



BNY MELLON



December 5, 2012

*Presented by: Gerald Hassell – Chairman & CEO  
Todd Gibbons – Chief Financial Officer*

*Goldman Sachs Financial Services Conference 2012*

# Cautionary Statement

A number of statements in our presentations, the accompanying slides and the responses to your questions are “forward-looking statements.” These statements relate to, among other things, The Bank of New York Mellon Corporation’s (the “Corporation”) financial outlook and future financial results, including statements with respect to market and economic outlook and the Corporation’s growth profile, balance sheet, capital and culture; priorities in a challenging operating environment; driving organic revenue growth, including statements about Global Collateral Services and building on our international presence; operational excellence initiatives, including statements regarding business operations, technology and corporate services initiatives, projected program savings and annualized targeted savings; expectations regarding Basel III; statements regarding the operating environment’s impact on revenue, including 4Q12 trends with respect to net interest revenue, Corporate Trust and the Depositary Receipts market; expectations with respect to returning capital to shareholders; 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 2011 Annual Report on Form 10-K for the year ended December 31, 2011, the “2011 Annual Report”, the Quarterly Reports on Form 10-Q for the quarters ended June 30, 2012 and September 30, 2012 and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”). Such forward-looking statements speak only as of December 5, 2012, 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 will discuss some non-GAAP measures in detailing the Corporation’s performance. 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 Appendix and in the Corporation’s reports filed with the SEC, including the 2011 Annual Report and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, available at [www.bnymellon.com](http://www.bnymellon.com).

# Attractive Business Model

A leading manager and servicer of global financial assets

Growth  
Profile

Deliver revenue growth in challenging markets, significant upside in normalized markets

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Operational  
Excellence

Improve efficiency to increase margins, reduce operational risk and deliver the highest service quality

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Balance  
Sheet

Highly liquid, excellent credit quality and strong capital position

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Capital

Significant capital generation, disciplined capital deployment and high returns on tangible equity

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Culture

Collaborate across our businesses to power global investments for our clients and shareholders

# Leading Manager and Servicer of Global Financial Assets

## Investment Services (36% non-U.S. Revenue)<sup>1</sup>

- Largest global custodian
- Global Collateral Management – #1
- Alternative Investment Services – #3 Fund Administrator
- Corporate Trust – #1 ~\$11.6T in outstanding debt serviced
- Depositary Receipts – #1 >60% market share
- Pershing – #1 clearing firm in U.S., U.K., Ireland, Australia
- Treasury Services – Top 5 global payments

**The global leader in  
Investment Services,  
~\$27.9T AUC/A**

**LTM ended 9/30/12:**

**Revenue \$9.9B  
Pretax Income \$2.6B**

## Investment Management (44% non-U.S. Revenue)<sup>1</sup>

- Asset Management – #7 global asset manager
- Wealth Management – #8 U.S. wealth manager

**A leading global  
Investment Manager,  
~\$1.4T AUM**

**LTM ended 9/30/12:**

**Revenue \$3.6B  
Pretax Income \$1.0B**

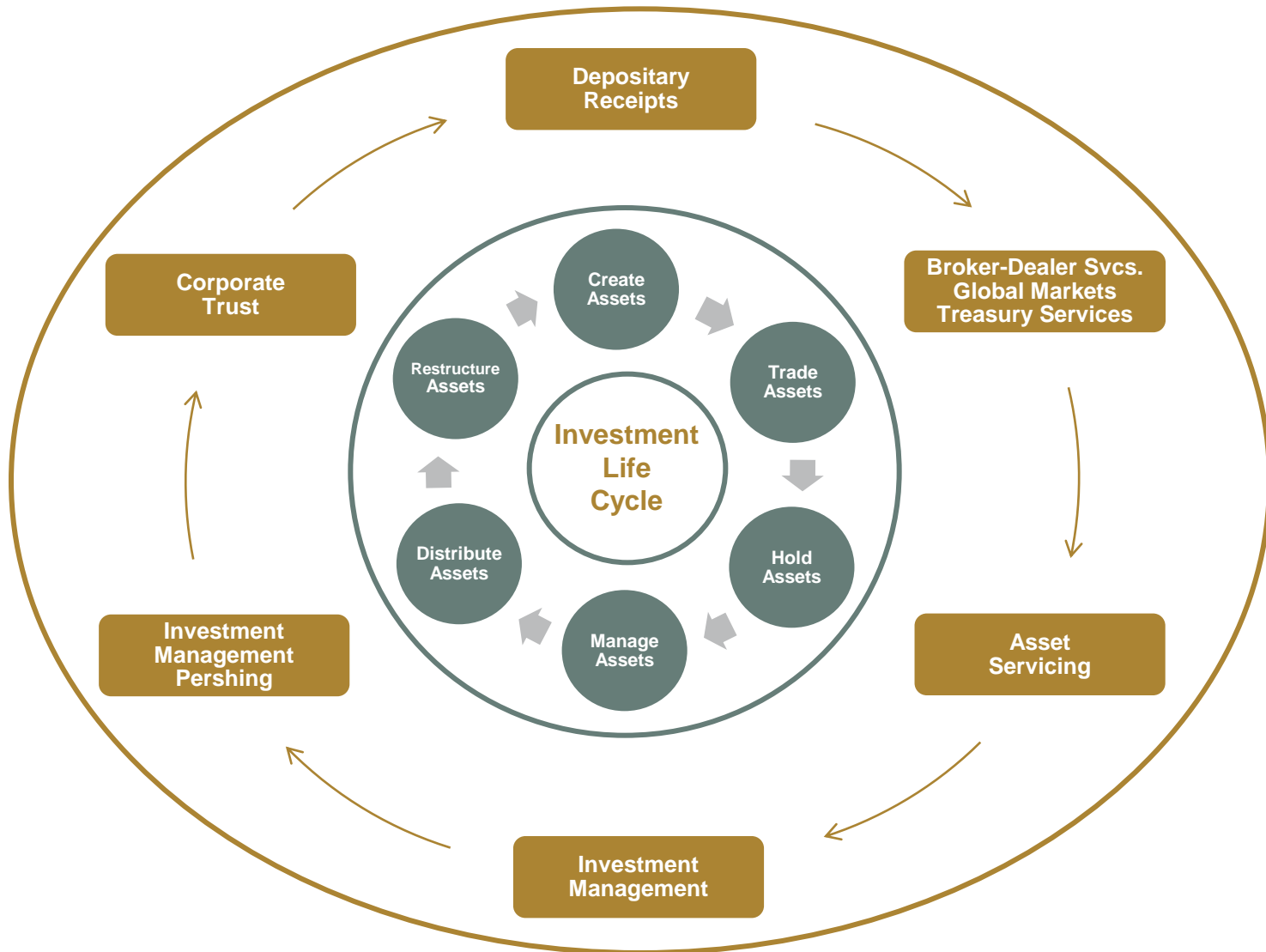
### NOTES:

<sup>1</sup> Non-U.S. revenue percentages are last twelve months (LTM) ended 9/30/12.

Rankings reflect BNY Mellon's size in the markets in which it operates and are based on internal data as well as BNY Mellon's knowledge of those markets. For additional details regarding these rankings, see page 23 of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations). See Appendix for revenue and pretax income reconciliation.

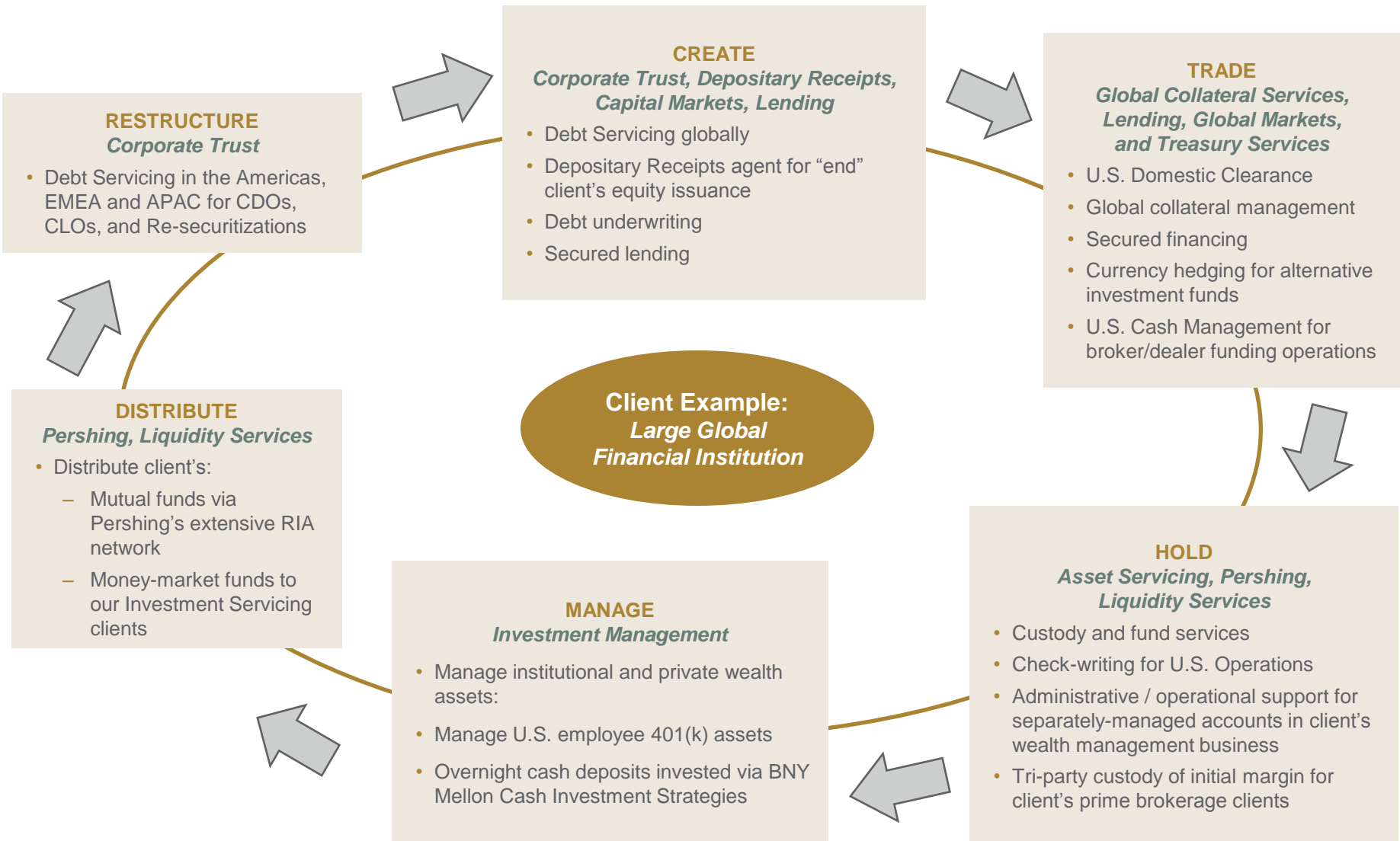
# We are an Investments Company

Serving clients across and at any point in the investment life cycle



# Spanning the Investment Life Cycle

## A client example



RIA = Registered Investment Advisors

# Challenging Operating Environment Persists

- “Lower for longer” macro environment
  - Interest rates and economic forecasts

- Eurozone and U.S. “fiscal cliff” concerns

- De-risking

- Lower trading volumes and volatility

- Weak structured debt securitizations market

- Cyclical headwinds for Depositary Receipts

# Priorities in a Challenging Operating Environment

## Organic Revenue Growth

- Winning new business
- Providing client solutions to address increasing regulation
- Building on our international presence
- Fostering culture of collaboration and innovation

## Operational Excellence Initiatives

- Targeting \$650-\$700MM in pre-tax savings for 2015

## Strong and Liquid Balance Sheet

- Excellent credit quality
- Significant capital generation
- Business model performs well under stress tests
- Highest credit ratings among U.S. banks

## Disciplined Capital Deployment

- Investing in business
- Returning capital to shareholders through share repurchases and dividends

**Deliver consistent EPS growth and return capital to shareholders**

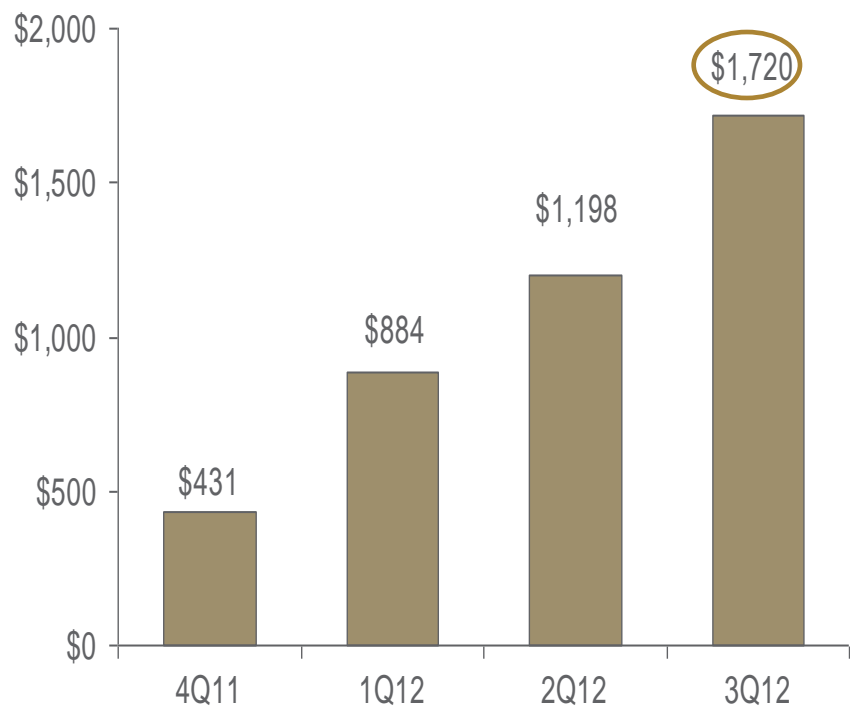


# Driving Organic Revenue Growth

Continuing to win new business

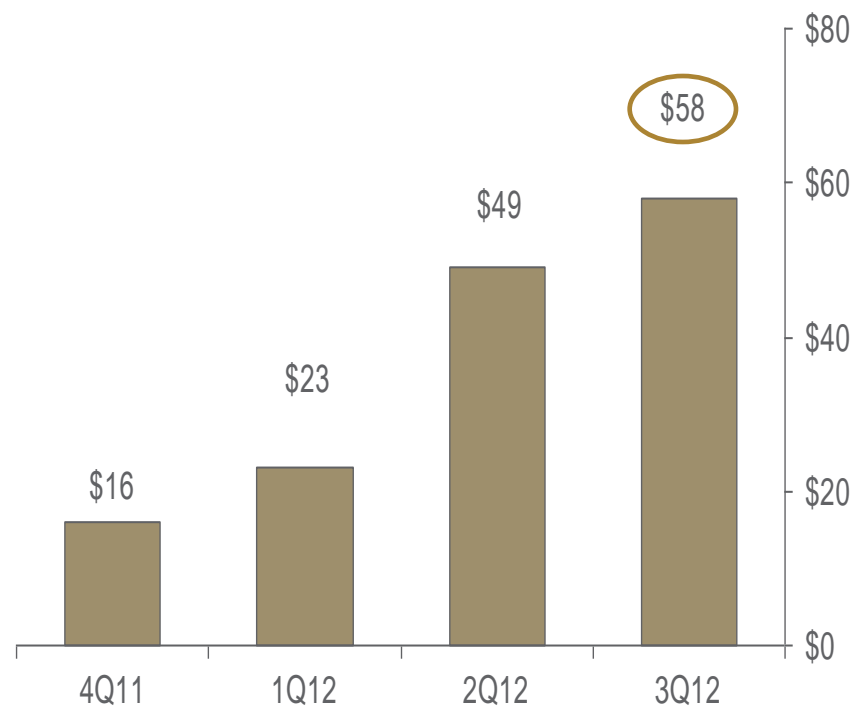
## Cumulative Assets Under Custody Wins LTM ending 9/30/12

(\$ billions)



## Cumulative Long-Term Net Flows LTM ending 9/30/12

(\$ billions)



# Driving Organic Revenue Growth

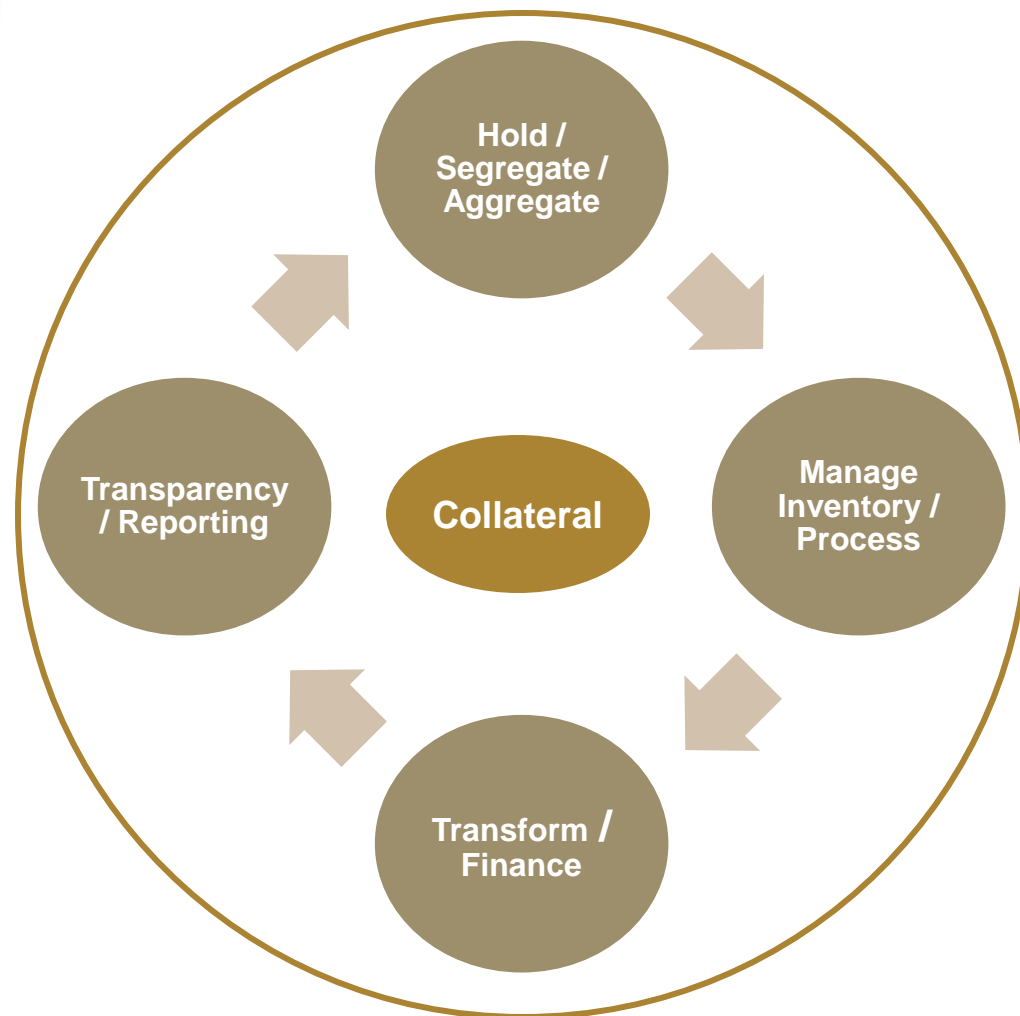
Global Collateral Services – client solutions to address increasing regulation



## Global Collateral Services By the Numbers

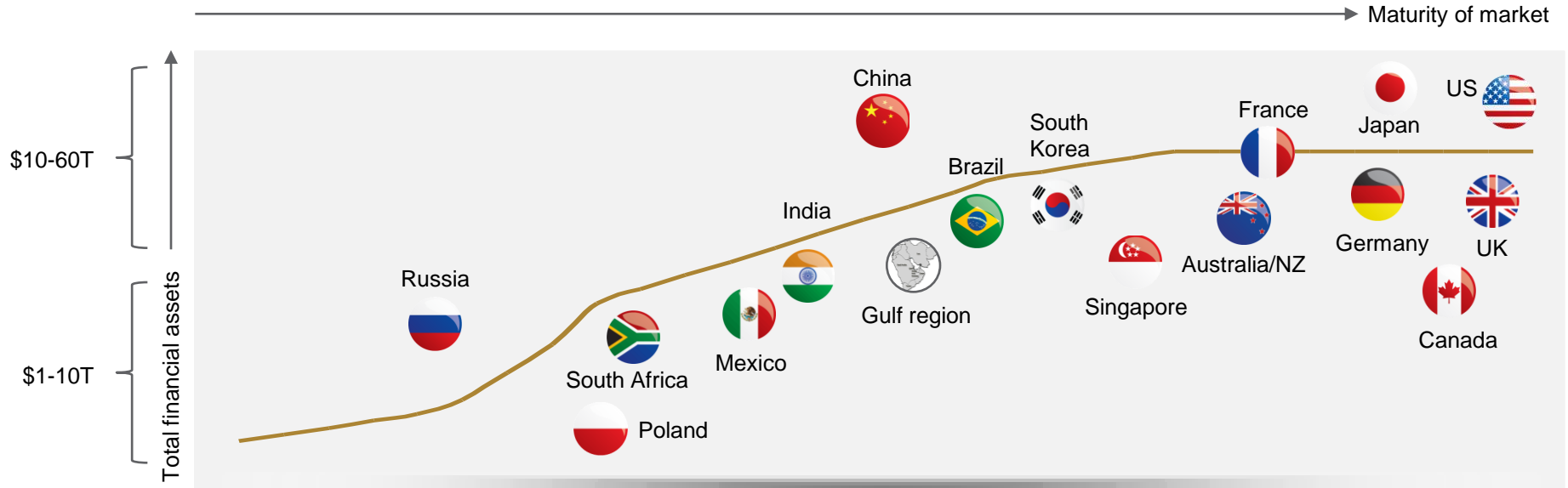
- \$2.0 trillion in global collateral assets
- \$40 billion in derivatives collateral assets
- \$100 billion in assets invested through the Liquidity DIRECT<sup>SM</sup> investment portal
- \$300 billion average daily outstanding securities on loan

As of September 30, 2012



# Driving Organic Revenue Growth

Building on our international presence



**BNY Mellon Solutions**

Trade Finance  
Cash & Credit  
Depository Receipts  
Corporate Trust



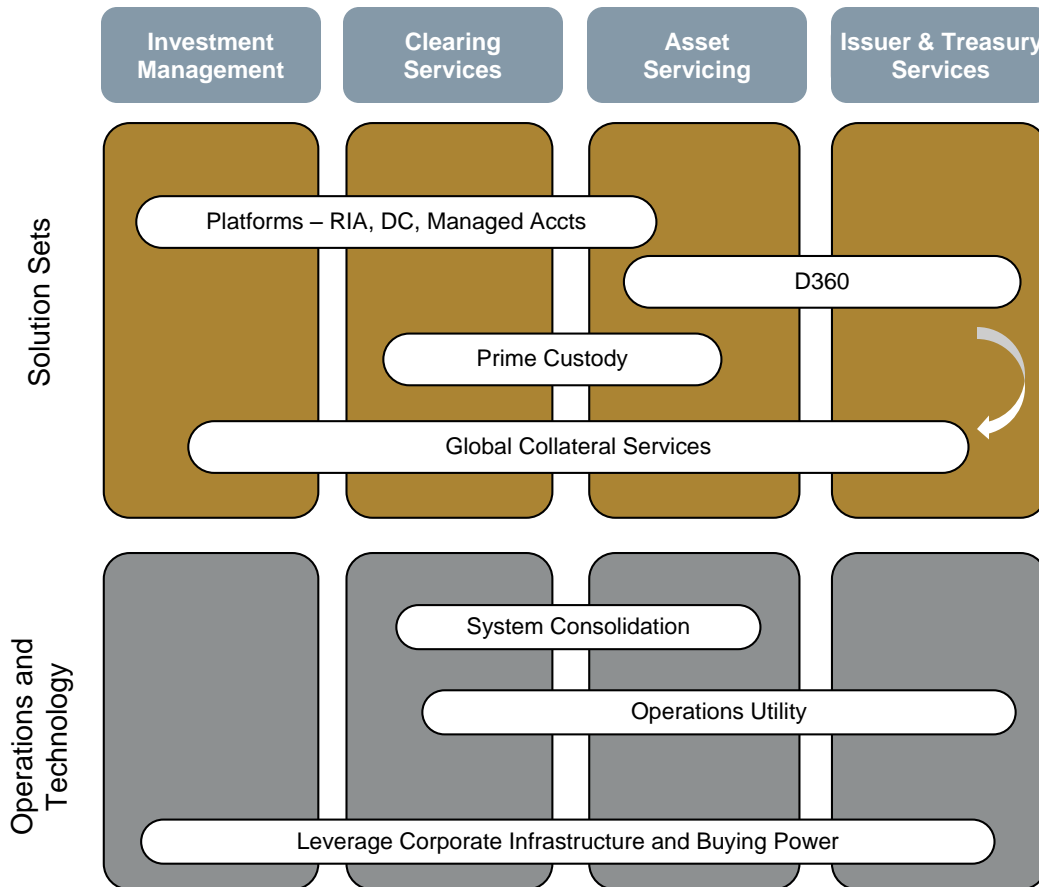
Fund Administration  
Asset Management  
Asset Servicing  
Wealth Management



Asset Management  
Asset Servicing  
Wealth Management  
Clearing Services  
Alternative Investment Services

SOURCE: McKinsey Global Banking Pools database

# Winning Through Collaboration and Innovation



- Embed a culture of ongoing collaboration and innovation
  - Leverage our product breadth to deliver value-added client solutions
  - Realize revenue cross-sell opportunities
  - Enhance operations and technology efficiency

# Operational Excellence Initiatives

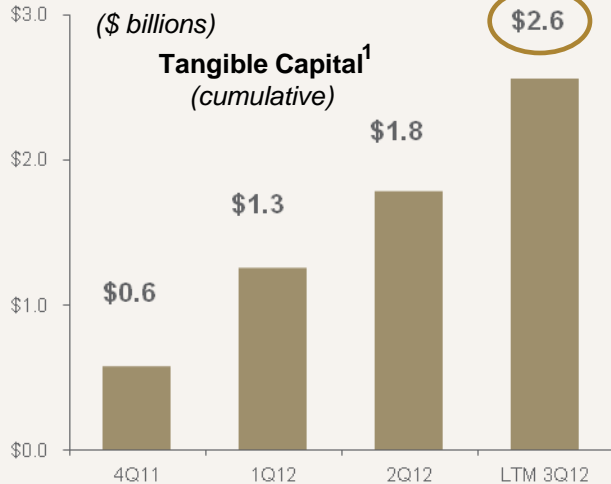
Transforming Operations, Technology and Corporate Services



# Continuing to Leverage Our Strengths

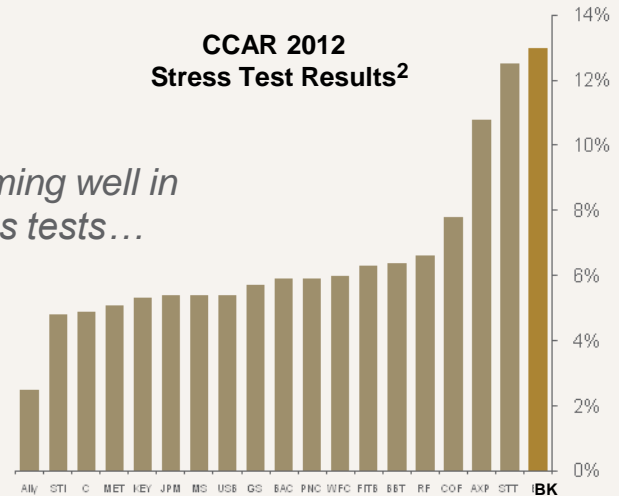
Strong capital generation and disciplined deployment

## Growing capital...



## Performing well in stress tests...

### CCAR 2012 Stress Test Results<sup>2</sup>

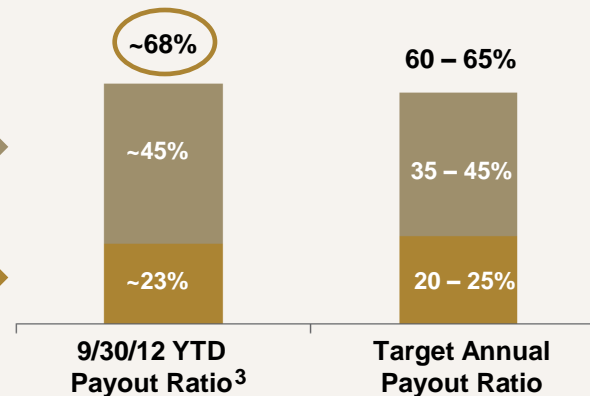


## Payout Ratio (as a % of Net Income)

### Flexibility to return capital...

Share Repurchases

Dividends



### Basel I Tier 1 Common

SOURCE: Federal Reserve – CCAR 2012 Methodology and Results for Stress Scenario Projections

<sup>1</sup> Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding this measure and other non-GAAP measures is available in the Corporation's reports filed with the SEC, including our Form 10-Q for the quarter ended September 30, 2012, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

<sup>2</sup> Represents minimum stressed ratios with all proposed capital actions through Q4 2013 from 2012 Comprehensive Capital Analysis and Review (CCAR).

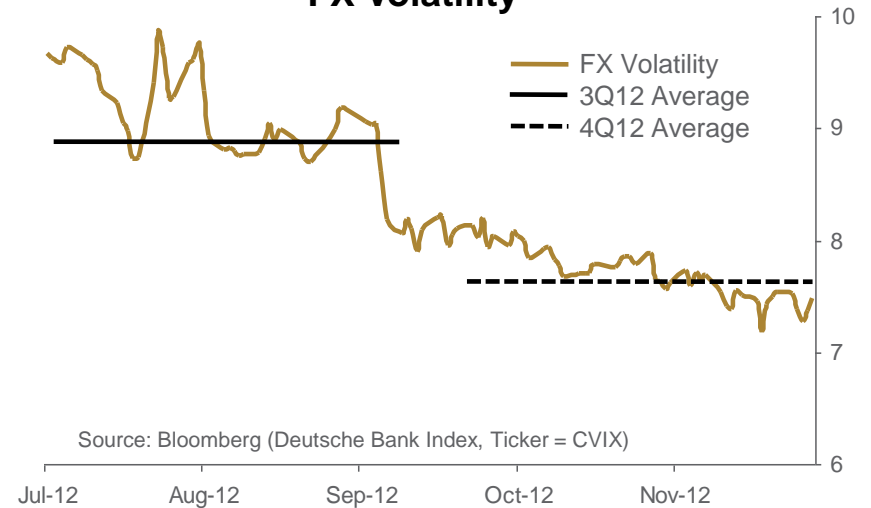
<sup>3</sup> 9/30/12 YTD payout ratio reflects net income adjusted for the impact of certain litigation expenses.

# Operating Environment: Continuing to Pressure Revenue

### 3-Month LIBOR (U.S.)

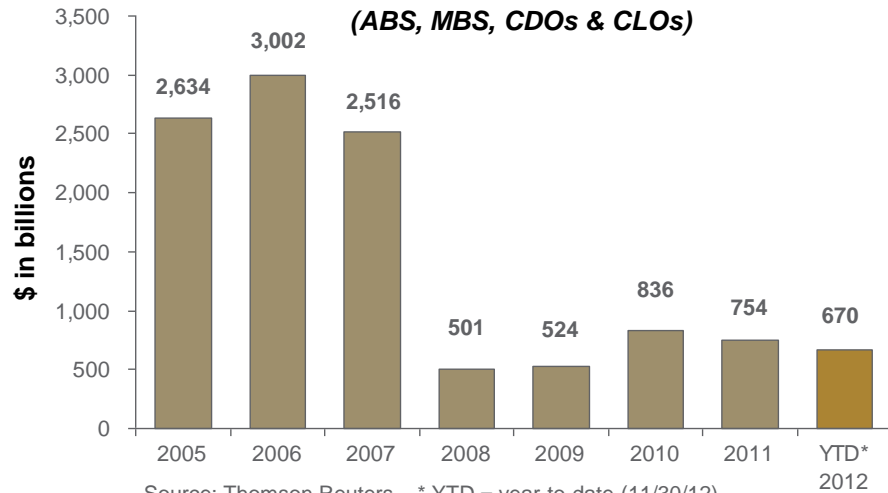


### FX Volatility



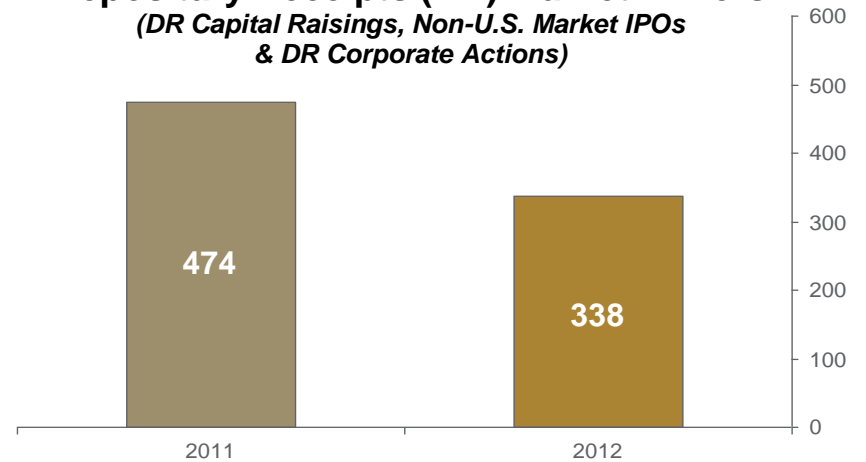
### Global Debt Issuance Volume

(ABS, MBS, CDOs & CLOs)



### Depository Receipts (DR) Market Drivers

(DR Capital Raisings, Non-U.S. Market IPOs & DR Corporate Actions)



# Our Business Model Drives Value

- ✓ Broadest product breadth to deliver client solutions
- ✓ Benefits from globalization and long-term growth of financial assets
- ✓ Generates recurring core fee revenue that is less reliant on risk-weighted asset growth
- ✓ Generates significant levels of capital that can be returned to shareholders
- ✓ Strong relative performance in challenging markets; significant upside when markets normalize





BNY MELLON

# Appendix

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# BNY Mellon Peer Groups

## Corporate 12-Member Peer Group

American Express  
Bank of America  
BlackRock  
Charles Schwab  
Citigroup  
JPMorgan Chase  
Northern Trust  
PNC Financial  
Prudential Financial  
State Street  
U.S. Bancorp  
Wells Fargo

## Top 10 U.S. Banks *(by Market Capitalization)*

**BNY Mellon**  
Bank of America  
Citigroup  
JPMorgan Chase  
Fifth Third  
Northern Trust  
PNC Financial  
State Street  
SunTrust  
U.S. Bancorp  
Wells Fargo

# Reconciliation Schedule

## Business – revenue and pretax income

<i>(\$millions)</i> Revenue	4Q11	1Q12	2Q12	3Q12	LTM 3Q12
Investment Services	\$2,415	\$2,494	\$2,488	\$2,487	\$9,884
Investment Management	\$822	\$907	\$913	\$924	\$3,566

<i>(\$millions)</i> Pretax Income	4Q11	1Q12	2Q12	3Q12	LTM 3Q12
Investment Services	\$709	\$699	\$405	\$756	\$2,569
Investment Management	\$190	\$288	\$271	\$280	\$1,029

Note: Pre-tax metrics exclude the impact of historical intangible amortization.

LTM = last twelve months ended 9/30/12

# Capital Ratio Definitions

## Tier 1 Capital

Represents common shareholders' equity (excluding certain components of comprehensive income) and qualifying trust preferred securities, adjusted for goodwill and certain intangible assets, deferred tax liabilities associated with non-tax deductible intangible assets and tax deductible goodwill, pensions, securities valuation allowance, merchant banking investments and deferred tax asset.

## Tier 1 Common Equity

Represents Tier 1 capital excluding qualifying trust preferred securities divided by total risk weighted assets.

# Reconciliation Schedule

## Tangible capital generation

<i>(\$millions)</i> Tangible Net Income	4Q11	1Q12	2Q12	3Q12	LTM 3Q12
Net income – continuing operations <sup>1</sup>	\$505	\$619	\$466	\$720	\$2,310
Intangible amortization – after-tax	66	61	61	60	248
<b>Tangible Net Income</b>	<b>\$571</b>	<b>\$680</b>	<b>\$527</b>	<b>\$780</b>	<b>\$2,558</b>

<sup>1</sup> Represents a non-GAAP measure. Additional disclosure regarding this and other non-GAAP measures is available in the Corporation's reports filed with the SEC, including our current reports on Form 8-K filed on October 17, 2012 and October 19, 2012, particularly page 21 of Exhibit 99.1 (Earnings Review), available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

# Reconciliation Schedule

## Return on tangible common equity

(\$millions) Net Income	2012 YTD	(\$millions) Average Tangible Common Equity	2012 YTD
Net income – continuing operations <sup>1</sup>	\$1,805	Average common shareholder's equity	\$34,123
Intangible amortization	182	Less: Average goodwill	17,941
		Average intangible assets	5,023
Net Income applicable to common shareholders	\$1,987	Add: Tax deductible goodwill (DTL)	1,057
		Non-tax deductible intangible assets (DTL)	1,339
		Average tangible common equity	\$13,555

**Return on tangible common equity (*annualized*) = 19.6%**

<sup>1</sup> Represents a non-GAAP measure. Additional disclosure regarding this and other non-GAAP measures is available in the Corporation's reports filed with the SEC, including our current reports on Form 10-Q filed for quarter ended September 30, 2012, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

# Driving Operational Excellence

\$650MM to \$700MM of savings for 2015

<b>\$MM</b>	<b><u>2015</u></b>
Investment Management	\$40 - \$45
Investment Services	375 - 405
<hr/>	
Total Business Operations	\$415 - \$450
Technology / Corporate Services	235 - 250
<hr/>	
<b>Pre-tax Savings</b>	<b>\$650 - \$700MM</b>



# Driving Operational Excellence

Transforming Operations, Technology and Corporate Services

## Financial Summary

<b>2015 Program Savings</b>	<ul style="list-style-type: none"><li>• Estimated pre-tax savings of \$650 - \$700 MM</li></ul>
<b>Calendar Year Savings</b>	<ul style="list-style-type: none"><li>• 2012: \$240 – \$260 MM</li><li>• 2013: \$400 – \$430 MM</li><li>• 2014: \$535 – \$575 MM</li></ul> <p>} Savings net of program costs / reinvestment</p>
<b>4Q11 Impact</b>	<ul style="list-style-type: none"><li>• \$80-\$100 MM of incremental expense</li></ul>