

2018 ASSET OWNER CONSULTANT BRIEFING

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Robert Chambers, Head of Global Product Management, Alternative Investment Services

Bill Kelly, Head of Agency Securities Finance, BNY Mellon Markets

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Bob Carroll: You know, I want to welcome you today to our 2018 Asset Owner Consultant Briefing, so thank you for being here. The theme of today's event is "The Future is Now: Transforming Together." Our client's lives have been disrupted in a number of different ways and really at unprecedented velocity, so whether it's been changes to the regulatory environment, the need to become more efficient and, you know, save costs, the demands for new insights from data. You know, our clients are looking for new solutions from us every day, and I'm sure from all of you as well. So, our goal today is to hopefully give you some insights into the ways in which, you know, we're transforming and evolving our service offering to meet those needs of the client.

Hani Kablawi: We did a lot of work around enhancing operating efficiency. So, we've added quite a lot to our operating margins over the past few years. So, I shared at Investor Day on March 8th of this year, that the Asset Servicing business has added six hundred twenty basis points to operating leverage over the past few years. That's off the back of platform consolidation, technology consolidation, footprint consolidation, exiting of highly-manual non-profitable, non-core businesses, legal entity consolidation, process reengineering, etc. right. It's been a hard slog that way and it's really paid off. You know, when it is about the people and we spent a lot of time thinking about talent management in the company. We spent two hours talking about the pipeline coming into the company, straight out of university.

Frances Barney: The need for operational excellence - this is something that we've also seen a lot of change, we expect to see more change with this. And this is really in thinking about the dimensions of outsourcing. What do you insource? What do you outsource? What are the core competencies of an organization and what are the - what's the right balance for any one firm, between the customization and the flexibility that is possible and the efficiency and scale that is also desirable?



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Allan Cohen: What we started doing was taking a look across all of the Asset Servicing businesses and looking at all of the good work that they were doing in those individual businesses. And taking a holistic look, and rolling those digital strategies together and figuring out what are the things that we should be doing - those critical needle moving things that are material for our clients in terms of a holistic asset servicing digital strategy. What are the things that we could do that add material client benefit?

Robert Chambers: One trend that really caught my eye, and it's not just forward-looking plans twelve to twenty four months out, but even the past two or three years there has been a shift in allocation towards infrastructure projects in Asia-Pacific.

Bill Kelly: I'm gonna touch on the rules, liquidity and then kind of resource management and how those intersect and kind of translate back to a securities finance and securities lending application with a particular spotlight on a particular rule.

Bob Carroll: Okay, I hope you took a few things away. One is, uh, we're totally committed to this asset servicing business, and the Asset Owner segment is incredibly important part of that. The second thing is we've really got a renewed focus around our clients. So, we're really taking a client-focused approach to everything that we do. And last, I'd say we're really excited about the digital strategy.

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