



Press Release

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BNY MELLON REPORTS FOURTH QUARTER CONTINUING EPS OF \$0.55 INCLUDING \$0.04 OF M&I AND RESTRUCTURING EXPENSES

- **TOTAL REVENUE OF \$3.8 BILLION +14% YEAR-OVER-YEAR, +10% SEQUENTIALLY**
- **TOTAL FEE REVENUE +12% SEQUENTIALLY**
 - **SECURITIES SERVICING FEES +8%**
 - **ASSET & WEALTH MANAGEMENT FEES +15%**
 - **FOREIGN EXCHANGE TRADING REVENUE +29%**
- **RECORD LEVELS OF ASSETS UNDER MANAGEMENT AND ASSETS UNDER CUSTODY/ADMINISTRATION**
- **CONTINUED STRONG FLOWS IN ASSET AND WEALTH MANAGEMENT**
 - **\$15 BILLION OF NET FLOWS IN 4Q10**
- **HIGHER CAPITAL RATIOS SEQUENTIALLY**
 - **TIER 1 13.4% +120 bps, TIER 1 COMMON 11.8% +110 bps**

NEW YORK, Jan. 19, 2011 -- The Bank of New York Mellon Corporation (“BNY Mellon”) (NYSE:BK) today reported fourth quarter income from continuing operations applicable to common shareholders of \$690 million, or \$0.55 per common share, compared with \$712 million, or \$0.59 per common share, in the fourth quarter of 2009 and \$625 million, or \$0.51 per common share, in the third quarter of 2010.

“We delivered 12% growth in fee revenue this quarter, reflecting improving markets, the underlying strength of our business model and continued investment in our businesses. Asset quality was exceptionally strong throughout the year and our regulatory capital ratios grew, reflecting our strong capital generation. I would like to thank our staff for all that they have accomplished for our clients and shareholders during the past year,” said Robert P. Kelly, chairman and chief executive officer of BNY Mellon.

Net income from continuing operations applicable to common shareholders totaled \$2.584 billion, or \$2.11 per common share, for the full-year 2010 compared to a net loss of \$1.097 billion, or \$0.93 per common share, for the full-year 2009. Net income applicable to common shareholders, including discontinued operations, for the full-year 2010 totaled \$2.518 billion, or \$2.05 per common share, compared to a net loss of \$1.367 billion, or \$1.16 per common share, for the full-year 2009.

Fourth Quarter Results - Unless otherwise noted, all comments begin with the results of the fourth quarter of 2010 and are compared to the fourth quarter of 2009, all information is reported on a continuing operations basis and sequential growth rates are unannualized. Please refer to the Quarterly Earnings Review for a detailed review of our businesses.

Total revenue

| Reconciliation of total revenue (dollar amounts in millions) | 4Q10 | 3Q10 | 4Q09 | 4Q10 vs. | |
|---|-------------|-------------|---------|----------|------|
| | | | | 3Q10 | 4Q09 |
| Fee and other revenue – GAAP | \$2,972 | \$2,668 | \$2,577 | | |
| Less: Net securities gains | 1 | 6 | 15 | | |
| Total fee revenue – GAAP | 2,971 | 2,662 | 2,562 | 12% | 16% |
| Income of consolidated asset management funds, net of noncontrolling interests | 45 (a) | 49 (a) | - | | |
| Total fee revenue – Non-GAAP | 3,016 | 2,711 | 2,562 | 11% | 18% |
| Net interest revenue – GAAP | 720 | 718 | 724 | | |
| Total revenue excluding net securities gains – Non-GAAP | \$3,736 (b) | \$3,429 (b) | \$3,286 | 9% | 14% |
| Total revenue – GAAP | \$3,751 (b) | \$3,423 (b) | \$3,301 | 10% | 14% |

(a) Includes \$35 million and \$36 million previously reported as asset and wealth management fee revenue and \$10 million and \$13 million previously reported as investment and other income in the fourth and third quarters of 2010.

(b) Total revenue from the Acquisitions (described below) was \$253 million in the fourth quarter of 2010 and \$237 million in the third quarter of 2010.

- Record levels of assets under custody and administration and assets under management in the fourth quarter of 2010 reflect the impact of higher equity markets and new business, partially offset by the decline in the fixed income markets and the relative strength of the U.S. dollar. **Assets under custody and administration** amounted to \$25.0 trillion at Dec. 31, 2010, an increase of 12% compared with the prior year and 2% sequentially. The increase compared with Dec. 31, 2009 primarily reflects the acquisitions of Global Investment Servicing (“GIS”) on July 1, 2010 and BHF Asset Servicing GmbH (“BAS”) on Aug. 2, 2010 (collectively, “the Acquisitions”). **Assets under management**, excluding securities lending assets, amounted to \$1.17 trillion at Dec. 31, 2010. This represents an increase of 5% compared with the prior year and 3% sequentially.
- Securities servicing fees** totaled \$1.6 billion, an increase of 29% year-over-year and 8% sequentially. Both increases reflect higher asset servicing revenue as a result of improved market values and new business, higher issuer services revenue primarily driven by increased depositary receipts revenue and higher clearing services revenue. The year-over-year results were also positively impacted by the Acquisitions.
- Asset and wealth management fees** were \$800 million in the fourth quarter of 2010, up 15% sequentially. Adjusted for performance fees and income from consolidated asset management funds, net of noncontrolling interests, these fees totaled \$762 million, an increase of 11% compared with the prior year period and 6% sequentially (see page 10). Both increases reflect increased market values and net new business.
- Foreign exchange and other trading revenue** totaled \$258 million compared with \$246 million in the prior year period and \$146 million in the third quarter of 2010. In the fourth quarter of 2010, foreign exchange revenue totaled \$206 million, an increase of 29% sequentially and 2% year-over-year. The sequential increase was driven by increased volumes, new business and higher volatility. Other trading revenue was \$52 million in the fourth quarter of 2010, an increase of \$7 million compared with the fourth quarter of 2009 and \$66 million compared with the third quarter of 2010. The sequential increase was largely driven by an improvement in fixed income and derivatives trading.

- **Investment and Other income** totaled \$80 million, a decrease of \$1 million year-over-year and \$17 million sequentially. The sequential decrease primarily reflects lower foreign currency translation and seed capital revenue, and gains on the sales of assets in the third quarter of 2010.
- **Net interest revenue** and the **net interest margin (FTE)** were \$720 million and 1.54% compared with \$718 million and 1.67% sequentially. The sequential increase in net interest revenue was primarily driven by higher average interest-earning assets which resulted from a temporary increase in short-term client deposits during the fourth quarter. The spike in short-term client deposits negatively impacted the net interest margin by approximately 10 basis points in the fourth quarter of 2010.

The **provision for credit losses** was a credit of \$22 million in the fourth quarter of 2010 compared with a charge of \$65 million in the fourth quarter of 2009 and a credit of \$22 million in the third quarter of 2010. The credit in the provision in the fourth quarter of 2010 primarily reflects the repayment of a loan to an asset manager that had previously filed for bankruptcy. The decrease in the provision compared with the fourth quarter of 2009 reflects a reduction in criticized assets. Criticized assets decreased 32% in the fourth quarter of 2010 and 66% in the full-year 2010.

Total noninterest expense

| Reconciliation of noninterest expense (dollar amounts in millions) | 4Q10 | 3Q10 | 4Q09 | 4Q10 vs. | |
|---|-------------|-------------|---------|----------|------|
| | | | | 3Q10 | 4Q09 |
| Noninterest expense – GAAP | \$2,803 | \$2,611 | \$2,564 | 7% | 9% |
| Less: Amortization of intangible assets | 115 | 111 | 107 | | |
| Restructuring charges | 21 | 15 | 139 | | |
| M&I expenses | 43 | 56 | 52 | | |
| Total noninterest expense – Non-GAAP | \$2,624 (a) | \$2,429 (a) | \$2,266 | 8% | 16% |

(a) Noninterest expense from the Acquisitions was \$196 million in the fourth quarter of 2010 and \$185 million in the third quarter of 2010.

- Total noninterest expense (excluding amortization of intangible assets, restructuring charges and M&I expenses) (Non-GAAP) increased 16% compared with the prior year period and 8% sequentially. The increase compared with the prior year period reflects the impact of the Acquisitions, higher volume driven costs and new business. The sequential increase includes the impact of higher volume driven costs, seasonality and new business. In addition, noninterest expense in the fourth quarter of 2010 includes approximately \$50 million of expenses primarily related to the full-year impact of adjusting compensation to market levels, the write-off of equipment and the anticipated settlement of a withholding tax matter with the Internal Revenue Service.

The **effective tax rate** on a continuing operations basis was 27.3% in the fourth quarter of 2010, 26.4% in the third quarter of 2010 and 28.3% in full-year 2010.

The **unrealized net of tax gain on our total investment securities portfolio** was \$150 million at Dec. 31, 2010 compared with \$311 million at Sept. 30, 2010. The decline in the valuation of the investment securities portfolio was driven by higher interest rates.

| Capital ratios (a) | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 |
|---|------------------|-------------------|------------------|
| Tier 1 capital ratio | 13.4% | 12.2% | 12.1% |
| Total (Tier 1 plus Tier 2) capital ratio | 16.4 | 15.8 | 16.0 |
| Leverage capital ratio | 5.8 | 5.9 | 6.5 |
| Common shareholders' equity to total assets ratio (b) | 13.1 | 12.7 | 13.7 |
| Tangible common shareholders' equity to tangible assets of operations ratio – Non-GAAP (b) | 5.8 | 5.3 | 5.2 |
| Tier 1 common equity to risk-weighted assets ratio (b) | 11.8 | 10.7 | 10.5 |

(a) Includes discontinued operations. Preliminary.

(b) See the Supplemental information section beginning on page 9 for a calculation of these ratios.

The increase in the capital ratios sequentially primarily resulted from earnings retention and lower risk-weighted assets. The increase from Dec. 31, 2009 primarily reflects earnings retention, the third quarter 2010 common equity issuance of \$677 million and lower risk-weighted assets, partially offset by the impact of the Acquisitions.

Declaration of quarterly dividend – On Jan. 19, 2011, The Bank of New York Mellon Corporation declared a quarterly common stock dividend of \$0.09 per common share. This cash dividend is payable on Feb. 9, 2011 to shareholders of record as of the close of business on Jan. 31, 2011.

BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has \$25.0 trillion in assets under custody and administration and \$1.17 trillion in assets under management, services \$12.0 trillion in outstanding debt and processes global payments averaging \$1.6 trillion per day. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. Additional information is available at www.bnymellon.com.

Supplemental Financial Information

The Quarterly Earnings Review and supplemental financial trends for The Bank of New York Mellon Corporation have been updated through Dec. 31, 2010 and are available at www.bnymellon.com (Investor Relations - Financial Reports).

Conference Call Data

Robert P. Kelly, chairman and chief executive officer; Gerald L. Hassell, president; and Thomas P. Gibbons, chief financial officer, along with other members of executive management from BNY Mellon, will host a conference call and simultaneous live audio webcast at 8:00 a.m. EST on Jan. 19, 2011. This conference call and audio webcast will include forward-looking statements and may include other material information. Persons wishing to access the conference call and audio webcast may do so by dialing (888) 677-5383 (U.S.) and (773) 799-3611 (International), and using the passcode: Earnings, or by logging on to www.bnymellon.com. The Earnings Release, together with the Quarterly Earnings Review and supplemental Financial Trends, will be available at www.bnymellon.com beginning at approximately 6:30 a.m. EST on Jan. 19, 2011. Replays of the conference call and audio webcast will be available beginning Jan. 19, 2011 at approximately 2 p.m. EST through Feb. 1, 2011 by dialing (866) 479-2460 (U.S.) or (203) 369-1535 (International). The archived version of the conference call and audio webcast will also be available at www.bnymellon.com for the same time period.

THE BANK OF NEW YORK MELLON CORPORATION
Financial Highlights

| <i>(dollar amounts in millions, except per common share amounts and unless otherwise noted)</i> | Quarter ended | | | Year ended | |
|---|------------------|-------------------|------------------|------------------|----------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2009 |
| Continuing operations | | | | | |
| Return on common equity <i>(annualized) (a)</i> | 8.5% | 7.8% | 9.8% | 8.2% | N/M |
| Non-GAAP adjusted <i>(a)</i> | 9.9% | 9.2% | 10.1% | 9.7% | 9.3% |
| Return on tangible common equity <i>(annualized) – Non-GAAP (a)</i> | 27.5% | 26.3% | 33.0% | 25.7% | N/M |
| Non-GAAP adjusted <i>(a)</i> | 29.1% | 27.8% | 31.1% | 27.4% | 32.1% |
| Fee and other revenue as a percentage of total revenue excluding securities gains (losses) | 79% | 78% | 78% | 77% | 78% |
| Annualized fee revenue per employee (based on average headcount) <i>(in thousands)</i> | \$ 246 | \$ 234 | \$ 242 | \$ 241 | \$ 241 |
| Percentage of non-U.S. fee, net interest revenue and income of consolidated asset management funds, net of noncontrolling interests | 38% | 36% | 36% | 36% | 32% |
| Pre-tax operating margin <i>(a)</i> | 26% | 24% | 20% | 27% | N/M |
| Non-GAAP adjusted <i>(a)</i> | 30% | 30% | 29% | 32% | 31% |
| Net interest margin (FTE) | 1.54% | 1.67% | 1.77% | 1.69% | 1.82% |
| Selected average balances | | | | | |
| Interest-earning assets | \$187,597 | \$172,759 | \$164,075 | \$172,852 | \$160,955 |
| Assets of operations | \$241,734 | \$226,378 | \$214,205 | \$224,670 | \$212,127 |
| Total assets | \$256,409 | \$240,325 | \$214,205 | \$238,025 | \$212,127 |
| Interest-bearing deposits | \$111,776 | \$104,033 | \$ 98,404 | \$104,133 | \$ 98,206 |
| Noninterest-bearing deposits | \$ 39,625 | \$ 33,198 | \$ 34,991 | \$ 35,208 | \$ 36,446 |
| Total The Bank of New York Mellon Corporation shareholders' equity | \$ 32,379 | \$ 31,868 | \$ 28,843 | \$ 31,361 | \$ 28,476 |
| Average common shares and equivalents outstanding <i>(in thousands)</i> : | | | | | |
| Basic | 1,232,568 | 1,210,534 | 1,200,359 | 1,212,630 | 1,178,907 |
| Diluted | 1,235,670 | 1,212,684 | 1,203,469 | 1,216,214 | 1,178,907 <i>(b)</i> |
| Period-end data | | | | | |
| Assets under management <i>(in billions)</i> | \$ 1,172 | \$ 1,141 | \$ 1,115 | \$ 1,172 | \$ 1,115 |
| Assets under custody and administration <i>(in trillions)</i> | \$ 25.0 | \$ 24.4 | \$ 22.3 | \$ 25.0 | \$ 22.3 |
| Cross-border assets <i>(in trillions)</i> | \$ 9.2 | \$ 8.8 | \$ 8.8 | \$ 9.2 | \$ 8.8 |
| Market value of securities on loan <i>(in billions) (c)</i> | \$ 278 | \$ 279 | \$ 247 | \$ 278 | \$ 247 |
| Employees | 48,000 | 47,700 | 42,200 | 48,000 | 42,200 |
| Book value per common share – GAAP <i>(a)</i> | \$ 26.06 | \$ 25.92 | \$ 23.99 | \$ 26.06 | \$ 23.99 |
| Tangible book value per common share – Non-GAAP <i>(a)</i> | \$ 8.91 | \$ 8.59 | \$ 7.90 | \$ 8.91 | \$ 7.90 |
| Cash dividends per common share | \$ 0.09 | \$ 0.09 | \$ 0.09 | \$ 0.36 | \$ 0.51 |
| Closing common stock price per common share | \$ 30.20 | \$ 26.13 | \$ 27.97 | \$ 30.20 | \$ 27.97 |
| Market capitalization | \$37,494 | \$32,413 | \$33,783 | \$37,494 | \$33,783 |

(a) See Supplemental information beginning on page 9 for a calculation of these ratios.

(b) Diluted earnings per share for the year ended Dec. 31, 2009, was calculated using average basic shares. Adding back the dilutive shares would be anti-dilutive.

(c) Represents the securities on loan, both cash and non-cash, managed by the Asset Servicing business.

N/M – Not meaningful.

THE BANK OF NEW YORK MELLON CORPORATION
Condensed Consolidated Income Statement

| <i>(in millions)</i> | Quarter ended | | | Year ended | |
|---|------------------|-------------------|------------------|------------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2009 |
| Fee and other revenue | | | | | |
| Securities servicing fees: | | | | | |
| Asset servicing | \$ 914 | \$ 870 | \$ 650 | \$3,089 | \$2,573 |
| Issuer services | 409 | 364 | 368 | 1,460 | 1,463 |
| Clearing services | 278 | 252 | 223 | 1,005 | 962 |
| Total securities servicing fees | 1,601 | 1,486 | 1,241 | 5,554 | 4,998 |
| Asset and wealth management fees | 800 | 696 | 746 | 2,868 | 2,677 |
| Foreign exchange and other trading revenue | 258 | 146 | 246 | 886 | 1,036 |
| Treasury services | 129 | 132 | 134 | 517 | 519 |
| Distribution and servicing | 55 | 56 | 57 | 210 | 326 |
| Financing-related fees | 48 | 49 | 57 | 195 | 215 |
| Investment and other income | 80 | 97 | 81 | 467 | 337 |
| Total fee revenue | 2,971 | 2,662 | 2,562 | 10,697 | 10,108 |
| Net securities gains (losses) | 1 | 6 | 15 | 27 | (5,369) |
| Total fee and other revenue | 2,972 | 2,668 | 2,577 | 10,724 | 4,739 |
| Operations of consolidated asset management funds | | | | | |
| Investment income | 176 | 144 | - | 663 | - |
| Interest of asset management fund note holders | 117 | 107 | - | 437 | - |
| Income of consolidated asset management funds | 59 | 37 | - | 226 | - |
| Net interest revenue | | | | | |
| Interest revenue | 913 | 875 | 854 | 3,533 | 3,507 |
| Interest expense | 193 | 157 | 130 | 608 | 592 |
| Net interest revenue | 720 | 718 | 724 | 2,925 | 2,915 |
| Provision for credit losses | (22) | (22) | 65 | 11 | 332 |
| Net interest revenue after provision for credit losses | 742 | 740 | 659 | 2,914 | 2,583 |
| Noninterest expense | | | | | |
| Staff | 1,417 | 1,344 | 1,221 | 5,215 | 4,700 |
| Professional, legal and other purchased services | 320 | 282 | 278 | 1,099 | 1,017 |
| Software and equipment | 207 | 187 | 178 | 725 | 676 |
| Net occupancy | 158 | 150 | 141 | 588 | 564 |
| Distribution and servicing | 104 | 94 | 91 | 377 | 393 |
| Business development | 88 | 63 | 76 | 271 | 214 |
| Sub-custodian | 70 | 60 | 55 | 247 | 203 |
| Other | 260 | 249 | 226 | 1,060 | 954 |
| Subtotal | 2,624 | 2,429 | 2,266 | 9,582 | 8,721 |
| Amortization of intangible assets | 115 | 111 | 107 | 421 | 426 |
| Restructuring charges | 21 | 15 | 139 | 28 | 150 |
| Merger and integration expenses | 43 | 56 | 52 | 139 | 233 |
| Total noninterest expense | 2,803 | 2,611 | 2,564 | 10,170 | 9,530 |
| Income | | | | | |
| Income (loss) from continuing operations before income taxes | 970 | 834 | 672 | 3,694 | (2,208) |
| Provision (benefit) for income taxes | 265 | 220 | (41) | 1,047 | (1,395) |
| Net income (loss) from continuing operations | 705 | 614 | 713 | 2,647 | (813) |
| Discontinued operations: | | | | | |
| (Loss) from discontinued operations | (18) | (6) | (183) | (110) | (421) |
| Benefit for income taxes | (7) | (3) | (64) | (44) | (151) |
| Net (loss) from discontinued operations | (11) | (3) | (119) | (66) | (270) |
| Net income (loss) | 694 | 611 | 594 | 2,581 | (1,083) |
| Net (income) loss attributable to noncontrolling interests | (15) (a) | 11 (a) | (1) | (63) (a) | (1) |
| Redemption charge and preferred dividends | - | - | - | - | (283) |
| Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation | \$ 679 | \$ 622 | \$ 593 | \$2,518 | \$(1,367) |

(a) Includes income of \$(14) million for the fourth quarter of 2010, a loss of \$12 million for the third quarter of 2010, and income of \$(59) million for the full year of 2010, related to consolidated asset management funds.

THE BANK OF NEW YORK MELLON CORPORATION
Condensed Consolidated Income Statement - continued

| Earnings per common share applicable to the common shareholders of The Bank of New York Mellon Corporation (a) <i>(in dollars)</i> | Quarter ended | | | Year ended | |
|--|--------------------|-------------------|------------------|-------------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2009 |
| <i>Basic:</i> | | | | | |
| Net income (loss) from continuing operations | \$ 0.55 | \$ 0.51 | \$0.59 | \$2.11 | \$(0.93) |
| Net loss from discontinued operations | (0.01) | - | (0.10) | (0.05) | (0.23) |
| Net income (loss) applicable to common stock | \$ 0.55 (b) | \$ 0.51 | \$0.49 | \$2.06 | \$(1.16) |
| <i>Diluted:</i> | | | | | |
| Net income (loss) from continuing operations | \$ 0.55 | \$ 0.51 | \$0.59 | \$2.11 | \$(0.93) |
| Net loss from discontinued operations | (0.01) | - | (0.10) | (0.05) | (0.23) |
| Net income (loss) applicable to common stock | \$ 0.54 | \$ 0.51 | \$0.49 | \$2.05 (b) | \$(1.16) (c) |

(a) *Basic and diluted earnings per share under the two-class method were calculated after deducting earnings allocated to participating securities of \$6 million in the fourth quarter of 2010, \$5 million in the third quarter of 2010, \$6 million in the fourth quarter of 2009, \$23 million in the full year 2010 and \$ - million in the full year 2009.*

(b) *Does not foot due to rounding.*

(c) *Diluted earnings per share for the year ended Dec. 31, 2009, was calculated using average basic shares. Adding back the dilutive shares would be anti-dilutive.*

| Reconciliation of net income (loss) from continuing operations applicable to the common shareholders of The Bank of New York Mellon Corporation <i>(in millions)</i> | Quarter ended | | | Year ended | |
|--|------------------|-------------------|------------------|------------------|------------------|
| | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2009 |
| Net income (loss) from continuing operations | \$ 705 | \$ 614 | \$ 713 | \$2,647 | \$(813) |
| Net (income) loss attributable to noncontrolling interests | (15) | 11 | (1) | (63) | (1) |
| Redemption charge and preferred dividends | - | - | - | - | (283) |
| Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation | 690 | 625 | 712 | 2,584 | (1,097) |
| Net loss from discontinued operations | (11) | (3) | (119) | (66) | (270) |
| Net income (loss) applicable to the common shareholders of The Bank of New York Mellon Corporation | \$ 679 | \$ 622 | \$ 593 | \$2,518 | \$(1,367) |

Certain immaterial reclassifications have been made to prior periods to place them on a basis comparable with the current period presentation.

THE BANK OF NEW YORK MELLON CORPORATION
Consolidated Balance Sheet

| <i>(dollar amounts in millions, except per share amounts)</i> | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 |
|--|------------------|-------------------|------------------|
| Assets | | | |
| Cash and due from: | | | |
| Banks | \$ 3,675 | \$ 3,693 | \$ 3,732 |
| Interest-bearing deposits with the Federal Reserve and other central banks | 18,549 | 15,765 | 7,362 |
| Interest-bearing deposits with banks | 50,200 | 60,293 | 56,302 |
| Federal funds sold and securities purchased under resale agreements | 5,169 | 4,735 | 3,535 |
| Securities: | | | |
| Held-to-maturity (fair value of \$3,657, \$3,867 and \$4,240) | 3,655 | 3,862 | 4,417 |
| Available-for-sale (includes \$483, \$481 and \$ - previously securitized) | 62,652 | 58,238 | 51,632 |
| Total securities | 66,307 | 62,100 | 56,049 |
| Trading assets | 6,276 | 9,860 | 6,001 |
| Loans | 37,808 | 37,867 | 36,689 |
| Allowance for loan losses | (498) | (534) | (503) |
| Net loans | 37,310 | 37,333 | 36,186 |
| Premises and equipment | 1,693 | 1,677 | 1,602 |
| Accrued interest receivable | 508 | 580 | 639 |
| Goodwill | 18,042 | 18,073 | 16,249 |
| Intangible assets | 5,696 | 5,818 | 5,588 |
| Other assets | 18,790 | 19,315 | 16,737 |
| Assets of discontinued operations | 278 | 310 | 2,242 |
| Subtotal assets of operations | 232,493 | 239,552 | 212,224 |
| Assets of consolidated asset management funds, at fair value: | | | |
| Trading assets | 14,121 | 14,149 | - |
| Other assets | 645 | 456 | - |
| Subtotal assets of consolidated asset management funds, at fair value | 14,766 | 14,605 | - |
| Total assets | \$247,259 | \$254,157 | \$212,224 |
| Liabilities | | | |
| Deposits: | | | |
| Noninterest-bearing (principally domestic offices) | \$ 38,703 | \$ 37,247 | \$ 33,477 |
| Interest-bearing deposits in domestic offices | 37,937 | 35,141 | 32,944 |
| Interest-bearing deposits in foreign offices | 68,699 | 76,593 | 68,629 |
| Total deposits | 145,339 | 148,981 | 135,050 |
| Federal funds purchased and securities sold under repurchase agreements | 5,602 | 3,301 | 3,348 |
| Trading liabilities | 6,911 | 10,102 | 6,396 |
| Payables to customers and broker-dealers | 9,962 | 10,895 | 10,721 |
| Commercial paper | 10 | 9 | 12 |
| Other borrowed funds | 2,858 | 2,220 | 477 |
| Accrued taxes and other expenses | 6,164 | 5,540 | 4,484 |
| Other liabilities (including allowance for lending related commitments of \$73, \$74 and \$125) | 7,176 | 10,100 | 3,891 |
| Long-term debt | 16,517 | 16,720 | 17,234 |
| Liabilities of discontinued operations | - | - | 1,608 |
| Subtotal liabilities of operations | 200,539 | 207,868 | 183,221 |
| Liabilities of consolidated asset management funds, at fair value: | | | |
| Trading liabilities | 13,561 | 13,397 | - |
| Other liabilities | 2 | 1 | - |
| Subtotal liabilities of consolidated asset management funds, at fair value | 13,563 | 13,398 | - |
| Total liabilities | 214,102 | 221,266 | 183,221 |
| Temporary equity | | | |
| Redeemable noncontrolling interests | 92 | 41 | - |
| Permanent equity | | | |
| Common stock-par value \$0.01 per common share; authorized 3,500,000,000 common shares; issued 1,244,608,989, 1,243,448,825 and 1,208,861,641 common shares | 12 | 12 | 12 |
| Additional paid-in capital | 22,885 | 22,808 | 21,917 |
| Retained earnings | 10,898 | 10,386 | 8,912 |
| Accumulated other comprehensive loss, net of tax | (1,355) | (969) | (1,835) |
| Less: Treasury stock of 3,078,794, 2,994,416 and 1,026,927 common shares, at cost | (86) | (84) | (29) |
| Total The Bank of New York Mellon Corporation shareholders' equity | 32,354 | 32,153 | 28,977 |
| Nonredeemable noncontrolling interests | 12 | 20 | 26 |
| Nonredeemable noncontrolling interests of consolidated asset management funds | 699 | 677 | - |
| Total permanent equity | 33,065 | 32,850 | 29,003 |
| Total liabilities, temporary equity and permanent equity | \$247,259 | \$254,157 | \$212,224 |

Discontinued operations

On Jan. 15, 2010, BNY Mellon sold Mellon United National Bank (“MUNB”), a national bank subsidiary located in Florida. We have applied discontinued operations accounting to this business. The income statements for all periods in this Earnings Release are presented on a continuing operations basis. In the fourth quarter of 2010, we recorded an after-tax loss on discontinued operations of \$11 million, primarily reflecting lower of cost or market write-downs on the retained MUNB loans held for sale.

Consolidated net income (loss) applicable to common shareholders, including discontinued operations

Net income applicable to common shareholders, including discontinued operations, totaled \$679 million, or \$0.54 per common share in the fourth quarter of 2010, compared with \$593 million, or \$0.49 per common share, in the fourth quarter of 2009 and net income of \$622 million, or \$0.51 per common share, in the third quarter of 2010.

Supplemental information – Explanation of Non-GAAP financial measures

BNY Mellon has included in this release certain Non-GAAP financial measures based upon tangible common shareholders’ equity. BNY Mellon believes that the ratio of tangible common shareholders’ equity to tangible assets of operations is a measure of capital strength that provides additional useful information to investors, supplementing the Tier 1 capital ratio which is utilized by regulatory authorities. Unlike the Tier 1 capital ratio, the tangible common shareholders’ equity ratio fully incorporates those changes in investment securities valuations which are reflected in total shareholders’ equity. In addition, this ratio is expressed as a percentage of the actual book value of assets, as opposed to a percentage of a risk-based reduced value established in accordance with regulatory requirements, although BNY Mellon in its calculation has excluded certain assets which are given a zero percent risk-weighting for regulatory purposes. This ratio is also informative to investors in BNY Mellon’s common stock because, unlike the Tier 1 capital ratio, it excludes trust preferred securities issued by BNY Mellon. Further, BNY Mellon believes that the return on tangible common equity measure, which excludes goodwill and intangible assets net of deferred tax liabilities, is a useful additional measure for investors because it presents a measure of BNY Mellon’s performance in reference to those assets which are productive in generating income.

BNY Mellon has provided a measure of tangible book value per share, which it believes provides additional useful information as to the level of such assets in relation to shares of common stock outstanding. BNY Mellon has presented revenue measures which exclude the effect of net securities gains (losses) and noncontrolling interests related to consolidated asset management funds; and expense measures which exclude special litigation reserves taken in the first quarter of 2010, the FDIC special assessment, restructuring charges, M&I expenses and amortization of intangible assets expenses; and measures which utilize net income excluding tax items such as benefit of tax settlements. Return on equity measures and operating margin measures which exclude some or all of these items are also presented. BNY Mellon believes that these measures are useful to investors because they permit a focus on period to period comparisons which relate to the ability of BNY Mellon to enhance revenues and limit expenses in circumstances where such matters are within BNY Mellon’s control. The excluded items in general relate to situations where accounting rules require certain ongoing charges as a result of prior transactions, or where valuation or other accounting/regulatory requirements require charges unrelated to operational initiatives. M&I expenses primarily relate to the Acquisitions which were consummated in the third quarter of 2010 and the merger with Mellon Financial Corporation in 2007. M&I expenses generally continue for approximately three years after the transaction, and can vary on a year-to-year basis depending on the stage of the integration. BNY Mellon believes that the exclusion of M&I expenses provides investors with a focus on BNY Mellon’s business as it would appear on a consolidated going-forward basis, after such M&I expenses have ceased, typically after approximately three years. Future periods will not reflect such M&I expenses, and thus may be more easily compared to our current results if M&I expenses are excluded. With regards to the exclusion of net securities gains (losses), BNY Mellon’s primary businesses are Asset and Wealth Management and Institutional Services. The management of these businesses is evaluated on the basis of the ability of these businesses to generate fee and net interest revenue and to control expenses, and not on the results of BNY

Mellon's investment securities portfolio. The investment securities portfolio is managed within the Other group of businesses. The primary objective of the investment securities portfolio is to generate net interest revenue from the liquidity generated by BNY Mellon's processing businesses. BNY Mellon does not generally originate or trade the securities in the investment securities portfolio. With regards to higher yields related to the restructured investment securities portfolio, client deposits serve as the primary funding source for our investment securities portfolio and we typically allocate all interest revenue to the businesses generating the deposits. Accordingly, the higher yield related to the restructured investment securities portfolio has been included in the results of our businesses. Restructuring charges relate to migrating positions to global growth centers and the elimination of certain positions.

Excluding the benefit of tax settlements permits investors to calculate the tax impact of BNY Mellon's primary businesses. The presentation of financial measures excluding special litigation reserves in the first quarter of 2010 provides investors with the ability to view performance metrics on the basis that management views results. The presentation of income of consolidated asset management funds, net of noncontrolling interests related to the consolidation of certain asset management funds, permits investors to view revenue on a basis consistent with prior periods. BNY Mellon believes that these presentations, as a supplement to GAAP information, gives investors a clearer picture of the results of its primary businesses.

In this Earnings Release, certain amounts are presented on an FTE basis. We believe that this presentation provides comparability 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.

Each of these measures as described above is used by management to monitor financial performance, both on a company-wide and business-level basis.

| Income from consolidated asset management funds, net of noncontrolling interests <i>(in millions)</i> | 4Q10 | 3Q10 | 4Q09 | 2010 | 2009 |
|---|-------------|-------------|-------------|-------------|-------------|
| Operations of consolidated asset management funds | \$ 59 | \$ 37 | \$ - | \$ 226 | \$ - |
| Less: Noncontrolling interests of consolidated asset management funds | 14 | (12) | - | 59 | - |
| Income from consolidated asset management funds, net of noncontrolling interests | \$ 45 | \$ 49 | \$ - | \$ 167 | \$ - |

| Income from consolidated asset management funds, net of noncontrolling interests – previously disclosed as <i>(in millions)</i> | 4Q10 | 3Q10 | 4Q09 | 2010 | 2009 |
|---|-------------|-------------|-------------|-------------|-------------|
| Asset and wealth management revenue | \$ 35 | \$ 36 | \$ - | \$ 125 | \$ - |
| Investment and other income | 10 | 13 | - | 42 | - |
| Total | \$ 45 | \$ 49 | \$ - | \$ 167 | \$ - |

| Asset servicing revenue <i>(in millions)</i> | 4Q10 | 3Q10 | 4Q09 |
|--|-------------|-------------|-------------|
| Asset servicing revenue | \$ 914 | \$ 870 | \$ 650 |
| Less: Securities lending fee revenue | 37 | 38 | 29 |
| Asset servicing revenue excluding securities lending fee revenue | \$ 877 | \$ 832 | \$ 621 |

| Asset and wealth management fee revenue <i>(dollars in millions)</i> | 4Q10 | 3Q10 | 4Q09 | 4Q10 vs. | |
|---|-------------|-------------|-------------|-----------------|-------------|
| | | | | 4Q09 | 3Q10 |
| Asset and wealth management fee revenue | \$ 800 | \$ 696 | \$ 746 | 7% | 15% |
| Less: Performance fees | 73 | 16 | 59 | | |
| Add: Revenue from consolidated asset management funds, net of noncontrolling interests | 35 | 36 | - | | |
| Asset and wealth management fee revenue excluding performance fees | \$ 762 | \$ 716 | \$ 687 | 11% | 6% |

| Reconciliation of income (loss) from continuing operations before income taxes – pre-tax operating margin | | | | | |
|--|----------------|---------|---------|-----------------|-----------|
| <i>(dollars in millions)</i> | 4Q10 | 3Q10 | 4Q09 | 2010 | 2009 |
| Income (loss) from continuing operations before income taxes – GAAP | \$ 970 | \$ 834 | \$672 | \$3,694 | \$(2,208) |
| Less: Net securities gains (losses) | 1 | 6 | 15 | 27 | (5,369) |
| Noncontrolling interests of consolidated asset management funds | 14 | (12) | - | 59 | - |
| Add: Special litigation reserves | N/A | N/A | N/A | 164 | N/A |
| FDIC special assessment | - | - | - | - | 61 |
| Asset-based taxes | - | - | - | - | 20 |
| Restructuring charges | 21 | 15 | 139 | 28 | 150 |
| M&I expenses | 43 | 56 | 52 | 139 | 233 |
| Amortization of intangible assets | 115 | 111 | 107 | 421 | 426 |
| Income (loss) from continuing operations before income taxes excluding net securities gains (losses), noncontrolling interests of consolidated asset management funds, special litigation reserves, FDIC special assessment, asset-based taxes, restructuring charges, M&I expenses and amortization of intangible assets – Non-GAAP | \$1,134 | \$1,022 | \$ 955 | \$4,360 | \$4,051 |
| Fee and other revenue – GAAP | \$2,972 | \$2,668 | \$2,577 | \$10,724 | \$4,739 |
| Income of consolidated asset management funds – GAAP | 59 | 37 | - | 226 | - |
| Net interest revenue – GAAP | 720 | 718 | 724 | 2,925 | 2,915 |
| Total revenue – GAAP | 3,751 | 3,423 | 3,301 | 13,875 | 7,654 |
| Less: Net securities gains (losses) | 1 | 6 | 15 | 27 | (5,369) |
| Noncontrolling interests of consolidated asset management funds | 14 | (12) | - | 59 | - |
| Total revenue excluding net securities gains (losses) and noncontrolling interests of consolidated asset management funds – Non-GAAP | \$3,736 | \$3,429 | \$3,286 | \$13,789 | \$13,023 |
| Pre-tax operating margin <i>(a)</i> | 26% | 24% | 20% | 27% | N/M |
| Pre-tax operating margin excluding net securities gains (losses), noncontrolling interests of consolidated asset management funds, special litigation reserves, FDIC special assessment, asset-based taxes, restructuring charges, M&I expenses and amortization of intangible assets – Non-GAAP <i>(a)</i> | 30% | 30% | 29% | 32% | 31% |

(a) Income (loss) before taxes divided by total revenue.

N/A – Not applicable.

N/M – Not meaningful.

| Return on common equity and tangible common equity – continuing operations <i>(dollars in millions)</i> | 4Q10 | 3Q10 | 4Q09 | 2010 | 2009 |
|--|-----------------|-------------|-------------|-----------------|-------------|
| Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation - GAAP | \$ 679 | \$ 622 | \$ 593 | \$2,518 | \$(1,367) |
| Less: Loss from discontinued operations, net of tax | (11) | (3) | (119) | (66) | (270) |
| Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation | 690 | 625 | 712 | 2,584 | (1,097) |
| Add: Amortization of intangible assets | 72 | 70 | 66 | 264 | 265 |
| Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation excluding amortization of intangible assets – Non-GAAP | 762 | 695 | 778 | 2,848 | (832) |
| Less: Net securities gains (losses) | - | 4 | 31 | 17 | (3,360) |
| Add: Special litigation reserves | N/A | N/A | N/A | 98 | N/A |
| FDIC special assessment | - | - | - | - | 36 |
| Restructuring charges | 15 | 8 | 86 | 19 | 94 |
| M&I expenses | 29 | 37 | 33 | 91 | 144 |
| Discrete tax benefits / benefit of tax settlements | - | - | (133) | - | (267) |
| Net income from continuing operations excluding amortization of intangible assets, net securities gains (losses), special litigation reserves, FDIC special assessment, restructuring charges, M&I expenses and discrete tax benefit / benefit of tax settlements – Non-GAAP | \$ 806 | \$ 736 | \$ 733 | \$ 3,039 | \$ 2,535 |
| Average common shareholders' equity | \$32,379 | \$31,868 | \$28,843 | \$31,361 | \$27,198 |
| Less: Average goodwill | 18,073 | 17,798 | 16,291 | 17,029 | 16,042 |
| Average intangible assets | 5,761 | 5,956 | 5,587 | 5,678 | 5,654 |
| Add: Deferred tax liability – tax deductible goodwill | 816 | 763 | 720 | 816 | 720 |
| Deferred tax liability – non-tax deductible intangible assets | 1,625 | 1,634 | 1,680 | 1,625 | 1,680 |
| Average tangible common shareholders' equity – Non-GAAP | \$10,986 | \$10,511 | \$9,365 | \$11,095 | \$7,902 |
| Return on common equity– GAAP <i>(a)</i> | 8.5% | 7.8% | 9.8% | 8.2% | N/M |
| Return on common equity excluding amortization of intangible assets, net securities gains (losses), special litigation reserves, FDIC special assessment, restructuring charges, M&I expenses and discrete tax benefit / benefit of tax settlements – Non-GAAP <i>(a)</i> | 9.9% | 9.2% | 10.1% | 9.7% | 9.3% |
| Return on tangible common equity – Non-GAAP <i>(a)</i> | 27.5% | 26.3% | 33.0% | 25.7% | N/M |
| Return on tangible common equity excluding net securities gains (losses), special litigation reserves, FDIC special assessment, restructuring charges, M&I expenses and discrete tax benefits / benefit of tax settlements – Non-GAAP <i>(a)</i> | 29.1% | 27.8% | 31.1% | 27.4% | 32.1% |

(a) Annualized.

N/A – Not applicable.

N/M – Not meaningful.

| Equity to assets and book value per common share <i>(dollars in millions, unless otherwise noted)</i> | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 |
|---|--------------------------|-------------------|------------------|
| Common shareholders' equity at period end - GAAP | \$ 32,354 | \$ 32,153 | \$ 28,977 |
| Less: Goodwill | 18,042 | 18,073 | 16,249 |
| Intangible assets | 5,696 | 5,818 | 5,588 |
| Add: Deferred tax liability – tax deductible goodwill | 816 | 763 | 720 |
| Deferred tax liability – non-tax deductible intangible assets | 1,625 | 1,634 | 1,680 |
| Tangible common shareholders' equity at period end – Non-GAAP | \$ 11,057 | \$ 10,659 | \$ 9,540 |
| Total assets at period end - GAAP | \$247,259 | \$254,157 | \$212,224 |
| Less: Assets of consolidated asset management funds | 14,766 | 14,605 | - |
| Subtotal assets of operations – Non-GAAP | 232,493 | 239,552 | 212,224 |
| Less: Goodwill | 18,042 | 18,073 | 16,249 |
| Intangible assets | 5,696 | 5,818 | 5,588 |
| Cash on deposit with the Federal Reserve and other central banks (a) | 18,566 | 15,750 | 7,375 |
| Tangible assets of operations at period end – Non-GAAP | \$190,189 | \$199,911 | \$183,012 |
| Common shareholders' equity to total assets – GAAP | 13.1% | 12.7% | 13.7% |
| Tangible common shareholders' equity to tangible assets of operations – Non-GAAP | 5.8% | 5.3% | 5.2% |
| Period end common shares outstanding <i>(in thousands)</i> | 1,241,530 | 1,240,454 | 1,207,835 |
| Book value per common share | \$ 26.06 | \$ 25.92 | \$ 23.99 |
| Tangible book value per common share – Non-GAAP | \$ 8.91 | \$ 8.59 | \$ 7.90 |

(a) Assigned a zero percent risk weighting by the regulators.

| Calculation of Tier 1 common equity to risk-weighted assets ratio (a) <i>(dollars in millions)</i> | Dec. 31, 2010 | Sept. 30, 2010 | Dec. 31, 2009 |
|--|--------------------------|-------------------|------------------|
| Total Tier 1 capital | \$ 13,598 | \$ 13,026 | \$ 12,883 |
| Less: Trust preferred securities | 1,676 | 1,680 | 1,686 |
| Total Tier 1 common equity | \$ 11,922 | \$ 11,346 | \$ 11,197 |
| Total risk-weighted assets | \$101,224 | \$106,362 | \$106,328 |
| Tier 1 common equity to risk-weighted assets ratio | 11.8% | 10.7% | 10.5% |

(a) On a regulatory basis using Tier 1 capital as determined under BASEL I guidelines.

Cautionary Statement

The information presented in this Earnings Release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements on expectations with respect to settlement with the Internal Revenue Service. These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to, among other things, our ability to meet the proposed new capital standards. These statements and other forward-looking statements contained in other public disclosures of The Bank of New York Mellon Corporation which make reference to the cautionary factors described in this Earnings Release, are based upon current beliefs and expectations and are subject to significant risks and uncertainties (some of which are beyond BNY Mellon's control). Factors that could cause BNY Mellon's results to differ materially from those described in the forward-looking statements can be found in the risk factors set forth in BNY Mellon's Annual Report on Form 10-K for the year ended Dec. 31, 2009, BNY Mellon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 and its other filings with the Securities and Exchange Commission. All forward-looking statements in this Earnings Release speak only as of Jan. 19, 2011 and BNY Mellon 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.