FORM 8-K

Current report filing

Filing Date: **2009-01-26** | Period of Report: **2009-01-20**
SEC Accession No. 0001193125-09-011167

(HTML Version on secdatabase.com)

FILER

Bank of New York Mellon CORP

CIK:**1390777**| IRS No.: **000000000** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-52710** | Film No.: **09545939**
SIC: **6022** State commercial banks

Mailing Address
ONE WALL STREET
NEW YORK NY 10286

Business Address
ONE WALL STREET
NEW YORK NY 10286
212-495-1784

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) – January 20, 2009

THE BANK OF NEW YORK MELLON CORPORATION
(Exact name of registrant as specified in charter)

Delaware	000-52710	13-2614959
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Wall Street New York, New York	10286
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code – (212) 495-1784

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 20, 2009, the Registrant conducted a conference call and webcast with respect to results of operations for full year 2008 and fourth quarter 2008 for The Bank of New York Mellon Corporation. In conjunction with the conference call and webcast, the Registrant made available on its website, beginning on January 20, 2009, a Quarterly Earnings Review and beginning on January 23, 2009, Financial Trends information. The Quarterly Earnings Review is included as Exhibit 99.1 to this report and the Financial Trends information is included as Exhibit 99.2 to this report. Both exhibits are "furnished" pursuant to General Instruction B.2. of Form 8-K and are not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and are not incorporated by reference into any filings the Registrant has made or may make under the Securities Act of 1933.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit 99.1 and 99.2 to this report contains information which may be considered to constitute "non-GAAP financial measures" as defined in Item 10 of Regulation S-K. The Registrant' s management believes that these measures are useful to the investment community in analyzing the financial results and trends of ongoing operations. Management believes that they facilitate comparisons with prior periods and reflect the principal basis on which management monitors financial performance. Management also believes this presentation allows investors to more appropriately evaluate the impact of revenues from both taxable and tax-exempt sources.

(d) EXHIBITS.

Exhibit Number	Description
99.1	The Bank of New York Mellon Quarterly Earnings Review for full year 2008 and fourth quarter 2008 dated January 20, 2009.
99.2	The Bank of New York Mellon Corporation 4Q 2008 Financial Trends.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The Bank of New York Mellon Corporation
(Registrant)

Date: January 26, 2009

By: /s/ Arlie R. Nogay
Name: Arlie R. Nogay
Title: Corporate Secretary

EXHIBIT INDEX

Number	Description	Method of Filing
99.1	The Bank of New York Mellon Quarterly Earnings Review for full year 2008 and fourth quarter 2008 dated January 20, 2009.	Furnished herewith
99.2	The Bank of New York Mellon 4Q 2008 Financial Trends	Furnished herewith

Exhibit 99.1

The Bank of New York Mellon Corporation
Quarterly Earnings Review
Financial Results
January 20, 2009
Table of Contents

All narrative comparisons in this Quarterly Earnings Review are with the fourth quarter of 2007 and all information is reported on a continuing operations basis, unless otherwise noted.

CAUTIONARY STATEMENT

A number of statements (i) in this Quarterly Earnings Review, (ii) in our presentations and (iii) in the responses to questions are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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, expectations with respect to workforce reduction program, including annualized savings and additional pre-tax charge; actual incurred losses on securities portfolio and the ability to earn back a substantial portion of the write-downs over the remaining lives of the securities; anticipated expenses in connection with participation in FDIC Temporary Liquidity Guarantee Program; impact of preferred stock dividends and amortization of discount on earnings per share; estimated impact of varying scenarios on capital ratios and proforma capital ratios; impact of institutional credit strategy; asset servicing goals; statements with respect to the merger integration, including revenue synergies and targeted run rates, expense synergy targets and estimated merger and integration charges; as well as the Company' s overall plans, strategies, goals, objectives, expectations, estimates and intentions, and are based on assumptions that involve risks and uncertainties and are subject to change based on various important factors (some of which are beyond the Company' s control). Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties, including, but not limited to, the risk factors and other uncertainties set forth in the Company' s annual report on Form 10-K for the year ended Dec. 31, 2007 , the Company' s quarterly report on Form 10-Q for the quarter ended Sept. 30, 2008, and the Company' s other filings with the SEC. Such forward-looking statements speak only as of Jan. 20, 2009 and the Company 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

Throughout this Quarterly Earnings Review, certain financial measures, which are noted, exclude or are adjusted for certain items. These adjustments or exclusions can impact revenue, noninterest expense, pre-tax income, net income and earnings per share amounts as well as related ratios and growth rates. We believe this supplemental non-GAAP information is useful to the investment community in analyzing the financial results and trends in our business. We believe this information facilitates comparisons with prior periods and reflects the principal basis on which our management internally monitors financial performance. These items also are excluded from our segment measures used internally to evaluate segment performance because management does not consider them to be particularly relevant or useful in evaluating the operating performance of our business segments. Below is a listing of certain financial measures which have been impacted by the exclusion and/or adjustment of certain items.

Revenue: SILO/LILO/tax settlement charges and securities write-downs

Noninterest expense: Support agreement and restructuring charges, merger & integration and intangible amortization expenses

Earnings per share: SILO/LILO/tax settlement charges, securities write-downs, support agreement and restructuring charges, merger & integration and intangible amortization expenses.

FOURTH QUARTER 2008 FINANCIAL HIGHLIGHTS (vs. fourth quarter 2007)

Earnings:	**Income after-tax from Continuing Operations** *(b)* **$ millions**	**EPS from Continuing Operations** *(b)*	
GAAP – before extraordinary loss	$ 53	$ 0.05	
Non-GAAP adjustments:			
Merger and integration ("M&I") expense	$ 58	$ 0.05	
Restructuring charge	$ 107	$ 0.09	
Support agreement charges	$ 97	$ 0.08	
Continuing operations excluding M&I expenses, restructuring charge/ support agreement charges	$ 315	$ 0.27	
Securities write-downs	$ 752	$ 0.65	
Continuing operations excluding M&I expenses, the restructuring charge, support agreement charges and securities write-downs	$ 1,067	$ 0.93	*(a)*
Intangible amortization	$ 71	$ 0.06	
Continuing operations excluding M&I expenses/restructuring charge/ support agreement charges/securities write-downs/ intangible amortization	$ 1,138	$ 0.99	

Businesses:	**Revenue – 4Q08** *(b) (c)*		**Pre-tax Income – 4Q08** *(c)*	
		Growth vs.		**Growth vs.**
	Total	**4Q07**	**Total**	**4Q07**
Asset and Wealth Management	$ 795	(29)%	$ 223	(46)%

Institutional Services	3,106	14		1,497	37	
Total Businesses *(d)*	$ 3,901	1	%	$ 1,720	14	%

KEY POINTS

Strong performance by our Institutional Services businesses driven by net new business wins, favorable impact from market volatility and well-controlled expenses - record levels of net interest revenue and FX revenue

- Revenue (excluding securities write-downs and SILO/LILO charges) +3% 4Q08 vs. 4Q07; +6% (unannualized) sequentially
- Expenses (excluding support agreements, restructuring charges, merger & integration and intangible amortization) -7% 4Q08 vs. 4Q07; -2% (unannualized) sequentially
- 1,000 basis points of positive operating leverage 4Q08 vs. 4Q07; 800 basis points sequentially

$181 million pre-tax restructuring charge. Expected to reduce workforce by 4% in 2009, and generate $160-170 million in annualized expense savings

$0.65 per common share non-cash securities write-downs reflect deterioration and enormous liquidity discount for mortgage-backed securities.

- Includes an expected incurred loss of $208 million pre-tax, or $0.10 per share (loan equivalent)
- Securities continue to remain current with respect to principal and interest
- Opportunity to earn back a substantial portion of write-downs

Capital ratios reflect the benefit of $3 billion TARP investment and lower risk adjusted assets:

- Tier I capital ratio 13.1%
- Tangible common equity to assets ratio 3.8%
  - 4.5% adjusted for certain rating agencies methodology
- Unrealized net of tax loss on our securities portfolio was $4.1 billion at 12/31/08; $2.8 billion at 9/30/08.

Assets under custody and administration of $20.2 trillion.

Assets under management of $928 billion

Continue to exceed merger-related expense and revenue synergy targets

- 4Q08 expense synergies of $157 million ($628 million annualized); up 9% vs. 3Q08
- Full year 2008 annual revenue synergies of $258 million; exceeded target by 43%

Global Custodian survey – BNY Mellon #1 rated global custodian (released January 2009)

(a) Does not foot due to rounding.

(b) See pages 22 and 23 for a reconciliation of EPS and Total Revenue – GAAP to non-GAAP.

(c) Total excludes merger and integration, support agreement charges, restructuring charge, securities write-downs and intangible amortization.

(d) Excludes the Other segment.

FINANCIAL SUMMARY

(dollar amounts in millions, non-FTE basis unless otherwise noted; common shares in thousands)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 **4th Qtr**		**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Fee revenue	$3,238	$3,053	$3,134	$3,085	**$3,057**		**(6)%**	**(1)%**
Net interest revenue-excluding SILO/LILO charges	752	767	788	815	**1,070**		**42**	**31**
Total revenue-excluding SILO/LILO charges and securities write-downs	3,990	3,820	3,922	3,900	**4,127**	*(a)*	**3**	**6**
Provision for credit losses	20	16	25	30	**60**			
Total noninterest expense – excluding support agreement charges, restructuring charges, M&I expenses and intangible amortization	2,494	2,359	2,490	2,375	**2,318**		**(7)**	**(2)**
Pre-tax income from continuing operations-before extraordinary (loss) (non-GAAP)	$1,476	$1,445	$1,407	$1,495	**$1,749**		**18 %**	**17 %**
Securities write-downs	(191)	(73)	(152)	(162)	**(1,241)**			
Support agreement charges	3	14	(9)	726	**163**			
Restructuring charges	-	-	-	-	**181**			
SILO/LILO charges	-	-	377	112	**-**			
M&I:								
The Bank of New York Mellon Corporation	111	121	146	107	**97**			
Acquired Corporate Trust Business	13	5	3	4	**-**			
Amortization of intangible assets	131	122	124	120	**116**			

Pre-tax income (loss) from continuing operations – before extraordinary (loss) (GAAP)	1,027	1,110	614	$264	**(49)**
Provision (benefit) for income taxes	327	361	312	(41)	**(135)**
Income from continuing operations – before extraordinary (loss)	700	749	302	305	**86**
Discontinued operations income (loss), net of tax	-	(3)	7	(2)	**1**
Extraordinary (loss) on consolidation of commercial paper conduit, net of tax	(180)	-	-	-	**(26)**
Net income	$520	$746	$309	$303	**$61**
KEY METRICS (Continuing operations):					
Pre-tax operating margin (FTE):					
GAAP-before extraordinary (loss)	27%	30%	18%	8%	**(1)%**
Non-GAAP adjusted *(b)*	37%	38%	36%	39%	**43%**
Return on tangible common equity *(annualized)*:					
GAAP-before extraordinary (loss)	33.0%	35.8%	18.5%	19.0%	**6.7%**
Non-GAAP adjusted *(c)*	40.8%	41.4%	45.7%	50.4%	**61.5%**
Return on equity *(annualized)*:					
GAAP-before extraordinary (loss)	9.5%	10.2%	4.3%	4.3%	**0.8%**
Non-GAAP adjusted *(b)*	13.1%	12.9%	13.2%	14.3%	**16.9%**

Fee and other revenue as a percentage of total revenue, excluding the securities write-downs and SILO/LILO charges (FTE)	81 %	80 %	80 %	79 %	**74 %**
Non-U.S. percent of revenue, excluding the SILO/LILO charges and securities write-downs (FTE)	32 %	32 %	33 %	32 %	**31 %**
Effective tax rate – non-GAAP adjusted *(c)*	34.2 %	33.8 %	33.2 %	32.4 %	**32.6 %**
Employees	42,500	42,600	43,100	43,200	**42,900**
Market capitalization	$55,878	$47,732	$43,356	$37,388	**$32,536**
Common shares outstanding	1,145,983	1,143,818	1,146,070	1,147,567	**1,148,467**

(a) Total revenue for the fourth quarter of 2008, including securities write-downs, was $2.886 billion and decreased 24% compared with 4Q07 and 20% (unannualized) sequentially on a comparable basis. The sequential quarter includes the impact of the SILO/LILO charges. See page 23 for a reconciliation of total revenue GAAP to non-GAAP.

(b) Excludes M&I expenses, the SILO/LILO/tax settlements, support agreement charges, restructuring charges, securities write-downs and intangible amortization expense. See page 8 for a reconciliation of noninterest expense.

(c) Excludes the impact of M&I expenses, SILO/LILO/tax settlements, support agreement charges, the restructuring charge and securities write-downs.

ASSETS UNDER MANAGEMENT/CUSTODY AND ADMINISTRATION TREND

	2007	2008				**4Q08 vs.**	
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	**4th Qtr**	**4Q07**	**3Q08**
Market value of assets under management at period-end *(in billions)*	$1,121	$1,105	$1,113	$1,067	**$ 928**	**(17)%**	**(13)%**
Market value of assets under custody and administration at period-end *(in trillions)*	$23.1	$23.1	$23.0	$22.4	**$ 20.2**	**(13)%**	**(10)%**
Market value of securities on loan at period-end *(in billions) (a)*	$633	$660	$588	$470	**$ 341**	**(46)%**	**(27)%**

(a) *Represents the total amount of securities on loan, both cash and non-cash, managed by the Assets Servicing segment.*

ASSETS UNDER MANAGEMENT FLOWS *(a)*

Changes in market value of assets under management from Sept. 30, 2008 to Dec. 31, 2008 - by business segment

(in billions)	Asset Management		Wealth Management		Total
Market value of assets under management at Sept. 30, 2008	$ 990		$ 77		$1,067
Net inflows (outflows):					
Long-term	(23)		1		(22)
Money market	28		-		28
Total net inflows	5		1		6
Net market depreciation *(b)*	(128)		(9)		(137)
Divestiture	(8)		-		(8)
Market value of assets under management at Dec. 31, 2008	**$ 859**	*(c)*	**$ 69**	*(d)*	**$928**

(a) *Preliminary.*

(b) *Includes the effect of changes in foreign exchange rates.*

(c) *Excludes $3 billion subadvised for the Wealth Management segment.*

(d) *Excludes private client assets managed in the Asset Management segment.*

COMPOSITION OF ASSETS UNDER MANAGEMENT

Composition of assets under management at period-end *(a)*	2007	2008			
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	**4th Qtr**
Equity	41%	38%	37%	35%	**28%**
Money market	26%	29%	31%	34%	**43%**
Fixed income	20%	20%	20%	21%	**21%**
Alternative investments and overlay	13%	13%	12%	10%	**8%**
Total	100%	100%	100%	100%	**100%**

(a) Excludes securities lending cash management assets.

MARKET INDICES

Market indices	4Q07	1Q08	2Q08	3Q08	**4Q08**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
S&P 500 Index *(a)*	1468	1323	1280	1166	**903**	**(38)%**	**(23)%**
S&P 500 Index-daily average	1496	1353	1371	1252	**916**	**(39)**	**(27)**
FTSE 100 Index *(a)*	6457	5702	5626	4902	**4434**	**(31)**	**(10)**
FTSE 100 Index-daily average	6455	5891	5979	5359	**4270**	**(34)**	**(20)**
NASDAQ Composite Index *(a)*	2652	2279	2293	2092	**1577**	**(41)**	**(25)**
Lehman Brothers Aggregate Bond[sm] Index *(a)*	257.5	281.2	270.1	256.0	**274.7**	**7**	**7**
MSCI EAFE® Index *(a)*	2253.4	2038.6	1967.2	1553.2	**1237.4**	**(45)**	**(20)**
NYSE Volume *(in billions)*	135.0	158.5	140.7	179.8	**181.2**	**34**	**1**
NASDAQ Volume *(in billions)*	137.4	148.9	134.5	144.9	**148.3**	**8**	**2**

(a) Period end.

FEE AND OTHER REVENUE

(dollar amounts in millions unless otherwise noted)	2007	2008				**4Q08 vs.**	
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	**4th Qtr**	**4Q07**	**3Q08**
Securities servicing fees:							
Asset servicing	$812	$899	$864	$803	**$782**	**(4)%**	**(3)%**
Issuer services	438	376	444	477	**388**	**(11)**	**(19)**
Clearing and execution services	314	267	270	262	**288**	**(8)**	**10**
Total securities servicing fees	1,564	1,542	1,578	1,542	**1,458**	**(7)**	**(5)**
Asset and wealth management fees	887	842	844	792	**657**	**(26)**	**(17)**
Performance fees	62	20	16	3	**44**	**(29)**	**N/M**
Foreign exchange and other trading activities	305	259	308	385	**510**	**67**	**32**
Treasury services	121	124	130	130	**134**	**11**	**3**
Distribution and servicing	113	98	110	107	**106**	**(6)**	**(1)**
Financing-related fees	52	48	50	45	**45**	**(13)**	**-**
Investment income	52	23	45	17	**27**	**(48)**	**59**
Other	82	97	53	64	**76**	**(7)**	**19**
Total fee revenue (non-FTE)	$3,238	$3,053	$3,134	$3,085	**$3,057**	**(6)%**	**(1)%**
Securities gains (losses)	(191)	(73)	(152)	(162)	**(1,241)**	**N/M**	**N/M**

Total fee and other revenue (non-FTE)	$3,047	$2,980	$2,982	$2,923	**$1,816**	**(40)%**	**(38)%**
Total fee and other revenue (FTE)	$3,058	$2,989	$2,993	$2,934	**$1,825**	**(40)%**	**(38)%**
Fee and other revenue as a percentage of total revenue (FTE)	80 %	79 %	88 %	81 %	**63 %**		
Fee and other revenue as a percent of total revenue (FTE) - non-GAAP adjusted *(a)*	81 %	80 %	80 %	79 %	**74 %**		

(a) Excluding securities write-downs and SILO/LILO charges.

N/M - Not meaningful.

KEY POINTS

Total fee revenue excluding securities write-downs decreased 6% compared with 4Q07 and 1% (unannualized) sequentially.

Total securities servicing fees decreased 7% compared to 4Q07 on a reported basis, and approximately 3% adjusting for the sale of the B-Trade and G-Trade execution businesses (1Q08), reflecting:

- Asset servicing revenue decreased by 4% year-over-year and 3% (unannualized) sequentially resulting primarily from lower market levels and the strength of the U.S. dollar, which offset the impact of organic growth, higher securities lending revenue and the impact of the 4Q07 acquisition of the remaining 50% interest in the joint venture with ABN AMRO.
- Issuer services fees decreased 11% year-over-year and 19% (unannualized) sequentially with the decreases from both periods resulting from lower Depositary Receipt fees due primarily to the timing of fees related to corporate actions and lower Corporate Trust fee revenue resulting from lower levels of fixed income issuances globally.
- Clearing and execution services fees decreased 8% year-over-year. Adjusting for the sale of the B-Trade and G-Trade execution businesses, these fees increased 11%, principally resulting from growth in trading activity along with continued growth in money market mutual funds fees. Sequentially, clearing and execution service fees increased 10% (unannualized) resulting from the same drivers.

Asset and wealth management fees decreased 26% year-over-year and 17% (unannualized) sequentially as net money market inflows over both periods were more than offset by global weakness in market values.

Foreign exchange and other trading activities, a record $510 million, increased 67% year-over-year and 32% (unannualized) sequentially, primarily reflecting the benefit of higher volatility in all major currencies.

Investment income decreased $25 million compared to 4Q07 resulting primarily from lower seed capital revenue and private equity investment revenue.

Securities write-downs totaled $1.2 billion in 4Q08 compared with losses of $191 million in 4Q07 and $162 million in 3Q08. The increased level of loss reflects the more negative market assumptions related to the housing industry and the potential for future defaults. See the investment portfolio discussion on pages 9 and 10 for a discussion of the write-downs.

NET INTEREST REVENUE

(dollar amounts in millions unless otherwise noted)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 **4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Net interest revenue (non-FTE)	$752	$767	$411	$703	**$1,070**	**42 %**	**52 %**
Net interest revenue (FTE)	757	773	415	708	**1,077**	**42**	**52**
Net interest margin (FTE)	2.16 %	2.14 %	1.16 %	1.96 %	**2.34 %**	**18 bps**	**38 bps**
Excluding the SILO/LILO charges:							
Net interest revenue (non-FTE)	$752	$767	$788	$815	**$1,070**	**42 %**	**31 %**
Net interest revenue (FTE)	757	773	792	820	**1,077**	**42**	**31**
Net interest margin (FTE)	2.16 %	2.14 %	2.21 %	2.27 %	**2.34 %**	**18 bps**	**7 bps**
Selected average balances:							
Cash/interbank investments	$44,203	$46,857	$50,105	$51,982	**$91,128**	**106 %**	**75 %**
Trading account securities	2,351	1,459	1,918	1,791	**2,148**	**(9)**	**20**
Securities	46,959	48,306	45,081	43,534	**40,711**	**(13)**	**(6)**
Loans	47,109	48,496	47,151	46,983	**49,889**	**6**	**6**
Interest-earning assets	140,622	145,118	144,255	144,290	**183,876**	**31**	**27**
Interest-bearing deposits	86,278	92,881	94,785	86,853	**96,575**	**12**	**11**
Noninterest-bearing deposits	28,449	26,240	24,822	33,462	**52,274**	**84**	**56**

Selected average yields:

Cash/interbank investments	4.74 %	4.08 %	3.61 %	3.62 %	**2.62 %**
Trading account securities	5.35	5.36	3.74	2.76	**3.96**
Securities	5.40	5.16	4.97	5.12	**5.43**
Loans	5.06	4.50	0.61 *(a)*	2.54 *(a)*	**3.05**
Interest-earning assets	5.08	4.59	3.05 *(a)*	3.71 *(a)*	**3.38**
Interest-bearing deposits	3.36	2.66	2.02	1.98	**1.04**
Average noninterest-bearing deposits as a percentage of average interest-earning assets	20 %	18 %	17 %	23 %	**28 %**

(a) Excluding the SILO/LILO charges, the yield on loans was 3.81% and 3.50% and the yield on interest-earning assets was 4.10% and 4.02%, respectively, for 2Q08 and 3Q08.

bps - basis points.

KEY POINTS

Net interest revenue (FTE) increased 42% year-over-year and 31% (unannualized) sequentially, excluding the SILO/LILO charges in 3Q08.

- The increase compared with 4Q07 principally reflects a higher level of noninterest-bearing deposits which resulted in a higher level of interest-earning assets, wider spreads and the accretion of unrealized losses on investment securities, partially offset by a lower value of interest-free funds. The sequential increase reflects a higher level of interest-earning assets and wider spreads.

- Average noninterest-bearing deposits increased 84% compared to 4Q07, and 56% compared to 3Q08, driven primarily by increased deposits from Institutional Services clients that were received during the market turmoil in late 3Q08 and early 4Q08. These deposits were placed in liquid funds with either the Federal Reserve Bank or in short-term deposits with large global banks.

The net interest margin increased 18 basis points year-over-year and 7 basis points sequentially, excluding the SILO/LILO charges in 3Q08. The increase compared with both periods primarily reflects wider spreads.

NONINTEREST EXPENSE

(dollar amounts in millions, non-FTE basis unless otherwise noted)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	**2008 4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Staff:							
Compensation	$758	$795	$804	$804	**$758**	**- %**	**(6)%**
Incentives	443	366	386	242	**256**	**(42)**	**6**
Employee benefits	164	191	201	172	**140**	**(15)**	**(19)**
Total staff	1,365	1,352	1,391	1,218	**1,154**	**(15)**	**(5)**
Professional, legal and other purchased services	272	252	280	287	**307**	**13**	**7**
Net occupancy	145	129	139	164	**143**	**(1)**	**(13)**
Distribution and servicing	133	130	131	133	**123**	**(8)**	**(8)**
Software	78	79	88	78	**86**	**10**	**10**
Furniture and equipment	82	79	79	80	**86**	**5**	**8**
Sub-custodian and clearing	115	70	83	80	**80**	**(30)**	**-**
Business development	72	66	75	62	**76**	**6**	**23**
Other	232	202	224	273	**263**	**13**	**(4)**
Subtotal	2,494	2,359	2,490	2,375	**2,318**	**(7)**	**(2)**
Support agreement charges	3	14	(9)	726	**163**	**N/M**	**(77)**

Restructuring charge	-	-	-	-	**181**	**N/M**	**N/M**
Amortization of intangible assets	131	122	124	120	**116**	**(11)**	**(3)**
Merger and integration expenses:							
The Bank of New York Mellon Corporation	111	121	146	107	**97**	**(13)**	**(9)**
Acquired Corporate Trust Business	13	5	3	4	**-**	**N/M**	**N/M**
Total noninterest expense	$2,752	$2,621	$2,754	$3,332	**$2,875**	**4 %**	**(14)%**
Total staff expense as a percentage of total revenue (FTE)	36 %	36 %	41 %	33 %	**40 %**		
Total staff expense as a percentage of total revenue (FTE) - non-GAAP adjusted *(a)*	34 %	35 %	35 %	31 %	**28 %**		

(a) Excluding the SILO/LILO charges and securities write-downs.

N/M - Not meaningful.

KEY POINTS

Total noninterest expense (excluding support agreement charges/restructuring charge/intangible amortization/M&I charges) decreased 7% compared to the prior year and 2% (unannualized) sequentially.

- The 7% year-over-year decrease was driven by a 15% decline in total staff expense reflecting the ongoing benefit of merger-related expense synergies and lower incentives, a stronger U.S. dollar and the impact of the sale of the B-Trade and G-Trade execution businesses. Partially offsetting these declines were the impact of the 4Q07 acquisition of the remaining 50% interest in the joint venture with ABN AMRO and higher professional, legal and other purchased services.

- The sequential decline of 2% (unannualized) primarily reflected a 5% (unannualized) decrease in total staff expense, as well as lower net occupancy expense resulting from level lease adjustments recorded in 3Q08.

Participation in the FDIC Temporary Liquidity Guarantee Program resulted in $7 million of additional expense, recorded in other expenses, in the fourth quarter of 2008 and is expected to result in $50 million of additional expense, or $0.03 per common share, in 2009.

4Q08 results include a $181 million restructuring charge related to our previously announced global workforce reduction program.

- Expected to reduce workforce by 4% or 1,800 positions in 2009.

- Annualized pre-tax savings of $160-170 million.

- Additional pre-tax charge of approximately $20-25 million to be incurred in first half of 2009.

INVESTMENT SECURITIES PORTFOLIO

At Dec. 31, 2008, our investment securities portfolio totaled $39.4 billion. The unrealized net of tax loss on our total securities portfolio was $4.1 billion at Dec. 31, 2008. The unrealized net of tax loss at Sept. 30, 2008 was $2.8 billion. The increase compared to the prior quarter was primarily driven by wider credit spreads.

The following table provides the detail of our total securities portfolio.

Securities portfolio Dec. 31, 2008 *(dollar amounts in millions)*	Amortized Cost	Fair Value	Fair Value as % of Amortized Cost *(a)*	Portfolio Aggregate Unrealized Gain/(Loss)	Quarter to-date Change in Unrealized Gain/(Loss)	Life-to-date/ Impairmen Charge *(b)*	Ratings AAA	AA	A	Other
Alt-A MBS	$ 7,499	$4,735	53 %	$ (2,764)	$ (425)	$ 1,397	53 %	12 %	12%	23 %
Prime/Other MBS	6,785	5,004	74	(1,781)	(1,069)	15	75	11	7	7
Subprime MBS	1,578	987	60	(591)	(191)	68	22	55	16	7
Commercial MBS	2,846	2,137	75	(709)	(514)	22	98	1	-	1
ABS CDOs	35	19	5	(16)	(13)	326	30	1	-	69
Credit cards	747	524	67	(223)	(154)	35	-	6	94	-
Trust preferred securities	100	41	32	(59)	(20)	28	-	68	-	32
Home equity lines of credit	558	334	46	(224)	(40)	173	-	23	1	76
SIV securities	126	109	49	(17)	(17)	95	40	11	13	36
Other	396	261	59	(135)	(61)	46	8	7	5	80
Watch list	20,670	14,151	62	(6,519)	(2,504)	2,205	62	13	11	14
Agencies	11,561	11,621	101	60	169	-	100	-	-	-

European floating rate notes	7,582	6,411	85	(1,171)	(698)	-	98	2	-	-
Other	6,160	6,214	101	54	109	-	72	7	6	15
Total	$ 45,973	$38,397	80 %	$ (7,576)	$ (2,924)	$ 2,205 *(b)*	81 %	6 %	5 %	8 %

(a) Amortized cost before impairments.

(b) Life-to-date impairment charges include $301 million associated with the consolidation of Three Rivers Funding Corporation in December 2007 and $45 million associated with the consolidation of Old Slip Funding in December 2008.

Note: The "Watch List" includes those securities we view as having a higher risk of additional impairment charges.

Since the end of the third quarter, the housing market indicators and the broader economy have deteriorated significantly. Therefore, in the fourth quarter of 2008, we adjusted our modeling assumptions to reflect this further deterioration. Accordingly, we changed the modeling assumptions on all Residential Mortgage-Backed Securities (RMBS) with the primary changes being on the default rates. In addition, to properly reflect the declining value of homes in the current foreclosure environment, the Company adjusted its RMBS loss severity assumptions to decrease the amount it expects to receive to cover the value of the original loan. As a result of these adjustments to our assumptions, a larger number of securities (primarily Alt-A) generated an expected loss and consequently, we recorded an impairment charge and wrote down to current market value those securities, resulting in a $1.2 billion pre-tax securities loss comprised of the following:

Securities portfolio losses *(in millions)*	4Q08 Expected Incurred Loss	4Q08 Securities Write-downs
Alt-A securities	$ 124	**$ 1,135**
ABS CDOs	6	**6**
Home equity line of credit	14	**36**
SIV securities	44	**44**
Trust preferred securities	1	**1**
Other	19	**19**
Total securities write-downs	$ 208	**$ 1,241**

At Dec. 31, 2008, the expected loss included in securities write-downs recorded in the fourth quarter of 2008 is estimated to be $208 million. The difference between the expected loss and the total impairment charges incurred during the fourth quarter of 2008 is large driven by the market illiquidity relating to mortgage-backed securities. The underlying market discount rate rose throughout 2008, particularly during the fourth quarter, and accounted for the gap between the expected loss and the impairment charges. The expected loss is determined based on a projected principal write-down of a mortgage-backed security that occurs when the losses on the underlying

mortgage pool are expected to be large enough to cause a reduction in the total contractual amount of principal that the Company is entitled to receive pursuant to the terms of the security.

At the time of purchase, the Alt-A portfolio' s weighted-average FICO score was 715 and its weighted-average LTV was 74%. Approximately 50% of the total portfolio is supported by better performing fixed-rate collateral. Finally, the portfolio' s weighted-average current credit enhancement is approximately 13%. The unrealized loss on the Alt-A portfolio at Dec. 31, 2008 was $2.8 billion.

The home equity lines of credit ("HELOC") securities are tested for impairment based on the quality of the underlying security and the condition of the monoline insurer providing credit support. Securities were deemed impaired if we expected they would not be repaid in full without the support of the insurer and the insurer was rated below investment grade. The securities write-downs in the fourth quarter of 2008 related to HELOC securities resulted from both a deterioration of specific securities combined with weakening credit support due to below investment grade ratings of certain bond insurers.

RESTRUCTURING CHARGE

In November 2008, the Company announced that due to weakness in the global economy it would reduce its workforce by approximately 4%, or 1,800 positions. The goals of this workforce reduction are to reduce expense growth and further improve the efficiency of the organization. This program is expected to result in annualized savings of $160-170 million.

In December 2008, the Company recorded a pre-tax restructuring charge of $181 million or $0.09 per common share. This charge was comprised of $166 million for severance costs, $9 million of expense from stock-based award acceleration, $5 million of other compensation costs and $1 million of non-personnel expenses directly related to the workforce reduction. The restructuring charge is recorded as a separate line on the income statement. The Company also expects to record an additional related charge of approximately $20-25 million, pre-tax, of restructuring expense in the first half of 2009, primarily related to severance and accruals for vacant space.

EXTRAORDINARY LOSS ON CONSOLIDATION OF COMMERCIAL PAPER CONDUIT

On Dec. 30, 2008, we voluntarily called the first loss notes of Old Slip Funding LLC ("Old Slip"), making us the primary beneficiary and triggering the consolidation of Old Slip (approximately $125 million in assets). The consolidation resulted in the recognition of an extraordinary loss (non-cash accounting charge) of $26 million after tax, or $0.02 per common share, representing the current mark-to-market discount from par associated with spread-widening for the assets in Old Slip.

BALANCE SHEET

The balance sheet at the end of the fourth quarter of 2008 totaled $237 billion compared to $198 billion at Dec. 31, 2007 and $268 billion at Sept. 30, 2008. We continued to benefit from an above trend level of client deposits, particularly noninterest-bearing client deposits. In addition, at year end, we maintained $53 billion in deposits with the Federal Reserve.

SERIES B-PERPETUAL PREFERRED STOCK

On Oct. 28, 2008, we issued $3 billion of securities to the U.S. Department of the Treasury comprised of Series B preferred stock ($2.779 billion) and a warrant for common stock ($221 million) as part of the Troubled Asset Relief Program (“TARP”) Capital Purchase Program authorized under the Emergency Economic Stabilization Act. The preferred dividends and the amortization of the discount on the Series B preferred stock reduced net income applicable to common stock by $33 million, or $ 0.03 per common share in the fourth quarter of 2008 and are expected to reduce earnings per share by approximately $0.16 per common share in 2009.

The proceeds from the Series B preferred stock have been utilized to improve the flow of funds in the financial markets. Specifically we have:

Purchased mortgage-backed securities and debentures issued by U.S. government-sponsored agencies to support efforts to increase the amount of money available to lend to qualified borrowers in the residential housing market.

Purchased securities of other financial institutions, which helps increase the amount of funds available to lend to consumers and businesses.

Continued to make loans to other financial institutions through the interbank lending market.

All of these efforts address the need to improve liquidity in the financial system and are consistent with our business model which is focused on institutional clients.

CAPITAL RATIOS

The capital ratios at Dec. 31, 2008 compared with Sept. 30, 2008 reflect the benefit we received from the $3 billion of Series B preferred stock issued to the U.S. Treasury in October of 2008 and a lower level of risk adjusted assets.

Capital Ratios	Quarter ended					
	Dec. 31, 2008		Sept. 30, 2008		Dec. 31, 2007	
Tier I capital ratio	**13.1**	**%***(a)*	9.3	%	9.3	%
Total (Tier I plus Tier II) capital ratio	**16.8**	*(a)*	12.8		13.2	
Leverage capital ratio	**6.9**	*(a)*	6.5		6.5	
Shareholders’ equity to assets ratio	**11.8**		10.3		14.9	
Tangible common equity to assets ratio *(b)*	**3.8**	*(c)*	3.9	*(c)*	5.2	
Adjusted tangible common equity to assets ratio *(d)*	**4.5**		4.2		5.3	

(a) *Preliminary.*

(b) *Common equity less goodwill and intangible assets, adjusted for deferred tax liabilities associated with non-tax deductible identifiable intangible assets and tax deductible goodwill, divided by total assets less goodwill and intangible assets.*

(c) *Assets were adjusted for the deposits maintained with the Federal Reserve of $53.3 billion and $37.9 billion, and other short-term investments−U.S. government-backed commercial paper of $5.6 billion and $10.9 billion at Dec. 31, 2008 and Sept. 30, 2008, respectively. Both of these sets of assets have been assigned a zero risk-weighting by the regulators.*

(d) *Certain rating agencies include a portion of the Series B preferred stock and trust preferred securities when assessing the capital strength of the Company. Accordingly, we calculated the adjusted tangible common equity to assets ratio by using tangible common equity as defined in (b) above, plus a portion of the Series B preferred and trust preferred securities divided by assets as defined in (c) above.*

STRESS TESTING CAPITAL RATIOS FOR INVESTMENT PORTFOLIO VALUATION DECLINES

We routinely stress test the adequacy of our capital base by modeling the impact to our Tier 1 capital and tangible capital ratios for impairments and valuation declines related to our investment securities portfolio.

The table below provides pro forma estimates of the Tier 1, tangible and adjusted tangible capital ratios, utilizing ratios at Dec. 31, 2008 as the base, adjusted for the estimated impact of varying levels of 2009 First Call earnings estimates, and stress tested at increasing levels of impairments and valuation declines.

Capital ratio stress tests *(dollar amounts in billions)*

Additional OTTI or OCI	Proforma Ratios Assuming Full Year Impact					
	2009 First Call EPS Consensus			2009 First Call EPS Consensus Less 20%		
OTTI impairments impact only Tier I		Tangible Common Ratio *(c)*			Tangible Common Ratio *(c)*	
OCI valuation declines impact only TCE	Tier I Ratio *(a)*	Reported	Adjusted	Tier I Ratio *(a)*	Reported	Adjusted
$ -	15.2 %*(b)*	4.6 %*(b)*	5.2 %*(b)*	14.7 %*(b)*	4.2 %*(b)*	4.8 %*(b)*
0.5	15.0 %	4.4 %	5.0 %	14.4 %	4.1 %	4.7 %
1.0	14.7 %	4.2 %	4.8 %	14.2 %	3.9 %	4.5 %
2.0	14.2 %	3.9 %	4.5 %	13.7 %	3.6 %	4.2 %
3.0	13.7 %	3.5 %	4.1 %	13.2 %	3.2 %	3.8 %
4.0	13.2 %	N/A	N/A	12.7 %	N/A	N/A
5.0	12.7 %	N/A	N/A	12.1 %	N/A	N/A

(a) Proforma Tier I ratios assume risk weighted assets are reduced by 20% of pre-tax write-down amount.

(b) Represents Dec. 31, 2008 ratio adjusted for the impact of varying levels of 2009 First Call earnings estimates. Full Year 2009 First Call EPS consensus was $2.81 as of Jan. 20, 2009. Consensus estimates exclude the impact of future merger and integration expense. All proforma ratios include an estimated impact of 2009 merger and integration expense and assume the current quarterly dividend of $0.24 remains constant. First Call consensus estimates are not endorsed by management, but utilized for stress testing purposes only.

(c) See footnote (d) of the Capital Ratios table on page 11.

N/A = Stress testing for the Tangible Common equity to assets ratio only completed for $0.5, $1, $2 and $3 billion.

INSTITUTIONAL CREDIT STRATEGY

Increased targeted exposure reduction to $14.0 billion (from original target of $4.5 billion, revised target of $10 billion in 3Q08).

- As of Dec. 31, 2008, we have achieved approximately $10 billion of the increased targeted exposure reduction

Focus on investment grade names to support cross selling

Avoid single name/industry concentrations, using credit default swaps as appropriate

Exit high risk portfolios

Anticipated impact of this strategy will include lower expected credit losses and a decrease in the volatility of the provision for credit losses, together with a modest reduction in net interest revenue and associated capital markets fees

NONPERFORMING ASSETS

Nonperforming assets	Quarter ended		
(dollar amounts in millions)	**Dec. 31, 2008**	Sept. 30, 2008	Dec. 31, 2007
Loans:			
Commercial real estate	**$126**	$118	$40
Other residential mortgages	**97**	75	20
Commercial	**60**	65	39
Personal	**1**	-	-
Foreign	**-**	1	87
Total nonperforming loans	**284**	259	186
Other assets owned	**8**	8	4

Total nonperforming assets	**$292**	$267	$190
Nonperforming loans ratio	**0.7 %**	0.4 %	0.4 %
Allowance for loan losses/nonperforming loans	**146.1**	140.9	175.8
Total allowance for credit losses/nonperforming loans	**186.3**	190.7	265.6

ALLOWANCE FOR CREDIT LOSSES, PROVISION AND NET CHARGE-OFFS

Allowance for credit losses, provision and net charge-offs	Quarter ended		
(dollar amounts in millions)	**Dec. 31, 2008**	Sept. 30, 2008	Dec. 31, 2007
Allowance for credit losses – beginning of period	**$494**	$486	$510
Provision for credit losses	**60**	30	20
Net (charge-offs)/recoveries:			
Commercial	**(11)**	(8)	(17)
Commercial real estate	**(3)**	(2)	-
Other residential mortgages	**(11)**	(5)	(1)
Foreign	**1**	(9)	(18)
Personal	**(1)**	-	-
Leasing	**-**	2	-
Total net (charge-offs)/recoveries	**(25)**	(22)	(36)
Allowance for credit losses – end of period	**$529**	$494	$494

Allowance for loan losses	**$415**	$365	$327
Allowance for unfunded commitments	**114**	129	167

MERGER UPDATE - INTEGRATION MILESTONES

1) Revenue Synergies

	2007	**2008**	Target		
(in millions)	Actual	**Actual**	2009	2010	2011
Annual revenue synergies	$90	**$258**	$215-275	$270-350	$325-425

2) Expense Synergies

	Actual				Actual		Cumulative Target	
(dollar amounts in millions)	1Q08	2Q08	3Q08	**4Q08**	2007	**2008**	2009	2010
Expense synergies	$118	$131	$144	**$157**	175/ $21 %	550/ $65 %	$710/84 %	$850
# of net positions eliminated (cumulative)	1,873	2,075	2,486	**2,827**				3,200

Business Segment Expense Synergies Achieved					
(in millions)	4Q07	1Q08	2Q08	3Q08	**4Q08**
Asset Management	$7	$10	$10	$12	**$12**
Wealth Management	5	6	7	8	**9**
Asset Servicing	32	44	51	55	**61**
Issuer Services	10	12	14	15	**17**
Clearing Services	2	2	2	2	**2**
Treasury Services	12	14	15	17	**20**
Subtotal	68	88	99	109	**121**
Other	28	30	32	35	**36**

Total	$96	$118	$131	$144	**$157**
Total – annualized	$384	$472	$524	$576	**$628**

3) Merger & Integration Charges (The Bank of New York Mellon Corporation)

		Cumulative through 4Q08 *(a)*			
(dollar amounts in millions)	**4Q08 Total Expense**	Expense	Included in Goodwill	Total	Total Estimated
Personnel-related *(b)*	**$ 35**	**$ 338**	**$ 123**	**$461**	$ 560
Integration/conversion	**59**	**456**	**-**	**456**	600
One-time costs *(c)*	**3**	**48**	**44**	**92**	153
Transaction costs *(d)*	**-**	**117**	**45**	**162**	162
Total	**$ 97**	**$ 959**	**$ 212**	**$1,171**	$ 1,475
% of total estimated	**7 %**	**65 %**	**14 %**	**79 %**	

(a) Represents total merger and integration charges from 4Q06 – 4Q08.

(b) Includes severance, retention, relocation expenses and accelerated vesting of stock options and restricted stock.

(c) Includes facilities related expenses, balance sheet write-offs, vendor contract modifications, rebranding and net gain (loss) on disposals.

(d) Includes investment banker and legal fees and foundation funding.

4) Service Quality Goals for 2010 - Asset Servicing

#1 vs. major peers in the three major external global client satisfaction surveys

- BNY Mellon #1 rated custodian among the large custodian peer group
  - **> Global Custodian survey (released January 2009)**
  - > Global Investor survey (May 2008)
  - > R&M Global Custody survey (March 2008)

Expect 85% of our clients to be satisfied/highly satisfied with our service quality

BUSINESS SEGMENTS

ASSET MANAGEMENT (provides asset management services through a number of asset management companies to institutional and individual investors)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007	2008				4Q08 vs.	
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	**4th Qtr**	**4Q07**	**3Q08**
Revenue:							
Asset and wealth management:							
Mutual funds	$323	$323	$340	$ 328	**$ 297**	**(8)%**	**(9)%**
Institutional clients	342	304	290	265	**193**	**(44)**	**(27)**
Private clients	47	45	47	43	**35**	**(26)**	**(19)**
Total asset and wealth management	712	672	677	636	**525**	**(26)**	**(17)**
Performance fees	62	20	16	3	**44**	**(29)**	**N/M**
Distribution and servicing	104	86	99	93	**93**	**(11)**	**-**
Other	10	(26)	4	(45)	**(100)**	**N/M**	**N/M**
Total fee and other revenue	888	752	796	687	**562**	**(37)**	**(18)**
Net interest revenue (expense)	18	15	11	10	**43**	**139**	**330**
Total revenue	906	767	807	697	**605**	**(33)***(a)*	**(13)***(a)*
Noninterest expense (ex. intangible amortization and support agreement charges)	559	561	531	491	**482**	**(14)**	**(2)**
Income before taxes (ex. intangible amortization and support agreement charges)	347	206	276	206	**123**	**(65)**	**(40)**

Support agreement charges	-	-	5	328	**2**	**N/M**	**N/M**
Amortization of intangible assets	70	62	68	64	**61**	**(13)**	**(5)**
Income before taxes	$277	$144	$203	$(186)	**$ 60**	**(78)%**	**N/M**
Pre-tax operating margin (ex. intangible amortization) – Non-GAAP *(b)*	38 %	27 %	34 %	(18)%	**20 %**		
Market value of assets under management at period-end *(in billions)*	$1,044	$1,029	$1,040	$995	**$ 862**	**(17)%**	**(13)%**
Assets under management-net inflows (outflows):							
Long-term *(in billions)*	$(21)	$(8)	$(8)	$(6)	**$ (23)**		
Money market *(in billions)*	$39	$29	$21	$14	**$ 28**		

(a) Excluding 4Q08 securities write-downs, 4Q08 vs. 4Q07 and linked quarter growth rates were a negative 28% and a negative 6% (unannualized), respectively.

(b) The pre-tax operating margin, excluding intangible amortization, support agreement charges and securities write-downs, was 38% for 4Q07, 29% for 1Q08, 34% for 2Q08, 30% for 3Q08 and 27% for 4Q08.

N/M - Not meaningful.

KEY POINTS

Asset and wealth management fees decreased 26% compared with the fourth quarter of 2007 and 17% (unannualized) sequentially, as net new business was more than offset by the global weakness in market values and the stronger U.S. dollar.

Performance fees were $44 million in 4Q08 compared to $62 million in 4Q07 and $3 million in 3Q08. The decline compared with 4Q07 was primarily due to a lower level of fees generated from certain equity and alternative strategies. The sequential quarter increase was due primarily to fees generated by Newton Investment Management and Walter Scott & Partners.

Other fee revenue decreased $110 million year-over-year and $55 million sequentially, with both declines primarily due to 4Q08 securities write-downs and lower market values of seed capital investments.

4Q08 noninterest expense (excluding intangible amortization/support agreement charges) declined 14% year-over-year, and 2% (unannualized) sequentially. The declines, compared with both periods, reflect overall expense management in response to the operating environment.

43% non-U.S. revenue in 4Q08 vs. 40% in 4Q07.

WEALTH MANAGEMENT (provides investment management, wealth and estate planning and private banking solutions to high-net-worth individuals and families, family offices and business enterprises, charitable gift programs and endowments and foundations)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	**2008 4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Revenue:							
Asset and wealth management	$157	$153	$150	$141	**$119**	**(24)%**	**(16)%**
Other	10	13	11	22	**15**	**50**	**(32)**
Total fee and other revenue	167	166	161	163	**134**	**(20)**	**(18)**
Net interest revenue	42	46	48	50	**56**	**33**	**12**
Total revenue	209	212	209	213	**190**	**(9)**	**(11)**
Provision for credit losses	-	-	(1)	1	**-**	**N/M**	**N/M**
Noninterest expense (ex. intangible amortization and support agreement charges)	142	142	142	140	**141**	**(1)**	**1**
Income before taxes (ex. intangible amortization and support agreement charges)	67	70	68	72	**49**	**(27)**	**(32)**
Support agreement charges	-	-	-	15	**-**	**N/M**	**N/M**
Amortization of intangible assets	14	13	13	14	**14**	**-**	**-**
Income before taxes	$53	$57	$55	$43	**$35**	**(34)%**	**(19)%**
Pre-tax operating margin (ex. intangible amortization) - Non-GAAP	32 %	33 %	33 %	27 %*(a)*	**26 %**		
Average loans	$4,342	$4,390	$4,816	$5,231	**$5,309**	**22 %**	**1 %**
Average deposits	$7,469	$7,993	$7,782	$7,318	**$7,131**	**(5)%**	**(3)%**

Market value of total client assets at period end *(in billions)*	$170	$164	$162	$158	**$139**	**(18)%**	**(12)%**

(a) The pre-tax operating margin for 3Q08, excluding support agreement charges and intangible amortization, was 34%.

N/M - Not meaningful.

KEY POINTS

Wealth Management continues to benefit from record new business, as long-term inflows totaled $2 billion sequentially and $12 billion for 2008. Total client assets were $139 billion at Dec. 31, 2008 compared to $158 billion at Sept. 30, 2008 and $170 billion at Dec. 31, 2007, as strong net flows were more than offset by lower market values.

Total fee and other revenue decreased 20% compared with 4Q07 and 18% (unannualized) sequentially, as strong organic growth was more than offset by sharp declines in the equity markets and in capital markets fees.

Net interest revenue increased 33% year-over-year and 12% (unannualized) sequentially. The year-over-year increase was due to higher loan levels and improved deposit spreads. Average loan levels were up $1.0 billion, or 22%, over the prior year period due to growth in the mortgage portfolio. The sequential increase reflects improved deposit spreads.

Noninterest expense (excluding intangible amortization/support agreement charges) decreased $1 million compared with 4Q07 reflecting the impact of synergies and overall cost control, partially offset by the 2008 annual merit salary increase and production driven incentives. Noninterest expense increased $1 million sequentially, reflecting the timing of business development expenses.

Wealth Management has a presence in 15 of the top 25 domestic wealth markets.

ASSET SERVICING (provides institutional trust and custody and related services and broker-dealer services to corporate and public retirement funds, foundations and endowments and global financial institutions)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	**2008 4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Revenue:							
Securities servicing fees - asset servicing	$777	$859	$821	$769	**$742**	**(5)%**	**(4)%**
Foreign exchange and other trading activities	206	200	224	261	**366**	**78**	**40**
Other	53	44	36	47	**25**	**(53)**	**(47)**
Total fee and other revenue	1,036	1,103	1,081	1,077	**1,133**	**9**	**5**
Net interest revenue	225	222	213	240	**411**	**83**	**71**
Total revenue	1,261	1,325	1,294	1,317	**1,544**	**22**	**17**
Noninterest expense (ex. intangible amortization and support agreement charges)	807	733	812	821	**830**	**3**	**1**
Income before taxes (ex. intangible amortization and support agreement charges)	454	592	482	496	**714**	**57**	**44**
Support agreement charges	3	14	(14)	381	**160**	**N/M**	**(58)**
Amortization of intangible assets	6	7	5	6	**6**	**-**	**-**
Income before taxes	$445	$571	$491	$109	**$548**	**23 %**	**403 %**
Average deposits	$42,446	$46,092	$48,436	$51,492	**$64,500**	**52 %**	**25 %**
Pre-tax operating margin (ex. intangible amortization) - Non-GAAP	36 %	44 %	38 %	9 % *(a)*	**36 %** *(a)*		

Market value of securities on loan at period-end *(in billions)(b)*	$633	$660	$588	$470	**$341**	**(46)%**	**(27)%**
Securities lending revenue	$167	$245	$202	$155	**$187**	**12 %**	**21 %**
Global collateral management balances at period-end *(in billions)*	$1,717	$1,864	$1,702	$2,035	**$1,796**	**5 %**	**(12)%**

(a) The pre-tax operating margin excluding support agreement charges and intangible amortization was 38% in 3Q08 and 46% in 4Q08.

(b) Represents the total amount of securities on loan, both cash and non-cash managed by the Asset Servicing segment.

N/M - Not meaningful.

KEY POINTS

Asset servicing fees decreased 5% compared with 4Q07, reflecting lower market levels and the strength of the U.S. dollar, partially offset by organic growth, higher securities lending revenue and the impact of the 4Q07 acquisition of the remaining 50% interest in the joint venture with ABN AMRO. Asset servicing fees decreased 4% (unannualized) sequentially, due primarily to lower market levels and the strength of the U.S. dollar, partially offset by higher securities lending revenue and net new business.

- Securities lending fees increased $20 million compared to 4Q07 and $32 million sequentially. Both increases reflect favorable spreads in the short-term credit markets partially offset by decreases in volumes reflecting lower market valuations and overall de-leveraging in the financial markets.

Foreign exchange and other trading activities increased 78% year-over-year and 40% (unannualized) sequentially, reflecting the benefit of significant increases in volatility for all major currencies.

Net interest revenue increased 83% compared to the prior year and 71% (unannualized) sequentially. The increases over both periods were primarily driven by strong deposit growth and wider spreads.

4Q08 noninterest expense (excluding support agreement charges/intangible amortization) increased 3% year-over-year and 1% (unannualized) sequentially.

- The increase compared to 4Q07 was driven by the acquisition of the remaining 50% interest in the joint venture with ABN AMRO and the 2008 annual merit salary increase, partially offset by strong expense control and merger-related synergies. The sequential increase principally reflects increased expenses related to the growth in foreign exchange and securities lending revenue.

37% non-U.S. revenue in 4Q08 vs. 41% in 4Q07.

4Q08 new business wins totaled $691 billion.

Revenue retention target rate of 98% met.

Global Custodian Survey – BNY Mellon #1 rated global custodian (December 2008).

- Most “Best in Class” awards and 8 top rankings.

ISSUER SERVICES (provides corporate trust, depositary receipt and shareowner services to corporations and institutions)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	**2008 4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Revenue:							
Securities servicing fees - issuer services	$438	$374	$443	$475	**$392**	**(11)%**	**(17)%**
Other	19	33	36	54	**44**	**N/M**	**(19)**
Total fee and other revenue	457	407	479	529	**436**	**(5)**	**(18)**
Net interest revenue	175	153	176	170	**211**	**21**	**24**
Total revenue	632	560	655	699	**647**	**2**	**(7)**
Noninterest expense (ex. intangible amortization)	324	318	347	349	**318**	**(2)**	**(9)**
Income before taxes (ex. intangible amortization)	308	242	308	350	**329**	**7**	**(6)**
Amortization of intangible assets	21	20	20	21	**20**	**(5)**	**(5)**
Income before taxes	$287	$222	$288	$329	**$309**	**8 %**	**(6)%**
Pre-tax operating margin (ex. intangible amortization)-Non-GAAP	49 %	43 %	47 %	50 %	**51 %**		
Number of Depositary Receipt programs	1,311	1,315	1,322	1,354	**1,338**	**2 %**	**(1)%**
Average deposits	$28,293	$27,632	$30,557	$29,546	**$34,294**	**21 %**	**16 %**

N/M – Not meaningful.

KEY POINTS

Total revenue grew 2% compared to 4Q07 and decreased 7% (unannualized) sequentially.

- The year-over-year growth was driven by higher customer deposit balances in Corporate Trust as well as favorable spreads, partially offset by lower Depositary Receipts revenue due primarily to the timing of corporate action fees and lower Corporate Trust fee revenue resulting from lower fixed income issuances globally.

- The sequential decrease was driven primarily by the timing of corporate action fees in Depositary Receipts and lower fixed income issuances globally in Corporate Trust, partially offset by higher customer deposit balances in Corporate Trust.

Noninterest expense (excluding intangible amortization) decreased 2% compared to 4Q07 and 9% (unannualized) sequentially. The decrease compared with 4Q07 reflects merger synergies achieved in Shareowner Services and strong expense control. The decrease sequentially reflects the $24 million credit monitoring charge related to lost tapes recorded in 3Q08, compared with $4 million in 4Q08 and overall expense control.

41% non-U.S. revenue in 4Q08 vs. 39% in 4Q07.

Named administrator and custodian for U.S. Treasury TARP and related programs.

CLEARING SERVICES (provides clearing, execution, financing and custody services for broker-dealers and registered investment advisors)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	**2008 4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Revenue:							
Securities servicing fees – clearing & execution services	$310	$265	$265	$257	**$286**	**(8)%**	**11 %**
Other	47	54	65	64	**73**	**55**	**14**
Total fee and other revenue	357	319	330	321	**359**	**1**	**12**
Net interest revenue	78	74	74	74	**92**	**18**	**24**
Total revenue	435	393	404	395	**451**	**4**	**14**
Noninterest expense (ex. intangible amortization)	305	274	291	283	**269**	**(12)**	**(5)**
Income before taxes (ex. intangible amortization)	130	119	113	112	**182**	**40**	**63**
Amortization of intangible assets	6	6	6	8	**6**	**-**	**(25)**
Income before taxes	$124	$113	$107	$104	**$176**	**42 %**	**69 %**
Pre-tax operating margin (ex. intangible amortization) – Non-GAAP	30 %	30 %	28 %	28 %	**40 %**		
Average active accounts *(in thousands)*	5,069	5,170	5,280	5,442	**5,472**	**8 %**	**1 %**
Average margin loans	$5,301	$5,245	$5,791	$5,754	**$4,871**	**(8)%**	**(15)%**
Average payables to customers and broker-dealers	$5,227	$4,942	$5,550	$5,910	**$5,570**	**7 %**	**(6)%**

Note: In 1Q08, we completed the sale of the B-Trade and G-Trade execution businesses to BNY ConvergEx. These businesses have historically contributed approximately $50-60 million of revenue and $10-15 million of pre-tax income on a quarterly basis.

KEY POINTS

Total fee and other revenue increased 1% compared with 4Q07. Adjusted for the 1Q08 sale of the B-Trade and G-Trade execution businesses to BNY ConvergEx, total fee and other revenue increased 20% reflecting:

- Strong growth in trading activity (record level in October 2008) along with growth in money market mutual fund fees.
- New business wins resulting from current market disruptions

Net interest revenue increased 18% compared with 4Q07 and 24% (unannualized) sequentially. Both increases were due to higher customer balances and wider spreads.

Adjusted for the sale of the execution businesses, noninterest expense (excluding intangible amortization) increased 4% in support of business growth.

Generated 1,600 basis points of positive operating leverage year-over-year (excluding the 1Q08 sale of the execution businesses) and 1,900 basis points sequentially.

TREASURY SERVICES (provides treasury services, global payment services, working capital solutions, capital markets business and large corporate banking)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	**2008 4th Qtr**	**4Q08 vs. 4Q07**	**4Q08 vs. 3Q08**
Revenue:							
Treasury services	$118	$121	$125	$125	**$130**	**10 %**	**4 %**
Other	125	106	130	137	**101**	**(19)**	**(26)**
Total fee and other revenue	243	227	255	262	**231**	**(5)**	**(12)**
Net interest revenue	161	182	153	158	**233**	**45**	**47**
Total revenue	404	409	408	420	**464**	**15**	**10**
Noninterest expense (ex. intangible amortization)	201	205	203	202	**204**	**1**	**1**
Income before taxes (ex. intangible amortization)	203	204	205	218	**260**	**28**	**19**
Amortization of intangible assets	7	7	7	6	**7**	**-**	**17**
Income before taxes	$196	$197	$198	$212	**$253**	**29 %**	**19 %**
Pre-tax operating margin (ex. intangible amortization)-Non-GAAP	50 %	50 %	50 %	52 %	**56 %**		
Average loans	$14,331	$15,344	$15,606	$14,671	**$16,040**	**12 %**	**9 %**
Average deposits	$18,092	$20,056	$17,316	$18,397	**$30,052**	**66 %**	**63 %**

KEY POINTS

Total revenue increased 15% compared to 4Q07 due to:

- A 45% increase in net interest revenue resulting from higher deposit levels including increased dollar clearing client activity in Asia and the Middle East.
- A 10% increase in Treasury Services revenue, reflecting higher processing volumes in global payment and cash management services.
- Partially offsetting these increases was a 19% decrease in Other revenue due primarily to lower other capital markets related revenue.

Total revenue increased 10% (unannualized) sequentially due to an increase in net interest revenue resulting from increased deposit levels and improved spreads, partially offset by lower other capital markets-related revenue.

Noninterest expense (excluding intangible amortization) increased 1% primarily in support of growth.

OTHER (primarily includes the leasing portfolio, corporate treasury activities, the results of Mellon United National Bank, business exits, merger and integration expenses and other corporate revenue and expense items)

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 **4th Qtr**
Revenue:					
Fee and other revenue	$(90)	$15	$(109)	$(105)	**$(1,030)**
Net interest revenue	58	81	(260)	6	**31**
Total revenue	(32)	96	(369)	(99)	**(999)**
Provision for credit losses	20	16	26	29	**60**
Noninterest expense (ex. restructuring charge, intangible amortization and merger and integration expense)	156	126	164	91	**75**
Income (loss) before taxes (ex. restructuring charge, intangible amortization and merger and integration expense)	(208)	(46)	(559)	(219)	**(1,134)**
Restructuring charge	-	-	-	-	**181**
Amortization of intangible assets	7	7	5	1	**2**
Merger and integration expenses:					
The Bank of New York Mellon Corporation	111	121	146	107	**97**
Acquired Corporate Trust Business	13	5	3	4	**-**
Total merger and integration expense	124	126	149	111	**97**
Income (loss) before taxes	$(339)	$(179)	$(713)	$(331)	**$(1,414)**

KEY POINTS

Fee and other revenue decreased $940 million compared with 4Q07, due primarily to the write-down ($1.2 billion) of certain investments in the securities portfolio.

Net interest revenue decreased $27 million compared to 4Q07 and increased $25 million compared to the prior quarter. The year-over-year decrease was due to the impact of the changing interest rate environment on Corporate Treasury allocations. The increase compared to the prior quarter primarily reflects the $112 million SILO/LILO charge recorded in 3Q08. The second quarter of 2008 included a SILO related charge of $377 million.

Noninterest expense (excluding restructuring charge, intangible amortization and merger and integration expenses) decreased $81 million compared to 4Q07 and $16 million sequentially. Both declines were due primarily to lower corporate incentives and benefits.

4Q08 included a $181 million restructuring charge related to our previously announced workforce reduction initiative. The program is expected to reduce our workforce by approximately 4%, or 1,800 positions, and generate approximately $160-170 million in annualized savings.

SUPPLEMENTAL INFORMATION - EXPLANATION OF NON-GAAP FINANCIAL MEASURES

Reported amounts are presented in accordance with GAAP. We believe that the supplemental non-GAAP information included in this earnings release is useful to the investment community in analyzing the financial results and trends of our business. This information facilitates comparisons with prior periods and reflects the principal basis on which our management internally monitors financial performance. These items also reflect certain items that are excluded from our segment measures used internally to evaluate segment performance because management does not consider them to be particularly relevant or useful in evaluating the operating performance of our business segments.

Reconciliation of net income and EPS - GAAP to Non-GAAP *(a)*	**4Q08**		3Q08		4Q07	
(in millions, except per common share amounts)	**Net income**	**EPS**	Net income	EPS	Net income	EPS
Net income-GAAP	**$ 28**	**$0.02**	$ 303	$0.26	$ 520	$0.45
Discontinued operations (income) loss	**(1)**	**-**	2	-	-	-
Extraordinary loss on consolidation of commercial paper conduits, net of tax	**26**	**0.02**	-	-	180	0.16
Continuing operations	**53**	**0.05***(b)*	305	0.26	700	0.61
M&I expenses	**58**	**0.05**	66	0.06	69	0.06
Restructuring charge	**107**	**0.09**	-	-	-	-
SILO/LILO/tax settlements	**-**	**-**	30	0.03	-	-
Support agreement charges	**97**	**0.08**	433	0.37	2	-
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements and support agreement charges	**315**	**0.27**	834	0.72	771	0.67
Securities write-downs	**752**	**0.65**	96	0.08	114	0.10
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements, support agreement charges and securities write-downs	**1,067**	**0.93***(b)*	930	0.81*(b)*	885	0.77
Intangible amortization	**71**	**0.06**	74	0.06	78	0.07

Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements, support agreement charges, securities write-downs and intangible amortization	**$ 1,138**	**0.99**	$ 1,004 *(b)*	$0.87	$ 963	$0.84

(a) *Prior period non-GAAP amounts have been adjusted to exclude securities write-downs.*

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

Reconciliation of net income and EPS - GAAP to Non-GAAP *(a)*	Year-to-date			
	Dec. 31, 2008		Dec. 31, 2007 *(b)*	
(in millions, except per common share amounts)	**Net income**	**EPS**	Net income	EPS
Net income-GAAP	**$ 1,386**	**$1.20**	$ 2,039	$ 2.18
Discontinued operations (income) loss	**(3)**	**-**	8	0.01
Extraordinary loss on consolidation of commercial paper conduits, net of tax	**26**	**0.02**	180	0.19
Continuing operations	**1,409**	**1.22**	2,227	2.38
M&I expenses	**288**	**0.25**	238	0.25
Restructuring charge	**107**	**0.09**	-	-
SILO/LILO/tax settlements	**410**	**0.36**	-	-
Support agreement charges	**533**	**0.46**	2	-
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements and support agreement charges	**2,747**	**2.38**	2,467	2.64 *(c)*
Securities write-downs	**983**	**0.85**	120	0.13
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements, support agreement charges and securities write-downs	**3,730**	**3.24***(c)*	2,587	2.77
Intangible amortization	**297**	**0.26**	197	0.21
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements, support agreement charges, securities write-downs and intangible amortization	**$ 4,027**	**$3.50**	$ 2,784	$ 2.98

(a) *Prior period non-GAAP amounts have been adjusted to exclude securities write-downs.*

(b) Results for the year ended Dec. 31, 2007 include six months of The Bank of New York Mellon Corporation and six months of legacy The Bank of New York Company, Inc.

(c) Does not foot due to rounding.

Reconciliation of total revenue				4Q08 vs.	
(dollar amounts in millions)	**4Q08**	3Q08	4Q07	**4Q07**	**3Q08**
Fee and other revenue	**$1,816**	$2,923	$3,047	**(40)%**	**(38)%**
Securities write-downs	**1,241**	162	191	**N/M**	**N/M**
Total fee and other revenue – Non-GAAP	**3,057**	3,085	3,238	**(6)**	**(1)**
Net interest revenue	**1,070**	703	752	**42**	**52**
SILO/LILO	**-**	112	-	**N/M**	**N/M**
Total net interest revenue – Non-GAAP	**1,070**	815	752	**42**	**31**
Total revenue, excluding SILO/LILO and securities write-downs – Non-GAAP	**$4,127**	$3,900	$3,990	**3 %**	**6 %**

N/M – Not meaningful.

Reconciliation of total revenue *(a)*	The Bank of New York Mellon Corporation		Mellon Financial Corporation 6 months ended June 30, 2007	2007 Proforma The Bank of New York Mellon Corporation YTD 2007	Percentage Revenue Growth on a Proforma Basis
(dollar amounts in millions)	**YTD 2008**	YTD 2007			
Fee and other revenue	**$ 10,701**	$ 9,034	$ 2,643	$ 11,677	
Securities write-downs	**1,628**	201	-	201	
Total fee and other revenue – Non-GAAP	**12,329**	9,235	2,643	11,878	
Net interest revenue	**2,951**	2,300	259	2,559	
SILO/LILO	**489**	-	-	-	
Total net interest revenue – Non-GAAP	**3,440**	2,300	259	2,559	

Total revenue, excluding SILO/LILO and securities write-downs – Non-GAAP	**$ 15,769**	$ 11,535	$ 2,902	$ 14,437	9 %

(a) Total full year 2008 non-GAAP revenue for the Bank of New York Mellon Corporation compared with proforma full year 2007 total non-GAAP revenue.

Exhibit 99.2

THE BANK OF NEW YORK MELLON CORPORATION
Financial Trends

Notes:

On July 1, 2007, The Bank of New York Company, Inc. ("The Bank of New York") and Mellon Financial Corporation ("Mellon") merged into The Bank of New York Mellon Corporation ("The Bank of New York Mellon" or "BNY Mellon"), with BNY Mellon being the surviving entity.

The results prior to the consummation of the merger, reflect the sum of The Bank of New York and Mellon' s historical results, but do not include the pro forma impact of purchase accounting adjustments. Combined results for the periods prior to the merger (1Q06 - 2Q07) are presented on a pre-tax basis only. Average common equity and average goodwill/ intangibles are not disclosed for the periods prior to the merger due to the impact of the merger on these line items. The business segment results are presented on a pre-tax basis for all periods and reflect actions taken to report consistent transfer pricing and cost allocation methodologies as well as intercompany eliminations between The Bank of New York and Mellon.

Summations may not equal due to rounding. As a result of this rounding convention, immaterial differences may exist between the segment trends data versus the segment trends data filed on Form 10-Q.

The following acquisitions/divestitures have impacted the reporting of our results:

On June 3, 2008, we completed the sale of Mellon 1st Business Bank, National Association (N.A.). The financial results have been moved from the Wealth Management segment to the Other segment. In addition, the financial results of Mellon United National Bank (MUNB) have been moved from the Wealth Management segment to the Other segment. Historical segment results have been restated to reflect these changes.

During the first quarter of 2008, we sold the B-Trade and G-Trade execution businesses to BNY ConvergEx Group LLC. We maintain a 35% equity interest in BNY ConvergEx Group LLC. The historical results of the B-Trade and G-Trade businesses are included in the Clearing Services segment.

On December 20, 2007, we acquired the remaining 50% interest in the ABN AMRO Mellon joint venture. The financial results are included in the Asset Servicing segment.

On October 2, 2006, Mellon Financial Corporation completed the acquisition of Walter Scott & Partners. The financial results are included in the Asset Management segment.

On October 1, 2006, The Bank of New York acquired JPMorgan Chase' s Corporate Trust business in exchange for our retail and regional middle market banking businesses. Results of the Corporate Trust business are included in the Issuer Services segment.

The following transactions have impacted the reporting of our results:

Securities losses – Impacted total revenue levels in the fourth quarter of 2007 and first, second, third and fourth quarters of 2008.

Restructuring charge – Recorded a charge related to the 4% global workforce reduction.

SILO/LILO/Tax settlement charges – Incurred charges in the second and third quarters of 2008.

Merger & integration/Intangible amortization expenses – Both expense categories increased beginning in the second/third quarters of 2007 as a result of The Bank of New York/Mellon merger.

Support agreement charges – Recorded a $163 million pre-tax charge in the fourth quarter of 2008 and a $726 million pre-tax charge in the third quarter of 2008 (minor amounts recorded in the fourth quarter of 2007 and the first and second quarters of 2008).

All of these items are detailed in the trends that follow. In addition, page 15 provides additional details on the impact of the applicable items on total revenue as well the impact on Continuing operations fully diluted earnings per share.

Discontinued Operations Accounting:

The income/(loss) and average assets from discontinued operations accounting have not been allocated to any segment.

Average Assets:

Where average deposits in a business segment are greater than average loans, average assets include an allocation of investment securities equal to the difference. Consolidated average assets include average assets of discontinued operations.

Return on Common and Tangible Common Equity/Pretax Operating Margin:

Ratios are presented for continuing operations basis only. Quarterly return on common and tangible common equity ratios are annualized.

THE BANK OF NEW YORK MELLON CORPORATION
CONTINUING OPERATIONS - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007				2008			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr *(a)*	3rd Qtr *(a)*	4th Qtr
Revenue:												
Securities servicing fees												
Asset servicing	$554	$606	$574	$595	$640	$694	$720	$812	$899	$ 864	$ 803	$782
Issuer services	202	261	243	385	371	415	436	438	376	444	477	388
Clearing & execution services	337	331	296	260	274	285	304	314	267	270	262	288
Total securities servicing fees	1,093	1,198	1,113	1,240	1,285	1,394	1,460	1,564	1,542	1,578	1,542	1,458
Asset and wealth management fees	626	661	685	775	801	856	854	887	842	844	792	657
Performance fees	65	55	59	214	49	63	(3)	62	20	16	3	44
Foreign exchange & other trading	172	202	137	156	182	176	238	305	259	308	385	510
Treasury services	121	120	121	118	116	121	122	121	124	130	130	134
Distribution and servicing	63	68	73	80	84	83	95	113	98	110	107	106

Financing-related fees	78	75	71	71	63	69	51	52	48	50	45	45
Investment Income	73	57	63	89	71	87	31	63	32	56	28	36
Other	95	86	97	105	97	89	101	82	97	53	64	76
Total fee revenue	2,386	2,522	2,419	2,848	2,748	2,938	2,949	3,249	3,062	3,145	3,096	3,066
Securities gains (losses)	(4)	3	4	2	2	1	(9)	(191)	(73)	(152)	(162)	(1,241)
Total fee and other revenue	2,382	2,525	2,423	2,850	2,750	2,939	2,940	3,058	2,989	2,993	2,934	1,825
Net interest revenue	470	481	481	565	558	592	674	757	773	415	708	1,077
Total revenue	2,852	3,006	2,904	3,415	3,308	3,531	3,614	3,815	3,762	3,408	3,642	2,902
Provision for credit losses	1	(4)	(5)	(10)	(12)	(18)	-	20	16	25	30	60
Noninterest expenses (ex. intangible amortization and merger & integration expense)	1,991	2,062	2,036	2,379	2,242	2,439	2,357	2,494	2,359	2,490	2,375	2,318
Income before taxes and extraordinary (loss) (ex. intangible amortization and merger & integration expense)	860	948	873	1,046	1,078	1,110	1,257	1,301	1,387	893	1,237	524
Support agreement charges	-	-	-	-	-	-	-	3	14	(9)	726	163
Amortization of intangible assets	20	22	21	57	40	40	131	131	122	124	120	116

Restructuring charge	-	-	-	-	-	-	-	-	-	-	-	181
Merger & integration expense	-	-	89	28	23	163	218	124	126	149	111	97
Income before taxes and extraordinary (loss)	840	926	763	961	1,015	907	908	1,043	1,125	629	280	(33)
Income taxes							266	343	376	327	(25)	(119)
Income before extraordinary (loss)							642	700	749	302	305	86
Extraordinary (loss) on consolidation of commercial paper conduit, net of tax							-	(180)	-	-	-	(26)
Net income (loss)							$642	$520	$749	$ 302	$ 305	$60
EPS from continuing operations *(b)*							$0.67	$0.67	$0.72	$ 0.34	$ 0.32	$0.07
Market value of assets under management at period-end (in billions)	$813	$882	$926	$1,011	$1,025	$1,082	$1,106	$1,121	$1,105	$ 1,113	$ 1,067	$928
Market value of assets under custody and administration at period-end (in trillions)	$15.8	$16.5	$16.9	$20.0	$21.1	$22.2	$22.7	$23.1	$23.1	$ 23.0	$ 22.4	$20.2
Market value of securities on loan at period-end (in billions)	$525	$562	$590	$607	$661	$678	$663	$633	$660	$ 588	$ 470	$341
Pre-tax operating margin												
GAAP-before extraordinary (loss)							25 %	27 %	30 %	18 %	8 %	(1)%

Non-GAAP adjusted *(c)*	**35 %**	**37 %**	**38 %**	**36 %**	**39 %**	**43 %**
Return on average tangible common equity *(annualized)***:**						
GAAP-before extraordinary (loss)	**33.2 %**	**33.0 %**	**35.8 %**	**18.5 %**	**19.0 %**	**6.7 %**
Non-GAAP adjusted *(d)*	**39.0 %**	**40.8 %**	**41.4 %**	**45.7 %**	**50.4 %**	**61.5 %**
Return on common equity *(annualized)*						
GAAP-before extraordinary (loss)	**8.9 %**	**9.5 %**	**10.2 %**	**4.3 %**	**4.3 %**	**0.8 %**
Non-GAAP adjusted *(c)*	**11.8 %**	**13.1 %**	**12.9 %**	**13.2 %**	**14.3 %**	**16.9 %**
Non-U.S. percent of revenue (FTE) *(e)*	**30 %**	**32 %**	**32 %**	**33 %**	**32 %**	**31 %**

(a)The second and third quarters of 2008 include SILO/LILO/tax settlement charges which reduced net interest revenue (FTE) by $377 million and $112 million, respectively. See pages 4 and 15 for additional details.

(b)Excludes the impact of merger & integration expenses. See page 15 for additional items impacting reported EPS.

(c)Calculated excluding M&I expenses, the SILO/LILO/tax settlements, support agreement charges, restructuring charges, securities write-downs and intangible amortization expenses.

(d)Calculated excluding M&I expenses, the SILO/LILO/tax settlements, support agreement charges, restructuring charges and securities write-downs.

(e)Calculated excluding the SILO/LILO/tax settlements and securities write-downs.

Note: See pages 3 through 5 for additional details of revenue/expense items impacting continuing operations.

THE BANK OF NEW YORK MELLON CORPORATION
CONTINUING OPERATIONS - 12 Quarter Trend
FEE AND OTHER REVENUE

(dollar amounts in millions unless otherwise noted)	2006				2007				2008			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr *(a)*	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Securities servicing fees												
Asset servicing	$554	$606	$574	$595	$640	$694	$ 720	$812	$899	$864	$803	$782
Issuer services	202	261	243	385	371	415	436	438	376	444	477	388
Clearing & execution services	337	331	296	260	274	285	304	314	267	270	262	288
Total securities servicing fees	1,093	1,198	1,113	1,240	1,285	1,394	1,460	1,564	1,542	1,578	1,542	1,458
Asset and wealth management fees	626	661	685	775	801	856	854	887	842	844	792	657
Performance fees	65	55	59	214	49	63	(3)	62	20	16	3	44
Foreign exchange & other trading	172	202	137	156	182	176	238	305	259	308	385	510
Treasury services	121	120	121	118	116	121	122	121	124	130	130	134
Distribution and servicing	63	68	73	80	84	83	95	113	98	110	107	106
Financing-related fees	78	75	71	71	63	69	51	52	48	50	45	45
Investment Income	64	48	54	80	61	77	22	52	23	45	17	27
Other	95	86	97	105	97	89	101	82	97	53	64	76
Total fee revenue (non-FTE)	2,377	2,513	2,410	2,839	2,738	2,928	2,940	3,238	3,053	3,134	3,085	3,057

Securities gains (losses)	**(4)**	**3**	**4**	**2**	**2**	**1**	**(9)**	**(191)**	**(73)**	**(152)**	**(162)**	**(1,241)**
Total fee and other revenue (non-FTE)	**2,373**	**2,516**	**2,414**	**2,841**	**2,740**	**2,929**	**2,931**	**3,047**	**2,980**	**2,982**	**2,923**	**1,816**
FTE impact	**9**	**9**	**9**	**9**	**10**	**10**	**9**	**11**	**9**	**11**	**11**	**9**
Total fee and other revenue (FTE)	**$2,382**	**$2,525**	**$2,423**	**$2,850**	**$2,750**	**$2,939**	**$ 2,940**	**$3,058**	**$2,989**	**$2,993**	**$2,934**	**$1,825**
Fee and other revenue as a percentage of total revenue, excluding the securities write-downs and SILO/LILO charges (FTE)	**84%**	**84%**	**83%**	**83%**	**83%**	**83%**	**81%**	**81%**	**80%**	**80%**	**79%**	**74%**
Market value of assets under management at period-end (in billions)	**$813**	**$882**	**$926**	**$1,011**	**$1,025**	**$1,082**	**$ 1,106**	**$1,121**	**$1,105**	**$1,113**	**$1,067**	**$928**
Market value of assets under custody and administration at period-end (in trillions)	**$15.8**	**$16.5**	**$16.9**	**$20.0**	**$21.1**	**$22.2**	**$ 22.7**	**$23.1**	**$23.1**	**$23.0**	**$22.4**	**$20.2**
Market value of securities on loan at period-end *(in billions)*	**$525**	**$562**	**$590**	**$607**	**$661**	**$678**	**$ 663**	**$633**	**$660**	**$588**	**$470**	**$341**
S&P 500 Index - period-end	**1295**	**1270**	**1336**	**1418**	**1421**	**1503**	**1527**	**1468**	**1323**	**1280**	**1166**	**903**
S&P 500 Index - daily average	**1284**	**1281**	**1288**	**1389**	**1424**	**1496**	**1490**	**1496**	**1353**	**1371**	**1252**	**916**

(a)Clearing and execution service fees for the third quarter of 2007 includes a $28 million settlement received for the early termination of a contract that occurred in 2005.

THE BANK OF NEW YORK MELLON CORPORATION
CONTINUING OPERATIONS
Average Balances and Interest Rates

(dollar amounts in millions)	Quarter Ended									
	September 30, 2007		December 31, 2007		March 31, 2008		June 30, 2008		September 30, 2008	
Assets Interest-earning assets:	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates
Interest-bearing deposits with banks (primarily foreign)	$34,461	4.83 %	$37,107	4.75 %	$38,658	4.28 %	$43,361	3.82 %	$43,999	3.90 %
Other Short Term Investment (FRB)	-	-	-	-	-	-	-	-	954	2.95
Federal funds sold and securities under resale agreements	5,504	5.26	7,096	4.66	8,199	3.15	6,744	2.21	7,029	1.97
Margin loans	5,293	6.29	5,313	5.74	5,258	4.47	5,802	3.36	5,764	3.27
Non-margin loans:										
Domestic offices	27,044	5.17	28,527	4.95	29,357	4.49	28,068	(1.56) *(b)*	27,480	1.81 *(c*
Foreign offices	13,180	5.50	13,269	5.02	13,881	4.55	13,281	3.97	13,739	3.71
Total non-margin loans	40,224	5.28	41,796	4.97	43,238	4.51	41,349	0.22 *(b)*	41,219	2.44 *(c*
Securities										
U.S. government obligations	401	4.59	502	4.18	430	3.48	552	3.05	679	3.03
U.S. government agency obligations	11,671	5.56	11,761	5.27	11,333	4.74	11,098	4.27	11,542	4.30
Obligations of states and political subdivisions	734	6.55	724	6.58	703	7.58	676	5.74	722	7.39
Other securities	33,361	5.69	33,972	5.44	35,840	5.26	32,755	5.22	30,591	5.42

Trading securities	1,872	3.95		2,351	5.35		1,459	5.36		1,918	3.74		1,791	2.76	
Total securities	48,039	5.60		49,310	5.40		49,765	5.16		46,999	4.92		45,325	5.03	
Total interest-earning assets	133,521	5.32		140,622	5.08		145,118	4.59		144,255	3.05	(b)	144,290	3.71	(c
Allowance for credit losses	(303	)		(332	)		(311	)		(310	)		(355	)	
Cash and due from banks	5,013			5,663			5,831			5,399			7,835		
Other assets	45,597			47,034			50,152			46,653			47,057		
Total Assets	$183,828			$192,987			$200,790			$195,997			$198,827		
Liabilities and shareholders' equity															
Interest-bearing liabilities:															
Money market rate accounts	$17,204	3.38	%	$16,190	2.74	%	$13,296	1.63	%	$13,590	0.96	%	$12,503	0.88	%
Savings	793	3.09		802	2.72		913	2.33		980	1.74		986	1.13	
Certificates of deposit of $100,000 & over	3,025	5.37		2,547	5.37		2,313	4.09		2,116	2.71		1,928	2.28	
Other time deposits	1,392	6.32		1,374	6.13		8,445	2.42		6,458	1.86		5,505	1.96	
Foreign offices	58,456	3.78		65,365	3.38		67,914	2.85		71,641	2.22		65,931	2.19	
Total interest-bearing deposits	80,870	3.79		86,278	3.36		92,881	2.66		94,785	2.02		86,853	1.98	
Federal funds purchased and securities under repurchase agreements	4,655	4.29		3,956	3.89		4,750	2.18		4,338	1.05		5,334	1.18	

Other borrowed funds	**2,790**	**4.90**		**3,079**	**2.41**		**3,343**	**3.50**		**2,840**	**3.21**		**3,303**	**2.31**
Borrowings from FRB Related to ABCP	**-**	**-**		**-**	**-**		**-**	**-**		**-**	**-**		**954**	**2.25**
Payables to customers and broker-dealers	**5,316**	**3.54**		**5,226**	**3.12**		**4,942**	**1.94**		**5,550**	**1.32**		**5,910**	**1.19**
Long-term debt	**14,767**	**5.47**		**15,510**	**5.29**		**17,125**	**4.51**		**16,841**	**3.58**		**15,993**	**3.62**
Total interest-bearing liabilities	**108,398**	**4.06**		**114,049**	**3.60**		**123,041**	**2.90**		**124,354**	**2.20**		**118,347**	**2.14**
Total noninterest-bearing deposits	**26,466**			**28,449**			**26,240**			**24,822**			**33,462**	
Other liabilities	**20,295**			**21,353**			**21,958**			**18,314**			**19,022**	
Total liabilities	**155,159**			**163,851**			**171,239**			**167,490**			**170,831**	
Shareholders' equity	**28,669**			**29,136**			**29,551**			**28,507**			**27,996**	
Total liabilities and shareholders' equity	**$183,828**			**$192,987**			**$ 200,790**			**$ 195,997**			**$198,827**	
Net interest margin - Taxable equivalent basis		**2.02**	**%** *(a)*		**2.16**	**%**		**2.14**	**%**		**1.16**	**%**		**1.96** **%**
Net interest margin - Excluding the SILO/LILO charge											**2.21**	**%**		**2.27** **%**

(a)Includes the reduction in net interest revenue of $22 million related to a required recalculation of the yield on leverage leases under SFAS 13 that resulted from the merger.

(b)Excluding the SILO/LILO charge, the rates on Domestic office loans, Non-margin loans and Interest-earning assets were 3.82%, 3.87% and 4.10%, respectively.

(c)Excluding the SILO/LILO charge, the rates on Domestic office loans, Non-margin loans and Interest-earning assets were 3.44%, 3.53% and 4.02%, respectively.

Note: Interest and average rates were calculated on a taxable equivalent basis, at tax rates of approximately 35%, using dollar amounts in thousands and the actual number of days in the year.

THE BANK OF NEW YORK MELLON CORPORATION
CONTINUING OPERATIONS - 12 Quarter Trend
NONINTEREST EXPENSE

	2006				2007				2008			
(dollar amounts in millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr *(a)*	1st Qtr	2nd Qtr *(b)*	3rd Qtr *(c)*	4th Qtr	1st Qtr *(d)*	2nd Qtr *(e)*	3rd Qtr *(e)*	4th Qtr *(e)*
Staff:												
Compensation	$652	$664	$683	$ 742	$739	$ 754	$ 764	$758	$ 795	$ 804	$ 804	$ 758
Incentives	290	306	301	447	327	362	347	443	366	386	242	256
Employee benefits	176	172	172	182	191	187	169	164	191	201	172	140
Total staff	1,118	1,142	1,156	1,371	1,257	1,303	1,280	1,365	1,352	1,391	1,218	1,154
Professional, legal and other purchased services	185	198	209	248	245	253	241	272	252	280	287	307
Net occupancy	127	126	121	141	135	172	144	145	129	139	164	143
Distribution and servicing	108	119	114	132	132	141	127	133	130	131	133	123
Furniture and equipment	76	72	72	76	78	80	80	82	79	79	80	86
Business development	48	56	52	66	58	72	56	72	66	75	62	76
Software	75	74	69	79	72	77	91	78	79	88	78	86
Sub-custodian and clearing	97	109	97	85	87	104	110	115	70	83	80	80
Other	157	166	146	181	178	237	228	232	202	224	273	263
Subtotal	$1,991	$2,062	$2,036	$ 2,379	$2,242	$ 2,439	$ 2,357	$2,494	$ 2,359	$ 2,490	$ 2,375	$ 2,318
Support agreement charges	-	-	-	-	-	-	-	3	14	(9)	726	163
Restructuring charge	-	-	-	-	-	-	-	-	-	-	-	181
Amortization of intangible assets	20	22	21	57	40	40	131	131	122	124	120	116
Merger & integration expense:												
The Bank of New York Mellon Corporation	-	-	89	11	12	151	205	111	121	146	107	97
Acquired Corporate Trust Business	-	-	-	17	11	12	13	13	5	3	4	-

Total noninterest expense	**$2,011**	**$2,084**	**$2,146**	**$ 2,464**	**$2,305**	**$ 2,642**	**$ 2,706**	**$2,752**	**$ 2,621**	**$ 2,754**	**$ 3,332**	**$ 2,875**
Employees at period-end *(f)*	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**40,600**	**42,500**	**42,600**	**43,100**	**43,200**	**42,900**

(a)The fourth quarter of 2006 includes $26 million in severance, $16 million of impairment charges and $6 million in additional occupancy reserves.

(b)The second quarter of 2007 includes a $46 million charge for the early redemption of junior subordinated debentures, $30 million for exit costs associated with excess office space and a $5 million litigation reserve charge.

(c)The third quarter of 2007 includes a $32 million write-off of the remaining interests in a hedge fund manager sold in 2006.

(d)The first quarter of 2008 includes a $25 million write-down of seed capital investments related to a former affiliated hedge fund manager.

(e)The second, third and fourth quarters of 2008 include $22 million, $24 Million and $4 million, respectively, of charges for credit monitoring related to lost tapes.

(f)Represents full time employees.

n/a - Information not available on a combined basis.

THE BANK OF NEW YORK MELLON CORPORATION

ASSETS UNDER MANAGEMENT/ CUSTODY AND ADMINISTRATION / SECURITIES LENDING - 12 Quarter Trend

(dollar amounts in billions unless otherwise noted)	2006				2007				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st
Market value of assets under management at period-end *(in billions)*									
Institutional	$497	$561	$581	$646	$652	$691	$682	$671	$63
Mutual Funds	225	232	257	266	273	290	323	349	37
Private Client	91	89	88	99	100	101	101	101	96
Total market value of assets under management	813	882	926	1,011	1,025	1,082	1,106	1,121	1,
Composition of assets under management at period-end									
Equity	41 %	40 %	39 %	42 %	42 %	42 %	41 %	41 %	38
Money Market	23 %	22 %	23 %	22 %	22 %	23 %	25 %	26 %	29
Fixed Income	21 %	22 %	22 %	20 %	21 %	20 %	19 %	20 %	20
Alternative investments and overlay	15 %	16 %	16 %	16 %	15 %	15 %	15 %	13 %	13
Total	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	10
Market value of assets under custody and administration at period-end (in trillions)	$15.8	$16.5	$16.9	$20.0	$21.1	$22.2	$22.7	$23.1	$23
Market value of securities on loan at period-end	$525	$562	$590	$607	$661	$678	$663	$633	$66
Market Indices									

S&P 500 Index - period-end *(a)*	**1295**	**1270**	**1336**	**1418**	**1421**	**1503**	**1527**	**1468**	**13**
S&P 500 Index - daily average	**1284**	**1281**	**1288**	**1389**	**1424**	**1496**	**1490**	**1496**	**13**
FTSE 100 Index *(a)*	**5965**	**5833**	**5961**	**6221**	**6308**	**6608**	**6467**	**6457**	**57**
FTSE 100 Index-daily average	**5823**	**5843**	**5869**	**6146**	**6265**	**6534**	**6366**	**6455**	**58**
NASDAQ Composite Index *(a)*	**2340**	**2172**	**2258**	**2415**	**2422**	**2603**	**2702**	**2652**	**22**
Lehman Brothers Aggregate Bond Index *(a)*	**205.9**	**213.2**	**220.0**	**226.6**	**230.8**	**227.9**	**246.2**	**257.5**	**28**
MSCI EAFE Index *(a)*	**1827.7**	**1822.9**	**1885.3**	**2074.5**	**2147.5**	**2262.2**	**2300.3**	**2253.4**	**20**
NYSE Volume (in billions)	**113.7**	**121.6**	**108.8**	**114.4**	**123.8**	**127.7**	**145.5**	**135.0**	**15**
NASDAQ Volume (in billions)	**130.8**	**134.2**	**114.6**	**121.5**	**123.5**	**134.0**	**137.0**	**137.4**	**14**

(a)Period end

THE BANK OF NEW YORK MELLON CORPORATION
ASSETS UNDER MANAGEMENT NET FLOWS - 12 Quarter Trend

	2006				2007				2008			
(dollar amounts in billions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Market value of assets under management at beginning of period	$ 784	$ 813	$ 882	$926	$1,011	$1,025	$1,082	$1,106	$1,121	$1,105	$1,113	$1,067
Net Flows												
Long-term	11	11	6	10	(3)	6	2	(20)	(6)	(8)	(6)	(22)
Money market	(3)	10	18	1	5	17	27	39	29	21	14	28
Total net inflows *(a)*	8	21	24	11	2	23	29	19	23	13	8	6
Net Market appreciation/(depreciation)	21	1	20	47	12	34	(5)	(4)	(39)	(6)	(54)	(137)
Acquisitions/other	-	47	-	27	-	-	-	-	-	1	-	(8)
Market value of assets under management at end of period	$ 813	$ 882	$ 926	$1,011	$1,025	$1,082	$1,106	$1,121	$1,105	$1,113	$1,067	$928

(a)Net flows from the first quarter of 2006 through the second quarter of 2007 represent Legacy Mellon flows only.

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
ASSET MANAGEMENT - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007				2008			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr *(a)*	1st Qtr	2nd Qtr	3rd Qtr *(b)*	4th Qtr	1st Qtr *(c)*	2nd Qtr	3rd Qtr	4th Qtr
Revenue:												
Asset and wealth management												
Mutual funds	232	245	242	255	276	291	307	323	323	340	328	297
Institutional clients	211	228	258	316	320	351	331	342	304	290	265	193
Private clients	35	38	37	41	43	46	47	47	45	47	43	35
Total asset and wealth management	478	511	537	612	639	688	685	712	672	677	636	525
Performance fees	65	55	59	214	49	63	(3)	62	20	16	3	44
Distribution and servicing	62	67	71	78	82	82	89	104	86	99	93	93
Other fee revenue	20	5	15	30	16	31	(26)	10	(26)	4	(45)	(100)
Total fee and other revenue	625	638	682	934	786	864	745	888	752	796	687	562

Net interest revenue (expense)	4	(1)	-	(2)	6	(6)	(4)	18	15	11	10	43
Total revenue	629	637	682	932	792	858	741	906	767	807	697	605
Noninterest expenses (ex. intangible amortization and support agreement charges)	422	430	449	590	511	542	538	559	561	531	491	482
Income before taxes (ex. intangible amortization and support agreement charges)	207	207	233	342	281	316	203	347	206	276	206	123
Support agreement charges	-	-	-	-	-	-	-	-	-	5	328	2
Amortization of intangible assets	6	7	7	12	13	13	70	70	62	68	64	61
Income before taxes	201	200	226	330	268	303	133	277	144	203	(186)	60
Average assets	$ 2,921	$3,420	$ 3,609	$ 4,334	$ 5,358	$ 5,318	$ 13,482	$ 13,495	$ 13,238	$ 13,410	$ 13,286	$ 13,135
Market value of assets under management at period-end (in billions) *(d)*	$739	$808	$853	$ 934	$950	$1,006	$ 1,028	$1,044	$ 1,029	$1,040	$995	$862
Pre-tax operating margin *(ex. intangible amortization) - non-GAAP (e)*	33 %	32 %	34 %	37 %	35 %	37 %	27 %	38 %	27 %	34 %	-18 %	20 %

(a)The fourth quarter of 2006 includes $6 million of severance expense as well as a $5 million impairment charge related to the sale of HBV Alternative Investment Strategies.

(b)The third quarter of 2007 includes a $32 million charge related to the write-off of the value of the remaining interest in a legacy Mellon hedge fund manager that was disposed of in 2006.

(c)The first quarter of 2008 includes $24 million of write-downs related to securities previously purchased from investment boutiques; a $25 million write-down of seed capital investments related to a formerly affiliated hedge fund manager.

(d)Includes amounts subadvised for/by other sectors.

(e)Excluding support agreement charges and securities write-downs, pre-tax operating margin (Non-GAAP) was 38% for the fourth quarter of 2007, 29%, 34%, 30% and 27% for the first, second, third and fourth quarters of 2008, respectively.

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
WEALTH MANAGEMENT - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007				2008			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Revenue:												
Asset and wealth management	139	142	139	147	148	153	151	157	153	150	141	119
Securities servicing fees - Asset servicing	3	2	3	2	4	4	3	5	6	6	7	8
Other fee revenue	3	3	1	3	-	(1)	2	5	7	5	15	7
Total fee and other revenue	145	147	143	152	152	156	156	167	166	161	163	134
Net interest revenue (expense)	42	44	45	43	43	44	41	42	46	48	50	56
Total revenue	187	191	188	195	195	200	197	209	212	209	213	190
Provision for credit losses	-	-	-	-	-	-	-	-	-	(1)	1	-
Noninterest expenses (ex. intangible amortization and support agreement charges)	130	132	131	139	136	141	139	142	142	142	140	141

Income before taxes (ex. intangible amortization and support agreement charges)	57	59	57	56	59	59	58	67	70	68	72	49
Support agreement charges	-	-	-	-	-	-	-	-	-	-	15	-
Amortization of intangible assets	-	-	-	-	1	-	14	14	13	13	14	14
Income before taxes	57	59	57	56	58	59	44	53	57	55	43	35
Average loans	$ 3,888	$3,834	$3,804	$ 3,774	$ 3,799	$4,083	$4,133	$4,342	$4,390	$4,816	$ 5,231	$ 5,309
Average assets	$6,391	$6,398	$6,457	$6,530	$6,884	$6,841	$9,964	$9,858	$ 10,496	$ 10,254	$9,801	$9,632
Average deposits	$5,980	$6,009	$6,061	$6,110	$6,388	$6,352	$7,589	$7,469	$7,993	$7,782	$7,318	$7,131
Market value of total client assets at period-end (in billions) *(a)*	$151	$148	$149	$155	$158	$162	$170	$170	$164	$162	$158	$139
Pre-tax operating margin *(ex. intangible amortization) - non-GAAP*	30 %	31 %	30 %	29 %	30 %	30 %	29 %	32 %	33 %	33 %	27 % *(b)*	26 %

(a)Includes assets under management, before amounts subadvised by/for other sectors, of $84 billion, $81 billion, $77 billion and $69 billion in the first, second, third and fourth quarters of 2008; $84 billion, $85 billion, $86 billion and $86 billion in the first, second, third and fourth quarters of 2007; $81 billion, $79 billion, $78 billion and $83 billion in the first, second, third and fourth quarters of 2006.

(b)Excluding support agreement charges, pre-tax operating margin (Non-GAAP) was 34% for the third quarter of 2008.

Note: On June 3, 2008, we completed the sale of Mellon 1st Business Bank, National Association (N.A.); the financial results have been moved from the Wealth Management segment to the Other segment. In addition, the financial results of Mellon United National Bank (MUNB) have been moved from the Wealth Management segment to the Other segment. Historical segment results have been restated to reflect these changes.

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
ASSET SERVICING - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr *(a)*	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Q
Revenue:										
Securities servicing fees - Asset servicing	533	587	554	572	609	665	689	777	859	821
Foreign Exchange and other trading activities	110	134	118	109	112	125	161	206	200	224
Other fee revenue	52	53	56	44	53	61	56	53	44	36
Total fee and other revenue	695	774	728	725	774	851	906	1,036	1,103	1,081
Net interest revenue (expense)	130	139	145	159	155	180	195	225	222	213
Total revenue	825	913	873	884	929	1,031	1,101	1,261	1,325	1,294
Noninterest expenses (ex. intangible amortization and support agreement charges)	628	660	668	691	681	732	753	807	733	812
Income before taxes (ex. intangible amortization and support agreement charges)	197	253	205	193	248	299	348	454	592	482
Support agreement charges	-	-	-	-	-	-	-	3	14	(14
Amortization of intangible assets	5	5	3	22	3	3	6	6	7	5
Income before taxes	192	248	202	171	245	296	342	445	571	491
Average loans	$4,919	$6,192	$5,646	$6,656	$6,881	$7,645	$7,996	$8,719	$8,967	$7,284
Average assets	$ 32,054	$ 35,271	$ 36,813	$ 37,368	$ 37,922	$ 40,843	$ 44,043	$ 48,462	$ 52,468	$ 54,7
Average deposits	$28,291	$30,942	$32,397	$33,023	$34,286	$37,339	$38,065	$42,446	$46,092	$48,43
Market value of securities on loan at period-end *(in billions) (b)*	$525	$562	$590	$607	$661	$678	$663	$633	$660	$588

Pre-tax operating margin *(ex. intangible amortization) - non-GAAP*	**24** %	**28** %	**23** %	**22** %	**27** %	**29** %	**32** %	**36** %	**44** %	**38**
MEMO:										
Securities lending revenue	**$75**	**$88**	**$66**	**$61**	**$65**	**$99**	**$110**	**$167**	**$245**	**$202**

(a)The fourth quarter of 2006 includes an $11 million impairment charge (amortization of intangible assets).

(b)Represents the total amount of securities on loan (both cash and non-cash) managed by the Asset Servicing segment.

(c)Excluding support agreement charges, pre-tax operating margin (Non-GAAP) was 38% in third quarter and 46% in the fourth quarter of 2008, respectively.

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
ISSUER SERVICES - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007				20	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr *(a)*
Revenue:										
Securities servicing fees - Issuer services	202	261	243	385	371	415	436	438	374	443
Other fee revenue	12	15	12	33	37	25	24	19	33	36
Total fee and other revenue	214	276	255	418	408	440	460	457	407	479
Net interest revenue (expense)	66	73	67	128	125	158	159	175	153	176
Total revenue	280	349	322	546	533	598	619	632	560	655
Provision for credit losses	-	-	1	(1)	-	-	-	-	-	-
Noninterest expenses (ex. intangible amortization)	171	189	182	293	291	297	291	324	318	347
Income before taxes (ex. intangible amortization)	109	160	139	254	242	301	328	308	242	308
Amortization of intangible assets	-	1	1	16	17	17	20	21	20	20
Income before taxes	109	159	138	238	225	284	308	287	222	288
Average assets	$ 9,062	$9,567	$8,924	$16,779	$ 17,848	$ 25,619	$ 30,771	$ 32,729	$ 32,227	$ 35,167
Average deposits	$7,474	$8,015	$7,334	$12,661	$13,574	$21,392	$26,186	$28,293	$27,632	$ 30,557
Pre-tax operating margin *(ex. intangible amortization) - non-GAAP*	39 %	46 %	43 %	47 %	45 %	50 %	53 %	49 %	43 %	47 %

(a)The second, third and fourth quarters of 2008 include $22 million, $24 Million and $4 million, respectively, of charges for credit monitoring related to lost tapes.

Note:The comparability of the Issuer Services trend is impacted by the acquisition of the JPMorgan Chase's Corporate Trust business (October 2006).

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
CLEARING SERVICES - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr *(a)*	4th Qtr	1st Qtr	2nd Q
Revenue:										
Securities servicing fees - Clearing & execution services	322	316	282	257	272	281	302	310	265	265
Other fee revenue	61	36	46	39	38	40	70	47	54	65
Total fee and other revenue	383	352	328	296	310	321	372	357	319	330
Net interest revenue (expense)	64	68	70	76	74	75	77	78	74	74
Total revenue	447	420	398	372	384	396	449	435	393	404
Provision for credit losses	(2)	(4)	-	2	-	-	-	-	-	-
Noninterest expenses (ex. intangible amortization)	299	319	299	254	277	294	316	305	274	291
Income before taxes (ex. intangible amortization)	150	105	99	116	107	102	133	130	119	113
Amortization of intangible assets	8	8	8	6	6	6	6	6	6	6
Income before taxes	142	97	91	110	101	96	127	124	113	107
Average loans	$7,051	$7,105	$6,186	$6,426	$6,668	$7,195	$ 6,847	$6,660	$6,629	$7,26
Average assets	$ 17,381	$ 17,175	$ 16,363	$ 14,825	$ 13,932	$ 13,184	$ 14,869	$ 15,526	$ 15,618	$ 15,5
Pre-tax operating margin *(ex. intangible amortization) - non-GAAP*	34 %	25 %	25 %	31 %	28 %	26 %	30 %	30 %	30 %	28

(a)The third quarter of 2007 includes a $27 million ($28 million of fee revenue net of $1 million of related incentive expense) settlement received for the early termination of a contract in 2005.

Note: During the first quarter of 2008, we sold the B-Trade and G-Trade execution businesses to BNY ConvergEx Group LLC. The historical results of these businesses are included in the Clearing Services segment and have historically contributed approximately $50-60 million of revenue and $10-15 million of pretax income on a quarterly basis.

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
TREASURY SERVICES - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qt
Revenue:										
Treasury services	113	112	114	111	110	114	114	118	121	125
Other fee revenue	95	116	99	95	103	104	110	125	106	130
Total fee and other revenue	208	228	213	206	213	218	224	243	227	255
Net interest revenue (expense)	122	123	122	126	135	131	140	161	182	153
Total revenue	330	351	335	332	348	349	364	404	409	408
Provision for credit losses	8	7	(3)	(7)	-	-	-	-	-	-
Noninterest expenses (ex. intangible amortization)	196	203	199	206	195	206	196	201	205	203
Income before taxes (ex. intangible amortization)	126	141	139	133	153	143	168	203	204	205
Amortization of intangible assets	-	-	1	-	-	-	7	7	7	7
Income before taxes	126	141	138	133	153	143	161	196	197	198
Average loans	$ 12,336	$ 12,849	$ 13,613	$ 13,946	$ 12,588	$ 13,191	$ 13,716	$ 14,331	$ 15,344	$ 15,60
Average assets	$20,377	$21,018	$21,162	$23,057	$19,731	$20,146	$21,166	$21,902	$24,153	$21,227
Average deposits	$16,104	$16,383	$16,839	$19,024	$16,061	$16,650	$17,772	$18,092	$20,056	$17,316
Pre-tax operating margin *(ex. intangible amortization) - non-GAAP*	38 %	40 %	41 %	40 %	44 %	41 %	46 %	50 %	50 %	50

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS
OTHER - 12 Quarter Trend

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	2006				2007				2008		
	1st Qtr *(b)*	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr *(c)*	3rd Q
Revenue:											
Total fee and other revenue *(a)*	112	110	74	119	107	89	77	(90)	15	(109)	(10
Net interest revenue (expense)	42	35	32	35	20	10	66	58	81	(260)	6
Total revenue	154	145	106	154	127	99	143	(32)	96	(369)	(99
Provision for credit losses	(5)	(7)	(3)	(4)	(12)	(18)	-	20	16	26	29
Noninterest expenses (ex. intangible amortization and merger & integration expense)	145	129	108	206	151	227	124	156	126	164	91
Income before taxes and extraordinary (loss) (ex. intangible amortization and merger & integration expense)	14	23	1	(48)	(12)	(110)	19	(208)	(46)	(559)	(21
Amortization of intangible assets	1	1	1	1	-	1	8	7	7	5	1
Restructuring charge	-	-	-	-	-	-	-	-	-	-	-
Merger & integration expenses	-	-	89	28	23	163	218	124	126	149	111
Income before taxes and extraordinary (loss)	13	22	(89)	(77)	(35)	(274)	(207)	(339)	(179)	(713)	(33
Average loans	$ 9,575	$9,501	$ 10,156	$ 10,634	$ 12,101	$ 11,710	$ 12,825	$ 13,057	$ 13,166	$ 12,182	$ 11,
Average assets	$ 54,053	$ 55,261	$55,575	$39,287	$40,684	$44,539	$49,533	$51,015	$52,590	$ 45,600	$ 45,
Average deposits	$ 17,103	$16,619	$19,865	$14,798	$14,423	$14,719	$17,724	$18,427	$17,348	$ 15,516	$ 13,

(a) Total fee and other revenue includes securities write-downs of $200 million for the fourth quarter of 2007; $74 million, $152 million, $162 million, $1.2 billion for the first, second, third and fourth quarters of 2008, respectively.

(b)The first quarter of 2006 includes a $19 million pre-tax charge in connection with payments, awards and benefits payable to Mellon's former chairman and chief executive officer, pursuant to his employment agreement.

(c)The second and third quarter of 2008 include SILO/LILO charges which reduced net interest revenue by $377 million and $112 million, respectively.

(d)The third quarter of 2008 includes $181 million of charges related to restructuring.

Note: The Other segment primarily includes the results of leasing operations, corporate treasury activities, business exits and corporate overhead. On June 3, 2008, we completed the sale of Mellon 1st Business Bank, National Association (N.A.); the financial results have been moved from the Wealth Management segment to the Other segment. In addition, the financial results of Mellon United National Bank (MUNB) have been moved from the Wealth Management segment to the Other segment. Historical segment results have been restated to reflect these changes.

THE BANK OF NEW YORK MELLON CORPORATION
SUPPLEMENTAL INFORMATION - GAAP TO NON-GAAP RECONCILIATIONS

Reconciliation of net income and EPS - GAAP to Non-GAAP	2007				2008					
	3rd Qtr		4th Qtr		1st Qtr		2nd Qtr		3rd Qtr	
(in millions, except per share amounts)	Net income	EPS	Net income	EPS	Net income	EPS	Net income	EPS	Net income	E
Net income - GAAP	$ 640	$ 0.56	$ 520	$ 0.45	$ 746	$ 0.65	$ 309	$ 0.27	$ 303	$ 0
Discontinued operations (income) loss	2	-	-	-	3	-	(7)	(0)	2	-
Extraordinary loss on consolidation of paper conduits, net of tax	-	-	180	0.16	-	-	-	-	-	-
Continuing operations	642	0.56	700	0.61	749	0.65	302	0.26	305	0.2
<u>Non-GAAP adjustments:</u>										
M&I expenses	127	0.11	69	0.06	75	0.07	89	0.08	66	0.0
Restructuring Charge	-	-	-	-	-	-	-	-	-	-
SILO/LILO charge/tax settlements	-	-	-	-	-	-	380	0.33	30	0.0
Support agreement charges	-	-	2	-	-	-	(5)	-	433	0.3
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements and support agreement charges	769	0.67	771	0.67	824	0.72	766	0.67	834	0.7
Securities write-downs	9	-	114	0.10	73	-	-	-	96	0.0
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements, support agreement charges and securities write-downs	778		885	0.77	897		766		930	0.8
Intangible amortization	84	0.07	78	0.07	75	0.07	77	0.07	74	0.0
Continuing operations excluding M&I expenses, the restructuring charge, SILO/LILO/tax settlements, support agreement charges, securities write-downs and intangible amortization	$ 862	$ 0.75 *(a)*	$ 963	$ 0.84	$ 972	$ 0.78 *(a)*	$ 843	$ 0.74	$ 1,004	$ 0

(a)Does not foot due to rounding.

Reconciliation of total revenue	2007		2008			
(dollar amounts in millions)	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr

Fee and other revenue	$2,931	$3,047		$2,980	$2,982	$2,923	$1,816
Net interest revenue	669	752		767	411	703	1,070
Total revenue - GAAP	3,600	3,799		3,747	3,393	3,626	2,886
FTE Increment	14	16		15	15	16	16
SILO/LILO charge	-	-		-	377	112	-
securities write-downs	9	191		73	152	162	1,241
Total revenue (FTE), excluding SILO/LILO charge and securities write-downs	$3,623	$4,006		$3,835	$3,937	$3,916	$4,143

THE BANK OF NEW YORK MELLON CORPORATION
BUSINESS SEGMENTS

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	Asset Management			Wealth Management			Asset Servicing			Issu
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008
Revenue:										
Securities servicing fees										
Asset servicing	124	99	72	27	16	10	3,191	2,740	2,246	23
Issuer services	-	-	-	-	-	-	1	-	-	1,684
Clearing services	14	12	9	-	-	-	-	-	29	-
Total securities servicing fees	138	111	81	27	16	10	3,192	2,740	2,275	1,707
Asset and wealth management	2,510	2,724	2,138	563	609	567	-	-	-	-
Performance fees	83	171	393	-	-	-	-	-	-	-
Foreign exchange & other trading	20	14	9	14	3	-	1,051	604	471	72
Treasury services	-	-	-	3	3	-	8	11	8	1
Distribution and service fees	371	357	278	4	1	4	10	2	-	-
Financing-related fees	13	8	-	4	8	8	14	40	54	-
Investment Income	(82)	(10)	19	-	-	-	-	-	-	-
Other	(178)	(83)	(39)	9	(9)	(2)	130	170	114	71
Total fee revenue	2,875	3,292	2,879	624	631	587	4,405	3,567	2,922	1,851
Securities gains (losses)	(78)	(9)	-	-	-	-	(11)	-	-	-

Total fee and other revenue	2,797	3,283	2,879	624	631	587	4,394	3,567	2,922	1,851
Net interest revenue (expense)	79	14	1	200	170	174	1,086	755	573	710
Total revenue	2,876	3,297	2,880	824	801	761	5,480	4,322	3,495	2,561
Provision for credit losses	-	-	-	-	-	-	-	-	-	-
Noninterest expenses (ex. intangible amortization, support agreement charges and merger & integration expense)	2,065	2,150	1,891	565	558	532	3,196	2,973	2,647	1,332
Income before taxes and extraordinary (loss) (ex. intangible amortization, support agreement charges and merger & integration expense)	811	1,147	989	259	243	229	2,284	1,349	848	1,229
Support agreement charges	335	-	-	15	-	-	541	3	-	-
Amortization of intangible assets	255	166	32	54	29	-	24	18	35	81
Restructuring charge	-	-	-	-	-	-	-	-	-	-
Merger & integration expense	-	-	-	-	-	-	-	-	-	-
Income before taxes and extraordinary (loss)	221	981	957	190	214	229	1,719	1,328	813	1,148
Average loans	$-	$-	$-	$4,938	$4,089	$3,825	$8,795	$7,810	$5,853	$-
Average assets	$ 13,135	$ 9,413	$ 3,571	$ 10,044	$ 8,387	$ 6,444	$ 59,150	$ 42,818	$ 35,377	$ 35,169
Average deposits	$-	$-	$-	$7,554	$6,950	$6,040	$52,659	$38,034	$31,163	$30,515
Market value of assets under management at period-end *(in billions)*	$862	$1,044	$934	$66	$77	$77	$-	$-	$-	$-
Market value of assets under custody and administration at period-end *(in billions)*	$3	$4	$3	$70	$85	$71	$20,086	$22,988	$19,906	$-
Market value of securities on loan at period-end *(in billions)*	$-	$-	$-	$-	$-	$-	$341	$633	$607	$-
Pre-tax operating margin *(GAAP)*	8 %	30 %	33 %	23 %	27 %	30 %	31 %	31 %	23 %	45 %
Pre-tax operating margin (ex. intangible amortization) - non-GAAP	17 %	35 %	34 %	30 %	30 %	30 %	32 %	31 %	24 %	48 %
Pre-tax operating margin - non-GAAP *(a)*	30 %	35 %	34 %	31 %	30 %	30 %	42 %	31 %	24 %	48 %
MEMO:										
Securities lending revenue							789	441	290	

(a)Excludes M&I expenses, the SILO/LILO/tax settlements, support agreement charges, restructuring charges, securities write-downs and intangible amortization expense.

Note: See pages 8-14 for details of revenue/expense items impacting respective sector results.

THE BANK OF NEW YORK MELLON CORPORATION

(dollar amounts in millions unless otherwise noted; presented on an FTE basis)	Clearing Services			Treasury Services			Other			Consolidated Results		
	2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
Revenue:												
Securities servicing fees												
Asset servicing	-	-	-	6	13	-	(23)	(2)	1	3,348	2,866	2,329
Issuer services	-	-	-	-	-	-	-	-	-	1,685	1,660	1,091
Clearing services	1,073	1,165	1,177	-	-	-	-	-	2	1,087	1,177	1,224
Total securities servicing fees	1,073	1,165	1,177	6	13	-	(23)	(2)	3	6,120	5,703	4,644
Asset and wealth management	41	46	37	-	-	-	21	19	5	3,135	3,398	2,747
Performance fees	-	-	-	-	-	-	-	-	-	83	171	393
Foreign exchange & other trading	108	51	42	253	167	105	(56)	25	12	1,462	901	667
Treasury services	-	-	-	501	456	450	5	10	22	518	480	480
Distribution and service fees	-	-	-	36	14	4	-	-	(2)	421	375	284
Financing-related fees	2	2	-	157	176	211	(2)	1	22	188	235	295
Investment Income	-	-	-	18	12	10	216	250	253	152	252	282
Other	105	96	103	7	60	75	146	69	95	290	369	383

Total fee revenue	1,329	1,360	1,359	978	898	855	307	372	410	12,369	11,884	10,175
Securities gains (losses)	-	-	-	(3)	-	-	(1,536)	(189)	5	(1,628)	(197)	5
Total fee and other revenue *(a)*	1,329	1,360	1,359	975	898	855	(1,229)	183	415	10,741	11,687	10,180
Net interest revenue (expense) *(b)*	314	304	278	726	567	493	(142)	154	144	2,973	2,581	1,997
Total revenue *(c)*	1,643	1,664	1,637	1,701	1,465	1,348	(1,371)	337	559	13,714	14,268	12,177
Provision for credit losses	-	-	(4)	-	-	5	131	(10)	(19)	131	(10)	(18
Noninterest expenses (ex. intangible amortization and merger & integration expense)	1,117	1,192	1,171	811	798	804	456	658	588	9,542	9,532	8,468
Income before taxes and extraordinary (loss) (ex. intangible amortization, support agreement charges and merger & integration expense)	526	472	470	890	667	539	(1,958)	(311)	(10)	4,041	4,746	3,727
Support agreement charges	-	-	-	3	-	-	-	-	-	894	3	-
Amortization of intangible assets	26	24	30	27	14	1	15	16	4	482	342	120
Restructuring charge	-	-	-	-	-	-	181	-	-	181	-	-
Merger & integration expense	-	-	-	-	-	-	483	528	117	483	528	117
Income before taxes and extraordinary (loss)	500	448	440	860	653	538	(2,637)	(855)	(131)	2,001	3,873	3,490
Average loans	$7,003	$6,843	$6,692	$ 15,415	$ 13,457	$ 13,186	$ 11,980	$ 12,423	$9,967	$48,131	$44,622	$39,523
Average assets	$ 16,593	$ 14,378	$ 16,436	$25,603	$20,736	$21,404	$50,128	$46,443	$ 51,044	$ 209,823	$ 168,916	$ 145,3
Average deposits	$-	$-	$-	$21,470	$17,144	$17,088	$14,816	$16,323	$17,096	$127,015	$100,812	$80,258
Market value of assets under management at period-end *(in billions)*	$-	$-	$-	$-	$-	$-	$-	$-	$-	$928	$1,121	$1,011
Market value of assets under custody and administration at	$-	$-	$-	$-	$-	$-	$-	$-	$-	$20,159	$23,077	$19,980

period-end *(in billions)*												
Market value of securities on loan at period-end *(in billions)*	$-	$-	$-	$-	$-	$-	$-	$-	$-	$341	$633	$607
Pre-tax operating margin *(GAAP)*	30 %	27 %	27 %	51 %	45 %	40 %	n/m	n/m	n/m	15 %	27 %	29
Pre-tax operating margin (ex. intangible amortization) - non-GAAP	32 %	28 %	29 %	52 %	46 %	40 %	n/m	n/m	n/m	18 %	30 %	30
Pre-tax operating margin - non-GAAP *(d)*	32 %	28 %	29 %	52 %	46 %	40 %	n/m	n/m	n/m	39 %	35 %	31

(a)Consolidated results include FTE impact of $36 million for 2006 and $40 million for both 2007 and 2008.

(b)Consolidated results include FTE impact of $38 million for 2006 and $22 million for both 2007 and 2008.

(c)Consolidated results include FTE impact of $74 million for 2006 and $62 million for both 2007 and 2008.

(d)Excludes M&I expenses, the SILO/LILO/tax settlements, support agreement charges, restructuring charges, securities write-downs and intangible amortization expense.

Note: See pages 8-14 for details of revenue/expense items impacting respective sector results.

n/m-not meaningful

THE BANK OF NEW YORK MELLON CORPORATION
CONTINUING OPERATIONS - 12 Quarter Trend
NONPERFORMING ASSETS

(dollar amounts in millions)	2006				2007				2008			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Loans:												
Commercial	$13	$10	$29	$26	$15	$16	$18	$39	$50	$52	$65	$60
Commercial real estate	-	-	-	-	1	1	-	40	49	106	118	126
Residential real estate	2	2	2	3	4	5	11	20	33	55	75	97
Foreign	13	10	10	9	9	6	6	87	78	60	1	-
Personal	-	-	-	-	-	-	-	-	-	-	-	1
Lease finance assets	10	12	1	1	1	1	-	-	-	-	-	-
Total nonperforming loans	38	34	42	39	30	29	35	186	210	273	259	284
Other assets owned	-	12	-	1	2	1	2	4	5	6	8	8
Total acquired property	3	-	-	2	-	-	-	-	-	-	-	-
Total nonperforming assets	$41	$46	$42	$42	$32	$30	$37	$190	$215	$279	$267	$292

Nonperforming assets ratio	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.4 %	0.4 %	0.6 %	0.5 %	0.7 %
Allowance for loan losses/ nonperforming loans	1,036.8	1,161.8	938.1	879.5	1,140.0	1,124.1	948.6	175.8	149.5	129.3	140.9	146.1
Allowance for loan losses/ nonperforming assets	961.0	858.7	938.1	816.7	1,068.8	1,086.7	897.3	172.1	146.0	126.5	136.7	142.1
Total allowance for credit losses/ nonperforming assets	1,621.1	1,820.6	1,454.8	1,479.5	1,893.3	1,879.3	1,457.1	265.6	231.9	178.0	190.7	186.3
Total allowance for credit losses/ nonperforming assets	1,502.4	1,345.7	1,454.8	1,373.8	1,775.0	1,816.7	1,378.4	260.0	226.5	174.2	185.0	181.2

THE BANK OF NEW YORK MELLON CORPORATION
CONTINUING OPERATIONS - 12 Quarter Trend
ALLOWANCE FOR CREDIT LOSSES, PROVISION AND NET CHARGE-OFFS

	2006				2007				2008			
(dollar amounts in millions)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Allowance for credit losses:												
Allowance for loan losses	$ 389	$ 394	$ 395	$ 394	$ 343	$ 342	$ 326	$ 332	$ 327	$ 314	$ 353	$ 365
Allowance for lending-related commitments	222	222	224	217	234	226	219	178	167	173	133	129
Allowance at beginning of period	611	616	619	611	577	568	545	510	494	487	486	494
Net (charge-offs)/ recoveries												
Charge-offs	(2)	(2)	-	(25)	(5)	-	(37)	(37)	(14)	(15)	(27)	(27)
Recoveries	6	9	-	1	8	5	2	1	1	2	5	2
Total Net (charge-offs)/recoveries	4	7	-	(24)	3	5	(35)	(36)	(13)	(13)	(22)	(25)
Provision for credit losses	1	(4)	(5)	(10)	(12)	(18)	-	20	16	25	30	60
Impact of Merger	-	-	-	-	-	(10)	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	(3)	-	-	-	-	-	-	-	-	-

Sale of Mellon 1st Business Bank	-	-	-	-	-	-	-	-	-	(13)	-	-
SFAS 159 Adoption	-	-	-	-	-	-	-	-	(10)	-	-	-
Allowance at end of period	616	619	611	577	568	545	510	494	487	486	494	529
Allowance for loan losses	$ 394	$ 395	$ 394	$ 343	$ 342	$ 326	$ 332	$ 327	$ 314	$ 353	$ 365	$ 415
Allowance for lending related-commitments	222	224	217	234	226	219	178	167	173	133	129	114
Allowance at end of period	616	619	611	577	568	545	510	494	487	486	494	529
Allowance for loan losses as a percentage of total loans *(a)*	1.02 %	0.93 %	0.99 %	0.79 %	0.77 %	0.72 %	0.65 %	0.64 %	0.60 %	0.70 %	0.62 %	0.96 %

(a)Excluding purchase accounting adjustments.