



BNY MELLON



February 2, 2010

BNY Mellon's Acquisition of PNC's Global Investment Servicing Business

Cautionary Statement

A number of statements in our presentation, the accompanying slides and the responses to your questions are “forward-looking statements.” These statements relate to, among other things, the aspects of the acquisition including the anticipated benefits of the acquisition, the impact on clients and shareholders, the effect on the Corporation’s profile and position in the market, plans to raise capital in connection with the acquisition, expected accretion and internal rate of return, expectations with respect to acceleration of growth and service levels, the ability to integrate the companies’ businesses successfully and on a timely basis, the expected closing date, projected capital ratios and balance sheet implications, projected expense and revenue synergies and M&I costs, as well as long-term strategies, plans for and other implications of the announced transactions, 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).

Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties and other factors described under “Forward Looking Statements” and “Risk Factors” in the Corporation’s 2008 Annual Report on Form 10-K and Quarterly Report on Form 10-Q for the quarter ended March 31, 2009 and in other filings of the Corporation with the Securities and Exchange Commission (SEC). Such forward-looking statements speak only as of February 2, 2010 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.

Strategically Attractive and Financially Compelling

Strategically Attractive

- Opportunity to acquire the last scale franchise in U.S. securities servicing with \$810MM in revenues in 2009
- Complements multiple business lines: Asset Servicing (custody, mutual fund administration, alternative investments) and Pershing (managed accounts, data solutions), adding scale and broadening product suite for each
- Expands BNY Mellon's fund services offering to meet the evolving needs of fund managers globally
- Accelerates opportunities with global hedge funds and fund advisors
- Principally fee-based and increases revenue exposure to equity markets
- Significant opportunities for revenue synergies

Financially Compelling

- Readily achievable expense and revenue synergies combined with BNY Mellon's excellent track record for integration
- Low risk balance sheet
- GAAP EPS accretive in 2010
- Attractive IRR well in excess of cost of capital
- Acquisition builds substantial economic value for shareholders vs. dividends / buybacks

Transaction Summary

Description	– Purchase of 100% of the outstanding stock of PNC’s Global Investment Servicing Business (“GIS”)									
Purchase Price	– Cash payment to PNC of \$2.31B includes \$1.57B for purchase of stock and \$740MM for repayment of inter-company debt									
Financing	– Approximately \$700MM-\$800MM equity issuance; remainder funded by available resources									
Capital Impact	– Capital ratios remain strong (assumes BNY Mellon consensus EPS): <table border="1" data-bbox="579 671 1642 813"> <thead> <tr> <th></th> <th><u>Tier 1 Common</u></th> <th><u>TCE / TA</u></th> </tr> </thead> <tbody> <tr> <td>At Closing</td> <td>10.0%</td> <td>4.9%</td> </tr> <tr> <td>Projected at 12/31/10</td> <td>11.4</td> <td>5.6</td> </tr> </tbody> </table>		<u>Tier 1 Common</u>	<u>TCE / TA</u>	At Closing	10.0%	4.9%	Projected at 12/31/10	11.4	5.6
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Financial Impact	– GAAP EPS accretive 1 cent in 2010 and 4-5 cents in 2011 – IRR of ~20%, including achievable revenue synergies									
Tax	– 338(h)10 election further improves returns									
Timing	– Expected to close in early 3Q10									
Approvals	– Customary regulatory approvals									

PNC's Global Investment Servicing Business

- Providing processing and technology solutions to mutual fund managers, alternative investment managers, distributors and financial advisors for over 30 years
- Comprehensive array of fund and investor services
 - Fund accounting and administration
 - Global custody
 - Transfer agency
 - Subaccounting
 - Alternative investment servicing
 - International fund administration
 - Securities lending
 - Reporting solutions for broker-dealers, mutual funds and financial advisors
 - Managed accounts
- Revenue of \$810MM in 2009.
 - 18% pretax margin in 4Q09 – Expect to improve significantly through revenue and expense synergies
- 4,450 staff with locations across the United States and Europe

Focused on Securities Servicing

Expands Asset Servicing and Clearing capabilities

GIS Capability

Benefits to BNY Mellon

**Asset Servicing
(88% of GIS
Revenue)**

**Assets Under
Custody &
Administration
of \$855B**

- Transfer agency
 - # 2 U.S. full-service provider
- Subaccounting
 - # 1 U.S. full-service provider
- Fund administration
 - Combined rank #2 U.S.
- Custody
 - Adds \$460B in AUC
- Alternative Investments
 - Combined rank #3 U.S.
 - Adds \$82B in AUA

- Creates unmatched suite of product solutions for asset management sector
- Broadens product offerings for fund servicing business – a large and growing segment
 - Strengthens fund accounting and administration platforms
 - Adds top tier transfer agency and subaccounting platforms
- Enables BNY Mellon to further deepen relationships with fund managers globally
- Contributes higher proportion of fee-based revenues
- Meaningfully increases alternative and international assets under administration
 - Doubles international assets under administration

**Pershing
(12% of GIS
Revenue)**

- Albridge Solutions
- Managed Accounts
- Coates Analytics

- Technology platform providing comprehensive reporting solutions to broker-dealers, mutual fund companies and financial advisors
- Solidifies leadership in managed accounts, adding significant scale to business
- Adds differentiating decision support analytics solutions

Meaningful Synergy Potential

Established track record of delivering on our commitments

Revenue

- Combines BNY Mellon's strong global custody footprint with GIS' strength and solutions for fund managers and financial advisors
- Fully integrated product suite drives higher win rates and deepens client relationships
- Opportunities to rapidly capture client revenues currently paid to third parties for net interest revenue, foreign exchange and sub-custody services
- Additional benefit from realization of increased spread on GIS customer deposits that have been held by PNC as sub-custodian
- Potential for significant revenue synergies of \$200-\$300 million

Expense

- Efficiencies expected from leveraging BNY Mellon's global growth centers as well as benefiting from increased scale across the businesses
 - \$120MM pre-tax expense synergies (~20% of GIS' expense base)
 - 60% realized in 2011, 92% in 2012 and 100% thereafter
- M&I costs of approximately \$215MM

Strong Capital Generation & Low Risk Balance Sheet

Results in robust capital ratios

- Expect to acquire balance sheet of \$3B at close and assume ~\$3.5B of client deposits within six months of close
- Raising approximately \$700MM-\$800MM of equity, financing remaining consideration with existing funds
- Generates ~\$500MM of identifiable intangibles, amortized over 15 years

	<u>Standalone</u> Q4 2009A	<u>Pro Forma</u> Q2 2010 (Close)	<u>Pro Forma</u> Estimated YE 2010	<u>Large Bank</u> <u>Median*</u> Q4 2009A
Tier 1 Common	10.5%	10.0%	11.4%	7.7%
TCE / TA	5.2%	4.9%	5.6%	5.6%

Note: Pro forma capital ratios calculated based on First Call consensus EPS estimates.

* Includes State Street, Northern Trust, JPM Chase, Citigroup, KeyCorp, Fifth Third, Bank of America, US Bancorp, SunTrust, Wells Fargo and PNC; State Street figures are projected Q2 '10 pro-forma for acquisition of Intesa Sanpaolo's Securities Services business