



LETTER FROM OUR CHAIRMAN

Robert P. Kelly, Chairman and Chief Executive Officer, BNY Mellon

In 2009, our company celebrated its 225th anniversary. Since BNY Mellon opened for business in 1784, our company has been a catalyst for growth, a source of financial strength and a force for positive change.

True to those traditions, BNY Mellon's relative financial strength and stability during the recent global economic challenges enabled us to offer clients a safe haven, assist governments around the world with their recovery programs and sustain our support of our communities across the globe.

Last year was an extraordinarily challenging environment for the financial services industry and for our company. Although we have outperformed both our peer group and the S&P Financials since the beginning of the financial crisis, our total shareholder return trailed both benchmarks and we reported a net loss for the year. However, we made good progress on three priorities critical to our long-term success: meeting the needs of our clients, reducing risk and managing expenses.

Among our accomplishments in 2009, we:

- maintained top rankings for client service;
- achieved first-quartile employee engagement a year ahead of our goal;
- increased employee philanthropic giving and volunteerism through our Community Partnership Program;
- passed the U.S. government stress test and repaid the U.S. government's TARP investment, providing American taxpayers with a very good return of 12 percent (annualized) on their investment; and
- made additional investments in alternative energy sources.

As we embark on our next 225 years, BNY Mellon is focused on the future. With our company well positioned to create long-term value for our clients and shareholders, we have identified four areas of focus for 2010:

- Contributing to an industry effort to bring about meaningful regulatory reform
- Ensuring opportunities for our employees to grow, advance and contribute to their full potential
- Serving our communities at a time when many of our neighbors are in need
- Further minimizing our impact on the environment

Efforts in these areas will help keep our company strong, improve quality of life in the communities where we live and work and preserve our planet. I think our founders would be proud.

I look forward to updating you next year on our progress.

A handwritten signature in black ink that reads "Bob Kelly". The signature is written in a cursive, slightly slanted style.