



BNY MELLON



November 14, 2011

# Powering Investment Success

*2011 Investor Day*

# 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 the outlook for the operating environment, balance sheet capital, market trends, the macro economic outlook, customer preferences, the Corporation’s growth opportunities, future focus and global expansion, the Corporation’s focus on operations, technology and corporate services, expectations regarding the implementation of Basel III, our timeline to meet the proposed Basel III capital guidelines and our Tier 1 common equity ratio under Basel III, expectations with respect to returning capital to shareholders, acquisitions and long-term return targets, anticipated actions to support Net Interest Revenue, projected expense savings and anticipated incremental expenses related to efficiency initiatives, as well as the Corporation’s overall plans, strategies, goals, objectives, expectations, estimates, intentions, targets, opportunities and initiatives, 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 the factors described under “Forward Looking Statements” and “Risk Factors” in the Corporation’s 2010 Annual Report on Form 10-K for the year ended December 31, 2010, the Corporation’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 and in other filings of the Corporation with the Securities and Exchange Commission (the “SEC”). Such forward-looking statements speak only as of November 14, 2011, 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 2010 Annual Report and the Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, available at [www.bnymellon.com](http://www.bnymellon.com).

## I. Overview

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*Gerald Hassell – Chief Executive Officer*

# Attractive Business Model

A leading manager and servicer of global financial assets

**Growth  
Profile**

**Delivering above median revenue growth versus peers in challenging markets**

**Operational  
Excellence**

**Improving efficiency to increase margins, reducing operational risk and delivering the highest service quality**

**Balance  
Sheet**

**Highly liquid, excellent credit quality, strong capital and superior credit ratings**

**Capital**

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

**Culture**

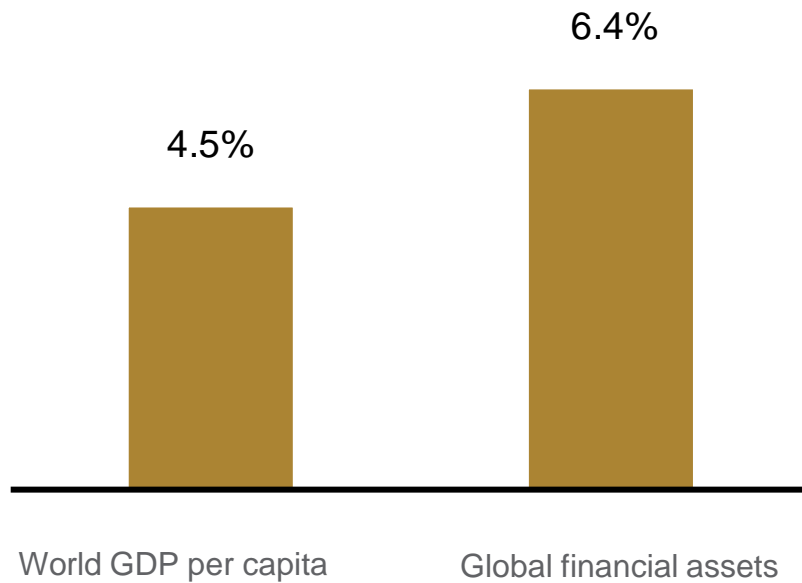
**Collaborating across our businesses to power investment success for our clients and shareholders**

# Leveraging Global Growth

## Financial assets outpacing GDP growth

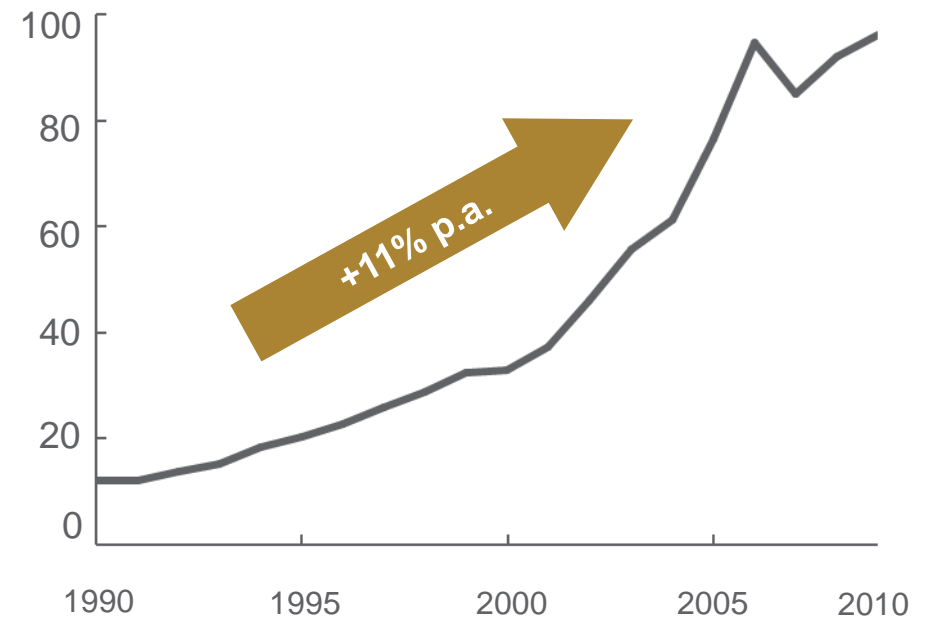
### Growth of global financial assets versus world GDP per capita

Percent CAGR (2000 – 2010)



### Cross-border investments

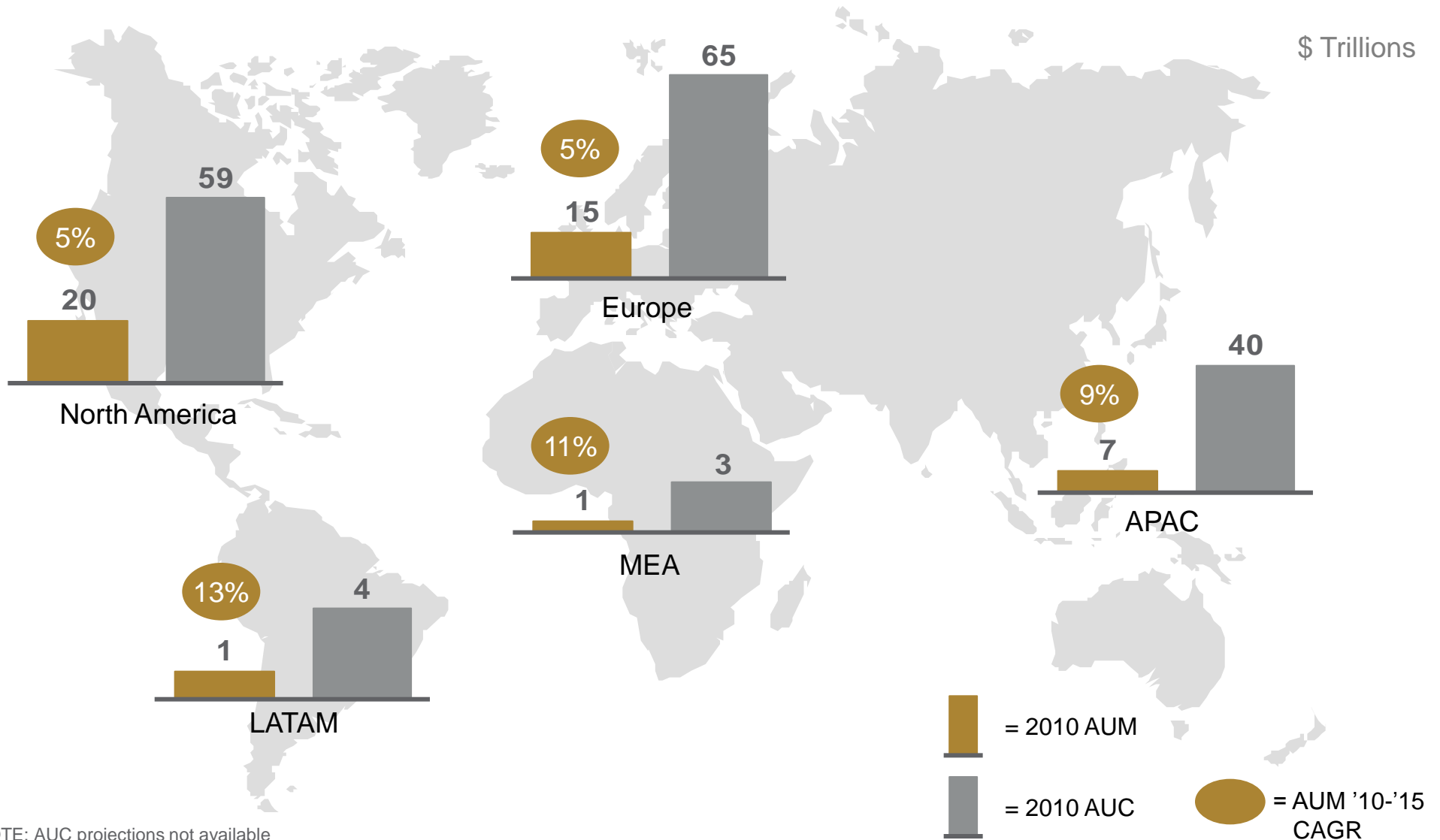
\$ Trillion



SOURCE: McKinsey Global Capital Markets Navigator

# Growth in AUC and AUM Globally

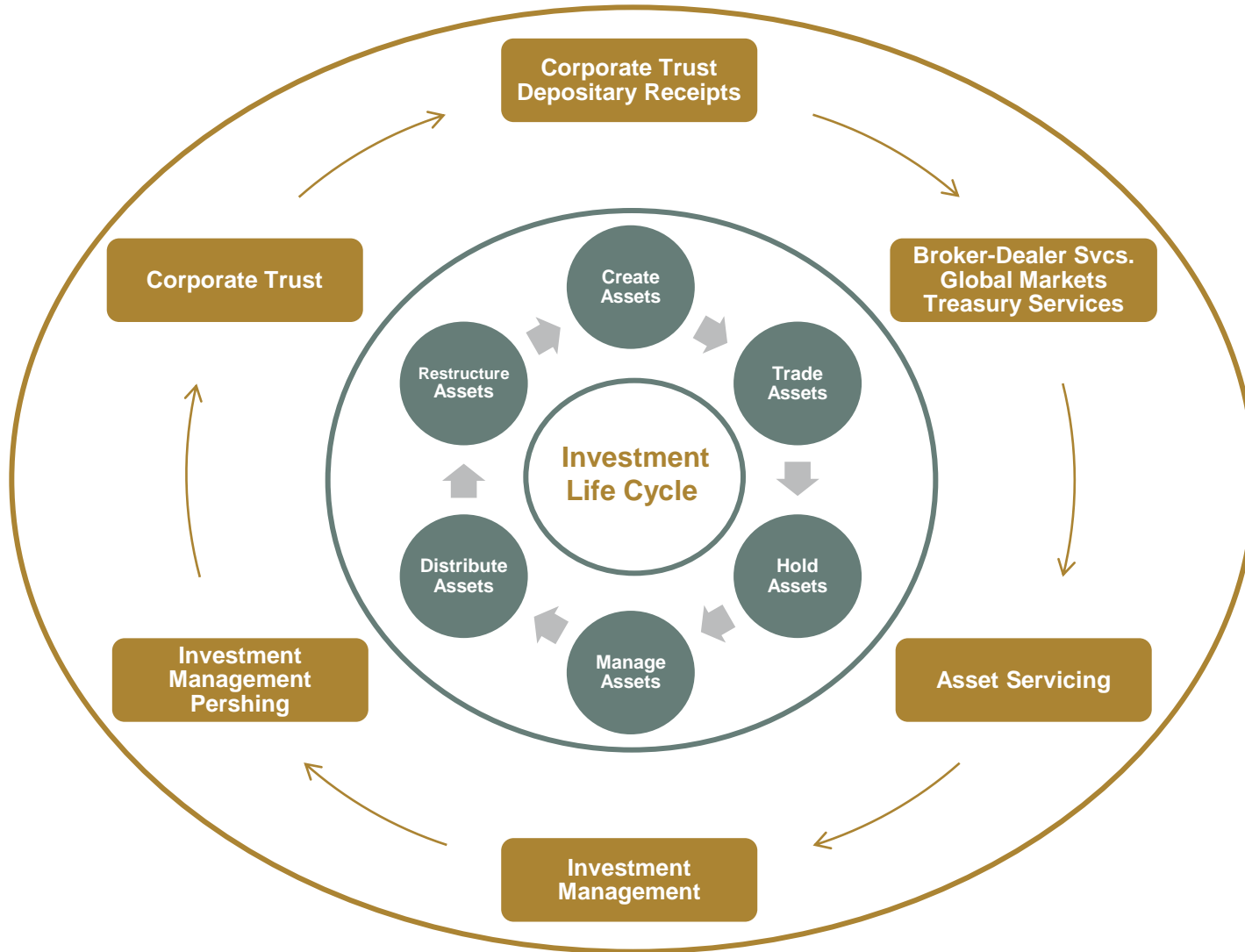
Fastest growth projected in emerging and developing markets



NOTE: AUC projections not available  
 SOURCE: McKinsey Global Capital Markets Navigator

# Powering Investment Success

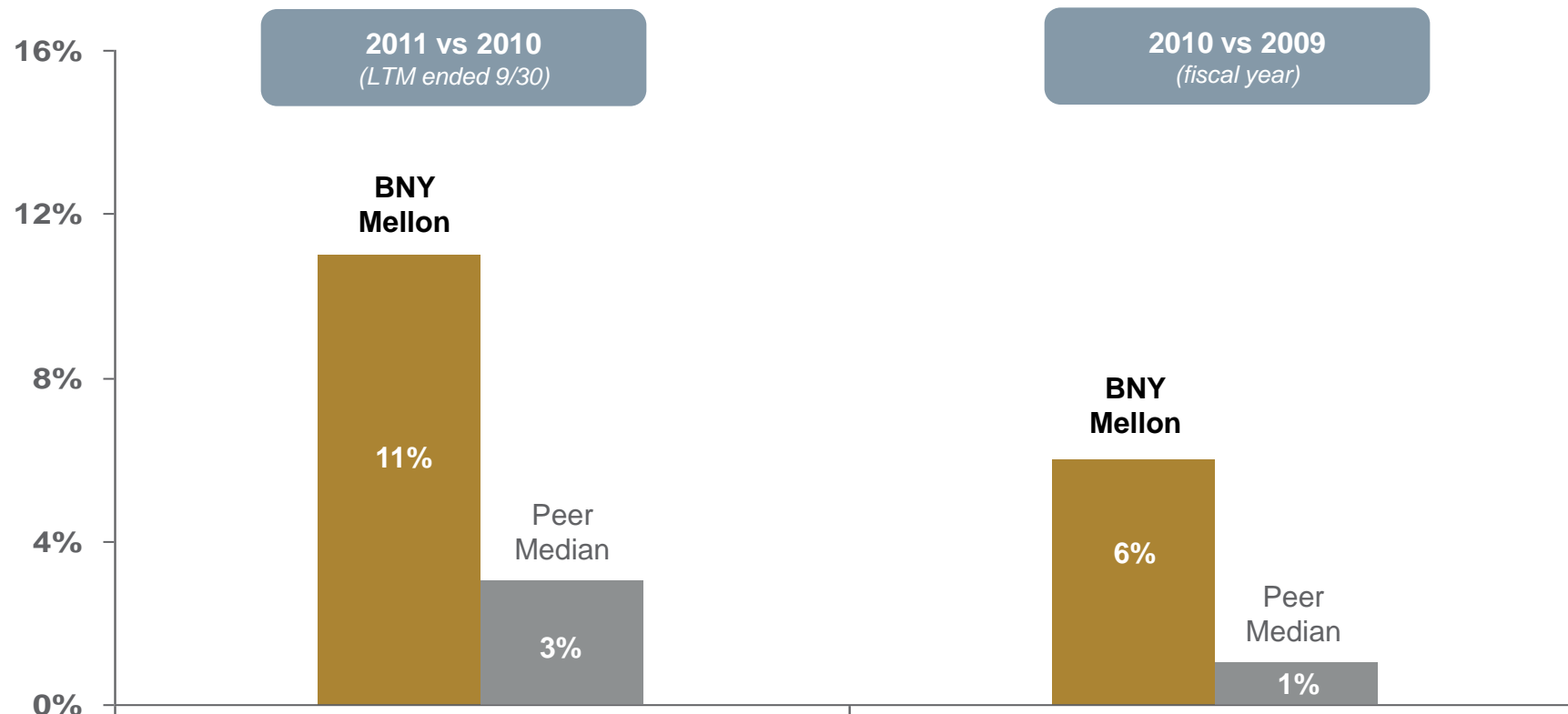
Serving clients across the entire investment life cycle



# Delivering Outperformance

Above median revenue growth versus peers

## Revenue\* Growth



Peer Group:

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

Note: Total revenue excludes securities losses/gains and material non-operating items where disclosed.

\*Represents a non-GAAP measure. See Appendix for a reconciliation of BNY Mellon's revenue. Additional disclosure regarding this measure is available in our reports filed with the SEC, including our quarterly report on Form 10-Q for the quarter ended September 30, 2011, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations)



# Opportunities to Extend Outperformance

Drive revenue growth in challenging markets

- ✓ Align client coverage model to deepen relationships
- ✓ Focus on key industry segments
- ✓ Collaborate across businesses to deliver client solutions across the entire investment life cycle
- ✓ Expand Investment Management product and distribution capabilities
- ✓ Invest globally in targeted countries / regions

# Driving Operational Excellence

Improving efficiency

## Programs

### Business Operations

- ✓ Leveraging global delivery centers
- ✓ Re-engineering and automation
- ✓ Combining common functions

### Technology

- ✓ Simplifying infrastructure
- ✓ Rationalizing business applications

### Corporate Services

- ✓ Centralizing sourcing and procurement
- ✓ Optimizing global real estate footprint
- ✓ Controlling shared services expenses

# Driving Operational Excellence

## Managing operational risk

### Our Approach

- Risk management is closely linked to business operations
- Ongoing investment to enhance processes and controls
- Focus on mitigation as well as measurement
- Clearly defined roles and responsibilities
- Empower compliance and control functions

### Benefits

- ✓ Improves profitability and stability of financial results
- ✓ Optimizes investments
- ✓ Improves client retention
- ✓ Potentially lowers regulatory capital
- ✓ Reduces reputational risk

# Driving Operational Excellence

Delivering top-ranked client service

Investment Management	Investment Services		
<p><b>Best Large Fund Management Group</b> Professional Adviser Awards <i>(BNYM Asset Management)</i></p>	<p><b>#1 Global Custodian*</b> R&amp;M Consultants Survey</p>	<p><b>Best Outsourcing Deal of the Year</b> Financial Services Outsourcing Group (FSO)</p>	<p><b>Top U.S. Trustee</b> Thomson Reuters <i>(Corporate Trust)</i></p>
<p><b>Best Liability-Driven Investment Manager</b> Pension and Investment Provider Awards <i>(Insight)</i></p>	<p><b>#1 Global Custodian – Americas*</b> Global Investor Survey</p>	<p><b>Best Global Custodian – Asia</b> Asia Asset Magazine</p>	<p><b>Best in Corporate Trust</b> <i>The Asset Triple A</i> Transaction Banking Awards</p>
<p><b>Best Eurozone Fixed Income Manager</b> Asian Investor Magazine <i>(Standish)</i></p>	<p><b>#1 Global Custodian</b> KBW Survey</p>	<p><b>Best Prime Broker – Custodial Solution</b> HFM Week <i>(Pershing)</i></p>	<p><b>Best Global Depository Receipts Bank</b> Asia Asset Magazine <i>(Depository Receipts)</i></p>
<p><b>Best Active Equity Manager</b> Exame, Investimentos Pessoais, (Brazil) <i>(BNY Mellon ARX)</i></p>	<p><b>Leader in Innovation - Securities Services Provider</b> Financial-i Magazine</p>	<p><b>Best Trade Outsourcing Bank</b> Global Trade Review <i>(BNYM Treasury Services)</i></p>	<p><b>#1 DR House</b> emeafinance Magazine <i>(Depository Receipts)</i></p>

\* Versus custodian peers

# Balance Sheet

Committed to a low risk profile

- ✓ Highly liquid
- ✓ Excellent credit quality
  - Investment Portfolio: short duration, high quality securities
  - Loan Portfolio: primarily investment grade lending to support clients
- ✓ Strong capital position and significant capital generation
- ✓ Business model requires a low level of risk-weighted assets to accommodate growth
- ✓ Highest credit ratings among U.S. banks
- ✓ Business model performs well under stress tests

# Strong Capital Generation and Disciplined Deployment

## Capital Generation and Returns

- **Generated ~\$3.0B, LTM ended 9/30/11\***
- **Return on tangible equity, 24% YTD 2011\***
- **Return on equity, 8% YTD 2011**

## Capital Management

- **Priority is returning capital to shareholders**
  - Dividends – targeted annual payout ratio of 20-25%
  - Combined dividend / share repurchases – targeted annual payout rate of 60-65% of net income\*\*
- **Acquisitions** – over time would consider acquisitions that enhance core strategy
  - Projected IRR must exceed that of repurchasing shares
  - Accretive by the end of first year

\*Represents a non-GAAP measure. See Appendix for a reconciliation. Additional disclosure regarding this measure is available in our reports filed with the SEC, including our quarterly report on Form 10-Q for the quarter ended September 30, 2011, available at [www.bnymellon.com/investorrelations](http://www.bnymellon.com/investorrelations).

\*\*Subject to regulatory approval.

# Summary

- ✓ Attractive business model – powering investment success
- ✓ Focused on:
  - Revenue enhancement
  - Operational excellence
  - Driving earnings per share
- ✓ Strong balance sheet
- ✓ Generating significant levels of capital