morganstanley.com/img/cs/spacer.gif>>  
<<http://www=morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/i=g/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.g=f>> Wealth management

<<http://www.morganstanley.com/img/cs/spacer.g=f>>  
<<http://www.morganstanley.com/img/cs/spacer.g=f>>  
<<http://www.morganstanley.com/i=g/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.g=f>>  
Subscription N=tification: July 21

<<http://www.morganstanley.com/i=g/cs/spacer.gif>>  
<<http://www=morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.g=f>>  
BNY Mellon: 2Q16 First Pass: In Line as Gross Margins Offset Expense Bea=  
<[http://linkback.morganstanley.com/web=sendlink/webapp/f/7ctqq780-3pif-g000-9a31-005056028300?store=1&d=Uw=SZXNIYXJjaF9NUwBkYjlkNDE3OC00ZDQyLTExZTYtODI4Zi03YTRmNjljMzEzMmQ%3D&use==iwbt68jbgq60t3-0&\\_\\_gda\\_\\_=1532261053\\_e1045fb1d18a68f90cf7bc7ecb5b48=f](http://linkback.morganstanley.com/web=sendlink/webapp/f/7ctqq780-3pif-g000-9a31-005056028300?store=1&d=Uw=SZXNIYXJjaF9NUwBkYjlkNDE3OC00ZDQyLTExZTYtODI4Zi03YTRmNjljMzEzMmQ%3D&use==iwbt68jbgq60t3-0&__gda__=1532261053_e1045fb1d18a68f90cf7bc7ecb5b48=f)>

Betsy L. Graseck, CFA – Morgan Stanley</=2>

July 21, 2016 12:02 PM GMT

2Q16 Earnings: BK reported operating EPS of \$0.76 (vs. MSe/cons \$0.75) on better expenses (\$2.61bn vs. MSe \$2.63bn) and better credit (provision of -\$9mn vs. MSe +\$8mn). Top-line 3c weaker on lower NIM (0.97% vs. MSe 1.02%) and weaker than expected FX revs (BK calling out lower volumes). AUC/AUM beat estimates, with inflows into LDI and market appreciation offsetting outflows in index. Estimates likely unchanged given expense discipline is offsetting challenged top-line. Mgmt commentary on back half of 2016 trajectory, and any lumpy items on the expense front for 'Living Will' and other reg initiatives, will be closely watched. Positives: Expenses 1c better as BK reduced staff expenses in the quarter. Provision 1c better at -\$9mn (vs. MSe +\$8mn), similar to NTRS yesterday. Don't expect investors to give much credit here, given the relatively volatile nature of the provision line at trust banks. Taxes 1c better. Negatives: NII 1c worse as NIM came in weaker than expected (0.97% vs. MSe 1.02%). Fee income 2c worse on weaker FX revs and other fee income. Key Questions for the Call: Excess deposit runoff and resultant SLR progress, NIM outlook, Blockchain initiatives, asset management boutique expansion plans, plans to manage client AUM ahead of Oct MMF reform, plan/timing for additional pref issuance (BK included pref for common swap in its 2016 capital plan). Call Details: Today at 8am eastern. Dial-in: (888) 899-7224; Passcode: 619690.

Click here to see the full report. [http://linkback.morganstanley.com/web/sendlink/?ebapp/f/7ctqq780-3pif-g000-9a31-005056028300?store=1&d=UwBSZXNIYXj=F9NUwBkYjlkNDE3OC00ZDQyLTExZTYtODI4Zi03YTRmNjIjMzEzMmQ%3D&user=iwbt68bgq60t3-0&\\_\\_gda\\_\\_=1532261053\\_e1045fb1d18a68f90cf7bc7ecb5b48df](http://linkback.morganstanley.com/web/sendlink/?ebapp/f/7ctqq780-3pif-g000-9a31-005056028300?store=1&d=UwBSZXNIYXj=F9NUwBkYjlkNDE3OC00ZDQyLTExZTYtODI4Zi03YTRmNjIjMzEzMmQ%3D&user=iwbt68bgq60t3-0&__gda__=1532261053_e1045fb1d18a68f90cf7bc7ecb5b48df)

This alert is sent from:

Andrew Atlas, [REDACTED]

20

You received this because you asked to be alerted to:

THE BANK OF NEW YORK MELLON CORPORATION Please contact your FA if you want to unsubscribe from the alert.

Disclosures:

Please see the full report for risks, disclosures and other important information.

Important disclosures regarding the relationship between the companies that are referenced in Morgan Stanley research and Morgan Stanley Wealth Management research are available on the Morgan Stanley Wealth Management disclosure website at <https://www.morganstanley.com/online/researchdisclosures> <<https://www.morganstanley.com/online/researchdisclosure>> .

Morgan Stanley Wealth Management Not Acting as Municipal Advisor

Morgan Stanley Wealth Management is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions and views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.

Copyright

The copyright in materials provided by Morgan Stanley is owned by Morgan Stanley & Co. LLC. Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

© 2016 Morgan Stanley Smith Barney LLC. Member SIPC. =/p> <http://www.morganstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/im=/cs/spacer.gif> <http://www.morganstanley.com/i=g/cs/spacer.gif>  
<http://www.morganstanley.com/im=/cs/spacer.gif> <http://www.morganstanley.com/i=g/cs/spacer.gif>  
<http://www.morganstanley.com/im=/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/spacer.gif> <http://www.morganstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/pacer.gif> <http://www.morganstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/pacer.gif> <http://www.morganstanley.com/img/cs/pacer.gif>  
<http://www.morganstanley.com/img/cs/pacer.gif> <http://www.morganstanley.com/img/cs/pacer.gif>  
<http://www.morganstanley.com/img/cs/pacer.gif> <http://www.morganstanley.com/img/cs/pacer.gif>  
<http://www.morganstanley.com/img/cs/pacer.gif> <http://www.morganstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/spacer.gif> <http://www.morganstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/spacer.gif>

=