SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2011

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File No. 000-52710

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

Delaware	13-2614959
(State or other jurisdiction of incorporation or organization)	(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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value	New York Stock Exchange
6.875% Preferred Trust Securities, Series E of BNY Capital IV *	New York Stock Exchange
5.95% Preferred Trust Securities, Series F of BNY Capital V *	New York Stock Exchange
6.244% Fixed-to-Floating Rate Normal Preferred Capital Securities of Mellon Capital IV *	New York Stock Exchange

*** Fully and unconditionally guaranteed by The Bank of New York Mellon Corporation**

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant' s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of June 30, 2011, the aggregate market value of the registrant' s common stock, $0.01 par value per share, held by nonaffiliates of the registrant was $31,482,706,020.

As of January 31, 2012, 1,204,793,331 shares of the registrant' s voting common stock, $0.01 par value per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference in the following parts of this Form 10-K:

The Bank of New York Mellon Corporation 2012 Proxy Statement-Part III

The Bank of New York Mellon Corporation 2011 Annual Report to Shareholders-Parts I, II and IV

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Available Information

This Form 10-K filed by The Bank of New York Mellon Corporation ("BNY Mellon" or the "Company") with the Securities and Exchange Commission (the "SEC") contains the Exhibits listed on the Index to Exhibits beginning on page 44, including those portions of BNY Mellon' s 2011 Annual Report to Shareholders (the "Annual Report"), which are incorporated herein by reference. For a free copy of BNY Mellon' s Annual Report or BNY Mellon' s Proxy Statement for its 2012 Annual Meeting (the "Proxy"), as filed with the SEC, send a written request by email to corpsecretary@bnymellon.com or by mail to the Secretary of The Bank of New York Mellon Corporation, One Wall Street, New York, NY 10286. BNY Mellon' s Annual Report is, and the Proxy upon filing with the SEC will be, available on our website at www.bnymellon.com. We also make available, free of charge, on our website BNY Mellon' s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following materials are also available, free of charge, on our website at www.bnymellon.com under "Investor Relations, Corporate Governance" and are also available free of charge in print by written request from the Secretary of The Bank of New York Mellon Corporation at One Wall Street, New York, NY 10286, or corpsecretary@bnymellon.com:

BNY Mellon' s Code of Conduct, which is applicable to all employees, including BNY Mellon' s senior financial officers;

BNY Mellon' s Directors' Code of Conduct, which is applicable to our directors;

BNY Mellon' s Corporate Governance Guidelines; and

the Charters of the Audit, Corporate Governance and Nominating, Human Resources and Compensation, Risk and Corporate Social Responsibility Committees of the Board of Directors.

The contents of BNY Mellon' s website or any other websites referenced herein are not part of this Form 10-K.

Forward-looking Statements

This Form 10-K contains statements relating to future results of BNY Mellon that are considered "forward-looking statements." 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: all statements about the future results of BNY Mellon, projected business growth, statements with respect to the expected outcome and impact of legal, regulatory and investigatory proceedings, and BNY Mellon' s plans, objectives and strategies. In addition, these forward-looking statements relate to, among others: the effect of regulation of current financial markets on competition; our investments in technology to remain competitive; the implementation and impact of pending and proposed legislation and regulation, including the Proposed SIFI Rules, the Volcker Rule, the Dodd-Frank Act, regulation relating to money market funds, regulations to be promulgated by the CFPB, new SEC regulations under the ' 40 Act, DOL regulations under ERISA, the U.K. regulatory framework, new European Directives relating to the financial services sector, regulations of the tri-party repo market, Federal Reserve regulation on credit exposure of a depository institution to a non-bank affiliate; the Federal Reserve and Financial Stability Boards' proposals on Basel II and Basel III; expectations with respect to the well-capitalized status of BNY Mellon and its bank subsidiaries; the timing and ability to engage in share repurchases or pay dividends by us and our bank subsidiaries and our liquidity targets; the FDIC' s rule regarding adjustments to the assessment base and the impact on our business; statements regarding our resolution plans; the liability of our affiliates in certain circumstances; targeted capital ratios; statements regarding our internal capital generation and a strong balance sheet; the adequacy of our owned and leased facilities; access to capital markets; the adequacy of our reserves; BNY Mellon' s ability to deploy capital to accelerate long-term growth of its businesses, provide superior client service versus peers, achieve strong investment performance relative to investment benchmarks and above-median growth relative to peers, increase the percentage of revenue and income derived from outside the United States, successfully integrate acquired businesses and maintain competitive margins and positive operating leverage; the estimated effective tax rate applicable

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to BNY Mellon for 2012 and beyond; fair value estimates of business segments and any impairment of goodwill; statements regarding risks that we may face including those relating to: uncertainty in financial markets and weakness in the economy; disruptions in European economies, or the failure or instability of any of our significant counterparties in Europe; continued market volatility; write-downs of financial instruments that we own or other losses related to volatile or illiquid market conditions; adverse publicity, regulatory actions or litigation with respect to us, other well-known companies and the financial services industry generally; government regulation and supervision, and associated limitations on our ability to pay dividends or make other capital distributions; recent legislative and regulatory actions; low or volatile interest rates and their impact on money market fund sponsors; changes to deposit insurance premiums; the level of regulation and impact applicable to our competitors; the degree of consolidation and the breadth of products and services offerings of companies in the financial services industry and the ability of BNY Mellon to distinguish itself from its competitors; declines in capital markets on our fee-based businesses; stable exchange-rate environment and declines in cross-border activity; dependence on consistent execution of fee-based services that we perform; the failure to successfully integrate strategic acquisitions; the failure or instability of any of our significant counterparties, and our assumption of credit and counterparty risk; changes to credit ratings; capital adequacy; access to capital markets; monetary policy and other governmental regulations; failures relating to operational risk and circumvention of controls and procedures; disruption or breaches in security of our information systems that results in a loss of confidential client information or impacts our ability to provide services to our clients; dependence on technology and intellectual property; global operations and regulation; acts of terrorism and global conflicts; risks relating to new lines of business; attracting and retaining employees; tax and accounting laws and regulations; inadequate credit reserves; risks associated with being a holding company including our dependence on dividends from our subsidiary banks; the impact of provisions of Delaware law and the Federal Reserve on our ability to pay dividends; and anti-takeover provisions in our certificate of incorporation and bylaws.

These forward-looking statements, and other forward-looking statements contained in other public disclosures of BNY Mellon (including those incorporated in this Form 10-K) are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond BNY Mellon' s control), including those factors described in "Risk Factors" in Part I, Item 1A of this Form 10-K. Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties, including, but not limited to uncertainties inherent in the litigation and litigation settlement process.

In this report, and other public disclosures of BNY Mellon, words such as "estimate," "forecast," "project," "anticipate," "confident," "target," "expect," "intend," "continue," "seek," "believe," "plan," "goal," "could," "should," "may," "will," "strategy," "synergies," "opportunities," "trends" and words of similar meaning signify forward-looking statements.

All forward-looking statements speak only as of the date on which such statements are made, and BNY Mellon undertakes no obligation to update any statement to reflect events or circumstances after the date on which such forward-looking statement is made or to reflect the occurrence of unanticipated events.

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THE BANK OF NEW YORK MELLON CORPORATION

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ITEM 1. BUSINESS

Description of Business

The Bank of New York Mellon Corporation, a Delaware corporation (NYSE symbol: BK), is a global financial services company headquartered in New York, New York, with $25.8 trillion in assets under custody and administration and $1.26 trillion in assets under management as of Dec. 31, 2011. We divide our businesses into two principal segments, Investment Management and Investment Services. We have an Other segment, which includes credit-related activities, the lease financing portfolio, corporate treasury activities (including our investment securities portfolio), our equity investments in Wing Hang Bank Limited and ConvergEx Group, business exits and corporate overhead.

For a further discussion of BNY Mellon' s products and services, see the "Overview", "Summary of financial results", "Fee and other revenue - Foreign exchange and other trading revenue", "Review of businesses" and "International operations" sections in the "Management' s Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") section in the Annual Report and Note 26 of the Notes to Consolidated Financial Statements in the Annual Report, which portions are incorporated herein by reference. See "Available Information" on page 1 of this Form 10-K for a description of how to access financial and other information regarding BNY Mellon, which is incorporated herein by reference.

We were formed as a bank holding company ("BHC") and have our executive offices in New York, New York. With its predecessors, BNY Mellon has been in business since 1784.

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

Our two principal banks are:

> The Bank of New York Mellon, a New York state chartered bank, formerly named "The Bank of New York", which houses our institutional businesses, including Asset Servicing, Issuer Services, Treasury Services, Broker-Dealer and Advisor Services and the bank-advised business of Asset Management.

> BNY Mellon, National Association ("BNY Mellon, N.A."), a nationally-chartered bank, formerly named "Mellon Bank, N.A.", which houses our Wealth Management business.

Our U.S. bank subsidiaries engage in trust and custody activities, investment management services, banking services and various securities-related activities. The deposits of the U.S. banking subsidiaries are insured by the Federal Deposit Insurance Corporation ("FDIC") to the extent provided by law.

We have four U.S. trust companies. The Bank of New York Mellon Trust Company, National Association and BNY Mellon Trust Company of Illinois house trust products and services across the United States. Also concentrating on trust products and services are BNY Mellon Trust of Delaware, a Delaware bank, and BNY Mellon Investment Servicing Trust Company, a Delaware-chartered entity. Most of our asset management businesses, along with our Pershing businesses, are direct or indirect non-bank subsidiaries of BNY Mellon.

Information on international operations is presented in the "Net interest revenue", "International operations", "Consolidated balance sheet review - Loans - Loans by product", and "Consolidated balance sheet review - Loans - International loans" sections in the MD&A - Results of Operations section in the Annual Report, Notes 6 and 27 of the Notes to Consolidated Financial Statements in the Annual Report and in "Risk Factors - Global Operations", in Part I, Item 1A of this Form 10-K, which portions are incorporated herein by reference.

Primary Subsidiaries

Exhibit 21.1 to this Form 10-K presents a list of BNY Mellon' s primary subsidiaries as of Dec. 31, 2011.

Discontinued Operations

As discussed in Note 4 of the Notes to Consolidated Financial Statements in the Annual Report, which is incorporated herein by reference, BNY Mellon reported results using the discontinued operations method of accounting for 2010 and 2009. All information in this Form 10-K for 2010 and 2009, including all supplemental information, reflects continuing operations unless otherwise noted.

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Supervision and Regulation

BNY Mellon, including through its subsidiaries, engages in banking, investment advisory and other securities-related activities in the United States and 35 other countries. We are subject to extensive regulation worldwide. Regulatory bodies around the world are generally charged with:

- protecting the interests of customers, including depositors in banking entities and investors in mutual funds and other pooled vehicles our subsidiaries may advise, and safeguarding the integrity of securities and other financial markets; and
- promoting financial stability in the relevant country.

They are not, however, generally charged with protecting the interests of our stockholders or creditors. Described below are the material elements of selected laws and regulations applicable to BNY Mellon and its subsidiaries. The descriptions are not intended to be complete. Changes in applicable law or regulation, and in their application by regulatory agencies, cannot be predicted, but they may have a material effect on the business and results of BNY Mellon and its subsidiaries. For additional discussion of recent and proposed regulatory initiatives that may impact our business, see "Recent Accounting and Regulatory Developments" in the MD&A section in the Annual Report, which is incorporated herein by reference.

Regulatory Reforms

The events of the past few years have led to numerous new laws in the United States and internationally for financial institutions. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act" or "Dodd-Frank"), which was enacted in July 2010, significantly restructures the financial regulatory regime in the United States and provides for enhanced supervision and prudential standards for, among other things, BHCs like BNY Mellon that have total consolidated assets of $50 billion or more. The implications of the Dodd-Frank Act for our businesses will depend to a large extent on the manner in which rules adopted pursuant to the Dodd-Frank Act are implemented by the primary U.S. financial regulatory agencies – the Board of Governors of the Federal Reserve System (the "Federal Reserve"), the FDIC, the Office of the Comptroller of the Currency (the "OCC"), the SEC and the Commodity Futures Trading Commission (the "CFTC") – as well as potential changes in market practices and structures in response to the requirements of the Dodd-Frank Act and financial reforms in other jurisdictions. Among other things:

- Dodd-Frank created a new systemic risk oversight body, the Financial Stability Oversight Council ("FSOC"), to coordinate the efforts of the primary U.S. financial regulatory agencies in establishing regulations to address financial stability concerns.
- Dodd-Frank directs the FSOC to make recommendations to the Federal Reserve as to enhanced supervision and prudential standards applicable to large, interconnected financial institutions, including as indicated above BHCs like BNY Mellon with total consolidated assets of $50 billion (often referred to as "systemically important financial institutions"), and authorizes the Federal Reserve to establish such standards either on its own or upon the recommendations of the FSOC. Dodd-Frank mandates that the requirements applicable to systemically important financial institutions be more stringent than those applicable to other financial companies. In Dec. 2011, the Federal Reserve issued for public comment a notice of proposed rulemaking establishing enhanced prudential standards responsive to these provisions for:
  - risk-based capital requirements and leverage limits;
  - stress testing of capital;
  - liquidity requirements;
  - overall risk management requirements; and
  - concentration/credit exposure limits.

  Comments on the proposed rules, which we refer to as the "Proposed SIFI Rules", are due by March 31, 2012. The Proposed SIFI Rules address a wide, diverse array of regulatory areas, each of which is highly complex. In some cases they would implement financial regulatory requirements being proposed for the first time, and in others overlap with other regulatory reforms. The Proposed SIFI Rules also address Dodd-Frank' s early remediation requirements applicable to BHCs that have total consolidated assets of $50 billion or more. The proposed remediation rules are modeled after the prompt corrective action regime, described below, but

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are designed to require action beginning in the earlier stages of a company' s financial distress by mandating action on the basis of arranged triggers, including capital and leverage, stress test results, liquidity, and risk management. We are analyzing the impact of the Proposed SIFI Rules on our businesses. However, the full impact will not be known until the rules, and other regulatory initiatives that overlap with the rules, are finalized and their combined impacts can be assessed.

Dodd-Frank requires the U.S. financial regulatory agencies to adopt rules that prohibit banks and their affiliates from engaging in proprietary trading and investing in and sponsoring certain unregistered investment companies (defined as hedge funds and private equity funds), with implementation starting as early as July 2012. The statutory provision is commonly called the "Volcker Rule." In October 2011 and January 2012, Federal regulators proposed rules to implement the Volcker Rule that included an extensive request for comments on the proposal. The proposed rules are highly complex, and are subject to revisions based on the public comment process. Therefore, many aspects of their application will remain uncertain and the full impact on us will not be known until the rules are finalized. However, if adopted as proposed the rules could limit our ability to provide seed capital to launch new hedge funds, private equity funds and other designated "similar funds" ("covered funds") or our ability to engage in certain "covered transactions" under Federal Reserve Act' s Section 23A and 23B with covered funds for which BNY Mellon acts as both sponsor/manager and custodian. This latter provision may also affect BNY Mellon' s ability to perform certain traditional custodial operational activities for these covered funds.

Dodd-Frank requires various U.S. financial regulatory agencies to implement comprehensive rules governing the supervision, structure, trading and regulation of swap and over-the-counter derivative markets and participants. Dodd-Frank requires a large number of rulemakings in this area, many of which are not yet final. Once these rules are finalized, they could affect the way various BNY Mellon subsidiaries operate, and changes to the markets and participants will impact business models and profitability of certain BNY Mellon subsidiaries.

In addition to the foregoing matters, the Dodd-Frank Act broadly affects the financial services industry by creating a resolution authority, and through numerous other provisions aimed at strengthening the sound operation of the financial services sector. As discussed further throughout this section, many aspects of Dodd-Frank are subject to further rulemaking and will take effect over several years, making it difficult to anticipate the overall financial impact on BNY Mellon or across the industry. In addition to the discussion in this section, see "Risk Factors – Recent legislative and regulatory actions may have an adverse effect on our operations" in Part I, Item 1A of this Form 10-K. For additional discussion of proposed regulations that may impact our business, see the "Recent Accounting and Regulatory Developments" in the MD&A section in the Annual Report, which is incorporated herein by reference.

Since the Fall of 2008, regulators, market participants and money market fund sponsors have focused on the risks that money market funds may pose to financial stability, particularly to market liquidity in short-term investments, and on what possible consequences significant changes in the operations of such funds may have on the availability of short-term funding to government and financial and commercial borrowers. Although amendments were effected in 2010 to rules governing money market funds designed to enhance their resilience to the possibility of "breaking the buck", additional proposals continue to be discussed. These include capital support or reserves, limitations on redemptions or a requirement that money market funds price their shares at net asset value. It is premature to predict the outcome of these discussions and proposals, but regulatory changes to the money market fund industry could cause significant business disruptions to, and could materially impact the operations and profitability of, this industry and BNY Mellon, which both manages and provides services for these funds.

Regulated Entities of BNY Mellon

BNY Mellon is regulated as a BHC and a financial holding company ("FHC") under the Bank Holding Company Act of 1956, as amended by the 1999 financial modernization legislation known as the Gramm-Leach-Bliley Act and by the Dodd-Frank Act (the "BHC Act"). As such, it is subject to the supervision of the Federal Reserve. In general, the BHC Act limits the business of BHCs that are FHCs to banking, managing or controlling banks, performing certain servicing activities for subsidiaries, engaging in activities that the Federal

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Reserve has determined, by order or regulation, are so closely related to banking as to be a proper incident thereto, and, as a result of the Gramm-Leach-Bliley Act amendments to the BHC Act, engaging in any activity, or acquiring and retaining the shares of any company engaged in any activity, that is either (1) financial in nature or incidental to such financial activity (as determined by the Federal Reserve in consultation with the Secretary of the U.S. Treasury Department) or (2) complementary to a financial activity and does not pose a substantial risk to the safety and soundness of depository institutions or the financial system generally (as solely determined by the Federal Reserve). Activities that are financial in nature include securities underwriting and dealing, insurance underwriting and making merchant banking investments in commercial companies.

Our ability to maintain FHC status is dependent upon a number of factors, including:

- our U.S. depository institution subsidiaries qualifying on an ongoing basis as "well capitalized" and "well managed" as described under "Prompt Corrective Action" below; and
- BNY Mellon qualifying on an ongoing basis as "well capitalized" and "well managed" under applicable Federal Reserve regulations.

An FHC that does not continue to meet all the requirements for FHC status will, depending on which requirements it fails to meet, lose the ability to undertake new activities, or make acquisitions, that are not generally permissible for BHCs without FHC status or to continue such activities. For additional discussion of our well capitalized status, see "Capital" in the MD&A section in the Annual Report, which is incorporated herein by reference.

The Bank of New York Mellon, which is BNY Mellon' s largest bank subsidiary, is a New York state chartered bank, a member of the Federal Reserve System and subject to regulation, supervision and examination by the Federal Reserve and the New York State Department of Financial Services. BNY Mellon' s national bank subsidiaries, BNY Mellon, N.A. and The Bank of New York Mellon Trust Company, National Association, are subject to primary regulation, supervision and examination by the OCC.

We operate a number of broker-dealers that engage in securities underwriting and other broker-dealer activities. These companies are SEC-registered broker-dealers and members of Financial Industry Regulatory Authority, Inc. ("FINRA"), a securities industry self-regulatory organization. BNY Mellon' s non-bank subsidiaries engaged in securities-related activities are regulated by supervisory agencies in the countries in which they conduct business. Certain of BNY Mellon' s public finance and advisory activities are regulated by the Municipal Securities Rulemaking Board. Certain of BNY Mellon' s subsidiaries are registered with the CFTC as commodity pool operators or commodity trading advisors and, as such, are subject to CFTC regulation. BNY Mellon also has a subsidiary that clears futures and derivatives trades on behalf of institutional clients and is registered with the CFTC as a futures commission merchant and is a member of the National Futures Association.

In July 2011, our depository institutions were notified that they will be supervised by the Consumer Financial Protection Bureau ("CFPB") for certain consumer protection purposes. The CFPB will focus on:

- risks to consumers and compliance with the Federal consumer financial laws, when it evaluates the policies and practices of a financial institution;
- the markets in which firms operate and risks to consumers posed by activities in those markets; and
- depository institutions that offer a wide variety of consumer financial products and services; depository institutions with a more specialized focus; and non-depository companies that offer one or more consumer financial products or services.

Certain of our subsidiaries are registered investment advisors under the Investment Advisers Act of 1940, as amended, and as such are supervised by the SEC. They are also subject to various U.S. federal and state laws and regulations and to the laws and regulations of any countries in which they conduct business. These laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the carrying on of business if a regulated entity fails to comply with such laws and regulations. Our subsidiaries advise both public investment companies which are registered with the SEC under the Investment Company Act of 1940 (the " '40 Act"), including the Dreyfus family of mutual funds, and private investment companies which are not registered under the '40 Act.The shares of most investment

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companies advised by our subsidiaries are qualified for sale in all states in the United States and the District of Columbia, except for investment companies that offer products only to residents of a particular state or of a foreign country and except for certain investment companies which are exempt from such registration or qualification. New SEC regulations will require additional data gathering and reporting to the SEC about the operations and investment activities of private funds in order to provide the FSOC with additional market data to monitor the potential for systemic risk in the marketplace. Like most regulations, they will increase the compliance burdens and costs for the businesses that manage these funds.

Certain of our investment management, trust and custody operations provide services to qualified retirement plans that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is under the jurisdiction of the U.S. Department of Labor ("DOL"). Recently, the DOL proposed a number of new regulations that are designed to provide greater transparency to participants and beneficiaries of retirement plans and expand the definition of who is a "fiduciary" to these regulated plans. Being an ERISA fiduciary imposes certain statutory duties, liabilities, disclosure obligations, and restrictions related to the services being performed and fees being paid. Expansion of the definition of a fiduciary could require certain BNY Mellon businesses to modify their service model to conform to the regulations governing a fiduciary' s conduct, which would likely impact the costs and profitability of such businesses.

Certain of our financial services operations in the United Kingdom are subject to regulation by and supervision of the Financial Services Authority ("FSA"). The FSA has broad supervisory and disciplinary powers. Disciplinary powers include the power to temporarily or permanently revoke the authorization to carry on regulated business following a breach of U.K. Financial Services and Markets Act 2000 ("FSMA 2000") and/or regulatory rules, the suspension of registered employees and censures and fines for both regulated businesses and their registered employees. The FSA imposes capital requirements on the entities it regulates. The FSA regulates The Bank of New York Mellon (International) Limited, our U.K.-chartered bank, as well as the U.K. branches of The Bank of New York Mellon and The Bank of New York Mellon SA/NV. In addition, the FSA regulates our trust and depositary and certain of our corporate trust

businesses. Certain of BNY Mellon' s U.K. incorporated subsidiaries are authorized to conduct investment business in the United Kingdom pursuant to the FSMA 2000. Their investment management advisory activities and their sale and marketing of retail investment products are regulated by the FSA. Certain U.K. investment funds, including BNY Mellon Investment Funds, an open-ended investment company with variable capital advised by U.K.-regulated subsidiaries of BNY Mellon, are registered with the FSA and are offered for retail sale in the United Kingdom.

Our investment management business is subject to significant regulation in numerous jurisdictions around the world relating to, among other things, the safeguarding of client assets and our management of client funds. The U.K. and European regulatory framework is changing. The U.K. government has announced that it intends to abolish the FSA and to establish three new regulatory bodies, the Financial Policy Committee, the Prudential Regulation Authority and the Financial Conduct Authority in its place. In addition, there are various new European Directives including a significant revision to the Markets in Financial Instruments Directive as well as the new Alternative Investment Fund Managers Directive both of which will impact our operations.

The types of activities in which the foreign branches of our banking subsidiaries and our international subsidiaries may engage are subject to various restrictions imposed by the Federal Reserve. Those foreign branches and international subsidiaries are also subject to the laws and regulatory authorities of the countries in which they operate and, in the case of banking subsidiaries, may be subject to regulatory capital requirements in the jurisdictions in which they operate. As of Dec. 31, 2011, each of BNY Mellon' s non-U.S. banking subsidiaries had capital ratios above their specified minimum requirements.

In connection with our role as a clearing bank for the tri-party repurchase transaction market, or tri-party repo market, we work with dealers who use repos (i.e., repurchase transactions) to finance their securities by selling them to counterparties and agreeing to buy them back at a later date. In tri-party repos, a clearing bank such as The Bank of New York Mellon acts as the intermediary between a dealer and its counterparty in settling the transaction and providing mark-to-market and other services. As a result of the recent financial crisis, regulatory agencies worldwide have begun to re-examine systemic risks to various financial markets. One of the markets that regulatory agencies are reviewing,

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and in which we participate as a clearing bank, is the tri-party repo market. From 2009 until recently, the Federal Reserve Bank of New York sponsored a Task Force on Tri-Party Repo Infrastructure Reform to examine the risks in the tri-party repo market and to decide what changes should be implemented so that such risks may be mitigated or avoided in future financial crises. The Task Force issued recommendations regarding the tri-party repo market. BNY Mellon is working to implement the Task Force' s recommendations on its tri-party repo business activities. Since May 2010, the Federal Reserve Bank of New York has released monthly reports on the tri-party repo market, including information on aggregate volumes of collateral used in all tri-party repo transactions by asset class, concentrations, and margin levels, which is available at http://www.newyorkfed.org/tripartyrepo/margin_data.html.

Federal Reserve' s Comprehensive Capital Assessment Review

In November 2011, the Federal Reserve published a final rule requiring BHCs (including BNY Mellon) with $50 billion or more of total consolidated assets to submit annual capital plans to their respective Federal Reserve Bank. The capital analysis and review process provided for in the rule is known as the Comprehensive Capital Analysis and Review, or "CCAR". The capital plans are required to be submitted on an annual basis. Such BHCs will also be required to collect and report certain related data on a quarterly basis to allow the Federal Reserve to monitor the companies' progress against their annual capital plans. The comprehensive capital plans, which are prepared using Basel I capital guidelines, include a view of capital adequacy under four scenarios - a BHC-defined baseline scenario, a baseline scenario provided by the Federal Reserve, at least one BHC-defined stress scenario, and a stress scenario provided by the Federal Reserve. Covered BHCs, including BNY Mellon, may pay dividends and repurchase stock only in accordance with a capital plan that has been reviewed by the Federal Reserve and as to which the Federal Reserve has not objected. The rules provide that the Federal Reserve may object to a capital plan if the plan does not show that the covered BHC will meet all minimum regulatory capital ratios and maintain a ratio of Basel I Tier 1 common equity to risk-weighted assets of at least 5% on a *pro forma* basis under expected and stressful conditions throughout the nine-quarter planning horizon covered by the capital plan. The rules also require, among other things, that a covered BHC may not make a capital distribution unless after giving effect to the distribution it will meet all minimum regulatory capital ratios and have a ratio of Basel I Tier 1 common equity to risk-weighted assets of at least 5%. As part of this process, BNY Mellon also provides the Federal Reserve with projections covering the time period it will take us to fully comply with Basel III capital guidelines, including the 7% Tier 1 common equity, 8.5% Tier 1 capital and 3% leverage ratios as well as granular components of those elements, as described further below under "Capital Requirements - Basel III". BNY Mellon' s most recent capital plan was filed with the Federal Reserve on Jan. 9, 2012.

The purpose of the Federal Reserve' s capital plan review is to ensure that these BHCs have robust, forward-looking capital planning processes that account for each BHC' s unique risks and that permit continued operations during times of economic and financial stress. The CCAR rule, consistent with prior Federal Reserve Board guidance, provides that capital plans contemplating dividend payout ratios exceeding 30% of projected after-tax net income will receive particularly close scrutiny.

The Proposed SIFI Rules, discussed earlier in this section under "Regulatory Reforms", would also include stress testing requirements that, among other things, stress test under a severely adverse scenario provided by the Federal Reserve. It also would require a semi-annual mid-year stress analysis.

Payment of Dividends and Stock Repurchases

Dividend payments by BNY Mellon to its stockholders and stock repurchases by BNY Mellon are subject to the oversight of the Federal Reserve. As described above in this section under "Federal Reserve' s Comprehensive Capital Assessment Review", under the CCAR rule dividends and stock repurchases generally may only be paid or made under a capital plan as to which the Federal Reserve has not objected.

BNY Mellon is a legal entity separate and distinct from its bank subsidiaries and other subsidiaries. Dividends and interest from our subsidiaries are our principal sources of funds to make capital contributions or loans to our bank subsidiaries and other subsidiaries, to pay service on our own debt, to honor our guarantees of debt issued by our subsidiaries or of trust preferred securities issued by a trust or to pay dividends on our own equity securities. Various federal and state statutes and

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regulations limit the amount of dividends that may be paid to us by our bank subsidiaries without regulatory consent. If, in the opinion of the applicable federal regulatory agency, a depository institution under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice (which, depending on the financial condition of the bank, could include the payment of dividends), the regulator may require, after notice and hearing, that the bank cease and desist from such practice. The OCC, the Federal Reserve and the FDIC have indicated that the payment of dividends would constitute an unsafe and unsound practice if the payment would reduce a depository institution' s capital to an inadequate level. Moreover, under the Federal Deposit Insurance Act, as amended (the "FDI Act"), an insured depository institution may not pay any dividends if the institution is undercapitalized or if the payment of the dividend would cause the institution to become undercapitalized. In addition, the federal bank regulatory agencies have issued policy statements which provide that FDIC-insured depository institutions and their holding companies should generally pay dividends only out of their current operating earnings.

In general, the amount of dividends that may be paid by The Bank of New York Mellon or BNY Mellon, N.A. is limited to the lesser of the amounts calculated under a "recent earnings" test and an "undivided profits" test. Under the recent earnings test, a dividend may not be paid if the total of all dividends declared and paid by the entity in any calendar year exceeds the current year' s net income combined with the retained net income of the two preceding years, unless the entity obtains prior regulatory approval. Under the undivided profits test, a dividend may not be paid in excess of the entity' s "undivided profits" (generally, accumulated net profits that have not been paid out as dividends or transferred to surplus). The ability of BNY Mellon' s bank subsidiaries to pay dividends to BNY Mellon may also be affected by various minimum capital requirements for banking organizations.

For a further discussion of restrictions on dividends, see the "Liquidity and dividends" section in the MD&A – Results of Operations section in the Annual Report and Note 20 of the Notes to Consolidated Financial Statements in the Annual Report, which are incorporated herein by reference. Further, BNY Mellon' s right to participate in the assets or earnings of a subsidiary is subject to the prior claims of creditors of the subsidiary.

Transactions with Affiliates and Insiders

Transactions between BNY Mellon' s bank subsidiaries, on the one hand, and BNY Mellon and its non-bank subsidiaries, on the other, are regulated by the Federal Reserve. These regulations limit the types and amounts of transactions (including loans due and extensions of credit from the U.S. bank subsidiaries) that may take place and generally require those transactions to be on an arm' s-length basis. These regulations generally do not apply to transactions between a U.S. bank subsidiary and its subsidiaries. In general, these restrictions require that any extensions of credit by a BNY Mellon bank subsidiary to BNY Mellon or to a BNY Mellon non-bank subsidiary must be secured by designated amounts of specified collateral and are limited, as to any one of BNY Mellon or such non-bank affiliates, to 10% of the lending bank' s capital stock and surplus, and, as to BNY Mellon and all such non-bank affiliates in the aggregate, to 20% of such lending bank' s capital stock and surplus.

The Dodd-Frank Act significantly expands the coverage and scope of the limitations on affiliate transactions within a banking organization. For example, commencing in July 2012, the Dodd-Frank Act requires that the 10% of capital limit on covered transactions begin to apply to financial subsidiaries. Commencing in July 2012, Dodd-Frank also expands the definition of a "covered transaction" to include derivatives transactions and securities lending transactions with a non-bank affiliate under which a bank (or its subsidiary) has credit exposure (with the term "credit exposure" to be defined by the Federal Reserve under its existing rulemaking authority). Collateral requirements will apply to such transactions as well as to certain repurchase and reverse repurchase agreements.

Deposit Insurance

Our U.S. banking subsidiaries, including The Bank of New York Mellon and BNY Mellon, N.A., accept deposits, and those deposits have the benefit of FDIC insurance up to the applicable limits. The applicable limit for FDIC insurance for most types of accounts is $250,000 for each right and capacity of the depositor. For noninterest-bearing transaction accounts there is temporary unlimited coverage through December 31, 2012. All funds held in noninterest-bearing transaction accounts are fully insured, without limit, and this coverage is separate from, and in addition to, the coverage provided to depositors for other accounts at The Bank of New

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York Mellon and BNY Mellon, N.A. Under the FDI Act, insurance of deposits may be terminated by the FDIC upon a finding that the insured depository institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by a bank’ s federal regulatory agency.

The FDIC’ s Deposit Insurance Fund (the “DIF”) is funded by assessments on insured depository institutions. The FDIC required all insured depository institutions to prepay estimated assessments for all of 2010, 2011 and 2012 on December 30, 2009. Prior to the Dodd-Frank Act, assessments were determined based on the risk category of an institution and the amount of insured deposits that it held. The Dodd-Frank Act required the FDIC to amend its assessment regulation so that assessments are based on the average consolidated total assets less the average tangible equity of the insured depository institution during the assessment period instead of the amount of insured deposits an institution holds. The FDIC implemented the Dodd-Frank Act’ s provisions by establishing separate assessment systems for small institutions, generally those with assets less than $10 billion, and for large institutions, those generally having $10 billion in assets or more. Both assessment systems use the new method for calculating the assessment base. For smaller institutions, assessments are determined based on the risk category of an institution and the assessment base. For larger institutions, such as The Bank of New York Mellon and BNY Mellon, N.A., assessments are determined based on CAMELS ratings and forward-looking financial measures to calculate the assessment rate, which is subject to adjustments by the FDIC, and the assessment base. The FDIC may increase or decrease the assessment rate schedule on a semi-annual basis, following notice-and-comment rulemaking if required.

The Dodd-Frank Act requires the FDIC to increase the reserve ratio for the DIF from 1.15 percent in order to reach a minimum of 1.35 percent of estimated insured deposits by September 30, 2020. The FDIC issued a final rule in December 2011 setting the increased reserve ratio at 2 percent. This increase may result in increased costs for our bank subsidiaries and BNY Mellon. The Dodd-Frank Act also eliminates the ceiling (1.5 percent of insured deposits) on the size of the DIF and makes the payment of dividends from the DIF by the FDIC discretionary.

Source of Strength and Liability of Affiliates

Federal Reserve policy historically has required BHCs to act as a source of strength to their bank subsidiaries and to commit capital and financial resources to support those subsidiaries. The Dodd-Frank Act codified this policy as a statutory requirement. Such support may be required by the Federal Reserve at times when we might otherwise determine not to provide it. In addition, any loans by BNY Mellon to its bank subsidiaries would be subordinate in right of payment to depositors and to certain other indebtedness of its banks. In the event of a BHC’ s bankruptcy, any commitment by the BHC to a federal bank regulator to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment. In addition, in certain circumstances BNY Mellon’ s insured depository institutions could be assessed for losses incurred by another BNY Mellon insured depository institution.

In the event of impairment of the capital stock of one of BNY Mellon’ s national banks or The Bank of New York Mellon, BNY Mellon, as the banks’ stockholder, could be required to pay such deficiency.

Resolution Planning

As required by the Dodd-Frank Act, the Federal Reserve and FDIC have jointly issued a final rule that requires certain organizations, including BHCs with consolidated assets of $50 billion or more, to report periodically to regulators a resolution plan for their rapid and orderly resolution in the event of material financial distress or failure. BNY Mellon’ s resolution plan must, among other things, ensure that our depository institution subsidiaries are adequately protected from risks arising from our other subsidiaries. The final rule sets specific standards for the resolution plans, including requiring a strategic analysis of the plan’ s components, a description of the range of specific actions the company proposes to take in resolution, and a description of the company’ s organizational structure, material entities, interconnections and interdependencies, and management information systems, among other elements.

In addition, the FDIC has issued a final rule that requires insured depository institutions with $50 billion or more in total assets, such as The Bank of New York Mellon, to submit to the FDIC periodic plans for resolution in the event of the institution’ s failure. The rule requires these insured institutions

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to submit a resolution plan that will enable the FDIC, as receiver, to resolve the bank in a manner that ensures that depositors receive access to their insured deposits within one business day of the institution' s failure, maximizes the net-present-value return from the sale or disposition of its assets, and minimizes the amount of any loss to be realized by the institution' s creditors. The final rule also sets specific standards for the resolution plans, including requiring a strategic analysis of the plan' s components, a description of the strategies for achieving the least costly resolution, and analyses of the financial company' s organization, material entities, interconnections and interdependencies, and management information systems, among other elements.

The two resolution plan rules are complementary and we have commenced work on our initial resolution plans. We expect that our initial plans will be required to be submitted to the regulators by early in the fourth quarter of 2012.

Capital Requirements

As a BHC, we are subject to consolidated regulatory capital requirements administered by the Federal Reserve. Our bank subsidiaries are subject to similar capital requirements, administered by the Federal Reserve in the case of The Bank of New York Mellon and by the OCC in the case of our national bank subsidiaries, BNY Mellon, N.A. and The Bank of New York Mellon Trust Company, National Association. These requirements are intended to ensure that banking organizations have adequate capital given the risk levels of their assets and off-balance sheet financial instruments.

The risk-based capital guidelines currently applicable to BHCs are based on the 1988 Capital Accord ("Basel I") of the Basel Committee on Banking Supervision (the "Basel Committee"). The federal bank regulatory agencies have adopted risk-based capital guidelines for "core banks," including BNY Mellon, based upon the Revised Framework for the International Convergence of Capital Measurement and Capital Standards ("Basel II") issued by the Basel Committee in June 2004 and updated in November 2005. In December 2010, the Basel Committee released its final framework for strengthening international capital and liquidity regulation, now officially identified by the Basel Committee as "Basel III". Basel III, when implemented by the U.S. banking agencies and fully phased-in, will require BHCs and their bank subsidiaries to maintain substantially more capital, with a greater emphasis on common equity. Additional information on the calculation of our Tier 1 capital, Total capital and risk-weighted assets is set forth in "Capital" in the MD&A - Results of Operations section in the Annual Report, and additional information on our capital requirements is set forth in "Recent Accounting and Regulatory Developments" in the MD&A section in the Annual Report, which are incorporated herein by reference.

Basel I

Under the existing Basel I-based regulations, the risk-based capital ratio is determined by dividing the components of capital, described further below, by risk-adjusted assets (including certain off-balance sheet items, such as standby letters of credit). The regulatory capital rules state that voting common stockholders' equity should be the predominant element within Tier 1 capital and that banking organizations should avoid over-reliance on non-common equity elements. Risk-adjusted assets are determined by classifying assets and certain off-balance sheet items into weighted categories. The required minimum ratio of "Total capital" (the sum of "Tier 1" and "Tier 2" capital) to risk-adjusted assets is currently 8%. The required minimum ratio of Tier 1 capital to risk-adjusted assets is 4%. The risk-based capital rules state that the capital requirements are minimum standards based primarily on broad credit-risk considerations and do not take into account the other types of risk a banking organization may be exposed to (*e.g.*, interest rate, market, liquidity and operational risks). Even without further rulemaking, the Federal Reserve may, therefore, set higher capital requirements for categories of banks, or for an individual bank as situations warrant. For example, BHCs experiencing internal growth or making acquisitions are expected to maintain strong capital positions substantially above the minimum supervisory levels, without significant reliance on intangible assets. Other factors identified by the risk-based capital requirements as important in assessing an institution' s overall capital adequacy include concentration of credit risk and certain risks arising from non-traditional activities, including the management of those risks. At Dec. 31, 2011, BNY Mellon' s Basel I Tier 1 capital to risk-adjusted assets and Total capital to risk-adjusted assets ratios were 15.0% and 17.0%, respectively.

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In addition, the risk-based capital guidelines incorporate a measure for market risk in foreign exchange and commodity activities and in the trading of debt and equity instruments. The market risk-based capital guidelines require banking organizations with large trading activities to maintain capital for market risk in an amount calculated by using the banking organizations' own internal value-at-risk models, subject to parameters set by the regulators. In January 2011, certain of the federal banking agencies published proposed amendments to their market risk rules, known as "Basel II.5", intended to conform the federal banking agencies' market risk rules more closely to the Basel Committee's international standards. In December 2011, in response to a Dodd-Frank requirement that the federal banking agencies remove references to credit ratings in their rules, the federal banking agencies published further proposed amendments to the market risk rules to implement that requirement. Those changes will result in increased capital requirements for market risk.

Basel II

The federal banking agencies are mandating the adoption of Basel II for "core" banks having either total consolidated assets of $250 billion or more or foreign exposures of $10 billion or more, such as BNY Mellon and its depository institution subsidiaries. The U.S. Basel II-based rules for "core" banks require those banks to apply Basel II's Advanced Internal Ratings Based ("A-IRB") approach for credit risk and Advanced Measurement Approach ("AMA") for operational risk.

The U.S. Basel II final rule became effective on April 1, 2008. Under the final rule, 2009 was the first year for a bank to begin its first of three transitional floor periods during which banks subject to the final rule calculate their capital requirements under both the old regulations and new regulations. The U.S. Basel II rules originally provided that "core" banks would calculate their capital requirements only under the new Basel II-based requirements after completion of the three transitional floor periods. In the United States, we began the parallel run of calculations under both the old and new guidelines in the second quarter of 2010. Our capital models are currently with the Federal Reserve for their approval. In response to a Dodd-Frank requirement, the federal banking agencies have amended their capital rules to provide that minimum capital as required under the Basel I-based rules will act as a floor for minimum capital requirements calculated in accordance with the U.S. Basel II rules. Accordingly, the transition for "core" banks to calculations only under the Basel II-based requirements is being eliminated.

Beginning Jan. 1, 2008, we implemented the Basel II Standardized Approach for our banks organized in the United Kingdom, Belgium and Luxembourg. We maintain an active dialogue with U.S. and international regulatory jurisdictions to facilitate a smooth Basel II reporting process. We believe Basel II will not constrain our current business practices.

Basel III

The Basel III final capital framework, among other things:

- specifies that Tier 1 capital consists of Tier 1 common equity and "Additional Tier 1 capital" instruments meeting specified requirements, defines Tier 1 common equity narrowly by requiring that most adjustments to regulatory capital measures be made to Tier 1 common equity and not to the other components of capital, and expands the scope of the adjustments as compared to existing regulations;
- when fully phased in on Jan. 1, 2019, requires banks to maintain:
    - as a newly adopted international standard, a minimum ratio of Tier 1 common equity to risk-weighted assets of at least 4.5%, plus a 2.5% "capital conservation buffer" (which is added to the 4.5% Tier 1 common equity ratio as that buffer is phased in, effectively resulting in a minimum ratio of Tier 1 common equity to risk-weighted assets of at least 7%);
    - a minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer (which is added to the 6.0% Tier 1 capital ratio as that buffer is phased in, effectively resulting in a minimum Tier 1 capital ratio of 8.5% upon full implementation);
    - a minimum ratio of Total (that is, Tier 1 plus Tier 2) capital to risk-weighted assets of at least 8.0%, plus the capital conservation buffer (which is added to the 8.0% total capital ratio as that buffer is phased in, effectively resulting in a minimum total capital ratio of 10.5% upon full implementation);

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as a newly adopted international standard, a minimum leverage ratio of 3%, calculated as the ratio of Tier 1 capital to average balance sheet exposures plus certain average off-balance sheet exposures; and

under some circumstances, a "countercyclical capital buffer", generally to be imposed when national regulators determine that excess aggregate credit growth becomes associated with a buildup of systemic risk, that would be a Tier 1 common equity add-on to the capital conservation buffer in the range of 0% to 2.5% when fully implemented (potentially resulting in total buffers of between 2.5% and 5%).

The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of Tier 1 common equity to risk-weighted assets above the minimum but below the conservation buffer (or below the combined capital conservation buffer and countercyclical capital buffer, when the latter is applied) will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall.

On July 19, 2011, the Basel Committee issued a consultative document setting forth proposals to apply a new Tier 1 common equity surcharge to certain global systemically important banks ("G-SIBs"), and on Nov. 4, 2011 the Basel committee issued final provisions substantially unchanged from the proposals. In its Proposed SIFI Rules (discussed in this section under "Regulatory Reforms"), the Federal Reserve indicated that it intends to propose, in a separate rulemaking, a Tier 1 common equity surcharge for G-SIBs based on the Basel Committee' s proposal. G-SIBs subject to the surcharge would be identified by application of a quantitative "indicator-based approach" comprised of five broad categories of indicators - cross-jurisdictional activity, size, interconnectedness, substitutability and complexity. Each G-SIB would initially be assigned to one of four "buckets", with the capital surcharges for those buckets ranging from 1% to 2.5%. There would be an additional 3.5% bucket that would initially be empty but that could be applied to a G-SIB that increases materially its global systemic importance in the future, for example by increasing total assets. The G-SIB equity surcharge provisions, like the rest of Basel III and the Dodd-Frank Act provisions referenced above, are subject to interpretation and implementation by U.S. regulatory authorities. In a companion release on Nov. 4, 2011 addressing progress on a variety of financial regulatory reforms relating to global systemically important financial institutions, the Financial Stability Board released a list of 29 such institutions that included BNY Mellon and indicated that it used the G-SIB surcharge methodology in creating the list.

The implementation of the Basel III final framework will commence Jan. 1, 2013. On that date, banking institutions will be required to meet the following minimum capital ratios:

3.5% Tier 1 common equity to risk-weighted assets;

4.5% Tier 1 capital to risk-weighted assets; and

8.0% Total capital to risk-weighted assets.

The Basel III final framework provides for a number of new deductions from and adjustments to Tier 1 common equity. These include, for example, the requirement that mortgage servicing rights, deferred tax assets dependent upon future taxable income and significant investments in non-consolidated financial entities be deducted from Tier 1 common equity to the extent that any one such category exceeds 10% of Tier 1 common equity or all such categories in the aggregate exceed 15% of Tier 1 common equity.

Implementation of the deductions and other adjustments to Tier 1 common equity will begin on Jan. 1, 2014 and will be phased-in over a five-year period (20% per year). The implementation of the capital conservation buffer will begin on Jan. 1, 2016 at 0.625% and be phased in over a four-year period (increasing by that amount on each subsequent Jan. 1, until it reaches 2.5% on Jan. 1, 2019).

The timing for the U.S. banking agencies' publication of proposed rules to implement the Basel III capital framework and the implementation schedule is uncertain. The release accompanying the Proposed SIFI Rules appears to indicate that rules implementing Basel III will be published for comment during the first quarter of 2012. The rules ultimately adopted and made applicable to us may be different from the Basel III final framework as published in December 2010.

Impact on BNY Mellon

Because the U.S. banking agencies' rules implementing Basel III may differ from the Basel III final framework, we cannot be certain of the impact the new regulations will have on our capital ratios. At Dec. 31, 2011, our Basel III ratio of Tier 1 common equity to risk-weighted assets was 7.1%.

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Leverage Requirement

Basel I and Basel II do not include a leverage requirement as an international standard. However, even though a leverage requirement has not been an international standard in the past, the federal banking agencies' capital regulations do require BHCs and banks to comply with a minimum leverage ratio requirement (Basel III will impose a leverage requirement as an international standard). The Federal Reserve' s existing leverage ratio requirement for BHCs is that the BHC maintains a ratio of Tier 1 capital to its total consolidated quarterly average assets (as defined for regulatory purposes), net of the loan loss reserve, goodwill and certain other intangible assets. The rules require a minimum leverage ratio of 3% for BHCs that either have the highest supervisory rating or have implemented the Federal Reserve' s risk-adjusted measure for market risk. All other BHCs are required to maintain a minimum leverage ratio of 4%. Also, the rules indicate that the Federal Reserve will consider a "tangible Tier 1 leverage ratio" in evaluating proposals for expansion or new activities. The tangible Tier 1 leverage ratio is the ratio of a banking organization' s Tier 1 capital (excluding intangibles) to total assets (excluding intangibles). At Dec. 31, 2011, our leverage ratio was 5.2% and the leverage ratio of The Bank of New York Mellon was 5.3%.

Liquidity Ratios under Basel III

Historically, regulation and monitoring of bank and BHC liquidity has been addressed as a supervisory matter, both in the United States and internationally, without required formulaic measures. The Basel III final framework requires banks and BHCs to measure their liquidity against specific liquidity tests that, although similar in some respects to liquidity measures historically applied by banks and regulators for management and supervisory purposes, going forward will be required by regulation. One test, referred to as the liquidity coverage ratio ("LCR"), is designed to ensure that the banking entity maintains an adequate level of unencumbered high-quality liquid assets equal to the entity' s expected net cash outflow for a 30-day time horizon (or, if greater, 25% of its expected total cash outflow) under an acute liquidity stress scenario. The other, referred to as the net stable funding ratio ("NSFR"), is designed to promote more medium- and long-term funding of the assets and activities of banking entities over a one-year time horizon. These requirements will incentivize banking entities to increase their holdings of U.S. Treasury securities and other sovereign debt as a component of assets and increase the use of long-term debt as a funding source. The Basel III liquidity framework contemplates that the LCR will be subject to an observation period continuing through mid-2013 and, subject to any revisions resulting from the analyses conducted and data collected during the observation period, implemented as a minimum standard on Jan. 1, 2015. Similarly, it contemplates that the NSFR will be subject to an observation period through mid-2016 and, subject to any revisions resulting from the analyses conducted and data collected during the observation period, implemented as a minimum standard by Jan. 1, 2018.

As discussed above in this section under "Regulatory Reforms", the Proposed SIFI Rules address liquidity requirements for BHCs, including BNY Mellon, with $50 billion or more in total consolidated assets. In the release accompanying those rules, the Federal Reserve states a general intention to incorporate the Basel III liquidity framework for the BHCs covered by the Proposed SIFI Rules or a "subset" of those BHCs. Although the Proposed SIFI Rules do not include prescriptive ratios like the LCR and NSFR, they do include detailed liquidity-related requirements, including requirements for cash flow projections, liquidity stress testing (including, at a minimum, over time horizons that include an overnight time horizon, a 30-day time horizon, a 90-day time horizon and a one-year time horizon), and a requirement that covered BHCs maintain a liquidity buffer of unencumbered highly liquid assets sufficient to meet projected net cash outflows and the projected loss or impairment of existing funding sources for 30 days over a range of liquidity stress scenarios.

Prompt Corrective Action

The FDI Act, as amended by the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), requires the federal banking agencies to take "prompt corrective action" in respect of depository institutions that do not meet specified capital requirements. FDICIA establishes five capital categories for FDIC-insured banks: well capitalized, adequately capitalized, undercapitalized, significantly under-capitalized and critically undercapitalized. A depository institution is deemed to be "well capitalized" if the banking institution has a total risk-based capital ratio of 10.0% or greater, a

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Tier 1 risk-based capital ratio of 6.0% or greater, and a leverage ratio of 5.0% or greater, and the institution is not subject to an order, written agreement, capital directive or prompt corrective action directive to meet and maintain a specific level for any capital measure. The FDI Act imposes progressively more restrictive constraints on operations, management and capital distributions, depending on the capital category in which an institution is classified.

At Dec. 31, 2011, all of our bank subsidiaries were "well capitalized" based on the ratios and guidelines noted above. A bank' s capital category, however, is determined solely for the purpose of applying the prompt corrective action rules and may not be an accurate representation of the bank' s overall financial condition or prospects.

Insolvency of an Insured Depository Institution or a Bank Holding Company

If the FDIC is appointed as conservator or receiver for an insured depository institution such as The Bank of New York Mellon or BNY Mellon, N.A., upon its insolvency or in certain other events, the FDIC has the power:

- to transfer any of the depository institution' s assets and liabilities to a new obligor, including a newly formed "bridge" bank without the approval of the depository institution' s creditors;
- to enforce the terms of the depository institution' s contracts pursuant to their terms without regard to any provisions triggered by the appointment of the FDIC in that capacity; or
- to repudiate or disaffirm any contract or lease to which the depository institution is a party, the performance of which is determined by the FDIC to be burdensome and the disaffirmance or repudiation of which is determined by the FDIC to promote the orderly administration of the depository institution.

In addition, under federal law, the claims of holders of domestic deposit liabilities and certain claims for administrative expenses against an insured depository institution would be afforded a priority over other general unsecured claims against such an institution, including claims of debt holders of the institution, in the "liquidation or other resolution" of such an institution by any receiver. As a result, whether or not the FDIC ever sought to repudiate any debt obligations of The Bank of New York Mellon or BNY Mellon, N.A., the debt holders would be treated differently from, and could receive, if anything, substantially less than, the depositors of the bank.

The Dodd-Frank Act created a new resolution regime (known as "orderly liquidation authority") for systemically important non-bank financial companies, including BHCs and their affiliates. Under the orderly liquidation authority, the FDIC may be appointed as receiver for the systemically important institution, and its failed non-bank subsidiaries, for purposes of liquidating the entity if, among other conditions, it is determined at the time of the institution' s failure that it is in default or in danger of default and the failure poses a risk to the stability of the U.S. financial system.

If the FDIC is appointed as receiver under the orderly liquidation authority, then the powers of the receiver, and the rights and obligations of creditors and other parties who have dealt with the institution, would be determined under the Dodd-Frank Act provisions, and not under the insolvency law that would otherwise apply. The powers of the receiver under the orderly liquidation authority were based on the powers of the FDIC as receiver for depository institutions under the FDI Act. However, the provisions governing the rights of creditors under the orderly liquidation authority were modified in certain respects to reduce disparities with the treatment of creditors' claims under the U.S. Bankruptcy Code as compared to the treatment of those claims under the new authority. Nonetheless, substantial differences in the rights of creditors exist as between these two regimes, including the right of the FDIC to disregard the strict priority of creditor claims in some circumstances, the use of an administrative claims procedure to determine creditors' claims (as opposed to the judicial procedure utilized in bankruptcy proceedings), and the right of the FDIC to transfer claims to a "bridge" entity.

The orderly liquidation authority provisions of the Dodd-Frank Act became effective upon enactment. However, a number of rulemakings are required under the terms of Dodd-Frank, and a number of provisions of the new authority require clarification. The FDIC has completed its initial phase of rulemaking under the orderly liquidation authority, but additional rules are under consideration. These rules may affect the manner in which the new authority is applied, particularly with respect to broker-dealer and futures commission merchant subsidiaries of BHCs.

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Depositor Preference

Under federal law, depositors and certain claims for administrative expenses and employee compensation against an insured depository institution are afforded a priority over other general unsecured claims against such an institution, including federal funds and letters of credit, in the "liquidation or other resolution" of such an institution by any receiver.

Anti-Money Laundering and the USA Patriot Act

A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. The USA PATRIOT Act of 2001 (the "USA Patriot Act") substantially broadened the scope of U.S. anti-money laundering laws and regulations by imposing significant new compliance and due diligence obligations, identifying new crimes and penalties and expanding the extra-territorial jurisdiction of the U.S. The U.S. Treasury Department has proposed and, in some cases, issued a number of implementing regulations which apply various requirements of the USA Patriot Act to financial institutions such as BNY Mellon's bank, broker-dealer and investment adviser subsidiaries and mutual funds and private investment companies advised or sponsored by our subsidiaries. Those regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. Certain of those regulations impose specific due diligence requirements on financial institutions that maintain correspondent or private banking relationships with non-U.S. financial institutions or persons. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing could have serious legal and reputational consequences for the institution.

Privacy

The privacy provisions of the Gramm-Leach-Bliley Act generally prohibit financial institutions, including BNY Mellon, from disclosing nonpublic personal financial information of consumer customers to third parties for certain purposes (primarily marketing) unless customers have the opportunity to "opt out" of the disclosure. The Fair Credit Reporting Act restricts information sharing among affiliates for marketing purposes.

Acquisitions

Federal and state laws impose notice and approval requirements for mergers and acquisitions involving depository institutions or BHCs. The BHC Act requires the prior approval of the Federal Reserve for the direct or indirect acquisition by a BHC of more than 5% of any class of the voting shares or all or substantially all of the assets of a commercial bank, savings and loan association or BHC. In reviewing bank acquisition and merger applications, the bank regulatory authorities will consider, among other things, the competitive effect of the transaction, financial and managerial issues including the capital position of the combined organization, convenience and needs factors, including the applicant's record under the Community Reinvestment Act of 1977 which requires U.S. banks to help serve the credit needs of their communities (including credit to low and moderate income individuals and geographies) and the effectiveness of the subject organizations in combating money laundering activities. In addition, other acquisitions by BNY Mellon may be subject to informal notice and approval by the Federal Reserve or other regulatory authorities.

Competition

BNY Mellon is subject to intense competition in all aspects and areas of our business. Our Investment Management business competes with asset management firms, hedge funds, investment banking companies and other financial services companies, including trust banks, brokerage firms, and insurance companies. These firms and companies may be domiciled domestically or internationally. Our Investment Services business competes with domestic and foreign banks that offer institutional trust, custody products and cash management products, as well as a wide range of technologically capable service providers, such as data processing and shareholder service firms and other firms that rely on automated data transfer services for institutional and retail customers. Competition is based on a number of factors including, among others, customer service, quality and range of products and services offered, price, reputation, interest rates, lending limits and customer convenience.

Many of our competitors, with the particular exception of bank and financial holding companies, banks and trust companies, are not subject to regulation as extensive as that described under the "Supervision and Regulation" section of this Form 10-K and, as a result, may have a competitive advantage over us and our subsidiaries in certain respects.

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In recent years there has been substantial consolidation among companies in the financial services industry. Many broad-based financial services firms now have the ability to offer a wide range of products, from loans, deposit-taking and insurance to brokerage and asset management, which may enhance their competitive position.

As part of our business strategy, we seek to distinguish ourselves from competitors by the level of service we deliver to our clients. We also believe that technological innovation is an important competitive factor, and, for this reason, have made and continue to make substantial investments in this area. The ability to recover quickly from unexpected events is a competitive factor, and we have devoted significant resources to being able to implement this. For additional discussion regarding competition, see Part I, Item 1A of this Form 10-K, "Risk Factors - Competition - We are subject to intense competition in all aspects of our business, which could negatively affect our ability to maintain or increase our profitability" below, which is incorporated herein by reference.

Employees

At Dec. 31, 2011, BNY Mellon and its subsidiaries had approximately 48,700 employees.

Statistical Disclosures by Bank Holding Companies

The SEC's disclosure rules relating to the MD&A require that the following statistical disclosures specified in the Securities Act of 1933 Industry Guide 3 and the Exchange Act Industry Guide 3 (together, "Guide 3") be made in annual reports on Form 10-K filed by BHCs.

I. Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Interest Differential

Information required by this section of Guide 3 is presented in the Annual Report in the "Net interest revenue" and "Supplemental information - Rate/volume analysis" sections in the MD&A and in Note 10 of the Notes to Consolidated Financial Statements, which portions are incorporated herein by reference.

II. Investment Portfolio

A. Book Value of Investments;

B. Maturity Distribution and Yields of Investments; and,

C. Aggregate Book Value and Market Value of Investments where Issuer Exceed 10% of Stockholders' Equity

Information required by these sections of Guide 3 is presented in the Annual Report in the "Net interest revenue" and "Consolidated balance sheet review - Investment securities" sections in the MD&A - Results of Operations section and in Note 5 of the Notes to Consolidated Financial Statements, which portions are incorporated herein by reference.

III. Loan Portfolio

A. Types of Loans and

B. Maturities and Sensitivities of Loans to Changes in Interest Rates

Information required by these sections of Guide 3 is presented in the Annual Report in the "Consolidated balance sheet review - Loans" section in the MD&A - Results of Operations section and Notes 1 and 6 of the Notes to Consolidated Financial Statements, which portions are incorporated herein by reference.

C. Risk Elements and

D. Other Interest-bearing Assets

Information required by these sections of Guide 3 is included in the Annual Report in the "Consolidated balance sheet review - Loans" and "- Nonperforming assets" and "International operations - Cross-border risk", "- Exposure in Ireland, Italy, Spain and Portugal" sections in the MD&A - Results of Operations section and Notes 1 and 6 of the Notes to Consolidated Financial Statements, which portions are incorporated herein by reference.

IV. Summary of Loan Loss Experience

Information required by this section of Guide 3 is included in the Annual Report in the "Critical accounting estimates - Allowance for loan losses and allowance for lending-related commitments" section in the MD&A - Results of Operations section, which portion is incorporated herein by reference, and below.

When losses on specific loans are identified, the portion deemed uncollectible is charged off. The allocation of the reserve for credit losses is presented in the "Asset quality and allowance for credit losses"

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section in the MD&A – Results of Operations section in the Annual Report, as required by Guide 3, which is incorporated herein by reference.

Further information on our credit policies, the factors that influenced management' s judgment in determining the level of the reserve for credit exposure, and the analyses of the reserve for credit exposure are set forth in the Annual Report in the "Risk management – Credit risk" and "Critical accounting estimates" sections in the MD&A – Results of Operations section, Notes 1 and 6 of the Notes to Consolidated Financial Statements, which portions are incorporated herein by reference.

V. Deposits

Information required by this section of Guide 3 is set forth in the Annual Report in the "Net interest revenue" and "Consolidated balance sheet review – Deposits" sections in the MD&A – Results of Operations section and in Note 9 of the Notes to Consolidated Financial Statements, which portions are incorporated herein by reference.

VI. Return on Equity and Assets

Information required by this section of Guide 3 is set forth in the Annual Report in the "Financial summary" section, which is incorporated herein by reference.

VII. Short-Term Borrowings

Information required by this section of Guide 3 is set forth in the Annual Report in the "Consolidated balance sheet review – Short-term borrowings" section in the MD&A – Results of Operations section, which portion is incorporated herein by reference.

Replacement Capital Covenant

On Sept. 19, 2006, Mellon Financial entered into a Replacement Capital Covenant (the "RCC") in connection with the issuance by Mellon Financial of £200,050,000 aggregate principal amount of Mellon Financial' s 6.369% junior subordinated deferrable interest debt securities, due 2066 (the "Junior Subordinated Debt Securities") to Mellon Capital III (the "Trust") and the issuance by the Trust of £200,000,000 aggregate liquidation amount of the Trust' s 6.369% trust preferred securities (the "Preferred Securities"). Under this section entitled "Replacement Capital Covenant", we refer to the Junior Subordinated Debt Securities and the Preferred Securities collectively as the "Securities". Pursuant to the merger, BNY Mellon assumed Mellon Financial' s obligations under the RCC.

BNY Mellon agreed in the RCC for the benefit of persons that buy, hold or sell a specified series of its long-term indebtedness for money borrowed, called "Covered Debt" in the RCC, that, on or before Sept. 5, 2056:

> BNY Mellon and its subsidiaries will not repay, redeem or repurchase any of the Securities, with limited exceptions, unless:
>
> > BNY Mellon has obtained the prior approval of the Federal Reserve to do so if such approval is then required under the Federal Reserve' s capital guidelines applicable to BHCs; and
> >
> > the principal amount repaid or the applicable redemption or repurchase amount does not exceed specified percentages of the aggregate amount of net cash proceeds that BNY Mellon and its subsidiaries have received during the six months prior to delivery of notice of such repayment or redemption or the date of such repurchase from issuance of other securities specified in the RCC that, generally described, based on current standards are expected to receive equity credit at the time of sale or issuance equal to or greater than the equity credit attributed to the Securities at the time of such repayment, redemption or repurchase; and
>
> BNY Mellon will not pay any interest that has been deferred on the Securities other than out of the net proceeds of common stock or certain non-cumulative perpetual preferred stock that is subject to a replacement capital covenant similar to the RCC, subject to certain limitations, and BNY Mellon will not redeem interest on the Junior Subordinated Debt Securities that it has elected to capitalize, as permitted by the terms of such securities, except with the proceeds raised from the issuance or sale of common stock or rights to purchase common stock.

The series of long-term indebtedness for borrowed money that is Covered Debt under the RCC as of the date of this Form 10-K is BNY Mellon' s 5.50% subordinated notes due Nov. 15, 2018, which have CUSIP No. 585515AE9. Each series of long-term indebtedness for money borrowed that is Covered Debt, including BNY Mellon' s 5.50% subordinated notes due Nov. 15, 2018, will cease to be Covered

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Debt on the earliest to occur of (i) the date that is two years prior to the final maturity date of such series, (ii) if BNY Mellon or a subsidiary elects to redeem or repurchase such series in whole or in part and after giving effect to such redemption or repurchase the outstanding principal amount of such series is less than $100,000,000, the applicable redemption or repurchase date, and (iii) if such series meets the other eligibility requirements set forth in the RCC for Covered Debt but is not subordinated debt, then the date (if any) on which BNY Mellon issues a series of long-term indebtedness for money borrowed that meets the eligibility requirements of the RCC but is subordinated debt. The RCC includes provisions under which a new series of BNY Mellon' s long-term indebtedness for money borrowed will then be identified as and become the Covered Debt benefiting from the RCC.

The full text of the RCC is available as Exhibit 99.1 to Mellon Financial' s current report on Form 8-K filed on Sept. 20, 2006. The description of the RCC set forth above is qualified by reference to its full text.

On June 19, 2007, Mellon Financial entered into a Replacement Capital Covenant (the "2007 RCC") in connection with (i) the issuance by Mellon Capital IV (the "2007 Trust") of 500,000 of its 6.244% Fixed-to-Floating Rate Normal Preferred Capital Securities, or "Normal PCS" (together with Stripped PCS and Capital PCS issued pursuant to the terms of the Normal PCS, the "PCS"), having a stated amount of $1,000 per Normal PCS and $500,000,000 in the aggregate and (ii) the issuance by Mellon Financial to the 2007 Trust of $500,000,000 6.044% Junior Subordinated Notes, or "Junior Notes", and a 1/100th interest in a Stock Purchase Contract under which the 2007 Trust is obligated to purchase, and Mellon Financial is obligated to sell, one share of Mellon Financial' s Non-Cumulative Perpetual Preferred Stock, Series L, $100,000 liquidation preference per share (the "Preferred Stock"). Pursuant to the merger, BNY Mellon assumed Mellon Financial' s obligation under the 2007 RCC.

BNY Mellon agreed in the 2007 RCC for the benefit of persons who buy, hold, or sell a specified series of its long-term indebtedness for money borrowed, called "Covered Debt", that on or before the "Stock Purchase Date", as defined in the 2007 RCC (anticipated to be June 20, 2012), with respect to the Junior Notes, and on or before the "Termination Date", as defined in the 2007 RCC (anticipated to be June 20, 2022), with respect to the PCS or Preferred Stock (collectively, the Junior Notes, PCS and Preferred Stock are referred to as the "2007 Securities"):

> BNY Mellon and its subsidiaries will not redeem or repurchase any of the 2007 Securities with limited exceptions, unless:
>
> > BNY Mellon has obtained the prior approval of the Federal Reserve to do so if such approval is then required under the Federal Reserve' s capital guidelines applicable to BHCs; and
> >
> > the applicable redemption or repurchase amount does not exceed specified percentages of the aggregate amount of net cash proceeds that BNY Mellon and its subsidiaries have received during the 180 days prior to delivery of notice of such redemption or repurchase from issuance of common stock or other securities specified in the 2007 RCC that, generally described, based on current standards, are expected to receive equity credit at the time of issuance equal to or greater than the equity credit attributed to the 2007 Securities at the time of such redemption or repayment.

The series of long-term indebtedness for borrowed money that is Covered Debt under the 2007 RCC as of the date of this Form 10-K is BNY Mellon' s 5.50% subordinated notes due Nov. 15, 2018, which have CUSIP No. 585515AE9. Each series of long-term indebtedness for money borrowed that is Covered Debt, including Mellon Financial' s 5.50% subordinated notes due Nov. 15, 2018, will cease to be Covered Debt on the earliest to occur of (i) the date that is two years prior to the final maturity date or the defeasance of such series; (ii) if BNY Mellon or a subsidiary elects to redeem or repurchase such series in whole or in part and after giving effect to such redemption or repurchase the outstanding principal amount of such series is less than $100,000,000, the applicable redemption or repurchase date; and (iii) if such series meets the other eligibility requirements set forth in the 2007 RCC for Covered Debt but is not subordinated debt, then the date (if any) on which BNY Mellon issues a series of long-term indebtedness for money borrowed that meets the eligibility requirements of the 2007 RCC but is subordinated debt. The 2007 RCC includes provisions under which a new series of BNY Mellon' s long-term indebtedness for money borrowed will then be identified as and become the Covered Debt benefiting from the 2007 RCC.

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The full text of the 2007 RCC is available as Exhibit 99.1 to Mellon Financial' s current report on Form 8-K dated June 20, 2007. The description of the 2007 RCC set forth above is qualified by reference to its full text.

ITEM 1A. RISK FACTORS

Making or continuing an investment in securities issued by us, including our common stock, involves certain risks that you should carefully consider. The following discussion sets forth the most significant risk factors that could affect our business, financial condition or results of operations. However, other factors, besides those discussed below, or other of our reports filed with or furnished to the SEC, also could adversely affect our business, financial condition or results of operations. We cannot assure you that the risk factors described below or elsewhere in our reports address all potential risks that we may face. These risk factors also serve to describe factors which may cause our results to differ materially from those described in forward-looking statements included herein or in other documents or statements that make reference to this Form 10-K. See “Forward-looking Statements.”

Market and Economic Risk−Uncertainties in financial markets and weakness in the economy generally may materially adversely affect our business and results of operations.

Our results of operations are materially affected by conditions in the domestic and global financial markets and the economy generally, both in the United States and elsewhere around the world. A variety of factors raise concern over the course and strength of the economic recovery, including depressed home prices and increasing foreclosures, volatile equity market values, high unemployment, governmental budget deficits (including, in the United States, at the federal, state and municipal level), contagion risk from possible default by other countries on sovereign debt, declining business and consumer confidence and the risk of increased inflation. The resulting economic pressure on consumers and lack of confidence in the financial markets may adversely affect certain portions of our business, financial condition and results of operations. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on us and others in the financial services industry. In particular, we may face the following risks in connection with these events, some of which are discussed at greater length in separate risk factors:

The fees earned by our Investment Management business – that is, Asset Management and Wealth Management – and, accordingly, its profitability are higher as assets under management increase. Those fees are also impacted by the composition of the assets under management, with higher fees for some asset categories as compared to others. Uncertain and volatile capital markets could result in reductions in assets under management because of investors' decisions to withdraw assets or from simple declines in the value of assets under management as markets decline. Uncertain and volatile financial markets may also result in changes in customer allocations of funds among money market, equity, fixed income or other investment alternatives. Those changes in allocation may be from higher fee investments to lower fee investments. For example, at Dec. 31, 2011, using the S&P 500 Index as a proxy for the global equity markets, we estimate that a 100-point change in the value of the S&P 500 Index, sustained for one year, would impact fee revenue by approximately 1% and fully diluted earnings per common share by $0.03 to $0.05.

Uncertain and volatile capital markets, particularly declines, could reduce the value of our investments in equity and debt securities, including pension and other post-retirement plan assets.

Our ability to continue to operate certain commingled investment funds at a net asset value of $1.00 per unit and to allow unrestricted cash redemptions by investors in those commingled funds (or by investors in other funds managed by us which are invested in those commingled investment funds) may be adversely affected by depressed mark-to-market prices of the underlying portfolio securities held by such funds, or by material defaults on such securities or by the level of liquidity that could be achieved from the portfolio securities in such funds; and we may be faced with claims from investors and exposed to financial loss as a result of our operation of such funds.

Low interest rates may result in the voluntarily waiving of fees on certain money market mutual funds and related distribution fees by us and others in order to prevent clients' yields on such funds from becoming uneconomic, which could have an adverse impact on our revenue and results of operations.

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The process we use to estimate our projected credit losses and to ascertain the fair value of securities held by us is subject to uncertainty in that it requires use of statistical models and difficult, subjective and complex judgments, including forecasts of economic conditions and how these conditions might impair the ability of our borrowers and others to meet their obligations. In uncertain and volatile capital markets, our ability to estimate our projected credit losses may be impaired, which could adversely affect our overall profitability and results of operations.

Our ability to access the public capital markets on favorable terms or at all could be adversely affected by further disruptions in the markets.

Disruptions in European economies, or the failure or instability of any of our significant counterparties in Europe, many of whom are major financial institutions, could have an adverse effect on our business and results of operations.

The financial markets remain concerned about the ability of certain European countries, particularly Greece, Ireland and Portugal, but also others such as Spain and Italy, to finance their deficits and service growing debt burdens amidst difficult economic conditions. This loss of confidence has led to rescue measures for Greece, Ireland and Portugal by Eurozone countries and the International Monetary Fund as well as the European Central Bank' s intervention to stabilize Italian and Spanish bonds. The actions required to be taken by those countries as a condition to rescue packages, and by other countries to mitigate similar developments in their economies, have resulted in increased political discord within and among Eurozone countries. We are primarily exposed to disruptions in European markets in two principal areas – on our balance sheet, in certain interest-bearing deposits with banks, loans, trading assets and investment securities, as well as our Investment Management fee revenue relating to client investments in European assets. Additionally, continued disruptions in Europe could lead to increased client deposits and a larger balance sheet, which could adversely impact our leverage ratio.

The interdependencies among European economies and financial institutions have contributed to concerns regarding the stability of European financial markets generally and certain institutions in particular. Financial services institutions are interdependent as a result of trading, clearing, counterparty or other relationships. We routinely execute transactions with European counterparties, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. As a result, defaults or non-performance by, or even rumors or questions about, one or more European financial institutions, or the financial markets generally, have in the past led to market-wide liquidity problems and could lead to losses by us or by other institutions in the future. Given the scope of our European operations, clients and counterparties, persistent disruptions in the European financial markets, the attempt of a country to abandon the Euro, the failure of a significant European financial institution, even if not an immediate counterparty to us, or persistent weakness in the Euro, could have an adverse impact on our business or results of operations.

Continued market volatility may adversely impact our business, financial condition and results of operations and our ability to manage risk.

The capital and credit markets experienced unprecedented volatility and disruption during the 2008 financial crisis. Under these extreme conditions, our hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under less volatile market conditions. Further market volatility could produce downward pressure on our stock price and credit availability without regard to our underlying financial strength. The broad decline in stock prices throughout the financial services industry, which has also affected our common stock, could require further goodwill impairment testing. A substantial goodwill impairment charge would not have a significant impact on our financial condition, but would have an adverse impact on our results of operations. For a discussion of goodwill, see "Critical accounting estimates – Goodwill and other intangibles" in the MD&A – Results of Operations section in the Annual Report. Severe market events have historically been difficult to predict, however, and we could realize significant losses if unprecedented extreme market events were to reoccur. For a discussion of risk, see "Risk management" in the MD&A – Results of Operations section in the Annual Report. If markets experience further upheavals, there can be no assurance that we will not experience an adverse effect, which may be material, on our ability to manage risk and on our business, financial condition and results of operations.

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We may experience further write-downs of financial instruments that we own and other losses related to volatile and illiquid market conditions, reducing our earnings.

We maintain an investment securities portfolio of various holdings, types and maturities. These securities are generally classified as available-for-sale and, consequently, are recorded on our balance sheet at fair value with unrealized gains or losses reported as a component of accumulated other comprehensive income, net of tax. Our portfolio includes U.S. Treasury and agency securities, non-agency U.S. and non-U.S. residential mortgage-backed securities, sovereign debt, commercial mortgage-backed securities, municipal securities, foreign covered bonds, FDIC-insured debt, collateralized loan obligations and credit cards, the values of which are subject to market price volatility to the extent unhedged. This volatility affects the amount of our capital. In addition, if such investments suffer credit losses, as we experienced with some of our investments in 2009, we may recognize in earnings the credit losses as an other-than-temporary impairment which could impact our revenue in the quarter in which we recognize the losses. For example, net securities losses totaled $4.8 billion in the third quarter of 2009, primarily as a result of a charge related to restructuring the investment securities portfolio, which resulted in negative earnings per share that quarter. The losses in 2009 reflected both credit- and non-credit-related losses on our investment securities portfolio. We could experience losses related to our investment securities portfolio in the future, which could ultimately adversely affect our results of operations and capital levels. For information regarding our investment securities portfolio, refer to "Consolidated balance sheet review – Investment securities" and for information regarding the sensitivity of and risks associated with the market value of portfolio investments and interest rates, refer to the "Risk management – Market risk" sections both of which are in the MD&A – Results of Operations section in the Annual Report and Note 5 of the Notes to the Consolidated Financial Statements in the Annual Report.

Reputational, Legal and Regulatory Risk–Our business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to us, other well-known companies and the financial services industry generally.

We are subject to reputational, legal and regulatory risk in the ordinary course of our business.

The 2008 financial crisis and current political and public sentiment regarding financial institutions have resulted in a significant amount of adverse media coverage of financial institutions. Harm to our reputation can result from numerous sources, including adverse publicity arising from events in the financial markets, our perceived failure to comply with legal and regulatory requirements, the purported actions of our employees or alleged financial reporting irregularities involving ourselves or other large and well-known companies. Additionally, a failure to deliver appropriate standards of service and quality or a failure to appropriately describe our products and services can result in customer dissatisfaction, lost revenue, higher operating costs and litigation. Actions by the financial services industry generally or by other members of or individuals in the financial services industry can also negatively impact our reputation. For example, public perception that some consumers may have been treated unfairly by financial institutions has damaged the reputation of the financial services industry as a whole. Should any of these or other events or factors that can undermine our reputation occur, there is no assurance that the additional costs and expenses that we may need to incur to address the issues giving rise to the reputational harm would not adversely affect our earnings and results of operations.

We are also the subject of inquiries, investigations and proceedings by regulatory and other governmental agencies in the United States and abroad, as well as the Department of Justice and state attorneys general. Responding to such investigations and lawsuits, regardless of the ultimate outcome of the proceeding, is time-consuming and expensive and can divert the time and effort of our senior management from our business. Actions brought against us may result in lawsuits, enforcement actions, injunctions, settlements, damages, fines or penalties, which could have a material adverse effect on our financial condition or results of operations. Additionally, the outcome of such proceedings may be difficult to predict or estimate until late in the proceedings, which may last several years. Any or all of these risks could result in increased regulatory supervision and affect our ability to attract and retain customers or maintain access to the capital markets. Adverse publicity, governmental scrutiny and legal proceedings can also adversely impact the morale and performance of our employees. See "Legal proceedings" in Note 24 of the Notes to the Consolidated Financial Statements in the Annual Report.

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We are subject to extensive government regulation and supervision, including regulation and supervision in non-U.S. jurisdictions, which may limit our ability to pay dividends or make other capital distributions and violations of which could have a material adverse effect on our business, financial condition and results of operations.

We operate in a highly regulated environment, and are subject to a comprehensive statutory and regulatory regime as well as oversight by governmental agencies. In light of the current conditions in the global financial markets and economy, the Obama Administration, Congress and regulators have increased their focus on the regulation of the financial services industry. New or modified regulations and related regulatory guidance, including under Basel III and the Dodd-Frank Act, may have unforeseen or unintended adverse effects on the financial services industry. We are required to submit to the Federal Reserve an annual capital plan outlining our planned capital actions for the following year. Our ability to take capital actions, including our ability to make acquisitions, declare dividends or repurchase our common stock is subject to Federal Reserve approval, which is dependent on our successful demonstration that such actions would not adversely affect our regulatory capital position in the event of a stressed market environment. For example, any increase in quarterly dividends not contemplated in the annual capital plan will also require Federal Reserve approval. The Federal Reserve' s current guidance provides that, for large BHCs like us, dividend payout ratios exceeding 30% of after-tax net income will receive particularly close scrutiny. In addition, the implementation of certain regulations with regard to regulatory capital could disproportionately affect our regulatory capital position relative to that of our competitors, including those who may not be subject to the same regulatory requirements, which could put further pressure on the price of our common stock.

Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and reputational damage, which could have a material adverse effect on our business, financial condition and results of operations. Although we have policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur. If violations do occur, they could damage our reputation and increase our legal and compliance costs, and ultimately adversely impact our results of operations. Laws, regulations or policies, including accounting standards and interpretations, currently affecting us and our subsidiaries may change at any time. Regulatory authorities may also change their interpretation of these statutes and regulations. Therefore, our business may also be adversely affected by future changes in laws, regulations, policies or interpretations or regulatory approaches to compliance and enforcement. See "Supervision and Regulation" in this Form 10-K.

Some of the governmental authorities which may assert jurisdictional regulatory authority over us are located in and operate under jurisdictions outside the United States. Such jurisdictions may utilize legal principles and systems that differ from those encountered in the United States. For example, on various dates from 2004 to 2011, BNY Mellon subsidiary Pershing LLC was named as a defendant in more than 100 lawsuits filed in Germany by plaintiffs who are investors with accounts at German broker-dealers. See "Legal proceedings" in Note 24 of the Notes to the Consolidated Financial Statements in the Annual Report. Among other things, litigation in foreign jurisdictions may be decided more quickly than in the United States, trials may not involve testimony of witnesses who are in the courtroom and subject to cross-examination, and trials may be based solely on submission of written materials. These factors can make issues of regulatory compliance and legal proceedings more difficult to assess and therefore we may not be able to estimate potential exposure for a matter.

Recent legislative and regulatory actions may have an adverse effect on our operations.

In July 2010, President Obama signed into law the Dodd-Frank Act. This law broadly affects the financial services industry, particularly those entities considered to be "systemically important", such as BHCs with assets of over $50 billion, including BNY Mellon, by establishing a framework for systemic risk oversight, creating a liquidation authority, mandating higher capital and liquidity requirements, requiring banks to pay increased fees to regulatory agencies and numerous other provisions aimed at strengthening the sound operation of the financial services sector. Further, in July 2011, the Basel Committee issued a consultative document setting forth proposals to apply a new Tier 1 common equity surcharge to certain G-SIBs, and in November, the Financial Stability Board indicated that BNY Mellon is one of the 29 G-SIBs subject to this surcharge. Additionally, in its Proposed SIFI Rules, the Federal Reserve indicated that it intends to propose, in a separate rulemaking, a Tier 1 common equity surcharge for G-SIBs based on the Basel Committee' s proposal.

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Among numerous other provisions of recent legislative and regulatory changes that could have an effect on BNY Mellon are:

- the Basel Committee' s heightened capital and liquidity requirements;
- the potential requirement to register as a "municipal advisor". Depending upon the SEC' s final interpretation of the statutory requirement, BNY Mellon and a large number of employees located throughout the country may be required to register as a municipal adviser, which would impose increased costs and burdens on, and changes to, our business and may necessitate a re-evaluation of the affected services;
- the required registration of swap dealers and associated compliance duties, reporting and record-keeping with respect to swaps and clearing and execution obligations, among other duties; and
- various features of the "Volcker Rule" element of the Dodd-Frank Act, including:
  - o establishment of a costly heightened compliance regime;
  - o the need to liquidate investments in certain funds at an accelerated pace at unfavorable pricing; and
  - o preclusion from launching new funds to meet customer demand, and the competitive disadvantage vis-à-vis other managers not subject to the Volcker Rule.

U.S. regulatory agencies – banking, securities and commodities – are steadily publishing notices of proposed regulations required by the Dodd-Frank Act, and new bodies created by Dodd-Frank (including the FSOC and the CFPB) are commencing operations. The related findings of various regulatory and commission studies, the interpretations issued as part of the rulemaking process and the final regulations that are issued with respect to various elements of the new law may cause changes that impact the profitability of our business activities and require that we change certain of our business practices and plans, including those relating to cross-selling our products and services. These changes could also expose us to additional regulatory costs and require us to invest significant management attention and resources to make any necessary changes, all of which could impact our profitability. See "Supervision and Regulation" in this Form 10-K for additional information regarding the potential impact of the Dodd-Frank Act on our business.

Interest Rate Environment–Low or volatile interest rates could have a material adverse effect on our profitability.

Our net interest revenue and cash flows are sensitive to interest rate changes and changes in valuations in the debt or equity markets over which we have no control. Our net interest revenue is the difference between the interest income earned on our interest-earning assets, such as the loans we make and the securities we hold in our investment portfolio, and the interest expense incurred on our interest-bearing liabilities, such as deposits and borrowed money. We also earn net interest revenue on interest-free funds we hold.

The global market crisis has triggered a series of cuts in interest rates. During fiscal 2010 and 2011, the Federal Open Market Committee kept the target federal funds rate between 0% and 0.25%. The low interest rate environment has compressed our net interest spread and reduced our spread-based revenues. It has also resulted in the voluntary waiving of fees on certain money market mutual funds and related distribution fees by us and others in order to prevent the yields on such funds from becoming uneconomic, which has an adverse impact on our revenue and results of operations.

Changes in interest rates could affect the interest earned on assets differently than interest paid on liabilities. A rising interest rate environment may result in our earning a larger net interest spread. Conversely, a falling interest rate environment may result in our earning a smaller net interest spread. If we are unable to effectively manage our interest rate risk, it could have a material adverse effect on our profitability. Further rapid increases in interest rates could also trigger one or more of the following additional effects, which could impact our business, results of operations and financial condition:

- changes in net interest revenue depending on our balance sheet position at the time of change. See discussion under "Asset/liability management" in the MD&A – Results of Operations section in the Annual Report;
- an increased number of delinquencies, bankruptcies or defaults and more nonperforming assets and net charge-offs as a result of abrupt increases in interest rates;

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- a decline in the value of our fixed-income investment portfolio as a result of increasing interest rates; and
- increased borrowing costs.

A more detailed discussion of the interest rate and market risks we face is contained in the "Risk management" section in the MD&A - Results of Operations in the Annual Report.

Deposit Insurance−Deposit insurance premiums may continue to increase, which could increase our costs.

During 2009 and 2010, due to a higher level of bank failures, the FDIC increased recurring deposit insurance premiums, imposed a special assessment on insured financial institutions, and required insured financial institutions to prepay three years of deposit premiums, which increased our costs. Due to the continuing volume of bank failures, it is possible that a continued high level of funding will be required from insured financial institutions, such as The Bank of New York Mellon and BNY Mellon, N.A. Additionally, the failure by BNY Mellon' s bank subsidiaries to maintain its "well capitalized" status could also lead to higher FDIC assessments.

Competition−We are subject to intense competition in all aspects of our business, which could negatively affect our ability to maintain or increase our profitability.

Many businesses in which we operate are intensely competitive around the world. Competitors include other banks, trading firms, broker dealers, investment banks, asset managers, insurance companies and a variety of other financial services and advisory companies whose products and services span the local, national and global markets in which we conduct operations. In addition, technological advances and the growth of internet-based commerce have made it possible for other types of institutions, such as outsourcing companies and data processing companies, to offer a variety of products and services competitive with certain areas of our business. Increased competition in any one or all of these areas may require us to make additional capital investments in our businesses in order to remain competitive.

Furthermore, pricing pressures, as a result of the ability of competitors to offer comparable or improved products or services at a lower price and customer pricing reviews, may result in a reduction in the price we can charge for our products and services, which would likely negatively affect our ability to maintain or increase our profitability.

Recently enacted and proposed legislation and regulation may impact our ability to conduct certain of our businesses in a cost-effective manner or at all, including legislation relating to restrictions on the types of activities in which financial institutions are permitted to engage, such as seed capital investing. This legislation and other regulations may not apply to all of our competitors, which could adversely impact our ability to compete effectively. A decline in our competitive position could adversely affect our ability to maintain or increase our profitability and could impact our ability to attract and retain talent.

Dependence on fee-based business−We are dependent on fee-based business for a substantial majority of our revenue and our fee-based revenues could be adversely affected by a slowing in capital market activity, weak financial markets or negative trends in savings rates or in individual investment preferences.

Our principal operational focus is on fee-based business, which is distinct from commercial banking institutions that earn most of their revenues from loans and other traditional interest-generating products and services. We have redeployed our assets away from traditional retail banking to concentrate our resources further on fee-based businesses, such as investment management, custody, corporate trust, depositary receipts, clearing, collateral management and treasury services.

Fees for many of our products and services are based on the volume of transactions processed, the market value of assets managed and administered, securities lending volume and spreads, and fees for other services rendered. Corporate actions, cross-border investing, global mergers and acquisitions activity, new debt and equity issuances, and secondary trading volumes all affect the level of our revenues. If the volumes of these activities decrease, our revenues will also decrease, which would negatively impact our results of operations.

Asset-based fees are typically determined on a sliding scale so that, as the value of a client portfolio grows, we receive a smaller percentage of the increasing value as fee income. This is particularly important to our asset management, global funds services and global custody businesses. Weak financial markets could result in reduced market

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values in some of the assets that we manage and administer and result in a corresponding decrease in the amount of fees we receive and therefore would have an adverse effect on our results of operations. Similarly, significant declines in the volume of capital markets activity would reduce the number of transactions we process and the amount of securities lending we do and therefore would also have an adverse effect on our results of operations.

Our business generally benefits when individuals invest their savings in mutual funds and other collective funds, in defined benefit plans, unit investment trusts or exchange traded funds. If there is a decline in the savings rates of individuals, or if there is a change in investment preferences that leads to less investment in mutual funds, other collective funds, defined benefit plans or defined contribution plans, our revenues could be adversely affected.

Our fee-based revenues could be adversely affected by a stable exchange-rate environment or decreased cross-border investing activity.

The degree of volatility in foreign exchange rates can affect the amount of our foreign exchange trading revenue. Most of our foreign exchange revenue is derived from our securities servicing client base. Activity levels and spreads are generally higher when there is more volatility. Accordingly, we benefit from currency volatility and our foreign exchange revenue is likely to decrease during times of decreased currency volatility.

Our future revenue may increase or decrease depending upon the extent of increases or decreases in cross-border or other investments made by our clients. Economic and political uncertainties resulting from terrorist attacks, military actions or other events, including changes in laws or regulations governing cross-border transactions, such as currency controls, could result in decreased cross-border investment activity.

Our ability to retain existing business and obtain new business is dependent on our consistent execution of the fee-based services we perform.

We provide custody, accounting, daily pricing and administration, master trust and master custody, investment management, trustee and recordkeeping, foreign exchange, securities lending, securities execution and clearance, correspondent clearing, cash management, trading and information services to clients worldwide. Assets under custody and assets under management are held by us in a custodial or fiduciary capacity and are not included in our assets. If we fail to perform these services in a manner consistent with our fiduciary, custodial and other obligations, existing and potential clients may lose confidence in our ability to properly perform these services and our business may be adversely affected. In addition, any such failure may result in contingent liabilities that could have an adverse effect on our financial condition or losses that could have an adverse effect on our results of operations.

From time to time our internal strategies and forecasts may assume a growing client base and increasing client usage of our services. A decline in the pace at which we attract new clients and a decline in the pace at which existing and new clients use additional services and assign additional assets to us for management or custody would adversely affect our future results of operations. A decline in the rate at which our clients outsource functions would also adversely affect our results of operations.

Integration of Acquisitions–Our failure to successfully integrate strategic acquisitions could have a material adverse effect on our business, results of operations and financial condition.

From time to time, to achieve our strategic objectives, we have acquired or invested in other companies or businesses, and may do so in the future. For example, on July 1, 2010, we acquired Global Investment Servicing (“GIS”), which provides a comprehensive suite of products that includes subaccounting, fund accounting/administration, custody, managed account services and alternative investment services. We are in the process of integrating GIS and other businesses that we have acquired, but each of these acquisitions poses integration challenges, including successfully retaining and assimilating clients and key employees, capitalizing on certain revenue synergies, integrating the acquired company’ s accounting management information, internal controls and other administrative systems and technology. We may be required to spend a significant amount of time and resources to integrate these acquisitions and the anticipated benefits may take longer to achieve than projected. Moreover, to the extent we enter into an agreement to buy or sell an entity, there can be no guarantee that the transaction will close when anticipated, or at all. In particular, in certain instances we must seek regulatory approvals before we can acquire another organization, which can delay or disrupt such acquisitions. If we fail to successfully integrate strategic acquisitions on a timely basis or in a cost-

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effective manner, we may not meet our expectations regarding the profitability of such acquisitions, which could have an adverse impact on our business, financial condition and results of operations.

Counterparty Risk−The failure or instability of any of our significant counterparties, many of whom are major financial institutions, and our assumption of credit and counterparty risk, could expose us to loss and adversely affect our business.

Our ability to engage in routine funding transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to many different industries and counterparties, particularly with other financial institutions, and we routinely execute transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. As a result, defaults or non-performance by, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have in the past led to market-wide liquidity problems and could lead to losses or defaults by us or by other institutions in the future. For example, as a result of our membership in several industry clearing or settlement exchanges, we may be required to guarantee obligations and liabilities or provide financial support in the event that other members do not honor their obligations or default. These obligations may be limited to members who dealt with the defaulting member or to the amount (or a multiple of the amount) of our contribution to a member’ s guarantee fund, or, in a few cases, the obligation may be unlimited. The consolidation of financial service firms and the failures of other financial institutions have increased the concentration of our counterparty risk. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due us. In addition, disputes with counterparties as to the valuation of collateral significantly increase in times of market stress and illiquidity.

The degree of client demand for short-term credit also tends to increase during periods of market turbulence, exposing us to further counterparty-related risks. For example, investors in collective investment vehicles for which we act as custodian may engage in significant redemption activity due to adverse market or economic news that was not anticipated by the fund’ s manager. Our relationship with our clients, the nature of the settlement process and our systems may result in our extension of short-term credit in such circumstances. For some types of clients, we provide credit to allow them to leverage their portfolios, which may expose us to potential loss if the client experiences credit difficulties. In addition to our exposure to financial institutions, we are from time to time exposed to concentrated credit risk at the industry or country level, potentially exposing us to a single market or political event or a correlated set of events. As a consequence, we may incur a loss in relation to one entity or product even though our exposure to one of its affiliates or across product types is over-collateralized. Moreover, not all of our counterparty exposure is secured and, when our exposure is secured, the realizable market value of the collateral may have declined by the time we exercise rights against that collateral. This risk may be particularly acute if we are required to sell the collateral into an illiquid or temporarily impaired market.

We act as agent for securities lending arrangements between customers and financial counterparties, including broker-dealers, wherein securities are sourced from our customers versus cash or securities posted by such financial counterparties. We invest the proceeds from such securities lending transactions pursuant to certain instructions or guidelines from customers. In certain cases, we agree to indemnify our customers against defaults on the securities lending agreements and may have to buy-in the securities with the cash collateral or the proceeds from the liquidation of the collateral. In those instances, we, rather than our customers, are exposed to the risks of the defaulting counterparty on the securities lending transaction.

Although our overall business is subject to these interdependencies, several of our business units are particularly sensitive to them, including our currency and other trading activities, our securities lending business and our investment management business. There is no assurance that any such losses would not materially and adversely affect our results of operations.

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Credit Ratings−Any material reduction in our credit ratings or the credit ratings of our subsidiaries, The Bank of New York Mellon or BNY Mellon, N.A., could increase the cost of funding and borrowing to us and our rated subsidiaries and have a material adverse effect on our results of operations and financial condition.

Our debt and trust preferred securities and the debt and deposits of our subsidiaries, The Bank of New York Mellon and BNY Mellon, N.A., are currently rated investment grade by the major rating agencies. These rating agencies regularly evaluate us and our rated subsidiaries and their outlook on us and our rated subsidiaries. Their credit ratings are based on a number of factors, including our financial strength, as well as factors not entirely within our control, including conditions affecting the financial services industry generally. In addition, rating agencies employ different models and formulas to assess the financial strength of a rated company, and from time to time rating agencies have, in their discretion, altered these models. Changes to rating agency models, general economic conditions, or other circumstances outside of our control could impact a rating agency' s judgment of the rating or outlook it assigns us or our rated subsidiaries. In view of the difficulties experienced in recent years by many financial institutions, we believe that the rating agencies may heighten their level of scrutiny, may increase the frequency and scope of their credit reviews, may request additional information, and may adjust upward the capital and other requirements employed in their models for maintenance of rating levels. For example, in November 2011, S&P revised its ratings methodology for banks, which resulted in a downgrade of the debt ratings of BNY Mellon and our rated subsidiaries. Similarly in December 2011, Moody' s placed the long-term ratings of BNY Mellon and its rated subsidiaries on review for possible downgrade and indicated that it would review BNY Mellon' s risk profile, capital plans and earnings prospects in light of an operating environment characterized by lower interest rates, greater capital markets volatility and heightened litigation risks.

Moreover, Moody' s has indicated that regulatory changes in the Dodd-Frank Act could result in lower debt and deposit ratings for U.S. banks and other financial institutions, including us, whose ratings currently benefit from assumed government support. Currently, our ratings benefit from one notch of "lift" and The Bank of New York Mellon and BNY Mellon, N.A. benefit from two notches of "lift" as a result of the rating agency' s government support assumptions. Moody' s continues to evaluate whether to reduce its support assumptions to below pre-financial crisis levels for banks that currently benefit from ratings uplift. In this context, in June 2011, the rating outlook on the deposit, senior debt, and senior subordinated debt ratings of BNY Mellon and its rated subsidiaries changed to negative from stable. Similarly, in November 2011, S&P' s outlook on the debt ratings of BNY Mellon and its rated subsidiaries changed to negative from stable, reflecting S&P' s outlook on the U.S. government rating and its assumption that our ratings enjoy one notch of "uplift" from assumed government support. There can be no assurance that we or our rated subsidiaries will maintain our respective credit ratings or outlook on our securities.

A material reduction in our credit ratings or the credit ratings of our rated subsidiaries could have a material adverse effect on our access to credit markets, the related cost of funding, our credit spreads, our liquidity and on certain trading revenues, particularly in those businesses where counterparty creditworthiness is critical.

A material reduction in our credit ratings or the credit ratings of The Bank of New York Mellon or BNY Mellon, N.A. could affect the cost of, and other terms upon which we are able to obtain, funding and borrowing. Our credit spreads, which is the amount in excess of the interest rate of U.S. Treasury securities (or other benchmark securities) of the same maturity that we need to pay our debt investors, may be impacted by our credit ratings and market perceptions of our creditworthiness. In addition, in connection with certain over-the-counter derivatives contracts and other trading agreements, counterparties may require us to provide additional collateral or to terminate these contracts and agreements and collateral financing arrangements in the event of a material credit ratings downgrade below certain ratings levels. Termination of these contracts and agreements could impair our liquidity by requiring us to find other sources of financing or to make significant cash payments or securities movements. An increase in the costs of our funding and borrowing, or an impairment of our liquidity, could have a material adverse effect on our results of operations and financial condition. We cannot predict what actions rating agencies may take, or what actions we may be required to take in response to the actions of rating agencies, which may adversely affect us.

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Supervisory Standards–Failure to satisfy regulatory standards, including "well-capitalized" and "well-managed" status or capital adequacy guidelines more generally, could result in limitations on our activities and adversely affect our financial condition.

Under regulatory capital adequacy guidelines and other regulatory requirements, BNY Mellon and our subsidiary banks and broker-dealers must meet guidelines that include quantitative measures of assets, liabilities and certain off-balance sheet items, subject to qualitative judgments by regulators about components, risk weightings and other factors. As discussed under "Supervision and Regulation" in this Form 10-K, BNY Mellon is regulated as a BHC and an FHC. Our ability to maintain our status as an FHC is dependent upon a number of factors, including our U.S. depository institution subsidiaries qualifying on an ongoing basis as "well capitalized" and "well managed" under the banking agencies' prompt corrective action regulations and upon BNY Mellon qualifying on an ongoing basis as "well capitalized" and "well managed" under applicable Federal Reserve regulations. Failure by BNY Mellon or one of our U.S. bank subsidiaries to qualify as "well capitalized" and "well managed", if unremedied over a period of time, would cause us to lose our status as an FHC and could affect the confidence of clients in us, thus also compromising our competitive position. Additionally, an FHC that does not continue to meet all the requirements for FHC status could lose the ability to undertake new activities or make acquisitions that are not generally permissible for BHCs without FHC status or to continue such activities. During periods of market uncertainty, custody customers may choose to hold cash balances instead of securities, with those cash balances customarily invested in deposits of our bank subsidiaries. Such inflows of cash deposits could adversely impact our leverage ratio. As a BHC, we are subject to consolidated regulatory capital requirements administered by the Federal Reserve. Our bank subsidiaries are subject to similar capital requirements, administered by the Federal Reserve in the case of The Bank of New York Mellon and by the OCC in the case of our national bank subsidiaries, BNY Mellon, N.A. and The Bank of New York Mellon Trust Company, National Association. Failure by BNY Mellon or one of our U.S. bank subsidiaries to maintain its status as "adequately capitalized" would lead to regulatory sanctions and limitations and could lead the federal banking agencies to take "prompt corrective action". Furthermore, failure by one of our bank subsidiaries to maintain its status as "well capitalized" could lead to higher FDIC assessments. If our company, our subsidiary banks, or broker-dealers failed to meet these minimum capital guidelines and other regulatory requirements, we may not be able to deploy capital in the operation of our business or distribute capital to stockholders, which may adversely affect our business. The capital requirements applicable to us as well as to our subsidiary banks are in the process of being substantially revised, in connection with Basel III and the requirements of the Dodd-Frank Act and BNY Mellon and our subsidiary banks will be required to satisfy additional, more stringent, capital adequacy standards. We cannot fully predict the final form of, or the effects of, these regulations. See "Supervision and Regulation" in this Form 10-K and the "Liquidity and dividends" and "Capital – Capital adequacy" sections in the MD&A – Results of Operations section and the "Recent Accounting and Regulatory Developments" section in the MD&A section in the Annual Report.

Access to Capital Markets–If our ability to access the capital markets is diminished, our liquidity, financial condition and results of operations may be adversely affected.

Our business is dependent in part on our ability to access successfully the capital markets on a regular basis. We rely on access to both short-term money markets and long-term capital markets as significant sources of liquidity to the extent liquidity requirements are not satisfied by the cash flow from our consolidated operations. Events or circumstances, such as market disruptions or loss of confidence of debt purchasers or counterparties in us or in the funds markets, could limit our access to capital markets, increase our cost of borrowing, adversely affect our liquidity, or impair our ability to execute our business plan. In addition, our ability to raise funding could be impaired if lenders develop a negative perception of our long-term or short-term financial prospects. Such negative perceptions could be developed if we incur large trading losses, we are downgraded or put on (or remain on) negative watch by the rating agencies, we suffer a decline in the level of our business activity, regulatory authorities take significant action against us, or we discover significant employee misconduct or illegal activity, among other reasons. If we are unable to raise funding using the methods described above, we would likely need to finance or liquidate unencumbered assets, such as our investment and trading portfolios, to meet maturing liabilities. We may be unable to sell some of our assets, or we may have to sell assets at a discount from market value, either of which could adversely affect our results of operations.

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Monetary and Other Governmental Policies–Change or uncertainty in monetary and other governmental policies may impact our profitability and ability to compete.

The monetary, tax and other policies of the government and its agencies, including the Federal Reserve, have a significant impact on interest rates and overall financial market performance. For example, the Federal Reserve regulates the supply of money and credit in the United States and its policies determine in large part our cost of funds for lending, investing and capital raising activities and the return we earn on those loans and investments, both of which affect our net interest margin. The actions of the Federal Reserve also can materially affect the value of financial instruments we hold, and its policies also can affect our borrowers, potentially increasing the risk that they may fail to repay their loans. Due to current market conditions, we anticipate that tax and other government policies will become more rigorous. Heightened regulatory scrutiny and increased sanctions, changes or potential changes in domestic and international legislation and regulation as well as domestic or international regulatory investigations impose compliance, legal, review and response costs that may impact our profitability and may allow additional competition, facilitate consolidation of competitors, or attract new competitors into our businesses. The cost of geographically diversifying and maintaining our facilities to comply with regulatory mandates necessarily results in additional costs. Our business and earnings are also affected by the fiscal or other policies that are adopted by various U.S. regulatory authorities, non-U.S. governments and international agencies. Changes in domestic and international fiscal and monetary policies are beyond our control and difficult to predict and we cannot determine the ultimate effect that any such changes would have upon our financial condition or operations. See "Supervision and Regulation" in this Form 10-K.

Operational Risk–Our business may be adversely affected by operational risk.

We are exposed to operational risk as a result of conducting various fee-based services including certain securities servicing, global payment services, private banking and asset management services. Examples of operational risk include: the risk of loss resulting from errors related to transaction processing, breaches of the internal control system and compliance requirements, fraud by employees or persons outside BNY Mellon, business interruption due to system failures, natural disasters or other unforeseeable events, or other risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also include breaches of our technology and information systems resulting from unauthorized access to confidential information or from internal or external threats, such as cyber attacks. Operational risk also includes potential legal or regulatory actions that could arise as a result of noncompliance with applicable laws, regulatory requirements or contracts which could have an adverse effect on our reputation. We regularly assess and monitor operational risk in our business and provide for disaster and business recovery planning, including geographical diversification of our facilities; however, the occurrence of various events, including unforeseeable and unpreventable events such as systems failures or natural disasters, could damage our physical facilities or our computer systems or software, cause delay or disruptions to operational functions, impair our clients, vendors and counterparties and ultimately negatively impact our results of operations due to potentially higher expenses and lower revenues. For a discussion of operational risk see "Risk management - Operational risk" in the MD&A - Results of Operations section in the Annual Report.

A failure or circumvention of our controls and procedures could have a material adverse effect on our business, results of operations and financial condition.

Management regularly reviews and updates our internal controls, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, results of operations and financial condition. If we identify material weaknesses in our internal control over financial reporting or are otherwise required to restate our financial statements, we could be required to implement expensive and time-consuming remedial measures and could lose investor confidence in the accuracy and completeness of our financial reports.

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If our information systems experience a disruption or breach in security that results in a loss of confidential client information or impacts our ability to provide services to our clients, our business and results of operations may be adversely affected.

We rely heavily on communications and information systems to conduct our business. The security of our computer systems, software and networks, and those functions that we may outsource, may be vulnerable to breaches, hacker attacks, unauthorized access and misuse, computer viruses and other cybersecurity risks and events that could result in failures or disruptions in our business, customer relationship management, general ledger, deposit and loan systems. Our businesses that rely heavily on technology, such as our Investment Services business, are particularly vulnerable to security breaches and technology disruptions. Breaches of security may occur through intentional or unintentional acts by those having authorized or unauthorized access to our or our clients' or counterparties' confidential information, including employees and customers, as well as hackers. A breach of security that results in the loss of confidential client information may require us to reimburse clients for data and credit monitoring efforts and would be costly and time-consuming, and may negatively impact our results of operations and reputation. Additionally, security breaches or disruptions of our information system could impact our ability to provide services to our clients, which could expose us to liability for damages, result in the loss of customer business, damage our reputation, subject us to regulatory scrutiny or expose us to civil litigation, any of which could have a material adverse effect on our financial condition and results of operations. In addition, the failure to upgrade or maintain our computer systems, software and networks, as necessary, could also make us susceptible to breaches and unauthorized access and misuse. There can be no assurance that any such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately addressed. We may be required to expend significant additional resources to modify, investigate or remediate vulnerabilities or other exposures arising from information systems security risks. For a discussion of operational risk, see "Risk management - Operational risk" in the MD&A - Results of Operations section in the Annual Report.

Technology−We depend on our technology and intellectual property; if third parties misappropriate our intellectual property, our business may be adversely affected.

We are dependent on technology because many of our products and services involve processing large volumes of data. Our technology platforms must therefore provide global capabilities and scale. Rapid technological changes require significant and ongoing investments in technology to develop competitive new products and services or adopt new technologies. Technological advances which result in lower transaction costs may adversely impact our revenues. In addition, unsuccessful implementation of technological upgrades and new products may adversely impact our ability to service and retain customers.

Developments in the securities processing industry, including shortened settlement cycles and straight-through-processing, will necessitate ongoing changes to our business and operations and will likely require additional investment in technology. Our financial performance depends in part on our ability to develop and market new and innovative services, to adopt or develop new technologies that differentiate our products or provide cost efficiencies and to deliver these products and services to the market in a timely manner at a competitive price.

Rapid technological change in the financial services industry, together with competitive pressures, require us to make significant and ongoing investments. We cannot provide any assurance that our technology spending will achieve gains in competitiveness or profitability, and the costs we incur in product development could be substantial. Accordingly, we could incur substantial development costs without achieving corresponding gains in profitability.

Furthermore, if a third party were to assert a claim of infringement or misappropriation of its proprietary rights, obtained through patents or otherwise, against us with respect to one or more of our methods of doing business or conducting our operations, we could be required to spend significant amounts to defend such claims, develop alternative methods of operations, pay substantial money damages or obtain a license from the third party.

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Global Operations−We are subject to political, economic, legal, operational and other risks that are inherent in operating globally and which may materially adversely affect our business.

In conducting our business and maintaining and supporting our global operations, we are subject to risks of loss from the outbreak of hostilities and various unfavorable political, economic, legal or other developments, including social or political instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets, price controls, capital controls, exchange controls, and changes in laws and regulations. Our international businesses are regulated in the jurisdictions in which they are located or operate. These regulations may apply heightened scrutiny to non-domestic companies, which can reduce our flexibility as to intercompany transactions, investments and other aspects of business operations and adversely affect our liquidity, profitability and regulatory capital. The failure of our systems of internal control to properly mitigate such risks, or of its operating infrastructure to support such international activities, could result in operational failures and regulatory fines or sanctions, which could cause our earnings or stock price to decline. Further, our businesses and operations from time to time enter into new regions throughout the world, including emerging markets. Various emerging market countries have experienced severe economic and financial disruptions, including significant devaluations of their currencies, defaults or threatened defaults on sovereign debt, capital and currency exchange controls, and low or negative growth rates in their economies. Crime, corruption, war or military actions, and a lack of an established legal and regulatory framework are additional challenges in certain emerging markets. Revenue from international operations and trading in non-U.S. securities and other obligations may be subject to negative fluctuations as a result of the above considerations. The possible effects of any of these conditions may adversely affect our business and increase volatility in global financial markets generally.

Acts of Terrorism and Global Conflicts−Acts of terrorism and global conflicts may have a negative impact on our business and operations.

Acts of terrorism and global conflicts could have a significant impact on our business and operations. While we have in place business continuity and disaster recovery plans, acts of terrorism and global conflicts could still damage our facilities, disrupt or delay the normal operations of our business (including communications and technology), result in harm or cause travel limitations on our employees, and have a similar impact on our clients, suppliers and counterparties. Acts of terrorism and global conflicts could also negatively impact the purchase of our products and services to the extent that those acts or conflicts result in reduced capital markets activity, lower asset price levels, or disruptions in general economic activity in the United States or abroad, or in financial market settlement functions. War, terror attacks, political unrest, global conflicts, the national and global efforts to combat terrorism and other potential military activities and outbreaks of hostilities have affected and may further negatively impact economic growth, which could have an adverse effect on our business and operations, and may have other adverse effects on us in ways that we are unable to predict.

New Business−New lines of business or new products and services may subject us to additional risks.

From time to time, we may implement new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. As we develop new lines of business or new products or services, our revenues and costs may fluctuate because generally new businesses require start-up expenses but take time for revenues to develop. As a result of the uncertainties associated with the entry into new businesses, our business may be adversely impacted.

Attraction and Retention of Employees−Our business may be adversely affected if we are unable to attract and retain employees.

Our success depends, in large part, on our ability to attract new employees, retain and motivate our existing employees, and continue to compensate our employees competitively amid intense public and regulatory scrutiny of the compensation practices of large financial institutions. Competition for the best employees in most activities in which we engage can be intense, and there can be no assurance that we

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will be successful in our efforts to recruit and retain key personnel. Factors that affect our ability to attract and retain key employees include our compensation and benefits programs and our reputation for rewarding and promoting qualified employees. Our ability to attract and retain key executives and other employees may be hindered as a result of regulations applicable to incentive compensation and other aspects of our compensation programs promulgated by the Federal Reserve and other regulators in the United States and worldwide, regulations on incentive compensation to be promulgated by various U.S. regulators pursuant to the Dodd-Frank Act and other existing and potential regulations. These regulations, which include and are expected to include mandatory deferral and clawback requirements, do not and will not apply to some of our competitors and to other institutions with which we compete for talent. Our ability to recruit and retain key talent may be adversely affected by these regulations.

Tax Laws and Regulations−Tax law changes or challenges to our tax positions with respect to historical transactions may adversely affect our net income, effective tax rate and our overall results of operations and financial condition.

In the course of our business, we receive inquiries from both U.S. and non-U.S. tax authorities on the amount of taxes we owe, such as those matters discussed in Notes 13 and 24 of the Notes to Consolidated Financial Statements in the Annual Report. If we are not successful in defending these inquiries, we may be required to adjust the timing or amount of taxable income or deductions or the allocation of income among tax jurisdictions, all of which can require a greater provision for taxes or otherwise negatively affect earnings. Probabilities and outcomes are reviewed as events unfold, and adjustments to the reserves are made when necessary, but the reserves may prove inadequate because we cannot necessarily accurately predict the outcome of any challenge, settlement or litigation or to what extent it will negatively affect us or our business. In addition, changes in tax legislation or the interpretation of existing tax laws worldwide could have a material impact on our net income.

Accounting Principles−Changes in accounting standards could have a material impact on our financial statements.

From time to time, the Financial Accounting Standards Board, the International Accounting Standards Board, the SEC and bank regulators change the financial accounting and reporting standards governing the preparation of our financial statements such as the potential adoption of International Financial Reporting Standards. In some cases, we could be required to apply a new or revised standard retroactively, resulting in our restating prior period financial statements. See "Recent Accounting and Regulatory Developments" in the MD&A section in the Annual Report. These changes are difficult to predict and can materially impact how we record and report our financial condition and results of operations and other financial data.

Credit Reserves−We could incur income statement charges if our reserves for credit losses, including loan reserves, are inadequate.

We have credit exposure to residential mortgages, the financial, airline and automotive industries, monoline financial guaranty insurers and many other industries. We cannot provide any assurance as to whether charge-offs related to these sectors or to different credit risks may occur in the future. Though credit risk is inherent in lending activities, our revenues and profitability are adversely affected when our borrowers default in whole or in part on their loan obligations to us. We rely on statistical models and our business experience to estimate future defaults, which we use to create loan loss reserves against our loan portfolio. In addition, current market developments may increase default and delinquency rates, which may impact our charge-offs. We cannot provide any assurance that these reserves, based on management estimates, will not be required to be augmented due to an unexpectedly high level of defaults. If reserves for credit losses are not sufficient, we would be required to record a larger credit loss reserve against current earnings.

Holding Company Risks−We are a non-operating holding company, and as a result, are dependent on dividends from our subsidiaries, including our subsidiary banks, to meet our obligations, including our obligations with respect to our debt securities, and to provide funds for payment of dividends to our stockholders.

We are a non-operating holding company, whose principal assets and sources of income are our principal bank subsidiaries – The Bank of New York Mellon and BNY Mellon, N.A. – and our other subsidiaries. We are a legal entity separate and distinct from our banks and other subsidiaries and, therefore, we rely primarily on dividends and

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interest from these banking and other subsidiaries to meet our obligations, including our obligations with respect to our debt securities, and to provide funds for payment of dividends to our stockholders, to the extent declared by our Board of Directors. There are various legal limitations on the extent to which these banking and other subsidiaries can finance or otherwise supply funds to us (by dividend or otherwise) and certain of our affiliates.

Although we maintain cash positions for liquidity at the holding company level, if these banking subsidiaries or other of our subsidiaries were unable to supply us with cash over time, we could be unable to meet our obligations, including our obligations with respect to our debt securities, or declare or pay dividends in respect of our capital stock. See "Supervision and Regulation – Payment of Dividends and Stock Repurchases" in this Form 10-K, the "Liquidity and Dividends" section in the MD&A – Results of Operations section and Note 20 of the Notes to Consolidated Financial Statements in the Annual Report.

Because we are a holding company, our rights and the rights of our creditors, including the holders of our debt securities, to a share of the assets of any subsidiary upon the liquidation or recapitalization of the subsidiary will be subject to the prior claims of the subsidiary's creditors (including, in the case of our banking subsidiaries, their depositors), except to the extent that we may ourselves be a creditor with recognized claims against the subsidiary. The rights of holders of our debt securities to benefit from those distributions will also be junior to those prior claims. Consequently, our debt securities will be effectively subordinated to all existing and future liabilities of our subsidiaries. A holder of our debt securities should look only to our assets for payments in respect of those debt securities.

Our ability to pay dividends on our common stock is subject to the discretion of our Board of Directors and may be limited by the Federal Reserve or applicable provisions of Delaware law.

Holders of our common stock are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. Although we have historically declared cash dividends on our common stock, we are not required to do so. Any increase in BNY Mellon's ongoing quarterly dividend would require approval from the Federal Reserve. Any reduction of, or the elimination of, our common stock dividend in the future could adversely affect the market price of our common stock.

Delaware Law–Anti-takeover provisions in our certificate of incorporation and bylaws could discourage a change of control that our stockholders may favor, which could negatively affect the market price of our common stock.

Provisions of Delaware law and provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. Additionally, our certificate of incorporation authorizes our Board of Directors to issue additional series of preferred stock and such preferred stock could be issued as a defensive measure in response to a takeover proposal. These provisions could make it more difficult for a third party to acquire us even if an acquisition might be in the best interest of our stockholders. These provisions could also potentially deprive stockholders of an opportunity to sell their shares of common stock at a premium over prevailing market prices as a result of a takeover bid or merger.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We believe that our owned and leased facilities are suitable and adequate for our business needs. At a number of the locations described below, we are not currently occupying all of the space under our control. Where commercially reasonable and to the extent it is not needed for future expansion, we have leased or subleased, or seek to lease or sublease, this excess space. The following is a description of our principal properties, as of Dec. 31, 2011:

New York City properties

We own a 49-story office building located at One Wall Street that serves as our corporate headquarters. We also own our 23-story operations center building located at 101 Barclay Street, and lease the land on which that building sits under a ground lease expiring in 2080. In addition, we lease approximately 372,000 square feet of space in an office building located at 200 Park Avenue and approximately 318,000 square feet of space in an office building located at 2 Hanson Place in Brooklyn. The New York City properties are utilized by all of our segments.

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Pittsburgh properties

We lease under a long-term, triple net lease the entire 54-story office building known as BNY Mellon Center located at 500 Grant Street. In addition, we own a 42-story office building located at 525 William Penn Place and a 14-story office building located at 500 Ross Street. The Pittsburgh properties are utilized by all of our segments.

Boston properties

We lease approximately 373,000 square feet of space in a Boston office building located at One Boston Place, 201 Washington Street. We also lease under a triple net lease the entire 3-story office building located at 135 Santilli Highway in Everett, Massachusetts. Additionally, we lease approximately 304,000 square feet at 4400 Computer Drive in Westborough, Massachusetts. The Boston properties are utilized by all of our segments.

New Jersey properties

We lease approximately 485,000 square feet of space in an office building located at 95 Christopher Columbus Drive, Jersey City, primarily utilized by our Investment Services segment.

United Kingdom properties

We have a number of leased office locations in London (including approximately 234,000 square feet of space at BNY Mellon Centre at 160-162 Queen Victoria Street and approximately 152,000 square feet of space at The Tower at One Canada Square at Canary Wharf), as well as other leased office locations throughout the United Kingdom, including locations in Manchester, Poole, Leeds, Brentwood, Liverpool, Swindon and Edinburgh. The UK properties are utilized by all of our segments.

India properties

We lease approximately 401,000 square feet of office space in Pune, India and approximately 358,000 square feet in Chennai, India. The India properties are utilized by all of our segments.

Other properties

We also lease (and in a few instances own) office space and other facilities at numerous other locations both within and outside of the U.S., including properties located in New York, New Jersey, Connecticut, Pennsylvania, Massachusetts, Florida, Delaware, Texas, California, Illinois, Washington and the mid-south region of the U.S.; Brussels, Belgium; Navan, Wexford, Dublin and Cork in Ireland; Luxembourg; Frankfurt, Germany; Singapore; Hong Kong and Shanghai in China; Tokyo, Japan and Rio de Janeiro, Brazil.

ITEM 3. LEGAL PROCEEDINGS

The information required by this Item is set forth in the "Legal proceedings" section in Note 24 of the Notes to Consolidated Financial Statements in the Annual Report, which portion is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

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ITEM 5. MARKET FOR REGISTRANT' S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange under the ticker symbol BK. BNY Capital IV' s 6.875% Preferred Trust Securities, Series E (symbol: BKPrE), BNY Capital V' s 5.95% Preferred Trust Securities, Series F (symbol: BKPrF) and Mellon Capital IV' s 6.244% Fixed-to-Floating Rate Normal Preferred Capital Securities (symbol: BK/P) are also listed on the New York Stock Exchange. Information relating to the high and low sales prices per share of our common stock and our common stock dividend for each full quarterly period during fiscal 2010 and 2011 is set forth in the "Selected Quarterly Data" section in the Annual Report, which is incorporated herein by reference. As of Dec. 31, 2011, there were 33,222 holders of record of our common stock.

For additional information about dividends and a discussion of potential regulatory limitations on our receipt of funds from our regulated subsidiaries and our payment of dividends to stockholders, see the "Liquidity and Dividends" section in the MD&A – Results of Operations section in the Annual Report, Note 20 of the Notes to Consolidated Financial Statements in the Annual Report and "Supervision and Regulation – Payment of Dividends and Stock Repurchases" in Item 1 of this Form 10-K, which portions are incorporated herein by reference.

Additional information about our common stock, including information about share repurchases during the fourth quarter of 2011 and existing Board of Directors authorization with respect to purchases by us of our common stock, and other equity securities is provided in the "Capital – Stock repurchase program" section of the MD&A–Results of Operations section in the Annual Report and Note 16 of the Notes to Consolidated Financial Statements in the Annual Report, which portions are incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this Item is set forth in "Financial Summary", "Summary of financial results" in the MD&A – Results of Operations section in the Annual Report and Notes 1, 2, 3 and 4 of the Notes to Consolidated Financial Statements in the Annual Report, which portions are incorporated herein by reference.

ITEM 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this Item is set forth in the MD&A and Notes 3, 13, 15, 20, 24 and 25 of the Notes to Consolidated Financial Statements in the Annual Report, which portions are incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this Item is set forth in the "Critical accounting estimates", "Off-balance sheet arrangements", "Risk management", "Trading activities and risk management" and "Asset/liability management" sections in the MD&A – Results of Operations section in the Annual Report and Note 1 under "Derivative financial instruments" and Notes 22, 24 and 25 of the Notes to Consolidated Financial Statements in the Annual Report, which portions are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to Item 15 on page 42 hereof for a detailed listing of the items under Financial Statements, Financial Statement Schedules, Exhibits and Other Financial Data, which are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including the Chief Executive Officer and Chief Financial Officer, with participation by the members of the Disclosure Committee, has responsibility for ensuring that there is an adequate and effective process for establishing, maintaining, and evaluating disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in our SEC reports is timely recorded, processed, summarized and reported and that information required to be disclosed by BNY Mellon is accumulated and communicated to BNY Mellon' s

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management to allow timely decisions regarding the required disclosure. In addition, our ethics hotline can also be used by employees and others for the anonymous communication of concerns about financial controls or reporting matters. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

As of Dec. 31, 2011, an evaluation was carried out under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

In the ordinary course of business, we may routinely modify, upgrade or enhance our internal controls and procedures for financial reporting. There have not been any changes in our internal controls over financial reporting as defined in Rule 13a-15(f) of the Exchange Act during the fourth quarter of 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management Report on Internal Control over Financial Reporting and Report of Independent Registered Public Accounting Firm

See "Report of Management on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm" on pages 86 and 87 of the Annual Report, each of which is incorporated herein by reference.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is included below and in the Proxy in the following portions of the "Election of Directors" section: "Information About the Nominees", "Director Qualifications", "Board Meetings and Board Committee Information – Audit Committee, and – Committees and Committee Charters", "Nomination Procedures", "Nominees for Election as Directors", "Section 16(a) Beneficial Ownership Reporting Compliance" and "Director Compensation", which portions are incorporated herein by reference.

CODE OF ETHICS

We have adopted a code of ethics for our employees which we refer to as our Code of Conduct. The Code of Conduct applies to all employees of BNY Mellon and its subsidiaries, including our Chief Executive Officer (principal executive officer), Chief Financial Officer (principal financial officer) and Controller (principal accounting officer). The Code of Conduct is posted on our website at www.bnymellon.com/ ethics/codeofconduct.pdf. We also have a code of ethics for our directors, which we refer to as our Directors' Code of Conduct. The Directors' Code of Conduct applies to all directors of BNY Mellon. The Directors' Code of Conduct is posted on our website at www.bnymellon.com/governance/directorscodeof conduct.pdf. Both the Code of Conduct and the Directors' Code of Conduct are available in print, without charge, to any stockholder who requests a copy. Requests should be sent to The Bank of New York Mellon Corporation, Office of the Secretary, One Wall Street, New York, NY 10286. We intend to disclose on our website any amendments to or waiver of the Code of Conduct relating to executive officers (including the officers specified above) and will disclose any amendments to or waivers of the Directors' Code of Conduct relating to our directors.

EXECUTIVE OFFICERS OF THE REGISTRANT

The name and age of, and positions and offices held by, each executive officer of BNY Mellon as of February 28, 2012, together with the offices held by each such person during the last five years, are listed below and on the following two pages. All executive officers serve at the pleasure of the appointing authority. No executive officer has a family relationship to any other executive officer or director or nominee for director.

	Age	Year appointed	
Gerald L. Hassell Chairman, President and Chief Executive Officer	60	2007	(1)
Curtis Y. Arledge Vice Chairman	47	2010	(2)
Thomas P. (Todd) Gibbons Vice Chairman and Chief Financial Officer	55	2007	(3)
Timothy F. Keaney Vice Chairman	50	2007	(4)
James P. Palermo Vice Chairman	56	2007	(5)
Karen B. Peetz Vice Chairman	56	2007	(6)
Brian G. Rogan Vice Chairman	54	2007	(7)
Richard F. Brueckner Senior Executive Vice President	62	2007	(8)
Arthur Certosimo Senior Executive Vice President	56	2009	(9)
Lisa B. Peters Senior Executive Vice President	54	2007	(10)
Jane C. Sherburne Senior Executive Vice President and General Counsel	61	2010	(11)
Kurt D. Woetzel Senior Executive Vice President	56	2007	(12)
John A. Park Vice President and Controller	59	2008	(13)

(1) Mr. Hassell also serves as Chairman, President and Chief Executive Officer of The Bank of New York Mellon and BNY Mellon, N.A. From July 1, 2007 to August 31, 2011, Mr. Hassell served as President of BNY Mellon, The Bank of New York Mellon and BNY Mellon, N.A. Prior to the merger, Mr. Hassell served as President of The Bank of

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BNY Mellon 39	New York Company, Inc. and The Bank of New York since at least 2006.

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(2) Mr. Arledge also serves as Chief Executive Officer of Investment Management and Vice Chairman of The Bank of New York Mellon and BNY Mellon, N.A. From 2008 to November 2010, Mr. Arledge served as Chief Investment Officer for fixed income portfolios at BlackRock, Inc., an investment management firm. From prior to 2006 to 2008, Mr. Arledge served as the global head of the fixed income division of the corporate and investment banking group in Wachovia Corporation, a financial services company.

(3) Mr. Gibbons also serves as Vice Chairman and Chief Financial Officer of The Bank of New York Mellon and BNY Mellon, N.A. Mr. Gibbons served as Chief Risk Officer of BNY Mellon from July 1, 2007 to July 1, 2008. Prior to the merger, Mr. Gibbons served as Senior Executive Vice President and Chief Financial Officer of The Bank of New York Company, Inc. from September 2006 until June 2007. Prior to the merger, he also served as Chief Financial Officer of The Bank of New York from September 2006 until June 2007.

(4) Mr. Keaney also serves as Chief Executive Officer of BNY Mellon Asset Servicing and Vice Chairman of The Bank of New York Mellon and BNY Mellon, N.A. Prior to the merger, Mr. Keaney served as Senior Executive Vice President of The Bank of New York since May 2006.

(5) Mr. Palermo also serves as Chief Executive Officer of Global Client Management and Liquidity Services and Vice Chairman of The Bank of New York Mellon and BNY Mellon, N.A. Prior to the merger, Mr. Palermo served as Vice Chairman of Mellon Financial Corporation and Mellon Bank, N.A. since at least 2006.

(6) Ms. Peetz also serves as Chief Executive Officer of Financial Markets & Treasury Services and Vice Chairman of The Bank of New York Mellon and BNY Mellon, N.A. Prior to the merger, Ms. Peetz served as Senior Executive Vice President of The Bank of New York since May 2006.

(7) Mr. Rogan also serves as Chief Risk Officer of BNY Mellon and Vice Chairman of The Bank of New York Mellon and BNY Mellon, N.A. Prior to the merger, Mr. Rogan served as Senior Executive Vice President of The Bank of New York since at least 2006.

(8) Mr. Brueckner also serves as Chief of Staff of BNY Mellon and Senior Executive Vice President of The Bank of New York Mellon and Vice President of BNY Mellon, N.A. Prior to the merger, Mr. Brueckner served as Senior Executive Vice President of The Bank of New York since May 2006. He also served as Chief Executive Officer of Pershing LLC since at least 2006 to October 2010 and Chairman of Pershing LLC from May 2007 to December 2011.

(9) Mr. Certosimo also serves as Chief Executive Officer of Global Markets and Senior Executive Vice President of The Bank of New York Mellon and BNY Mellon, N.A. He served as an Executive Vice President of The Bank of New York Mellon beginning in July 2007 and ending in May 2009. Prior to July 2007, Mr. Certosimo served as head of Broker Dealer Services and Alternative Investment Services and Executive Vice President of The Bank of New York since at least 2006.

(10) Ms. Peters also serves as Chief Human Resources Officer of BNY Mellon and Senior Executive Vice President of The Bank of New York Mellon and BNY Mellon, N.A. Prior to the merger, Ms. Peters served as an Executive Vice President of Mellon Bank, N.A. since at least 2006.

(11) Ms. Sherburne also serves as Senior Executive Vice President and General Counsel of The Bank of New York Mellon and BNY Mellon, N.A. From 2009 to May 2010, Ms. Sherburne conducted a private legal practice. Ms. Sherburne served as General Counsel for Wachovia Corporation, a financial services company, from 2008 to 2009 and as General Counsel for the Global Consumer Group of Citigroup Inc., a financial services company, from at least 2006 to 2008.

(12) Mr. Woetzel also serves as Chief Administrative Officer and Head of Global Operations and Technology at BNY Mellon and Senior Executive Vice President of The Bank of New York Mellon and Vice President of BNY Mellon, N.A. Prior to the merger, Mr. Woetzel served as Senior Executive Vice President of The Bank of New York since May 2006.

(13) Mr. Park also serves as Executive Vice President of The Bank of New York Mellon

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and BNY Mellon, N.A. since August 2009, and Controller of The Bank of New York Mellon and BNY Mellon, N.A. since May 2008. Mr. Park served as Managing Director of The Bank of New York Mellon beginning with the merger and ending in May 2008. Prior to the merger, Mr. Park served as Managing Director of The Bank of New York since at least 2006.

The Bank of New York Mellon, BNY Mellon, N.A. and Pershing LLC, as referenced in the foregoing footnotes, are subsidiaries of The Bank of New York Mellon Corporation.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is included in the Proxy in the following portions of the "Election of Directors" section: "Compensation and Risk", "Director Compensation", "Executive Compensation", "Compensation Discussion and Analysis", "Board Meetings and Board Committee Information – Committees and Committee Charters", "Board Meetings and Board Committee Information – Human Resources and Compensation Committee – Compensation Committee Interlocks and Insider Participation" and the "Report of the Human Resources and Compensation Committee", which are incorporated herein by reference. The information incorporated herein by reference to the "Report of the Human Resources and Compensation Committee" is deemed furnished hereunder.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is included in the Proxy in the following portions of the "Election of Directors" section: "Beneficial Ownership of Shares by Holders of 5% or More of Outstanding Stock", "Beneficial Ownership of Shares by Directors and Executive Officers" and "Executive Compensation – Equity Compensation Plans Table", which are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is included in the Proxy in the following portions of the "Election of Directors" section: "Corporate Governance Matters – Director Independence and – Business Relationships and Related Party Transactions Policy" and "Board Meetings and Board Committee Information – Audit Committee and – Corporate Governance and Nominating Committee and – Human Resources and Compensation Committee", which are incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is included in the Proxy in the following portion of the "Election of Directors" section: "Audit Fees, Audit Related Fees, Tax Fees and All Other Fees", which is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The financial statements, schedules and exhibits required for this Form 10-K are incorporated by reference as indicated in the following index. Page numbers refer to pages of the Annual Report for items (1) Financial Statements and (c) Other Financial Data.

	Financial Statements	Page No.
(1)	Consolidated Income Statement	88 and 89
	Consolidated Balance Sheet	90
	Consolidated Statement of Cash Flows	91
	Consolidated Statement of Changes in Equity	92 through 94
	Notes to Consolidated Financial Statements	95 through 161
	Report of Independent Registered Public Accounting Firm	162
	Selected Quarterly Data	80
(2)	Exhibits	

See (b) below.

(b) The exhibits listed on the Index to Exhibits on pages 44 through 56 hereof are incorporated by reference or filed or furnished herewith in response to this Item.

(c) Other Financial Data

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, BNY Mellon has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Bank of New York Mellon Corporation

By: /s/ Gerald L. Hassell
Gerald L. Hassell
Chairman, President and Chief Executive Officer

DATED: February 28, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of BNY Mellon and in the capacities and on the date indicated.

Signature	Capacities
By: /s/ Gerald L. Hassell Gerald L. Hassell Chairman, President and Chief Executive Officer	Director and Principal Executive Officer
By: /s/ Thomas P. Gibbons Thomas P. Gibbons Chief Financial Officer	Principal Financial Officer
By: /s/ John A. Park John A. Park Controller	Principal Accounting Officer
Ruth E. Bruch; Nicholas M. Donofrio; Edmund F. Kelly; Richard J. Kogan; Michael J. Kowalski; John A. Luke, Jr.; Mark A. Nordenberg; Catherine A. Rein; William C. Richardson; Samuel C. Scott III; John P. Surma; and Wesley W. von Schack	Directors
By: /s/ Arlie R. Nogay Arlie R. Nogay Attorney-in-fact	DATED: February 28, 2012

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INDEX TO EXHIBITS

Pursuant to the rules and regulations of the SEC, BNY Mellon has filed certain agreements as exhibits to this Form 10-K. These agreements may contain representations and warranties by the parties. These representations and warranties have been made solely for the benefit of the other party or parties to such agreements and (i) may have been qualified by disclosures made to such other party or parties, (ii) were made only as of the date of such agreements or such other date(s) as may be specified in such agreements and are subject to more recent developments, which may not be fully reflected in BNY Mellon' s public disclosure, (iii) may reflect the allocation of risk among the parties to such agreements and (iv) may apply materiality standards different from what may be viewed as material to investors. Accordingly, these representations and warranties may not describe BNY Mellon' s actual state of affairs at the date hereof and should not be relied upon.

Exhibit	Description	Method of Filing
2.1	Amended and Restated Agreement and Plan of Merger, dated as of December 3, 2006, as amended and restated as of February 23, 2007, and as further amended and restated as of March 30, 2007, between The Bank of New York Company, Inc., Mellon Financial Corporation and The Bank of New York Mellon Corporation (the "Company").	Previously filed as Exhibit 2.1 to the Company' s Current Report on Form 8-K (File No. 000-52710 and File No. 001-06152) as filed with the Commission on July 2, 2007, and incorporated herein by reference.
2.2	Stock Purchase Agreement, dated as of February 1, 2010, by and between The PNC Financial Services Group, Inc. and The Bank of New York Mellon Corporation.	Previously filed as Exhibit 2.1 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on February 3, 2010, and incorporated herein by reference.
3.1	Restated Certificate of Incorporation of The Bank of New York Mellon Corporation.	Previously filed as Exhibit 3.1 to the Company' s Current Report on Form 8-K (File No. 000-52710 and File No. 001-06152) as filed with the Commission on July 2, 2007, and incorporated herein by reference.
3.2	Amended and Restated By-Laws of The Bank of New York Mellon Corporation, as amended and restated on July 10, 2007 and subsequently amended on April 14, 2009, August 11, 2009, February 9, 2010, July 2, 2010 and October 12, 2010.	Previously filed as Exhibit 3.2 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2010, and incorporated herein by reference.
4.1	None of the instruments defining the rights of holders of long-term debt of the Company or any of its subsidiaries represent long-term debt in excess of 10% of the total assets of the Company. The Company hereby agrees to furnish to the Commission, upon request, a copy of any such instrument.	N/A

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Exhibit	Description	Method of Filing
10.1*	The Bank of New York Company, Inc. Excess Contribution Plan as amended through July 10, 1990.	Previously filed as Exhibit 10(b) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1990, and incorporated herein by reference.
10.2*	Amendments dated February 23, 1994 and November 9, 1993 to The Bank of New York Company, Inc. Excess Contribution Plan.	Previously filed as Exhibit 10(c) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1993, and incorporated herein by reference.
10.3*	Amendment to The Bank of New York Company, Inc. Excess Contribution Plan dated as of November 1, 1995.	Previously filed as Exhibit 10(e) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1995, and incorporated herein by reference.
10.4*	Amendment to The Bank of New York Company, Inc. Excess Contribution Plan dated as of November 12, 2002.	Previously filed as Exhibit 10(v) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2003, and incorporated herein by reference.
10.5*	Amendment to The Bank of New York Company, Inc. Excess Contribution Plan dated as of October 9, 2006.	Previously filed as Exhibit 10(y) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2006, and incorporated herein by reference.
10.6*	The Bank of New York Company, Inc. Excess Benefit Plan as amended through December 8, 1992.	Previously filed as Exhibit 10(d) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1992, and incorporated herein by reference.
10.7*	Amendment dated as of August 11, 1994 to The Bank of New York Company, Inc. Excess Benefit Plan.	Previously filed as Exhibit 10(g) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1994, and incorporated herein by reference.
10.8*	Amendment dated as of November 1, 1995 to The Bank of New York Company, Inc. Excess Benefit Plan.	Previously filed as Exhibit 10(i) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1995, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.9*	Amendment dated as of July 1, 1996 to The Bank of New York Company, Inc. Excess Benefit Plan.	Previously filed as Exhibit 10(kk) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1999, and incorporated herein by reference.
10.10*	The Bank of New York Company, Inc. 2003 Long-Term Incentive Plan.	Previously filed as Exhibit B to The Bank of New York Company, Inc.' s Definitive Proxy Statement (File No. 001-06152) dated March 31, 2003, and incorporated herein by reference.
10.11*	Amendment dated as of December 28, 2005 to the 2003 Long-Term Incentive Plan of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(ee) to The Bank of New York Company, Inc.' s Form 10-K (File No. 001-06152) for the year ended December 31, 2005, and incorporated herein by reference.
10.12*	Amendment dated as of October 9, 2006 to the 2003 Long-Term Incentive Plan of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(gg) to The Bank of New York Company, Inc.' s Form 10-K (File No. 001-06152) for the year ended December 31, 2006, and incorporated herein by reference.
10.13*	Amendment dated as of February 21, 2008 to the 2003 Long-Term Incentive Plan of The Bank of New York Company, Inc.	Previously filed as Exhibit 99.1 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on February 27, 2008, and incorporated herein by reference.
10.14*	The Bank of New York Company, Inc. 1999 Long-Term Incentive Plan.	Previously filed as Exhibit 10(aa) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1998, and incorporated herein by reference.
10.15*	Amendment dated as of July 11, 2000 to The Bank of New York Company, Inc. 1999 Long-Term Incentive Plan.	Previously filed as Exhibit 10(b) to The Bank of New York Company, Inc.' s Quarterly Report on Form 10-Q (File No. 001-06152) for the quarter ended September 30, 2000, and incorporated herein by reference.
10.16*	Amendment dated as of December 28, 2005 to the 1999 Long-Term Incentive Plan of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(qq) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2005, and incorporated herein by reference.
10.17*	Amendment dated as of October 9, 2006 to the 1999 Long-Term Incentive Plan of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(uu) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2006, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.18*	The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(n) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1992, and incorporated herein by reference.
10.19*	Amendment dated as of March 9, 1993 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(k) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1993, and incorporated herein by reference.
10.20*	Amendment dated as of October 11, 1994 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(o) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1994, and incorporated herein by reference.
10.21*	Amendment dated as of July 1, 1996 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(a) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1996, and incorporated herein by reference.
10.22*	Amendment dated as of November 12, 1996 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(b) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1996, and incorporated herein by reference.
10.23*	Amendment dated as of July 11, 2000 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(e) to The Bank of New York Company, Inc.' s Quarterly Report on Form 10-Q (File No. 001-06152) for the quarter ended September 30, 2000, and incorporated herein by reference.
10.24*	Amendment dated as of February 13, 2001 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(ggg) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2000, and incorporated herein by reference.
10.25*	Amendment dated as of January 1, 2006 to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan.	Previously filed as Exhibit 10(yy) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2005, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.26*	Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(s) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1993, and incorporated herein by reference.
10.27*	Amendment dated as of November 8, 1994 to Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(z) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1994, and incorporated herein by reference.
10.28*	Amendment dated February 11, 1997 to Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(j) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 1996, and incorporated herein by reference.
10.29*	Amendment to Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc. dated as of July 11, 2000.	Previously filed as Exhibit 10(d) to The Bank of New York Company, Inc.' s Quarterly Report on Form 10-Q (File No. 001-06152) for the quarter ended September 30, 2000, and incorporated herein by reference.
10.30*	Amendment dated as of November 12, 2002 to Deferred Compensation Plan for Non-Employee Directors of The Bank of New York Company, Inc.	Previously filed as Exhibit 10(yy) to The Bank of New York Company, Inc.' s Annual Report on Form 10-K (File No. 001-06152) for the year ended December 31, 2003, and incorporated herein by reference.
10.31*	Form of Stock Option Agreement under The Bank of New York Company, Inc.' s 2003 Long-Term Incentive Plan.	Previously filed as Exhibit 10.3 to The Bank of New York Company, Inc.' s Quarterly Report on Form 10-Q (File No. 001-06152) for the quarter ended June 30, 2006, and incorporated herein by reference.
10.32*	Form of Restricted Stock Agreement under The Bank of New York Company, Inc.' s 2003 Long-Term Incentive Plan.	Previously filed as Exhibit 10.5 to The Bank of New York Company, Inc.' s Quarterly Report on Form 10-Q (File No. 001-06152) for the quarter ended June 30, 2006, and incorporated herein by reference.
10.33*	Form of Stock Option Agreement under The Bank of New York Company, Inc.' s 2003 Long-Term Incentive Plan.	Previously filed as Exhibit 10.9 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended June 30, 2007, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.34*	Mellon Financial Corporation Long-Term Profit Incentive Plan (2004), as amended effective April 17, 2007.	Previously filed as Exhibit 10.2 to Mellon Financial Corporation' s Quarterly Report on Form 10-Q (File No. 001-07410) for the quarter ended March 31, 2007, and incorporated herein by reference.
10.35*	Mellon Financial Corporation Stock Option Plan for Outside Directors (2001), effective February 20, 2001.	Previously filed as Exhibit 10.1 to Mellon Financial Corporation' s Quarterly Report on Form 10-Q (File No. 001-07410) for the quarter ended June 30, 2001, and incorporated herein by reference.
10.36*	Mellon Financial Corporation Director Equity Plan (2006).	Previously filed as Exhibit A to Mellon Financial Corporation' s Proxy Statement (File No. 001-07410) dated March 15, 2006, and incorporated herein by reference.
10.37*	Mellon Financial Corporation 1990 Elective Deferred Compensation Plan for Directors and Members of the Advisory Board, as amended, effective January 1, 2002.	Previously filed as Exhibit 10.9 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 2001, and incorporated herein by reference.
10.38*	Form of Mellon Financial Corporation Elective Deferred Compensation Plan for Directors (Post December 31, 2004).	Previously filed as Exhibit 99.3 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on October 20, 2006, and incorporated herein by reference.
10.39*	The Bank of New York Mellon Corporation Deferred Compensation Plan for Directors, effective January 1, 2008.	Previously filed as Exhibit 10.71 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2007, and incorporated herein by reference.
10.40*	Mellon Financial Corporation Elective Deferred Compensation Plan for Senior Officers, as amended, effective January 1, 2003.	Previously filed as Exhibit 4.2 to Mellon Financial Corporation' s Registration Statement on Form S-8 (File No. 333-109193) dated September 26, 2003, and incorporated herein by reference.
10.41*	Form of Mellon Financial Corporation Elective Deferred Compensation Plan for Senior Officers (Post December 31, 2004).	Previously filed as Exhibit 99.1 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on October 20, 2006, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.42*	Form of Mellon Financial Corporation Elective Deferred Compensation Plan (Post December 31, 2004).	Previously filed as Exhibit 99.2 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on October 20, 2006, and incorporated herein by reference.
10.43*	Mellon Bank IRC Section 401(a)(17) Plan, as amended, effective September 15, 1998.	Previously filed as Exhibit 10.2 to Mellon Financial Corporation' s Quarterly Report on Form 10-Q (File No. 001-07410) for the quarter ended September 30, 1998, and incorporated herein by reference.
10.44*	Mellon Bank Optional Life Insurance Plan, as amended, effective January 15, 1999.	Previously filed as Exhibit 10.9 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 1998, and incorporated herein by reference.
10.45*	Mellon Bank Executive Life Insurance Plan, as amended, effective January 15, 1999.	Previously filed as Exhibit 10.10 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 1998, and incorporated herein by reference.
10.46*	Mellon Bank Senior Executive Life Insurance Plan, as amended, effective January 15, 1999.	Previously filed as Exhibit 10.11 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 1998, and incorporated herein by reference.
10.47*	Mellon Bank Executive Life Insurance Plan (2005).	Previously filed as Exhibit 99.2 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 2004, and incorporated herein by reference.
10.48**	Mellon Financial Corporation ShareSuccess Plan, as amended, effective May 21, 2002.	Previously filed as Exhibit 10.1 to Mellon Financial Corporation' s Quarterly Report on Form 10-Q (File No. 001-07410) for the quarter ended June 30, 2002, and incorporated herein by reference.
10.49*	Form of Option Agreement for Directors of Mellon Financial Corporation.	Previously filed as Exhibit 10.35 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 2004, and incorporated herein by reference.

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** Non-shareholder approved compensatory plan pursuant to which BNY Mellon' s Common Stock may be issued to employees of BNY Mellon. No executive officers or directors of BNY Mellon are permitted to participate in this plan.

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Exhibit	Description	Method of Filing
10.50*	Description regarding administration and compliance with Section 409A of the Internal Revenue Code for Mellon Financial Corporation.	Previously filed as Item 1.01 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on February 18, 2005, and incorporated herein by reference.
10.51*	Description regarding administration and compliance with Section 409A of the Internal Revenue Code for Mellon Financial Corporation.	Previously filed as Item 1.01(1) to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on December 21, 2005, and incorporated herein by reference.
10.52*	Form of Non-Qualified Stock Option Agreement for Mellon Financial Corporation.	Previously filed as Exhibit 99.1 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on January 27, 2006, and incorporated herein by reference.
10.53*	Mellon Financial Corporation Long-Term Profit Incentive Plan (2004) Non-Qualified Stock Option Agreement, dated February 20, 2007.	Previously filed as Exhibit 10.98 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2007, and incorporated herein by reference.
10.54*	Form of Indemnification Agreement with Directors and Senior Officers of Mellon Financial Corporation and Mellon Bank, N.A.	Previously filed as Exhibit B to Mellon Financial Corporation' s Proxy Statement (File No. 001-07410) dated March 13, 1987, and incorporated herein by reference.
10.55*	Letter Agreement entered into by Mellon Financial Corporation and Robert P. Kelly dated January 30, 2006, accepted January 31, 2006.	Previously filed as Exhibit 99.1 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on February 6, 2006, and incorporated herein by reference.
10.56*	Amendment to Agreements between Mellon Financial Corporation and Robert P. Kelly dated December 22, 2006.	Previously filed as Exhibit 10.51 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 2006, and incorporated herein by reference.
10.57*	Description regarding amendments entered into on December 22, 2006 by Robert P. Kelly and Mellon Financial Corporation to his Change in Control Severance Agreement, employment letter agreement and equity award agreement.	Previously filed as Item 5.02 to Mellon Financial Corporation' s Current Report on Form 8-K (File No. 001-07410) as filed with the Commission on December 29, 2006, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.58*	Stock Option Agreement dated as of June 25, 2007, between The Bank of New York Company, Inc. and Gerald L. Hassell.	Previously filed as Exhibit 10.3 to The Bank of New York Company, Inc.' s Current Report on Form 8-K (File No. 001-06152) as filed with the Commission on June 29, 2007, and incorporated herein by reference.
10.59*	Transition Agreement dated as of June 25, 2007, between The Bank of New York Company, Inc. and Gerald L. Hassell.	Previously filed as Exhibit 10.4 to The Bank of New York Company, Inc.' s Current Report on Form 8-K (File No. 001-06152) as filed with the Commission on June 29, 2007, and incorporated herein by reference.
10.60*	Description regarding team equity incentive awards, replacement equity awards and special stock option award to executives named therein.	Previously filed as Item 5.02 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on July 13, 2007, and incorporated herein by reference.
10.61	Lease dated as of December 29, 2004, between 500 Grant Street Associates Limited Partnership and Mellon Bank, N.A. with respect to One Mellon Center.	Previously filed as Exhibit 99.1 to Mellon Financial Corporation' s Annual Report on Form 10-K (File No. 001-07410) for the year ended December 31, 2004, and incorporated herein by reference.
10.62*	Form of 2008 Stock Option Agreement between The Bank of New York Mellon Corporation and Robert P. Kelly.	Previously filed as Exhibit 10.9 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended March 31, 2008, and incorporated herein by reference.
10.63*	Form of 2008 Stock Option Agreement between The Bank of New York Mellon Corporation and Gerald L. Hassell.	Previously filed as Exhibit 10.11 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended March 31, 2008, and incorporated herein by reference.
10.64*	Form of Long Term Incentive Plan Deferred Stock Unit Agreement for Directors of The Bank of New York Corporation.	Previously filed as Exhibit 10.1 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended June 30, 2008, and incorporated herein by reference.
10.65*	Amendment to The Bank of New York Company, Inc. Supplemental Executive Retirement Plan, dated as of January 1, 2009.	Previously filed as Exhibit 10.156 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.66*	Amendment to The Bank of New York Company, Inc. Amended and Restated 2003 Long-Term Incentive Plan, dated as of January 1, 2009.	Previously filed as Exhibit 10.157 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.67*	Amendment to The Bank of New York Company, Inc. Excess Benefit Plan, dated as of January 1, 2009.	Previously filed as Exhibit 10.158 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.68*	Amendment to The Bank of New York Company, Inc. Excess Contribution Plan, dated as of January 1, 2009.	Previously filed as Exhibit 10.159 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.69*	Amendment to Letter Agreement relating to Section 409A of the Internal Revenue Code, dated December 15, 2008, between The Bank of New York Mellon Corporation and Robert P. Kelly.	Previously filed as Exhibit 10.164 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.70*	Amendment to Letter Agreement, dated December 12, 2008, between The Bank of New York Mellon Corporation and Robert P. Kelly.	Previously filed as Exhibit 10.165 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.71*	Amendment to Transition Agreement, dated December 15, 2008, between The Bank of New York Mellon Corporation and Gerald L. Hassell.	Previously filed as Exhibit 10.169 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.72*	Amendment to the Mellon Bank IRC Section 401(a)(17) Plan and Mellon Bank Benefit Restoration Plan, dated December 22, 2008.	Previously filed as Exhibit 10.171 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.73*	Amendment to the Mellon Financial Corporation Executive Deferred Compensation Plan for Senior Officers, dated December 22, 2008.	Previously filed as Exhibit 10.172 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.74*	Amendment to the Mellon Financial Corporation Executive Deferred Compensation Plan, dated December 22, 2008.	Previously filed as Exhibit 10.173 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2008, and incorporated herein by reference.
10.75*	Form of Amended and Restated Indemnification Agreement with Directors of The Bank of New York Mellon Corporation.	Previously filed as Exhibit 10.1 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended September 30, 2009, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.76*	Form of Amended and Restated Indemnification Agreement with Executive Officers of The Bank of New York Mellon Corporation.	Previously filed as Exhibit 10.2 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended September 30, 2009, and incorporated herein by reference.
10.77*	The Bank of New York Mellon Corporation Executive Severance Plan, effective July 13, 2010.	Previously filed as Exhibit 99.1 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on July 16, 2010, and incorporated herein by reference.
10.78*	Form of Notice Letter between The Bank of New York Mellon Corporation and Certain Executive Officers.	Previously filed as Exhibit 99.2 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on July 16, 2010, and incorporated herein by reference.
10.79*	The Bank of New York Mellon Corporation Policy Regarding Shareholder Approval of Future Senior Officers Severance Arrangements, adopted July 12, 2010.	Previously filed as Exhibit 99.3 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on July 16, 2010, and incorporated herein by reference.
10.80*	Form of Executive Restricted Stock Agreement.	Previously filed as Exhibit 10.134 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2010, and incorporated herein by reference.
10.81*	Form of Executive Stock Option Agreement.	Previously filed as Exhibit 10.135 to the Company' s Annual Report on Form 10-K (File No. 000-52710) for the year ended December 31, 2010, and incorporated herein by reference.
10.82*	Form of Executive Restricted Stock Agreement.	Previously filed as Exhibit 10.1 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended March 31, 2011, and incorporated herein by reference.
10.83*	Form of Executive Stock Option Agreement.	Previously filed as Exhibit 10.2 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended March 31, 2011, and incorporated herein by reference.

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Exhibit	Description	Method of Filing
10.84*	Amendment to Letter Agreement, dated March 1, 2011, between The Bank of New York Mellon Corporation and Robert P. Kelly.	Previously filed as Exhibit 10.3 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended March 31, 2011, and incorporated herein by reference.
10.85*	Terms of Employment agreed to by The Bank of New York Mellon Corporation and Curtis Y. Arledge, dated July 26, 2010, and accepted July 29, 2010.	Previously filed as Exhibit 10.4 to the Company' s Quarterly Report on Form 10-Q (File No. 000-52710) for the quarter ended March 31, 2011, and incorporated herein by reference.
10.86*	The Bank of New York Mellon Corporation Long-Term Incentive Plan.	Previously filed as Appendix A to the Company' s definitive proxy statement on Schedule 14A (File No. 000-52710) filed on March 11, 2011, and incorporated herein by reference.
10.87*	The Bank of New York Mellon Corporation Executive Incentive Compensation Plan.	Previously filed as Appendix B to the Company' s definitive proxy statement on Schedule 14A (File No. 000-52710) filed on March 11, 2011, and incorporated herein by reference.
10.88*	Letter Agreement between The Bank of New York Mellon Corporation and Robert P. Kelly, dated August 31, 2011.	Previously filed as Exhibit 10.1 to the Company' s Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on September 2, 2011, and incorporated herein by reference.
12.1	Computation of Ratio of Earnings to Fixed Charges.	Filed herewith.
13.1	All portions of The Bank of New York Mellon Corporation 2011 Annual Report to Shareholders that are incorporated herein by reference. The remaining portions are furnished for the information of the SEC and are not "filed" as part of this filing.	Filed and furnished herewith.
21.1	Primary subsidiaries of the Company.	Filed herewith.
23.1	Consent of KPMG LLP.	Filed herewith.
24.1	Power of Attorney.	Filed herewith.
31.1	Certification of the Chairman and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.

* Management contract or compensatory plan arrangement.

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Exhibit	Description	Method of Filing
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of the Chairman and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
101.INS	XBRL Instance Document.	Filed herewith.
101.SCH	XBRL Taxonomy Extension Schema Document.	Filed herewith.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	Filed herewith.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	Filed herewith.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	Filed herewith.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	Filed herewith.

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Exhibit 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
The Bank of New York Mellon Corporation

(dollar amounts in millions)	Year ended Dec. 31,				
	2011	2010	2009	2008	2007 (a)
Earnings					
Income (loss) from continuing operations before income taxes	**$3,617**	$3,694	$(2,208)	$1,946	$3,215
Fixed charges, excluding interest on deposits	**480**	519	530	1,024	1,140
Income (loss) from continuing operations before income taxes and fixed charges, excluding interest on deposits	**4,097**	4,213	(1,678)	2,970	4,355
Interest on deposits	**241**	131	172	1,762	2,366
Income (loss) from continuing operations before income taxes and fixed charges, including interest on deposits	**$4,338**	$4,344	$(1,506)	$4,732	$6,721
Fixed charges					
Interest expense, excluding interest on deposits	**363**	$414	$421	$900	$1,047
One-third net rental expense *(b)*	**117**	105	109	124	93
Total fixed charges, excluding interest on deposits	**480**	519	530	1,024	1,140
Interest on deposits	**241**	131	172	1,762	2,366
Total fixed charges, including interest on deposits	**$721**	$650	$702	$2,786	$3,506
Earnings to fixed charges ratios					
Excluding interest on deposits	**8.53**	8.11	(3.16) *(c)*	2.90	3.82
Including interest on deposits	**6.01**	6.68	(2.14) *(c)*	1.70	1.92

(a) Results for 2007 include six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

(b) The proportion deemed representative of the interest factor.

(c) Earnings were insufficient to cover fixed charges by $2,208 million.

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Exhibit 13.1

FINANCIAL **SECTION**

THE BANK OF NEW YORK MELLON CORPORATION
2011 Annual Report
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The Bank of New York Mellon Corporation (and its subsidiaries)

Financial Summary

(dollar amounts in millions, except per common share amounts and unless otherwise noted)	**2011**	2010	2009	2008	2007 *(a)*
Year ended Dec. 31					
Fee revenue	**$11,498**	$10,697	$10,108	$12,342	$9,254
Net securities gains (losses)	**48**	27	(5,369)	(1,628)	(201)
Income of consolidated investment management funds	**200**	226	-	-	-
Net interest revenue	**2,984**	2,925	2,915	2,859	2,245
Total revenue	**14,730**	13,875	7,654	13,573	11,298
Provision for credit losses	**1**	11	332	104	(11)
Noninterest expense	**11,112**	10,170	9,530	11,523	8,094
Income (loss) from continuing operations before income taxes	**3,617**	3,694	(2,208)	1,946	3,215
Provision (benefit) for income taxes	**1,048**	1,047	(1,395)	491	987
Net income (loss) from continuing operations	**2,569**	2,647	(813)	1,455	2,228
Net income (loss) from discontinued operations	**-**	(66)	(270)	14	10
Extraordinary (loss) on consolidation of commercial paper conduits, net of tax	**-**	-	-	(26)	(180)
Net income (loss)	**2,569**	2,581	(1,083)	1,443	2,058
Net (income) attributable to noncontrolling interests	**(53)**	(63)	(1)	(24)	(19)
Redemption charge and preferred dividends	**-**	-	(283)	(33)	-
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	**$2,516**	$2,518	$(1,367)	$1,386	$2,039
Earnings per diluted common share applicable to common shareholders of The Bank of New York Mellon Corporation:					
Net income (loss) from continuing operations	**$2.03**	$2.11	$(0.93)	$1.21	$2.35
Net income (loss) from discontinued operations	**-**	(0.05)	(0.23)	0.01	0.01
Extraordinary (loss), net of tax	**-**	-	-	(0.02)	(0.19)
Net income (loss) applicable to common stock	**$2.03**	$2.05 *(b)*	$(1.16) *(c)*	$1.20	$2.17
At Dec. 31					
Interest-earning assets	**$259,231**	$180,541	$161,537	$184,591	$144,883
Assets of operations	**313,919**	232,493	212,224	237,512	197,656
Total assets	**325,266**	247,259	212,224	237,512	197,656
Deposits	**219,094**	145,339	135,050	159,673	118,125
Long-term debt	**19,933**	16,517	17,234	15,865	16,873
Preferred (Series B) stock	**-**	-	-	2,786	-
Total The Bank of New York Mellon Corporation common shareholders' equity	**33,417**	32,354	28,977	25,264	29,403

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At Dec. 31					
Assets under management *(in billions)*	**$1,260**	$1,172	$1,115	$928	$1,121
Assets under custody and administration *(in trillions)*	**25.8**	25.0	22.3	20.2	23.1
Cross-border assets *(in trillions)*	**9.7**	9.2	8.8	7.5	10.0
Market value of securities on loan *(in billions) (d)*	**269**	278	247	326	633

(a) Results for 2007 include six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

(b) Does not foot due to rounding.

(c) Diluted earnings per common share for 2009 was calculated using average basic shares. Adding back the dilutive shares would be anti-dilutive.

(d) Represents the securities on loan managed by the Investment Services business.

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The Bank of New York Mellon Corporation (and its subsidiaries)

Financial Summary (continued)

(dollar amounts in millions, except per common share amounts and unless otherwise noted)	**2011**		2010		2009		2008		2007 *(a)*	
Net income basis:										
Return on common equity *(b)*	**7.5**	**%**	8.1	%	N/M		5.0	%	11.0	%
Return on tangible common equity *(b)*	**22.6**		25.6		N/M		20.7		29.3	
Return on average assets *(b)*	**0.86**		1.06		N/M		0.67		1.49	
Continuing operations basis:										
Return on common equity *(b)(c)*	**7.5**	**%**	8.3	%	N/M		5.0	%	10.9	%
Non-GAAP adjusted *(b)(c)*	**8.6**		9.5		9.2	%	14.2		13.6	
Return on tangible common equity – Non-GAAP *(b)(c)*	**22.6**		26.3		N/M		20.5		29.2	
Non-GAAP adjusted *(b)(c)*	**23.3**		27.1		31.6		48.7		33.6	
Pre-tax operating margin *(c)*	**25**		27		N/M		14		28	
Non-GAAP adjusted *(c)*	**28**		30		31		39		36	
Fee revenue as a percentage of total revenue excluding net securities gains (losses)	**78**		78		78		79		80	
Fee revenue per employee (based on average headcount) *(in thousands)*	**$237**		$241		$241		$290		$291	
Percentage of non-U.S. revenue *(d)*	**37**	**%**	36	%	53	% *(e)*	33	% *(f)*	32	%
Net interest margin (on fully taxable equivalent basis)	**1.36**		1.70		1.82		1.89	*(f)*	2.05	
Cash dividends per common share	**$0.48**		$0.36		$0.51		$0.96		$0.95	
Common dividend payout ratio	**24**	**%**	18	%	N/M		80	%	44	%
Dividend yield	**2.4**	**%**	1.2	%	1.8	%	3.4	%	1.9	%
Closing common stock price per common share	**$19.91**		$30.20		$27.97		$28.33		$48.76	
Market capitalization *(in billions)*	**24.1**		37.5		33.8		32.5		55.9	
Book value per common share – GAAP *(c)*	**27.62**		26.06		23.99		22.00		25.66	
Tangible book value per common share – Non-GAAP *(c)*	**10.57**		8.91		7.90		5.18		8.00	
Full-time employees	**48,700**		48,000		42,200		42,500		41,200	

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Year-end common shares outstanding *(in thousands)*	**1,209,675**	1,241,530	1,207,835	1,148,467	1,145,983
Average total equity to average total assets	**11.5 %**	13.1 %	13.4 %	13.7 %	13.6 %
Capital ratios at Dec. 31 *(g)*					
Estimated Basel III Tier 1 common equity ratio‑ Non-GAAP *(c)(h)*	**7.1 %**	N/A	N/A	N/A	N/A
Basel I Tier 1 common equity to risk-weighted assets ratio‑ Non-GAAP *(c)*	**13.4**	11.8	10.5	9.4	7.6
Basel I Tier 1 capital ratio	**15.0**	13.4	12.1	13.2	9.3
Basel I Total (Tier 1 plus Tier 2) capital ratio	**17.0**	16.3	16.0	16.9	13.2
Basel I leverage capital ratio	**5.2**	5.8	6.5	6.9	6.5
BNY Mellon shareholders' equity to total assets ratio *(c)*	**10.3**	13.1	13.7	10.6	14.9
Tangible common shareholders' equity to tangible assets of operations ratio ‑ Non-GAAP *(c)*	**6.4**	5.8	5.2	3.8	5.2

(a) Results for 2007 include six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

(b) Calculated before the extraordinary losses in 2008 and 2007.

(c) See "Supplemental Information" beginning on page 66 for a calculation of these ratios.

(d) Includes fee revenue, net interest revenue and income of consolidated investment management funds, net of net income attributable to noncontrolling interests.

(e) Excluding investment securities losses, the percentage of non-U.S. fee revenue was 32%.

(f) Excluding the SILO/LILO charge, the percentage of non-U.S. fee and net interest revenue was 32% and the net interest margin was 2.21%.

(g) Includes discontinued operations in 2010, 2009, 2008 and 2007.

(h) Our estimated Basel III Tier 1 common equity ratio (Non-GAAP) reflects our current interpretation of the Basel III rules. Our estimated Basel III Tier 1 common equity ratio could change in the future as the U.S. regulatory agencies implement Basel III or if our businesses change.

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Results of Operations

General

In this Annual Report, references to "our," "we," "us," "BNY Mellon," the "Company" and similar terms for periods on or after July 1, 2007 refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries, and references to "our," "we," "us," the "Company," and similar terms prior to July 1, 2007 refer to The Bank of New York Company, Inc. and its consolidated subsidiaries. The term "Parent" refers to The Bank of New York Mellon Corporation but not its subsidiaries.

BNY Mellon' s actual results of future operations may differ from those estimated or anticipated in certain forward-looking statements contained herein for reasons which are discussed below and under the heading "Forward-looking Statements." When used in this Annual Report, words such as "estimate," "forecast," "project," "anticipate," "confident," "target," "expect," "intend," "continue," "seek," "believe," "plan," "goal," "could," "should," "may," "will," "strategy," "synergies," "opportunities," "trends," and words of similar meaning, signify forward-looking statements in addition to statements specifically identified as forward-looking statements.

Certain business terms used in this document are defined in the Glossary.

The following should be read in conjunction with the Consolidated Financial Statements included in this Annual Report.

How we reported results

All information for 2011 in this Annual Report is reported on a net income basis. All information for 2010 and 2009 in this Annual Report is reported on a continuing operations basis, unless otherwise noted. For a description of discontinued operations, see Note 4 in the Notes to Consolidated Financial Statements.

Throughout this Annual Report, certain measures, which are noted as "Non-GAAP measures," exclude certain items. BNY Mellon believes that these measures are useful to investors because they permit a focus on period-to-period comparisons, using measures that relate to our ability to enhance revenues and limit expenses in circumstances where such matters are within our control. We also present the net interest margin on a fully comparison of amounts arising from both taxable and tax-exempt sources and is consistent with industry practice. Certain immaterial reclassifications have been made to prior periods to place them on a basis comparable with the current period presentation. See "Supplemental information - Explanation of Non-GAAP financial measures" beginning on page 66 for a reconciliation of financial measures presented in accordance with GAAP to adjusted Non-GAAP financial measures.

Organization of our business

In the first quarter of 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. The realignment reflects management' s approach to assessing performance and decisions regarding resource allocations. Investment Management includes the former Asset Management and Wealth Management businesses. Investment Services includes the former Asset Servicing, Issuer Services and Clearing Services businesses as well as the Cash Management business previously included in the former Treasury Services business. The Other segment includes credit-related activities previously included in the Treasury Services business, the lease financing portfolio, corporate treasury activities, including our investment securities portfolio, our equity investments in Wing Hang Bank and ConvergEx Group, business exits and corporate overhead. The income statement has been changed to reflect this realignment as follows:

- Investment management and performance fees consist of the former asset and wealth management fee revenue; and
- Investment services fees consist of the former securities servicing fees, including asset servicing, issuer services, clearing services, as well as treasury services fee revenue.

All prior periods were reclassified. The reclassifications did not affect the results of operations.

Merger with Mellon Financial

On July 1, 2007, The Bank of New York Company, Inc. and Mellon Financial Corporation ("Mellon Financial") merged into The Bank of New York Mellon Corporation (together with its consolidated subsidiaries, "BNY Mellon"), with BNY Mellon

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taxable equivalent (“FTE”) basis. We believe that this presentation allows for

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being the surviving entity (the "2007 Merger"). Results for 2007 reflect six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

Overview

BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE symbol: BK). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, offering superior investment management and investment services through a worldwide client-focused team. At Dec. 31, 2011, we had $25.8 trillion in assets under custody and administration and $1.26 trillion in assets under management, serviced $11.8 trillion in outstanding debt and processed global payments averaging $1.5 trillion per day.

BNY Mellon' s businesses benefit from the global growth in financial assets and from the globalization of the investment process. Over the long term, our goals are focused on deploying capital to accelerate the long-term growth of our businesses and achieving superior total returns to shareholders by generating first quartile earnings per share growth over time relative to a group of peer companies.

Key components of our strategy include: providing superior client service versus peers; strong investment performance relative to investment benchmarks; above-median revenue growth relative to peer companies; increasing the percentage of revenue and income derived from outside the United States; successful integration of acquired businesses; competitive margins; and positive operating leverage. We have established Basel I Tier 1 capital as our principal capital measure and have established a targeted ratio of Basel I Tier 1 capital to risk-weighted assets of 10%. We expect to update our capital targets once new regulatory capital guidelines are finalized.

Key 2011 events

Sale of Shareowner Services

On Dec. 31, 2011, BNY Mellon sold its Shareowner Services business. The sales price of $550 million resulted in a pre-tax gain of $98 million. We recorded an immaterial after-tax gain primarily due to the write-off of non-tax deductible goodwill associated with the business. The transaction enhanced BNY Mellon' s capital position, adding approximately 30 basis points to our estimated Basel III Tier 1 common equity ratio at Dec. 31, 2011.

Acquisition of Penson Financial Services

On Nov. 30, 2011, we acquired Penson Financial Services Australia Pty Ltd ("Penson"), a clearing firm located in Australia, in a $33 million share purchase transaction. Penson offers execution and clearing services and provides processing for local exchange-traded equities and exchange-traded options in Australia. The results of Penson are included in the Investment Services business.

Continuing global economic uncertainty

The global financial markets and economy remain affected by a variety of concerns, including questions about the creditworthiness of sovereign issuers within Europe. Sovereign or financial institution defaults, political uncertainties or credit downgrades could lead to disruptions in the money markets, changes in foreign exchange values, reductions in the attractiveness and value of European assets, and/or an increase in borrowing costs for consumers and companies in Europe.

During 2011, the continued economic uncertainty in the global markets contributed to a significant increase in our balance sheet. Client deposits increased $74 billion, which drove a $78 billion increase in total assets. In response to this continued uncertainty, we reduced exposure to higher risk countries and increased our exposure to central banks. Additionally, we continued to maintain a highly liquid balance sheet with a ratio of liquid funds to total assets of 42% at Dec. 31, 2011, while also reducing our exposure to large global financial institutions.

Change in executive management

Effective Aug. 31, 2011, Robert P. Kelly resigned as Chairman, Chief Executive Officer and Director. Also effective on Aug. 31, 2011, Gerald L. Hassell, BNY Mellon' s President and a board member since 1998, was appointed Chairman and Chief Executive Officer of the Company.

Acquisition of Talon Asset Management

On July 1, 2011, BNY Mellon acquired the wealth management operations of Chicago-based Talon Asset

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Management ("Talon"). Talon manages more than $800 million in assets for wealthy families and institutions. The acquisition of Talon represents BNY Mellon' s first wealth management office in Chicago, the third largest wealth management market in the U.S. The results of Talon are included in the Investment Management business.

Dividend increase and share repurchase program

In March 2011, BNY Mellon received confirmation that the Federal Reserve did not object to its comprehensive capital plan which provides for capital actions, including a dividend increase and share repurchases. Accordingly, on March 22, 2011, the board of directors authorized a 44% increase in the quarterly common stock dividend to $0.13 per common share.

In 2011, we repurchased 34.8 million shares in the open market, at an average price of $24.00 per share for a total of $835 million. In 2012, we continued to repurchase shares under the 2011 capital plan. Through Feb. 27, 2012, we repurchased 17.3 million shares in the open market, at an average price of $21.53 per share for a total of $371 million.

Summary of financial results

We reported net income applicable to common shareholders of BNY Mellon of $2.5 billion, or $2.03 per diluted common share in 2011 compared with $2.5 billion, or $2.05 per diluted common share in 2010. In 2009, we reported a net loss applicable to common shareholders of BNY Mellon of $1.4 billion, or $1.16 per diluted common share. In 2010, net income applicable to common shareholders on a continuing operations basis was $2.6 billion, or $2.11 per diluted common share. In 2009, we incurred a net loss applicable to common shareholders on a continuing operations basis of $1.1 billion, or $0.93 per diluted common share.

Highlights of 2011 results

- Assets under custody and administration ("AUC") totaled $25.8 trillion at Dec. 31, 2011 compared with $25.0 trillion at Dec. 31, 2010. The increase primarily reflects net new business. (See the "Investment Services business" beginning on page 21).
- Assets under management ("AUM"), excluding securities lending assets, totaled $1.26 trillion at Dec. 31, 2011 compared with $1.17 trillion at Dec. 31, 2010. The increase was primarily driven by net new business. (See the "Investment Management business" beginning on page 18).
- Investment services fees totaled $6.8 billion in 2011 compared with $6.1 billion in 2010. The increase primarily resulted from the full year impact of the acquisitions of Global Investment Servicing ("GIS") on July 1, 2010 and BHF Asset Servicing GmbH ("BAS") on Aug. 2, 2010 (collectively, "the Acquisitions"), and net new business, partially offset by higher money market fee waivers. (See the "Investment Services business" beginning on page 21).
- Investment management and performance fees totaled $3.0 billion in 2011 compared with $2.9 billion in 2010. The increase was driven by net new business and higher average equity markets, largely offset by higher money market fee waivers. (See the "Investment Management business" beginning on page 18).
- Foreign exchange and other trading revenue totaled $848 million in 2011 compared with $886 million in 2010. In 2011, foreign exchange revenue totaled $761 million, a decrease of 3% compared with 2010, driven by lower volatility, partially offset by higher volumes. Other trading revenue was $87 million 2011 compared with $99 million in 2010. The decrease was primarily driven by lower fixed income trading revenue. (See "Fee and other revenue" beginning on page 8).
- Investment income and other revenue totaled $455 million in 2011 compared with $467 million in 2010. The decrease primarily resulted from lower foreign currency translation, the write-down of an equity investment, lower lease residual gains and lower private equity investment revenue, primarily offset by the gain on the sale of Shareowner Services and gains related to loans held-for-sale retained from a previously divested bank subsidiary. (See "Fee and other revenue" beginning on page 8).
- Net interest revenue totaled $3.0 billion in 2011 compared with $2.9 billion in 2010 and the net interest margin (FTE) was 1.36% in 2011 compared with 1.70% in 2010. The trends of net interest revenue and net interest margin (FTE) primarily reflect growth in client deposits, which were placed with central banks, purchases of high quality securities and an increased level of secured loans, partially offset by lower spreads resulting from the continued impact of the lower global interest rate environment. (See "Net interest revenue" beginning on page 11).

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- The provision for credit losses was $1 million in 2011 compared with $11 million in 2010. The lower provision in 2011 primarily resulted from an improvement in the loan portfolio and a decline in criticized assets. (See "Asset quality and allowance for credit losses" beginning on page 42).
- Noninterest expense totaled $11.1 billion in 2011 compared with $10.2 billion in 2010. The increase primarily reflects the full-year impact of the Acquisitions, higher staff expense, volume-related expenses, and software expense, as well as higher professional, legal and other purchased services. Noninterest expense in 2011 also includes restructuring charges of $89 million. (See "Noninterest expense" beginning on page 14).
- BNY Mellon recorded an income tax provision of $1.0 billion (29.0% effective tax rate) in 2011 compared with an income tax provision, on a continuing operations basis, of $1.0 billion (28.3% effective tax rate) in 2010. (See "Income taxes" on page 15).
- Unrealized net of tax gains on our total investment securities portfolio were $420 million at Dec. 31, 2011 compared with $150 million at Dec. 31, 2010. The improvement in the valuation of the investment securities portfolio was driven by improved valuations of agency RMBS and U.S. Treasury securities, partially offset by declines in valuations of certain non-agency residential mortgage-backed securities. (See "Investment securities" beginning on page 36).
- At Dec. 31, 2011, our estimated Basel III Tier 1 common equity ratio was 7.1% , an improvement of more than 100 basis points from March 31, 2011. The improvement was driven by earnings retention, the reduction of goodwill and intangible assets related to the sale of Shareowner Services and paydowns on sub-investment grade securities, partially offset by share repurchases. (See "Capital" beginning on page 53).
- We generated $2.8 billion of Basel I Tier 1 common equity in 2011, primarily driven by earnings. Our Basel I Tier 1 capital ratio was 15.0% at Dec. 31, 2011 compared with 13.4% at Dec. 31, 2010. (See "Capital" beginning on page 53).
- In 2011, we repurchased 34.8 million common shares in the open market, at an average price of $24.00 per share, for a total of $835 million.

Results of 2010

In 2010, we reported net income applicable to common shareholders, including discontinued operations, of $2.5 billion, or $2.05 per diluted common share, or on a continuing operations basis, net income of $2.6 billion, or $2.11 per diluted common share. These results were primarily driven by:

- Investment services fee revenue totaled $6.1 billion in 2010 reflecting the Acquisitions, higher market values and net new business.
- Investment management and performance fees totaled $2.9 billion in 2010 reflecting higher market values globally, the full year impact of the acquisition of Insight Investment Management Limited ("Insight") and new business.
- Foreign exchange and other trading revenue totaled $886 million in 2010 driven by lower fixed income and derivatives trading revenue and lower foreign exchange revenue.
- Net interest revenue totaled $2.9 billion in 2010 as a higher yield on the restructured investment securities portfolio and higher interest-earning assets were offset by lower spreads.
- Noninterest expense totaled $10.2 billion in 2010 primarily driven by the impact of the Acquisitions, the full-year impact of the Insight acquisition and higher compensation expense.

Results for 2009

In 2009, we reported a net loss of $1.4 billion, or $1.16 per diluted common share, or on a continuing operations basis, a net loss of $1.1 billion, or $0.93 per diluted common share. These results were primarily driven by:

- Investment securities (pre-tax) net losses of $5.4 billion in 2009 reflecting the restructuring of the investment securities portfolio.
- A provision for credit losses of $332 million in 2009, reflecting a higher number of downgrades and deterioration in certain industry sectors.
- Merger and integration ("M&I") expenses of $233 million (pre-tax).
- An after-tax redemption charge of $196.5 million related to the repurchase of the Series B preferred stock issued to the U.S. Treasury as part of the Troubled Asset Relief

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BNY Mellon 7

Program (“TARP”) Capital Purchase Program and $86.5 million for dividends/accretion on the Series B preferred stock.

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Results for 2009, compared with 2008, also included lower securities servicing revenue, lower investment management and performance fees and lower foreign exchange and other trading revenue.

Fee and other revenue

Fee and other revenue *(dollars in millions unless otherwise noted)*	**2011**	2010	2009	**2011 vs. 2010**	2010 vs. 2009
Investment services fees:					
Asset servicing *(a)*	**$3,697**	$3,076	$2,573	**20 %**	20 %
Issuer services	**1,445**	1,460	1,463	**(1)**	-
Clearing services	**1,159**	1,005	962	**15**	4
Treasury services	**535**	530	519	**1**	2
Total investment services fees	**6,836**	6,071	5,517	**13**	10
Investment management and performance fees	**3,002**	2,868	2,677	**5**	7
Foreign exchange and other trading revenue	**848**	886	1,036	**(4)**	(14)
Distribution and servicing	**187**	210	326	**(11)**	(36)
Financing-related fees	**170**	195	215	**(13)**	(9)
Investment income	**258**	308	226	**(16)**	36
Other	**197**	159	111	**24**	43
Total fee revenue	**11,498**	10,697	10,108	**7**	6
Net securities gains (losses)	**48**	27	(5,369)	**78**	N/M
Total fee and other revenue	**$11,546**	$10,724	$4,739	**8 %**	126 %
Fee revenue as a percentage of total revenue excluding net securities gains (losses)	**78 %**	78 %	78 %		
Market value of AUM at period end *(in billions)*	**$1,260**	$1,172	$1,115	**8 %**	5 %
Market value of AUC and administration at period end *(in trillions)*	**$25.8**	$25.0	$22.3	**3 %**	12 %

(a) Asset servicing fees include securities lending revenue of $183 million in 2011, $150 million in 2010 and $259 million in 2009.

Fee revenue

Fee revenue increased 7% in 2011 compared with 2010, primarily reflecting the full year impact of the Acquisitions, higher average market values and higher net new business, partially offset by higher money market fee waivers and lower trading volumes.

Investment services fees

Investment services fees were impacted by the following compared with 2010:

- Asset servicing fees increased 20%, primarily driven by the full-year impact of the Acquisitions, higher market
- Clearing services fees increased 15%, primarily driven by the full-year impact of the GIS acquisition, and new business, partially offset by lower trading volumes and higher money market fee waivers.
- Treasury services fees increased 1% compared with 2010, reflecting the full-year impact of the GIS acquisition, primarily offset by lower funds transfer, cash management and liquidity management fees.

See the "Investment Services business" in "Review of businesses" for additional details.

Investment management and performance fees

Investment management and performance fees totaled $3.0 billion in 2011, an increase of 5% compared with 2010. The

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values, net new business and higher securities lending revenue due to wider spreads.

- Issuer services fees decreased 1% as higher Depositary Receipts revenue driven by higher corporate action fees was more than offset by lower Corporate Trust fee revenue, reflecting continued weakness in the structured debt markets and lower money market-related distribution fees, and lower Shareowner Services revenue, reflecting lower corporate action fees.

increase reflects higher average market values and net new business, partially offset by higher money market fee waivers and lower performance fees. Performance fees were $93 million in 2011 and $121 million in 2010.

Total AUM for the Investment Management business was $1.26 trillion at Dec. 31, 2011, compared with $1.17 trillion at Dec. 31, 2010. The increase was

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primarily due to net new business and improved market values throughout 2011. Long-term inflows in 2011 were $83 billion and benefited from strength in fixed income and equity-indexed products.

See the "Investment Management business" in "Review of businesses" for additional details regarding the drivers of investment management and performance fees.

Foreign exchange and other trading revenue

Foreign exchange and other trading revenue			
(in millions)	**2011**	2010	2009
Foreign exchange	**$761**	$787	$850
Fixed income	**65**	80	242
Credit derivatives *(a)*	**(3)**	(7)	(84)
Other	**25**	26	28
Total	**$848**	$886	$1,036

(a) Used as economic hedges of loans.

Foreign exchange and other trading revenue decreased $38 million, or 4%, from $886 million in 2010. In 2011, foreign exchange revenue totaled $761 million, a decrease of 3% compared with 2010, driven by lower volatility and spreads, partially offset by higher volumes. Foreign exchange revenue continues to be impacted by increasing competitive pressures. Other trading revenue totaled $87 million in 2011, a decrease of 12% compared with 2010, largely due to lower fixed income trading revenue. Foreign exchange revenue is primarily reported in the Investment Services business. Other trading revenue is primarily reported in the Other segment.

The foreign exchange trading engaged in by the Company generates revenues, which are influenced by the volume of client transactions and the spread realized on these transactions. The level of volume and spreads is affected by market volatility, the level of cross-border assets held in custody for clients, the level and nature of underlying cross-border investments and other transactions undertaken by corporate and institutional clients. These revenues also depend on our ability to manage the risk associated with the currency transactions we execute. A substantial majority of our foreign exchange trades is undertaken for our custody clients in transactions where BNY Mellon acts as principal, and not as an agent or broker. As a principal, we earn a profit, if any, based on our ability to risk manage the aggregate foreign currency positions that we buy and sell on a daily basis.

ways: *negotiated trading* with BNY Mellon, BNY Mellon' s *standing instruction program*, or transactions with *third-party foreign exchange providers*. *Negotiated trading* generally refers to orders entered by the client or the client' s investment manager, with all decisions related to the transaction, usually on a transaction-specific basis, made by the client or its investment manager. Such transactions may be initiated by (i) contacting one of our sales desks to negotiate the rate for specific transactions, (ii) using electronic trading platforms, or (iii) electing other methods such as those pursuant to a benchmarking arrangement, in which pricing is determined by an objective market rate plus a pre-negotiated spread. The preponderance of the notional value of our trading volume with clients is in negotiated trading. Our *standing instruction program* provides custody clients and their investment managers with an end-to-end solution that allows them to shift to BNY Mellon the cost, management and execution risk, often in small transactions not otherwise eligible for a more favorable rate or transactions in restricted and difficult to trade currencies. We incur substantial costs in supporting the global operational infrastructure required to administer the standing instruction program; on a per-transaction basis, the costs associated with the standing instruction program exceed the costs associated with negotiated trading. Our custody clients choose to use *third-party foreign exchange providers* other than BNY Mellon for a substantial majority of their U.S. dollar equivalent volume foreign exchange transactions.

We typically price negotiated trades for our custody clients at a spread over our estimation of the current market rate for a particular currency or based on an agreed third-party benchmark. With respect to our standing instruction program, we typically assign a price derived from the daily pricing range for marketable-size foreign exchange transactions (generally more than $1 million) executed between global financial institutions, known as the "interbank range." Using the interbank range for the given day, we typically price purchases of currencies at or near the low end of this range and sales of currencies at or near the high end of this range. For the year ended Dec. 31, 2011, our total revenue for all types of foreign exchange trading transactions was $761 million, which is approximately 5% of our total revenue. Approximately 40% of our foreign exchange revenue resulted from foreign exchange transactions undertaken through our standing instruction program.

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Generally speaking, custody clients enter into foreign exchange transactions in one of three

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Distribution and servicing fees

Distribution and servicing fees earned from mutual funds are primarily based on average assets in the funds and the sales of funds that we manage or administer and are primarily reported in the Investment Management business. These fees, which include 12b-1 fees, fluctuate with the overall level of net sales, the relative mix of sales between share classes, the funds' market values and money market fee waivers.

The $23 million decrease in distribution and servicing fee revenue in 2011 compared with 2010 primarily reflects increased money market fee waivers as well as equity market changes. The impact of distribution and servicing fees on income in any one period is partially offset by distribution and servicing expense paid to other financial intermediaries to cover their costs for distribution and servicing of mutual funds. Distribution and servicing expense is recorded as noninterest expense on the income statement.

Financing-related fees

Financing-related fees, which are primarily reported in the Other segment, include capital markets fees, loan commitment fees and credit-related fees. Financing-related fees decreased $25 million from 2010 primarily as a result of lower capital markets and credit-related fees, primarily reflecting our strategy to reduce targeted risk exposure.

Investment income

Investment income *(in millions)*	**2011**	2010	2009
Corporate/bank-owned life insurance	**$154**	$150	$151
Lease residual gains	**42**	69	90
Equity investment income (loss)	**44**	51	(28)
Private equity gains (losses)	**18**	29	(18)
Seed capital gains	**-**	9	31
Total investment income	**$258**	$308	$226

Investment income, which is primarily reported in the Other segment and Investment Management business, includes income from insurance contracts, lease residual gains and losses, equity investment income (loss), private equity investments and gains

Other revenue

Other revenue *(in millions)*	**2011**	2010	2009
Asset-related gains	**$181**	$22	$76
Expense reimbursements from joint ventures	**38**	37	31
Economic value payments	**4**	7	-
Other income (loss)	**(26)**	93	4
Total other revenue	**$197**	$159	$111

Other revenue includes asset-related gains, expense reimbursements from joint ventures, economic value payments and other income (loss). Asset-related gains include loan, real estate and other asset dispositions. Expense reimbursements from joint ventures relate to expenses incurred by BNY Mellon on behalf of joint ventures. Economic value payments relate to deposits from the GIS acquisition that have not yet transferred to BNY Mellon. Other income (loss) primarily includes foreign currency remeasurement, other investments and various miscellaneous revenues.

Total other revenue increased $38 million compared with 2010, primarily reflecting the gain on the sale of Shareowner Services and asset-related gains on loans held-for-sale retained from a previously divested bank subsidiary, partially offset by net losses on foreign currency remeasurement.

Net securities gains (losses)

Net securities gains totaled $48 million in 2011 compared with $27 million in 2010.

The following table details securities gains (losses) by type of security. See "Consolidated balance sheet review" for further information on the investment securities portfolio.

Net securities gains (losses) *(in millions)*	**2011**	2010	2009
U.S. Treasury	**$77**	$15	$-
Agency RMBS	**8**	15	-
Alt-A RMBS	**(36)**	(13)	(3,113)
Prime RMBS	**(1)**	-	(1,008)
Subprime RMBS	**(21)**	(4)	(322)
European floating rate notes	**(39)**	(3)	(269)

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and losses on seed capital investments. The decrease, compared with 2010, primarily reflects lower lease residual, private equity and seed capital gains.

Sovereign debt	**36**	-	-
Home equity lines of credit	**-**	-	(205)
Commercial MBS	**-**	-	(89)
Grantor Trust	**-**	-	(39)
Credit cards	**-**	-	(26)
ABS CDOs	**-**	-	(23)
Other	**24**	17	(275)
Total net securities gains (losses)	**$48**	$27	$(5,369)

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2010 compared with 2009

Fee revenue increased 6% in 2010 compared with 2009, primarily reflecting the impact of the Acquisitions, the full-year impact of the Insight acquisition, improved market values and new business, partially offset by lower foreign exchange and other trading revenue, lower distribution and servicing fees and lower securities lending revenue.

Net securities gains totaled $27 million in 2010 compared with losses of $5.4 billion in 2009. The loss in 2009 primarily resulted from a charge related to restructuring the investment securities portfolio.

Fee and other revenue was also impacted by the following:

- Investment services fees increased reflecting the impact of the Acquisitions, higher market values, net new business and higher Depositary Receipts revenue resulting from higher issuance, corporate action and service fees. This increase was partially offset by lower Corporate Trust fee revenue, reflecting continued weakness in the structured debt markets and lower money market related distribution fees, lower Shareowner Services revenue, reflecting lower corporate action fees, and lower securities lending revenue resulting from narrower spreads and lower loan balances.
- Investment management and performance fees increased reflecting improved market values, the Insight acquisition and the impact of net new business.
- Foreign exchange and other trading revenue decreased largely due to lower fixed income and derivatives trading revenue.
- Investment income increased reflecting higher equity investment revenue and higher private equity gains, partially offset by lower lease residual and seed capital gains.
- Total other revenue increased primarily reflecting higher foreign currency remeasurements, partially offset by lower asset-related gains.

Net interest revenue

Net interest revenue *(dollars in millions)*	**2011**	2010	2009	**2011 vs. 2010**	2010 vs. 2009
Net interest revenue (non-FTE)	**$2,984**	$2,925	$2,915	**2 %**	- %
Tax equivalent adjustment	**27**	19	18	**N/M**	N/M
Net interest revenue (FTE) - Non-GAAP	**3,011**	2,944	2,933	**2 %**	- %
Average interest-earning assets	**$222,233**	$172,792	$160,955	**29 %**	7 %
Net interest margin (FTE)	**1.36 %**	1.70 %	1.82 %	**(34)bps**	(12)bps

Net interest revenue totaled $3.0 billion in 2011, a 2% increase compared with 2010. The net interest margin (FTE) was 1.36% in 2011 compared with 1.70% in 2010. The trends of net interest revenue and net interest margin (FTE) primarily reflect growth in client deposits, which were placed with central banks, purchases of high quality securities and an increased level of secured loans, partially offset by lower spreads resulting from the continued impact of the lower global interest rate environment.

Average interest-earning assets were $222 billion in 2011, compared with $173 billion in 2010. The increase in 2011 compared with 2010 primarily occurred in the second half of 2011 and was driven by higher client deposits as a function of the European debt crisis and continued economic uncertainty in the backed collateralized loan obligations (“CLOs”). Average interest-bearing deposits with the Federal Reserve and other central banks increased to $47 billion, up from $14 billion in 2010, reflecting higher client deposits.

2010 compared with 2009

Net interest revenue totaled $2.9 billion in 2010, essentially unchanged compared with 2009. Net interest revenue in 2010 reflected a higher yield on the restructured investment securities portfolio, net of lost interest on the securities sold and higher average interest-earning assets, primarily offset by narrower spreads.

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global markets. Average total securities increased to $74 billion in 2011, up from $61 billion in 2010, reflecting our strategy to invest in high-quality, government-guaranteed securities, and to a lesser degree, state and political subdivisions and asset-

The net interest margin (FTE) was 1.70% in 2010 compared with 1.82% in 2009. The lower net interest margin (FTE) in 2010 was driven by lower spreads and higher interest-earning assets in a lower-rate environment, which more than offset the higher yield on the restructured investment securities portfolio.

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Results of Operations (continued)

Average balances and interest rates	2011			
(dollar amounts in millions, presented on an FTE basis)	Average balance	Interest	Average rates	
Assets				
Interest-earning assets:				
Interest-bearing deposits with banks (primarily foreign banks)	$ 55,218	$543	0.99	%
Interest-bearing deposits held at the Federal Reserve and other central banks	47,104	148	0.31	
Federal funds sold and securities purchased under resale agreements	4,809	28	0.58	
Margin loans	9,576	129	1.34	
Non-margin loans:				
Domestic offices:				
Consumer	5,666	217	3.83	
Commercial	15,915	316	1.99	
Foreign offices	9,762	148	1.51	
Total non-margin loans	31,343	681 *(a)*	2.17	
Securities:				
U.S. government obligations	15,003	234	1.56	
U.S. government agency obligations	21,684	625	2.88	
State and political subdivisions – tax-exempt	1,394	59	4.25	
Other securities:				
Domestic offices	15,756	680	4.32	
Foreign offices	17,457	414	2.37	
Total other securities	33,213	1,094	3.30	
Trading securities:				
Domestic offices	2,856	74	2.61	
Foreign offices	33	-	0.95	
Total trading securities	2,889	74	2.59	
Total securities	74,183	2,086	2.82	
Total interest-earning assets	$ 222,233	$ 3,615 *(b)*	1.63	%
Allowance for loan losses	(444)			
Cash and due from banks	4,579			
Other assets	51,398			
Assets of consolidated investment management funds	13,379			
Total assets	$ 291,145			
Liabilities				
Interest-bearing liabilities:				
Interest-bearing deposits:				
Domestic offices:				
Money market rate accounts	$ 4,659	$16	0.34	%
Savings	1,525	2	0.16	
Certificates of deposits of $100,000 & over	364	-	0.05	
Other time deposits	34,396	29	0.08	
Total domestic	40,944	47	0.11	
Foreign offices:				
Banks	6,910	58	0.84	

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Government and official institutions	**2,031**	**1**	**0.05**	
Other	**74,810**	**135**	**0.18**	
Total foreign	**83,751**	**194**	**0.23**	
Total interest-bearing deposits	**124,695**	**241**	**0.19**	
Federal funds purchased and securities sold under repurchase agreements	**8,572**	**2**	**0.02**	
Trading liabilities	**1,852**	**32**	**1.76**	
Other borrowed funds:				
Domestic offices	**1,124**	**16**	**1.41**	
Foreign offices	**906**	**5**	**0.60**	
Total other borrowed funds	**2,030**	**21**	**1.05**	
Payables to customers and broker-dealers	**7,319**	**7**	**0.09**	
Long-term debt	**18,057**	**301**	**1.66**	
Total interest-bearing liabilities	**$ 162,525**	**$604**	**0.37**	**%**
Total noninterest-bearing deposits	**57,984**			
Other liabilities	**24,244**			
Liabilities and obligations of consolidated investment management funds	**12,073**			
Total liabilities	**256,826**			
Equity				
Noncontrolling interests	**800**			
The Bank of New York Mellon Corporation shareholders' equity	**33,519**			
Total liabilities, temporary equity and permanent equity	**$ 291,145**			
Net interest margin			**1.36**	**%**
Percentage of assets attributable to foreign offices *(c)*	**36 %**			
Percentage of liabilities attributable to foreign offices	**33**			

(a) Includes fees of $39 million in 2011. Non-accrual loans are included in the average loan balance; the associated income, recognized on the cash basis, is included in interest.

(b) The tax equivalent adjustment was $27 million in 2011, and is based on the applicable tax rate (35%).

(c) Includes the Cayman Islands branch office.

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Average balances and interest rates (continued)	2010			2009		
(dollar amounts in millions, presented on an FTE basis)	Average balance	Interest	Average rates	Average balance	Interest	Average rates
Assets						
Interest-earning assets:						
Interest-bearing deposits with banks (primarily foreign banks)	$56,679	$491	0.87 %	$55,797	$684	1.22 %
Interest-bearing deposits held at the Federal Reserve and other central banks	14,253	49	0.34	11,938	43	0.36
Other short-term investments - U.S. Government-backed commercial paper	-	-	-	317	9	2.95
Federal funds sold and securities purchased under resale agreements	4,660	64	1.37	3,238	31	0.97
Margin loans	5,900	88	1.50	4,340	69	1.59
Non-margin loans:						
Domestic offices:						
Consumer	5,485	231	4.21	5,420	262	4.83
Commercial	15,286	356	2.33	15,056	362	2.41
Foreign offices	9,633	151	1.57	11,608	250	2.15
Total non-margin loans	30,404	738 *(a)*	2.43	32,084	874 *(a)*	2.72
Securities:						
U.S. Government obligations	7,857	119	1.50	3,218	50	1.54
U.S. Government agency obligations	20,140	674	3.34	16,019	592	3.70
State and political subdivisions - tax exempt	627	41	6.48	680	47	6.92
Other securities:						
Domestic offices	14,683	981	6.68	20,419	828	4.05
Foreign offices	14,906	173	1.16	10,912	248	2.28
Total other securities	29,589	1,154	3.90	31,331	1,076	3.43
Trading securities						
Domestic offices	2,568	71	2.79	1,934	50	2.57
Foreign offices	115	-	0.26	59	1	1.40
Total trading securities	2,683	71	2.68	1,993	51	2.54
Total securities	60,896	2,059	3.38	53,241	1,816	3.41
Total interest-earning assets	$172,792	$3,489 *(b)*	2.02 %	$160,955	$3,526 *(b)*	2.19 %
Allowance for loan losses	(522)			(420)		
Cash due from banks	3,832			3,638		
Other assets	47,979			45,766		
Assets of discontinued operations	404 *(c)*			2,188 *(c)*		
Assets of consolidated investment management funds	13,355			-		
Total assets	$237,840			$212,127		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposits - domestic offices:						
Money market rate accounts *(d)*	$4,463	$20	0.46 %	$2,603	$12	0.45 %
Savings	1,396	4	0.26	1,136	2	0.17
Certificates of deposit of $100,000 & over	368	-	0.17	961	8	0.85

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Other time deposits *(d)*	26,649	25	0.09		20,938	35	0.17	
Total domestic	32,876	49	0.15		25,638	57	0.22	
Interest-bearing deposits – foreign offices:								
Banks	5,401	18	0.33		5,182	13	0.26	
Government and official institutions	1,423	1	0.05		866	1	0.10	
Other	64,529	63	0.10		66,520	101	0.15	
Total foreign	71,353	82	0.12		72,568	115	0.16	
Total interest-bearing deposits	104,229	131	0.13		98,206	172	0.17	
Federal funds purchased and securities sold under repurchase agreements	5,356	43	0.80		2,695	-	-	
Trading liabilities	1,630	41	2.50		1,283	22	1.76	
Other borrowed funds:								
Domestic offices	1,386	21	1.57		981	15	1.53	
Foreign offices	677	3	0.39		593	5	0.85	
Total other borrowed funds	2,063	24	1.18		1,574	20	1.27	
Borrowings from the Federal Reserve related to ABCP	-	-	-		317	7	2.25	
Payables to customers and broker-dealers	6,439	6	0.09		5,263	6	0.12	
Long-term debt	16,673	300	1.80		16,893	366	2.17	
Total interest-bearing liabilities	$136,390	$545	0.40	%	$126,231	$593	0.47	%
Total noninterest-bearing deposits	35,208				36,446			
Other liabilities	21,768				18,760			
Liabilities of discontinued operations	404 *(c)*				2,188 *(c)*			
Liabilities and obligations of consolidated investment management funds	12,218				-			
Total liabilities	205,988				183,625			
Equity								
Noncontrolling interests	752				26			
The Bank of New York Mellon Corporation shareholders' equity	31,100				28,476			
Total liabilities, temporary equity and permanent equity	$237,840				$212,127			
Net interest margin			1.70	%			1.82	%
Percentage of assets attributable to foreign offices *(e)*	43 %				37 %			
Percentage of liabilities attributable to foreign offices	36				34			

(a) Includes fees of $46 million in 2010 and $43 million in 2009. Non-accrual loans are included in the average loan balance; the associated income, recognized on the cash basis, is included in interest.

(b) The tax equivalent adjustment was $19 million in 2010 and $18 million in 2009, and is based on the applicable tax rate (35%).

(c) Average balances and rates are impacted by allocations made to match assets of discontinued operations with liabilities of discontinued operations.

(d) In 2011, certain money market rate accounts were reclassified to other time deposits. All prior periods have been restated.

(e) Includes the Cayman Islands branch office.

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Noninterest expense

Noninterest expense *(dollars in millions)*	**2011**	2010	2009	**2011 vs. 2010**	2010 vs. 2009
Staff:					
Compensation	**$3,567**	$3,237	$2,985	**10 %**	8 %
Incentives	**1,262**	1,193	996	**6**	20
Employee benefits	**897**	785	719	**14**	9
Total staff	**5,726**	5,215	4,700	**10**	11
Professional, legal and other purchased services	**1,217**	1,099	1,017	**11**	8
Net occupancy	**624**	588	564	**6**	4
Software	**485**	410	367	**18**	12
Distribution and servicing	**416**	377	393	**10**	(4)
Furniture and equipment	**330**	315	309	**5**	2
Sub-custodian	**298**	247	203	**21**	22
Business development	**261**	271	214	**(4)**	27
Other	**1,147**	1,060	954	**8**	11
Subtotal	**10,504**	9,582	8,721	**10**	10
Amortization of intangible assets	**428**	421	426	**2**	(1)
Restructuring charges	**89**	28	150	**218**	(81)
Merger and integration (“M&I”) expenses	**91**	139	233	**(35)**	(40)
Total noninterest expense	**$11,112**	$10,170	$9,530	**9 %**	7 %
Total staff expense as a percentage of total revenue	**39 %**	38 %	61 % *(a)*		
Full-time employees at period end	**48,700**	48,000	42,200	**1 %**	14 %

(a) Excluding investment securities gains (losses), total staff expense as a percentage of total revenue (Non-GAAP) was 36% in 2009.

Total noninterest expense increased $942 million, or 9%, compared with 2010 primarily reflecting the full-year impact of the Acquisitions, which impacted nearly all expense categories and accounted for nearly 50% of the increase year-over-year. The increase in noninterest expense also reflects higher staff expense, volume-related expenses and software expense, as well as higher professional, legal and other purchased services.

Staff expense

Given our mix of fee-based businesses, which are staffed with high-quality professionals, staff expense comprised 55% of total noninterest expense in 2011 and 54% in 2010, excluding amortization of intangible assets, restructuring charges and M&I expenses.

Staff expense is comprised of:

- compensation expense, which includes:
  - salary expense, primarily driven by headcount;
  - incentive expense, which includes both cash and stock-based incentive plans designed to reward a combination of individual, business unit and corporate performance goals; as well as,
  - stock-based compensation expense; and
- employee benefit expense, primarily medical benefits, payroll taxes, pension and other retirement benefits.

The increase in staff expense compared with 2010 primarily reflects:

- the full-year impact of the Acquisitions;
- the annual employee merit increase effective in the second quarter of 2011;
- higher pension expense;
- higher incentives; and
- a $22 million charge as a result of a change in executive management.

Non-staff expense

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- the cost of temporary services and overtime; and
- severance expense;
- incentive expense, which includes:
  - additional compensation earned under a wide range of sales commission and incentive

Non-staff expense includes certain expenses that vary with the levels of business activity and levels of expensed business investments, fixed infrastructure costs and expenses associated with corporate activities related to technology, compliance, legal, litigation, productivity initiatives and business development.

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Non-staff expense, excluding amortization of intangible assets, restructuring charges and M&I expenses, totaled $4.8 billion in 2011 compared with $4.4 billion in 2010. The increase primarily reflects:

- the full-year impact of the Acquisitions;
- higher volume-related expenses;
- higher software expense resulting from new assets placed into service; and,
- higher legal costs.

These increases were partially offset by state investment tax credits received in 2011.

Pre-tax restructuring charges of $89 million in 2011 primarily related to efficiency initiatives to transform operations, technology and corporate services. The efficiency initiatives are expected to produce annualized pre-tax savings of $240 – $260 million in 2012. For additional information on restructuring charges, see Note 12 of the Notes to Consolidated Financial Statements.

In 2011, we incurred $91 million of M&I expenses primarily related to the integration of the Acquisitions.

The financial services industry has seen a continuing increase in the level of litigation activity. As a result, we anticipate our legal and litigation costs to continue at elevated levels. For additional information on litigation matters, see Note 24 of the Notes to Consolidated Financial Statements.

2010 compared with 2009

Total noninterest expense was $10.2 billion in 2010, an increase of $0.6 billion or 7% compared with 2009. The increase primarily reflects the impact of the Acquisitions and the full-year impact of the Insight acquisition, both of which impacted nearly all expense categories and higher litigation expense. Noninterest expense in 2010 also included M&I expenses of $139 million related to the Acquisitions and the 2007 Merger.

Income taxes

BNY Mellon recorded an income tax provision of $1.0 billion (29.0% effective tax rate) in 2011 compared with an income tax provision, on a continuing operations basis, of $1.0 billion (28.3% effective tax rate) in 2010 and an income tax benefit, on a continuing operations basis, of $1.4 billion (63.2% effective tax rate) in 2009. Excluding the impact of investment securities

We expect the effective tax rate to be approximately 29-30% in the first quarter of 2012.

Review of businesses

We have an internal information system that produces performance data along product and service lines for our two principal businesses and the Other segment.

Organization of our business

In the first quarter of 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. See "General – Organization of our business" for additional information. All prior periods presented in this Annual Report are presented accordingly.

Also in the first quarter of 2011, we revised the net interest revenue for our businesses to reflect a new approach which adjusts our transfer pricing methodology to better reflect the value of certain domestic deposits. All prior period business results have been restated to reflect this revision. This revision did not impact the consolidated results.

For information on the accounting principles of our businesses, the primary types of revenue generated by each business and how our businesses are presented and analyzed, see Note 26 of the Notes to Consolidated Financial Statements.

Information on our businesses is reported on a continuing operations basis for 2010 and 2009. See Note 4 to the Notes to Consolidated Financial Statements for a discussion of discontinued operations.

The results of our businesses may be influenced by client activities that vary by quarter. In the second quarter, we typically experience an increase in securities lending fees due to an increase in demand to borrow securities outside of the United States. In the third quarter, depositary receipts revenue is typically higher due to an increased level of client dividend payments paid in the quarter. Also in the third quarter, volume-related fees may decline due to reduced client activity. In our Investment Management business, performance fees are typically higher in the fourth quarter, as the fourth quarter represents the end of the measurement period for many of the performance fee eligible relationships.

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losses, M&I expenses, restructuring charges and benefits from discrete tax items, the effective tax rate for 2009 was 29.7%.

The results of our businesses in 2011 were driven by the following factors. The Investment Management business benefited from higher average equity markets and net new business partially offset by higher money

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market fee waivers and lower performance fees. Results in the Investment Services business benefited from the full-year impact of the Acquisitions, net new business, higher Depositary Receipts revenue, the pre-tax gain on the sale of the Shareowner Services business and an increased level of secured loans, partially offset by lower foreign exchange fee revenue, higher money market fee waivers and lower trading volumes. NYSE and NASDAQ share volumes decreased 10% in 2011 compared with 2010.

Net securities gains (losses) and restructuring charges are recorded in the Other segment. In addition, M&I expenses are a corporate level item and are therefore recorded in the Other segment.

Net interest revenue was impacted by growth in client deposits and loans, partially offset by lower spreads resulting from the continued impact of the low interest rate environment.

Noninterest expense increased compared to 2010 reflecting the full-year impact of the Acquisitions, restructuring charges related to efficiency initiatives to transform operations, technology and corporate services, higher volume-related expenses and higher software costs.

The following table presents the value of certain market indices at period end and on an average basis.

Market indices				Increase/(Decrease)			
	2011	2010	2009	**2011 vs. 2010**		2010 vs. 2009	
S&P 500 Index *(a)*	**1258**	1258	1115	**-**	**%**	13	%
S&P 500 Index – daily average	**1268**	1140	948	**11**		20	
FTSE 100 Index *(a)*	**5572**	5900	5413	**(6**	**)**	9	
FTSE 100 Index – daily average	**5682**	5468	4568	**4**		20	
Barclay' s Capital Aggregate Bond[sm] Index *(a)*	**347**	323	301	**7**		7	
MSCI Emerging Markets (EM) IMI Index *(a)*	**904**	1151	981	**(21**	**)**	17	
NYSE and NASDAQ Share Volume *(in billions)*	**893**	997	1113	**(10**	**)**	(10	)

(a) Period end.

The period end S&P 500 Index at Dec. 31, 2011 was unchanged versus Dec. 31, 2010. The period end FTSE 100 Index decreased 6% at Dec. 31, 2011 versus Dec. 31, 2010. On a daily average basis, the S&P 500 Index increased 11% and the FTSE 100 Index increased 4% in 2011 versus 2010.

Fee revenue in Investment Management, and to a lesser extent Investment Services, is impacted by the value of market indices. At Dec. 31, 2011, using the S&P 500 Index as a proxy for the global equity markets, we estimate that a 100-point change in the value of the S&P 500 Index, sustained for one year, would impact fee revenue by approximately 1% and fully diluted earnings per common share by $0.03 to $0.05. If global equity markets over- or under-perform the S&P 500 Index, the impact to fee revenue and earnings per share could be different.

The following consolidating schedules show the contribution of our businesses to our overall profitability.

For the year ended Dec. 31, 2011 *(dollar amounts in millions)*	**Investment Management**		**Investment Services**	**Other**	**Consolidated**	
Fee and other revenue	**$ 3,264**	*(a)*	**$7,957**	**$475**	**$ 11,696**	*(a)*
Net interest revenue	**206**		**2,635**	**143**	**2,984**	
Total revenue	**3,470**		**10,592**	**618**	**14,680**	
Provision for credit losses	**1**		**-**	**-**	**1**	

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Noninterest expense	**2,746**		**7,478**		**888**		**11,112**	
Income (loss) before taxes	**$ 723**	*(a)*	**$3,114**		**$(270**	**)**	**$ 3,567**	*(a)*
Pre-tax operating margin *(b)*	**21**	**%**	**29**	**%**	**N/M**		**24**	**%**
Average assets	**$ 37,043**		**$207,454**		**$46,648**		**$ 291,145**	
Excluding amortization of intangible assets:								
Noninterest expense	**$ 2,532**		**$7,266**		**$886**		**$ 10,684**	
Income (loss) before taxes	**937**		**3,326**		**(268**	**)**	**3,995**	*(a)*
Pre-tax operating margin *(b)*	**27**	**%**	**31**	**%**	**N/M**		**27**	**%**

(a) Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

(b) Income before taxes divided by total revenue.

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For the year ended Dec. 31, 2010 (dollar amounts in millions)	Investment Management	Investment Services	Other	Total continuing operations
Fee and other revenue	$ 3,234 *(a)*	$7,179	$478	$10,891 *(a)*
Net interest revenue	205	2,448	272	2,925
Total revenue	3,439	9,627	750	13,816
Provision for credit losses	3	-	8	11
Noninterest expense	2,693	6,515	962	10,170
Income (loss) before taxes	$ 743 *(a)*	$3,112	$(220)	$3,635 *(a)*
Pre-tax operating margin *(b)*	22 %	32 %	N/M	26 %
Average assets	$ 35,411	$161,605	$40,420	$237,436 *(c)*
Excluding amortization of intangible assets:				
Noninterest expense	$ 2,456	$6,333	$960	$9,749
Income (loss) before taxes	980	3,294	(218)	4,056 *(a)*
Pre-tax operating margin *(b)*	28 %	34 %	N/M	29 %

(a) Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

(b) Income before taxes divided by total revenue.

(c) Including average assets of discontinued operations of $404 million in 2010, consolidated average assets were $237,840 million.

For the year ended Dec. 31, 2009 (dollar amounts in millions)	Investment Management	Investment Services	Other	Total continuing operations
Fee and other revenue	$ 2,825	$6,887	$(4,973)	$4,739
Net interest revenue	242	2,349	324	2,915
Total revenue	3,067	9,236	(4,649)	7,654
Provision for credit losses	1	-	331	332
Noninterest expense	2,499	5,901	1,130	9,530
Income (loss) before taxes	$ 567	$3,335	$(6,110)	$(2,208)
Pre-tax operating margin *(a)*	18 %	36 %	N/M	N/M
Average assets	$ 21,840	$151,001	$37,098	$209,939 *(b)*
Excluding amortization of intangible assets:				
Noninterest expense	$ 2,235	$5,740	$1,129	$9,104
Income (loss) before taxes	831	3,496	(6,109)	(1,782)
Pre-tax operating margin *(a)*	27 %	38 %	N/M	N/M

(a) Income before taxes divided by total revenue.

(b) Including average assets of discontinued operations of $2,188 million in 2009, consolidated average assets were $212,127 million.

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Investment Management business

(dollar amounts in millions, unless otherwise noted)	**2011**	2010	2009	**2011 vs. 2010**	2010 vs. 2009
Revenue:					
Investment management and performance fees:					
Mutual funds	**$1,073**	$1,066	$1,098	**1 %**	(3)%
Institutional clients	**1,248**	1,141	847	**9**	35
Wealth management	**638**	623	596	**2**	5
Performance fees	**93**	123	93	**(24)**	32
Total investment management and performance fees	**3,052**	2,953	2,634	**3**	12
Distribution and servicing	**181**	201	279	**(10)**	(28)
Other *(a)*	**31**	80	(88)	**(61)**	N/M
Total fee and other revenue *(a)*	**3,264**	3,234	2,825	**1**	14
Net interest revenue	**206**	205	242	**-**	(15)
Total revenue	**3,470**	3,439	3,067	**1**	12
Provision for credit losses	**1**	3	1	**N/M**	N/M
Noninterest expense (ex. amortization of intangible assets)	**2,532**	2,456	2,235	**3**	10
Income before taxes (ex. amortization of intangible assets)	**937**	980	831	**(4)**	18
Amortization of intangible assets	**214**	237	264	**(10)**	(10)
Income before taxes	**$723**	$743	$567	**(3)%**	31 %
Pre-tax operating margin	**21 %**	22 %	18 %		
Pre-tax operating margin (ex. amortization of intangible assets and net of distribution and servicing expense) *(b)*	**31 %**	32 %	31 %		
Wealth management:					
Average loans	**$6,970**	$6,461	$5,821	**8 %**	11 %
Average deposits	**$10,113**	$8,240	$6,788	**23 %**	21 %

(a) Total fee and other revenue includes the impact of the consolidated investment management funds. See "Supplemental Information" beginning on page 66. Additionally, other revenue includes asset servicing, clearing services and treasury services revenue.

(b) Distribution and servicing expense is netted with the distribution and servicing revenue for the purpose of this calculation of pre-tax operating margin. Distribution and servicing expense totaled $412 million, $376 million and $393 million, respectively.

AUM trends *(a)* *(in billions)*	**2011**	2010	2009	2008	2007
AUM at period end, by product type:					
Equity securities	**$390**	$379	$337	$270	$460
Money market	**328**	332	357	402	296
Fixed income securities	**437**	342	302	168	218
Alternative investments and overlay	**105**	119	119	88	147
Total AUM	**$1,260**	$1,172	$1,115	$928	$1,121
AUM at period end, by client type:					
Institutional	**$757**	$639	$611	$445	$671
Mutual funds	**427**	454	416	400	349
Private client	**76**	79	88	83	101

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Total AUM	**$1,260**	$1,172	$1,115	$928	$1,121
Changes in market value of AUM in the Investment Management business:					
Beginning balance market value of AUM	**$1,172**	$1,115	$928	$1,121	$142
Net inflows (outflows):					
Long-term	**83**	48	(6)	(43)	(15)
Money market	**(14)**	(18)	(49)	92	70
Total net inflows (outflows)	**69**	30	(55)	49	55
Net market/currency impact	**19**	27	95	(235)	(5)
Acquisitions/divestitures	**-**	-	147	(7)	929
Ending balance market value of AUM	**$1,260**	$1,172	$1,115	$928	$1,121

(a) Excludes securities lending cash management assets.

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Business description

Our Investment Management business is comprised of our affiliated investment management boutiques and wealth management business.

Our Investment Management business is responsible, through various subsidiaries, for U.S. and non-U.S. retail, intermediary and institutional investment management, distribution and related services. The investment management boutiques offer a broad range of equity, fixed income, cash and alternative/overlay products. In addition to the investment subsidiaries, this business includes BNY Mellon Asset Management International, which is responsible for the investment management and distribution of non-U.S. products, and the Dreyfus Corporation and its affiliates, which are responsible for U.S. investment management and distribution of retail mutual funds, separate accounts and annuities. We are one of the world' s largest asset managers with a top-10 position in both the United States and Europe and 11th position globally.

Through BNY Mellon Wealth Management, we offer a full array of investment management, wealth and estate planning and private banking solutions to help clients protect, grow and transfer their wealth through an extensive network of offices in the U.S., Canada, UK and Asia. Clients include high-net-worth individuals and families, charitable gift programs, endowments and foundations and related entities. BNY Mellon Wealth Management is ranked as the nation' s seventh largest wealth manager and third largest private bank.

The results of the Investment Management business are driven by the period-end, average level and mix of assets managed and the level of activity in client accounts. The overall level of AUM for a given period is determined by:

- the beginning level of AUM;
- the net flows of new assets during the period resulting from new business wins and existing client enrichments, reduced by the loss of clients and withdrawals; and
- the impact of market price appreciation or depreciation, the impact of any acquisitions or divestitures and foreign exchange rates.

The mix of AUM is determined principally by client asset allocation decisions among equities, fixed income, alternative investments and overlay, and money market products.

Managed equity assets typically generate higher percentage fees than money market and fixed-income assets. Also, actively managed assets typically generate higher management fees than indexed or passively managed assets of the same type.

Management fees are typically subject to fee schedules based on the overall level of assets managed for a single client or by individual asset class and style. This is most prevalent for institutional assets where amounts we manage for individual clients are typically large.

A key driver of organic growth in investment management and performance fees is the amount of net new AUM flows. Overall market conditions are also key drivers, with a significant long-term economic driver being the growth of global financial assets.

Performance fees are generally calculated as a percentage of a portfolio' s performance in excess of a benchmark index or a peer group' s performance.

Results for this business are also impacted by sales of fee-based products. Net interest revenue is determined by loan and deposit volumes and the interest rate spread between customer rates and internal funds transfer rates on loans and deposits. Expenses in this business are mainly driven by staffing costs, incentives and distribution and servicing expense.

Review of financial results

Investment management and performance fees are dependent on the overall level and mix of AUM and the management fees expressed in basis points (one-hundredth of one percent) charged for managing those assets. Assets under management were $1.26 trillion at Dec. 31, 2011 compared with $1.17 trillion at Dec. 31, 2010, an increase of 8%. The increase primarily reflects net new business and higher market values, offset in part by short-term outflows.

Net long-term inflows were $83 billion and benefited from strength in fixed income and equity-indexed products. Net short-term outflows were $14 billion in 2011.

Revenue generated in the Investment Management business includes 42% from non-U.S. sources in 2011 compared with 40% in 2010.

In 2011, Investment Management had pre-tax income of $723 million compared with $743 million in 2010.

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Excluding amortization of intangible assets, pre-tax income was $937 million in 2011 compared with $980 million in 2010. Investment Management results for 2011 reflect the impact of net new business in the investment management boutiques and the wealth management business, the adverse impact of the low interest rate environment, and lower performance fees.

Investment management and performance fees in the Investment Management business were $3.1 billion in 2011 compared with $3.0 billion in 2010. The increase was driven by net new business and higher average equity markets, largely offset by higher money market fee waivers and lower non-U.S. markets and performance fees.

In 2011, 35% of investment management and performance fees were generated from managed mutual fund fees. These fees are based on the daily average net assets of each fund and the management fee paid by that fund. Managed mutual fund fee revenue was $1.1 billion in both 2011 and 2010. Managed mutual fund fees were impacted by net new business and higher average equity markets in the U.S., primarily offset by higher money market fee waivers.

Distribution and servicing fees were $181 million in 2011 compared with $201 million in 2010. The decrease primarily reflects higher money market fee waivers.

Other fee revenue was $31 million in 2011 compared with $80 million in 2010. The decrease primarily resulted from a $30 million write-down of an equity investment, mark-to-market seed capital losses and lower securities gains.

Net interest revenue was $206 million in 2011, compared with $205 million in 2010. The increase primarily resulted from higher average deposits and loans, largely offset by the impact of low interest rates. Average deposits increased 23% in 2011 compared with 2010 while average loans increased 8% in 2011 compared with 2010.

Noninterest expense excluding amortization of intangible assets was $2.53 billion in 2011 and $2.46 billion in 2010. The increase was primarily driven by higher distribution and servicing and staff expenses, primarily resulting from net new business.

2010 compared with 2009

Income before taxes was $743 million in 2010, compared with $567 million in 2009. Income before taxes excluding amortization of intangible assets and support agreement charges was $980 million in 2010 compared with $831 million in 2009. Fee and other revenue increased $409 million, primarily reflecting improved market values, the full-year impact of the Insight acquisition, higher performance fees, net new business and a higher value of seed capital investments. Investment management results also include $12 million of securities gains in 2010 and $76 million of securities losses in 2009. The increase in fee and other revenue was partially offset by higher fee waivers and short-term outflows. Noninterest expense (excluding amortization of intangible assets) increased $221 million in 2010 compared with 2009 primarily due to higher incentives expense resulting from an increase in performance fees, as well as the impact of adjusting compensation to market levels, and the full-year impact of the Insight acquisition.

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Investment Services business

(dollar amounts in millions, unless otherwise noted)	**2011**	2010	2009	**2011 vs. 2010**	2010 vs. 2009
Revenue:					
Investment services fees:					
Asset servicing	**$3,586**	$2,954	$2,461	**21 %**	20 %
Issuer services	**1,446**	1,460	1,463	**(1)**	-
Clearing services	**1,149**	993	948	**16**	5
Treasury services	**532**	526	515	**1**	2
Total investment services fees	**6,713**	5,933	5,387	**13**	10
Foreign exchange and other trading revenue	**840**	882	1,059	**(5)**	(17)
Other *(a)*	**404**	364	441	**11**	(17)
Total fee and other revenue *(a)*	**7,957**	7,179	6,887	**11**	4
Net interest revenue	**2,635**	2,448	2,349	**8**	4
Total revenue	**10,592**	9,627	9,236	**10**	4
Noninterest expense (ex. amortization of intangible assets)	**7,266**	6,333	5,740	**15**	10
Income before taxes (ex. amortization of intangible assets)	**3,326**	3,294	3,496	**1**	(6)
Amortization of intangible assets	**212**	182	161	**16**	13
Income before taxes	**$3,114**	$3,112	$3,335	**- %**	(7)%
Pre-tax operating margin	**29 %**	32 %	36 %		
Pre-tax operating margin (ex. amortization of intangible assets)	**31 %**	34 %	38 %		
Investment services fees as a percentage of noninterest expense *(b)*	**95 %**	94 %	93 %		
Securities lending revenue	**$146**	$107	$222	**36 %**	(52)%
Metrics:					
Average loans	**$23,298**	$17,096	$13,754	**36 %**	24 %
Average deposits	**168,115**	127,066	120,494	**32**	5
Asset servicing:					
New business wins (AUC) *(in billions)*	**$1,219**	$1,450	$1,197		
Corporate Trust:					
Total debt serviced *(in trillions)*	**$11.8**	$12.0	$12.0	**(2)%**	- %
Number of deals administered	**133,850**	138,067	142,442	**(3)%**	(3)%
Depositary Receipts:					
Number of sponsored programs	**1,389**	1,359	1,330	**2 %**	2 %
Clearing services:					
DARTS volume *(in thousands)*	**197.5**	183.3	223.0	**8 %**	(18)%
Average active clearing accounts *(in thousands)*	**5,427**	4,901	4,995	**11 %**	(2)%
Average long-term mutual fund assets (U.S. platform) *(in millions)*	**$292,252**	$240,396	$190,524	**22 %**	26 %
Average margin loans *(in millions)*	**$7,347**	$5,891	$4,326	**25 %**	36 %
Broker-Dealer:					

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Average collateral management balances *(in billions)*	**$1,865**	$1,647	$1,559	**13 %**	6 %
Treasury services:					
Global payments transaction volume *(in thousands)*	**43,649**	42,733	42,252	**2 %**	1 %

(a) Total fee and other revenue includes investment management fees and distribution and servicing revenue.

(b) Noninterest expense excludes amortization of intangible assets, support agreement charges and litigation expense.

Assets under custody and administration trend	**2011**	2010	2009	2008	2007
Market value of AUC at period end *(in trillions) (a)*	**$25.8**	$25.0	$22.3	$20.2	$23.1
Market value of securities on loan at period end *(in billions) (b)*	**$269**	$278	$247	$326	$633

(a) Includes the assets under custody or administration of CIBC Mellon Global Securities Services Company, a joint venture with the Canadian Imperial Bank of Commerce, of $1.1 trillion at both Dec. 31, 2011 and Dec. 31, 2010, $905 billion at Dec. 31, 2009, $697 billion at Dec. 31, 2008, and $989 billion at Dec. 31, 2007.

(b) Represents the total amount of securities on loan, both cash and non-cash, managed by the Investment Services business.

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Business description

Our Investment Services business provides global custody and related services, broker-dealer services, alternative investment services, corporate trust and depositary receipt, as well as clearing services and global payment/working capital solutions to institutional clients.

Our comprehensive suite of financial solutions includes: global custody, global fund services, securities lending, investment manager outsourcing, performance and risk analytics, alternative investment services, securities clearance, collateral management, corporate trust, American and global depositary receipt programs, cash management solutions, payment services, liquidity services and other revenues, principally foreign exchange, global clearing and execution, managed account services and global prime brokerage solutions. Our clients include corporations, public funds and government agencies, foundations and endowments; global financial institutions including banks, broker-dealers, asset managers, insurance companies and central banks; financial intermediaries and independent registered investment advisors and hedge fund managers. We help our clients service their financial assets through a network of offices and operations centers in 36 countries across six continents.

The results of this business are driven by a number of factors which include: the level of transaction activity; the range of services provided, including custody, accounting, fund administration, daily valuations, performance measurement and risk analytics, securities lending, and investment manager back-office outsourcing; and the market value of assets under administration and custody. Market interest rates impact both securities lending revenue and the earnings on client deposit balances. Business expenses are driven by staff, technology investment, equipment and space required to support the services provided by the business and the cost of execution and clearance and custody of securities.

We are one of the leading global securities servicing providers with a total of $25.8 trillion of assets under custody and administration at Dec. 31, 2011.

We are the largest custodian for U.S. corporate and public pension plans and we service 44% of the top 50 endowments. We are a leading custodian in the UK and service 25% of UK pensions. European asset servicing continues to grow across all

We are one of the largest providers of fund services in the world, servicing over $6.5 trillion in assets. We are the third largest fund administrator in the alternative investment services industry and service 44% of the funds in the U.S. exchange-traded funds marketplace.

BNY Mellon is a leader in both global securities and U.S. Government securities clearance. We clear and settle equity and fixed income transactions in over 100 markets and handle most of the transactions cleared through the Federal Reserve Bank of New York for 17 of the 21 primary dealers. We are an industry leader in collateral management, servicing $1.8 trillion as a clearing bank in tri-party balances worldwide at Dec. 31, 2011.

In connection with our role as a clearing and custody bank for the tri-party repurchase (“repo”) transaction market, we work with dealers who use repos to finance their securities by selling them to counterparties, agreeing to buy them back at a later date. In tri-party repos, a clearing and custody bank such as The Bank of New York Mellon acts as the intermediary between a dealer and its counterparty in settling the transaction and providing mark-to-market and other services.

In securities lending, we are one of the largest lenders of U.S. Treasury securities and depositary receipts and service a lending pool of more than $3.0 trillion in 31 markets. We are one of the largest global providers of performance and risk analytics, with $9.7 trillion in assets under measurement.

BNY Mellon is the leading provider of corporate trust services for all major conventional and structured finance debt categories, and a leading provider of specialty services. We service $11.8 trillion in outstanding debt from 61 locations in 20 countries.

We serve as depositary for 1,389 sponsored American and global depositary receipt programs at Dec. 31, 2011, acting in partnership with leading companies from 65 countries – a 62% global market share.

With a network of more than 2,000 correspondent financial institutions, we help clients in their efforts to optimize cash flow, manage liquidity and make payments more efficiently around the world in more than 100 currencies. We are the fourth largest Fedwire and CHIPS payment processor, processing about 170,000 global payments daily totaling an average of $1.5 trillion.

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products, reflecting significant cross-border investment and capital flows.

Pershing, our clearing service, takes a consultative approach, working with more than 1,500 financial

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organizations and 100,000 investment professionals who collectively represent more than five and a half million individual and institutional investors by delivering dependable operational support; robust trading services; flexible technology; an expansive array of investment solutions, including managed accounts, mutual funds and cash management; practice management support and service excellence.

Sale of Shareowner Services

On Dec. 31, 2011, BNY Mellon sold its Shareowner Services business. See "Key 2011 events" for additional information.

Role of BNY Mellon, as a trustee, for mortgage-backed securitizations

BNY Mellon acts as trustee and document custodian for certain mortgage-backed security ("MBS") securitization trusts. The role of trustee for MBS securitizations is limited; our primary role as trustee is to calculate and distribute monthly bond payments to bondholders. As a document custodian, we hold the mortgage, note, and related documents provided to us by the loan originator or seller and provide periodic reporting to these parties. BNY Mellon, either as document custodian or trustee, does not receive mortgage underwriting files (the files that contain information related to the creditworthiness of the borrower). As trustee or custodian, we have no responsibility or liability for the quality of the portfolio; we are liable only for performance of the limited duties as described above and set forth in the trust document. BNY Mellon is indemnified by the servicers or directly from trust assets under the governing agreements. BNY Mellon may appear as the named plaintiff in legal actions brought by servicers in foreclosure and other related proceedings because the trustee is the nominee owner of the mortgage loans within the trusts.

Review of financial results

Assets under custody and administration at Dec. 31, 2011 were $25.8 trillion, an increase of 3% from $25.0 trillion at Dec. 31, 2010. The increase was driven by net new business. Equity securities constituted 33% and fixed-income securities constituted 67% of the assets under custody and administration at Dec. 31, 2011, compared with 32% equity securities and 68% fixed income securities at Dec. 31, 2010. Assets under custody and administration at Dec. 31, 2011 consisted of assets related to custody, mutual funds and corporate trust businesses of $20.5 trillion, broker-dealer service assets of $3.4 trillion, and all other assets of $1.9 trillion.

Income before taxes was $3.1 billion in both 2011 and 2010. Income before taxes, excluding amortization of intangible assets, was $3.3 billion in both 2011 and 2010. Investment Services results in 2011 were primarily impacted by the full-year impact of the Acquisitions, net new business, higher money market fee waivers, as well as higher volume-driven expenses and expense incurred to support business growth.

Revenue generated in the Investment Services business includes 37% from non-U.S. sources in both 2011 and 2010.

Investment services fees increased $780 million, or 13%, in 2011 compared with 2010.

- Asset servicing revenue (global custody, broker-dealer services and alternative investment services) was $3.6 billion in 2011 compared with $3.0 billion in 2010. The increase was primarily driven by the full-year impact of the Acquisitions, higher market values of AUC, net new business and higher securities lending revenue due to wider spreads, partially offset by lower volumes.
- Issuer services revenue (Corporate Trust, Depositary Receipts and Shareowner Services) was $1.4 billion in 2011 compared with $1.5 billion in 2010. The decrease primarily resulted from lower revenue in our Shareowner Services and Corporate Trust businesses, primarily offset by higher Depositary Receipts revenue driven by higher corporate action fees and net new business.
- Clearing services revenue (Pershing) was $1.1 billion in 2011 compared with $1.0 billion in 2010. The increase reflects the full-year impact of the GIS acquisition, net new business, growth in mutual fund assets and positions and an 8% increase in DARTS, partially offset by higher money market fee waivers.

Foreign exchange and other trading revenue decreased $42 million compared with 2010, primarily reflecting lower volatility and spreads, partially offset by higher volumes.

Net interest revenue increased $187 million compared with 2010, primarily driven by higher average customer deposits and loan levels, offset in part by narrower spreads.

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Noninterest expense, excluding amortization of intangible assets, increased $933 million compared with 2010. The increase in expenses primarily resulted from the full-year impact of the Acquisitions, higher litigation and volume-driven expenses and increased expenses in support of business growth.

2010 compared with 2009

Income before taxes was $3.1 billion in 2010, compared with $3.3 billion in 2009. Income before taxes, excluding amortization of intangible assets, was $3.3 billion in 2010 compared with $3.5 billion in 2009. Fee and other revenue increased $292 million, primarily due to the impact of the Acquisitions, higher market values of AUC and net new business, partially offset by lower foreign exchange trading volatility, lower money market related distribution fees and lower trading volumes. Net interest revenue increased $99 million, primarily driven higher yields related to restructured investment securities portfolio and increased loan and deposit balances. Noninterest expense, excluding amortization of intangible assets, increased $593 million, primarily due to the impact of the Acquisitions, higher volume-driven expenses and expenses supporting business growth.

Other Segment

(dollars in millions)	**2011**	2010	2009
Revenue:			
Fee and other revenue	**$475**	$478	$(4,973)
Net interest revenue	**143**	272	324
Total revenue	**618**	750	(4,649)
Provision for credit losses	**-**	8	331
Noninterest expense (ex. amortization of intangible assets, restructuring charges and M&I expenses)	**706**	793	746
Income (loss) before taxes (ex. amortization of intangible assets, restructuring	**(88)**	(51)	(5,726)

Business description

The Other segment primarily includes:

- credit-related services;
- the leasing portfolio;
- corporate treasury activities, including our investment securities portfolio;
- our equity investment in Wing Hang Bank;
- a 33.2% equity interest in ConvergEx; and
- business exits and corporate overhead.

Revenue primarily reflects:

- net interest revenue from the credit services and lease financing portfolios;
- interest income remaining after transfer pricing allocations;
- fee and other revenue from corporate and bank-owned life insurance and credit-related financing revenue; and
- gains (losses) associated with the valuation of investment securities and other assets.

Expenses include:

- M&I expenses;
- restructuring charges;
- direct expenses supporting credit-related services, leasing, investing and funding activities; and
- certain corporate overhead not directly attributable to the operations of other businesses.

Equity stake in ConvergEx Group

On Dec. 23, 2011, the previously-announced agreement to sell a majority of our equity stake in ConvergEx Group was terminated.

Review of financial results

Income before taxes was a loss of $270 million in 2011 compared with a loss of $220 million in 2010.

Total fee and other revenue decreased $3 million in 2011 compared with 2010. The decrease primarily reflects lower leasing gains, financing related fees, private equity investment gains and the impact of wider credit spreads on the CVA in 2011, partially offset by gains related to loans held-for-sale from a previously divested bank subsidiary

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charges and M&I expenses)			
Amortization of intangible assets	**2**	2	1
Restructuring charges	**89**	28	150
M&I expenses	**91**	139	233
Income (loss) before taxes	**$(270)**	$(220)	$(6,110)
Average assets	**$46,648**	$40,420	$37,098
Average deposits	**$4,451**	$4,132	$7,370

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Net interest revenue decreased $129 million in 2011 compared with 2010, primarily reflecting a reduction in the net interest margin resulting from the continued impact of the low interest rate environment as well as lower average loan and lease balances resulting from our strategy to reduce targeted risk exposure.

Noninterest expense (excluding amortization of intangible assets, restructuring charges and M&I expenses) decreased $87 million in 2011 compared with 2010. The decrease was driven by lower litigation expense and the impact of state investment tax credits in 2011.

2010 compared with 2009

Income before taxes was a loss of $220 million in 2010 compared with a loss of $6.1 billion in 2009. Total fee and other revenue increased $5.5 billion, primarily due to net securities losses related to the restructured investment securities portfolio recorded in 2009. Net interest revenue decreased $52 million, primarily reflecting our strategy to reduce targeted risk exposure. The provision for credit losses decreased $323 million in 2010 reflecting a decline in criticized assets and improvements in the insurance, media and residential mortgage portfolios. Noninterest expense excluding amortization of intangible assets, restructuring charges and M&I expenses increased $47 million in 2010 compared with 2009 as a result of higher litigation expenses, partially offset by a special FDIC assessment recorded in 2009, as well as lower legal costs and consulting fees. M&I expenses related to the Acquisitions and the 2007 Merger were $139 million in 2010 compared with $233 million in 2009, primarily related to the 2007 Merger.

International operations

Our primary international activities consist of securities services and global payment services in our investment services business, and asset management in our investment management business.

Our clients include some of the world' s largest asset managers, insurance companies, corporations, financial intermediaries, local authorities and pension funds. Through our global network of offices, we have developed a deep understanding of local requirements and cultural needs and we pride ourselves in providing dedicated service through our multilingual sales, marketing and client service teams.

operational centers based in Brussels, Cork, Dublin, Navan, Wexford, Luxembourg, Singapore, Wroclaw, throughout the United Kingdom including London, Manchester, Brentwood, Edinburgh and Poole, and Chennai and Pune in India.

At Dec. 31, 2011, we had approximately 9,000 employees in Europe, the Middle East and Africa (“EMEA”), approximately 8,000 employees in the Asia-Pacific region (“APAC”) and approximately 700 employees in other global locations, primarily Brazil.

At Dec. 31, 2011, our cross-border assets under custody and administration were $9.7 trillion compared with $9.2 trillion at Dec. 31, 2010. This increase was primarily driven by net new business.

In Europe, we maintain a significant presence in the Undertakings for Collective Investment in Transferable Securities Directives (“UCITS”) servicing field. In Ireland, BNY Mellon is the largest administrator of third-party assets and largest provider of trustee services. In Luxembourg, BNY Mellon is a top 10-ranked fund administrator. We provide global clearance services in more than 100 markets and service $1.8 trillion in daily tri-party balances spanning 40 markets.

The acquisition of GIS and BAS in 2010 expanded our investment services business worldwide. GIS enhanced our managed account platform, performance reporting capabilities and business intelligence tools for broker-dealer and registered investment advisor clients. BAS offers a full range of tailored solutions for investment companies, financial institutions and institutional investors in Germany.

We serve as the depositary for 1,389 sponsored American and global depositary receipt programs, acting in partnership with leading companies from 65 countries. As the world' s leading provider of corporate trust and agency services, BNY Mellon services $11.8 trillion in outstanding debt from 61 locations, in 20 countries, for clients including governments and their agencies, multi-national corporations, financial institutions and other entities that access the global debt markets. We leverage our global footprint and expertise to deliver customized and market-driven solutions across a full range of debt issuer and related investor services.

BNY Mellon Asset Management operates on a multi-boutique model, bringing investors the skills of our specialist boutique

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We conduct business through subsidiaries, branches, and representative offices in 36 countries. We have asset managers, which together manage investments spanning virtually all asset classes.

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We are one of the largest global asset managers, ranking 11th in the institutional marketplace and are the 8th largest asset manager active in Europe. We are also a market leader in the field of liability-driven investments.

At Dec. 31, 2011, our international operations managed 38% of BNY Mellon' s AUM, compared with 34% at Dec. 31, 2010. The increase primarily resulted from net long-term inflows in fixed income products and improved market values.

We process 170,000 global payments daily, totaling an average of $1.5 trillion. With payment services provided in more than 100 currencies through more than 2,000 correspondent bank accounts worldwide, we are a recognized leader in receivables and payables processing.

We have over 50 years of experience providing trade and cash services to financial institutions and central banks outside of the U.S. In addition, we offer a broad range of servicing and fiduciary products to financial institutions, corporations and central banks depending on the state of market development. In emerging markets, we lead with global payments and issuer services, introducing other products as the markets mature. For more established markets, our focus is on global, not local, investment services.

We are also a full-service global provider of foreign exchange services, actively trading in over 80 of the world' s currencies. We serve clients from ten trading rooms in Europe, Asia and North America.

Our financial results, as well as our level of AUM and AUC, are impacted by the translation of financial results denominated in foreign currencies to the U.S. dollar. We are primarily impacted by activities denominated in the British pound and the Euro. If the U.S. dollar depreciates against these currencies, the translation impact is a higher level of fee revenue, net interest revenue, noninterest expense and AUM and AUC. Conversely, if the U.S. dollar appreciates, the translated levels of fee revenue, net interest revenue, noninterest expense and AUM and AUC will be lower.

Foreign exchange rates for one U.S. dollar	**2011**	2010	2009
Spot rate (at Dec. 31):			
British pound	**$1.5448**	$1.5545	$1.6154

International clients accounted for 37% of revenue in 2011 compared with 36% in 2010 and 53% in 2009. Income from international operations was $1.5 billion in 2011 compared with income from continuing operations of $1.5 billion in 2010 and $1.1 billion in 2009.

In 2011, revenues from EMEA were $3.8 billion, compared with $3.5 billion in 2010 and $2.8 billion in 2009. Revenues from EMEA were up 8% for 2011 compared to 2010. The increase in 2011 primarily reflects the full-year impact of the Acquisitions, higher market values and net new business, partially offset by lower volumes, lower performance fees and a write-down of an equity investment in the fourth quarter of 2011. Investment Services generated 72% and Investment Management generated 28% of EMEA revenues. Income from continuing operations from EMEA was $867 million in 2011 compared with $916 million in 2010 and $667 million in 2009.

Revenues from APAC were $842 million in 2011 compared with $745 million in 2010 and $669 million in 2009. Revenues from APAC were up 13% for 2011 compared to 2010. The increase in 2011 primarily resulted from higher net interest revenue and net new business. Revenue from APAC in 2011 was generated by Investment Services 67% and Investment Management 27%. Income from continuing operations from APAC was $325 million in 2011 compared with $295 million in 2010 and $222 million in 2009.

Net income in EMEA reflects the same factors affecting revenue, which were more than offset by higher expenses, including higher risk expenses as well as a credit loss incurred in the second quarter. Net income in APAC was driven by the same factors affecting revenue. For additional information regarding our International operations, see Note 27 of the Notes to Consolidated Financial Statements.

Exposure in Ireland, Italy, Spain and Portugal

The following table presents our on- and off-balance sheet exposure in Ireland, Italy, Spain, and Portugal at Dec. 31, 2011. We have provided expanded disclosure on these countries as they have experienced particular market focus on credit quality and are countries experiencing economic concerns. Where appropriate, we are offsetting the risk associated with the gross exposure in these countries with collateral that has been pledged, which primarily consists of cash or marketable securities, or by transferring the risk to a third-party guarantor in another country.

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Euro	**1.2934**	1.3373	1.4348
Yearly average rate:			
British pound	**$1.6038**	$1.5457	$1.5659
Euro	**1.3921**	1.3270	1.3946

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BNY Mellon has a limited economic interest in the performance of assets of consolidated investment management funds, therefore they are excluded from this presentation. The liabilities of consolidated investment management funds represent the interest of the note holders of the funds and are solely dependent on the value of the assets. Any loss in the value of assets of consolidated investment management funds would be incurred by the fund' s note holders.

At Dec. 31, 2011, BNY Mellon had no exposure to Greece and no sovereign exposure to the countries disclosed below.

Our exposure to Ireland is principally related to Irish domiciled investment funds. Servicing provided to these funds and fund families may result in overdraft exposure.

See "Risk management" for additional information on how our exposures are managed.

Exposure in the table below reflects the country of operations and risk of the immediate counterparty.

On- and off-balance sheet exposure at Dec. 31, 2011 *(in millions)*	**Ireland**	**Italy**	**Spain**	**Portugal**	**Total**
On-balance sheet exposure					
Gross:					
Interest-bearing deposits with banks *(a)*	$97	$24	$ 4	$ -	$125
Investment securities (primarily European Floating Rate Notes) *(b)*	208	155	27	-	390
Loans and leases *(c)*	411	3	4	-	418
Trading assets *(d)*	117	53	16	3	189
Total gross on-balance sheet exposure	833	235	51	3	1,122
Less:					
Collateral	102	39	7	3	151
Guarantees	-	3	1	-	4
Total collateral and guarantees	102	42	8	3	155
Total net on-balance sheet exposure	**$731**	**$193**	**$ 43**	**$ -**	**$967**
Off-balance sheet exposure					
Gross:					
Lending-related commitments *(e)*	$273	$-	$ -	$ -	$273
Letters of credit *(f)*	-	2	14	-	16
Total gross off-balance sheet exposure	273	2	14	-	289
Less:					
Collateral	190	-	14	-	204
Total net off-balance sheet exposure	**$83**	**$2**	**$ -**	**$ -**	**$85**
Total exposure:					
Total gross on- and off-balance sheet exposure	**$1,106**	**$237**	**$ 65**	**$ 3**	**$1,411**
Less: Total collateral and guarantees	**292**	**42**	**22**	**3**	**359**
Total net on- and off-balance sheet exposure	**$814**	**$195**	**$ 43**	**$ -**	**$1,052**

(a) Interest-bearing deposits with banks represent a $96 million placement with an Irish subsidiary of a UK holding company and $29 million of nostro accounts related to our custody business.

(b) Represents $364 million, fair value, of residential mortgage-backed securities, of which 97% were investment grade, $23 million, fair value, of investment grade asset-backed CLOs, and $3 million, fair value, of money market fund investments located in Ireland.

(c) Loans and leases include $335 million of overdrafts primarily to Irish domiciled investment funds resulting from our custody business, a $65 million commercial lease fully-collateralized by U.S. Treasuries, $15 million of financial institution loans, which were collateralized by marketable securities and $4 million of leases to airline manufacturing companies which are under joint and

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several guarantee arrangements, with guarantors outside of the Eurozone. There is no impairment associated with these loans and leases.

(d) *Trading assets represent over-the-counter mark-to-market on foreign exchange receivables, net of master netting agreements. Trading assets include $117 million of foreign exchange trading receivables due from Irish domiciled investment funds and $72 million to financial institutions in Italy, Spain and Portugal. Cash collateral on the trading assets totaled $22 million in Ireland, $39 million in Italy, $7 million in Spain and $3 million in Portugal.*

(e) *Lending-related commitments represent $100 million to an asset manager fully-collateralized by marketable securities, and $173 million to an insurance company, collateralized by $90 million of marketable securities.*

(f) *Represents a $14 million letter of credit extended to an insurance company in Spain fully-collateralized by marketable securities. Exposure in Italy represents a $2 million letter of credit extended to a financial institution.*

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Cross-border risk

Foreign assets are subject to general risks attendant to the conduct of business in each foreign country, including economic uncertainties and each foreign government' s regulations. In addition, our foreign assets may be affected by changes in demand or pricing resulting from fluctuations in currency exchange rates or other factors. Cross-border outstandings include loans, acceptances, interest-bearing deposits with other banks, other interest-bearing investments, and other monetary assets which are denominated in U.S. dollars or other non-local currency. Also included are local currency outstandings not hedged or funded by local borrowings.

The table below shows our cross-border outstandings for the last three years where cross-border exposure exceeds 1.00% of total assets (denoted with "*") or 0.75% of total assets (denoted with "**").

Cross-border outstandings *(in millions)*	**Banks and other financial institutions** *(a)*	**Public sector**	**Commercial, industrial and other**		**Total cross-border outstandings** *(b)*
2011:					
Japan*	**$ 4,703**	**$ 15**	**$ 16**		**$ 4,734**
Australia*	**4,418**	**-**	**239**		**4,657**
Germany*	**4,062**	**-**	**464**		**4,526**
United Kingdom*	**3,369**	**25**	**713**		**4,107**
France*	**3,341**	**7**	**117**		**3,465**
Netherlands**	**2,079**	**-**	**905**	**(c)**	**2,984**
2010:					
Germany*	$ 7,007	$ 15	$ 312		$ 7,334
France*	6,109	20	124		6,253
Netherlands*	4,338	-	1,205	(c)	5,543
Australia *	2,663	-	275		2,938
Switzerland *	2,839	-	30		2,869
Belgium*	2,411	-	184		2,595
Japan**	2,261	-	7		2,268
United Kingdom **	533	-	1,411		1,944
Hong Kong **	1,908	-	18		1,926
2009:					
France*	$ 6,519	$ 56	$ 1,307		$ 7,882
Germany*	5,325	75	156		5,556
Netherlands*	2,765	-	1,312	(c)	4,077
Spain*	3,903	-	133		4,036
Belgium*	3,162	377	199		3,738
United Kingdom*	2,850	-	613		3,463
Japan**	1,809	-	7		1,816
Ireland**	932	1	895	(c)	1,828

(a) Primarily short-term interest-bearing deposits with banks.

(b) Excludes assets of consolidated investment management funds.

(c) Primarily European floating rate notes.

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Emerging markets exposure

We determine our emerging markets exposures using the MSCI Emerging Markets (EM) IMI Index. Our emerging markets exposures totaled $8 billion at Dec. 31, 2011 compared with $5 billion at Dec. 31, 2010. The increase in emerging markets exposure was primarily driven by higher short-term loans and interest-bearing deposits with banks.

Critical accounting estimates

Our significant accounting policies are described in Note 1 of the Notes to Consolidated Financial Statements under "Summary of significant accounting and reporting policies". Our more critical accounting estimates are those related to the allowance for loan losses and allowance for lending-related commitments, fair value of financial instruments and derivatives, other-than-temporary impairment, goodwill and other intangibles, and pension accounting. Further information on policies related to the allowance for loan losses and allowance for lending-related commitments can be found under "Summary of significant accounting and reporting policies" in Note 1 of the Notes to Consolidated Financial Statements. Further information on the valuation of derivatives and securities where quoted market prices are not available can be found under "Fair value measurement" in Note 22 of the Notes to Consolidated Financial Statements. Further information on policies related to goodwill and intangible assets can be found in "Goodwill and intangible assets" in Note 7 of the Notes to Consolidated Financial Statements. Additional information on pensions can be found in "Employee benefit plans" in Note 19 of the Notes to Consolidated Financial Statements.

Allowance for loan losses and allowance for lending-related commitments

The allowance for loan losses and allowance for lending-related commitments represents management' s estimate of probable losses inherent in our credit portfolio. This evaluation process is subject to numerous estimates and judgments.

In 2011, we implemented an enhanced methodology for determining the allowance for credit losses by adding a qualitative allowance framework. Within this framework, management applies judgment when assessing internal risk factors and environmental factors to compute an additional allowance for each component of the loan portfolio.

The three elements of the allowance for loan losses and the allowance for lending-related commitments include the qualitative allowance framework. The three elements are:

- an allowance for impaired credits of $1 million or greater;
- an allowance for higher risk-rated credits and pass-rated credits; and
- an allowance for residential mortgage loans.

Our lending is primarily to institutional customers. As a result, our loans are generally larger than $1 million. Therefore, the first element, impaired credits, is based on individual analysis of all impaired loans of $1 million or greater. The allowance is measured by the difference between the recorded value of impaired loans and their impaired value. Impaired value is either the present value of the expected future cash flows from the borrower, the market value of the loan, or the fair value of the collateral.

The second element, higher risk-rated credits and pass-rated credits, is based on our probable loss model. All borrowers are assigned to pools based on their credit ratings. The probable loss inherent in each loan in a pool incorporates the borrower' s credit rating, loss given default rating and maturity. The loss given default incorporates a recovery expectation. The borrower' s probability of default is derived from the associated credit rating. Borrower ratings are reviewed at least annually and are periodically mapped to third-party databases, including rating agency and default and recovery databases, to ensure ongoing consistency and validity. Higher risk-rated credits are reviewed quarterly. Commercial loans over $1 million are individually analyzed before being assigned a credit rating. We also apply this technique to our lease financing and wealth management portfolios.

The third element, the allowance for residential mortgage loans, is determined by segregating six mortgage pools into delinquency periods ranging from current through foreclosure. Each of these delinquency periods is assigned a probability of default. A specific loss given default based on a combination of external loss data from third-party databases and internal loss history is assigned for each mortgage pool. For each pool, the inherent loss is calculated using the above factors. The resulting probable loss factor is applied against the loan balance to determine the allowance held for each pool.

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The qualitative framework is used to determine an additional allowance for each portfolio based on the factors below:

Internal risk factors:

- Non-performing loans to total non-margin loans;
- Criticized assets to total loans and lending-related commitments;
- Ratings volatility;
- Borrower concentration; and
- Significant concentration in high risk industry.

Environmental risk factors:

- U.S. non-investment grade default rate;
- Unemployment rate; and
- Change in real GDP.

The allocation of the prior period allowance for loan losses and allowance for lending-related commitments has been restated to reflect the implementation of the qualitative allowance framework.

To the extent actual results differ from forecasts or management' s judgment, the allowance for credit losses may be greater or less than future charge-offs.

The credit rating assigned to each credit is a significant variable in determining the allowance. If each credit were rated one grade better, the allowance would have decreased by $68 million, while if each credit were rated one grade worse, the allowance would have increased by $109 million. Similarly, if the loss given default were one rating worse, the allowance would have increased by $45 million, while if the loss given default were one rating better, the allowance would have decreased by $42 million. For impaired credits, if the net carrying value of the loans was 10% higher or lower, the allowance would have decreased or increased by $2 million, respectively.

Fair value of financial instruments

The guidance related to *Fair Value Measurement* included in Accounting Standards Codification ("ASC") 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about assets and liabilities measured at fair value. The standard also established a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Fair value – Securities

Level 1 – Securities – Recent quoted prices from exchange transactions are used for debt and equity securities that are actively traded on exchanges and for U.S. Treasury securities and U.S. Government securities that are actively traded in highly liquid over-the-counter markets.

Level 2 – Securities – For securities where quotes from recent transactions are not available for identical securities, we determine fair value primarily based on pricing sources with reasonable levels of price transparency. The pricing sources employ financial models or obtain comparisons to similar instruments to arrive at "consensus" prices.

Specifically, the pricing sources obtain recent transactions for similar types of securities (e.g., vintage, position in the securitization structure) and ascertain variables such as discount rate and speed of prepayment for the type of transaction and apply such variables to similar types of bonds. We view these as observable transactions in the current market place and classify such securities as Level 2.

In addition, we have significant investments in more actively traded agency RMBS and other types of securities such as FDIC-insured debt and sovereign debt. The pricing sources derive the prices for these securities largely from quotes they obtain from three major inter-dealer brokers. The pricing sources receive their daily observed trade price and other information feeds from the inter-dealer brokers.

For securities with bond insurance, the financial strength of the insurance provider is analyzed and that information is included in the fair value assessment for such securities.

The pricing sources discontinue pricing any specific security whenever they determine there is insufficient observable data to provide a good faith opinion on price. The pricing sources did not discontinue pricing for any securities in our investment securities portfolio at Dec. 31, 2011.

BNY Mellon obtains prices for its Level 1 and Level 2 securities from multiple pricing sources. We have designed controls to develop an understanding of the pricing sources' securities pricing methodology and have implemented specific internal controls over the valuation of securities.

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As appropriate, we review the quality control procedures and pricing methodologies used by the pricing sources, including the process for obtaining prices provided by the pricing sources, their valuation methodology and controls for each class of security.

Prices received from pricing sources are subject to validation checks that help determine the completeness and accuracy of the prices. These validation checks are reviewed by management and, based on the results, may be subject to additional review and investigation. We also review securities with no price changes (stale prices) and securities with zero or 100% values.

BNY Mellon has a surveillance process in place to monitor the accuracy of prices provided by the pricing sources. We utilize a hierarchy that compares security prices obtained from multiple pricing sources against established thresholds. Discrepancies that fall outside of these thresholds are challenged with the pricing services and adjusted if necessary.

If further research is required, we review and validate these prices with the pricing sources. We also validate prices from pricing sources by comparing prices received to actual observed prices from actions such as purchases and sales, when possible.

Level 3 - Securities - Where we have used our own cash flow models and estimates to value securities, we classify them in Level 3 of the ASC 820 hierarchy. More than 99% of our securities are valued by pricing sources with reasonable levels of price transparency. Less than 1% of our securities are priced based on economic models and non-binding dealer quotes, and are included in Level 3 of the fair value hierarchy.

See Note 22 of the Notes to Consolidated Financial Statements for details of our securities by ASC 820 hierarchy level.

Fair value - Derivative financial instruments

Level 1 - Derivative financial instruments - Includes derivative financial instruments that are actively traded on exchanges, principally foreign exchange futures and forward contracts.

Level 2 - Derivative financial instruments - Includes the majority of our derivative financial instruments priced using internally developed models that use observable inputs for interest rates, pay-downs (both actual and expected), foreign exchange rates, option volatilities and other factors. The valuation process takes into consideration factors such as counterparty credit quality, liquidity and concentration concerns.

Level 3 - Derivative financial instruments - Certain interest rate derivatives that are highly structured require significant judgment and analysis to adjust the value determined by standard pricing models. These interest rate derivatives are included in Level 3 of the ASC 820 hierarchy and comprise less than 1% of our derivative financial instruments at fair value.

To test the appropriateness of the valuations, we subject the models to review and approval by an independent internal risk management function, benchmark the models against similar instruments and validate model estimates to actual cash transactions. In addition, we perform detailed reviews and analyses of profit and loss. Valuation adjustments are determined and controlled by a function independent of the area initiating the risk position. As markets and products develop and the pricing for certain products becomes more transparent, we refine our valuation methods. Any changes to the valuation models are reviewed by management to ensure the changes are justified.

To confirm that our valuation policies are consistent with exit prices as prescribed by ASC 820, we reviewed our derivative valuations using recent transactions in the marketplace, pricing services and the results of similar types of transactions. As a result of maximizing observable inputs as required by ASC 820, we reflect external credit ratings as well as observable credit default swap spreads for both ourselves as well as our counterparties when measuring the fair value of our derivative positions. Accordingly, the valuation of our derivative positions is sensitive to the current changes in our own credit spreads, as well as those of our counterparties.

For details of our derivative financial instruments by ASC 820 hierarchy level, see Note 22 of the Notes to Consolidated Financial Statements.

Fair value option

ASC 825 provides the option to elect fair value as an alternative measurement basis for selected financial assets, financial liabilities, unrecognized firm commitments and written loan commitments which are not subject to fair value under other accounting standards. Under ASC 825, fair value is used for both the initial and subsequent measurement of the designated assets, liabilities and commitments, with the changes in fair value recognized in income. See

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Note 23 of the Notes to Consolidated Financial Statements for additional disclosure regarding the fair value option.

Fair value - Judgments

In times of illiquid markets and financial stress, actual prices and valuations may significantly diverge from results predicted by models. In addition, other factors can affect our estimate of fair value, including market dislocations, incorrect model assumptions, and unexpected correlations. These valuation methods could expose us to materially different results should the models used or underlying assumptions be inaccurate. See "Basis of presentation" in Note 1 to the Notes to Consolidated Financial Statements.

Other-than-temporary impairment

The guidance included in ASC 320 defines the other-than-temporary impairment ("OTTI") model for investments in debt securities. Under this guidance, a debt security is considered impaired if its fair value is less than its amortized cost basis. An OTTI is triggered if (1) the intent is to sell the security, (2) the security will more likely than not have to be sold before the impairment is recovered, or (3) the amortized cost basis is not expected to be recovered. When an entity does not intend to sell the security before recovery of its cost basis, it will recognize the credit component of an OTTI of a debt security in earnings and the remaining portion in accumulated other comprehensive income.

The determination of whether a credit loss exists is based on best estimates of the present value of cash flows to be collected from the debt security. Generally, cash flows are discounted at the effective interest rate implicit in the debt security at the time of acquisition. For debt securities that are beneficial interests in securitized financial assets and are not high credit quality, ASC 325 provides that cash flows be discounted at the current yield used to accrete the beneficial interest.

For each security in the investment securities portfolio (including but not limited to those whose fair value is less than their amortized cost basis), an extensive, regular review is conducted to determine if an OTTI has occurred. For example, to determine if an unrealized loss on non-agency RMBS is other-than-temporary, we project total estimated defaults of the underlying assets (mortgages) and multiply that calculated amount by an estimate of realizable value upon sale of these assets in the marketplace (severity) in order to determine the projected collateral loss. We also evaluate the current credit enhancement underlying the bond to determine the impact on cash flows. If we determine that a given RMBS will be subject to a write-down or loss, we record the expected credit loss as a charge to earnings.

During 2011, the housing market continued to remain unstable. As a result, we adjusted our non-agency RMBS estimated default and loss severity assumptions to increase estimated defaults and decreased the amount we expect to receive to cover the value of the original loan. See Note 5 of the Notes to Consolidated Financial Statements for projected weighted-average default rates and loss severities for the 2007, 2006 and late-2005 non-agency RMBS and Grantor Trust portfolios at Dec. 31, 2011 and 2010. If actual delinquencies, default rates and loss severity assumptions worsen, we would expect additional impairment losses to be recorded in future periods.

Net securities gains in 2011 were $48 million compared with $27 million in 2010.

If we were to increase or decrease each of our loss severity and projected default rates by 100 basis points on each of the positions in our Alt-A, subprime and prime RMBS portfolios including the securities previously held by the Grantor Trust we established in connection with the restructuring of our investment securities portfolio in 2009, credit-related impairment charges on these securities would have increased by $10 million (pre-tax) or decreased by $9 million (pre-tax) at Dec. 31, 2011.

Goodwill and other intangibles

We initially record all assets and liabilities acquired in purchase acquisitions, including goodwill, indefinite-lived intangibles and other intangibles, in accordance with ASC 805 *Business Combinations*. Goodwill, indefinite-lived intangibles and other intangibles are subsequently accounted for in accordance with ASC 350 *Intangibles - Goodwill and Other.* The initial measurement of goodwill and intangibles requires judgment concerning estimates of the fair value of the acquired assets and liabilities. Goodwill ($17.9 billion at Dec. 31, 2011) and indefinite-lived intangible assets ($2.7 billion at Dec. 31, 2011) are not amortized but subject to tests for impairment annually or more often if events or circumstances indicate it is more likely than not they may be impaired. Other intangible assets are amortized over their estimated useful lives and are

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subject to impairment if events or circumstances indicate a possible inability to realize the carrying amount.

BNY Mellon' s three business segments include seven reporting units for which annual goodwill impairment testing is done in accordance with ASC 350. The Investment Management segment is comprised of two reporting units; the Investment Services segment is comprised of four reporting units; and one reporting unit is included in the Other segment.

The goodwill impairment test is performed in two steps. The first step compares the estimated fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. However, if the carrying amount of the reporting unit were to exceed its estimated fair value, a second step would be performed that would compare the implied fair value of the reporting unit' s goodwill with the carrying amount of that goodwill. An impairment loss would be recorded to the extent that the carrying amount of goodwill exceeds its implied fair value. A substantial goodwill impairment charge would not have a significant impact on our financial condition, but could have an adverse impact on our results of operations. In addition, due to regulatory restrictions, the Company' s subsidiary banks could be restricted from distributing available cash to the Parent resulting in the Parent needing to issue additional long-term debt.

In the second quarter of 2011, we performed our annual goodwill test. The estimated fair values of each of these reporting units exceeded its carrying amount by at least 20% at that time.

GAAP also requires that an interim test be done whenever events or circumstances occur that may indicate that it is more likely than not that the fair value of any reporting unit might be less than its carrying value. The broad decline of stock prices throughout the U.S. stock market in the second half of 2011 also impacted the Company' s stock price, which declined below the Company' s net book value per share. As a result of this sustained decline in the second half of 2011, the Company performed an interim goodwill test during the fourth quarter of 2011.

For this interim test, the fair value of each of the Company' s reporting units was estimated by the Company with the assistance of a third-party valuation specialist. Fair value was estimated using an income approach, based on discounted cash flows and, where appropriate, a market approach. Since public company multiples are on a marketable minority interest basis, we adjusted them in the impairment test to reflect the control rights and privileges in arriving at a multiple that reflects an appropriate control premium. Fair value of each of the Company' s reporting units reflected a control premium of 35% to 40%.

Estimated cash flows used in the income approach were based on management' s most recent projections available as of Oct. 31, 2011. The discount rates used under the income approach were based on the capital asset pricing model. The discount rate applied to estimated cash flows ranged from 10% to 12% and incorporated a 6% market equity risk premium, forward assumptions for risk-free rates, and other relevant assumptions. Estimated cash flows extend far into the future and, by their nature, are difficult to estimate over such an extended time-frame. Factors that may significantly affect the estimates include, among others, stock market price impacts affecting the market values of assets we manage, the effects of regulatory and legislative changes, increases to the cost of equity, specific industry or market sector conditions, competitive forces, customer behaviors and attrition, changes in revenue growth trends, cost structures and technology, and changes in interest rates.

The market approach used by the Company was primarily based on the "Guideline Public Company Method", which generally reflects publicly available information for comparable businesses, and incorporated earnings multiples from comparable publicly-traded companies in industries similar to that of the respective reporting unit. When appropriate, comparable multiples were selected based on the expected profitability of the reporting unit among other factors.

The fair value of each reporting unit exceeded its carrying value as of the date of the interim test. The fair values of six of the Company' s reporting units were substantially in excess of the respective reporting unit' s carrying value. The Asset Management reporting unit, with $7.7 billion of allocated goodwill, which is one of the two reporting units in the Investment Management segment, exceeded its carrying value by approximately 10%.

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The fair value of the Asset Management reporting unit was estimated using both an income approach and a market approach. The Company estimated cash flows based on a compound annual operating income growth rate of approximately 16% through 2016 and 4.5% thereafter, discounted at 12.0%. In addition, the fair value of this reporting unit reflected a control premium of 35%. Fair value estimates based on the two methods exceeded the carrying value of the reporting unit. For this reporting unit, in the future, small changes in the assumptions could produce a non-cash goodwill impairment, which would have no effect on our regulatory capital ratios. In addition to the factors and assumptions previously discussed that could affect all of the Company' s reporting units, certain money market fee waiver practices and changes in the level of assets under management could have an effect on Asset Management broadly, as well as the fair value of this reporting unit.

Key judgments in accounting for intangibles include useful life and classification between goodwill and indefinite-lived intangibles or other intangibles requiring amortization.

Indefinite-lived intangible assets are evaluated for impairment at least annually by comparing their fair values, estimated using discounted cash flow analyses, to their carrying values. Other amortizing intangible assets ($2.5 billion at Dec. 31, 2011) are evaluated for impairment if events and circumstances indicate a possible impairment. Such evaluation of other intangible assets is initially based on undiscounted cash flow projections.

See Notes 1 and 7 of the Notes to Consolidated Financial Statements for additional information regarding goodwill, intangible assets and the annual and interim impairment testing.

Pension accounting

BNY Mellon has defined benefit pension plans covering approximately 24,500 U.S. employees and approximately 9,700 non-U.S. employees.

BNY Mellon has two qualified and several non-qualified defined benefit pension plans in the U.S. and several pension plans overseas. As of Dec. 31, 2011, the U.S. plans accounted for 84% of the projected benefit obligation. The pension expense for BNY Mellon plans was $93 million in 2011 compared with $47 million in 2010 and a pension credit of $17 million in 2009.

Effective Jan. 1, 2011, the U.S. pension plan was amended to reduce benefits earned by participants for service after 2010, and to freeze plan participation such that no new employees will enter the plan after Dec. 31, 2010. This change in the pension plan reduced pension expense by $40 million in 2011.

A net pension expense of approximately $140 million is expected to be recorded by BNY Mellon in 2012, assuming currency exchange rates at Dec. 31, 2011. The expected increase in pension expense in 2012 is primarily driven by the change in plan assumptions.

A number of key assumption and measurement date values determine pension expense. The key elements include the long-term rate of return on plan assets, the discount rate, the market-related value of plan assets and the price used to value stock in the ESOP. Since 2009, these key elements have varied as follows:

(dollars in millions, except per share amounts)	**2012**	2011	2010	2009
Domestic plans:				
Long-term rate of return on plan assets	**7.38 %**	7.50 %	8.00 %	8.00 %
Discount rate	**4.75**	5.71	6.21	6.38
Market-related value of plan assets *(a)*	**$3,763**	$3,836	$3,861	$3,651
ESOP stock price *(a)*	**$22.96**	$29.48	$27.97	$33.12
Net U.S. pension credit/ (expense)	**N/A**	$(54)	$(15)	$32
All other net pension	**N/A**	(39)	(32)	(15)

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credit/ (expense)				
Total net pension credit/ (expense)	**N/A**	$(93)	$(47)	$17

(a) Market-related value of plan assets and ESOP stock price are for the beginning of the plan year. See "Summary of significant accounting and reporting policies" in Note 1 of the Notes to Consolidated Financial Statements.

The discount rate for U.S. pension plans was determined after reviewing equivalent rates obtained by discounting the pension plans' expected cash flows using various high-quality, long-term corporate bond yield curves. We also reviewed the results of several models that matched bonds to our pension cash flows. After reviewing the various indices and models, we selected a discount rate of 4.75% as of Dec. 31, 2011.

The discount rates for foreign pension plans are based on high-quality corporate bond rates in countries that have an active corporate bond market. In those

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countries with no active corporate bond market, discount rates are based on local government bond rates plus a credit spread.

Our expected long-term rate of return on plan assets is based on anticipated returns for each applicable asset class. Anticipated returns are weighted for the expected allocation for each asset class. Anticipated returns are based on forecasts for prospective returns in the equity and fixed income markets, which should track the long-term historical returns for these markets.

We also consider the growth outlook for U.S. and global economies, as well as current and prospective interest rates.

The market-related value of plan assets also influences the level of pension expense. Differences between expected and actual returns are recognized over five years to compute an actuarially derived market-related value of plan assets.

Unrecognized actuarial gains and losses are amortized over the future service period of active employees if they exceed a threshold amount. BNY Mellon currently has $1.7 billion of unrecognized losses which are being amortized.

The annual impacts of hypothetical changes in the key elements on pension costs are shown in the table below.

Pension expense *(dollar amounts in millions, except per share amounts)*	Increase in pension expense		(Decrease) in pension expense	
Long-term rate of return on plan assets	(100) bps	(50) bps	50 bps	100 bps
Change in pension expense	$44	$22	$(22)	$(44)
Discount rate	(50) bps	(25) bps	25 bps	50 bps
Change in pension expense	$36	$17	$(16)	$(32)

value of benefits earned under the ESOP for employees who participated in the legacy Retirement Plan of The Bank of New York Company, Inc.

Consolidated balance sheet review

At Dec. 31, 2011, total assets were $325.3 billion compared with $247.3 billion at Dec. 31, 2010. The increase in consolidated total assets primarily resulted from growth in client deposits. Deposits totaled $219.1 billion at Dec. 31, 2011, and $145.3 billion at Dec. 31, 2010. At Dec. 31, 2011, total interest-bearing deposits were 48% of total interest-earning assets, compared with 59% at Dec. 31, 2010. Total assets averaged $291.1 billion in 2011, compared with $237.8 billion in 2010. The increase in average assets primarily reflects higher client deposit levels. Total deposits averaged $182.7 billion in 2011 and $139.4 billion in 2010.

At Dec. 31, 2011, we had $40.8 billion of liquid funds and $94.4 billion of cash (including $90.2 billion of overnight deposits with the Federal Reserve and other central banks) for a total of $135.2 billion of available funds. This compares with available funds of $77.6 billion at Dec. 31, 2010. Our percentage of liquid assets to total assets was 42% at Dec. 31, 2011, compared with 31% at Dec. 31, 2010. At Dec. 31, 2011, of our $40.8 billion in liquid funds, $36.3 billion were placed in interest-bearing deposits with large, highly-rated global financial institutions with a weighted average life to maturity of approximately 56 days. Of the $36.3 billion, $7.5 billion was placed with banks in the Eurozone.

Investment securities were $82.0 billion or 25% of total assets at Dec. 31, 2011, compared with $66.3 billion or 27% of total assets at Dec. 31, 2010. The increase primarily reflects a higher level of agency residential mortgage-backed securities, U.S. Treasury securities and sovereign securities, as well as an improvement in the unrealized gain of our investment securities portfolio.

Loans were $44.0 billion or 14% of total assets at Dec. 31, 2011, compared with $37.8 billion or 15% of total assets at Dec. 31, 2010. The increase in loan levels was primarily due to higher loans to broker-dealers.

Long-term debt increased to $19.9 billion at Dec. 31, 2011 from $16.5 billion at Dec. 31, 2010, primarily due to the issuance of $5.1 billion of senior medium-term notes, partially offset by $1.3 billion of senior and subordinated debt that matured in 2011 and

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Market-related value of plan assets	(20)%	(10)%	10 %	20 %
Change in pension expense	$164	$84	$(82)	$(161)
ESOP stock price	$(10)	$(5)	$5	$10
Change in pension expense	$14	$7	$(6)	$(12)

In addition to its pension plans, BNY Mellon has an Employee Stock Ownership Plan ("ESOP"). Benefits payable under The Bank of New York Mellon Corporation Pension Plan are offset by the equivalent

$596 million of retail medium-term notes that were called in 2011.

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Total shareholders' equity applicable to BNY Mellon was $33.4 billion at Dec. 31, 2011 and $32.4 billion at Dec. 31, 2010. The increase in total shareholders' equity primarily reflects earnings retention and an improvement in the valuation of our investment securities portfolio, offset in part by share repurchases.

BNY Mellon, through its involvement in the Government Securities Clearing Corporation ("GSCC"), settles government securities transactions on a net basis for payment and delivery through the Fed wire system. As a result, at Dec. 31, 2011, the assets and liabilities of BNY Mellon were reduced by $98 million for the netting of repurchase agreements and reverse repurchase agreement transactions executed with the same counterparty under standardized Master Repurchase Agreements. This netting is performed in accordance with the Financial Accounting Standards Board ("FASB") Interpretation No. 41 (ASC Topic 210-20) "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements."

Investment securities

In the discussion of our investment securities portfolio, we have included certain credit ratings information because the information indicates the degree of credit risk to which we are exposed, and significant changes in ratings classifications for our investment portfolio could indicate increased credit risk for us and could be accompanied by a reduction in the fair value of our investment securities portfolio.

The following table shows the distribution of our total investment securities portfolio:

Investment securities portfolio *(dollars in millions)*	Dec. 31, 2010 Fair value	2011 change in unrealized gain/(loss)	**Dec. 31, 2011** Amortized cost	Fair value	Fair value as a % of amortized cost *(a)*	Unrealized gain/(loss)	Ratings AAA/ AA-	A+/ A-	BBB+/ BBB-
Watch list: *(b)*									
European floating rate notes *(c)*	$4,636	$ 84	$3,372	$3,025	89 %	$ (347)	71 %	23 %	6 %
Non-agency RMBS	2,577	(59)	2,130	1,780	76	(350)	21	15	12
Other	331	(5)	246	264	34	18	3	1	22
Total Watch list *(b)*	7,544	20	5,748	5,069	78	(679)	50	19	8
Agency RMBS	20,157	226	26,890	27,493	102	603	100	-	-
U.S. Treasury securities	12,635	387	17,627	17,999	102	372	100	-	-
Sovereign debt/sovereign guaranteed *(d)*	8,585	108	11,724	11,881	101	157	100	-	-
Non-agency RMBS *(e)*	4,496	(401)	3,002	3,179	64	177	1	1	2
Commercial MBS	2,281	12	2,935	3,003	105	68	84	14	2
State and political subdivisions	629	62	2,787	2,806	101	19	76	19	3
Foreign covered bonds *(f)*	2,868	31	2,410	2,425	101	15	99	1	-
FDIC-insured debt	2,474	(34)	1,100	1,112	101	12	100	-	-
CLO	-	(25)	1,258	1,233	98	(25)	96	4	-
U.S. Government agency debt	1,005	28	932	958	103	26	100	-	-
Credit cards	517	(1)	393	397	101	4	16	84	-
Other	3,178	27	4,139	4,183	101	44	58	30	4
Total investment securities	$66,369 *(g)*	$ 440	$80,945	$81,738 *(g)*	101 %	$ 793 *(g)*	89 %	5 %	1 %

(a) Amortized cost before impairments.

(b) The "Watch list" includes those securities we view as having a higher risk of impairment charges.

(c) Includes RMBS, commercial MBS and other securities. See page 37 for exposure by country.

(d) Primarily comprised of exposure to United Kingdom, France, Germany and Netherlands.

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(e) These RMBS were included in the former Grantor Trust and were marked-to-market in 2009. We believe these RMBS would receive higher credit ratings if these ratings incorporated, as additional credit enhancement, the difference between the written-down amortized cost and the current face amount of each of these securities.
(f) Primarily comprised of exposure to Germany and Canada.
(g) Includes net unrealized gains on derivatives hedging securities available-for-sale of $60 million at Dec. 31, 2010 and net unrealized losses on derivatives hedging securities available-for-sale of $269 million at Dec. 31, 2011.

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The fair value of our investment securities portfolio was $81.7 billion at Dec. 31, 2011, compared with $66.4 billion at Dec. 31, 2010. The increase in the fair value of the investment securities portfolio primarily reflects a higher level of agency residential mortgage-backed securities, U.S. Treasury securities and sovereign securities, commensurate with our growth in deposits, as well as an increase in the unrealized gain of the securities portfolio. In 2011, we received $1.3 billion of paydowns and sold $480 million of sub-investment grade securities.

At Dec. 31, 2011, the total investment securities portfolio had an unrealized pre-tax gain of $793 million compared with $353 million at Dec. 31, 2010. The unrealized net of tax gain on our investment securities available-for-sale portfolio included in accumulated other comprehensive income was $417 million at Dec. 31, 2011, compared with $151 million at Dec. 31, 2010. The improvement in the valuation of the investment securities portfolio was driven by improved valuations of agency RMBS and U.S. Treasury securities, partially offset by declines in valuations of certain non-agency residential mortgage-backed securities.

In 2009, we established a Grantor Trust in connection with the restructuring of our investment securities portfolio. The Grantor Trust has been dissolved. The securities held in the former Grantor Trust are included in our investment securities portfolio and were marked down to approximately 60% of face value in 2009. At Dec. 31, 2011, these securities were trading above adjusted amortized cost with a total unrealized pre-tax gain of $177 million compared with $578 million at Dec. 31, 2010.

At Dec. 31, 2011, 89% of the securities in our portfolio were rated AAA/AA-, compared with 87% at Dec. 31, 2010.

We routinely test our investment securities for OTTI. (See “Critical accounting estimates” for additional disclosure regarding OTTI.)

At Dec. 31, 2011, we had $1.2 billion of accretable discount related to the restructuring of the investment securities portfolio. The discount related to these transactions had a remaining average life of approximately 3.9 years. The accretion of discount related to these securities increases net interest revenue and is recorded on a level yield basis. The discount accretion totaled $391 million in 2011 and $458 million in 2010.

Also, at Dec. 31, 2011, we had $1.7 billion of net amortizable purchase premium relating to investment securities with a remaining average life of approximately 4.1 years. For these securities, the amortization of net premium decreased net interest revenue and is recorded on a level yield basis. We recorded net premium amortization of $294 million in 2011 and $242 million in 2010.

The following table provides pre-tax securities gains (losses) by type.

Net securities gains (losses) *(in millions)*	**2011**	2010	2009
U.S. Treasury	**$77**	$15	$-
Agency RMBS	**8**	15	-
Alt-A RMBS	**(36)**	(13)	(3,113)
Prime RMBS	**(1)**	-	(1,008)
Subprime RMBS	**(21)**	(4)	(322)
European floating rate notes	**(39)**	(3)	(269)
Sovereign debt	**36**	-	-
Home equity lines of credit	**-**	-	(205)
Commercial MBS	**-**	-	(89)
Grantor Trust	**-**	-	(39)
Credit cards	**-**	-	(26)
ABS CDOs	**-**	-	(23)
Other	**24**	17	(275)
Total net securities gains (losses)	**$48**	$27	$(5,369)

At Dec. 31, 2011, the investment securities portfolio includes $95 million of assets not accruing interest. These securities are held at market value.

The following table shows the fair value of the European floating rate notes by geographical location at Dec. 31, 2011. The unrealized loss on these securities was $347 million at Dec. 31, 2011, a decrease of 19% compared with $431 million at Dec. 31, 2010.

European floating rate notes at Dec. 31, 2011 *(a)*

(in millions)	RMBS	Other	Total fair value
United Kingdom	$1,225	$259	$1,484
Netherlands	751	47	798

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Ireland	182	23	205
Italy	155	-	155
Luxembourg	-	140	140
Australia	101	-	101
Germany	-	101	101
Spain	27	-	27
France	4	10	14
Total	$2,445	$580	$3,025

(a) 71% of these securities are in the AAA to AA- ratings category.

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See Note 22 of the Notes to Consolidated Financial Statements for the detail of securities by level in the fair value hierarchy.

Equity investments

We also have equity investments categorized as other assets. Included in other assets are (parenthetical amounts indicate carrying values at Dec. 31, 2011): joint ventures and other equity investments ($1.6 billion), seed capital ($48 million), Federal Reserve Bank stock ($429 million), private equity investments ($122 million), and tax advantaged low-income housing investments ($477 million). For additional information on the fair value of our private equity investments and seed capital, see Note 22 of the Notes to Consolidated Financial Statements.

Our equity investment in Wing Hang Bank Limited ("Wing Hang"), which is located in Hong Kong, had a fair value of $499 million (book value of $399 million) based on its share price at Dec. 31, 2011. An agreement with certain other shareholders of Wing Hang prohibits the sale of this interest without their permission. In 2011, we elected to receive a stock dividend from Wing Hang with a value of $12 million (or 1.1 million shares). In 2010 and 2009, we received cash dividends from Wing Hang of $6 million and $2 million, respectively.

Private equity activities consist of investments in private equity funds, mezzanine financings, and direct equity investments. Consistent with our policy to focus on our core activities, we continue to reduce our exposure to these activities. The carrying and fair value of our private equity investments was $122 million at Dec. 31, 2011, down $21 million from $143 million at Dec. 31, 2010. At Dec. 31, 2011, private equity investments consisted of investments in private equity funds of $115 million, direct equity of less than $1 million, and leveraged bond funds of $7 million. Investment income was $18 million in 2011.

At Dec. 31, 2011, we had $22 million of unfunded investment commitments to private equity funds. If unused, the commitments expire between 2012 and 2015.

Commitments to private equity limited partnerships may extend beyond the expiration period shown above to cover certain follow-on investments, claims and liabilities, and organizational and partnership expenses.

Loans

Total exposure – consolidated	**Dec. 31, 2011**			Dec. 31, 2010		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**	Loans	Unfunded commitments	Total exposure
Non-margin loans:						
Financial institutions	**$11.1**	**$ 15.5**	**$ 26.6**	$9.3	$ 15.8	$ 25.1
Commercial	**1.3**	**16.3**	**17.6**	1.6	18.8	20.4
Subtotal institutional	**12.4**	**31.8**	**44.2**	10.9	34.6	45.5
Wealth management loans and mortgages	**7.3**	**1.5**	**8.8**	6.5	1.8	8.3
Commercial real estate	**1.5**	**1.5**	**3.0**	1.6	1.6	3.2
Lease financing	**2.6**	**-**	**2.6**	3.1	0.1	3.2
Other residential mortgages	**1.9**	**-**	**1.9**	2.1	-	2.1
Overdrafts	**4.8**	**-**	**4.8**	6.0	-	6.0
Other	**0.7**	**-**	**0.7**	0.8	-	0.8
Subtotal non-margin loans	**31.2**	**34.8**	**66.0**	31.0	38.1	69.1
Margin loans	**12.8**	**0.7**	**13.5**	6.8	-	6.8
Total	**$44.0**	**$ 35.5**	**$ 79.5**	$37.8	$ 38.1	$ 75.9

At Dec. 31, 2011, total exposures were $79.5 billion, an increase of 5% from $75.9 billion at Dec. 31, 2010. This increase primarily reflects higher secured term loans to broker-dealers in the margin loans portfolio and higher other margin loans,

Our financial institutions and commercial portfolios comprise our largest concentrated risk. These portfolios make up 56% of our total lending exposure. Additionally, a substantial portion of

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partially offset by lower commercial exposure, overdrafts and lease financing exposure.

our overdrafts relate to financial institutions and commercial customers.

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Financial institutions

The diversity of the financial institutions portfolio is shown in the following table.

Financial institutions portfolio exposure *(dollar amounts in billions)*	**Dec. 31, 2011**					Dec. 31, 2010		
	Loans	**Unfunded commitments**	**Total exposure**	**% Inv grade**	**% due <1 yr**	Loans	Unfunded commitments	Total exposure
Banks	**$6.3**	**$ 1.9**	**$ 8.2**	**82 %**	**96 %**	$ 4.2	$ 2.2	$ 6.4
Securities industry	**3.8**	**2.6**	**6.4**	**95**	**95**	3.9	2.3	6.2
Insurance	**0.1**	**4.6**	**4.7**	**99**	**42**	0.1	5.0	5.1
Asset managers	**0.8**	**3.2**	**4.0**	**99**	**82**	0.8	2.4	3.2
Government	**-**	**1.6**	**1.6**	**94**	**36**	0.2	2.1	2.3
Other	**0.1**	**1.6**	**1.7**	**98**	**56**	0.1	1.8	1.9
Total	**$11.1**	**$ 15.5**	**$ 26.6**	**93 %**	**78 %**	$ 9.3	$ 15.8	$ 25.1

The financial institutions portfolio exposure was $26.6 billion at Dec. 31, 2011, compared to $25.1 billion at Dec. 31, 2010. The increase primarily reflects loans to banks.

Financial institution exposures are high quality, with 93% meeting the investment grade equivalent criteria of our rating system at Dec. 31, 2011. These exposures are generally short-term. Of these exposures, 78% expire within one year, and 39% expire within 90 days. In addition, 44% of the financial institutions exposure is secured. For example, securities industry and asset managers often borrow against marketable securities held in custody.

For ratings of non-U.S. counterparties, as a conservative measure, our internal credit rating classification generally caps the rating based upon the sovereign rating of the country where the counterparty resides regardless of the credit rating of the counterparty or the underlying collateral.

Our exposure to banks is predominately to investment grade counterparties in developed countries. Non-investment grade bank exposures are short-term in nature supporting our global trade finance and U.S. dollar clearing businesses in developing countries.

The asset manager portfolio exposures are high quality with 99% meeting our investment grade equivalent ratings criteria at Dec. 31, 2011. These exposures are generally short-term liquidity facilities with the vast majority to regulated mutual funds.

Commercial

The diversity of the commercial portfolio is shown in the following table.

Commercial portfolio exposure *(dollar amounts in billions)*	**Dec. 31, 2011**					Dec. 31, 2010		
	Loans	**Unfunded commitments**	**Total exposure**	**% Inv grade**	**% due <1 yr**	Loans	Unfunded commitments	Total exposure
Manufacturing	**$ 0.3**	**$ 5.7**	**$ 6.0**	**91 %**	**21 %**	$ 0.4	$ 5.9	$ 6.3
Energy and utilities	**0.3**	**4.8**	**5.1**	**95**	**17**	0.3	5.4	5.7
Services and other	**0.5**	**4.5**	**5.0**	**91**	**27**	0.7	5.9	6.6
Media and telecom	**0.2**	**1.3**	**1.5**	**85**	**18**	0.2	1.6	1.8
Total	**$ 1.3**	**$ 16.3**	**$ 17.6**	**91 %**	**21 %**	$ 1.6	$ 18.8	$ 20.4

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The commercial portfolio exposure decreased 14% to $17.6 billion at Dec. 31, 2011, from $20.4 billion at Dec. 31, 2010, reflecting our desire to reduce non-strategic exposure. Our goal is to maintain a predominantly investment grade portfolio.

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The table below summarizes the percentage of the financial institutions and commercial exposures that are investment grade.

Percentage of the portfolios that are investment grade	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Financial institutions	**93 %**	91 %	85 %
Commercial	**91 %**	89 %	80 %

Our credit strategy is to focus on investment grade names to support cross-selling opportunities, avoid single name/industry concentrations and exit high-risk portfolios. Each customer is assigned an internal rating grade, which is mapped to an external rating agency grade equivalent based upon a number of dimensions which are continually evaluated and may change over time. The execution of our strategy has resulted in a higher percentage of the portfolio that is investment grade at Dec. 31, 2011, compared with Dec. 31 2010.

Wealth management loans and mortgages

Wealth Management loans and mortgages are primarily composed of loans to high-net-worth individuals, which are secured by marketable securities and/or residential property. Wealth management mortgages are primarily interest-only adjustable rate mortgages with an average loan to value ratio of 62% at origination. In the wealth management portfolio, 1% of the mortgages were past due at Dec. 31, 2011.

At Dec. 31, 2011, the private wealth mortgage portfolio was comprised of the following geographic concentrations: New York – 24%; Massachusetts – 17%; California – 17%; Florida – 8%; and other – 34%.

Commercial real estate

Our commercial real estate facilities are focused on experienced owners and are structured with moderate leverage based on existing cash flows. Our commercial real estate lending activities include both construction facilities and medium-term loans. Our client base consists of experienced developers and long-term holders of real estate assets. Loans are approved on the basis of existing or projected cash flow, and supported by appraisals and knowledge of local market conditions. Development loans are developer. Our commercial real estate exposure totaled $3.0 billion at Dec. 31, 2011 compared with $3.2 billion at Dec. 31, 2010.

At Dec. 31, 2011, 58% of our commercial real estate portfolio is secured. The secured portfolio is diverse by project type, with 62% secured by residential buildings, 17% secured by office buildings, 9% secured by retail properties, and 12% secured by other categories. Approximately 95% of the unsecured portfolio is allocated to investment grade real estate investment trusts (“REITs”) under revolving credit agreements.

At Dec. 31, 2011, our commercial real estate portfolio is comprised of the following geographic concentrations: New York metro – 43%; investment grade REITs – 40%; and other – 17%.

Lease financings

The lease financing portfolio consisted of non-airline exposures of $2.4 billion and $197 million of airline exposures at Dec. 31, 2011. The lease financing exposure is 89% investment grade, or investment grade equivalent. The leasing portfolio is likely to decline in the future if risk-adjusted returns are unable to meet our expected returns.

At Dec. 31, 2011, the non-airline portion of the lease financing portfolio consisted of $2.4 billion of exposures backed by well-diversified assets, primarily large-ticket transportation equipment. The largest component is rail, consisting of both passenger and freight trains. Assets are both domestic and foreign-based, with primary concentrations in the United States and European countries. Approximately 50% of the non-airline portfolio is additionally secured by highly rated securities and/or letters of credit from investment grade issuers. Excluding airline lease financing, counterparty rating equivalents at Dec. 31, 2011, were as follows:

- 1% of the counterparties are AA, or equivalent;
- 42% were A;
- 51% were BBB; and
- 6% were non-investment grade

At Dec. 31, 2011, our $197 million of exposure to the airline industry consisted of $13 million of real estate lease exposure, as well as the airline lease financing portfolio, which included $69 million to major U.S. carriers, $103 million to foreign airlines and $12 million to U.S. regional airlines.

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structured with moderate leverage, and in most instances, involve some level of recourse to the

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Recently, the U.S domestic airline industry has shown significant improvement in revenues and yields. Despite this improvement, these carriers continue to have extremely high debt levels. Combined with their high fixed-cost operating models, the domestic airlines remain vulnerable. As such, we continue to maintain a sizable allowance for loan losses against these exposures and continue to closely monitor the portfolio.

We utilize the lease financing portfolio as part of our tax management strategy.

Other residential mortgages

The other residential mortgage portfolio primarily consists of one to four family residential mortgage loans and totaled $1.9 billion at Dec. 31, 2011. Included in this portfolio is $596 million of mortgage loans purchased in 2005, 2006 and the first quarter of 2007 that are predominantly prime mortgage loans, with a small portion of Alt-A loans. As of Dec. 31, 2011, the purchased loans in this portfolio had a weighted-average loan-to-value ratio of 76% at origination and 28% of these loans were at least 60 days delinquent. The properties securing the prime and Alt-A mortgage loans were located (in order of concentration) in California, Florida, Virginia, Maryland and the tri-state area (New York, New Jersey and Connecticut).

To determine the projected loss on the prime and Alt-A mortgage portfolio, we calculate the total estimated defaults of these mortgages and multiply that amount by an estimate of realizable value upon sale in the marketplace (severity).

At Dec. 31, 2011, we had less than $15 million in subprime mortgages included in the other residential mortgage portfolio. The subprime loans were issued to support our Community Reinvestment Act requirements.

Overdrafts

Overdrafts primarily relate to custody and securities clearance clients. Overdrafts occur on a daily basis in the custody and securities clearance business and are generally repaid within two business days.

Other loans

Other loans primarily includes loans to consumers that are fully collateralized with equities, mutual funds and fixed income securities, as well as bankers' acceptances.

Margin loans

Margin loans are collateralized with marketable securities and borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. Margin loans also include $5 billion related to a term loan program that offers fully collateralized loans to broker-dealers. The increase compared with Dec. 31, 2010 was primarily driven by the term loan program.

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Loans by product

The following table shows trends in the loans outstanding at year-end over the last five years.

Loans by product - at year end *(in millions)*	**2011**	2010 *(a)*	2009 *(a)*	2008	2007
Domestic:					
Financial institutions	**$4,606**	$4,630	$5,509	$5,546	$8,934
Commercial	**752**	1,250	2,324	5,786	5,099
Wealth Management loans and mortgages	**7,342**	6,506	6,162	5,333	4,521
Commercial real estate	**1,449**	1,592	2,044	3,081	3,019
Lease financing *(b)*	**1,558**	1,605	1,703	1,809	1,980
Other residential mortgages	**1,923**	2,079	2,179	2,505	3,115
Overdrafts	**2,958**	4,524	3,946	4,835	4,037
Other	**623**	771	407	485	363
Margin loans	**12,760**	6,810	4,657	3,977	5,210
Total domestic	**33,971**	29,767	28,931	33,357	36,278
Foreign:					
Financial institutions	**6,538**	4,626	3,147	3,755	4,892
Commercial	**528**	345	634	573	852
Lease financings *(b)*	**1,051**	1,545	1,816	2,154	2,935
Government and official institutions	**-**	-	52	1,434	312
Other (primarily overdrafts)	**1,891**	1,525	2,109	2,121	5,662
Total foreign	**10,008**	8,041	7,758	10,037	14,653
Total loans	**$43,979**	$37,808	$36,689	$43,394	$50,931

(a) Presented on a continuing operations basis.

(b) Net of unearned income on domestic and foreign lease financings of $1,343 million at Dec. 31, 2011, $2,036 million at Dec. 31, 2010, $2,282 million at Dec. 31, 2009, $2,836 million at Dec. 31, 2008 and $4,050 million at Dec. 31, 2007.

Maturity of loan portfolio

The following table shows the maturity structure of our loan portfolio at Dec. 31, 2011.

Maturity of loan portfolio at Dec. 31, 2011 *(a)* *(in millions)*	Within 1 year	Between 1 and 5 years	After 5 years	Total
Domestic:				
Financial institutions	$4,363	$ 243	$ -	$4,606
Commercial	68	677	7	752
Commercial real estate	247	667	535	1,449
Overdrafts	2,958	-	-	2,958
Other	623	-	-	623
Margin loans	10,260	2,500	-	12,760

securities servicing and trade finance activities. Excluding lease financings, these activities resulted in outstanding international loans of $9.0 billion at Dec. 31, 2011 and $6.5 billion at Dec. 31, 2010. This increase primarily resulted from an increase in investment grade loans to financial institutions.

Asset quality and allowance for credit losses

Over the past several years, we have improved our risk profile through greater focus on clients who are active users of our non-credit services, de-emphasizing broad-based loan growth. Our primary exposure to the credit risk of a customer consists of funded loans, unfunded formal contractual commitments to lend, standby letters of credit and overdrafts associated with our custody and securities clearance businesses.

The role of credit has shifted to one that complements our other services instead of as a lead product. Credit solidifies customer

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Subtotal	18,519	4,087		542		23,148
Foreign	8,500	457		-		8,957
Total	$27,019	$ 4,544	*(b)*	$ 542	*(b)*	$32,105

(a) Excludes loans collateralized by residential properties, lease financings and wealth management loans and mortgages.

(b) Variable rate loans due after one year totaled $5.0 billion and fixed rate loans totaled $114 million.

International loans

We have credit relationships in the international markets, particularly in areas associated with our relationships and, through a disciplined allocation of capital, can earn acceptable rates of return as part of an overall relationship.

Our credit strategy is to focus on investment grade names to support cross-selling opportunities, avoid single name/industry concentrations and exit high-risk

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portfolios. In addition, we make use of credit derivatives and other risk mitigants as economic hedges of portions of the credit risk in our portfolio. The effect of these transactions is to transfer credit risk to creditworthy, independent third parties. The following table details changes in our allowance for credit losses for the last five years.

Allowance for credit losses activity *(dollar amounts in millions)*	**2011**	2010	2009	2008	2007 *(a)*
Margin loans	**$12,760**	$6,810	$4,657	$3,977	$5,210
Non-margin loans	**31,219**	30,998	32,032	39,417	45,721
Total loans at Dec. 31,	**43,979**	37,808	36,689	43,394	50,931
Average loans outstanding	**40,919**	36,305	36,424	48,132	41,515
Allowance for credit losses:					
Balance, Jan. 1,					
Domestic	**$511**	$578	$508	$446	$407
Foreign	**60**	50	21	48	30
Total	**571**	628	529	494	437
Charge-offs:					
Commercial	**(6)**	(5)	(90)	(21)	(22)
Commercial real estate	**(4)**	(8)	(31)	(15)	-
Financial institutions	**(8)**	(25)	(34)	(9)	-
Lease financing	**-**	-	-	-	(36)
Wealth management loans and mortgages	**(1)**	(4)	(1)	(1)	-
Other residential mortgages	**(56)**	(46)	(60)	(20)	-
Foreign	**(8)**	-	-	(17)	(19)
Other	**-**	-	-	-	(1)
Total charge-offs	**(83)**	(88)	(216)	(83)	(78)
Recoveries:					
Commercial	**3**	15	-	2	1
Commercial real estate	**-**	1	-	-	-
Financial institutions	**2**	2	-	-	-
Lease financing	**-**	-	1	3	13
Wealth management loans and mortgages	**-**	-	1	1	-
Other residential mortgages	**3**	2	-	-	-
Foreign	**-**	-	-	4	1
Other	**-**	-	-	-	-
Total recoveries	**8**	20	2	10	15
Net charge-offs	**(75)**	(68)	(214)	(73)	(63)
Provision for credit losses	**1**	11	332	104	(11)
Transferred to discontinued operations	**-**	-	(19)	27	1
Acquisitions/dispositions and other	**-**	-	-	(23)	130
Balance, Dec. 31,					
Domestic	**439**	511	578	508	446
Foreign	**58**	60	50	21	48
Total allowance, Dec. 31, *(b)*	**$497**	$571	$628	$529	$494
Allowance for loan losses	**$394**	$498	$503	$415	$327

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Allowance for lending-related commitments	**103**	73	125	114	167
Net charge-offs to average loans outstanding	**0.18 %**	0.19 %	0.59 %	0.15 %	0.15 %
Net charge-offs to total allowance for credit losses	**15.09**	11.91	34.08	13.80	12.75
Allowance for loan losses as a percentage of total loans	**0.90**	1.32	1.37	0.96	0.64
Allowance for loan losses as a percentage of non-margin loans	**1.26**	1.61	1.57	1.05	0.72
Total allowance for credit losses as a percentage of total loans	**1.13**	1.51	1.71	1.22	0.97
Total allowance for credit losses as a percentage of non-margin loans	**1.59**	1.84	1.96	1.34	1.08

(a) Charge-offs, recoveries and the provision for 2007 include six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

(b) The allowance for credit losses at Dec. 31, 2010, and 2009 excludes discontinued operations. The allowance for credit losses includes discontinued operations of $35 million at Dec. 31, 2008, and $17 million at Dec. 31, 2007.

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Net charge-offs were $75 million in 2011, $68 million in 2010 and $214 million in 2009. Net charge-offs in 2011 included $53 million of other residential mortgages primarily located in California, Florida, New York and New Jersey, a $10 million loan in the media portfolio and $6 million related to a broker-dealer holding company that filed for bankruptcy. Net charge-offs in 2010 included $44 million of other residential mortgages primarily located in California, New York and Florida, $17 million related to a mortgage company, partially offset by $10 million of net recoveries from the media portfolio. Net charge-offs in 2009 included $71 million related to print and broadcast media, $60 million of residential mortgages primarily located in California, New York, New Jersey and Florida, $31 million related to commercial real estate exposure in Florida and New York, $38 million to finance and leasing companies and $8 million to an auto parts manufacturer.

The provision for credit losses was $1 million in 2011 compared with $11 million in 2010 and $332 million in 2009. The lower provision in 2011 primarily resulted from an improvement in the loan portfolio and a decline in criticized assets. Criticized assets include impaired credits and higher risk-rated credits. We anticipate the quarterly provision for credit losses to be approximately $0 to $15 million in 2012.

The total allowance for credit losses was $497 million at Dec. 31, 2011 and $571 million at Dec. 31, 2010. The decrease in the allowance for credit losses reflects a 27% decline in criticized assets.

The ratio of the total allowance for credit losses to year-end non-margin loans was 1.59% at Dec. 31, 2011 and 1.84% at Dec. 31, 2010. The ratio of the allowance for loan losses to year-end non-margin
loans was 1.26% at Dec. 31, 2011 compared with 1.61% at Dec. 31, 2010. The decrease reflects the decline in criticized assets.

We had $12.8 billion of secured margin loans on our balance sheet at Dec. 31, 2011, compared with $6.8 billion at Dec. 31, 2010. We have rarely suffered a loss on these types of loans and do not allocate any of our allowance for credit losses to them. As a result, we believe that the ratio of total allowance for credit losses to non-margin loans is a more appropriate metric to measure the adequacy of the reserve.

Based on an evaluation of the three elements and our qualitative framework of the allowance for credit losses, as discussed in "Critical accounting estimates" and Note 1 of Notes to Consolidated Financial Statements, we have allocated our allowance for credit losses as follows:

Allocation of allowance	**2011**	2010 *(a)*	2009 *(a)*	2008 *(a)*	2007 *(a*
Other residential mortgages	**31 %**	41 %	26 %	17 %	7
Commercial	**18**	16	25	34	43
Financial institutions	**13**	2	12	11	8
Lease financing	**13**	16	13	17	19
Foreign	**12**	11	8	4	10
Commercial real estate	**7**	7	7	11	9
Wealth management *(b)*	**6**	7	9	6	4
Total	**100 %**	100 %	100 %	100 %	100

(a) *Restated to reflect the implementation of the qualitative allowance framework. Excludes discontinued operations in 2010 and 2009. The allowance for credit losses includes discontinued operations in 2008 and 2007.*
(b) *Includes the allowance for wealth management mortgages.*

The allocation of allowance for credit losses is inherently judgmental, and the entire allowance for credit losses is available to absorb credit losses regardless of the nature of the loss.

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Nonperforming assets

The following table shows the distribution of nonperforming assets at the end of each of the last five years.

Nonperforming assets at Dec. 31 *(dollars in millions)*	**2011**		2010		2009	2008	2007
Loans:							
Other residential mortgages	**$203**		$244		$190	$97	$20
Commercial real estate	**40**		44		61	130	40
Wealth management	**32**		59		58	2	-
Financial institutions	**23**		5		172	41	24
Commercial	**21**		34		65	14	15
Foreign	**10**		7		-	-	87
Total nonperforming loans	**329**		393		546	284	186
Other assets owned	**12**		6		4	8	4
Total nonperforming assets *(a)*	**$ 341**	*(b)*	$ 399	*(b)*	$550	$292	$190
Nonperforming assets ratio	**0.78 %**		1.06 %		1.50 %	0.67 %	0.38 %
Nonperforming assets ratio, excluding margin loans	**1.09**		1.29		1.72	0.74	0.42
Allowance for loan losses/nonperforming loans	**119.8**		126.7		92.1	146.1	175.8
Allowance for loan losses/nonperforming assets	**115.5**		124.8		91.5	142.1	172.1
Total allowance for credit losses/nonperforming loans	**151.1**		145.3		115.0	186.3	265.6
Total allowance for credit losses/nonperforming assets	**145.7**		143.1		114.2	181.2	260.0

(a) *Nonperforming assets at Dec. 31, 2010 and Dec. 31, 2009 exclude discontinued operations. Nonperforming assets at Dec. 31, 2008 and 2007 include discontinued operations of $96 million and $18 million, respectively.*

(b) *Loans of consolidated investment management funds are not part of BNY Mellon' s loan portfolio. Included in these loans are nonperforming loans of $101 million at Dec. 31, 2011 and $218 million at Dec. 31, 2010. These loans are recorded at fair value and therefore do not impact the provision for credit losses and allowance for loan losses, and accordingly are excluded from the nonperforming assets table above.*

Nonperforming assets activity *(in millions)*	**2011**	2010
Balance at beginning of year	**$399**	$550
Additions	**180**	202
Return to accrual status	**(57)**	(32)
Charge-offs	**(78)**	(86)
Paydowns/sales	**(93)**	(236)
Transferred to other real estate owned	**(10)**	1
Balance at end of year	**$341**	$399

Nonperforming assets were $341 million at Dec. 31, 2011, a decrease of $58 million compared with Dec. 31, 2010. The decrease primarily resulted from repayments of $46 million in the other residential mortgage portfolio, $24 million in the commercial real estate portfolio, $10 million in the commercial loan portfolio, $8 million in the financial institutions portfolio, accrual status. Additions in 2011 included $90 million in the other residential mortgages portfolio, $36 million in the financial institutions portfolio, $25 million in commercial real estate portfolio, $12 million in the commercial loans portfolio, $12 million in the foreign loan portfolio and $5 million in the wealth management portfolio.

The following table shows loans past due 90 days or more and still accruing interest.

Past due loans still accruing interest at year-end *(in millions)*	**2011**	2010	2009	2008	2007
Domestic:					
Consumer	**$ 13**	$ 21	$93	$27	$-
Commercial	**-**	12	338	315	343
Total domestic	**13**	33	431	342	343
Foreign	**-**	-	-	-	-

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$4 million in the wealth management portfolio and $1 million in the foreign loan portfolio, and charge-offs of $52 million in the other residential mortgage portfolio, $8 million in the financial institutions portfolio, $8 million in the foreign loan portfolio, $6 million in the commercial loan portfolio and $4 million in the commercial real estate portfolio. Also in 2011, $27 million in the wealth management portfolio, $21 million in other residential mortgages and $9 million in the commercial portfolio returned to

Total past due loans	**$ 13**	$ 33	$431	$342	$343

Past due loans at Dec. 31, 2011 were primarily comprised of other residential mortgages. For additional information, see Note 6 of the Notes to Consolidated Financial Statements.

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Deposits

Total deposits were $219.1 billion at Dec. 31, 2011, an increase of 51% compared with $145.3 billion at Dec. 31, 2010. The increase in deposits reflects a higher level of both domestic and foreign deposits resulting from much higher client deposits in our Investment Services business.

Noninterest-bearing deposits were $95.3 billion at Dec. 31, 2011, compared with $38.7 billion at Dec. 31, 2010. Interest-bearing deposits were $123.8 billion at Dec. 31, 2011, compared with $106.6 billion at Dec. 31, 2010.

The aggregate amount of deposits by foreign customers in domestic offices was $6.5 billion and $3.6 billion at Dec. 31, 2011 and 2010, respectively.

Deposits in foreign offices totaled $85.1 billion at Dec. 31, 2011, and $72.9 billion at Dec. 31, 2010. The majority of these deposits were in amounts in excess of $100,000 and were primarily overnight foreign deposits.

The following table shows the maturity breakdown of domestic time deposits of $100,000 or more at Dec. 31, 2011.

Domestic time deposits > $100,000 at Dec. 31, 2011

(in millions)	Certificates of deposit	Other time deposits	Total
3 months or less	**$ 37**	**$35,983**	**$36,020**
Between 3 and 6 months	**19**	**-**	**19**
Between 6 and 12 months	**19**	**-**	**19**
Over 12 months	**29**	**-**	**29**
Total	**$ 104**	**$35,983**	**$36,087**

Short-term borrowings

We fund ourselves primarily through deposits and, to a lesser extent, other borrowings, which are comprised of federal funds purchased and securities sold under repurchase agreements, payables to customers and broker-dealers, commercial paper, other borrowed funds and long-term debt. Certain other borrowings, for example, securities sold under repurchase agreements, require the delivery of securities as collateral.

Information related to federal funds purchased and securities sold under repurchase agreements is presented below.

Federal funds purchased and securities sold under repurchase agreements

(dollar amounts in millions)	**2011**	2010	2009
Maximum daily balance during the year	**$21,690**	$16,006	$9,076
Average daily balance	**$8,572**	$5,356	$2,695
Weighted-average rate during the year	**0.02 %**	0.80 %	- %
Ending balance at Dec. 31	**$6,267**	$5,602	$3,348
Weighted-average rate at Dec. 31	**(0.05)%**	2.12 %	0.01 %

Federal funds purchased and securities sold under repurchase agreements

	Quarter ended		
(dollar amounts in millions)	**Dec. 31, 2011**	Sept. 30, 2011	Dec. 31, 2010
Maximum daily balance during the quarter	**$11,717**	$21,690	$12,080
Average daily balance	**$8,008**	$10,164	$7,256
Weighted-average rate during the quarter	**(0.07)%**	0.03 %	2.13 %
Ending balance	**$6,267**	$6,768	$5,602
Weighted-average rate at period end	**(0.05)%**	0.01 %	2.12 %

Federal funds purchased and securities sold under repurchase agreements were $6.3 billion at Dec. 31, 2011, compared with $6.8 billion at Sept. 30, 2011 and $5.6 billion at Dec. 31, 2010. The higher average federal funds purchased and securities sold under repurchase agreements in the third quarter of 2011 was primarily a function of attractive overnight repo rate opportunities. The maximum daily balance in the third quarter of

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See “Liquidity and dividends” below for a discussion of long-term debt and liquidity metrics that we monitor and the Parent’ s limited reliance on short-term borrowings.

2011 was $21.7 billion and resulted from the same attractive overnight borrowing opportunities. At Dec. 31, 2011 and in the fourth quarter of 2011, we earned revenue on securities sold under repurchase agreements related to certain securities for which we were able to charge a higher rate for lending them.

Information related to payables to customers and broker-dealers is presented below.

Payables to customers and broker-dealers

(dollar amounts in millions)	**2011**	2010	2009
Maximum daily balance during the year	**$14,481**	$13,454	$14,398
Average daily balance *(a)*	**$11,853**	$11,270	$9,662
Weighted-average rate during the year	**0.09 %**	0.09 %	0.12 %
Ending balance at Dec. 31	**$12,671**	$9,962	$10,721
Weighted-average rate at Dec. 31	**0.09 %**	0.12 %	0.07 %

(a) The weighted average rate is calculated based on, and is applied to, the average interest-bearing payables to customers and broker-dealers which were $7,319 million in 2011, $6,439 million in 2010 and $5,263 million in 2009.

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Payables to customers and broker-dealers

(dollar amounts in millions)	Quarter ended Dec. 31, 2011	Sept. 30, 2011	Dec. 31, 2010
Maximum daily balance during the quarter	**$14,481**	$14,190	$12,192
Average daily balance *(a)*	**$13,508**	$12,303	$10,694
Weighted-average rate during the quarter	**0.08 %**	0.10 %	0.11 %
Ending balance	**$12,671**	$13,097	$9,962
Weighted-average rate at period end	**0.09 %**	0.09 %	0.12 %

(a) *The weighted average rate is calculated based on, and is applied to, the average interest-bearing payables to customers and broker-dealers, which were $8,023 million in the fourth quarter of 2011, $7,692 million in the third quarter of 2011 and $5,878 million in the fourth quarter of 2010.*

Payables to customers and broker-dealers represent funds awaiting re-investment and short sale proceeds, payable on demand. Payables to customers and broker-dealers were $12.7 billion at Dec. 31, 2011 and $13.1 billion at Sept. 30, 2011, and $10.0 billion at Dec. 31, 2010. Payables to customers and broker-dealers are driven by customer trading activity levels and market volatility.

Information related to commercial paper is presented below.

Commercial paper

(dollar amounts in millions)	**2011**	2010	2009
Maximum daily balance during the year	**$575**	$128	$537
Average daily balance	**$98**	$18	$196
Weighted-average rate during the year	**0.04%**	0.05%	0.01%
Ending balance at Dec. 31	**$10**	$10	$12

Information related to other borrowed funds is presented below.

Other borrowed funds

(dollar amounts in millions)	**2011**	2010	2009
Maximum daily balance during the year	**$4,561**	$5,359	$4,789
Average daily balance	**$1,932**	$2,045	$1,378
Weighted-average rate during the year	**1.10 %**	2.14 %	2.28 %
Balance at Dec. 31	**$2,174**	$2,858	$477
Weighted-average rate at Dec. 31	**1.15 %**	1.77 %	2.79 %

Other borrowed funds

(dollar amounts in millions)	Quarter ended Dec. 31, 2011	Sept. 30, 2011	Dec. 31, 2010
Maximum daily balance during the quarter	**$4,273**	$4,561	$5,359
Average daily balance	**$2,109**	$1,956	$1,986
Weighted-average rate during the quarter	**0.95 %**	1.72 %	1.66 %
Ending balance	**$2,174**	$4,561	$2,858
Weighted-average rate at period end	**1.15 %**	1.81 %	1.77 %

Other borrowed funds primarily include: term federal funds purchased under agreement to resell; borrowings under lines of credit by our Pershing subsidiaries; and overdrafts of subcustodian account balances in our Investment Services businesses. Overdrafts in these accounts typically relate to timing differences for settlements of these business activities. Other borrowed funds were $2.2 billion at Dec. 31, 2011 compared with $4.6 billion at Sept. 30, 2011 and $2.9 billion at Dec. 31, 2010. Fluctuations between periods reflect overdrafts of subcustodian accounts.

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Weighted-average rate at Dec. 31	**0.03%**	0.03%	0.02%

Commercial paper *(dollar amounts in millions)*	Quarter ended		
	Dec. 31, 2011	Sept. 30, 2011	Dec. 31, 2010
Maximum daily balance during the quarter	**$ 46**	$ 575	$ 53
Average daily balance	**$ 23**	$ 300	$ 13
Weighted-average rate during the quarter	**0.03 %**	0.08 %	0.03 %
Ending balance	**$ 10**	$ 44	$ 10
Weighted-average rate at period end	**0.03 %**	0.03 %	0.03 %

Commercial paper outstanding was $10 million at Dec. 31, 2011, compared with $44 million at Sept. 30, 2011, and $10 million at Dec. 31, 2010. Our commercial paper matures within 397 days from date of issue and is not redeemable prior to maturity or subject to voluntary prepayment.

Liquidity and dividends

BNY Mellon defines liquidity as the ability of the Parent and its subsidiaries to access funding or convert assets to cash quickly and efficiently, especially during periods of market stress. Liquidity risk is the risk that BNY Mellon cannot meet its cash and collateral obligations at a reasonable cost for both expected and unexpected cash flows, without adversely affecting daily operations or financial conditions. Liquidity risk can arise from cash flow mismatches, market constraints from inability to convert assets to cash, inability to raise cash in the markets or deposit run-off.

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Our overall approach to liquidity management is to ensure that sources of liquidity are sufficient in amount and diversity such that changes in funding requirements at the Parent and at the various bank subsidiaries can be accommodated routinely without material adverse impact on earnings, daily operations or our financial condition.

BNY Mellon seeks to maintain an adequate liquidity cushion in both normal and stressed environments and seeks to diversify funding sources by line of business, customer and market segment. Additionally, we seek to maintain liquidity ratios within approved limits and liquidity risk tolerance; maintain a liquid asset buffer that can be liquidated, financed and/or pledged as necessary; and control the levels and sources of wholesale funds.

Potential uses of liquidity include withdrawals of customer deposits and client drawdowns on unfunded credit or liquidity facilities. We actively monitor unfunded lending-related commitments,
thereby reducing unanticipated funding requirements.

When monitoring liquidity, we evaluate multiple metrics to ensure ample liquidity for expected and unexpected events. Metrics include cashflow mismatches, asset maturities, access to debt and money markets, debt spreads, peer ratios, unencumbered collateral, funding sources and balance sheet liquidity ratios. We have begun to monitor the Basel III liquidity coverage ratio as applied to us, based on our current interpretation of Basel III. Ratios we currently monitor as part of our standard analysis include total loans as a percentage of total deposits, deposits as a percentage of total interest-earning assets, foreign deposits as a percentage of total interest-earnings assets, purchased funds as a percentage of total interest-earning assets, liquid assets as a percentage of total interest-earning assets and liquid assets as a percentage of purchased funds. All of these ratios exceeded our minimum guidelines at Dec. 31, 2011.

We also perform stress tests to verify sufficient funding capacity is accessible after conducting multiple stress scenarios.

Available funds are defined as liquid funds (which include interest-bearing deposits with banks and federal funds sold and securities purchased under resale agreements), cash and due from banks, and interest-bearing deposits with the Federal Reserve and other central banks. The table below presents our total available funds including liquid funds at period end and on an average basis. The higher level of available funds at Dec. 31, 2011 compared with Dec. 31, 2010 resulted from a higher level of client deposits.

Available and liquid funds *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010	Average **2011**	Average 2010	Average 2009
Available funds:					
Liquid funds:					
Interest-bearing deposits with banks	**$36,321**	$50,200	**$55,218**	$56,679	$55,797
Federal funds sold and securities purchased under resale agreements	**4,510**	5,169	**4,809**	4,660	3,238
Total liquid funds	**40,831**	55,369	**60,027**	61,339	59,035
Cash and due from banks	**4,175**	3,675	**4,579**	3,832	3,638
Interest-bearing deposits with the Federal Reserve and other central banks	**90,243**	18,549	**47,104**	14,253	11,938
Total available funds	**$135,249**	$77,593	**$111,710**	$79,424	$74,611
Total available funds as a percentage of total assets	**42 %**	31 %	**38 %**	33 %	35 %

On an average basis for 2011 and 2010, non-core sources of funds such as money market rate accounts, certificates of deposit greater than $100,000, federal funds purchased, trading liabilities and other borrowings were $17.5 billion and $13.9 billion, Investment Services business, were $83.8 billion in 2011 compared with $71.4 billion in 2010. Domestic savings and other time deposits averaged $35.9 billion in 2011 compared with $28.0 billion in 2010. Both increases reflect growth in client

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respectively. The increase primarily reflects higher levels of federal funds purchased, money market rate accounts and trading liabilities, partially offset by lower levels of other borrowed funds. Average foreign deposits, primarily from our European-based deposits. The deposit growth trend could be impacted by proposed money market fund reform and the expiration of the temporary unlimited FDIC insurance coverage on noninterest-bearing deposits expiring on Dec. 31, 2012.

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Average payables to customers and broker-dealers were $7.3 billion in 2011 and $6.4 billion in 2010. Long-term debt averaged $18.1 billion in 2011 and $16.7 billion in 2010. The increase in average long-term debt was driven by planned capital actions and anticipated maturities. Average noninterest-bearing deposits increased to $58.0 billion in 2011 from $35.2 billion in 2010 reflecting growth in client deposits. A significant reduction in our Investment Services business would reduce our access to deposits.

The Parent has four major sources of liquidity:

- cash on hand;
- dividends from its subsidiaries;
- access to the commercial paper market; and
- access to the long-term debt and equity markets.

Our bank subsidiaries can declare dividends to the Parent of approximately $1.4 billion, subsequent to Dec. 31, 2011 without the need for a regulatory waiver. In addition, at Dec. 31, 2011, non-bank subsidiaries of the Parent had liquid assets of approximately $1.4 billion.

In the first quarter of 2011, BNY Mellon increased its quarterly cash dividend to $0.13 per common share. Any increase in BNY Mellon' s ongoing quarterly dividends would require approval from the Federal Reserve. The Federal Reserve' s current guidance provides that, for large bank holding companies like us, dividend payout ratios exceeding 30% of after-tax net income will receive particularly close scrutiny.

Restrictions on our ability to obtain funds from our subsidiaries are discussed in more detail in Note 20 of the Notes to Consolidated Financial Statements.

In 2011 and 2010, the Parent' s average commercial paper borrowings were $98 million and $18 million, respectively. The Parent had cash of $4.6 billion at Dec. 31, 2011, compared with $3.2 billion at Dec. 31, 2010. The Parent issues commercial paper, on an overnight basis, to certain custody clients with excess demand deposit balances. Overnight commercial paper outstanding issued by the Parent was $10 million at both Dec. 31, 2011 and 2010. Net of commercial paper outstanding, the Parent' s cash position at Dec. 31, 2011, increased by $1.3 billion compared with Dec. 31, 2010, reflecting the issuance of long-term debt.

In 2011, we repurchased 34.8 million common shares in the open market at an average price of $24.00 per share for a total of $835 million.

The Parent' s reliance on short-term unsecured funding sources such as commercial paper, federal funds and Eurodollars purchased, certificates of deposit, time deposits and bank notes is limited. The Parent' s liquidity target is to have sufficient cash on hand to meet its obligations over the next 18 months without the need to receive dividends from its bank subsidiaries or issue debt. As of Dec. 31, 2011, the Parent met its liquidity target.

In October 2011, our $226 million credit agreement with 10 financial institutions matured. We did not renew this credit agreement. We are satisfied that our other sources of liquidity are sufficient to meet our liquidity needs.

In addition to our other funding sources, we also have the ability to access the capital markets. In June 2010, we filed shelf registration statements on Form S-3 with the SEC covering the issuance of certain securities, including an unlimited amount of debt, common stock, preferred stock and trust preferred securities, as well as common stock issued under the Direct Stock Purchase and Dividend Reinvestment Plans. These registration statements will expire in June 2013, at which time we plan to file new shelf registration statements.

Our ability to access the capital markets on favorable terms, or at all, is partially dependent on our credit ratings, which, as of Dec. 31, 2011, were as follows:

Debt ratings at Dec. 31, 2011	Moody' s	Standard & Poor' s	Fitch	DBRS
Parent:				
Long-term senior debt	Aa2	A+	AA-	AA (low)
Subordinated debt	Aa3	A	A+	A (high)
Trust-preferred securities	A1	BBB	A	A (high)
Short-term	P1	A-1	F1+	R-1 (middle)
The Bank of New York Mellon:				
Long-term senior debt	Aaa	AA-	AA-	AA
Long-term deposits	Aaa	AA-	AA	AA

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The Parent' s major uses of funds are payment of dividends, principal and interest payments on its borrowings, acquisitions, and additional investments in its subsidiaries.

Short-term deposits	P1	A-1+	F1+	R-1 (high)
BNY Mellon, N.A.:				
Long-term senior debt	Aaa	AA-	AA- *(a)*	AA
Long-term deposits	Aaa	AA-	AA	AA
Short-term deposits	P1	A-1+	F1+	R-1 (high)
Outlook:	Ratings under review	Negative	Stable	Stable

(a) Represents senior debt issuer default rating.

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In April 2010, Moody' s announced that regulatory changes in the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") could result in lower debt and deposit ratings for U.S. banks and other financial institutions whose ratings currently benefit from assumed government support. Currently, the ratings for the Parent benefit from one notch of "lift" and The Bank of New York Mellon and BNY Mellon, N.A. benefit from two notches of "lift" as a result of the rating agency' s government support assumptions. Moody' s continues to evaluate whether to reduce its support assumptions to below pre-financial crisis levels for banks that currently benefit from ratings uplift. In this context, in June 2011, Moody' s rating outlook on the Parent and its rated subsidiaries deposits, senior debt, and senior subordinated debt changed to negative from stable. On Aug. 3, 2011, Moody' s reiterated its negative outlook on the Parent and its rated subsidiaries to match Moody' s negative outlook on the U.S. Government, and also due to its opinion that U.S. Government support to systemically important banks could decline, over time, as the Dodd-Frank Act and other banking system changes are implemented.

In December 2011, Moody' s placed the long-term ratings of the Parent and its rated subsidiaries on review for potential downgrade. Moody' s indicated that it would review BNY Mellon' s risk profile, capital plans and earnings prospects in light of an operating environment characterized by lower interest rates, greater capital markets volatility and heightened litigation risks. Moody' s indicated that it did not expect to change its systemic support assumptions during its current review. All short-term ratings for BNY Mellon were affirmed at Prime-1 and are unaffected by this action.

In November 2011, S&P revised its ratings methodology for banks (the Banking Industry Country Risk Assessment). In that context, on Nov. 29, 2011, S&P lowered the debt ratings of the Parent and its rated subsidiaries by one notch. S&P also revised its rating outlook on the Parent and its rated subsidiaries to negative from stable, reflecting S&P' s outlook on the U.S. government rating and its assumption that our ratings enjoy one notch of "uplift" from assumed government support.

In January 2012, Standard & Poor' s, Fitch and DBRS reaffirmed all of our debt ratings.

Long-term debt increased to $19.9 billion at Dec. 31, 2011 from $16.5 billion at Dec. 31, 2010, primarily due to the issuance of $5.1 billion of senior medium-term notes, summarized in the following table, partially offset by $1.3 billion of senior and subordinated debt that matured in 2011 and $596 million of retail medium-term notes that were called in 2011.

Debt issuances

(in millions)	**2011**
Senior medium-term notes:	
3-month LIBOR + 27 bps senior medium term notes due 2014	**$600**
3-month LIBOR + 28 bps senior medium term notes due 2014	**350**
3-month LIBOR + 85 bps senior medium term notes due 2014	**250**
1.5% senior medium-term notes due 2014	**350**
1.7% senior medium-term notes due 2014	**500**
2.3% senior medium-term notes due 2016	**1,000**
2.4% senior medium-term notes due 2017	**500**
3.55% senior medium-term notes due 2021	**1,000**
4.15% senior medium-term notes due 2021	**500**
Total debt issuances	**$5,050**

In February 2012, we issued $750 million of senior notes maturing in 2015 at an annual interest rate of 1.20% and $500 million of senior notes maturing in 2021 at an annual interest rate of 3.55%.

The Parent has $3.45 billion of long-term debt that will mature in 2012 and has the option to call $142 million of subordinated debt in 2012, which it may call and refinance if market conditions are favorable.

We have $1.35 billion of trust preferred securities that are freely callable in 2012. These securities qualify as Tier 1 capital. Any decision to call these securities will be based on interest rates, the availability of cash and capital, and regulatory conditions, as well as the implementation of the Dodd-Frank Act, which disqualifies these trust preferred securities from the Tier 1 capital of large bank holding companies, including BNY Mellon, over a three-year period beginning Jan. 1, 2013.

The double leverage ratio is the ratio of investment in subsidiaries divided by our consolidated equity plus trust preferred securities. Our double leverage ratio was 107.3% at Dec. 31, 2011 and 100.7% at Dec. 31, 2010. The increase in the ratio primarily reflects a capital contribution to The Bank of New York Mellon due to the increased size of its balance sheet. The

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double leverage ratio is monitored by regulators and rating agencies and is an important constraint on our ability to invest in our subsidiaries and expand our businesses.

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Pershing LLC, an indirect subsidiary of BNY Mellon, has committed and uncommitted lines of credit in place for liquidity purposes which are guaranteed by the Parent. The committed line of credit of $1.085 billion extended by 19 financial institutions matures in March 2012. Average daily borrowings against these lines was $63 million in 2011. Additionally, Pershing has another committed line of credit for $125 million extended by one financial institution that matures in September 2012. The average borrowing against this line of credit was $1 million during 2011. Pershing LLC has nine separate uncommitted lines of credit amounting to $1.6 billion in aggregate. Average daily borrowing under these lines was $542 million, in aggregate, during 2011.

The committed line of credit maintained by Pershing LLC requires the Parent to maintain:

- shareholders' equity of $10 billion;
- a ratio of Tier 1 capital plus the allowance for credit losses to nonperforming assets of at least 2.5; and
- a double leverage ratio less than 130%.

We are currently in compliance with these covenants.

Pershing Limited, an indirect U.K.-based subsidiary of BNY Mellon, has committed and uncommitted lines of credit in place for liquidity purposes, which are guaranteed by the Parent. The committed line of credit of $233 million extended by five financial institutions matures in March 2012. There were no borrowings under these lines during 2011. Pershing Limited has two separate uncommitted lines of credit amounting to $250 million in aggregate and an overdraft facility of $250 million. Average daily borrowing under these lines was $37 million, in aggregate, during 2011.

The committed line of credit maintained by Pershing Limited requires the Parent to maintain:

- shareholders' equity of $5 billion;
- a ratio of Tier 1 capital plus the allowance for credit losses to nonperforming assets of at least 2.5; and
- a double leverage ratio of less than 130%.

We are currently in compliance with these covenants.

Statement of cash flows

Cash provided by operating activities was $2.2 billion in 2011 compared to $4.1 billion in 2010 and $3.8 billion in 2009. In 2011 and 2010, the cash flows from operations were principally the result of earnings. In 2009, earnings, excluding the non-cash impact of investment securities losses, depreciation and amortization and accruals and other balances, partially offset by deferred tax benefits and changes in trading activities, were a significant source of funds.

In 2011, cash used for investing activities was $80.2 billion compared to $14.9 billion in 2010 and cash provided by investing activities of $23.1 million in 2009. In 2011, increases in interest-bearing deposits with the Federal Reserve and other central banks, and the purchases of securities, partially offset by a decrease in interest-bearing deposits with banks and sales, paydowns and maturities of securities, were significant uses of funds. In 2010, purchases of securities available-for-sale, an increase in interest-bearing deposits with the Federal Reserve and other central banks, and the Acquisitions were a significant use of funds. In 2009, interest-bearing deposits with the Federal Reserve and other central banks was a significant source of funds, partially offset by purchases of securities available for sale.

Cash provided by financing activities was $78.8 billion in 2011 and $10.8 billion in 2010, compared with $28.0 billion in 2009 used for financing activities. In 2011, changes in deposits and payables to customers and broker dealers and proceeds from the issuance of long-term debt were significant sources of funds. In 2010, change in deposits, federal funds purchased and securities sold under repurchase agreements, other funds borrowed and the proceeds from issuances of long-term debt were significant sources of funds, partially offset by repayments of long-term debt. In 2009, change in deposits, other borrowed funds and the repurchase of the Series B preferred stock and the warrant were significant uses of funds, partially offset by proceeds from the issuance of long term debt and common stock, and the change in federal funds purchased and securities sold under repurchase agreements.

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Commitments and obligations

We have contractual obligations to make fixed and determinable payments to third parties as indicated in the table below. The table excludes certain obligations such as trade payables and trading liabilities, where the obligation is short-term or subject to valuation based on market factors.

Contractual obligations at Dec. 31, 2011		Payments due by period			
(in millions)	Total	Less than 1 year	1-3 years	3-5 years	Over 5 years
Deposits without a stated maturity	**$33,959**	$33,959	$ -	$ -	$-
Term deposits	**89,800**	89,770	23	3	4
Federal funds purchased and securities sold under repurchase agreements	**6,267**	6,267	-	-	-
Payables to customers and broker-dealers	**12,671**	12,671	-	-	-
Other borrowed funds *(a)*	**2,184**	2,184	-	-	-
Long-term debt *(b)*	**24,396**	4,294	7,116	4,396	8,590
Unfunded pension and post retirement benefits	**431**	44	82	96	209
Capital leases	**81**	36	43	2	-
Total contractual obligations	**$169,789**	$149,225	$ 7,264	$ 4,497	$8,803

(a) Including commercial paper.

(b) including interest.

We have entered into fixed and determinable commitments as indicated in the table below:

Other commitments at Dec. 31, 2011		Amount of commitment expiration per period			
(in millions)	Total	Less than 1 year	1-3 years	3-5 years	Over 5 years
Securities lending indemnifications	**$268,812**	$268,812	$-	$-	$-
Lending-related commitments	**28,406**	9,910	6,521	11,773	202
Standby letters of credit	**6,707**	2,238	3,492	829	148
Operating leases	**2,065**	318	555	394	798
Commercial letters of credit	**437**	437	-	-	-
Investment commitments *(a)*	**165**	21	-	1	143
Purchase obligations *(b)*	**1,304**	631	539	91	43
Support agreements	**63**	-	63	-	-
Total commitments	**$307,959**	$282,367	$11,170	$13,088	$1,334

(a) Includes private equity and Community Reinvestment Act commitments.

(b) Purchase obligations are defined as agreements to purchase goods or services that are enforceable and legally binding and specify all significant terms.

In addition to the amounts shown in the table above, at Dec. 31, 2011, $250 million of unrecognized tax benefits have been recorded as liabilities in accordance with ASC 740. Related to these unrecognized tax benefits, we have also recorded a liability for potential interest of $59 million. At this point, it is not

Off-balance sheet arrangements

Off-balance sheet arrangements discussed in this section are limited to guarantees, retained or contingent interests, support agreements, and obligations arising out of unconsolidated variable interest entities. For BNY Mellon, these items include

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possible to determine when these amounts will be settled or resolved.

See “Liquidity and dividends” and Note 24 of the Notes to Consolidated Financial Statements for a further discussion of the source of funds for our commitments and obligations and known material trends in our capital resources.

certain credit guarantees and securitizations. Guarantees include: lending-related guarantees issued as part of our corporate banking business; securities lending indemnifications issued as part of our servicing and fiduciary businesses; and support agreements issued to customers in our Investment Services and Investment Management businesses. See Note 24 of the Notes to Consolidated Financial Statements for a further discussion of our off-balance sheet arrangements.

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Capital

Capital data *(dollar amounts in millions except per share amounts; common shares in thousands)*	**2011**		2010	
At period end:				
BNY Mellon shareholders' equity to total assets ratio	**10.3**	**%**	13.1	%
Total BNY Mellon shareholders' equity	**$33,417**		$32,354	
Tangible BNY Mellon shareholders' equity – Non-GAAP *(a)*	**$12,787**		$11,057	
Book value per common share	**$27.62**		$26.06	
Tangible book value per common share – Non-GAAP *(a)*	**$10.57**		$8.91	
Closing common stock price per share	**$19.91**		$30.20	
Market capitalization	**$24,085**		$37,494	
Common shares outstanding	**1,209,675**		1,241,530	
Full-year:				
Average common equity to average assets	**11.5**	**%**	13.1	%
Cash dividends per common share	**$0.48**		$0.36	
Dividend payout ratio	**24**	**%**	18	%
Dividend yield	**2.4**	**%**	1.2	%

(a) See "Supplemental Information" beginning on page 66 for a reconciliation of GAAP to non-GAAP.

Total The Bank of New York Mellon Corporation shareholders' equity increased compared with Dec. 31, 2010. The increase primarily reflects earnings retention and an unrealized gain in the investment securities portfolio resulting from a decline in interest rates, partially offset by share repurchases.

During 2011, we repurchased 34.8 million shares in the open market, at an average price of $24.00 per share for a total of $835 million. Our capital plan for 2011 authorized the repurchase of 17.3 million shares in the open market, at an average price of $21.53 per share for a total of $371 million.

The unrealized net of tax gain on our available-for-sale investment securities portfolio recorded in accumulated other comprehensive income was $417 million at Dec. 31, 2011 compared with $151 million at Dec. 31, 2010. The improvement in the valuation of the investment securities portfolio was driven by improved valuations of agency RMBS and U.S. Treasury securities, partially offset by declines in valuations of certain non-agency residential mortgage-backed securities.

In March 2011, the board of directors authorized a 44% increase in the quarterly common stock dividend to $0.13 per common share.

In January 2012, we declared a quarterly common stock dividend of $0.13 per common share. This cash dividend was paid on Feb. 7, 2012, to shareholders of record as of the close of business on Jan. 30, 2012.

Capital adequacy

Regulators establish certain levels of capital for bank holding companies and banks, including BNY Mellon and our bank subsidiaries, in accordance with established quantitative measurements. For the Parent to maintain its status as a financial holding company, our bank subsidiaries and BNY Mellon must, among other things, qualify as well capitalized.

As of Dec. 31, 2011 and 2010, BNY Mellon and our bank subsidiaries were considered well capitalized on the basis of the Basel I Total and Tier 1 capital to risk-weighted assets ratios and the leverage ratio (Basel I Tier 1 capital to quarterly average assets as defined for regulatory purposes).

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up to $1.3 billion worth of common shares. In 2012, we continued to repurchase shares under the 2011 capital plan. Through Feb. 27, 2012, we repurchased

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Our consolidated and largest bank subsidiary, The Bank of New York Mellon, capital ratios are shown below.

Consolidated and largest bank subsidiary capital ratios	Well capitalized	Adequately capitalized	**Dec. 31, 2011**	2010
Consolidated capital ratios:				
Estimated Basel III Tier 1 common equity ratio – Non-GAAP *(a)(b)*	N/A	N/A	**7.1 %**	N/A
Tangible BNY Mellon shareholders' equity to tangible assets of operations ratio – Non-GAAP *(b)*	N/A	N/A	**6.4**	5.8 %
Determined under Basel I-based guidelines:				
Tier 1 common equity to risk-weighted assets ratio – Non-GAAP *(b)*	N/A	N/A	**13.4 %**	11.8 %
Tier 1 capital	6 %	N/A	**15.0**	13.4
Total capital	10	N/A	**17.0**	16.3
Leverage – guideline	5	N/A	**5.2**	5.8
The Bank of New York Mellon capital ratios:				
Tier 1 capital	6 %	4 %	**14.3 %**	11.4 %
Total capital	10	8	**17.7**	15.3
Leverage	5	3	**5.3**	5.3

(a) Our estimated Basel III Tier 1 common equity ratio (Non-GAAP) reflects our current interpretation of the Basel III rules. Our estimated Basel III Tier 1 common equity ratio could change in the future as the U.S. regulatory agencies implement Basel III or if our businesses change.

(b) See "Supplemental Information" beginning on page 66 for a calculation of this ratio.

N/A – Not applicable at the consolidated company level. Well capitalized and adequately capitalized have not been defined for Basel III.

At Dec. 31, 2011, our estimated Basel III Tier 1 common equity ratio was 7.1%, an improvement of more than 100 basis points from March 31, 2011. The improvement was driven by earnings retention and the reduction of goodwill and intangible assets related to the sale of Shareowner Services and paydowns on sub-investment grade securities, partially offset by share repurchases.

If a financial holding company such as BNY Mellon fails to qualify as "well capitalized", it may lose its status as a financial holding company, which may restrict its ability to undertake or continue certain activities or make acquisitions that are not generally permissible for bank holding companies without financial holding company status. Failure by one of our U.S. bank subsidiaries to maintain a well capitalized status could lead to an increase in its FDIC assessment.

If a bank holding company such as BNY Mellon or bank such as The Bank of New York Mellon or BNY Mellon, N.A. fails to

Capital above guidelines at Dec. 31, 2011 *(in millions)*	**Consolidated**	**The Bank of New York Mellon**
Tier 1 capital	**$ 9,254**	**$ 7,241**
Total capital	**7,208**	**6,708**
Leverage	**565**	**618**

In 2011, average non-interest bearing client deposits increased 65% primarily related to the events in Europe and the U.S. The additional deposits, which increased the balance sheet, required the Parent to make a capital contribution to The Bank of New York Mellon in order for The Bank of New York Mellon to maintain its leverage ratio above well capitalized guidelines in 2011. The leverage ratio of The Bank of New York Mellon was 5.3% at both Dec. 31, 2011 and Dec. 31, 2010.

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qualify as “adequately capitalized”, regulatory sanctions and limitations are imposed. At Dec. 31, 2011, the amounts of capital by which BNY Mellon and our largest bank subsidiary, The Bank of New York Mellon, exceed the “well capitalized” guidelines are as follows.

The Basel I Tier 1 capital ratio varies depending on the size of the balance sheet at quarter-end and the level and types of investments. The balance sheet size fluctuates from quarter to quarter based on levels of customer and market activity. In general, when servicing clients are more actively trading securities, deposit balances and the balance sheet as a whole is higher. In addition, when markets experience significant volatility, our balance sheet size may increase considerably as client deposit levels increase.

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In 2011, we generated $2.8 billion of gross Basel I Tier 1 common equity primarily driven by earnings retention.

Basel I Tier 1 common equity generation

	Dec. 31,	
(in millions)	**2011**	2010
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	**$2,516**	$2,518
Add: Amortization of intangible assets, net of tax	**269**	264
Gross Basel I Tier 1 common equity generated	**2,785**	2,782
Less capital deployed:		
Dividends	**593**	441
Common stock repurchases	**835**	-
Goodwill and intangible assets related to acquisitions/ dispositions	**(213)**	2,343
Total capital deployed	**1,215**	2,784
Add: Other	**241**	726
Net Basel I Tier 1 common equity generated	**$1,811**	$724

Our Basel I Tier 1 capital ratio was 15.0% at Dec. 31, 2011, compared with 13.4% at Dec. 31, 2010. The increase in the Basel I Tier 1 capital ratio compared with Dec. 31, 2010, primarily reflects earnings retention and a reduction in goodwill and intangible assets resulting from the sale of the Shareowner Services business. At Dec. 31, 2011, our total assets were $325.3 billion compared with $247.3 billion at Dec. 31, 2010. The increase in assets did not impact our risk-weighted assets as the increase was primarily in lower risk-weighted government investments and deposits with the Federal Reserve and other central banks. Our Basel I Tier 1 leverage ratio was 5.2% at Dec. 31, 2011, compared with 5.8% at Dec. 31, 2010. The decrease reflects higher average assets driven by higher client deposits.

The following table shows the impact of a $1 billion increase or decrease in risk-weighted assets or a $100 million increase or decrease in common equity on the consolidated capital ratios at Dec. 31, 2011.

Potential impact to capital ratios as of Dec. 31, 2011

	Increase or decrease of		
(basis points)	**$100 million in common equity**	**$1 billion in risk-weighted assets/ quarterly average assets** *(a)*	
Basel I:			
Tier 1 capital	10 bps	15	bps
Total capital	10	17	
Leverage	3	2	
Basel III:			
Estimated Tier 1 common equity ratio	6 bps	4	bps

(a) *Quarterly average assets determined under Basel I regulatory guidelines.*

Our tangible BNY Mellon shareholders' equity to tangible assets of operations ratio was 6.4% at Dec. 31, 2011, up from 5.8% at Dec. 31, 2010. The increase compared with the prior year primarily reflects earnings retention and a reduction in goodwill and intangible assets as a result of the sale of Shareowner Services.

At Dec. 31, 2011, we had $1.7 billion of trust preferred securities outstanding, all of which qualifies as Tier 1 capital. On June 20, 2012, the "stock purchase date," as defined in the prospectus supplement for the trust preferred securities of Mellon Capital IV, the sole assets of the trust will become shares of a series of our non-cumulative perpetual preferred stock.

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The following tables present the components of our Basel I Tier 1 and Total risk-based capital as well as the Basel I risk-weighted assets at Dec. 31, 2011 and 2010.

Components of Basel I Tier 1 and total risk-based capital *(a)*	**Dec. 31,**	
(in millions)	**2011**	2010 *(b)*
Tier 1 capital:		
Common shareholders' equity	**$33,417**	$32,354
Trust preferred securities	**1,659**	1,676
Adjustments for:		
Goodwill and other intangibles *(c)*	**(20,630)**	(21,297)
Pensions/cash flow hedges	**1,426**	1,053
Securities valuation allowance	**(450)**	(170)
Merchant banking investments	**(33)**	(19)
Total Tier 1 capital	**15,389**	13,597
Tier 2 capital:		
Qualifying unrealized gains on equity securities	**2**	5
Qualifying subordinated debt	**1,545**	2,381
Qualifying allowance for credit losses	**497**	571
Total Tier 2 capital	**2,044**	2,957
Total risk-based capital	**$17,433**	$16,554

(a) On a regulatory basis as determined under Basel 1 guidelines.

(b) Includes discontinued operations.

(c) Reduced by deferred tax liabilities associated with non-tax deductible identifiable intangible assets of $1,459 million at Dec. 31, 2011 and $1,625 million at Dec. 31, 2010 and deferred tax liabilities associated with tax deductible goodwill of $967 million at Dec. 31, 2011 and $816 million at Dec. 31, 2010.

Components of Basel I risk-weighted assets *(a)*	**2011**		2010 *(b)*	
(in millions)	**Balance sheet/ notional amount**	**Risk-weighted assets**	Balance sheet/ notional amount	Risk-weighted assets
Assets:				
Cash, due from banks and interest-bearing deposits in banks	**$130,739**	**$8,144**	$72,424	$10,718
Securities	**81,988**	**18,084**	66,307	18,230
Trading assets	**7,861**	**-**	6,276	-
Fed funds sold and securities purchased under resale agreements	**4,510**	**152**	5,169	304
Loans	**43,979**	**26,028**	37,808	24,368
Allowance for loan losses	**(394)**	**-**	(498)	-
Other assets	**56,583**	**24,294**	59,773	21,127
Total assets	**$325,266**	**$76,702**	$247,259	$74,747
Off-balance sheet exposure:				
Commitments to extend credit	**$28,763**	**$10,733**	$29,845	$10,946
Securities lending	**270,346**	**176**	279,931	101
Standby letters of credit and other guarantees	**8,372**	**7,715**	10,696	9,341
Derivative instruments	**1,395,522**	**4,473**	1,438,995	4,678
Total off-balance sheet exposure	**$1,703,003**	**$23,097**	$1,759,467	$25,066

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Market risk equivalent assets	**2,456**	1,594
Total risk-weighted assets	**$102,255**	$101,407
Average assets for leverage capital purposes	**$296,484**	$235,905

(a) On a regulatory basis as determined under Basel 1 guidelines.

(b) Includes discontinued operations.

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The following table presents the calculation of our estimated Basel III Tier 1 common equity ratio.

Estimated Basel III Tier 1 common equity ratio – Non-GAAP *(a)* *(dollars in millions)*	**Dec. 31, 2011**
Total Tier 1 capital – Basel I	**$ 15,389**
Less: Trust preferred securities	**1,659**
Adjustments related to AFS securities and pension liabilities included in AOCI *(b)*	**944**
Adjustments related to equity method investments *(b)*	**555**
Net pension fund assets *(b)*	**90**
Other	**(3)**
Total estimated Basel III Tier 1 common equity	**$ 12,144**
Total risk-weighted assets – Basel I	**$ 102,255**
Add: Adjustments *(c)*	**67,813**
Total estimated Basel III risk-weighted assets	**$ 170,068**
Estimated Basel III Tier 1 common equity ratio – (Non-GAAP)	**7.1 %**

(a) Our estimated Basel III Tier 1 common equity ratio (Non-GAAP) reflects our current interpretation of the Basel III rules. Our estimated Basel III Tier 1 common equity ratio could change in the future as the U.S. regulatory agencies implement Basel III or if our businesses change.

(b) Basel III does not add back to capital the adjustment to other comprehensive income that Basel I and Basel II make for pension liabilities and available-for-sale securities. Also, under Basel III, pension assets recorded on the balance sheet and adjustments related to equity method investments are a deduction from capital.

(c) Primary differences between Basel I and Basel III include: the determination of credit risk under Basel I uses predetermined risk weights and asset classes, while under Basel III includes borrower credit ratings and internal risk models; the treatment of securitizations that fall below investment grade receive a significantly higher risk weighting under Basel III than Basel I; also, Basel III includes additional adjustments for operational risk, market risk, counter party credit risk and equity exposures.

Stock repurchase program

Share repurchases during fourth quarter 2011 *(common shares in thousands)*	Total shares repurchased	Average price per share	Total shares repurchased as part of a publicly announced plan	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under plans or programs
October 2011	12	$ 18.65	-	15,521
November 2011	2,565	19.98	2,500	13,021
December 2011	1,057	18.99	1,000	12,021
Fourth quarter 2011	**3,634** *(a)*	**$ 19.69**	**3,500**	**12,021**

(a) Includes 134,000 shares that were repurchased at a purchase price of $3 million from employees, primarily in connection with the employees' payment of taxes upon the vesting of restricted stock.

On Dec. 18, 2007, the Board of Directors of BNY Mellon authorized the repurchase of up to 35 million shares of common stock. On March 22, 2011, the Board of Directors of BNY

Risk management

Governance

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Mellon authorized the repurchase of up to an additional 13 million shares of common stock. At Dec. 31, 2011, 12 million common shares were available for repurchase under the program. On Feb. 14, 2012, in order to continue with share repurchases under our 2011 capital plan, the Board of Directors authorized the repurchase of an additional 12 million shares of common stock, provided that the aggregate shares repurchased are within the $1.3 billion 2011 capital plan. There is no expiration date on the share repurchase authorizations.

Risk management and oversight begins with the Board of Directors and two key Board committees: the Risk Committee and the Audit Committee.

The Risk Committee is comprised entirely of independent directors and meets on a regular basis to review and assess the control processes with respect to the Company' s inherent risks. They also review and assess the risk management activities of the Company and the Company' s fiduciary risk policies and

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activities. Policy formulation and day-to-day oversight of the Risk Management Framework is delegated to the Chief Risk Officer, who, together with the Chief Auditor and Chief Compliance Officer, helps ensure an effective risk management governance structure. The roles and responsibilities of the Risk Committee are described in more detail in its charter, a copy of which is available on our website, www.bnymellon.com.

The Audit Committee is also comprised entirely of independent directors, all of whom are financially literate within the meaning of the NYSE listing standards, and two of whom have been determined to be audit committee financial experts as set out in the rules and regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to have accounting or related financial management expertise within the meaning of the NYSE listing standards, and who have banking and financial management expertise within the meaning of the FDIC rules. The Audit Committee meets on a regular basis to perform an oversight review of the integrity of the financial statements and financial reporting process, compliance with legal and regulatory requirements, our independent registered public accountant' s qualifications and independence, and the performance of our registered public accountant and internal audit function. The Audit Committee also reviews management' s assessment of the adequacy of internal controls. The functions of the Audit Committee are described in more detail in its charter, a copy of which is available on our website, www.bnymellon.com.

The Senior Risk Management Committee ("SRMC") is the most senior management body responsible for ensuring that emerging risks are weighed against the corporate risk appetite and that any material amendments to the risk appetite statement are properly vetted and recommended to the Executive Committee and the Board for approval. The SRMC also reviews any material breaches to our risk appetite and approves action plans required to remediate the issue. SRMC provides oversight for the risk management, compliance and ethics framework. The Chief Executive Officer, Chief Risk Officer and Chief Financial Officer are among SRMC' s members.

Risk appetite statement

BNY Mellon defines risk appetite as the level of risk it is normally willing to accept while pursuing the interests of our major stakeholders, including our clients, shareholders, employees and regulators. The Company has adopted the

arises in every transaction we undertake. Our risk appetite is driven by the fact that we are a leading manager and servicer of global financial assets and play a major role in the global marketplace. As a result, we are committed to maintaining a strong balance sheet throughout market cycles and to delivering operational excellence to meet the expectations of our major stakeholders, including our clients, shareholders, employees and regulators. The balance sheet will be characterized by strong liquidity, superior asset quality, ready access to external funding sources at competitive rates and a strong capital structure, that supports our risk taking activities and is adequate to absorb potential losses. These characteristics support our goal of having superior debt ratings among our peers. To that end, the company' s Risk Management Framework has been designed to:

- ensure that appropriate risk tolerances ("limits") are in place to govern our risk taking activities across all businesses and risk types;
- ensure that our risk appetite principles permeate the company' s culture and are incorporated into our strategic decision-making processes;
- ensure rigorous monitoring and reporting of key risk metrics to senior management and the board of directors; and
- ensure that there is an on-going, and forward-looking, capital planning process to support our risk taking activities."

Primary risk types

The understanding, identification and management of risk are essential elements for the successful management of BNY Mellon. Our primary risk categories are:

Type of risk	Description
Operational	The risk of loss resulting from inadequate or failed internal processes, human factors and systems, breaches of technology and information systems, or from external events.
Market	The risk of loss due to adverse changes in the financial markets. Market risk arises from derivative financial instruments, such as futures, forwards, swaps and options, and other financial instruments, including loans, securities, deposits, and other borrowings. Our

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following as its risk appetite statement: "Risk taking is a fundamental characteristic of providing financial services and

	market risks are primarily interest rate and foreign exchange risk, equity risk and credit risk.
Credit	The possible loss we would suffer if any of our borrowers or other counterparties were to default on their obligations to us. Credit risk arises primarily from lending, trading, and securities servicing activities.

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Operational risk

Overview

In providing a comprehensive array of products and services, we may be exposed to operational risk. Operational risk may result from, but is not limited to, errors related to transaction processing, breaches of internal control systems and compliance requirements, fraud by employees or persons outside BNY Mellon or business interruption due to system failures or other events. Operational risk may also include breaches of our technology and information systems resulting from unauthorized access to confidential information or from internal or external threats, such as cyber attacks. Operational risk also includes potential legal or regulatory actions that could arise as a result of noncompliance with applicable laws and/or regulatory requirements. In the case of an operational event, we could suffer a financial loss as well as damage to our reputation.

To address these risks, we maintain comprehensive policies and procedures and an internal control framework designed to provide a sound operational environment. These controls have been designed to manage operational risk at appropriate levels given our financial strength, the business environment and markets in which we operate, the nature of our businesses, and considering factors such as competition and regulation. Our internal auditors and internal control group monitor and test the overall effectiveness of the internal control and financial reporting systems on an ongoing basis.

We have also established procedures that are designed to ensure that policies relating to conduct, ethics and business practices are followed on a uniform basis. Among the procedures designed to ensure effectiveness are our "Code of Conduct," "Know Your Customer," and compliance training programs.

Operational risk management

We have established operational risk management as an independent risk discipline. The Operational Risk Management ("ORM") Group and Information Risk Management ("IRM") Group reports to the Chief Risk Officer. The organizational framework for operational risk is based upon a strong risk culture that incorporates both governance and risk management activities comprising:

addition to credit and market risk. The Risk Committee meets regularly to review and approve operational risk management initiatives, discuss key risk issues, and review the effectiveness of the risk management systems.

- Accountability of Businesses – Business managers are responsible for maintaining an effective system of internal controls commensurate with their risk profiles and in accordance with BNY Mellon policies and procedures.
- ORM Group – The ORM Group is responsible for developing risk management policies and tools for assessing, measuring, monitoring and managing operational risk for BNY Mellon. The primary objectives of the ORM group are to promote effective risk management, identify emerging risks, create incentives for generating continuous improvement in controls, and to optimize capital.
- IRM Group – The IRM Group is responsible for developing policies and tools for identifying, assessing, measuring and monitoring information and technology risk for BNY Mellon. The IRM Group partners with the businesses to focus on three primary areas: access, information protection, and technology controls. The primary objectives of the IRM Group are to help maintain and protect the confidentiality, integrity, and availability of the firm' s information and technology assets from internal and external threats such as cyber attacks.

Market risk

In addition to the Risk Committee and SRMC, oversight of market risk is performed by certain committees and through executive review meetings. Detailed reviews of derivative trading positions and of all model validations/stress tests results are conducted during the Global Markets Weekly Risk Review. Senior managers from Risk Management, Finance and Sales and Trading attend the review.

Business Risk meetings for the Global Markets and Capital Markets businesses also provide a forum for market risk oversight. The goal of Business Risk meetings, which are held at least quarterly, is to review key risk and control issues and related initiatives facing all lines of business including Global Markets and Capital Markets. The following activities are also addressed during Business Risks meetings:

- Reporting of all new Monitoring Limits and changes to existing limits;

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- Board Oversight and Governance – The Risk Committee of the Board approves and oversees our operational risk management strategy in

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- Monitoring of trading exposures, VaR, market sensitivities and stress testing results; and
- Reporting results of all model validations.

The Derivatives Documentation Committee reviews and approves variations in the Company' s documentation standards as it relates to derivative transactions. In addition, this committee reviews all outstanding confirmations to identify potential exposure to the Company. Finally, the Risk Quantification and Modelling Committee validates and reviews backtesting results.

Credit risk

To balance the value of our activities with the credit risk incurred in pursuing them, we set and monitor internal credit limits for activities that entail credit risk, most often on the size of the exposure and the maximum maturity of credit extended. For credit exposures driven by changing market rates and prices, exposure measures include an add-on for such potential changes.

We manage credit risk at both the individual exposure level as well as at the portfolio level. Credit risk at the individual exposure level is managed through our credit approval system of Credit Portfolio Managers ("CPMs") and the Chief Credit Officer ("CCO"). The CPMs and CCO are responsible for approving the size, terms and maturity of all credit exposures as well as the ongoing monitoring of the exposures. In addition, they are responsible for assigning and maintaining the risk ratings on each exposure.

Credit risk management at the portfolio level is supported by Enterprise Risk Architecture ("ERA"), formerly the Portfolio Management Division within the Risk Management and Compliance Sector. The ERA is responsible for calculating two fundamental credit measures. First, we project a statistically expected credit loss, used to help determine the appropriate loan loss reserve and to measure customer profitability. Expected loss considers three basic components: the estimated size of the exposure whenever default might occur, the probability of default before maturity and the severity of the loss we would incur, commonly called "loss given default." For corporate banking, where most of our credit risk is created, unfunded commitments are assigned a usage given default percentage. Borrowers/Counterparties are assigned ratings by CPMs and the CCO on an 18-grade scale, which translate to a scaled probability of default. Additionally, transactions are assigned loss-given-default ratings (on a 12-grade scale) that reflect the transactions' structures including the effects of guarantees, collateral, and relative seniority of position.

The second fundamental measurement of credit risk calculated by the ERA is called economic capital. Our economic capital model estimates the capital required to support the overall credit risk portfolio. Using a Monte Carlo simulation engine and measures of correlation among borrower defaults, the economic model examines extreme and highly unlikely scenarios of portfolio credit loss in order to estimate credit-related capital, and then allocates that capital to individual borrowers and exposures. The credit-related capital calculation supports a second tier of policy standards and limits by serving as an input to both profitability analysis and concentration limits of capital at risk with any one borrower, industry or country.

The ERA is responsible for the calculation methodologies and the estimates of the inputs used in those methodologies for the determination of expected loss and economic capital. These methodologies and input estimates are regularly evaluated to ensure their appropriateness and accuracy. As new techniques and data become available, the ERA attempts to incorporate, where appropriate, those techniques or data.

Credit risk is intrinsic to much of the banking business. However, BNY Mellon seeks to limit both on- and off-balance sheet credit risk through prudent underwriting and the use of capital only where risk-adjusted returns warrant. We seek to manage risk and improve our portfolio diversification through syndications, asset sales, credit enhancements, credit derivatives, and active collateralization and netting agreements. In addition, we have a separate Credit Risk Review group, which is part of Internal Audit, made up of experienced loan review officers who perform timely reviews of the loan files and credit ratings assigned to the loans.

Global compliance

Our global compliance function provides leadership, guidance, and oversight to help our businesses identify applicable laws and regulations and implement effective measures to meet the specific requirements. Compliance takes a proactive approach by anticipating evolving regulatory standards and remaining aware of industry best practices, legislative initiatives, competitive issues, and public expectations and perceptions. The function uses its global reach to

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disseminate information about compliance-related matters throughout BNY Mellon. The Chief Compliance and Ethics Officer reports to the Chief Risk Officer, is a member of key committees of BNY Mellon and provides regular updates to the Audit and Risk Committees of the Board of Directors.

Internal audit

Internal Audit is an independent, objective assurance function that reports directly to the Audit Committee of the Company' s Board of Directors. It assists the Company in accomplishing its objectives by bringing a systematic, disciplined, risk-based approach to evaluate and improve the effectiveness of the Company' s risk management, control, and governance processes. The scope of Internal Audit' s work includes the review and evaluation of the adequacy, effectiveness, and sustainability of risk management procedures, internal control systems, information systems and governance processes.

Economic capital

BNY Mellon has implemented a methodology to quantify economic capital. We define economic capital as the capital required to protect against unexpected economic losses over a one-year period at a level consistent with the solvency of a firm with a target debt rating. We quantify economic capital requirements for the risks inherent in our business activities using statistical modeling techniques and then aggregate them at the consolidated level. A capital reduction, or diversification benefit, is applied to reflect the unlikely event of experiencing an extremely large loss in each type of risk at the same time. Economic capital levels are directly related to our risk profile. As such, it has become a part of our internal capital assessment process and, along with regulatory capital, is a key component to ensuring that the actual level of capital is commensurate with our risk profile, and is sufficient to provide the financial flexibility to undertake future strategic business initiatives.

The framework and methodologies to quantify each of our risk types have been developed by the ERA and are designed to be consistent with our risk management principles. The framework has been approved by senior management and has been reviewed by the Risk Committee of the Board of Directors. Due to the evolving nature of quantification techniques, we expect to continue to refine the methodologies used to estimate our economic capital requirements.

Stress Testing

It is the policy of the company to perform Enterprise-Wide Stress Testing at regular intervals as part of its Internal Capital Adequacy Assessment Process ("ICAAP"). Additionally, the company performs or will perform an analysis of capital adequacy in a stressed environment in its Enterprise-wide Stress Test Framework, as required by the enhanced prudential standards issued pursuant to the Dodd-Frank Act, and as part of the annual Comprehensive Capital Analysis and Review ("CCAR") process.

Enterprise-Wide Stress Testing performs analysis across the company' s Lines of Business, products, geographic areas, and risk types incorporating the results from the different underlying models and projections given a certain stress-test scenario. It is an important component of assessing the adequacy of capital (as in the ICAAP) as well as identifying any high risk touch points in business activities. Furthermore, by integrating enterprise-wide stress testing into the company' s capital planning process, the results provide a forward-looking evaluation of the ability to complete planned capital actions in a more-adverse-than-anticipated economic environment.

Trading activities and risk management

Our trading activities are focused on acting as a market maker for our customers and facilitating customer trades. Positions managed for our own account are immaterial to our foreign exchange and other trading revenue and to our overall results of operations. The risk from market-making activities for customers is managed by our traders and limited in total exposure through a system of position limits, a value-at-risk ("VaR") methodology based on a Monte Carlo simulation, stop loss advisory triggers, and other market sensitivity measures. See Note 25 of the Notes to Consolidated Financial Statements for additional information on the VaR methodology.

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The following tables indicate the calculated VaR amounts for the trading portfolio for the years ended Dec. 31, 2011 and 2010.

VaR *(a)*	**2011**			
(in millions)	**Average**	**Minimum**	**Maximum**	**Dec. 31**
Interest rate	**$ 7.9**	**$ 3.0**	**$ 15.7**	**$ 12.1**
Foreign exchange	**2.8**	**0.4**	**5.9**	**1.9**
Equity	**3.2**	**1.8**	**6.1**	**3.1**
Credit	**0.1**	**-**	**0.3**	**-**
Diversification	**(4.8)**	**N/M**	**N/M**	**(5.8)**
Overall portfolio	**9.2**	**4.1**	**18.2**	**11.3**

VaR *(a)*	**2010**			
(in millions)	**Average**	**Minimum**	**Maximum**	**Dec. 31**
Interest rate	$ 5.9	$ 1.2	$ 10.9	$ 4.3
Foreign exchange	2.7	0.7	5.0	0.7
Equity	3.6	1.3	7.6	2.1
Credit	0.6	0.2	1.3	0.2
Diversification	(5.3)	N/M	N/M	(3.4)
Overall portfolio	7.5	3.5	11.4	3.9

(a) VAR figures do not reflect the impact of CVA guidance in ASC 820. This is consistent with the Regulatory treatment. VAR exposure does not include the impact of the Company's consolidated investment management funds and seed capital investments.

N/M- Because the minimum and maximum may occur on different days for different risk components, it is not meaningful to compute a portfolio diversification effect.

During 2011, interest rate risk generated 56% of average VaR, equity risk generated 23% of average VaR, foreign exchange risk accounted for 20% of average VaR and credit risk generated 1% of average VaR. During 2011, our daily trading loss did not exceed our calculated VaR amount of the overall portfolio on any given day.

BNY Mellon monitors a volatility index of global currency using a basket of 30 major currencies. In 2011, the volatility of this index decreased approximately 5 basis points from 2010.

The following table of total daily trading revenue or loss illustrates the number of trading days in which our trading revenue or loss fell within particular ranges during the past year.

Distribution of trading revenues (losses) *(a)*

	Quarter ended				
(dollar amounts in millions)	Dec. 31, 2010	March 31, 2011	June 30, 2011	Sept. 30, 2011	**Dec. 31 2011**
Revenue range:	Number of days				
Less than $(2.5)	-	1	-	-	**-**
$(2.5) - $0	4	2	1	2	**1**
$0 - $2.5	17	21	20	21	**19**
$2.5 - $5.0	26	29	31	26	**33**
More than $5.0	16	9	12	15	**8**

(a) Distribution of trading revenues (losses) does not reflect the impact of the CVA and corresponding hedge.

Foreign exchange and other trading

Under our mark-to-market methodology for derivative contracts, an initial "risk-neutral" valuation is performed on each position assuming time-discounting based on a AA credit curve. In addition, we consider credit risk in arriving at the fair value of our derivatives.

As required by ASC 820 – *Fair Value Measurements and Disclosures*, we reflect external credit ratings as well as observable credit default swap spreads for both ourselves as well as our counterparties when measuring the fair value of our derivative positions.
Accordingly, the valuation of our derivative positions is sensitive to the current changes in our own credit spreads, as well as those of our counterparties. In addition, in cases where a counterparty is deemed impaired, further analyses are performed to value such positions.

At Dec. 31, 2011, our over-the-counter ("OTC") derivative assets of $7.0 billion included a CVA deduction of $182 million, including $8 million related to the credit quality of certain CDO counterparties and Lehman. Our OTC derivative liabilities of $7.4 billion included a debit valuation adjustment ("DVA") of $46 million related to our own credit spread. Net of hedges, the CVA increased $11

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million and the DVA was unchanged in 2011. The net impact of these adjustments decreased foreign exchange and other trading revenue by $11 million in 2011. In 2011, we charged-off a $15 million realized loss against the CVA reserves.

At Dec. 31, 2010, our OTC derivative assets of $4.3 billion included a CVA deduction of $78 million, including $27 million related to the declining credit quality of CDO counterparties and Lehman. Our OTC derivative liabilities of $5.3 billion included a DVA of $30 million related to our own credit spread. In 2010, we charged-off a $39 million realized loss against the CVA reserves. Excluding the charge-off, the CVA, net of hedges, decreased foreign exchange and other trading revenue $5 million in 2010.

The table below summarizes the risk ratings for our foreign exchange and interest rate derivative counterparty credit exposure. This information indicates the degree of risk to which we are exposed and significant changes in ratings classifications for which our foreign exchange and other trading activity could result in increased risk for us.

Foreign exchange and other trading counterparty risk rating profile *(a)*

	Quarter ended				
	Dec. 31, 2010	March 31, 2011	June 30, 2011	Sept. 30, 2011	**Dec. 31, 2011**
Rating:					
AAA to AA-	52 %	51 %	51 %	48 %	**47 %**
A+ to A-	18	18	17	19	**21**
BBB+ to BBB-	21	21	21	23	**24**
Noninvestment grade (BB+ and lower)	9	10	11	10	**8**
Total	100 %	100 %	100 %	100 %	**100 %**

(a) Represents credit rating agency equivalent of internal credit ratings.

Asset/liability management

Our diversified business activities include processing securities, accepting deposits, investing in securities, lending, raising money as needed to fund assets, and other transactions. The market risks from these activities are interest rate risk and foreign exchange risk. Our primary market risk is exposure to movements in U.S. dollar interest rates and certain foreign currency interest rates. We actively manage interest rate sensitivity and use earnings simulation and discounted cash flow models to identify interest rate exposures.

An earnings simulation model is the primary tool used to assess changes in pre-tax net interest revenue. The model incorporates management' s assumptions regarding interest rates, balance changes on core deposits, market spreads, changes in the prepayment behavior of loans and securities and the impact of derivative financial instruments used for interest rate risk management purposes. These assumptions have been developed through a combination of historical analysis and future expected pricing behavior and are inherently uncertain. As a result, the earnings simulation model cannot precisely estimate net interest changes in market conditions and management' s strategies, among other factors.

These scenarios do not reflect strategies that management could employ to limit the impact as interest rate expectations change. The table below relies on certain critical assumptions regarding the balance sheet and depositors' behavior related to interest rate fluctuations and the prepayment and extension risk in certain of our assets. To the extent that actual behavior is different from that assumed in the models, there could be a change in interest rate sensitivity.

We evaluate the effect on earnings by running various interest rate ramp scenarios from a baseline scenario. These scenarios are reviewed to examine the impact of large interest rate movements. Interest rate sensitivity is quantified by calculating the change in pre-tax net interest revenue between the scenarios over a 12-month measurement period.

The following table shows net interest revenue sensitivity for BNY Mellon:

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revenue or the impact of higher or lower interest rates on net interest revenue. Actual results may differ from projected results due to timing, magnitude and frequency of interest rate changes, and

Estimated changes in net interest revenue at Dec. 31, 2011 *(dollar amounts in millions)*	
up 200 bps vs. baseline	**$693**
up 100 bps vs. baseline	**454**
Long-term up 50 bps, short-term unchanged *(a)*	**93**
Long-term down 50 bps, short-term unchanged *(a)*	**(76)**

(a) Long-term is equal to or greater than one year.

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The baseline scenario' s Fed Funds rate in the Dec. 31, 2011 analysis was 0.25%. The 100 basis point ramp scenario assumes short-term rates change 25 basis points in each of the next four quarters and the 200 basis point ramp scenario assumes a 50 basis point per quarter change. At Dec. 31, 2011, the up 200 basis point and the up 100 basis point scenarios assume 10-year rates rising 187 and 87 basis points, respectively.

We also project future cash flows from our assets and liabilities over a long-term horizon and then discount these cash flows using instantaneous parallel shocks to prevailing interest rates. This measure reflects the structural balance sheet interest rate sensitivity by discounting all future cash flows. The aggregation of these discounted cash flows is the Economic Value of Equity ("EVE"). The following table shows how the EVE would change in response to changes in interest rates:

Estimated changes in EVE at Dec. 31, 2011	
Rate change:	
up 200 bps vs. baseline	**1.2%**
up 100 bps vs. baseline	**0.9**

These results do not reflect strategies that management could employ to limit the impact as interest rate expectations change.

The asymmetrical accounting treatment of the impact of a change in interest rates on our balance sheet may create a situation in which an increase in interest rates can adversely affect reported equity and regulatory capital, even though economically there may be no impact on our economic capital position. For example, an increase in rates will result in a decline in the value of our fixed income investment portfolio, which will be reflected through a reduction in other comprehensive income in our shareholders' equity, thereby affecting our tangible common equity ("TCE") ratios. Under current accounting rules, to the extent the fair value option provided in ASC 825 is not applied, there is no corresponding change on our fixed liabilities, even though economically these liabilities are more valuable as rates rise.

We project the impact of this change using the same interest rate shock assumptions described earlier and compare the projected mark-to-market on the investment securities portfolio at Dec. 31, 2011, under the higher rate environments versus a stable rate scenario. The table below shows the impact of a change in interest rates on the TCE ratio:

These results do not reflect strategies that management could employ to limit the impact as interest rate expectations change.

To manage foreign exchange risk, we fund foreign currency-denominated assets with liability instruments denominated in the same currency. We utilize various foreign exchange contracts if a liability denominated in the same currency is not available or desired, and to minimize the earnings impact of translation gains or losses created by investments in foreign markets. The foreign exchange risk related to the interest rate spread on foreign currency-denominated asset/liability positions is managed as part of our trading activities. We use forward foreign exchange contracts to protect the value of our net investment in foreign operations. At Dec. 31, 2011, net investments in foreign operations totaled approximately $10 billion and were spread across 13 foreign currencies.

Business continuity

We are prepared for events that could damage our physical facilities, cause delay or disruptions to operational functions, including telecommunications networks, or impair our employees, clients, vendors and counterparties. Key elements of our business continuity strategies are extensive planning and testing, and diversity of business operations, data centers and telecommunications infrastructure.

We have established multiple geographically diverse locations for our funds transfer and broker-dealer services operational units, which provide redundant functionality to facilitate uninterrupted operations.

Our securities clearing, mutual fund accounting and custody, securities lending, master trust, Unit Investment Trust, corporate trust, item processing, wealth management and treasury units have common functionality in multiple sites designed to facilitate continuance of operations or rapid recovery. In addition, we have recovery positions for over 14,400 employees on a global basis of which over 8,200 are proprietary.

We continue to enhance geographic diversity for business operations by moving additional personnel to growth centers outside of existing major urban centers. We replicate 100% of our critical production computer data to multiple recovery data centers.

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Estimated changes in the TCE ratio at Dec. 31, 2011 *(in basis points)*	
up 200 bps vs. baseline	**(110)**
up 100 bps vs. baseline	**(52)**

We have an active telecommunications diversity program. All major buildings and data centers have diverse telecommunications carriers. The data centers

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have multiple fiber optic rings and have been designed so that there is no single point of failure.

All major buildings have been designed with diverse telecommunications access and connect to at least two geographically dispersed connection points. We have an active program to audit circuits for route diversity and to test customer back-up connections.

In 2003, the Federal Reserve, OCC and SEC jointly published the Interagency Paper, "Sound Practices to Strengthen the Resilience of the U.S. Financial System" ("Sound Practices Paper"). The purpose of the document was to define the guidelines for the financial services industry and other interested parties regarding "best practices" related to business continuity planning. Under these guidelines, we are a key clearing and settlement organization required to meet a higher standard for business continuity.

We believe we have substantially met all of the requirements of the Sound Practices Paper. As a core clearing and settlement organization, we believe that we are at the forefront of the industry in improving business continuity practices.

We are committed to seeing that requirements for business continuity are met not just within our own facilities, but also within those of vendors and service providers whose operation is critical to our safety and soundness. To that end, we have a Service Provider Management Office whose function is to review new and existing service providers and vendors to see that they meet our standards for business continuity, as well as for information security, financial stability, and personnel practices, etc.

We have developed a comprehensive plan to prepare for the possibility of a flu pandemic, which anticipates significant reduced staffing levels and will provide for increased remote working by staff for one or more periods lasting several weeks.

Although we are committed to observing best practices as well as meeting regulatory requirements, geopolitical uncertainties and other external factors will continue to create risk that cannot always be identified and anticipated.

Due to BNY Mellon' s robust business recovery systems and processes, we are not materially impacted by climate change, nor do we expect material impacts in the near term. We have, and will continue to, implement processes and capital projects to deal with the risks of the changing climate. The company has invested in the development of products and services that support the markets related to climate change.

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Explanation of Non-GAAP financial measures

BNY Mellon has included in this Annual Report certain Non-GAAP financial measures based upon tangible common shareholders' equity. BNY Mellon believes that the ratio of Tier 1 common equity to risk-weighted assets and the ratio of tangible common shareholders' equity to tangible assets of operations are measures of capital strength that provide additional useful information to investors, supplementing the Tier 1 and Total capital ratios which are utilized by regulatory authorities. The ratio of Tier 1 common equity to risk-weighted assets excludes trust preferred securities, which will be phased out as Tier 1 regulatory capital beginning in 2013. Unlike the Tier 1 and Total capital ratios, the tangible common shareholders' equity ratio fully incorporates those changes in investment securities valuations which are reflected in total shareholders' equity. In addition, this ratio is expressed as a percentage of the actual book value of assets, as opposed to a percentage of a risk-based reduced value established in accordance with regulatory requirements, although BNY Mellon in its calculation has excluded certain assets which are given a zero percent risk-weighting for regulatory purposes. Further, BNY Mellon believes that the return on tangible common equity measure, which excludes goodwill and intangible assets net of deferred tax liabilities, is a useful additional measure for investors because it presents a measure of BNY Mellon's performance in reference to those assets which are productive in generating income. BNY Mellon has presented its estimated Basel III Tier 1 common equity ratio on a basis that is representative of how it currently understands the Basel III rules. Management views the Basel III Tier 1 common equity ratio as a key measure in monitoring BNY Mellon's capital position. Additionally, the presentation of the Basel III Tier 1 common equity ratio allows investors to compare BNY Mellon's Basel III Tier 1 common equity ratio with estimates presented by other companies. See "Capital" for a reconciliation of total Tier 1 capital – Basel I to total estimated Basel III Tier 1 common equity and total risk-weighted assets – Basel I to total estimated Basel III risk-weighted assets.

BNY Mellon has provided a measure of tangible book value per share, which it believes provides additional useful information as to the level of such assets in relation to shares of common stock outstanding. BNY Mellon has presented revenue measures, which exclude the effect of net securities gains (losses), SILO/LILO charges and noncontrolling interests related to consolidated investment management funds; expense measures which exclude restructuring charges, support agreement charges, asset-based taxes, M&I expenses, and amortization of intangible assets; and measures which utilize net income excluding tax items such as the benefit of tax settlements and discrete tax benefits related to a tax loss on mortgages. Return on equity measures and operating margin measures which exclude some or all of these items are also presented. BNY Mellon believes that these measures are useful to investors because they permit a focus on period to period comparisons which relate to the ability of BNY Mellon to enhance revenues and limit expenses in circumstances where such matters are within BNY Mellon's control. The excluded items in general relate to certain ongoing charges as a result of prior transactions or valuation or other charges unrelated to operational initiatives. M&I expenses primarily relate to the 2007 Merger and the Acquisitions in 2010. M&I expenses generally continue for approximately three years after the transaction and can vary on a year-to-year basis depending on the stage of the integration. BNY Mellon believes that the exclusion of M&I expenses provides investors with a focus on BNY Mellon's business as it would appear on a consolidated going-forward basis, after such M&I expenses have ceased. Future periods will not reflect such M&I expenses, and thus may be more easily compared to our current results if M&I expenses are excluded. With regards to the exclusion of net securities gains (losses), BNY Mellon's primary businesses are Investment Management and Investment Services. The management of these businesses is evaluated on the basis of the ability of these businesses to generate fee and net interest revenue and to control expenses, and not on the results of BNY Mellon's investment securities portfolio. The investment securities portfolio is managed within the Other segment. The primary objective of the investment securities portfolio is to generate net interest revenue from the liquidity generated by BNY Mellon's processing businesses. BNY Mellon does not generally originate or trade the securities in the investment securities portfolio. Restructuring charges relate to our operational efficiency initiatives, migrating positions to global growth centers and the elimination of certain positions. Excluding these charges permits investors to view expense on a basis consistent with how management views the business. Excluding the discrete tax benefits related to a tax loss on mortgages and the benefit of tax settlements permits investors to calculate the tax impact of BNY Mellon's primary businesses.

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The presentation of income of consolidated investment management funds, net of noncontrolling interests related to the consolidation of certain investment management funds, permits investors to view revenue on a basis consistent with prior periods. BNY Mellon believes that these presentations, as a supplement to GAAP information, gives investors a clearer picture of the results of its primary businesses.

In this Annual Report, certain amounts are presented on an FTE basis. We believe that this presentation provides comparability of amounts arising from both taxable and tax-exempt sources, and is consistent with industry practice. The adjustment to an FTE basis has no impact on net income.

Each of these measures as described above is used by management to monitor financial performance, both on a company-wide and business-level basis.

Return on common equity and tangible common equity – continuing operations

(dollars in millions)	**2011**	2010	2009	2008	2007 *(a)*
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation before extraordinary loss	**$2,516**	$2,518	$(1,367)	$1,412	$2,219
Less: Net income (loss) from discontinued operations	**-**	(66)	(270)	14	10
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon	**2,516**	2,584	(1,097)	1,398	2,209
Add: Amortization of intangible assets, net of tax	**269**	264	265	292	194
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation before extraordinary loss excluding amortization of intangible assets – Non-GAAP	**2,785**	2,848	(832)	1,690	2,403
Less: Net securities gains (losses)	**31**	17	(3,360)	(983)	(119)
Add: SILO/LILO/tax settlements	**-**	-	-	410	-
Support agreement charges	**N/A**	N/A	N/A	533	2
M&I expenses	**59**	91	144	288	238
Restructuring charges	**54**	19	94	107	-
Discrete tax benefits and the benefit of tax settlements	**-**	-	(267)	-	-
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation before extraordinary loss excluding net securities gains (losses), SILO/LILO/tax settlements, support agreement charges, M&I expenses, restructuring charges, discrete tax benefits and the benefit of tax settlements and amortization of intangible assets – Non-GAAP	**$2,867**	$2,941	$2,499	$4,011	$2,762
Average common shareholders' equity	**$33,519**	$31,100	$27,198	$28,212	$20,234
Less: Average goodwill	**18,129**	17,029	16,042	16,525	10,739
Average intangible assets	**5,498**	5,664	5,654	5,896	3,769
Add: Deferred tax liability – tax deductible goodwill	**967**	816	720	599	495

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Deferred tax liability – non-tax deductible intangible assets	**1,459**	1,625	1,680	1,841	2,006
Average tangible common shareholders' equity – Non-GAAP	**$12,318**	$10,848	$7,902	$8,231	$8,227
Return on common equity before extraordinary loss – GAAP	**7.5 %**	8.3 %	N/M	5.0 %	10.9 %
Return on common equity before extraordinary loss excluding net securities gains (losses), SILO/LILO/tax settlements, support agreement charges, M&I expenses, restructuring charges, discrete tax benefits and the benefit of tax settlements and amortization of intangible assets – Non-GAAP	**8.6 %**	9.5 %	9.2 %	14.2 %	13.6 %
Return on tangible common equity before extraordinary loss – Non-GAAP	**22.6 %**	26.3 %	N/M	20.5 %	29.2 %
Return on tangible common equity before extraordinary loss excluding net securities gains (losses), SILO/LILO/tax settlements, support agreement charges, M&I expenses, restructuring charges, discrete tax benefits and the benefit of tax settlements – Non-GAAP	**23.3 %**	27.1 %	31.6 %	48.7 %	33.6 %

(a) Results for 2007 include six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

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Reconciliation of income (loss) from continuing operations before income taxes – pre-tax operating margin *(dollars in millions)*	**2011**	2010	2009	2008	2007 *(a)*
Income (loss) from continuing operations before income taxes – GAAP	**$3,617**	$3,694	$(2,208)	$1,946	$3,215
Less: Net securities gains (losses)	**48**	27	(5,369)	(1,628)	(201)
Noncontrolling interests of consolidated investment management funds	**50**	59	-	-	-
Add: SILO/LILO charges	**-**	-	-	489	-
Support agreement charges	**N/A**	N/A	N/A	894	3
M&I expenses	**91**	139	233	483	404
Restructuring charges	**89**	28	150	181	-
Asset-based taxes	**-**	-	20	-	-
Amortization of intangible assets	**428**	421	426	473	314
Income (loss) from continuing operations before income taxes excluding net securities gains (losses), noncontrolling interests of consolidated investment management funds, SILO/LILO charges, support agreement charges, M&I expenses, restructuring charges, asset-based taxes and amortization of intangible assets – Non-GAAP	**$4,127**	$4,196	$3,990	$6,094	$4,137
Fee and other revenue – GAAP	**$11,546**	$10,724	$4,739	$10,714	$9,053
Income of consolidated investment management funds – GAAP	**200**	226	-	-	-
Net interest revenue – GAAP	**2,984**	2,925	2,915	2,859	2,245
Total revenue – GAAP	**14,730**	13,875	7,654	13,573	11,298
Less: Net securities gains (losses)	**48**	27	(5,369)	(1,628)	(201)
Noncontrolling interests of consolidated investment management funds	**50**	59	-	-	-
Add: SILO/LILO charges	**-**	-	-	489	-
Total revenue excluding net securities gains (losses), noncontrolling interests of consolidated investment management funds and SILO/LILO charges – Non-GAAP	**$14,632**	$13,789	$13,023	$15,690	$11,499
Pre-tax operating margin *(b)*	**25 %**	27 %	N/M	14 %	28 %
Pre-tax operating margin, excluding net securities gains (losses), noncontrolling interests of consolidated investment management funds, SILO/LILO charges, support agreement charges, M&I expenses, restructuring charges, asset-based taxes and amortization of intangible assets – Non-GAAP *(b)*	**28 %**	30 %	31 %	39 %	36 %

(a) Results for 2007 include six months of BNY Mellon and six months of legacy The Bank of New York Company, Inc.

(b) Income (loss) before taxes divided by total revenue.

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The following table presents income from consolidated investment management funds, net of noncontrolling interests.

Income from consolidated investment management funds, net of noncontrolling interests *(dollars in millions)*	**2011**	2010	2009
Income from operations of consolidated investment management funds	**$200**	$226	$ -
Less: Net income attributable to noncontrolling interests of consolidated investment management funds	**50**	59	-
Income from consolidated investment management funds, net of noncontrolling interests	**$150**	$167	$ -

The following table presents the line items in the Investment Management business impacted by the consolidated investment management funds.

Income from consolidated investment management funds, net of noncontrolling interests *(dollars in millions)*	**2011**	2010	2009
Investment management and performance fees	**$107**	$125	$ -
Other (Investment income)	**43**	42	-
Income from consolidated investment management funds, net of noncontrolling interests	**$150**	$167	$ -

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Supplemental Information (unaudited) (continued)

Equity to assets and book value per common share *(dollars in millions unless otherwise noted)*	**Dec. 31,**				
	2011	2010	2009	2008	2007
BNY Mellon shareholders' equity at period end – GAAP	**$33,417**	$32,354	$28,977	$25,264	$29,403
Less: Goodwill	**17,904**	18,042	16,249	15,898	16,331
Intangible assets	**5,152**	5,696	5,588	5,856	6,402
Add: Deferred tax liability – tax deductible goodwill	**967**	816	720	599	495
Deferred tax liability – non-tax deductible intangible assets	**1,459**	1,625	1,680	1,841	2,006
Tangible BNY Mellon shareholders' equity at period end – Non-GAAP	**$12,787**	$11,057	$9,540	$5,950	$9,171
Total assets at period end – GAAP	**$325,266**	$247,259	$212,224	$237,512	$197,656
Less: Assets of consolidated investment management funds	**11,347**	14,766	-	-	-
Subtotal assets of operations – Non-GAAP	**313,919**	232,493	212,224	237,512	197,656
Less: Goodwill	**17,904**	18,042	16,249	15,898	16,331
Intangible assets	**5,152**	5,696	5,588	5,856	6,402
Cash on deposit with the Federal Reserve and other central banks *(a)*	**90,230**	18,566	7,375	53,278	80
U.S. Government-backed commercial paper *(a)*	**-**	-	-	5,629	-
Tangible total assets at period end – Non-GAAP	**$200,633**	$190,189	$183,012	$156,851	$174,843
BNY Mellon shareholders' equity to total assets – GAAP	**10.3 %**	13.1 %	13.7 %	10.6 %	14.9 %
Tangible BNY Mellon shareholders' equity to tangible assets of operations – Non-GAAP	**6.4 %**	5.8 %	5.2 %	3.8 %	5.2 %
Period end common shares outstanding *(in thousands)*	**1,209,675**	1,241,530	1,207,835	1,148,467	1,145,983
Book value per common share	**$27.62**	$26.06	$23.99	$22.00	$25.66
Tangible book value per common share – Non-GAAP	**$10.57**	$8.91	$7.90	$5.18	$8.00

(a) Assigned a zero percentage risk weighting by the regulators.

Calculation of Basel I Tier 1 common equity to risk-weighted assets ratio *(a)*

	Dec. 31,				
(dollars in millions)	**2011**	2010	2009	2008	2007
Total Tier 1 capital – Basel I	**$15,389**	$13,597	$12,883	$15,402	$11,259

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Less: Trust preferred securities	**1,659**	1,676	1,686	1,654	2,030
Series B preferred stock	-	-	-	2,786	-
Total Tier 1 common equity	**$13,730**	$11,921	$11,197	$10,962	$9,229
Total risk-weighted assets - Basel I	**$102,255**	$101,407	$106,328	$116,713	$120,866
Basel I Tier 1 common equity to risk-weighted assets ratio	**13.4 %**	11.8 %	10.5 %	9.4 %	7.6 %

(a) Determined under Basel I regulatory guidelines. The periods ended Dec. 31, 2010 and Dec. 31, 2009 include discontinued operations.

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Rate/volume analysis

Rate/Volume analysis *(a)*	**2011 over (under) 2010**			2010 over (under) 2009		
	Due to change in			Due to change in		
(dollar amounts in millions, presented on an FTE basis)	**Average balance**	**Average rate**	**Net change**	Average balance	Average rate	Net change
Interest revenue						
Interest-earning assets:						
Interest-bearing deposits with banks (primarily foreign banks)	**$ (12)**	**$ 64**	**$ 52**	$ 9	$ (202)	$ (193)
Interest-bearing deposits with the Federal Reserve and other central banks	**103**	**(4)**	**99**	8	(2)	6
Other short-term investments – U.S. government-backed commercial paper	**-**	**-**	**-**	(4)	(5)	(9)
Federal funds sold and securities purchased under resale agreements	**2**	**(38)**	**(36)**	17	16	33
Margin loans	**51**	**(10)**	**41**	23	(4)	19
Non-margin loans:						
Domestic offices:						
Consumer	**7**	**(21)**	**(14)**	4	(35)	(31)
Commercial	**15**	**(55)**	**(40)**	5	(11)	(6)
Foreign offices	**3**	**(6)**	**(3)**	(38)	(61)	(99)
Total non-margin loans	**25**	**(82)**	**(57)**	(29)	(107)	(136)
Securities:						
U.S. government obligations	**111**	**4**	**115**	70	(1)	69
U.S. government agency obligations	**49**	**(98)**	**(49)**	143	(61)	82
State and political subdivisions	**36**	**(18)**	**18**	(3)	(3)	(6)
Other securities:						
Domestic offices	**67**	**(368)**	**(301)**	(279)	432	153
Foreign offices	**34**	**207**	**241**	72	(147)	(75)
Total other securities	**101**	**(161)**	**(60)**	(207)	285	78
Trading securities:						
Domestic offices	**8**	**(5)**	**3**	16	5	21
Foreign offices	**-**	**-**	**-**	-	(1)	(1)
Total trading securities	**8**	**(5)**	**3**	16	4	20
Total securities	**305**	**(278)**	**27**	19	224	243
Total interest revenue	**$ 474**	**$ (348)**	**$ 126**	$ 43	$ (80)	$ (37)
Interest expense						
Interest-bearing deposits						
Domestic offices:						
Money market rate accounts	**$ 1**	**$ (5)**	**$ (4)**	$ 8	$ -	$ 8
Savings	**-**	**(2)**	**(2)**	1	1	2
Certificates of deposit of $100,000 & over	**-**	**-**	**-**	(4)	(4)	(8)
Other time deposits	**6**	**(2)**	**4**	9	(19)	(10)
Total domestic	**7**	**(9)**	**(2)**	14	(22)	(8)
Foreign offices:						
Banks	**6**	**34**	**40**	1	4	5
Government and official institutions	**-**	**-**	**-**	1	(1)	-

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Other	**12**	**60**	**72**	(3)	(35)	(38)
Total foreign	**18**	**94**	**112**	(1)	(32)	(33)
Total interest-bearing deposits	**25**	**85**	**110**	13	(54)	(41)
Federal funds purchased and securities sold under repurchase agreements	**16**	**(57)**	**(41)**	1	42	43
Trading liabilities	**4**	**(13)**	**(9)**	8	11	19
Other borrowed funds:						
Domestic offices	**(3)**	**(2)**	**(5)**	6	-	6
Foreign offices	**-**	**2**	**2**	1	(3)	(2)
Total other borrowed funds	**(3)**	**-**	**(3)**	7	(3)	4
Borrowings from Federal Reserve related to asset-backed commercial paper	**-**	**-**	**-**	(3)	(4)	(7)
Payables to customers and broker-dealers	**1**	**-**	**1**	1	(1)	-
Long-term debt	**24**	**(23)**	**1**	(5)	(61)	(66)
Total interest expense	**$ 67**	**$ (8)**	**$ 59**	$ 22	$ (70)	$ (48)
Changes in net interest revenue	**$ 407**	**$ (340)**	**$ 67**	$ 21	$ (10)	$ 11

(a) Changes which are solely due to balance changes or rate changes are allocated to such categories on the basis of the respective percentage changes in average balances and average rates. Changes in interest revenue or interest expense arising from the combination of rate and volume variances are allocated proportionately to rate and volume based on their relative absolute magnitudes.

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Recently Issued Accounting Standards

ASU 2011-04−Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs

In May 2011, the FASB issued ASU 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." This ASU intends to improve consistency in the application of fair value measurement and disclosure requirements in U.S. GAAP and IFRS. The ASU clarifies the application of existing fair value measurement and disclosure requirements including 1) the application of concepts of highest and best use and valuation premise in a fair value measurement are relevant only when measuring the fair value of non-financial assets and are not relevant when measuring the fair value of financial assets or any liabilities, 2) measuring the fair value of an instrument classified in shareholders' equity from the perspective of a market participant that holds that instrument as an asset, and 3) disclosures about quantitative information regarding the unobservable inputs used in a fair value measurement that is categorized within Level 3 of the fair value hierarchy. The guidance in this ASU is effective for the first interim and annual period beginning after Dec. 15, 2011, and should be applied prospectively. Early adoption is not permitted. This ASU will have no impact on our results of operations.

ASU 2011-05−Presentation of Comprehensive Income

In June 2011, the FASB issued ASU 2011-05, "Presentation of Comprehensive Income." This ASU is aimed at increasing the prominence of other comprehensive income in the financial statements. The new guidance eliminates the option to present comprehensive income and its components in the Statement of Changes in Shareholders' Equity, and requires the disclosure of comprehensive income and its components in one of two ways: a single continuous statement or in two separate but consecutive statements. The single continuous statement would present other comprehensive income and its components on the income statement. Under the two-statement approach, the first statement would include components of net income and the second statement would include other comprehensive income and its components. The ASU does not change the items that must be reported in other comprehensive income. This ASU will have no impact on our results of operations.

The guidance in this ASU is effective for the first interim and annual period beginning after Dec. 15, 2011, and should be applied retrospectively for all periods presented in the financial statements. Early adoption is permitted.

ASU 2011-12−Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05

In December 2011, the FASB issued ASU 2011-12, "Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in ASU 2011-05". This ASU defers the effective date of the requirement to present separate line items on the income statement for reclassification adjustments of items out of accumulated other comprehensive income into net income. The deferral is temporary until the Board reconsiders the operational concerns and needs of financial statement users. The Board has not yet established a timetable for its reconsideration. The requirements to present other comprehensive income in a single continuous statement or two consecutive statements and other requirements of ASU 2011-05, as amended by ASU 2011-12, are effective for public entities for fiscal years, and interim periods within those years, beginning after Dec. 15, 2011.

ASU 2011-08−Testing for Goodwill Impairment

In September 2011, the FASB issued ASU 2011-08, "Testing for Goodwill Impairment", which amends the guidance in ASC 350 for goodwill impairment. Under the revised guidance, entities testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit (i.e., Step 1 of the goodwill impairment test). If entities determine, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. The ASU does not change how goodwill is calculated or assigned to reporting units, or the annual requirement to test goodwill for impairment. In addition, the ASU does not amend the requirement to test goodwill for impairment between annual tests if events or circumstances warrant; however, it does revise the examples of events and circumstances that an entity should consider. The amendments are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after Dec. 15, 2011. Early adoption is permitted.

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ASU 2011-11–Disclosures about Offsetting Assets and Liabilities

In December 2011, the FASB issued ASU 2011-11, "Disclosures about Offsetting Assets and Liabilities". Entities are required to disclose both gross information and net information about both instruments and transactions eligible for offset in the balance sheet and instruments and transactions subject to an agreement similar to a master netting arrangement. This scope would include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements, and securities borrowing and securities lending arrangements. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS. The amendments are effective for annual reporting periods beginning on or after Jan. 1, 2013. An entity would be required to provide the disclosures required by those amendments retrospectively for all comparative periods presented. This ASU will not impact our results of operations.

Proposed Accounting Standards

Proposed ASU–Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities

In May 2010, the FASB issued a proposed ASU, "Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities." Under this proposed ASU, most financial instruments would be measured at fair value in the balance sheet. In January 2011, the FASB preliminarily determined not to require certain financial assets to be measured at fair value on the balance sheet.

Measurement of a financial instrument would be determined based on its characteristics and an entity' s business strategy and would fall into one of the following three classifications:

- Fair value–Net income–encompasses financial assets used in an entity' s trading or held-for-sale activities. Changes in fair value would be recognized in net income.
- Fair value–Other comprehensive income–includes financial assets held primarily for investing activities, including those used to manage interest rate or liquidity risk. Changes in fair value would be recognized in other comprehensive income.
- Amortized cost–includes financial assets related to the advancement of funds (through a lending or customer-financing activity) that are managed with the intent to collect those cash flows (including interest and fees).

The FASB reached tentative decisions in other areas including classification and measurement of financial liabilities and the equity method of accounting.

The FASB tentatively decided that the business strategy should be determined by the business activities that an entity uses in acquiring and managing financial assets. The FASB plans to reexpose the proposed amendments for public comment. Both the FASB and the International Accounting Standards Board ("IASB") discussed effective dates pertaining to the financial instruments project and noted that such a date would not be for several years.

Supplementary Document–Impairment

On Jan. 31, 2011, the FASB issued a Supplementary Document, "Impairment." The Supplementary Document proposes to replace the incurred loss impairment model under U.S. GAAP with an expected loss impairment model. The document focuses on when and how credit impairment should be recognized. The proposal is limited to open portfolios of assets such as portfolios that are constantly changing, through originations, purchases, transfers, write-offs, sales and repayments. The proposal in the Supplementary Document would apply to loans and debt instruments under U.S. GAAP that are managed on an "open" portfolio basis provided they are not measured at fair value with changes in fair value recognized in net income. In the second quarter of 2011, the FASB and IASB revised the model from a two category approach for splitting the debt investment portfolio to a three category approach to better reflect the general pattern of credit quality deterioration. Both the FASB and the IASB continue to discuss alternate impairment models and have not reached a tentative decision. An exposure draft with the new proposed model is targeted for 2012.

Proposed ASU–Revenue from Contracts with Customers

In June 2010, the FASB issued a proposed ASU, "Revenue from Contracts with Customers." This proposed ASU is the result of a joint project of the FASB and IASB to clarify the principles for recognizing revenue and develop a common standard

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for U.S. GAAP and IFRS. This proposed ASU would establish a broad principle that would require an entity to identify the contract with a customer, identify the separate performance obligations in the contract, determine the transaction price, allocate the transaction price to the separate performance obligations and recognize revenue when each separate performance obligation is satisfied. In 2011, the FASB and IASB revised several aspects of the original proposal to include distinguishing between goods and services, segmenting contracts, accounting for warranty obligations, and deferring contract origination costs.

In November 2011, the FASB re-exposed the proposed ASU with a comment period ending on March 13, 2012. A final standard is expected to be issued in the second half of 2012. A retrospective application transition method would be required, but the FASB and IASB provided certain "transition reliefs" to reduce the burden on preparers. The FASB and IASB tentatively decided that the effective date of the proposed standard would not be earlier than annual reporting periods beginning on or after Jan. 1, 2015. The FASB decided to prohibit early application while the IASB decided to permit early application.

Proposed ASU−Principal versus Agent Analysis

In November 2011, the FASB issued a proposed ASU "Principal versus Agent Analysis". This proposed ASU would rescind the 2010 indefinite deferral of FAS 167 for certain investment funds, including mutual funds, hedge funds, mortgage real estate investment funds, private equity funds, and venture capital funds, and amends the pre-existing guidance for evaluating consolidation of voting general partnerships and similar entities. The proposed ASU also amends the criteria for determining whether an entity is a variable interest entity under FAS 167, which could affect whether an entity is within its scope. Accordingly, certain funds that previously were not consolidated must be reviewed to determine whether they will now be required to be consolidated. The proposed accounting standard will continue to require BNY Mellon to determine whether or not it has a variable interest in a variable interest entity. However, consolidation of its variable interest entity and voting general partnership asset management funds will be based on whether or not BNY Mellon, as the asset manager, uses its power as a decision maker as either a principal or an agent. Based on a preliminary review of the proposed ASU, we do not expect to be required to consolidate additional mutual funds, hedge funds, mortgage real estate investment funds, private equity funds, and venture capital funds. In addition, we expect to de-consolidate a substantial portion of the CLOs we currently consolidate, with further deconsolidation possible depending on future changes to BNY Mellon' s investment in subordinated notes. Comments on this ASU were due on Feb. 15, 2012.

Proposed ASU−Testing Indefinite-Lived Intangible Assets for Impairment

In January 2012, the FASB issued a proposed ASU "Testing Indefinite-Lived Intangible Assets for Impairment". This ASU provides guidance on indefinite-lived intangible asset impairment testing with the intention of simplifying the impairment assessment and reducing the recurring costs to comply with existing guidance while improving the consistency of testing methods among long-lived asset categories. The ASU would allow an organization the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. A company electing to perform a qualitative assessment would not be required to calculate the fair value of an indefinite-lived intangible asset unless the company determines, based on a qualitative assessment, that it is "more likely than not" that the asset' s fair value is less than its carrying amount. This ASU would be effective for annual and interim impairment tests performed for fiscal years beginning after June 15, 2012. Early adoption would be permitted. Comments on this ASU are due on April 24, 2012.

FASB and IASB project on Leases

In August 2010, the FASB and IASB issued a joint proposed ASU, "Leases". FASB has tentatively decided that lessees would apply a "right-of-use" accounting model. This would require the lessee to recognize both a right-of-use asset and a corresponding liability to make lease payments at the lease commencement date, both measured at the present value of the lease payments. The right-of-use asset would be amortized on a systematic basis that would reflect the pattern of consumption of the economic benefits of the leased asset. The liability to make lease payments would be subsequently de-recognized over time by applying the effective interest method to apportion the periodic payment to reductions in the liability to make lease payments and interest expense. Lessors would account for leases by applying a "receivable and residual" accounting approach. The lessor would recognize a right to receive lease payments and a residual asset at the date

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of the commencement of the lease. The lessor would initially measure the right to receive lease payments at the sum of the present value of the lease payments, discounted using the rate the lessor charges the lessee. The lessor would initially measure the residual asset as an allocation of the carrying amount of the underlying asset and would subsequently measure the residual asset by accreting it over the lease term, using the rate the lessor charges the lessee. The FASB is expected to reexpose the standard during 2012. A final standard is expected by the end of 2012.

Adoption of new accounting standards

For a discussion of the adoption of new accounting standards, see Note 2 of the Notes to Consolidated Financial Statements.

Regulatory developments

Evolving regulatory environment

On July 21, 2010, President Obama signed the Dodd-Frank Act. The Dodd-Frank Act broadly affects the financial services industry by establishing a framework for systemic risk oversight, creating a resolution authority for institutions determined to be systemically important, mandating higher capital and liquidity requirements, requiring banks to pay increased fees to regulatory agencies and containing numerous other provisions aimed at strengthening the sound operation of the financial services sector. It will fundamentally change the system of oversight described under "Business−Supervision and Regulation" in Part I, Item 1 of our 2011 Annual Report on Form 10-K. Many aspects of the law are subject to further rulemaking and will take effect over several years, making it difficult to anticipate the overall financial impact and increased expenses to BNY Mellon or across the industry.

In December 2010, the Basel Committee on Banking Supervision (the "Basel Committee") released its final framework for strengthening international capital and liquidity regulation, now officially identified by the Basel Committee as "Basel III". Basel III is also described below and under "Business – Supervision and Regulation" in Part I, Item 1 of our 2011 Annual Report on Form 10-K.

We are currently assessing the following regulatory developments, which may have an impact on BNY Mellon' s business.

Federal Reserve' s Enhanced Prudential Standards and Early Remediation Requirements for Covered Companies

As required by the Dodd-Frank Act, the Financial Stability Oversight Council ("FSOC") makes recommendations to the Federal Reserve as to enhanced supervision and prudential standards applicable to large, interconnected financial institutions, including bank holding companies ("BHCs") like BNY Mellon, with total consolidated assets of $50 billion (often referred to as "systemically important financial institutions"). The FSOC also authorizes the Federal Reserve to establish such standards either on its own or upon the recommendations of the FSOC. The Dodd-Frank Act mandates that the requirements applicable to systemically important financial institutions be more stringent than those applicable to other financial companies. In December 2011, the Federal Reserve issued for public comment a notice of proposed rulemaking establishing enhanced prudential standards responsive to these provisions for:

- risk-based capital requirements and leverage limits;
- stress testing of capital;
- liquidity requirements;
- overall risk management requirements; and
- concentration/credit exposure limits.

Comments on the proposed rules, which we refer to as the "Proposed SIFI Rules", are due by March 31, 2012. The Proposed SIFI Rules address a wide, diverse array of regulatory areas, each of which is highly complex. In some cases they would implement financial regulatory requirements being proposed for the first time, and in others overlap with other regulatory reforms. The Proposed SIFI Rules also address The Dodd-Frank Act' s early remediation requirements applicable to BHCs that have total consolidated assets of $50 billion or more. The proposed remediation rules are designed to require action beginning in the earlier stages of a company' s financial distress by mandating action on the basis of arranged triggers, including capital and leverage, stress test results, liquidity and risk management. We are analyzing the impact of the Proposed SIFI Rules on our businesses. However, the full impact will not be known until the rules, and other regulatory initiatives that overlap with the rules, are finalized and their combined impacts can be assessed.

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Resolution Planning

As required by the Dodd-Frank Act, the Federal Reserve and FDIC have jointly issued a final rule that requires certain organizations, including each BHC with consolidated assets of $50 billion or more, to report periodically to regulators a resolution plan for its rapid and orderly resolution in the event of material financial distress or failure. BNY Mellon' s resolution plan must, among other things, ensure that our depository institution subsidiaries are adequately protected from risks arising from our other subsidiaries. The final rule sets specific standards for the resolution plans, including requiring a strategic analysis of the plan' s components, a description of the range of specific actions the company proposes to take in resolution, and a description of the company' s organizational structure, material entities, interconnections and interdependencies, and management information systems, among other elements.

In addition, the FDIC has issued a final rule that requires insured depository institutions with $50 billion or more in total assets, such as The Bank of New York Mellon, to submit to the FDIC periodic plans for resolution in the event of the institution' s failure. The rule requires these insured institutions to submit a resolution plan that will enable the FDIC, as receiver, to resolve the bank in a manner that ensures that depositors receive access to their insured deposits within one business day of the institution' s failure, maximizes the net-present-value return from the sale or disposition of its assets, and minimizes the amount of any loss to be realized by the institution' s creditors. The final rule also sets specific standards for the resolution plans, including requiring a strategic analysis of the plan' s components, a description of the strategies for achieving the least costly resolution, and analyses of the financial company' s organization, material entities, interconnections and interdependencies, and management information systems, among other elements.

The two resolution plan rules are complementary and we have commenced work on our initial resolution plans. We expect that our initial plans will be required to be submitted to the regulators by early in the fourth quarter of 2012.

Federal Reserve' s Comprehensive Capital Assessment Review

In November 2011, the Federal Reserve published a final rule requiring BHCs (including BNY Mellon) with $50 billion or more of total consolidated assets to submit annual capital plans to their respective Federal Reserve Bank. The capital analysis and review process provided for in the rule is known as the Comprehensive Capital Analysis and Review, or "CCAR". The capital plans are required to be submitted on an annual basis. Such BHCs will also be required to collect and report certain related data on a quarterly basis to allow the Federal Reserve to monitor the companies' progress against their annual capital plans. The comprehensive capital plans, which are prepared using Basel I capital guidelines, include a view of capital adequacy under four scenarios−a BHC-defined baseline scenario, a baseline scenario provided by the Federal Reserve, at least one BHC-defined stress scenario, and a stress scenario provided by the Federal Reserve. Covered BHCs, including BNY Mellon, may pay dividends and repurchase stock only in accordance with a capital plan that has been reviewed by the Federal Reserve and as to which the Federal Reserve has not objected. The rules provide that the Federal Reserve may object to a capital plan if the plan does not show that the covered BHC will meet all minimum regulatory capital ratios and maintain a ratio of Basel I Tier 1 common equity to risk-weighted assets of at least 5% on a *pro forma* basis under expected and stressful conditions throughout the nine-quarter planning horizon covered by the capital plan. The rules also require, among other things, that a covered BHC may not make a capital distribution unless, after giving effect to the distribution, it will meet all minimum regulatory capital ratios and have a ratio of Basel I Tier 1 common equity to risk-weighted assets of at least 5%. As part of this process, BNY Mellon also provides the Federal Reserve with projections covering the time period it will take us to fully comply with Basel III guidelines, including the 7% Tier 1 common equity, 8.5% Tier 1 capital and 3% leverage ratios as well as granular components of those elements, as described further under "Capital and liquidity requirements−Basel III". Our capital plan was submitted on Jan. 9, 2012.

The purpose of the Federal Reserve' s capital plan review is to ensure that these BHCs have robust, forward-looking capital planning processes that account for each BHC' s unique risks and that permit continued operations during times of economic and financial stress. The CCAR rule, consistent with prior Federal Reserve Board guidance, provides that capital plans contemplating dividend payout ratios exceeding 30% of projected after-tax net income will receive particularly close scrutiny.

The Proposed SIFI Rules, discussed earlier, would also include the stress testing requirements that,

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among other things, stress test under a severely adverse scenario provided by the Federal Reserve. It also would require a semi-annual mid-year stress analysis.

Proposed rules removing references to credit ratings

The Dodd-Frank Act requires that all Federal agencies remove from their regulations references to and requirements of reliance on credit ratings and replace them with appropriate alternatives for evaluating creditworthiness. The Federal banking agencies have recently issued notices of proposed rulemaking ("NPRs") (and applicable related guidance) in connection with implementing these requirements. In December 2011, the Office of the Comptroller of the Currency ("OCC"), Federal Reserve, and FDIC issued a joint NPR applicable to certain U.S. banking organizations with significant trading operations that proposed standards of creditworthiness to be used in place of credit ratings when calculating the specific risk capital requirements for covered debt and securitization positions. In November 2011, the OCC issued an NPR that proposed replacing references to credit ratings with alternative standards of creditworthiness for areas of OCC regulations such as regulations pertaining to investment securities, securities offerings, and foreign bank capital equivalency deposits. The comment period for these two NPRs closed Feb. 3, 2012 and Dec. 29, 2011, respectively.

Incentive Compensation Arrangements Proposal

The Dodd-Frank Act requires federal regulators to prescribe regulations or guidelines regarding incentive-based compensation practices at certain financial institutions. On April 14, 2011, federal regulators including the FDIC, the Federal Reserve and the SEC, jointly issued a proposed rule which, among other things, would require certain executive officers of covered financial institutions with total consolidated assets of $50 billion or more, such as ours, to defer at least 50% of their annual incentive-based compensation for a minimum of three years. The comment period on the proposed rule closed May 31, 2011. A final rule has not yet been issued.

Task Force on Tri-Party Repo Infrastructure

Regulatory agencies worldwide have begun to re-examine systemic risks to various financial markets. One of the markets that regulatory agencies are reviewing, and in which we participate as a clearing and custody bank, is the tri-party repurchase transaction market, or tri-party repo market. From 2009 until recently, the Federal Reserve Bank of New York sponsored a Task Force on Tri-Party Repo Infrastructure Reform to examine the risks in the tri-party repo market and to decide what changes should be implemented so that such risks may be mitigated or avoided in future financial crises. The Task Force issued recommendations regarding the tri-party repo market. BNY Mellon is working to implement the Task Force' s recommendations on its tri-party repo business activities.

Since May 2010, the Federal Reserve Bank of New York has released monthly reports on the tri-party repo market, including information on aggregate volumes of collateral used in all tri-party repo transactions by asset class, concentrations, and margin levels, which is available at http://www. newyorkfed.org/ tripartyrepo/margin_data.html.

Consumer Financial Protection Bureau

In July 2011, our depository institutions were notified that they will be supervised by the Consumer Financial Protection Bureau ("CFPB") for certain consumer protection purposes.

The CFPB informed us it will focus on:

- risks to consumers and compliance with the Federal consumer financial laws, when it evaluates the policies and practices of a financial institution;
- the markets in which firms operate and risks to consumers posed by activities in those markets; and
- depository institutions that offer a wide variety of consumer financial products and services; depository institutions with a more specialized focus; and non-depository companies that offer one or more consumer financial products or services.

Capital and liquidity requirements

The U.S. federal bank regulatory agencies' risk-based capital guidelines are based upon the 1988 Capital Accord of the Basel Committee. The Basel Committee issued in June 2004, and updated in November 2005, a revised framework for capital adequacy commonly known as Basel II that sets capital requirements for operational risk and refines the existing capital requirements for credit risk. In the United States, regulators are mandating the adoption of Basel II for "core" banks such as BNY Mellon and its depository

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institution subsidiaries. The only approach available to "core" banks is the Advanced Internal Ratings Based ("A-IRB") approach for credit risk and the Advanced Measurement Approach ("AMA") for operational risk. Additional information on Basel II and Basel III is presented below.

Basel II

In the United States, Basel II became effective on April 1, 2008. Under the final rule, 2009 was the first year for a bank to begin its first of three transitional floor periods during which banks subject to the final rule calculate their capital requirements under both the old guidelines and new guidelines. In response to Section 171 of the Dodd-Frank Act, the federal banking regulatory agencies adopted a final rule that establishes a floor for the risk-based capital requirements applicable to the largest, internationally active banking organizations. Generally, the impact of this rule is that the banking agencies have amended their capital rules to provide that minimum capital, as required under the Basel I-based rules, will act as a floor for minimum capital requirements calculated in accordance with U.S. Basel II rules. Accordingly, the transition for "core" banks to calculations only under the Basel II-based requirements is being eliminated.

We have implemented the Basel II Standardized Approach in the United Kingdom, Belgium, Luxembourg and Ireland. In the U.S., BNY Mellon began the Basel II parallel run in the second quarter of 2010. Our capital models are currently with the Federal Reserve for their approval. Under Basel II guidelines, our risk-weighted assets for credit risk exposures are expected to decline. However, we expect the Basel II requirement that operational risk be included in risk-weighted assets will more than offset the decline in credit exposure. Under Basel I, securitizations that fall below investment grade are included in risk-weighted assets. Under Basel II, securitizations that fall below investment grade are deducted 50% from Tier 1 and 50% from total capital.

Based on our current estimates for Basel II at Dec. 31, 2011, our Tier 1 and Total capital ratios would have exceeded well-capitalized guidelines.

Basel III

Under Basel III standards, when fully phased in on Jan. 1, 2019, banking institutions will be required to satisfy four risk-based capital ratios:

equity ratio and 2.5% attributable to a "capital conservation buffer";

- A Tier 1 capital ratio of at least 6.0%, exclusive of the capital conservation buffer (8.5% upon full implementation of the capital conservation buffer);
- A total capital ratio of at least 8.0%, exclusive of the capital conservation buffer (10.5% upon full implementation of the capital conservation buffer); and
- As a newly adopted international standard, a minimum leverage ratio of 3%, calculated as the ratio of Tier 1 capital to average balance sheet exposures plus certain average off-balance sheet exposures.

Basel III also provides for a "countercyclical capital buffer," generally to be imposed when national regulators determine that excess aggregate credit growth becomes associated with a buildup of systemic risk, that would be a Tier 1 capital add-on to the capital conservation buffer in the range of 0% to 2.5% when fully implemented (potentially resulting in total buffers of between 2.5% and 5%).

The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a Tier 1 common equity ratio above the minimum but below the conservation buffer (or below the combined capital conservation buffer and countercyclical capital buffer, when the latter is applied) will face constraints on dividends, equity repurchases and compensation based on the amount of the shortfall.

The phase-in of the new rules is to commence on Jan. 1, 2013. On that date, banking institutions will be required to meet the following minimum capital ratios:

- 3.5% Tier 1 common equity to risk-weighted assets;
- 4.5% Tier 1 capital to risk-weighted assets; and
- 8.0% Total capital to risk-weighted assets.

The phase-in of the capital conservation buffer will commence on Jan. 1, 2016, and the rules will be fully phased-in by Jan. 1, 2019.

On July 19, 2011, the Basel Committee issued a consultative document setting forth proposals to apply a new Tier 1 common equity surcharge to certain global systemically important banks ("G-SIBs"), and on Nov. 4, 2011 the Basel Committee issued final provisions substantially unchanged from the

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- A Tier 1 common equity ratio of at least 7.0%, 4.5% attributable to a minimum Tier 1 common

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proposals. In its Proposed SIFI Rules, the Federal Reserve indicated that it intends to propose, in a separate rulemaking, a Tier 1 common equity surcharge for G-SIBs based on the Basel Committee' s proposal. G-SIBs subject to the surcharge would be identified by application of a quantitative "indicator-based approach" comprised of five broad categories of indicators−cross-jurisdictional activity, size, interconnectedness, substitutability and complexity. Each G-SIB would initially be assigned to one of four "buckets", with the capital surcharges for those buckets ranging from 1% to 2.5%. There would be an additional 3.5% bucket that would initially be empty but that could be applied to a G-SIB that increases materially its global systemic importance in the future, for example, by increasing total assets. The G-SIB equity surcharge provisions, like the rest of Basel III and the Dodd-Frank Act provisions referenced above, are subject to interpretation and implementation by U.S. regulatory authorities. In a companion release on Nov. 4, 2011 addressing progress on a variety of financial regulatory reforms relating to globally systemically important financial institutions, the Financial Stability Board released a list of 29 such institutions that included BNY Mellon and indicated that it used the G-SIB surcharge methodology in creating the list.

Under Basel III, certain items, to the extent they exceed 10% of Tier 1 common equity individually, or 15% of Tier 1 common equity in the aggregate, would be deducted from our capital. These items include:

- Deferred tax assets dependent on future taxable income; and
- Significant investments in unconsolidated financial institutions.

At Dec. 31, 2011, BNY Mellon did not exceed either threshold.

Also, pension assets recorded on the balance sheet are a deduction from capital, and Basel III does not add back to capital the adjustment to other comprehensive income that Basel I and Basel II make for pension liabilities and available-for-sale-securities.

Similar to Basel II, the Basel III proposal also incorporates the risk-weighted asset impact of operational risk, which will be partially offset by a decline in credit exposure.

Additionally, Basel III changes the treatment of securitizations that fall below investment grade. Under Basel II guidelines, securitizations that fall below investment grade are deducted equally from Tier 1 and total capital. However, under Basel III, banking institutions will be required to apply a 1,250% risk weight to these securitizations and include them as a component of risk-weighted assets.

Our fee-based model enables us to maintain a relatively low risk asset mix, primarily composed of high-quality securities, central bank deposits, liquid placements and predominantly investment grade loans. As a result of our asset mix, we have the flexibility to manage to a lower level of risk-weighted assets over time.

Given that the Basel III rules are subject to change, we cannot be certain of the impact of new regulations on our capital ratios. At Dec. 31, 2011, our estimated Basel III Tier 1 common equity ratio was 7.1%.

Capital disclosure requirements

In December 2011, the Basel Committee issued a consultative document on the *Definition of capital disclosure requirements*, which proposes disclosure requirements that aim to improve the transparency and comparability of a bank' s capital base. The consultative document includes the following:

- A common template for banks to use in reporting the breakdown of their regulatory capital when the transition period for the phasing-in of deductions ends on Jan. 1, 2018;
- A 3-step approach for banks to follow to ensure that there is full reconciliation of all regulatory capital elements back to the published financial statements;
- A common template for banks to use to meet the Basel III requirement to provide a description of the main features of capital instruments;
- Proposals on how banks should meet the Basel III requirement to provide the full terms and conditions of capital instruments on their websites and the requirement to report the calculation of any ratios involving components of regulatory capital; and
- A template for banks to use during the transition period.

The Basel Committee proposes that banks comply with the disclosure requirements set out in the consultative document from the date of publication of their first set of financial statements relating to a balance sheet date on or after Jan. 1, 2013 (with the exception of the post-Jan. 1, 2018 template). Furthermore, it is proposed that banks publish this

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disclosure with the same frequency as the publication of their financial statements. The deadline for comments on the proposals was on Feb. 17, 2012.

IFRS

International Financial Reporting Standards ("IFRS") are a set of standards and interpretations adopted by the International Accounting Standards Board. The SEC is currently considering a potential IFRS adoption process in the U.S., which would, in the near term, provide domestic issuers with an alternative accounting method and ultimately could replace U.S. GAAP reporting requirements with IFRS reporting requirements. The intention of this adoption would be to provide the capital markets community with a single set of high-quality, globally accepted accounting standards. The adoption of IFRS for U.S. companies with global operations would allow for streamlined reporting, allow for easier access to foreign capital markets and investments, and facilitate cross-border acquisitions, ventures or spin-offs.

In November 2008, the SEC proposed a "roadmap" for phasing in mandatory IFRS filings by U.S. public companies. The roadmap is conditional on progress towards milestones that would demonstrate improvements in both the infrastructure of international standard setting and the preparation of the U.S. financial reporting community.

In February 2010, the SEC issued a statement confirming their position that they continue to believe that a single set of high-quality, globally accepted accounting standards would benefit U.S. investors. The SEC continues to support the dual goals of improving financial reporting in the U.S. and reducing country-by-country disparities in financial reporting. The SEC is developing a work plan to aid in its evaluation of the impact of IFRS on the U.S. securities market.

In May 2011, the SEC published a staff paper, "Exploring a Possible Method of Incorporation," that presents a possible framework for incorporating IFRS into the U.S. financial reporting system. In the staff paper, the SEC staff elaborates on an approach that combines elements of convergence and endorsement. This approach would establish an endorsement protocol for the FASB to incorporate newly issued or amended IFRS into U.S. GAAP. During a transition period (e.g., five to seven years), differences between IFRS and U.S. GAAP would be potentially eliminated through ongoing FASB standard setting.

This is one of several approaches to incorporate IFRS into the U.S. financial reporting system. The SEC has not yet decided whether to move ahead with incorporation. Comments on the framework and on any other potential approaches to incorporating IFRS were due by July 31, 2011.

While the SEC decides whether IFRS will be required to be used in the preparation of our consolidated financial statements, a number of countries have mandated the use of IFRS by BNY Mellon' s subsidiaries in their statutory reports. Such countries include Belgium, Brazil, the Netherlands, Australia, Hong Kong, Canada and South Korea.

Proposed Update to Internal Control−Integrated Framework

In December 2011, The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") issued for public comment a proposed update to Internal Control−Integrated Framework. The original Framework, issued in 1992, is used by most U.S. public companies and many others to evaluate and report on the effectiveness of their internal control over external financial reporting.

Since the original Framework was introduced, business has become increasingly global and complex. Regulatory regimes also have expanded, and additional forms of external reporting are emerging. The COSO Board has updated the original Framework to make it more relevant to investors and other stakeholders.

The more significant proposed changes to the original framework include: applying a principles-based approach, clarifying the role of objective-setting in internal control, reflecting the increased relevance of technology, enhancing governance concepts, expanding the objectives of financial reporting, enhancing consideration of anti-fraud expectations, and considering different business models and organizational structures.

Comments on the proposed Framework will be accepted through March 31, 2012. The final document is expected to be issued by the end of 2012.

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Selected Quarterly Data (unaudited)

(dollar amounts in millions, except per share amounts)	Quarter ended 2011 Dec. 31	Sept. 30	June 30	March 31	2010 Dec. 31	Sept. 30	June 30	March 31
Consolidated income statement								
Total fee and other revenue	**$2,765**	**$2,887**	**$3,056**	**$2,838**	$2,972	$2,668	$2,555	$2,529
Income (loss) of consolidated investment management funds	**(5)**	**32**	**63**	**110**	59	37	65	65
Net interest revenue	**780**	**775**	**731**	**698**	720	718	722	765
Total revenue	**3,540**	**3,694**	**3,850**	**3,646**	3,751	3,423	3,342	3,359
Provision for credit losses	**23**	**(22)**	**-**	**-**	(22)	(22)	20	35
Noninterest expense	**2,828**	**2,771**	**2,816**	**2,697**	2,803	2,611	2,316	2,440
Income from continuing operations before income taxes	**689**	**945**	**1,034**	**949**	970	834	1,006	884
Provision for income taxes	**211**	**281**	**277**	**279**	265	220	304	258
Net income from continuing operations	**478**	**664**	**757**	**670**	705	614	702	626
Net loss from discontinued operations	**-**	**-**	**-**	**-**	(11)	(3)	(10)	(42)
Net income	**478**	**664**	**757**	**670**	694	611	692	584
Net (income) loss attributable to noncontrolling interests	**27**	**(13)**	**(22)**	**(45)**	(15)	11	(34)	(25)
Net income applicable to common shareholders of The Bank of New York Mellon Corporation	**$505**	**$651**	**$735**	**$625**	$679	$622	$658	$559
Basic earnings per share								
Continuing operations	**$0.42**	**$0.53**	**$0.59**	**$0.50**	$0.55	$0.51	$0.55	$0.50
Discontinued operations	**-**	**-**	**-**	**-**	(0.01)	-	(0.01)	(0.04)
Net income applicable to common stock	**$0.42**	**$0.53**	**$0.59**	**$0.50**	$0.55 *(a)*	$0.51	$0.54	$0.46
Diluted earnings per share								
Continuing operations	**$0.42**	**$0.53**	**$0.59**	**$0.50**	$0.55	$0.51	$0.55	$0.49
Discontinued operations	**-**	**-**	**-**	**-**	(0.01)	-	(0.01)	(0.03)
Net income applicable to common stock	**$0.42**	**$0.53**	**$0.59**	**$0.50**	$0.54	$0.51	$0.54	$0.46
Average balances								
Interest-bearing deposits with banks	**$115,754**	**$121,527**	**$93,369**	**$78,010**	$76,447	$70,244	$69,021	$67,929
Securities	**79,981**	**70,863**	**68,782**	**65,397**	65,370	57,993	54,030	55,352
Loans	**44,236**	**40,489**	**40,328**	**38,566**	37,529	36,769	36,664	34,214
Total interest-earning assets	**247,732**	**240,253**	**209,933**	**190,185**	187,597	172,759	167,119	163,429
Assets of operations	**304,235**	**298,325**	**264,254**	**243,356**	241,734	226,378	216,801	212,685
Total assets	**316,074**	**311,463**	**278,480**	**257,698**	256,409	240,325	228,841	225,415
Deposits	**206,652**	**199,184**	**168,996**	**155,131**	151,401	137,231	134,591	134,364
Long-term debt	**19,546**	**18,256**	**17,380**	**17,014**	16,624	16,798	16,462	16,808
Total The Bank of New York Mellon Corporation shareholders' equity	**33,761**	**34,008**	**33,464**	**32,827**	32,379	31,868	30,462	29,715
Net interest margin (FTE) *(b)*	**1.27 %**	**1.30 %**	**1.41 %**	**1.49 %**	1.54 %	1.67 %	1.74 %	1.89 %
Annualized return on common equity *(b)*	**5.9 %**	**7.6 %**	**8.8 %**	**7.7 %**	8.5 %	7.8 %	8.8 %	8.2 %
Pre-tax operating margin *(b)*	**19 %**	**26 %**	**27 %**	**26 %**	26 %	24 %	30 %	26 %
Common stock data *(c)*								

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Market price per share range:								
High	**$22.57**	**$26.43**	**$30.77**	**$32.50**	$30.63	$26.95	$32.65	$31.46
Low	**17.10**	**18.28**	**24.15**	**28.07**	24.65	23.78	24.63	26.35
Average	**19.64**	**22.01**	**27.90**	**30.66**	27.49	25.44	29.01	29.20
Period end close	**19.91**	**18.59**	**25.62**	**29.87**	30.20	26.13	24.69	30.88
Dividends per common share	**0.13**	**0.13**	**0.13**	**0.09**	0.09	0.09	0.09	0.09
Market capitalization *(d)*	**$24,085**	**$22,543**	**$31,582**	**$37,090**	$37,494	$32,413	$29,975	$37,456

(a) *Amount does not foot due to rounding.*

(b) *Presented on a continuing operations basis in 2010.*

(c) *At Dec. 31, 2011, there were 33,222 shareholders registered with our stock transfer agent, compared with 35,028 at Dec. 31, 2010 and 35,930 at Dec. 31, 2009. In addition, there were 49,004 of BNY Mellon's current and former employees at Dec. 31, 2011 who participate in BNY Mellon's 401(k) Retirement Savings Plans. All shares of BNY Mellon's common stock held by the Plans for its participants are registered in the name of The Bank of New York Mellon Corporation, as trustee.*

(d) *At period end.*

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Forward-looking Statements

Some statements in this document are forward-looking. These include all statements about: the future results of BNY Mellon; expectations for Basel III and our estimated Basel III Tier 1 common equity ratio; BNY Mellon’ s plans and strategies, areas of focus and long-term financial goals; expectations regarding updating our capital targets; the impact of continued global uncertainty; expectations regarding our foreign exchange revenue; expectations regarding our effective tax rate; expectations with respect to legal and litigation costs; expectations regarding the seasonality of our businesses; expectations with respect to fees and assets; factors affecting the performance of our businesses: the impact of foreign exchange rates on our financial results and levels of assets under custody and management; descriptions of our critical accounting estimates, including management’ s estimates of probable losses, management’ s judgment in determining the effect of credit ratings on allowances, estimates of fair value; effects of delinquencies, default rates and loss severity assumptions on impairment losses; expectations regarding the impact that a goodwill impairment charge would have on our financial condition, results of operations, regulatory capital ratios and debt issuance; statements regarding the impact of money market fee waivers or changes in levels of assets under management on the fair value of Asset Management; estimates of net pension expense; our expected long-term rate of return on plan assets; the impact of significant changes in ratings classifications for our investment portfolio on credit risk and the fair value of our investment securities portfolio; assumptions with respect to residential mortgage-backed securities; expectations with respect to our leasing portfolio; estimates of provisions for credit losses; statements with respect to BNY Mellon’ s liquidity cushion, liquidity ratios, liquid asset buffer and potential uses of liquidity; statements with respect to an increase in our dividends and our liquidity targets; the effect of a significant reduction in our Investment Services business on our access to deposits; the impact of a change in rating agencies’ method of review on BNY Mellon’ s ratings; expectations with respect to capital, including anticipated repayment and call of outstanding securities; our goal of maintaining a predominantly investment grade credit portfolio; the effect of a change in risk-weighted assets or common equity on our capital ratios, the effect of a change in the value of the S&P 500 Index; statements on our target capital ratios; expectations with respect to the well capitalized status of BNY Mellon and its bank subsidiaries; statements regarding our balance sheet size and client deposit levels; statements regarding Mellon Capital IV; compliance with the requirements of the Sound Practices Paper; statements regarding maintaining a strong balance sheet and a superior debt rating; descriptions of our risk management framework; statements regarding risks that we may face and the impact of such risks; statements regarding our economic capital; statements with respect to our risk management; descriptions of our earnings simulation models and assumptions; statements with respect to our business continuity plans; expectations regarding climate change; the effect of geopolitical factors and other external factors on risk; timing and impact of adoption of recent accounting pronouncements; the timing and effects of pending and proposed legislation and regulation, including the Dodd-Frank Act; the Federal Reserve’ s proposed rules with respect to systemically important financial institutions; the Federal Reserve’ s and FDIC’ s proposed resolution planning rules; the OCC’ s proposed rules regarding credit ratings in connection with purchase of investment securities; federal regulators proposal regarding incentive compensation arrangements; our expectation regarding Basel II and Basel III requirements and the impact on our capital ratios; the SEC’ s plans regarding IFRS; ability to realize benefit of deferred tax assets including carryovers; calculations of the fair value of our option grants; statements with respect to unrecognized tax benefits and compensation costs; our assessment of the adequacy of our accruals for tax liabilities; amount of dividends bank subsidiaries can pay without regulatory waiver; and estimations of reasonable possible loss with respect to legal proceedings and the expected outcome and impact of judgments and settlements, if any, arising from pending or potential legal or regulatory proceedings.

In this report, any other report, any press release or any written or oral statement that BNY Mellon or its executives may make, words, such as “estimate,” “forecast,” “project,” “anticipate,” “confident,” “target,” “expect,” “intend,” “continue,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “may,” “will,” “strategy,” “synergies,” “opportunities,” “trends” and words of similar meaning, signify forward-looking statements.

Forward-looking statements, including discussions and projections of future results of operations and discussions of future plans contained in the MD&A, are based on management’ s current expectations and assumptions that involve risk and uncertainties and that are subject to change based on various important factors (some of which are beyond BNY

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BNY Mellon 81 Mellon' s control), including adverse changes in market conditions, and the timing of such changes, and the

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actions that management could take in response to these changes. Actual results may differ materially from those expressed or implied as a result of a number of factors, including those discussed in the "Risk Factors" section of BNY Mellon' s Annual Report on Form 10-K for the year ended Dec. 31, 2011, such as: uncertainty in financial markets and weakness in the economy; disruptions in European economies, or the failure or instability of any of our significant counterparties in Europe; continued market volatility; write-downs of financial instruments that we own or other losses related to volatile or illiquid market conditions; adverse publicity, regulatory actions or litigation with respect to us, other well-known companies and the financial services industry generally; government regulation and supervision, and associated limitations on our ability to pay dividends or make other capital distributions; recent legislative and regulatory actions; low or volatile interest rates and its impact on money market fund sponsors; changes to deposit insurance premiums; the level of regulation applicable to, and the costs associated therewith of, our competitors, the degree of consolidation and the breadth of products and services offerings of companies in the financial services industry and the ability of BNY Mellon to distinguish itself from its competitors; declines in capital markets on our fee-based businesses; stable exchange-rate environment and declines in cross-border activity; dependence on consistent execution of fee-based services that we perform; the failure to successfully integrate strategic acquisitions; the failure or instability of any of our significant counterparties, and
our assumption of credit and counterparty risk; changes to credit ratings; supervisory standards; access to capital markets; monetary policy and other governmental regulations; failures relating to operational risk and circumvention of controls and procedures; disruption or breaches in security of our information systems that results in a loss of confidential client information or impacts our ability to provide services to our clients; dependence on technology and intellectual property; global operations and regulation; acts of terrorism and global conflicts; risks relating to new lines of business; attracting and retaining employees; tax and accounting laws and regulations; inadequate credit reserves; risks associated with being a holding company including our dependence on dividends from our subsidiary banks; the impact of provisions of Delaware law and the Federal Reserve on our ability to pay dividends and anti-takeover provisions in our certificate of incorporation and bylaws. Investors should consider all risks in BNY Mellon' s Annual Report on Form 10-K for the year ended Dec. 31, 2011 and any subsequent reports filed with the SEC by BNY Mellon pursuant to the Exchange Act.

All forward-looking statements speak only as of the date on which such statements are made, and BNY Mellon undertakes no obligation to update any statement to reflect events or circumstances after the date on which such forward-looking statement is made or to reflect the occurrence of unanticipated events. The contents of BNY Mellon' s website or any other websites referenced herein are not part of this report.

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Accumulated Benefit Obligation (“ABO”)–The actuarial present value of benefits (vested and non-vested) attributed to employee services rendered.

Alt-A securities–A mortgage risk categorization that falls between prime and subprime. Borrowers behind these mortgages will typically have clean credit histories but the mortgage itself will generally have issues that increase its risk profile.

Alternative investments–Usually refers to investments in hedge funds, leveraged loans, subordinated and distressed debt, real estate and foreign currency overlay. Examples of alternative investment strategies are: long-short equity, event-driven, statistical arbitrage, fixed income arbitrage, convertible arbitrage, short bias, global macro and equity market neutral.

APAC–Asia-Pacific region.

Asset-backed commercial paper (“ABCP”)–A short-term instrument issued by a financial institution that is collateralized by other assets.

Assets Under Custody And Administration (“AUC”)–Assets beneficially owned by our clients or customers which we hold in various capacities for which various services are provided, such as custody, accounting, administration valuations and performance measurement. These assets are not on our balance sheet.

ASC–Accounting Standards Codification.

Assets Under Management (“AUM”)–Includes assets beneficially owned by our clients or customers which we hold in various capacities that are either actively or passively managed, as well as the value of hedges supporting customer liabilities. These assets and liabilities are not on our balance sheet.

bps–basis points.

Collateral management–A comprehensive program designed to simplify collateralization and expedite securities transfers for buyers and sellers.

Collateralized Debt Obligations (“CDOs”)–A type of asset-backed security and structured credit product constructed from a portfolio of fixed-income assets.

Collateralized loan obligation (“CLO”)–A debt security backed by a pool of commercial loans.

Credit risk–The risk of loss due to borrower or counterparty default.

Credit valuation adjustment (“CVA”)–The market value of counterparty credit risk on OTC derivative transactions.

Currency swaps–An agreement to exchange stipulated amounts of one currency for another currency.

Daily average revenue trades (“DARTS”)–A metric used that represents the number of trades from which an entity can expect to generate revenue through fees or commissions on a given day.

Debit valuation adjustment (“DVA”)–The market value of our credit risk on OTC derivative transactions.

Depositary Receipts (“DR”)–A negotiable security that generally represents a non-U.S. company’ s publicly traded equity.

Derivative–A contract or agreement whose value is derived from changes in interest rates, foreign exchange rates, prices of securities or commodities, credit worthiness for credit default swaps or financial or commodity indices.

Discontinued operations–The operating results of a component of an entity, as defined by ASC 205, that are removed from continuing operations when that component has been disposed of or it is management’ s intention to sell the component.

Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”)–Regulatory reform legislation signed into law on July 21, 2010. This law broadly affects the financial services industry and contains numerous provisions aimed at strengthening the sound operation of the financial services sector.

Double leverage–The situation that exists when a holding company’ s equity investments in wholly owned subsidiaries (including goodwill and intangibles) exceed its equity capital. Double leverage is created when a bank holding company issues debt and downstreams the proceeds to a subsidiary as an equity investment.

Economic Value of Equity (“EVE”)–An aggregation of discounted future cash flows of assets and liabilities over a long-term horizon.

EMEA–Europe, the Middle East and Africa.

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Collective trust fund–An investment fund formed from the pooling of investments by investors.

Credit derivatives–Contractual agreements that provide insurance against a credit event of one or more referenced credits. Such events include bankruptcy, insolvency and failure to meet payment obligations when due.

Eurozone–an economic and monetary union of 17 European Union member states that have adopted the euro ( ) as their common currency. The Eurozone currently includes Germany, France, Belgium, the Netherlands, Luxembourg, Austria, Finland, Italy,

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Ireland, Spain, Portugal, Greece, Estonia, Cyprus, Malta, Slovenia and Slovakia.

eXtensible Business Reporting Language (“XBRL”)−a language for the electronic communication of business and financial data.

FASB−Financial Accounting Standards Board.

FDIC−Federal Deposit Issuance Corporation.

Foreign currency options−Similar to interest rate options except they are based on foreign exchange rates. Also, see interest rate options in this glossary.

Foreign currency swaps−An agreement to exchange stipulated amounts of one currency for another currency at one or more future dates.

Foreign exchange contracts−Contracts that provide for the future receipt or delivery of foreign currency at previously agreed-upon terms.

Forward rate agreements−Contracts to exchange payments on a specified future date, based on a market change in interest rates from trade date to contract settlement date.

Fully Taxable Equivalent (“FTE”)−Basis for comparison of yields on assets having ordinary taxability with assets for which special tax exemptions apply. The FTE adjustment reflects an increase in the interest yield or return on a tax-exempt asset to a level that would be comparable had the asset been fully taxable.

Generally Accepted Accounting Principles (“GAAP”)−Accounting rules and conventions defining acceptable practices in preparing financial statements in the U.S. The FASB is the primary source of accounting rules.

Grantor Trust−A legal, passive entity through which pass-through securities are sold to investors.

Hedge fund−A fund which is allowed to use diverse strategies that are unavailable to mutual funds, including selling short, leverage, program trading, swaps, arbitrage and derivatives.

Impairment−When an asset’ s market value is less than its carrying value.

Interest rate options, including caps and floors−Contracts to modify interest rate risk in exchange for the payment of a

Interest rate sensitivity−The exposure of net interest income to interest rate movements.

Interest rate swaps−Contracts in which a series of interest rate flows in a single currency is exchanged over a prescribed period. Interest rate swaps are the most common type of derivative contract that we use in our asset/liability management activities.

Investment grade−Those where the customer has a Moody’ s long-term rating of Baa3 or better; and/or a Standard & Poor’ s, Fitch or DBRS long-term rating of BBB- or better; or if unrated, an equivalent rating using our internal risk ratings. Instruments that fall below these levels are considered non-investment grade.

Joint venture−A company or entity owned and operated by a group of companies for a specific business purpose, no one of which has a majority interest.

Leverage ratio−Tier 1 capital divided by quarterly average total assets, as defined by the regulators.

Liquidity risk−The risk of being unable to fund our portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Loans for purchasing or carrying securities−Loans primarily to brokers and dealers in securities.

Market risk−The potential loss in value of portfolios and financial instruments caused by movements in market variables, such as interest and foreign exchange rates, credit spreads, and equity and commodity prices.

Master netting agreement−An agreement between two counterparties that have multiple contracts with each other that provides for the net settlement of all contracts through a single payment in the event of default or termination of any one contract.

Mortgage-Backed Security (“MBS”)−An asset-backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans.

N/A−Not applicable.

N/M−Not meaningful.

Net interest margin−The result of dividing net interest revenue by average interest-earning assets.

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premium when the contract is initiated. As a writer of interest rate options, we receive a premium in exchange for bearing the risk of unfavorable changes in interest rates. Conversely, as a purchaser of an option, we pay a premium for the right, but not the obligation, to buy or sell a financial instrument or currency at predetermined terms in the future.

Nostro account–An account held in a foreign country by a domestic bank, denominated in the currency of that country. Nostro accounts are used to facilitate settlement of foreign exchange and currency trading transactions.

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Operating leverage−The rate of increase in revenue to the rate of increase in expenses.

Operational risk−The risk of loss resulting from inadequate or failed processes or systems, human factors or external events.

Performance fees−Fees received by an investment advisor based upon the fund' s performance for the period relative to various predetermined benchmarks.

Prime securities−A classification of securities collateralized by loans to borrowers who have a high-value and/or a good credit history.

Private equity/venture capital−Investment in start-up companies or those in the early processes of developing products and services with perceived, long-term growth potential.

Pre-tax operating margin−Income before taxes for a period divided by total revenue for that period.

Projected Benefit Obligation ("PBO")−The actuarial present value of all benefits accrued on employee service rendered prior to the calculation date, including allowance for future salary increases if the pension benefit is based on future compensation levels.

Qui tam action−An action brought under a statute that allows a private person to sue for a recovery, part of which the government or some specified public institution will receive.

Rating Agency−An independent agency that assesses the credit quality and likelihood of default of an issue or issuer and assigns a rating to that issue or issuer.

Real Estate Investment Trust ("REIT")−An investor-owned corporation, trust or association that sells shares to investors and invests in income-producing property.

Repurchase Agreement ("Repo")−An instrument used to raise short term funds whereby securities are sold with an agreement for the seller to buy back the securities at a later date.

Residential Mortgage-Backed Security ("RMBS")−An asset-backed security whose cash flows are backed by principal and interest payments of a set of residential mortgage loans.

Restructuring charges−Typically result from the consolidation and/or relocation of operations.

Return on common equity−Income divided by average common shareholders' equity.

Return on tangible common equity−Income, excluding amortization of intangible assets, divided by average tangible common shareholders' equity.

Securities lending transaction−A fully collateralized transaction in which the owner of a security agrees to lend the security through an agent (The Bank of New York Mellon) to a borrower, usually a broker/dealer or bank, on an open, overnight or term basis, under the terms of a prearranged contract, which generally matures in less than 90 days.

Subcustodian−A local provider (e.g., a bank) contracted to provide specific custodial related services in a selected country or geographic area.

Subprime securities−A classification of securities collateralized by loans to borrowers who have a tarnished or limited credit history.

Tangible common shareholders' equity−Common equity less goodwill and intangible assets adjusted for deferred tax liabilities associated with non-tax deductible intangible assets and tax deductible goodwill.

Tier 1 and total capital (Basel I guidelines)−Includes common shareholders' equity (excluding certain components of comprehensive income), qualifying trust preferred securities, less goodwill and certain intangible assets adjusted for deferred tax liabilities associated with non-tax deductible intangible assets and tax deductible goodwill and a deduction for certain non-financial equity investments and disallowed deferred tax assets. Total capital includes Tier 1 capital, qualifying unrealized equity securities gains, qualifying subordinated debt and the allowance for credit losses.

Unfunded commitments−Legally binding agreements to provide a defined level of financing until a specified future date.

Value-at-Risk ("VaR")−A measure of the dollar amount of potential loss at a specified confidence level from adverse market movements in an ordinary market environment.

Variable Interest Entity ("VIE")−An entity that: (1) lacks enough equity investment at risk to permit the entity to finance its activities without additional financial support from other parties; (2) has equity owners that lack the right to make

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Return on assets−Income divided by average assets.

significant decisions affecting the entity' s operations; and/or (3) has equity owners that do not have an obligation to absorb or the right to receive the entity' s losses or return.

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Management of BNY Mellon is responsible for establishing and maintaining adequate internal control over financial reporting for BNY Mellon, as such term is defined in Rule 13a-15(f) under the Exchange Act.

BNY Mellon' s management, including its principal executive officer and principal financial officer, has assessed the effectiveness of BNY Mellon' s internal control over financial reporting as of December 31, 2011. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control−Integrated Framework. Based upon such assessment, management believes that, as of December 31, 2011, BNY Mellon' s internal control over financial reporting is effective based upon those criteria.

KPMG LLP, the independent registered public accounting firm that audited BNY Mellon' s 2011 financial statements included in this Annual Report under "Financial Statements and Notes," has issued a report with respect to the effectiveness of BNY Mellon' s internal control over financial reporting. This report appears on page 87.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
The Bank of New York Mellon Corporation:

We have audited The Bank of New York Mellon Corporation’ s (“BNY Mellon”) internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control−Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). BNY Mellon’ s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on BNY Mellon’ s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’ s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’ s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’ s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, BNY Mellon maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control−Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of BNY Mellon as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2011, and our report dated February 28, 2012 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

New York, New York
February 28, 2012

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Consolidated Income Statement

(in millions)	Year ended Dec. 31, 2011	2010 (a)	2009 (a)
Fee and other revenue			
Investment services fees:			
Asset servicing	**$3,697**	$3,076	$2,573
Issuer services	**1,445**	1,460	1,463
Clearing services	**1,159**	1,005	962
Treasury services	**535**	530	519
Total investment services fees	**6,836**	6,071	5,517
Investment management and performance fees	**3,002**	2,868	2,677
Foreign exchange and other trading revenue	**848**	886	1,036
Distribution and servicing	**187**	210	326
Financing-related fees	**170**	195	215
Investment income	**258**	308	226
Other	**197**	159	111
Total fee revenue	**11,498**	10,697	10,108
Net securities gains (losses)−including other-than-temporary impairment	**(86)**	(43)	(5,552)
Non-credit-related gains (losses) on securities not expected to be sold (recognized in OCI)	**(134)**	(70)	(183)
Net securities gains (losses)	**48**	27	(5,369)
Total fee and other revenue	**11,546**	10,724	4,739
Operations of consolidated investment management funds			
Investment income	**670**	663	-
Interest of investment management fund note holders	**470**	437	-
Income of consolidated investment management funds	**200**	226	-
Net interest revenue			
Interest revenue	**3,588**	3,470	3,508
Interest expense	**604**	545	593
Net interest revenue	**2,984**	2,925	2,915
Provision for credit losses	**1**	11	332
Net interest revenue after provision for credit losses	**2,983**	2,914	2,583
Noninterest expense			
Staff	**5,726**	5,215	4,700
Professional, legal and other purchased services	**1,217**	1,099	1,017
Net occupancy	**624**	588	564
Software	**485**	410	367
Distribution and servicing	**416**	377	393
Furniture and equipment	**330**	315	309
Sub-custodian	**298**	247	203
Business development	**261**	271	214
Other	**1,147**	1,060	954
Subtotal	**10,504**	9,582	8,721
Amortization of intangible assets	**428**	421	426
Restructuring charges	**89**	28	150
Merger and integration expenses	**91**	139	233

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Total noninterest expense	**11,112**	10,170	9,530
Income			
Income (loss) from continuing operations before income taxes	**3,617**	3,694	(2,208)
Provision (benefit) for income taxes	**1,048**	1,047	(1,395)
Net income (loss) from continuing operations	**2,569**	2,647	(813)
Discontinued operations:			
Loss from discontinued operations	**-**	(110)	(421)
Benefit for income taxes	**-**	(44)	(151)
Net loss from discontinued operations	**-**	(66)	(270)
Net income (loss)	**2,569**	2,581	(1,083)
Net (income) attributable to noncontrolling interests (includes $(50), $(59) and $−related to investment management funds)	**(53)**	(63)	(1)
Redemption charge and preferred dividends	**-**	-	(283)
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	**$2,516**	$2,518	$(1,367)

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Consolidated Income Statement (continued)

Reconciliation of net income (loss) from continuing operations to the net income applicable to common shareholders of The Bank of New York Mellon Corporation	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Net income (loss) from continuing operations	**$2,569**	$2,647	$(813)
Net (income) attributable to noncontrolling interests	**(53)**	(63)	(1)
Redemption charge and preferred dividends	**-**	-	(283)
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation	**2,516**	2,584	(1,097)
Net loss from discontinued operations	**-**	(66)	(270)
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	**2,516**	2,518	(1,367)
Less: Earnings allocated to participating securities	**27**	23	-
Excess of redeemable value over the fair value of noncontrolling interests	**9**	-	-
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation after required adjustments for the calculation of basic and diluted earnings per share	**$2,480**	$2,495	$(1,367)

Average common shares and equivalents outstanding of The Bank of New York Mellon Corporation	Year ended Dec. 31,		
(in thousands)	**2011**	2010	2009
Basic	**1,220,804**	1,212,630	1,178,907
Common stock equivalents	**8,425**	9,508	-
Less: Participating securities	**6,203**	5,924	-
Diluted	**1,223,026**	1,216,214	1,178,907 *(b)*
Anti-dilutive securities *(c)*	**86,270**	87,058	98,112

Earnings per common share applicable to the common shareholders of The Bank of New York Mellon Corporation *(d)*	Year ended Dec. 31,		
(in dollars)	**2011**	2010	2009
Basic:			
Net income (loss) from continuing operations	**$2.03**	$2.11	$(0.93)
Net loss from discontinued operations	**-**	(0.05)	(0.23)
Net income (loss) applicable to common stock	**$2.03**	$2.06	$(1.16)
Diluted:			
Net income (loss) from continuing operations	**$2.03**	$2.11	$(0.93)
Net loss from discontinued operations	**-**	(0.05)	(0.23)
Net income (loss) applicable to common stock	**$2.03**	$2.05 *(e)*	$(1.16)

(a) In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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(b) Diluted earnings per share for the year ended Dec. 31, 2009, was calculated using average basic shares. Adding back the dilutive shares would be anti-dilutive.

(c) Represents stock options, restricted stock, restricted stock units, participating securities and warrants outstanding but not included in the computation of diluted average common shares because their effect would be anti-dilutive.

(d) Basic and diluted earnings per share under the two-class method are determined on the net income reported on the income statement less earnings allocated to participating securities, and the excess of redeemable value over the fair value of noncontrolling interests.

(e) Does not foot due to rounding.

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The Bank of New York Mellon Corporation (and its subsidiaries)

Consolidated Balance Sheet

(dollar amounts in millions, except per share amounts)	Dec. 31, 2011	2010
Assets		
Cash and due from:		
Banks	**$4,175**	$3,675
Interest-bearing deposits with the Federal Reserve and other central banks	**90,243**	18,549
Interest-bearing deposits with banks	**36,321**	50,200
Federal funds sold and securities purchased under resale agreements	**4,510**	5,169
Securities:		
Held-to-maturity (fair value of $3,540 and $3,657)	**3,521**	3,655
Available-for-sale	**78,467**	62,652
Total securities	**81,988**	66,307
Trading assets	**7,861**	6,276
Loans	**43,979**	37,808
Allowance for loan losses	**(394)**	(498)
Net loans	**43,585**	37,310
Premises and equipment	**1,681**	1,693
Accrued interest receivable	**660**	508
Goodwill	**17,904**	18,042
Intangible assets	**5,152**	5,696
Other assets (includes $1,848 and $1,075, at fair value)	**19,839**	18,790
Assets of discontinued operations	**-**	278
Subtotal assets of operations	**313,919**	232,493
Assets of consolidated investment management funds, at fair value:		
Trading assets	**10,751**	14,121
Other assets	**596**	645
Subtotal assets of consolidated investment management funds, at fair value	**11,347**	14,766
Total assets	**$325,266**	$247,259
Liabilities		
Deposits:		
Noninterest-bearing (principally U.S. offices)	**$95,335**	$38,703
Interest-bearing deposits in U.S. offices	**41,231**	37,937
Interest-bearing deposits in Non-U.S. offices	**82,528**	68,699
Total deposits	**219,094**	145,339
Federal funds purchased and securities sold under repurchase agreements	**6,267**	5,602
Trading liabilities	**8,071**	6,911
Payables to customers and broker-dealers	**12,671**	9,962
Commercial paper	**10**	10
Other borrowed funds	**2,174**	2,858
Accrued taxes and other expenses	**6,235**	6,164
Other liabilities (including allowance for lending-related commitments of $103 and $73, also includes $382 and $590, at fair value)	**6,525**	7,176
Long-term debt (includes $326 and $269, at fair value)	**19,933**	16,517
Subtotal liabilities of operations	**280,980**	200,539

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Liabilities of consolidated investment management funds, at fair value:		
Trading liabilities	**10,053**	13,561
Other liabilities	**32**	2
Subtotal liabilities of consolidated investment management funds, at fair value	**10,085**	13,563
Total liabilities	**291,065**	214,102
Temporary equity		
Redeemable noncontrolling interests	**114**	92
Permanent equity		
Common stock – par value $0.01 per common share; authorized 3,500,000,000 common shares;		
issued 1,249,061,305 and 1,244,608,989 common shares	**12**	12
Additional paid-in capital	**23,185**	22,885
Retained earnings	**12,812**	10,898
Accumulated other comprehensive loss, net of tax	**(1,627)**	(1,355)
Less: Treasury stock of 39,386,698 and 3,078,794 common shares, at cost	**(965)**	(86)
Total The Bank of New York Mellon Corporation shareholders' equity	**33,417**	32,354
Non-redeemable noncontrolling interests	**-**	12
Non-redeemable noncontrolling interests of consolidated investment management funds	**670**	699
Total permanent equity	**34,087**	33,065
Total liabilities, temporary equity and permanent equity	**$325,266**	$247,259

See accompanying Notes to Consolidated Financial Statements.

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The Bank of New York Mellon Corporation (and its subsidiaries)

Consolidated Statement of Cash Flows

	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Operating activities			
Net income (loss)	**$2,569**	$2,581	$(1,083)
Net (income) attributable to noncontrolling interests	**(53)**	(63)	(1)
Net loss from discontinued operations	**-**	(66)	(270)
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation	**2,516**	2,584	(814)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Provision for credit losses	**1**	11	332
Pension plan contribution	**(71)**	(46)	(394)
Depreciation and amortization	**776**	629	711
Deferred tax expense (benefit)	**12**	1,199	(1,970)
Net securities (gains) losses and venture capital (income)	**(65)**	(57)	5,387
Change in trading activities	**(425)**	(155)	(636)
Change in accruals and other, net	**(533)**	(115)	1,192
Net effect of discontinued operations	**-**	-	(27)
Net cash provided by operating activities	**2,211**	4,050	3,781
Investing activities			
Change in interest-bearing deposits with banks	**12,983**	7,073	(9,635)
Change in interest-bearing deposits with the Federal Reserve and other central banks	**(70,787)**	(11,187)	45,908
Purchases of securities held-to-maturity	**(1,226)**	(19)	(114)
Paydowns of securities held-to-maturity	**233**	255	643
Maturities of securities held-to-maturity	**1,127**	316	280
Purchases of securities available-for-sale	**(42,367)**	(23,585)	(28,665)
Sales of securities available-for-sale	**9,507**	5,981	3,975
Paydowns of securities available-for-sale	**8,332**	7,944	6,361
Maturities of securities available-for-sale	**9,385**	2,666	2,001
Net principal (disbursed to) received from loans to customers	**(6,863)**	310	4,268
Sales of loans and other real estate	**604**	511	851
Change in federal funds sold and securities purchased under resale agreements	**659**	(1,634)	(1,545)
Change in seed capital investments	**162**	(160)	(8)
Purchases of premises and equipment/capitalized software	**(642)**	(230)	(318)
Acquisitions, net cash	**(64)**	(2,793)	(364)
Dispositions, net cash	**-**	133	-
Proceeds from the sale of premises and equipment	**13**	14	6
Other, net	**(1,234)**	(591)	(987)
Net effect of discontinued operations	**-**	59	431
Net cash (used for) provided by investing activities	**(80,178)**	(14,937)	23,088
Financing activities			
Change in deposits	**74,252**	8,527	(24,774)
Change in federal funds purchased and securities sold under repurchase agreements	**665**	2,058	2,602
Change in payables to customers and broker-dealers	**2,709**	(762)	1,447
Change in other borrowed funds	**(549)**	1,988	(5,717)

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Change in commercial paper	**-**	(2)	(126)
Net proceeds from the issuance of long-term debt	**5,042**	1,347	3,350
Repayments of long-term debt	**(1,911)**	(2,614)	(1,882)
Proceeds from the exercise of stock options	**18**	31	16
Issuance of common stock	**25**	697	1,371
Treasury stock acquired	**(873)**	(41)	(28)
Common cash dividends paid	**(593)**	(440)	(599)
Series B preferred stock repurchased	**-**	-	(3,000)
Common stock warrant repurchased	**-**	-	(136)
Preferred dividends paid	**-**	-	(73)
Other, net	**(20)**	1	4
Net effect of discontinued operations	**-**	-	(428)
Net cash provided by (used for) financing activities	**78,765**	10,790	(27,973)
Effect of exchange rate changes on cash	**(298)**	40	(53)
Change in cash and due from banks			
Change in cash and due from banks	**500**	(57)	(1,157)
Cash and due from banks at beginning of period	**3,675**	3,732	4,889
Cash and due from banks at end of period	**$4,175**	$3,675	$3,732
Supplemental disclosures			
Interest paid	**$586**	$591	$682
Income taxes paid	**640**	699	2,392
Income taxes refunded	**136**	197	664

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Consolidated Statement of Changes in Equity

	The Bank of New York Mellon Corporation shareholders								
(in millions, except per share amounts)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss), net of tax	Treasury stock	Non-redeemable non-controlling interest	Non-redeemable noncontrolling interest of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
Balance at Dec. 31, 2010	$ 12	$ 22,885	$ 10,898	$ (1,355)	$ (86)	$ 12	$ 699	$ 33,065 (a)	$ 92
Shares issued to shareholders of noncontrolling interests	-	-	-	-	-	-	-	-	41
Redemption of subsidiary shares from noncontrolling interests	-	2	-	-	-	-	-	2	(19)
Other net changes in noncontrolling interests	-	17	(9)	-	-	(12)	(70)	(74)	(2)
Consolidation of investment management funds	-	-	-	-	-	-	7	7	-
Comprehensive income:									
Net income	-	-	2,516	-	-	-	50	2,566	3
Other comprehensive income, net of tax	-	-	-	(246)	-	-	(16)	(262)	(1)
Reclassification adjustment *(b)*	-	-	-	(26)	-	-	-	(26)	-
Total comprehensive income	-	-	2,516	(272)	-	-	34	2,278 (c)	2
Dividends on common stock at $0.48 per share	-	-	(593)	-	-	-	-	(593)	-
Repurchase of common stock	-	-	-	-	(873)	-	-	(873)	-
Common stock issued under:									
Employee benefit plans	-	30	-	-	3	-	-	33	-
Direct stock purchase and dividend reinvestment plan	-	20	-	-	-	-	-	20	-
Stock awards and options exercised	-	231	(1)	-	(9)	-	-	221	-
Other	-	-	1	-	-	-	-	1	-
Balance at Dec. 31, 2011	**$ 12**	**$ 23,185**	**$ 12,812**	**$ (1,627)**	**$ (965)**	**$ -**	**$ 670**	**$ 34,087** (a)	**$ 114**

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $32,354 million at Dec. 31, 2010, and $33,417 million at Dec. 31, 2011.

(b) Includes $(26) million (after tax) related to net securities gains (losses).

(c) Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $2,244 million for the year ended Dec. 31, 2011.

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Consolidated Statement of Changes in Equity (continued)

	The Bank of New York Mellon Corporation shareholders								
(in millions, except per share amounts)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss), net of tax	Treasury stock	Non-redeemable non-controlling interest	Non-redeemable noncontrolling interest of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
Balance at Dec. 31, 2009	$ 12	$ 21,917	$ 8,912	$ (1,835)	$ (29)	$ 26	$ -	$ 29,003 *(a)*	$ -
Adjustments for the cumulative effect of applying ASC 810	-	-	52	24	-	-	-	76	-
Adjustments for the cumulative effect of applying ASC 825	-	-	(73)	-	-	-	-	(73)	-
Adjusted balance at Jan. 1, 2010	12	21,917	8,891	(1,811)	(29)	26	-	29,006	-
Shares issued to shareholders of noncontrolling interests	-	-	-	-	-	-	-	-	44
Redemption of subsidiary shares from noncontrolling interests	-	(18)	-	-	-	-	-	(18)	(6)
Distributions paid to noncontrolling interests	-	-	-	-	-	(4)	-	(4)	-
Other net changes in noncontrolling interests	-	15	(55)	-	-	(10)	(89)	(139)	50
Consolidation of investment management funds	-	-	-	-	-	-	785	785	-
Deconsolidation of investment management funds	-	-	-	-	-	-	(12)	(12)	-
Comprehensive income:									
Net income	-	-	2,518	-	-	-	59	2,577	4
Other comprehensive income, net of tax	-	-	-	461	-	-	(44)	417	-
Reclassification adjustment *(b)*	-	-	(14)	(5)	-	-	-	(19)	-
Total comprehensive income	-	-	2,504	456	-	-	15	2,975 *(c)*	4
Dividends on common stock at $0.36 per share	-	-	(441)	-	-	-	-	(441)	-
Repurchase of common stock	-	-	-	-	(41)	-	-	(41)	-
Common stock issued under:									
Stock forward contract	-	676	-	-	-	-	-	676	-
Employee benefit plans	-	34	-	-	1	-	-	35	-
Direct stock purchase and dividend reinvestment plan	-	16	-	-	-	-	-	16	-
Stock awards and options exercised	-	245	(1)	-	(17)	-	-	227	-
Balance at Dec. 31, 2010	$ 12	$ 22,885	$ 10,898	$ (1,355)	$ (86)	$ 12	$ 699	$ 33,065 *(a)*	$ 92

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(a) *Includes total The Bank of New York Mellon Corporation common shareholders' equity of $28,977 million at Dec. 31, 2009, and $32,354 million at Dec. 31, 2010.*

(b) *Includes $(15) million (after tax) related to OTTI, and a $14 million reclassification to retained earnings from other comprehensive income.*

(c) *Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $2,960 million for the year ended Dec. 31, 2010.*

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Consolidated Statement of Changes in Equity (continued)

	The Bank of New York Mellon Corporation shareholders								
(in millions, except per share amounts)	Preferred stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss), net of tax	Treasury stock	Non-redeemable noncontrolling interests	Total permanent equity	
Balance at Dec. 31, 2008	$2,786	$ 11	$20,432	$10,225	$ (5,401)	$ (3)	$ 39	$28,089	*(a)*
Adjustments for the cumulative effect of applying ASC 320, net of taxes of $470	-	-	-	676	(676)	-	-	-	
Adjusted balance at Jan. 1, 2009	2,786	11	20,432	10,901	(6,077)	(3)	39	28,089	
Purchase of subsidiary shares from noncontrolling interests	-	-	(74)	-	-	-	(11)	(85)	
Distributions paid to noncontrolling interests	-	-	-	-	-	-	(7)	(7)	
Comprehensive income:									
Net income	-	-	-	(1,084)	-	-	1	(1,083)	
Other comprehensive income, net of tax	-	-	-	-	926	-	4	930	
Reclassification adjustment	-	-	-	-	3,316	-	-	3,316	*(b)*
Total comprehensive income	-	-	-	(1,084)	4,242	-	5	3,163	*(c)*
Dividends:									
Common stock at $0.51 per share	-	-	-	(599)	-	-	-	(599)	
Preferred stock at $24.58 per share	-	-	-	(69)	-	-	-	(69)	
Repurchase of:									
Common stock	-	-	-	-	-	(28)	-	(28)	
Series B preferred stock	(3,000)	-	-	-	-	-	-	(3,000)	
Common stock warrant	-	-	(136)	-	-	-	-	(136)	
Common stock issued:									
In public offering	-	1	1,346	-	-	-	-	1,347	
In connection with acquisitions and investments	-	-	85	-	-	-	-	85	
Under employee benefit plans	-	-	49	-	-	2	-	51	
Under direct stock purchase and dividend reinvestment plan	-	-	19	-	-	-	-	19	
Amortization of preferred stock discount and redemption charge	214	-	-	(214)	-	-	-	-	
Stock awards and options exercised	-	-	197	-	-	-	-	197	
Other	-	-	(1)	(23)	-	-	-	(24)	
Balance at Dec. 31, 2009	$-	$ 12	$21,917	$8,912	$ (1,835)	$ (29)	$ 26	$29,003	*(a)*

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $25,264 million at Dec. 31, 2008, and $28,977 million at Dec. 31, 2009.

(b) Includes $3,348 million (after tax) related to OTTI that was reclassified to net securities gains (losses) on the income statement.

(c) Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $3,158 million for the year ended Dec. 31, 2009.

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Note 1–Summary of significant accounting and reporting policies

Basis of Presentation

The accounting and financial reporting policies of BNY Mellon, a global financial services company, conform to U.S. generally accepted accounting principles ("GAAP") and prevailing industry practices.

In the opinion of management, all adjustments necessary for a fair presentation of financial position, results of operations and cash flows for the annual periods have been made. Certain other immaterial reclassifications have been made to prior years to place them on a basis comparable with current period presentation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates based upon assumptions about future economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition. Amounts subject to estimates are items such as the allowance for loan losses and lending-related commitments, goodwill and intangible assets, pension accounting, the fair value of financial instruments and other-than-temporary impairments. Among other effects, such changes in estimates could result in future impairments of investment securities, goodwill and intangible assets and establishment of allowances for loan losses and lending-related commitments as well as increased pension and post-retirement expense.

Organization of our businesses

In 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. The realignment reflects management' s current approach to assessing performance and decisions regarding resource allocations. Investment Management includes the former Asset Management and Wealth Management businesses. Investment businesses, and the Cash Management business previously included in the Treasury Services business. The credit-related activities previously included in the Treasury Services business, are now included in the Other segment. Fee revenue classifications in the income statement were changed in 2011 to reflect this realignment as follows:

- Investment management and performance fees consist of the former asset and wealth management fee revenue; and
- Investment services fees consist of the former securities servicing fees, including asset servicing, issuer services, clearing services, as well as treasury services fee revenue.

All prior periods were reclassified. The reclassifications did not affect the results of operations.

Equity method investments

The consolidated financial statements include the accounts of BNY Mellon and its subsidiaries. Equity investments of less than a majority but at least 20% ownership are accounted for by the equity method and classified as other assets. Earnings on these investments are reflected in fee and other revenue as investment services fees or investment income, as appropriate, in the period earned. Our most significant equity method investments are:

Equity method investments at Dec. 31, 2011

(dollars in millions)	Percentage Ownership	Book Value
CIBC Mellon	**50.0** %	$ **577**
Wing Hang	**20.4** %	$ **399**
Siguler Guff	**20.0** %	$ **267**
ConvergEx	**33.2** %	$ **152**
West LB Joint Venture	**50.0** %	$ **91**

Acquired businesses

The income statement and balance sheet include results of acquired businesses accounted for under the acquisition method of accounting pursuant to ASC 805–*Business Combinations* and equity investments from the dates of acquisition. For acquisitions prior to Jan. 1, 2009, we recorded any contingent purchase payments when the amounts were resolved and became payable. For acquisitions occurring after Dec. 31, 2008, contingent purchase consideration was measured at its fair value and recorded on the purchase date.

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Services includes the former Asset Servicing, Issuer Services and
Clearing Services

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Parent financial statements

The Parent financial statements in Note 20 of the Notes to Consolidated Financial Statements include the accounts of the Parent; those of a wholly owned financing subsidiary that functions as a financing entity for BNY Mellon and its subsidiaries by issuing commercial paper and other debt guaranteed by BNY Mellon; and MIPA, LLC, a single-member limited liability company, created to hold and administer corporate owned life insurance. Financial data for the Parent, the financing subsidiary and the single-member limited liability company are combined for financial reporting purposes because of the limited function of these entities and the unconditional guarantee by BNY Mellon of their obligations.

Variable interest entities

We consider the underlying facts and circumstances of individual transactions when assessing whether or not an entity is a potential variable interest entity (“VIE”). VIEs are entities that do not have sufficient equity at risk for the entity to finance its activities without additional financial support, or in which equity investors do not have the characteristics of a controlling financial interest. BNY Mellon applies ASC 810 to its mutual funds, hedge funds, private equity funds, collective investment funds and real estate investment trusts, which were determined to be VIEs. Generally, the company is deemed to be the primary beneficiary and thus required to consolidate a VIE, if BNY Mellon has a variable interest (or combination of variable interests) that, based on a quantitative analysis, will absorb a majority of the VIE’ s expected losses, that will receive a majority of the VIE’ s expected residual returns, or both. A “variable interest” is a contractual, ownership or other interest that changes with changes in the fair value of the VIE’ s net assets. “Expected losses” and “expected residual returns” are measures of variability in the expected cash flows of a VIE.

BNY Mellon’ s other VIEs are evaluated under the guidance included in ASU 2009-17. These other VIEs include securitization trusts, which are no longer considered qualifying special purpose entities (“QSPEs”), and CLOs, in which BNY Mellon serves as the investment manager. In addition, we provide trust and custody services for a fee to entities sponsored by other corporations in which we have no other interest. The company must determine whether or not its variable interests in these VIEs, based on qualitative analysis, provide BNY Mellon with a controlling financial interest in the VIE. The analysis includes an assessment of the characteristics of the VIE. The Company is considered to have a controlling financial interest in the VIE, which would require consolidation of the VIE, if it has the following characteristics: (1) the power to direct the activities that most significantly impact the VIE’ s economic performance; and (2) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Nature of operations

BNY Mellon is a global leader in providing a broad range of financial products and services in domestic and international markets. Through our two principal businesses, Investment Management and Investment Services, we serve the following major classes of customers−institutions, corporations, and high net worth individuals. For institutions and corporations, we provide the following services:

- investment management;
- trust and custody;
- foreign exchange;
- fund administration;
- securities lending;
- depositary receipts;
- corporate trust;
- global payment/cash management; and
- banking services.

For individuals, we provide mutual funds, separate accounts, wealth management and private banking services. BNY Mellon’ s investment management businesses provide investment products in many asset classes and investment styles on a global basis.

Trading account securities, available-for-sale securities, and held-to-maturity securities

Securities are accounted for under ASC 320 *Investments−Debt and Equity Securities.* Securities are generally classified in the trading, available-for-sale investment or the held-to-maturity investment securities portfolios when they are purchased. Securities are classified as trading securities when our intention is to resell. Securities are classified as available-for-sale securities when we intend to hold the securities for an indefinite period of time or when the securities may be used for tactical asset/liability purposes and may be sold from time to time to effectively manage interest rate exposure, prepayment risk and

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liquidity needs. Securities are classified as held-to-maturity securities when we intend to hold them until maturity. Seed capital investments are classified as other assets or

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available-for-sale securities, depending on the nature of the investment and management' s intent.

Trading securities are stated at fair value. Trading revenue includes both realized and unrealized gains and losses. The liability incurred on short-sale transactions, representing the obligation to deliver securities, is included in trading liabilities at fair value.

Available-for-sale securities are stated at fair value. The difference between fair value and amortized cost representing unrealized gains or losses on assets classified as available-for-sale, are recorded net of tax as an addition to or deduction from other comprehensive income ("OCI"), unless a security is deemed to have an other-than-temporary impairment ("OTTI"). Gains and losses on sales of available-for-sale securities are reported in the income statement. The cost of debt and equity securities sold is determined on a specific identification and average cost method, respectively. Unrealized gains and losses on seed capital investments classified as other assets are recorded in investment income. Held-to-maturity securities are stated at cost.

Income on securities purchased is adjusted for amortization of premium and accretion of discount on a level yield basis.

We routinely conduct periodic reviews to identify and evaluate each investment security to determine whether OTTI has occurred. We examine various factors when determining whether an impairment, representing the fair value of a security being below its amortized cost, is other than temporary. The following are examples of factors that BNY Mellon considers:

- The length of time and the extent to which the fair value has been less than the amortized cost basis;
- Whether management has an intent to sell the security;
- Whether the decline in fair value is attributable to specific adverse conditions affecting a particular investment;
- Whether the decline in fair value is attributable to specific conditions, such as conditions in an industry or in a geographic area;
- Whether a debt security has been downgraded by a rating agency;
- Whether a debt security exhibits cash flow deterioration; and
- For each non-agency RMBS, we compare the remaining credit enhancement that protects the individual security from losses against the projected losses of principal and/or interest expected to come from the underlying mortgage collateral, to determine whether such credit losses might directly impact the relevant security.

The determination of whether a credit loss exists is based on best estimates of the present value of cash flows to be collected from the debt security. Generally, cash flows are discounted at the effective interest rate implicit in the debt security at the time of acquisition. For debt securities that are beneficial interests in securitized financial assets and are not high credit quality, ASC 325 provides that cash flows be discounted at the current yield used to accrete the beneficial interest.

The credit component of an OTTI of a debt security is recognized in earnings and the non-credit component is recognized in OCI when we do not intend to sell the security and it is more likely than not that BNY Mellon will not be required to sell the security prior to recovery.

For held-to-maturity debt securities, the amount of OTTI recorded in OCI for the non-credit portion of a previous OTTI is amortized prospectively, as an increase to the carrying amount of the security, over the remaining life of the security on the basis of the timing of future estimated cash flows of the securities. In order not to be required to recognize the non-credit component of an OTTI in earnings, management is required to assert that it does not have the intent to sell the security and that it is more likely than not it will not have to sell the security before recovery of its cost basis.

If we intend to sell the security or it is more likely than not that BNY Mellon will be required to sell the security prior to recovery, the non-credit component of OTTI is recognized in earnings and subsequently accreted to interest income on an effective yield basis over the life of the security.

The accounting policies for the determination of the fair value of financial instruments and OTTI have been identified as "critical accounting estimates" as they require us to make numerous assumptions based on available market data. See Note 5 of the Notes to Consolidated Financial Statements for these disclosures.

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Loans and leases

Loans are reported net of any unearned discount. Loan origination and upfront commitment fees, as well as certain direct loan origination and commitment costs, are deferred and amortized as a yield adjustment over the lives of the related loans. Deferred fees and costs are netted against outstanding loan balances. Loans held for sale are carried at the lower of cost or market value.

Unearned revenue on direct financing leases is accreted over the lives of the leases in decreasing amounts to provide a constant rate of return on the net investment in the leases. Revenue on leveraged leases is recognized on a basis to achieve a constant yield on the outstanding investment in the lease, net of the related deferred tax liability, in the years in which the net investment is positive. Gains and losses on residual values of leased equipment sold are included in investment income. Considering the nature of these leases and the number of significant assumptions, there is risk associated with the income recognition on these leases should any of the assumptions change materially in future periods.

Nonperforming assets

Commercial loans are placed on nonaccrual status when principal or interest is past due 90 days or more, or when there is reasonable doubt that interest or principal will be collected.

When a first lien residential mortgage loan reaches 90 days delinquent, it is subject to an impairment test and may be placed on nonaccrual status. At 180 days delinquent, the loan is subject to further impairment testing. The loan will remain on accrual status if the realizable value of the collateral exceeds the unpaid principal balance plus accrued interest. If the loan is impaired, a charge-off is taken and the loan is placed on nonaccrual status. At 270 days delinquent, all first lien mortgages are placed on nonaccrual status. Second lien mortgages are automatically placed on nonaccrual status when they reach 90 days delinquent. When a loan is placed on nonaccrual status, previously accrued and uncollected interest is reversed against current period interest revenue. Interest receipts on nonaccrual and impaired loans are recognized as interest revenue or are applied to principal when we believe the ultimate collectability of principal is in doubt. Nonaccrual loans generally are restored to an accrual basis when principal and interest become current.

A loan is considered to be impaired, as defined by ASC 310−*Accounting by Creditors for Impairment of a Loan*, when it is probable that we will be unable to collect all principal and interest amounts due according to the contractual terms of the loan agreement. An impairment allowance is measured on loans $1 million or greater and which meet the definition of an impaired loan per ASC 310.

Impaired loans $1 million or greater are required to be measured based upon the loan’ s market price, the present value of expected future cash flows, discounted at the loan’ s initial effective interest rate, or at fair value of the collateral if the loan is collateral dependent. If the loan valuation is less than the recorded value of the loan, an impairment allowance is established by either an allocation of the allowance for credit losses or by a provision for credit losses. Impairment allowances are not needed when the recorded investment in an impaired loan is less than the loan valuation.

Allowance for loan losses and allowance for lending-related commitments

The allowance for loans losses, shown as a valuation allowance to loans, and the allowance for lending-related commitments are referred to as BNY Mellon’ s allowance for credit exposure. The accounting policy for the determination of the adequacy of the allowances has been identified as a “critical accounting estimate” as it requires us to make numerous complex and subjective estimates and assumptions relating to amounts which are inherently uncertain.

The allowance for loans losses is maintained to absorb losses inherent in the loan portfolio as of the balance sheet date based on our judgment. The allowance determination methodology is designed to provide procedural discipline in assessing the appropriateness of the allowance. Credit losses are charged against the allowance. Recoveries are added to the allowance.

The methodology for determining the allowance for lending-related commitments considers the same factors as the allowance for loan losses, as well as an estimate of the probability of drawdown. In 2011, we implemented an enhanced methodology for determining the allowance for credit losses by adding a qualitative allowance framework. Within this framework, management applies judgment when assessing internal risk factors and environmental factors to compute an additional allowance for each component of the loan portfolio. This change did not impact the allowance or provision for credit losses.

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The three elements of the allowance for loan losses and the allowance for lending-related commitments include the qualitative allowance framework. The three elements are:

- an allowance for impaired credits of $1 million or greater;
- an allowance for higher risk-rated credits and pass-rated credits; and
- an allowance for residential mortgage loans.

Our lending is primarily to institutional customers. As a result, our loans are generally larger than $1 million. Therefore, the first element, impaired credits, is based on individual analysis of all impaired loans of $1 million or greater. The allowance is measured by the difference between the recorded value of impaired loans and their impaired value. Impaired value is either the present value of the expected future cash flows from the borrower, the market value of the loan, or the fair value of the collateral.

The second element, higher risk-rated credits and pass-rated credits, is based on our probable loss model. All borrowers are assigned to pools based on their credit ratings. The probable loss inherent in each loan in a pool incorporates the borrower' s credit rating, loss given default rating and maturity. The loss given default incorporates a recovery expectation. The borrower' s probability of default is derived from the associated credit rating. Borrower ratings are reviewed at least annually and are periodically mapped to third-party databases, including rating agency and default and recovery databases, to ensure ongoing consistency and validity. Higher risk-rated credits are reviewed quarterly. Commercial loans over $1 million are individually analyzed before being assigned a credit rating. We also apply this technique to our lease financing and wealth management portfolios.

The third element, the allowance for residential mortgage loans, is determined by segregating six mortgage pools into delinquency periods ranging from current through foreclosure. Each of these delinquency periods is assigned a probability of default. A specific loss given default based on a combination of external loss data from third-party databases and internal loss history is assigned for each mortgage pool. For each pool, the inherent loss is calculated using the above factors. The resulting probable loss factor is applied against the loan balance to determine the allowance held for each pool.

The qualitative framework is used to determine an additional allowance for each portfolio based on the factors below:

Internal risk factors:

- Non-performing loans to total non-margin loans;
- Criticized assets to total loans and lending-related commitments;
- Ratings volatility;
- Borrower concentration; and
- Significant concentration in high-risk industry.

Environmental risk factors:

- U.S. non-investment grade default rate;
- Unemployment rate; and
- Change in real GDP (quarter-over-quarter).

The allocation of the prior period allowance for loan losses and allowance for lending-related commitments has been restated to reflect the implementation of the qualitative allowance framework. The allocation of allowance for credit losses is inherently judgmental, and the entire allowance for credit losses is available to absorb credit losses regardless of the nature of the loss.

Premises and equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful life of the owned asset and, for leasehold improvements, over the lesser of the remaining term of the leased facility or the estimated economic life of the improvement. For owned and capitalized assets, estimated useful lives range from two to 40 years. Maintenance and repairs are charged to expense as incurred, while major improvements are capitalized and amortized to operating expense over their identified useful lives.

Software

BNY Mellon capitalizes costs relating to acquired software and internal-use software development projects that provide new or significantly improved functionality. We capitalize projects that are expected to result in longer-term operational benefits, such as replacement systems or new applications that result in significantly increased operational efficiencies or functionality. All other costs incurred in connection with an internal-use

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software project are expensed as incurred. Capitalized software is recorded in other assets.

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Identified intangible assets and goodwill

Identified intangible assets with estimable lives are amortized in a pattern consistent with the assets' identifiable cash flows or using a straight-line method over their remaining estimated benefit periods if the pattern of cash flows is not estimable. Intangible assets with estimable lives are reviewed for possible impairment when events or changed circumstances may affect the underlying basis of the asset. Goodwill and intangibles with indefinite lives are not amortized, but are assessed annually for impairment, or more often if events and circumstances indicate it is more likely than not they may be impaired. The accounting policy for valuing and impairment testing of identified intangible assets and goodwill has been identified as a "critical accounting estimate" as it requires us to make numerous complex and subjective estimates. See Note 7 of the Notes to Consolidated Financial Statements for additional disclosures related to goodwill and intangible assets.

Noncontrolling Interests

Noncontrolling interests included in permanent equity are adjusted for the income or (loss) attributable to the noncontrolling interest holders and any distributions to those shareholders. Redeemable noncontrolling interests are reported as temporary equity. In accordance with ASC 480, *Distinguishing Liabilities from Equity*, BNY Mellon recognizes changes in the redemption value of the redeemable noncontrolling interests as they occur and adjusts the carrying value to be equal to the redemption value.

Fee revenue

We record investment services fees, investment management fees, foreign exchange and other trading revenue, financing-related fees, distribution and servicing, and other revenue when the services are provided and earned based on contractual terms, when amounts are determined and collectibility is reasonably assured.

Additionally, we recognize revenue from non-refundable, up-front implementation fees under outsourcing contracts using a straight-line method, commencing in the period the ongoing services are performed through the expected term of the contractual relationship. Incremental direct set-up costs of implementation, up to the related implementation fee or minimum fee revenue amount, are deferred and amortized over the same period that the related implementation fees are the unamortized deferred incremental direct set-up costs and the unamortized deferred up-front implementation fees related to that contract are recognized in the period the contract is terminated.

Performance fees are recognized in the period in which the performance fees are earned and become determinable. Performance fees are generally calculated as a percentage of the applicable portfolio's performance in excess of a benchmark index or a peer group's performance. When a portfolio underperforms its benchmark or fails to generate positive performance, subsequent years' performance must generally exceed this shortfall prior to fees being earned. Amounts billable in subsequent years and which are subject to a clawback if performance thresholds in those years are not met are not recognized since the fees are potentially uncollectible. These fees are recognized when it is determined that they will be collected. When a multi-year performance contract provides that fees earned are billed ratably over the performance period, only the portion of the fees earned that are non-refundable are recognized.

Net interest revenue

Revenue on interest-earning assets and expense on interest-bearing liabilities is recognized based on the effective yield of the related financial instrument.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars at the rate of exchange on the balance sheet date. Transaction gains and losses are included in the income statement. Translation gains and losses on investments in foreign entities with functional currencies that are not the U.S. dollar are recorded as foreign currency translation adjustments in other comprehensive results. Revenue and expense transactions are translated at the applicable daily rate or the weighted average monthly exchange rate when applying the daily rate is not practical.

Pension

The measurement date for BNY Mellon's pension plans is Dec. 31. Plan assets are determined based on fair value generally representing observable market prices. The projected benefit obligation is determined based on the present value of projected benefit distributions at an assumed discount rate. The discount rate utilized is based on the yield of high-quality corporate bonds available in the marketplace.

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recognized. If a client terminates an outsourcing contract prematurely,

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The net periodic pension expense or credit includes service costs, interest costs based on an assumed discount rate, an expected return on plan assets based on an actuarially derived market-related value and amortization of prior years' actuarial gains and losses.

Actuarial gains and losses include the impact of plan amendments, gains or losses related to changes in the amount of the projected benefit obligation or plan assets resulting from experience different from the assumed rate of return, changes in the discount rate or other assumptions. To the extent an actuarial gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets, the excess is recognized over the future service periods of active employees.

Our expected long-term rate of return on plan assets is based on anticipated returns for each asset class. Anticipated returns are weighted for the expected allocation for each asset class and are based on forecasts for prospective returns in the equity and fixed income markets, which should track the long-term historical returns for these markets. We also consider the growth outlook for U.S. and global economies, as well as current and prospective interest rates.

The market-related value utilized to determine the expected return on plan assets is based on the fair value of plan assets adjusted for the difference between expected returns and actual performance of plan assets. The difference between actual experience and expected returns on plan assets is included as an adjustment in the market-related value over a five-year period.

BNY Mellon' s accounting policy regarding pensions has been identified as a "critical accounting estimate" as it is regarded to be critical to the presentation of our financial statements since it requires management to make numerous complex and subjective assumptions relating to amounts which are inherently uncertain. See Note 19 of the Notes to Consolidated Financial Statements for additional disclosures related to pensions.

Severance

BNY Mellon provides separation benefits for U.S.-based employees through The Bank of New York Mellon Corporation Supplemental Unemployment Benefit Plan. These benefits are provided to eligible employees separated from their jobs for business reasons not related to individual performance. Basic separation benefits are generally based on the employee' s years of continuous benefited service. Severance for employees based outside of the U.S. is determined in accordance with local agreements and legal requirements. Separation expense is recorded when management commits to an action that will result in separation and the amount of the liability can be reasonably estimated.

Income taxes

We record current tax liabilities or assets through charges or credits to the current tax provision for the estimated taxes payable or refundable for the current year. Deferred tax assets and liabilities are recorded for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax valuation allowance is established if it is more likely than not that all or a portion of the deferred tax assets will not be realized. A tax position that fails to meet a more-likely-than-not recognition threshold will result in either reduction of current or deferred tax assets, and/or recording of current or deferred tax liabilities. Interest and penalties related to income taxes are recorded as income tax expense.

Derivative financial instruments

Derivative contracts, such as futures contracts, forwards, interest rate swaps, foreign currency swaps and options and similar products used in trading activities are recorded at fair value. Gains and losses are included in foreign exchange and other trading revenue in fee and other revenue. Unrealized gains are recognized as trading assets and unrealized losses are recognized as trading liabilities, after taking into consideration master netting agreements.

We enter into various derivative financial instruments for non-trading purposes primarily as part of our asset/liability management ("ALM") process. These derivatives are designated as fair value and cash flow hedges of certain assets and liabilities when we enter into the derivative contracts. Gains and losses associated with fair value hedges are recorded in income as well as any change in the value of the related hedged item associated with the designated risks being hedged. Gains and losses on cash

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flow hedges are recorded in other comprehensive income, until reclassified into earnings to meet the risks being

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hedged. Foreign currency transaction gains and losses related to a hedged net investment in a foreign operation, net of their tax effect, are recorded with cumulative foreign currency translation adjustments within other comprehensive income.

We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objectives and strategy for undertaking various hedge transactions.

We formally assess, both at the hedge' s inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective and whether those derivatives are expected to remain highly effective in future periods. We evaluate ineffectiveness in terms of amounts that could impact a hedge' s ability to qualify for hedge accounting and the risk that the hedge could result in more than a de minimis amount of ineffectiveness. At inception, the potential causes of ineffectiveness related to each of our hedges is assessed to determine if we can expect the hedge to be highly effective over the life of the transaction and to determine the method for evaluating effectiveness on an ongoing basis.

Recognizing that changes in the value of derivatives used for hedging or the value of hedged items could result in significant ineffectiveness, we have processes in place that are designed to identify and evaluate such changes when they occur. Quarterly, we perform a quantitative effectiveness assessment and record any ineffectiveness in current earnings.

We discontinue hedge accounting prospectively when we determine that a derivative is no longer an effective hedge, the derivative expires, is sold, or management discontinues the derivative' s hedge designation. Subsequent gains and losses on these derivatives are included in foreign exchange and other trading revenue. For discontinued fair value hedges, the accumulated gain or loss on the hedged item is amortized on a yield basis over the remaining life of the hedged item. Accumulated gains and losses, net of tax effect, from discontinued cash flow hedges are reclassified from other comprehensive income and recognized in current earnings in other revenue upon receipt of the hedged cash flow.

The accounting policy for the determination of the fair value of derivative financial instruments has been identified as a "critical accounting estimate" as it requires us to make numerous assumptions based on the available market data. See Note 25 of the Notes to Consolidated Financial Statements for additional disclosures related to derivative financial instruments disclosures.

Statement of cash flows

We have defined cash as cash and due from banks. Cash flows from hedging activities are classified in the same category as the items hedged.

Stock options

Compensation expense is recognized in the income statement, on a straight-line basis, over the applicable vesting period, for all share-based payments.

Certain of our stock compensation grants vest when the employee retires. ASC 718 requires the completion of expensing of new grants with this feature by the first date the employee is eligible to retire. For grants prior to Jan. 1, 2006, we will continue to expense them over their stated vesting period.

Note 2–Accounting changes and new accounting guidance

ASU 2011-02–A Creditor' s Determination of Whether a Restructuring is a Troubled Debt Restructuring

In April 2011, the FASB issued ASU 2011-02, "A Creditor' s Determination of Whether a Restructuring is a Troubled Debt Restructuring." This ASU provided clarifying guidance for creditors when determining whether they granted concessions and whether the debtor is experiencing financial difficulty. For purposes of identifying and disclosing troubled debt restructurings ("TDRs"), this ASU was effective for interim and annual periods beginning after June 15, 2011 and was applied retrospectively to TDRs occurring on or after Jan. 1, 2011. Furthermore, this ASU specified that the absence of a market rate for a loan with risks similar to the restructured loan is an indicator of a TDR, but not a determinative factor, and that the assessment should consider all aspects of the restructuring. For purposes of measuring impairment of a receivable restructured in a TDR, the guidance in this ASU was applied prospectively for interim and annual periods beginning after June 15, 2011. This ASU also required an entity to disclose the information required by ASU 2010-20. See Note 6 of the Notes to Consolidated Financial Statements for these disclosures.

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ASU 2010-6–Improving Disclosures About Fair Value Measurements

In January 2010, the FASB issued ASU 2010-6, "Improving Disclosures about Fair Value Measurements." This amended ASC 820 to clarify existing requirements regarding disclosures of inputs and valuation techniques and levels of disaggregation. Effective March 31, 2011, this ASU required new disclosures about Level 3 purchases, sales, issuances and settlements in the roll-forward activity for fair value measurements. This ASU is required in interim and annual financial statements. See Note 22 of the Notes to Consolidated Financial Statements for these disclosures.

ASU 2010-29–Disclosure of Supplementary Pro Forma Information for Business Combinations

In December 2010, the FASB issued ASU 2010-29, "Disclosure of Supplementary Pro Forma Information for Business Combinations." This ASU specified that if a public entity presents comparative financial statements, the entity would disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This ASU also expanded the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination. The ASU was effective prospectively for business combinations consummated on or after Jan. 1, 2011.

Adopted in 2010

ASU 2009-17–Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities

In December 2009, the FASB issued ASU 2009-17 "Improvements to Financial Reporting by Entities Involved with Variable Interest Entities." This ASU amended ASC 810 to require ongoing assessments to determine whether an entity is a VIE and whether an enterprise is the primary beneficiary of a VIE. This ASU also amended the guidance for determining which enterprise, if any, is the primary beneficiary of a VIE by requiring the enterprise to initially perform a qualitative analysis to determine if the enterprise' s variable interest or interests give it a controlling financial interest. Consolidation is based on a company' s ability to direct the activities of the entity that most significantly impact the entity' s economic performance. If a company has control and the right to receive benefits or the obligation to absorb losses which could potentially be significant to the VIE, then consolidation is required. This ASU was effective Jan. 1, 2010, and primarily impacted our Investment Management businesses.

This ASU does not change the economic risk related to these businesses and therefore, BNY Mellon' s computation of economic capital required by our businesses did not change.

This statement also required additional disclosures about an enterprise' s involvement in a VIE, including the requirement for sponsors of a VIE to disclose information even if they do not hold a significant variable interest in the VIE.

In February 2010, the FASB issued ASU 2010-10, "Amendments for Certain Investment Funds" which deferred the requirements of ASU 2009-17 for asset managers' interests in entities that apply the specialized accounting guidance for investment companies or that have the attributes of investment companies and asset managers' interests in money market funds. This amendment was effective Jan. 1, 2010.

Note 3–Acquisitions and dispositions

We sometimes structure our acquisitions with both an initial payment and later contingent payments tied to post-closing revenue or income growth. For acquisitions completed prior to Jan. 1, 2009, we record the fair value of contingent payments as an additional cost of the entity acquired in the period that the payment becomes probable. For acquisitions completed after Jan. 1, 2009, subsequent changes in the fair value of a contingent consideration liability will be recorded through the income statement. Contingent payments totaled $17 million in 2011.

At Dec. 31, 2011, we were potentially obligated to pay additional consideration which, using reasonable assumptions for the performance of the acquired companies and joint ventures based on contractual agreements, could range from $3 million to $35 million over the next 3 years.

Acquisitions in 2011

On July 1, 2011, BNY Mellon acquired the wealth management operations of Chicago-based Talon Asset Management ("Talon") for cash of $11 million. We are obligated to pay, upon occurrence of certain

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events, contingent additional consideration of $5 million, which was recorded as goodwill at the acquisition date. Talon manages assets of wealthy families and institutions. Goodwill related to this acquisition, including the contingent additional consideration, is included in our Investment Management business and totaled $10 million and is deductible for tax purposes. Customer relationship intangible assets related to this acquisition are included in our Investment Management business, with a life of 20 years, and totaled $6 million. The impact of this acquisition was not material to earnings per share in 2011.

On Nov. 30, 2011, BNY Mellon acquired Penson Financial Services Australia Pty Ltd ("Penson"), a clearing firm located in Australia, in a $33 million share purchase transaction. Goodwill related to this acquisition is included in our Investment Services business and totaled $10 million and is non-tax deductible. Customer relationship intangible assets related to this acquisition are included in our Investment Services business, with a life of nine years, and totaled $6 million. The impact of this acquisition was not material to earnings per share in 2011.

Dispositions in 2011

On Dec. 31, 2011, BNY Mellon sold the Shareowner Services business. The sales price of $550 million resulted in a pre-tax gain of $98 million. We recorded an immaterial after-tax gain primarily due to the write-off of non-tax deductible goodwill associated with the business. Excluding the gain on the sale, the Shareowner Services business contributed $273 million of revenue and $21 million of pre-tax income in 2011.

Acquisitions in 2010

On July 1, 2010, we acquired GIS for cash of $2.3 billion. GIS provides a comprehensive suite of products which includes subaccounting, fund accounting/administration, custody, managed account services and alternative investment services. Assets acquired totaled approximately $590 million. Liabilities assumed totaled approximately $250 million. Goodwill related to this acquisition totaled $1,505 million, of which $1,256 million is tax deductible and $249 million is non-tax deductible. Customer contract intangible assets related to this acquisition totaled $477 million with lives ranging from ten years to 20 years.

On Aug. 2, 2010, we acquired BAS for cash of $370 million. This transaction included the purchase of Frankfurter Service Kapitalanlage−Gesellschaft mbH ("FSKAG"), a wholly-owned fund administration affiliate. The combined business offers a full range of tailored solutions for investment companies, financial institutions and institutional investors in Germany. Assets acquired totaled approximately $3.6 billion and primarily consisted of securities of approximately $2.6 billion. Liabilities assumed totaled approximately $3.4 billion and included deposits of $2.3 billion. Goodwill related to this acquisition of $272 million is tax deductible. Customer contract intangible assets related to this acquisition totaled $40 million with a life of ten years.

On Sept. 1, 2010, we acquired I(3) Advisors of Toronto, an independent wealth advisory company, for cash of $21.1 million. Goodwill related to this acquisition totaled $8 million and is non-tax deductible. Customer relationship intangible assets related to this acquisition totaled $10 million with a life of 33 years.

Divestitures in 2010

On Jan. 15, 2010, BNY Mellon sold MUNB, our national bank subsidiary located in Florida. The results for MUNB were classified as discontinued operations. See Note 4 for additional information on the MUNB transaction.

Acquisitions in 2009

In November 2009, we acquired Insight Investment Management Limited ("Insight") for $377 million of cash and stock. Goodwill related to this acquisition is non-tax deductible and totaled $202 million. Intangible assets (primarily customer contracts) related to the transaction, with a life up to 11 years, totaled $111 million.

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Note 4–Discontinued operations

On Jan. 15, 2010, BNY Mellon sold MUNB, our former national bank subsidiary located in Florida. We applied discontinued operations accounting to this business. Summarized financial information for discontinued operations is as follows:

Discontinued operations *(in millions)*	**2011**	2010	2009
Fee and other revenue	$ -	$-	$7
Net interest revenue	-	9	59
Provision for loan losses	-	-	191
Net interest revenue after provision for loan losses	-	9	(132)
Noninterest expense:			
Staff	-	4	37
Professional, legal and other purchased services	-	4	4
Net occupancy	-	1	5
Other	-	3	16
Goodwill impairment	-	-	50
Total noninterest expense	-	12	112
Income (loss) from operations	-	(3)	(237)
Loss on assets held for sale	-	(106)	(184)
Loss on sale of MUNB	-	(1)	-
Provision (benefit) for income taxes	-	(44)	(151)
Net income (loss) from discontinued operations	$ -	$(66)	$(270)

Discontinued operations assets and liabilities	**Dec. 31,**	
(in millions)	**2011**	2010
Loans, net of allowance for loan losses	$ -	$183
Deferred taxes	-	90
Other assets	-	5
Assets of discontinued operations	$ -	$278
Liabilities of discontinued operations	$ -	$-

Certain loans were not sold as part of the MUNB transaction and are held-for-sale. Effective Jan. 1, 2011, we reclassified the remaining assets of discontinued operations of $278 million to

Note 5–Securities

The following tables present the amortized cost, the gross unrealized gains and losses and the fair value of securities at Dec. 31, 2011 and 2010.

Securities at Dec. 31, 2011 *(in millions)*	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value
Available-for-sale:				
U.S. Treasury	**$ 16,814**	**$514**	**$2**	**$17,326**
U.S. Government agencies	**932**	**26**	**-**	**958**
State and political subdivisions	**2,724**	**62**	**47**	**2,739**
Agency RMBS	**26,232**	**575**	**11**	**26,796**
Alt-A RMBS	**306**	**9**	**42**	**273**
Prime RMBS	**916**	**1**	**102**	**815**
Subprime RMBS	**606**	**2**	**190**	**418**
Other RMBS	**1,133**	**-**	**230**	**903**
Commercial MBS	**3,327**	**89**	**77**	**3,339**
Asset-backed CLOs	**1,480**	**1**	**37**	**1,444**
Other asset-backed securities	**527**	**8**	**3**	**532**
Foreign covered bonds	**2,410**	**18**	**3**	**2,425**
Other debt securities	**16,016**	**339**	**38**	**16,317***(a)*
Equity securities	**26**	**4**	**-**	**30**
Money market funds	**973**	**-**	**-**	**973**
Alt-A RMBS *(b)*	**1,790**	**157**	**68**	**1,879**
Prime RMBS *(b)*	**1,090**	**106**	**21**	**1,175**
Subprime RMBS *(b)*	**122**	**6**	**3**	**125**
Total securities available-for-sale	**77,424**	**1,917**	**874**	**78,467**
Held-to-maturity:				
U.S. Treasury	**813**	**53**	**-**	**866**
State and political subdivisions	**100**	**3**	**-**	**103**
Agency RMBS	**658**	**39**	**-**	**697**
Alt-A RMBS	**153**	**4**	**19**	**138**
Prime RMBS	**121**	**-**	**10**	**111**
Subprime RMBS	**28**	**-**	**3**	**25**

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continuing operations. Loans of $114 million at Dec. 31, 2011, are included in other assets on the balance sheet. These loans are recorded at the lower of cost or market. In 2011, we recorded income of $100 million primarily related to paydowns and valuation changes on loans held-for-sale.

Information for 2010 and 2009 included in these Financial Statements and Notes reflects continuing operations, unless otherwise noted.

Other RMBS	**1,617**	**47**	**93**	**1,571**
Commercial MBS	**28**	**-**	**2**	**26**
Other securities	**3**	**-**	**-**	**3**
Total securities held-to-maturity	**3,521**	**146**	**127**	**3,540**
Total securities	**$ 80,945**	**$2,063**	**$1,001**	**$82,007**

(a) Includes $13.1 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.
(b) Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.

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Securities at Dec. 31, 2010 *(in millions)*	Amortized cost	Gross unrealized		Fair value
		Gains	Losses	
Available-for-sale:				
U.S. Treasury	$ 12,650	$97	$138	$12,609
U.S. Government agencies	1,007	2	4	1,005
State and political subdivisions	559	4	55	508
Agency RMBS	19,383	387	43	19,727
Alt-A RMBS	475	34	39	470
Prime RMBS	1,305	8	86	1,227
Subprime RMBS	696	-	188	508
Other RMBS	1,665	1	335	1,331
Commercial MBS	2,650	89	100	2,639
Asset-backed CLOs	263	-	14	249
Other asset-backed securities	532	9	2	539
Foreign covered bonds	2,884	-	16	2,868
Other debt securities	11,800	148	57	11,891 *(a)*
Equity securities	36	11	-	47
Money market funds	2,538	-	-	2,538
Alt-A RMBS *(b)*	2,164	364	15	2,513
Prime RMBS *(b)*	1,626	205	6	1,825
Subprime RMBS *(b)*	128	30	-	158
Total securities available-for-sale	62,361	1,389	1,098	62,652
Held-to-maturity:				
State and political subdivisions	119	2	-	121
Agency RMBS	397	33	-	430
Alt-A RMBS	215	5	19	201
Prime RMBS	149	2	5	146
Subprime RMBS	28	-	3	25
Other RMBS	2,709	69	81	2,697
Commercial MBS	34	-	1	33

Net securities gains (losses) *(in millions)*	**2011**	2010	2009
Realized gross gains	**$183**	$48	$130
Realized gross losses	**(56)**	(5)	(1,648)
Recognized gross impairments	**(79)**	(16)	(3,851)
Total net securities gains (losses)	**$48**	$27	$(5,369)

Temporarily impaired securities

At Dec. 31, 2011, substantially all of the unrealized losses on the investment securities portfolio were attributable to credit spreads widening since purchase, and interest rate movements. We do not intend to sell these securities and it is not more likely than not that we will have to sell.

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Other securities	4	-	-	4
Total securities held-to-maturity	3,655	111	109	3,657
Total securities	$ 66,016	$1,500	$1,207	$66,309

(a) *Includes $11.0 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.*

(b) *Previously included in the Grantor Trust.*

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The following tables show the aggregate related fair value of investments with a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or more.

Temporarily impaired securities at Dec. 31, 2011	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
U.S. Treasury	**$118**	**$ 2**	**$-**	**$ -**	**$118**	**$ 2**
State and political subdivisions	**483**	**2**	**157**	**45**	**640**	**47**
Agency RMBS	**3,844**	**10**	**140**	**1**	**3,984**	**11**
Alt-A RMBS	**132**	**16**	**69**	**26**	**201**	**42**
Prime RMBS	**324**	**25**	**447**	**77**	**771**	**102**
Subprime RMBS	**-**	**-**	**400**	**190**	**400**	**190**
Other RMBS	**5**	**4**	**895**	**226**	**900**	**230**
Commercial MBS	**340**	**2**	**495**	**75**	**835**	**77**
Asset-backed CLOs	**1,143**	**26**	**211**	**11**	**1,354**	**37**
Other asset-backed securities	**60**	**1**	**18**	**2**	**78**	**3**
Foreign covered bonds	**368**	**1**	**406**	**2**	**774**	**3**
Other debt securities	**2,867**	**12**	**54**	**26**	**2,921**	**38**
Alt-A RMBS *(a)*	**595**	**53**	**29**	**15**	**624**	**68**
Prime RMBS *(a)*	**437**	**21**	**-**	**-**	**437**	**21**
Subprime RMBS *(a)*	**50**	**3**	**-**	**-**	**50**	**3**
Total securities available-for-sale	**$10,766**	**$ 178**	**$3,321**	**$ 696**	**$14,087**	**$ 874**
Held-to-maturity:						
Alt-A RMBS	**$69**	**$ 3**	**$42**	**$ 16**	**$111**	**$ 19**
Prime RMBS	**-**	**-**	**56**	**10**	**56**	**10**
Subprime RMBS	**-**	**-**	**25**	**3**	**25**	**3**
Other RMBS	**107**	**2**	**573**	**91**	**680**	**93**
Commercial MBS	**-**	**-**	**26**	**2**	**26**	**2**
Total securities held-to-maturity	**$176**	**$ 5**	**$722**	**$ 122**	**$898**	**$ 127**
Total temporarily impaired securities	**$10,942**	**$ 183**	**$4,043**	**$ 818**	**$14,985**	**$ 1,001**

(a) Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.

Temporarily impaired securities at Dec. 31, 2010	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
U.S. Treasury	$6,519	$ 138	$-	$ -	$6,519	$ 138
U.S. Government agencies	489	4	-	-	489	4
State and political subdivisions	210	39	122	16	332	55
Agency RMBS	5,079	42	206	1	5,285	43
Alt-A RMBS	55	3	104	36	159	39
Prime RMBS	315	13	739	73	1,054	86
Subprime RMBS	3	-	484	188	487	188

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Other RMBS	49	17	1,275	318	1,324	335
Commercial MBS	28	1	536	99	564	100
Asset-backed CLOs	-	-	249	14	249	14
Other asset-backed securities	1	-	32	2	33	2
Foreign covered bonds	2,553	16	-	-	2,553	16
Other debt securities	1,068	37	61	20	1,129	57
Alt-A RMBS *(a)*	196	15	-	-	196	15
Prime RMBS *(a)*	139	6	-	-	139	6
Total securities available-for-sale	$16,704	$ 331	$3,808	$ 767	$20,512	$ 1,098
Held-to-maturity:						
Alt-A RMBS	$18	$ -	$108	$ 19	$126	$ 19
Prime RMBS	-	-	73	5	73	5
Subprime RMBS	-	-	25	3	25	3
Other RMBS	315	5	614	76	929	81
Commercial MBS	-	-	33	1	33	1
Total securities held-to-maturity	$333	$ 5	$853	$ 104	$1,186	$ 109
Total temporarily impaired securities	$17,037	$ 336	$4,661	$ 871	$21,698	$ 1,207

(a) Previously included in the Grantor Trust.

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The following table shows the maturity distribution by carrying amount and yield (on a tax equivalent basis) of our investment securities portfolio at Dec. 31, 2011.

Investment securities portfolio	U.S. Treasury		U.S Government agency		State and political subdivisions		Other bonds, notes and debentures		Mortgage/ asset-backed and equity securities	
(dollars in millions)	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*
Securities available-for-sale:										
One year or less	$1,165	0.96 %	$ -	- %	$ 60	1.44 %	$5,005	1.47 %	$-	- %
Over 1 through 5 years	11,618	1.03	958	1.63	1,155	1.93	11,547	1.40	-	-
Over 5 through 10 years	2,313	2.83	-	-	1,063	3.87	731	2.82	-	-
Over 10 years	2,230	3.11	-	-	461	4.80	1,459	3.66	-	-
Mortgage-backed securities	-	-	-	-	-	-	-	-	35,723	4.45
Asset-backed securities	-	-	-	-	-	-	-	-	1,976	1.91
Equity securities *(b)*	-	-	-	-	-	-	-	-	1,003	0.01
Total	$17,326	1.53 %	$ 958	1.63 %	$2,739	3.16 %	$18,742	1.65 %	$38,702	4.20 %
Securities held-to-maturity:										
One year or less	$-	- %	$ -	- %	$-	- %	$3	- %	$-	- %
Over 1 through 5 years	413	1.71	-	-	1	6.87	-	-	-	-
Over 5 through 10 years	400	2.62	-	-	32	6.66	-	-	-	-
Over 10 years	-	-	-	-	67	6.58	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-	-	-	2,605	2.68
Total	$813	2.17 %	$ -	- %	$100	6.60 %	$3	- %	$2,605	2.68 %

(a) Yields are based upon the amortized cost of securities.

(b) Includes money market funds.

Other-than-temporary impairment

We routinely conduct periodic reviews of all securities using economic models to identify and evaluate each investment security to determine whether OTTI has occurred. Various inputs to the economic models are used to determine if an unrealized loss on securities is other-than-temporary. For example, the most significant inputs related to non-agency RMBS are:

- Default rate−the number of mortgage loans expected to go into default over the life of the transaction, which is driven by the roll rate of loans in each performance bucket that will ultimately migrate to default; and
- Severity−the loss expected to be realized when a loan defaults.

To determine if an unrealized loss is other-than-temporary, we project total estimated defaults of the underlying assets (mortgages) and multiply that calculated amount by an estimate in order to determine the projected collateral loss. We also evaluate the current credit enhancement underlying the bond to determine the impact on cash flows. If we determine that a given security will be subject to a write-down or loss, we record the expected credit loss as a charge to earnings.

In addition, we have estimated the expected loss by taking into account observed performance of the underlying securities, industry studies, market forecasts, as well as our view of the economic outlook affecting collateral.

The table below shows the projected weighted-average default rates and loss severities for the 2007, 2006 and late 2005 non-agency RMBS at Dec. 31, 2011 and 2010.

Projected weighted-average default rates and severities	**Dec. 31, 2011**		Dec. 31, 2010	
	Default Rate	**Severity**	Default Rate	Severity
Alt-A	**44 %**	**57 %**	42 %	49
Subprime	**63 %**	**73 %**	68 %	65

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of realizable value upon sale of these assets in the marketplace (severity)

Prime	**25**	**%**	**43**	**%**	20	%	42	%

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The following table provides pre-tax net securities gains (losses) by type.

Net securities gains (losses) (in millions)	2011	2010	2009
U.S. Treasury	**$77**	$15	$-
Agency RMBS	**8**	15	-
Alt-A RMBS	**(36)**	(13)	(3,113)
Prime RMBS	**(1)**	-	(1,008)
Subprime RMBS	**(21)**	(4)	(322)
European floating rate notes	**(39)**	(3)	(269)
Sovereign debt	**36**	-	-
Home equity lines of credit	**-**	-	(205)
Commercial MBS	**-**	-	(89)
Grantor Trust	**-**	-	(39)
Credit cards	**-**	-	(26)
ABS CDOs	**-**	-	(23)
Other	**24**	17	(275)
Total net securities gains (losses)	**$48**	$27	$(5,369)

The following table reflects investment securities credit losses recorded in earnings. The beginning balance represents the credit loss component for which OTTI occurred on debt securities in prior periods. The additions represent the first time a debt security was credit impaired or when subsequent credit impairments have occurred. The deductions represent credit losses on securities that have been sold, are required to be sold or it is our intention to sell.

Debt securities credit loss roll forward (in millions)	2011	2010
Beginning balance as of Jan. 1	**$182**	$244
Add: Initial OTTI credit losses	**61**	10
Subsequent OTTI credit losses	**18**	6
Less: Realized losses for securities sold / consolidated	**8**	78
Ending balance as of Dec. 31	**$253**	$182

At Dec. 31, 2011, assets amounting to $77.0 billion were pledged primarily for potential borrowing at the Federal Reserve Discount Window. The significant components of pledged assets were as follows: $68.2 billion of securities, $4.9 billion of interest-bearing deposits with banks and $3.9 billion of loans. Also included in these pledged assets was securities available-for-sale of $1.6 billion which were pledged as collateral for

Note 6–Loans and asset quality

Loans

The table below provides the details of our loan distribution and industry concentrations of credit risk at Dec. 31, 2011 and 2010:

Loans	Dec. 31,	
(in millions)	**2011**	2010 *(a)*
Domestic:		
Financial institutions	**$4,606**	$4,630
Commercial	**752**	1,250
Wealth management loans and mortgages	**7,342**	6,506
Commercial real estate	**1,449**	1,592
Lease financings *(b)*	**1,558**	1,605
Other residential mortgages	**1,923**	2,079
Overdrafts	**2,958**	4,524
Other	**623**	771
Margin loans	**12,760**	6,810
Total domestic	**33,971**	29,767
Foreign:		
Financial institutions	**6,538**	4,626
Commercial	**528**	345
Lease financings *(b)*	**1,051**	1,545
Other (primarily overdrafts)	**1,891**	1,525
Total foreign	**10,008**	8,041
Total loans	**$43,979**	$37,808

(a) Presented on a continuing operations basis.

(b) Net of unearned income on domestic and foreign lease financings of $1,343 million at Dec. 31, 2011 and $2,036 million at Dec. 31, 2010.

In the ordinary course of business, we and our banking subsidiaries have made loans at prevailing interest rates and terms to our directors and executive officers and to entities in which certain of our directors have an ownership interest or direct or indirect subsidiaries of such entities. The aggregate amount of these loans was $3 million at both Dec. 31, 2011 and Dec. 31, 2010, and $4 million at Dec. 31, 2009. These loans are primarily extensions of credit under revolving lines of credit established for such entities.

Our loan portfolio is comprised of three portfolio segments: commercial, lease financing and mortgages. We manage our portfolio at the class level which is comprised of six classes of financing receivables: commercial, commercial real estate,

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actual borrowings. The lenders in these borrowings have the right to repledge or sell these securities. We obtain securities under resale, securities borrowed and custody agreements on terms which permit us to repledge or resell the securities to others. As of Dec. 31, 2011, the market value of the securities received that can be sold or repledged was $14.0 billion. We routinely repledge or lend these securities to third parties. As of Dec. 31, 2011, the market value of collateral repledged and sold was $2.5 billion.

financial institutions, lease financings, wealth management loans and mortgages, and other residential mortgages. The following tables are presented for each class of financing receivable, and provide additional information about our credit risks and the adequacy of our allowance for credit losses.

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Allowance for credit losses

Transactions in the allowance for credit losses are summarized as follows:

Allowance for credit losses activity for the year ended Dec. 31, 2011

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other *(a)*	Foreign *(b)*	Total
Beginning balance	$ 93	$ 40	$ 11	$ 90	$ 41	$ 235	$1	$ 60	$571
Charge-offs	(6)	(4)	(8)	-	(1)	(56)	-	(8)	(83)
Recoveries	3	-	2	-	-	3	-	-	8
Net (charge-offs) recoveries	(3)	(4)	(6)	-	(1)	(53)	-	(8)	(75)
Provision	1	(2)	58	(24)	(11)	(26)	(1)	6	1
Ending balance	**$ 91**	**$ 34**	**$ 63**	**$ 66**	**$ 29**	**$ 156**	**$-**	**$ 58**	**$497**
Allowance for:									
Loans losses	$ 33	$ 24	$ 41	$ 66	$ 23	$ 156	$-	$ 51	$394
Unfunded commitments	58	10	22	-	6	-	-	7	103
Individually evaluated for impairment:									
Loan balance	$ 26	$ 38	$ 24	$ -	$ 30	$ -	$-	$ 10	$128
Allowance for loan losses	9	7	7	-	5	-	-	4	32
Collectively evaluated for impairment:									
Loan balance	$ 726	$ 1,411	$ 4,582	$ 1,558	$ 7,312	$ 1,923	$16,341 *(a)*	$ 9,998 *(b)*	$43,851
Allowance for loan losses	24	17	34	66	18	156	-	47	362

(a) Includes $2,958 million of domestic overdrafts, $12,760 million of margin loans and $623 million of other loans at Dec. 31, 2011.
(b) Includes $1,891 million of other foreign loans (primarily overdrafts) at Dec. 31, 2011.

Allowance for credit losses activity for the year ended Dec. 31, 2010

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other *(a)*	Foreign *(b)*	Total
Beginning balance	$ 155	$ 45	$ 76	$ 80	$ 58	$ 164	$-	$ 50	$628
Charge-offs	(5)	(8)	(25)	-	(4)	(46)	-	-	(88)
Recoveries	15	1	2	-	-	2	-	-	20
Net charge-offs	10	(7)	(23)	-	(4)	(44)	-	-	(68)

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Provision	(72)	2	(42)	10	(13)	115	1	10	11
Ending balance	$ 93	$ 40	$ 11	$ 90	$ 41	$ 235	$1	$ 60	$571
Allowance for:									
Loans losses	$ 51	$ 28	$ 1	$ 90	$ 38	$ 235	$1	$ 54	$498
Unfunded commitments	42	12	10	-	3	-	-	6	73
Individually evaluated for impairment:									
Loan balance	$ 32	$ 44	$ 4	$ -	$ 53	$ -	$-	$ 7	$140
Allowance for loan losses	10	9	-	-	5	-	-	2	26
Collectively evaluated for impairment:									
Loan balance	$ 1,218	$ 1,548	$ 4,626	$ 1,605	$ 6,453	$ 2,079	$12,105 *(a)*	$ 8,034 *(b)*	$37,668
Allowance for loan losses	41	19	1	90	33	235	1	52	472

(a) Includes $4,524 million of domestic overdrafts, $6,810 million of margin loans and $771 million of other loans at Dec. 31, 2010.

(b) Includes $1,525 million of other foreign loans (primarily overdrafts) at Dec. 31, 2010.

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Allowance for credit losses activity for the year ended Dec. 31, 2009 *(in millions)*	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other *(a)*	Foreign *(b)*	Total
Beginning balance	$ 180	$ 59	$ 57	$ 90	$ 32	$ 88	$ 2	$ 21	$529
Charge-offs	(90)	(31)	(34)	-	(1)	(60)	-	-	(216)
Recoveries	-	-	-	1	1	-	-	-	2
Net charge-offs	(90)	(31)	(34)	1	-	(60)	-	-	(214)
Provision	66	34	53	(11)	26	137	(2)	29	332
Transferred to discontinued operations	(1)	(17)	-	-	-	(1)	-	-	(19)
Ending balance	$ 155	$ 45	$ 76	$ 80	$ 58	$ 164	$ -	$ 50	$628
Allowance for:									
Loans losses	$ 94	$ 31	$ 42	$ 80	$ 56	$ 164	$ -	$ 36	$503
Unfunded commitments	61	14	34	-	2	-	-	14	125
Individually evaluated for impairment:									
Loan balance	$ 63	$ 58	$ 171	$ -	$ 53	$ -	$ -	$ -	$345
Allowance for loan losses	10	13	25	-	3	-	-	-	51
Collectively evaluated for impairment:									
Loan balance	$ 2,261	$ 1,986	$ 5,338	$ 1,703	$ 6,109	$ 2,179	$ 9,010 *(a)*	$ 7,758 *(b)*	$36,344
Allowance for loan losses	84	18	17	80	53	164	-	36	452

(a) Includes $3,946 million of domestic overdrafts, $4,657 million of margin loans and $407 million of other loans at Dec. 31, 2009.
(b) Includes $2,109 million of other foreign loans (primarily overdrafts) at Dec. 31, 2009.

Nonperforming assets

The table below sets forth information about our nonperforming assets.

Nonperforming assets *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Nonperforming loans:		
Domestic:		
Other residential mortgages	**$203**	$244
Commercial real estate	**40**	44
Wealth management	**32**	59
Financial institutions	**23**	5

At Dec. 31, 2011, undrawn commitments to borrowers whose loans were classified as nonaccrual or reduced rate were not material.

Lost interest

Lost interest *(in millions)*	**2011**	2010	2009
Amount by which interest income recognized on nonperforming loans exceeded reversals:			
Total	**$ 2**	$ 2	$ 2

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Commercial	**21**	34
Total domestic	**319**	386
Foreign loans	**10**	7
Total nonperforming loans	**329**	393
Other assets owned	**12**	6
Total nonperforming assets *(a)*	**$341**	$399

(a) Loans of consolidated investment management funds are not part of BNY Mellon's loan portfolio. Included in these loans are nonperforming loans of $101 million at Dec. 31, 2011 and $218 million at Dec. 31, 2010. These loans are recorded at fair value and therefore do not impact the provision for credit losses and allowance for loan losses, and accordingly are excluded from the nonperforming assets table above.

Foreign	**-**	-	-
Amount by which interest income would have increased if nonperforming loans at year-end had been performing for the entire year:			
Total *(a)*	**$ 17**	$ 20	$ 19
Foreign	**-**	-	-

(a) Lost interest excludes discontinued operations for 2010 and 2009.

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Impaired loans

The table below sets forth information about our impaired loans. We use the discounted cash flow method as the primary method for valuing impaired loans.

Impaired loans	Year ended				
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009
(in millions)	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized	Recorded Investment
Impaired loans with an allowance:					
Commercial	**$ 27**	**$ 1**	$ 30	$ 1	$ 30
Commercial real estate	**22**	**-**	34	-	49
Financial institutions	**9**	**-**	35	-	171
Wealth management loans and mortgages	**37**	**1**	53	1	53
Foreign	**10**	**-**	2	-	-
Total impaired loans with an allowance	**105**	**2**	154	2	303
Impaired loans without an allowance:					
Commercial	**1**	**-**	6	-	33
Commercial real estate	**13**	**-**	11	-	9
Wealth management loans and mortgages	**2**	**-**	3	-	-
Total impaired loans without an allowance *(a)*	**16**	**-**	20	-	42
Total impaired loans	**$ 121**	**$ 2**	$ 174	$ 2	$ 345
Allowance for impaired loans *(b)*					$ 51
Average balance of impaired loans – 2009					216
Interest income recognized on impaired loans					2

(a) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(b) The allowance for impaired loans is included in the allowance for loan losses.

Impaired loans	**Dec. 31, 2011**			Dec. 31, 2010		
(in millions)	Recorded investment	Unpaid principal balance	Related allowance *(a)*	Recorded investment	Unpaid principal balance	Related allowance
Impaired loans with an allowance:						
Commercial	**$ 26**	**$ 31**	**$ 9**	$ 30	$ 30	$ 10
Commercial real estate	**35**	**41**	**7**	25	39	9
Financial institutions	**21**	**21**	**7**	4	10	-
Wealth management loans and mortgages	**27**	**27**	**5**	52	52	5
Foreign	**10**	**18**	**4**	7	7	2

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Total impaired loans with an allowance	**119**	**138**	**32**	118	138	26
Impaired loans without an allowance*:*						
Commercial	**-**	**-**	**-**	2	6	-
Commercial real estate	**3**	**3**	**-**	19	19	-
Financial institutions	**3**	**9**	**-**	-	-	-
Wealth management loans and mortgages	**3**	**3**	**-**	1	2	-
Total impaired loans without an allowance *(b)*	**9**	**15**	**-**	22	27	-
Total impaired loans *(c)*	**$ 128**	**$ 153**	**$ 32**	$ 140	$ 165	$ 26

(a) The allowance for impaired loans is included in the allowance for loan losses.

(b) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(c) Excludes an aggregate of $2 million of impaired loans in amounts individually less than $1 million at Dec. 31, 2011 and $3 million at Dec. 31, 2010. The allowance for loan loss associated with these loans totaled less than $1 million at both Dec. 31, 2011 and Dec. 31, 2010.

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Past due loans

The table below sets forth information about our past due loans.

Past due loans and still accruing interest	**Dec. 31, 2011**				Dec. 31, 2010			
	Days past due			Total	Days past due			Total
(in millions)	30-59	60-89	>90	past due	30-59	60-89	>90	past due
Domestic:								
Commercial real estate	**$118**	**$ 9**	**$-**	**$ 127**	$174	$ -	$11	$ 185
Wealth management loans and mortgages	**89**	**3**	**-**	**92**	62	4	6	72
Commercial	**60**	**7**	**-**	**67**	10	1	1	12
Other residential mortgages	**36**	**10**	**13**	**59**	40	15	15	70
Financial institutions	**36**	**-**	**-**	**36**	10	1	-	11
Total domestic	**339**	**29**	**13**	**381**	296	21	33	350
Foreign	**-**	**-**	**-**	**-**	-	-	-	-
Total past due loans	**$339**	**$ 29**	**$13**	**$ 381**	$296	$ 21	$33	$ 350

Troubled debt restructurings (“TDRs”)

A modified loan is considered a TDR if the debtor is experiencing financial difficulties and the creditor grants a concession to the debtor that would not otherwise be considered. A TDR may include a transfer of real estate or other assets from the debtor to the creditor, or a modification of the term of the loan. Not all modified loans are considered TDRs. At Dec. 31, 2011, there were no unfunded lending-related commitments to debtors whose terms have been modified in TDRs.

As a result of adopting ASU 2011-02, *Receivables (Topic 310): A Creditor' s Determination of Whether a Restructuring is a Troubled Debt Restructuring* effective July 1, 2011, we reassessed all loan restructurings that occurred on or after Jan. 1, 2011 through June 30, 2011 and determined that no additional modified loans would have qualified as TDRs.

In the fourth quarter of 2011, 11 other residential mortgage loans were restructured in TDRs. The pre-modification and post-modification outstanding recorded investment was $5 million. The modifications of the other residential mortgage loans consisted of reducing the stated interest rate and in certain cases, extending the interest only payment period and/or maturity date. The value of modified loans is based on the fair value of the collateral. Probable loss factors are applied to the value of the modified loans to determine the allowance for credit losses.

One of the residential mortgage loans that had been restructured in a TDR during the previous 12 months subsequently defaulted during the fourth quarter of 2011. The total recorded investment of this loan was less than $1 million.

Credit quality indicators

Our credit strategy is to focus on investment grade names to support cross-selling opportunities, avoid single name/industry concentrations and exit high-risk portfolios. Each customer is assigned an internal rating grade which is mapped to an external rating agency grade equivalent based upon a number of dimensions which are continually evaluated and may change over time.

The following tables set forth information about credit quality indicators.

Commercial loan portfolio

Commercial loan portfolio – Credit risk profile by creditworthiness category	Commercial		Commercial real estate		Financial institutions	
(in millions)	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010

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Investment grade	**$906**	$964	**$ 1,062**	$ 1,072	**$9,643**	$7,894
Noninvestment grade	**374**	631	**387**	520	**1,501**	1,362
Total	**$1,280**	$1,595	**$ 1,449**	$ 1,592	**$11,144**	$9,256

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The commercial loan portfolio is divided into investment grade and non-investment grade categories based on rating criteria largely consistent with those of the public rating agencies. Each customer in the portfolio is assigned an internal rating grade. These internal rating grades are generally consistent with the ratings categories of the public rating agencies. Customers with ratings consistent with BBB- (S&P)/Baa3 (Moody' s) or better are considered to be investment grade. Those clients with ratings lower than this threshold are considered to be non-investment grade.

Wealth management loans and mortgages

Wealth management loans and mortgages – Credit risk profile by internally assigned grade

(in millions)	**Dec. 31, 2011**	Dec. 31, 2010
Wealth management loans:		
Investment grade	**$3,450**	$2,995
Noninvestment grade	**111**	170
Wealth management mortgages	**3,781**	3,341
Total	**$7,342**	$6,506

Wealth management non-mortgage loans are not typically rated by external rating agencies. A majority of the wealth management loans are secured by the customers' investment management accounts or custody accounts. Eligible assets pledged for these loans are typically investment grade, fixed income securities, equities and/or mutual funds. Internal ratings for this portion of the wealth management portfolio, therefore, would equate to investment-grade external ratings. Wealth management loans are provided to select customers based on the pledge of other types of assets, including business assets, fixed assets, or a modest amount of commercial real estate. For the loans collateralized by other assets, the credit quality of the obligor is carefully analyzed, but we do not consider this portfolio of loans to be of investment grade quality.

Credit quality indicators for wealth management mortgages are not correlated to external ratings. Wealth management mortgages are typically loans to high-net-worth individuals, which are secured primarily by residential property. These loans are primarily interest-only adjustable rate mortgages with an average loan to value ratio of 62% at origination. In the wealth management portfolio, 1% of the mortgages were past due at Dec. 31, 2011.

concentrations: New York – 24%; Massachusetts – 17%; California – 17%; Florida – 8%; and other – 34%.

Other residential mortgages

The other residential mortgage portfolio primarily consists of one to four family residential mortgage loans and totaled $1,923 million at Dec. 31, 2011. These loans are not typically correlated to external ratings. Included in this portfolio is $596 million of mortgage loans purchased in 2005, 2006 and the first quarter of 2007 that are predominantly prime mortgage loans, with a small portion of Alt-A loans. As of Dec. 31, 2011, the purchased loans in this portfolio had a weighted-average loan-to-value ratio of 76% at origination and 28% of these loans were at least 60 days delinquent. The properties securing the prime and Alt-A mortgage loans were located (in order of concentration) in California, Florida, Virginia, Maryland and the tri-state area (New York, New Jersey and Connecticut).

Overdrafts

Overdrafts primarily relate to custody and securities clearance clients and totaled $4,849 million at Dec. 31, 2011 and $6,049 million at Dec. 31, 2010. Overdrafts occur on a daily basis in the custody and securities clearance business and are generally repaid within two business days.

Margin loans

We had $12,760 million of secured margin loans on our balance sheet at Dec. 31, 2011, compared with $6,810 million at Dec. 31, 2010. Margin loans are collateralized with marketable securities and borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. We have rarely suffered a loss on these types of loans and do not allocate any of our allowance for credit losses to them.

Other loans

Other loans primarily includes loans to consumers that are fully collateralized with equities, mutual funds and fixed income securities, as well as bankers' acceptances.

Reverse repurchase agreements

Reverse repurchase agreements are transactions fully collateralized with high-quality liquid securities. These transactions carry minimal credit risk and therefore are not allocated an allowance for credit losses.

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At Dec. 31, 2011, the private wealth mortgage portfolio was comprised of the following geographic

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Note 7–Goodwill and intangible assets

Goodwill impairment testing

BNY Mellon' s three business segments include seven reporting units for which annual goodwill impairment testing is done in accordance with ASC 350. The Investment Management segment is comprised of two reporting units; the Investment Services segment is comprised of four reporting units; and one reporting unit is included in the Other segment.

The goodwill impairment test is performed in two steps. The first step compares the estimated fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. However, if the carrying amount of the reporting unit were to exceed its estimated fair value, a second step would be performed that would compare the implied fair value of the reporting unit' s goodwill with the carrying amount of that goodwill. An impairment loss would be recorded to the extent that the carrying amount of goodwill exceeds its implied fair value.

The Company performed its annual goodwill impairment testing for all reporting units in the second quarter of 2011.

The broad decline of stock prices throughout the U.S. stock market in the second half of 2011 also impacted the Company' s stock price, which declined below the Company' s net book value per share. As a result of this sustained decline in the second half of 2011, the Company performed an interim goodwill test of all its reporting units in the fourth quarter of 2011. The estimated fair values of each of the Company' s reporting units exceeded their carrying values in the interim test and no goodwill impairment was recognized.

Goodwill

The level of goodwill decreased in 2011 compared with 2010 as a result of the sale of Shareowner Services and foreign exchange translation on non-U.S. dollar denominated goodwill, partially offset by the acquisitions of Penson Financial Services, Talon Asset Management and contingent payments on previous acquisitions.

The table below provides a breakdown of goodwill by business.

Goodwill by business *(in millions)*	Investment Management	Investment Services	Other	Consolidated
Balance at Dec. 31, 2009	$ 9,312	$ 6,890	$ 47	$ 16,249
Acquisitions	8	1,790	-	1,798
Foreign exchange translation	(44)	(30)	(1)	(75)
Other *(a)*	83	(7)	(6)	70
Balance at Dec. 31, 2010	$ 9,359	$ 8,643	$ 40	$ 18,042
Acquisitions/dispositions	10	(118)	-	(108)
Foreign exchange translation	(32)	(29)	-	(61)
Other *(a)*	36	(5)	-	31
Balance at Dec. 31, 2011	**$ 9,373**	**$ 8,491**	**$ 40**	**$ 17,904**

(a) Other changes in goodwill include purchase price adjustments and certain other reclassifications.

Intangible assets

The decrease in intangible assets in 2011 compared with 2010 resulted from amortization of intangible assets and the sale of Shareowner Services, partially offset by the acquisition of customer contracts in the Investment Services and Investment Management businesses. Also, in 2011, we recorded $9 million in

impairment charges to write-down the value of a software technology intangible to its fair value. This impairment charge is included in other expense on the income statement.

Amortization of intangible assets was $428 million, $421 million and $426 million in 2011, 2010 and 2009, respectively.

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The table below provides a breakdown of intangible assets by business.

Intangible assets – net carrying amount by business

(in millions)	Investment Management	Investment Services	Other	Consolidated
Balance at Dec. 31, 2009	$ 2,825	$ 1,911	$852	$ 5,588
Acquisitions	15	530	-	545
Amortization	(237)	(182)	(2)	(421)
Foreign exchange translation	(9)	-	-	(9)
Other *(a)*	(2)	(5)	-	(7)
Balance at Dec. 31, 2010	$ 2,592	$ 2,254	$850	$ 5,696
Acquisitions/dispositions	6	(111)	-	(105)
Amortization	(214)	(212)	(2)	(428)
Foreign exchange translation	(2)	(2)	-	(4)
Impairment	-	(9)	-	(9)
Other *(a)*	-	2	-	2
Balance at Dec. 31, 2011	**$ 2,382**	**$ 1,922**	**$848**	**$ 5,152**

(a) Other changes in intangible assets include purchase price adjustments and certain other reclassifications.

The table below provides a breakdown of intangible assets by type.

Intangible assets	**Dec. 31, 2011**				Dec. 31, 2010		
(in millions)	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	**Remaining weighted average amortization period**	Gross carrying amount	Accumulated amortization	Net carrying amount
Subject to amortization:							
Customer relationships–Investment Management	**$ 2,109**	**$ (1,189)**	**$ 920**	**12 yrs.**	$ 2,102	$ (983)	$ 1,119
Customer contracts–Investment Services	**2,351**	**(834)**	**1,517**	**13 yrs.**	2,566	(736)	1,830
Other	**131**	**(95)**	**36**	**5 yrs.**	134	(86)	48
Total subject to amortization	**4,591**	**(2,118)**	**2,473**	**13 yrs.**	4,802	(1,805)	2,997
Not subject to amortization: *(a)*							
Trade name	**1,366**	**N/A**	**1,366**	**N/A**	1,375	N/A	1,375
Customer relationships	**1,313**	**N/A**	**1,313**	**N/A**	1,314	N/A	1,314
Other	**-**	**N/A**	**-**	**N/A**	10	N/A	10
Total not subject to amortization	**2,679**	**N/A**	**2,679**	**N/A**	2,699	N/A	2,699
Total intangible assets	**$ 7,270**	**$ (2,118)**	**$ 5,152**	**N/A**	$ 7,501	$ (1,805)	$ 5,696

(a) Intangible assets not subject to amortization have an indefinite life.

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Estimated annual amortization expense for current intangibles for the next five years is as follows:

For the year ended Dec. 31,	Estimated amortization expense *(in millions)*
2012	**$383**
2013	**333**
2014	**297**
2015	**266**
2016	**236**

Note 8–Other assets

Other assets *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Corporate/bank owned life insurance	**$4,216**	$4,071
Accounts receivable	**4,208**	3,506
Equity in joint ventures and other investments *(a)*	**2,677**	2,643
Income taxes receivable	**2,573**	2,826
Fair value of hedging derivatives	**1,600**	836
Software	**986**	896
Fails to deliver	**961**	1,428
Prepaid expenses	**784**	834
Due from customers on acceptances	**321**	424
Prepaid pension assets	**144**	732
Other	**1,369**	594
Total other assets	**$19,839**	$18,790

(a) Includes Federal Reserve Bank stock of $429 million and $400 million, respectively, at cost.

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Seed capital and private equity investments valued using net asset value per share

In our Investment Management business, we manage investment assets, including equities, fixed income, money market and alternative investment funds for institutions and other investors; as part of that activity we make seed capital investments in certain funds. BNY Mellon also holds private equity investments, which consist of investments in private equity funds, mezzanine financings and direct equity investments. Seed capital and private equity investments are included in other assets. Consistent with our policy to focus on our core activities, we continue to reduce our exposure to private equity investments.

The fair value of these investments has been estimated using the net asset value ("NAV") per share of BNY Mellon' s ownership interest in the funds. The table below presents information about BNY Mellon' s investments in seed capital and private equity investments.

Seed capital and private equity investments valued using NAV – Dec. 31, 2011

(dollar amounts in millions)	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds *(a)*	$ 9	$ -	Monthly-quarterly	3-45 days
Private equity funds *(b)*	122	24	N/A	N/A
Other funds *(c)*	63	-	Monthly-yearly	*(c)*
Total	**$ 194**	**$ 24**		

(a) *Hedge funds include multi-strategy funds that utilize a variety of investment strategies and equity long-short hedge funds that include various funds that invest over both long-term investment and short-term investment horizons.*

(b) *Private equity funds primarily include numerous venture capital funds that invest in various sectors of the economy. Private equity funds do not have redemption rights. Distributions from such funds will be received as the underlying investments in the funds are liquidated.*

(c) *Other funds include various market neutral, leveraged loans, real estate and structured credit funds. Redemption notice periods vary by fund.*

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Note 9–Deposits

Total time deposits in denominations of $100,000 or greater was $44.2 billion at Dec. 31, 2011, and $35.3 billion at Dec. 31, 2010. At Dec. 31, 2011, the scheduled maturities of all time deposits are as follows: 2012 - $44.6 billion; 2013 - $3 million; 2014 - $20 million; 2015 - $3 million; 2016 - $- million; and 2017 and thereafter - $4 million.

Note 10–Net interest revenue

Net interest revenue (in millions)	2011	2010	2009
Interest revenue			
Non-margin loans	**$681**	$738	$874
Margin loans	**129**	88	69
Securities:			
Taxable	**1,949**	1,944	1,718
Exempt from federal income taxes	**36**	25	30
Total securities	**1,985**	1,969	1,748
Other short-term investments-U.S. government-backed commercial paper	**-**	-	9
Deposits in banks	**543**	491	684
Deposits with the Federal Reserve and other central banks	**148**	49	43
Federal funds sold and securities purchased under resale agreements	**28**	64	31
Trading assets	**74**	71	50
Total interest revenue	**3,588**	3,470	3,508
Interest expense			
Deposits in domestic offices	**47**	49	57
Deposits in foreign offices	**194**	82	115
Borrowings from Federal Reserve related to ABCP	**-**	-	7
Federal funds purchased and securities sold	**2**	43	-

Note 11–Other noninterest expense

The following table provides a breakdown of other noninterest expense presented on the consolidated income statement.

Other noninterest expense (in millions)	2011	2010	2009
Litigation	**$210**	$217	$34
Communications	**173**	140	115
Clearing	**135**	127	117
Other	**629**	576	688
Total other	**$1,147**	$1,060	$954

Note 12–Restructuring charges

Operational efficiency initiatives

In 2011, we announced our operational efficiency initiatives which include an expense reduction initiative impacting approximately 1,500 positions or approximately 3% of our global workforce, as well as additional initiatives to transform operations, technology and corporate services that will increase productivity and reduce the growth rate of expenses. We recorded a pre-tax restructuring charge of $107 million related to the global efficiency initiatives in 2011. The aggregate restructuring charge is recorded as a separate line on the income statement. This charge was comprised of $78 million of severance costs and $29 million primarily for operating lease-related items and consulting costs. The following table presents the activity in the restructuring reserve related to the operational efficiency initiatives through Dec. 31, 2011.

Operational efficiency initiatives 2011 - restructuring charge reserve activity (in millions)	Severance	Other	Total
Original restructuring charge	$ 78	$29	$107
Utilization	(4)	(29)	(33)
Balance at Dec. 31, 2011	$ 74	$-	$74

This restructuring charge was recorded in the Other segment as it is a corporate initiative and not directly related to the operating performance of the businesses. The table below presents the restructuring charge if it had been allocated by business.

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under repurchase agreements			
Trading liabilities	**32**	41	22
Other borrowed funds	**21**	24	20
Customer payables	**7**	6	6
Long-term debt	**301**	300	366
Total interest expense	**604**	545	593
Net interest revenue	**$2,984**	$2,925	$2,915

Operational efficiency initiatives 2011 – restructuring charge by business

(in millions)	**2011**
Investment Management	**$17**
Investment Services	**41**
Other segment (including Business Partners)	**49**
Total restructuring charge	**$107**

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Global location strategy

BNY Mellon continues to execute its global location strategy. This strategy includes migrating positions to our global growth centers and is expected to result in moving and/or eliminating approximately 2,400 positions. In 2009, we recorded a pre-tax restructuring charge of $139 million related to this strategy. This charge was comprised of $102 million for severance costs and $37 million primarily for asset write-offs and expense related to the closing of offices. In 2011, we recorded a recovery of $15 million associated with the global location strategy.

Severance payments related to these positions are primarily paid over the salary continuance period in accordance with the separation plan.

The following table presents the activity in the restructuring reserve related to the global location strategy through Dec. 31, 2011.

Global location strategy 2009 – restructuring charge reserve activity

(in millions)	Severance	Asset write-offs/ other	Total
Original restructuring charge	$ 102	$ 37	$139
Utilization	-	(23)	(23)
Balance at Dec. 31, 2009	102	14	116
Additional charges	29	6	35
Utilization	(50)	(1)	(51)
Balance at Dec. 31, 2010	$ 81	$ 19	$100
Additional (recovery)	(15)	-	(15)
Utilization	(39)	(8)	(47)
Balance at Dec. 31, 2011	$ 27	$ 11	$38

This restructuring charge was recorded in the Other segment as it is a corporate initiative and not directly related to the operating performance of the businesses. The table below presents the restructuring charge if it had been allocated by business.

Workforce reduction program

In the fourth quarter of 2008, we announced that, due to weakness in the global economy, we would reduce our workforce by an estimated 1,800 positions, and as a result, recorded a pre-tax restructuring charge of $181 million. In 2011, we recorded a recovery of $3 million associated with this workforce reduction program.

We completed this program in 2010. At Dec. 31, 2011, severance payments related to positions covered by this program were substantially completed.

The following table presents the activity in the restructuring reserve related to the workforce reduction program through Dec. 31, 2011.

Workforce reduction program 2008 – restructuring charge reserve activity

(in millions)	Severance	Other	Total
Original restructuring charge	$ 166	$ 15	$181
Additional charges	4	7	11
Utilization	(105)	(22)	(127)
Balance at Dec. 31, 2009	$ 65	$ -	$65
Additional (recovery)	(7)	-	(7)
Utilization	(42)	-	(42)
Balance at Dec. 31, 2010	$ 16	$ -	$16
Additional (recovery)	(3)	-	(3)
Utilization	(13)	-	(13)
Balance at Dec. 31, 2011	**$ -**	**$ -**	**$-**

This restructuring charge was recorded in the Other segment as it is a corporate initiative and not directly related to the operating performance of the businesses. The table below presents the restructuring charge if it had been allocated by business.

Workforce reduction program 2008 – restructuring charge (recovery) by business

(in millions)	**2011**	2010	2009	Total charges since inception

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Global location strategy 2009 – restructuring charge (recovery) by business *(in millions)*	**2011**	2010	2009	Total charges since inception
Investment Management	**$-**	$ 15	$40	$ 55
Investment Services	**(18)**	26	68	76
Other segment (including Business Partners)	**3**	(6)	31	28
Total restructuring charge	**$(15)**	$ 35	$139	$ 159

Investment Management	**$ (1)**	$ (5)	$ 9	$ 80
Investment Services	**(2)**	(2)	(2)	54
Other (including Business Partners)	**-**	-	4	48
Total restructuring charge	**$ (3)**	$ (7)	$ 11	$ 182

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Note 13–Income taxes

Provision (benefit) for income taxes	Year ended Dec. 31,		
(in millions)	**2011**	2010 *(a)*	2009 *(a)*
Current taxes (benefits):			
Federal	**$691**	$(670)	$289
Foreign	**317**	408	185
State and local	**28**	110	101
Total current tax expense (benefit)	**1,036**	(152)	575
Deferred taxes:			
Federal	**(34)**	1,278	(1,676)
Foreign	**(16)**	(75)	-
State and local	**62**	(4)	(294)
Total deferred tax expense (benefit)	**12**	1,199	(1,970)
Provision (benefit) for income taxes	**$1,048**	$1,047	$(1,395)

(a) Based on continuing operations for 2010 and 2009.

The components of income (loss) before taxes are as follows:

Components of income (loss) before taxes	Year ended Dec. 31,		
(in millions)	**2011**	2010 *(a)*	2009 *(a)*
Domestic	**$2,336**	$2,363	$(3,022)
Foreign	**1,281**	1,331	814
Income (loss) before taxes	**$3,617**	$3,694	$(2,208)

(a) Based on continuing operations for 2010 and 2009.

The components of our net deferred tax liability are as follows:

Net deferred tax liability	Dec. 31,	
(in millions)	**2011**	2010
Depreciation and amortization	**$2,599**	$2,366
Lease financings	**1,040**	1,093
Pension obligation	**(49)**	190
Reserves not deducted for tax	**(401)**	(331)

alternative minimum tax credit carryforwards of $45 million with an indefinite life. We have not recorded a valuation allowance because we expect to realize our deferred tax assets including these carryovers.

As of Dec. 31, 2011, we had approximately $3.5 billion of earnings attributable to foreign subsidiaries that have been permanently reinvested abroad and for which no provision has been recorded for income tax that would occur if repatriated. It is not practicable at this time to determine the income tax liability that would result upon repatriation of these earnings.

The following table presents a reconciliation of the statutory federal income tax rate to our effective income tax rate applicable to income from continuing operations.

Effective tax rate	Year ended Dec. 31,		
	2011	2010	2009
Federal rate	**35.0 %**	35.0 %	35.0 %
State and local income taxes, net of federal income tax benefit	**1.6**	2.4	4.5
Credit for low-income housing investments	**(1.9)**	(1.8)	2.6
Tax-exempt income	**(2.6)**	(2.3)	2.9
Foreign operations	**(3.2)**	(5.2)	3.5
Tax settlements	**-**	-	4.0
Tax loss on mortgages	**-**	-	10.8
Other – net	**0.1**	0.2	(0.1)
Effective rate	**29.0 %**	28.3 %	63.2 %

Unrecognized tax positions *(in millions)*	**2011**	2010	2009
Beginning balance at Jan. 1, – gross	**$289**	$335	$189
Prior period tax positions:			
increases	**24**	97	225
decreases	**(12)**	(60)	(30)
Current period tax positions	**16**	41	10
Settlements	**(64)**	(119)	(58)
Statute expiration	**(3)**	(5)	(1)
Ending balance at Dec. 31, – gross	**$250**	$289	$335

Our total tax reserves as of Dec. 31, 2011 were $250 million compared with $289 million at Dec. 31, 2010. If these tax reserves were unnecessary, $250 million would affect the

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Credit losses on loans	**(290)**	(409)
Net operating loss carryover	**(126)**	(112)
Employee benefits	**(544)**	(543)
Equity investments	**238**	227
Other assets	**(289)**	(264)
Other liabilities	**378**	380
Net deferred tax liability	**$2,556**	$2,597

As of Dec. 31, 2011, we have net operating loss carryforwards for state and local income tax purposes of $1.6 billion which will expire in 2029. We have a German net operating loss carryforward of $110 million with an indefinite life. In addition, we have

effective tax rate in future periods. We recognize accrued interest and penalties, if applicable, related to income taxes in income tax expense. Included in the balance sheet at Dec. 31, 2011 is accrued interest, where applicable, of $59 million. The additional tax expense related to interest for the year ended Dec. 31, 2011 was $31 million compared with $9 million for the year ended Dec. 31, 2010.

As previously disclosed, on Nov. 10, 2009 BNY Mellon filed a petition with the U.S. Tax Court

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challenging the IRS' disallowance of certain foreign tax credits claimed for the 2001 and 2002 tax years. The aggregate tax for all of the years in question is approximately $900 million, including interest. A trial is currently scheduled for April 16, 2012. See Note 24 of the Notes to Consolidated Financial Statements for additional information. BNY Mellon continues to believe the tax treatment of the transaction was consistent with statutory and judicial authority existing at the time of the transaction. However, if there is a decision by the courts in similar litigation with unrelated taxpayers before the BNY Mellon matter is decided and that decision adopts the Government' s expansive view of economic substance for disallowing foreign tax credits, BNY Mellon may be required to re-evaluate its uncertain tax position with respect to this matter. If a re-evaluation is required, it is reasonably possible that the total reserve for uncertain tax positions, pursuant to ASC 740 (FASB Interpretation 48), could increase within the next 12 months by a net amount up to $850 million.

Our federal consolidated income tax returns are closed to examination through 2002. Our New York State and New York City return examinations have been completed through 2008. Our United Kingdom income tax returns are closed through 2008.

Note 14–Long-term debt

Long-term debt	**Dec. 31, 2011**			Dec. 31, 2010	
(in millions)	**Rate**	**Maturity**	**Amount**	Rate	Amount
Senior debt:					
Fixed rate	**1.50-6.92%**	**2012-2021**	**$12,367**	2.50-6.92%	$9,354
Floating rate	**0.35-1.40%**	**2012-2038**	**2,679**	0.10-0.57%	1,475
Subordinated debt *(a)*	**4.75-7.50%**	**2012-2033**	**3,201**	4.40-7.50%	4,037
Junior subordinated debentures *(a)*	**5.95-7.78%**	**2026-2043**	**1,686**	5.95-7.78%	1,651
Total			**$19,933**		$16,517

(a) Fixed rate.

Total long-term debt that matures during the next five years for BNY Mellon is as follows: 2012 - $3.45 billion, 2013 - $1.61 billion, 2014 - $4.36 billion, 2015 - $1.90 billion and 2016 - $1.85 billion. At Dec. 31, 2011, subordinated debt aggregating $249 million will be redeemable at our option as follows: 2012 - $142 million, and 2013 - $107 million.

Junior subordinated debentures

Wholly owned subsidiaries of BNY Mellon (the "Trusts") have issued cumulative Company-Obligated Mandatory Redeemable Trust Preferred Securities of Subsidiary Trust Holding Solely Junior Subordinated Debentures ("trust preferred securities"). The sole assets of each trust are junior subordinated deferrable interest debentures of BNY Mellon whose maturities and interest rates match the trust preferred securities. Our obligations under the agreements that relate to the trust preferred securities, the Trusts and the debentures constitute a full and unconditional guarantee by us of the Trusts' obligations under the trust preferred securities. The assets for Mellon Capital IV are currently (i) our remarketable 6.044% junior subordinated notes due 2043, and (ii) interests in stock purchase contracts between Mellon Capital IV and us. On June 20, 2012, the "stock purchase date," as defined in the prospectus supplement for the trust preferred securities of Mellon Capital IV, the sole assets of the trust will become shares of a series of our non-cumulative perpetual preferred stock.

The following table sets forth a summary of the Trust Preferred Securities issued by the Trusts as of Dec. 31, 2011:

Trust Preferred Securities at Dec. 31, 2011		Interest	Assets	Due	Call	Call
(dollar amounts in millions)	Amount	rate	of trust *(a)*	date	date	price
BNY Institutional Capital Trust A	$300	7.78 %	$ 309	2026	2006	101.95% *(b)*
BNY Capital IV	200	6.88	206	2028	2004	Par
BNY Capital V	350	5.95	361	2033	2008	Par

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MEL Capital III *(c)*	309	6.37	300	2036	2016	Par
MEL Capital IV	500	6.24	500	-	2012	Par
Total	**$1,659**		**$ 1,676**			

(a) Junior subordinated debentures and interest in stock purchase contracts for Mellon Capital IV.

(b) Call price decreases ratably to par in the year 2016.

(c) Amount was translated from Sterling into U.S. dollars on a basis of U.S. $1.54 to £1, the rate of exchange on Dec. 31, 2011.

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We have the option to shorten the maturity of BNY Capital IV to 2013 or extend the maturity to 2047. The BNY Capital Trust Preferred Securities have been converted to floating rate via interest rate swaps.

Note 15–Securitizations and variable interest entities

Variable Interest Entities

Accounting guidance on the consolidation of VIEs is included in ASC 810, *Consolidation*, and ASU 2009-17, "Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities."

Effective Jan. 1, 2010, the FASB approved ASU 2010-10 "Amendments for Certain Investment Funds," which defers the requirements of ASU 2009-17 for asset managers' interests in entities that apply the specialized accounting guidance for investment companies or that have the attributes of investment companies and for interests in money market funds.

Accounting guidance on the consolidation of VIEs applies to certain entities in which the equity investors:

- do not have sufficient equity at risk for the entity to finance its activities without additional financial support, or
- lack one or more of the following characteristics of a controlling financial interest:
  - The power, through voting rights or similar rights, to direct the activities of an entity that most significantly impact the entity' s economic performance (ASU 2009-17 model).
  - The direct or indirect ability to make decisions about the entity' s activities through voting rights or similar rights (ASC 810 model).
  - The obligation to absorb the expected losses of the entity.
  - The right to receive the expected residual returns of the entity.

BNY Mellon' s VIEs generally include retail, institutional and alternative investment funds offered to its retail and institutional customers in which it acts as the fund' s investment manager. BNY Mellon earns management fees on these funds as well as performance fees in certain funds. It may also provide start-up capital in its new funds. These VIEs are included in the scope of ASU 2010-10 and are reviewed for consolidation based on the guidance in ASC 810.

BNY Mellon applies ASC 810 to its mutual funds, hedge funds, private equity funds, collective investment funds and real estate investment trusts. If these entities are determined to be VIEs, primary beneficiary calculations are prepared in accordance with ASC 810 to determine whether or not BNY Mellon is the primary beneficiary and required to consolidate the VIE. The primary beneficiary of a VIE is the party that absorbs a majority of the variable interests' expected losses, receives a majority of its expected residual returns or both.

The primary beneficiary calculations include estimates of ranges and probabilities of losses and returns from the funds. The calculated expected gains and expected losses are allocated to the variable interest holders of the funds, which are generally the fund' s investors and which may include BNY Mellon, in order to determine which entity is required to consolidate the VIE, if any.

BNY Mellon has other VIEs, including securitization trusts, which are no longer considered QSPEs, and CLOs, in which BNY Mellon serves as the investment manager. In addition, we provide trust and custody services for a fee to entities sponsored by other corporations in which we have no other interest. These VIEs are evaluated under the guidance included in ASU 2009-17. BNY Mellon has two securitizations and several CLOs, which are assessed for consolidation in accordance with ASU 2009-17.

The primary beneficiary of these VIEs is the entity whose variable interests provide it with a controlling financial interest, which includes the power to direct the activities that most significantly impact the VIE' s economic performance and the obligation to absorb losses of the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE.

In order to determine if it has a controlling financial interest in these VIEs, BNY Mellon assesses the VIE' s purpose and design along with the risks it was designed to create and pass through to its variable interest holders. We also assess our involvement in the VIE and the involvement of any other variable interest holders in the VIE.

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Generally, as the sponsor and the manager of its VIEs, BNY Mellon has the power to control the activities that significantly impact the VIE' s economic

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performance. Both a qualitative and quantitative analysis of BNY Mellon' s variable interests are performed to determine if BNY Mellon has the obligation to absorb losses of the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE. The analyses included assessments related to the expected performance of the VIEs and its related impact on BNY Mellon' s seed capital, management fees or residual interests in the VIEs. We also assess any potential impact the VIE' s expected performance has on our performance fees.

The following tables present the incremental assets and liabilities included in BNY Mellon' s consolidated financial statements, after applying intercompany eliminations, as of Dec. 31, 2011 and Dec. 31, 2010, based on the assessments performed in accordance with ASC 810 and ASU 2009-17. The net assets of any consolidated VIE are solely available to settle the liabilities of the VIE and to settle any investors' ownership liquidation requests, including any seed capital invested in the VIE by BNY Mellon.

Investments consolidated under ASC 810 and ASU 2009-17 at Dec. 31, 2011

(in millions)	Investment Management funds	Securitizations	Total consolidated investments
Available-for-sale	**$ -**	**$ 479**	**$ 479**
Trading assets	**10,751**	**-**	**10,751**
Other assets	**596**	**-**	**596**
Total assets	**$ 11,347**	**$ 479**	**$ 11,826**
Trading liabilities	**10,053**	**-**	**10,053**
Other liabilities	**32**	**443**	**475**
Total liabilities	**$ 10,085**	**$ 443**	**$ 10,528**
Non-redeemable noncontrolling interests	**$ 670**	**$ -**	**$ 670**

Investments consolidated under ASC 810 and ASU 2009-17 at Dec. 31, 2010

(in millions)	Investment Management funds	Securitizations	Total consolidated investments
Available-for-sale	$ -	$ 483	$ 483
Trading assets	14,121	-	14,121

BNY Mellon voluntarily provided capital support agreements to certain VIEs (see below). With the exception of these agreements, we are not contractually required to provide financial or any other support to any of our VIEs. Additionally, creditors of any consolidated VIEs do not have any recourse to the general credit of BNY Mellon.

Non-consolidated VIEs

As of Dec. 31, 2011 and Dec. 31, 2010, the following assets related to the VIEs, where BNY Mellon is not the primary beneficiary, are included in our consolidated financial statements.

Non-consolidated VIEs at Dec. 31, 2011

(in millions)	Assets	Liabilities	Maximum loss exposure
Trading	$ 1	$ -	$ 1
Other	41	-	41
Total	**$ 42**	**$ -**	**$ 42**

Non-consolidated VIEs at Dec. 31, 2010

(in millions)	Assets	Liabilities	Maximum loss exposure
Trading	$ 24	$ -	$ 24
Other	34	-	34
Total	$ 58	$ -	$ 58

The maximum loss exposure indicated in the above tables relate solely to BNY Mellon' s seed capital or residual interests invested in the VIEs.

Credit supported VIEs

BNY Mellon voluntarily provided limited credit support to certain money market, collective, commingled and separate account funds (the "Funds"). Entering into such support agreements represents an event under ASC 810, and is subject to its interpretations.

In analyzing the Funds for which credit support was provided, it was determined that interest rate risk and credit risk are the two main risks that the Funds are designed to create and pass through to their investors. Accordingly, interest rate and credit risk were analyzed to determine if BNY Mellon was the primary beneficiary of each of the Funds.

BNY Mellon' s analysis of the credit risk variability and interest rate risk variability associated with the supported Funds resulted

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Other assets	645	-	645
Total assets	$ 14,766	$ 483	$ 15,249
Trading liabilities	13,561	-	13,561
Other liabilities	2	386	388
Total liabilities	$ 13,563	$ 386	$ 13,949
Non-redeemable noncontrolling interests	$ 699	$ -	$ 699

in BNY Mellon not being the primary beneficiary and therefore the Funds were not consolidated.

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The tables below show the financial statement items related to non-consolidated VIEs to which we have provided credit support agreements at Dec. 31, 2011 and Dec. 31, 2010.

Credit supported VIEs at Dec. 31, 2011 *(in millions)*	Assets	Liabilities	Maximum loss exposure
Other	**$ -**	**$ -**	**$ -**

Credit supported VIEs at Dec. 31, 2010 *(in millions)*	Assets	Liabilities	Maximum loss exposure
Other	$ -	$ -	$ 13

Consolidated credit supported VIEs

Certain funds have been created solely with securities that are subject to credit support agreements where we have agreed to absorb the majority of loss. Accordingly, these funds have been consolidated into BNY Mellon and have affected the following financial statement items at Dec. 31, 2011 and Dec. 31, 2010.

Consolidated credit supported VIEs at Dec. 31, 2011 *(in millions)*	Assets	Liabilities	Maximum loss exposure
Available-for-sale	$ 14	$ -	$ 14
Other	-	22	10
Total	**$ 14**	**$ 22**	**$ 24**

Consolidated credit supported VIEs at Dec. 31, 2010 *(in millions)*	Assets	Liabilities	Maximum loss exposure
Available-for-sale	$ 53	$ -	$ 53
Other	-	126	51
Total	$ 53	$ 126	$ 104

The maximum loss exposure shown above for the credit support agreements provided to BNY Mellon' s VIEs primarily reflects a complete loss on the Lehman Brothers Holdings Inc. securities for BNY Mellon' s clients that accepted our offer of support. As of Dec. 31, 2011, BNY Mellon recorded $22 million in liabilities related to its VIEs for which credit support agreements were provided.

1,209,674,607 shares of common stock were outstanding. There were no shares of preferred stock outstanding at Dec. 31, 2011.

Temporary equity

Temporary equity was $114 million at Dec. 31, 2011 and $92 million at Dec. 31, 2010. Temporary equity represents amounts recorded for redeemable non-controlling interests resulting from equity-classified share-based payment arrangements that are currently redeemable or are expected to become redeemable. The current redemption value of such awards is classified as temporary equity and is adjusted to its redemption value at each balance sheet date.

Troubled Asset Relief Program

In 2008, BNY Mellon issued and sold to the U.S. Treasury $3 billion of preferred stock and a warrant to purchase shares of common stock in accordance with the terms of the Troubled Asset Relief Program Capital Purchase Program.

In 2009, BNY Mellon repurchased the Series B preferred stock for its $3 billion liquidation value. BNY Mellon recorded an after-tax redemption charge of $196.5 million in 2009, representing the difference between the amortized cost of the Series B preferred stock and the repurchase price.

Also in 2009, BNY Mellon repurchased for $136 million the warrant for 14,516,129 shares of our common stock.

Common stock repurchase program

On Dec. 18, 2007, the Board of Directors of BNY Mellon authorized the repurchase of up to 35 million shares of common stock. On March 22, 2011, the Board of Directors of BNY Mellon authorized the repurchase of up to an additional 13 million shares of common stock. In 2011, we repurchased 34.8 million shares in the open market, at an average price of $24.00 per share for a total of $835 million. At Dec. 31, 2011, 12.0 million common shares were available for repurchase under the program. There is no expiration date on the share repurchase authorizations.

Capital adequacy

Regulators establish certain levels of capital for bank holding companies and banks, including BNY Mellon and our bank subsidiaries, in accordance with established quantitative measurements. For the Parent

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Note 16–Shareholders’ equity

BNY Mellon has 3.5 billion authorized shares of common stock with a par value of $0.01 per share, 100 million authorized shares of preferred stock with a par value of $0.01 per share. At Dec. 31, 2011,

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to maintain its status as a financial holding company, our bank subsidiaries and BNY Mellon must, among other things, qualify as well capitalized.

As of Dec. 31, 2011 and 2010, BNY Mellon and our bank subsidiaries were considered well capitalized on the basis of the Basel I Total and Tier 1 capital to risk-weighted assets ratios and the leverage ratio (Basel I Tier 1 capital to quarterly average assets as defined for regulatory purposes).

Our consolidated and largest bank subsidiary, The Bank of New York Mellon, capital ratios are shown below.

Consolidated and largest bank subsidiary capital ratios *(a)*	**Dec. 31,**	
	2011	2010
Consolidated capital ratios:		
Tier 1	**15.0%**	13.4%
Total capital	**17.0**	16.3
Leverage	**5.2**	5.8
The Bank of New York Mellon capital ratios:		
Tier 1	**14.3%**	11.4%
Total capital	**17.7**	15.3
Leverage	**5.3**	5.3

(a) *Determined under Basel I guidelines. For a banking institution to qualify as "well capitalized," its Basel I Tier 1, Total (Tier 1 plus Tier 2) and leverage capital ratios must be at least 6%, 10% and 5%, respectively. For The Bank of New York Mellon, our largest bank subsidiary, to qualify as "adequately capitalized ," Basel I Tier 1, Total and leverage capital ratios must be at least 4%, 8% and 3%, respectively.*

If a financial holding company such as BNY Mellon fails to qualify as well capitalized, it may lose its status as a financial holding company, which may restrict its ability to undertake or continue certain activities or make acquisitions that are not generally permissible for bank holding companies without financial holding company status. If a bank holding company such as BNY Mellon or bank such as The Bank of New York Mellon or BNY Mellon, N.A. fails to qualify as "well capitalized," it may be subject to higher FDIC assessments.

If a bank holding company such as BNY Mellon or bank such as The Bank of New York Mellon or BNY Mellon, N.A. fails to qualify as adequately capitalized, regulatory sanctions and limitations are imposed. At Dec. 31, 2011, the amounts of capital by which BNY Mellon and our largest bank subsidiary, The Bank of New York Mellon, exceed the well capitalized guidelines are as follows:

Capital above guidelines at Dec. 31, 2011 *(in millions)*	Consolidated	The Bank of New York Mellon
Tier 1 capital	**$ 9,254**	**$ 7,241**
Total capital	**7,208**	**6,708**
Leverage	**565**	**618**

The following table presents the components of our Basel I Tier 1 and total risk-based capital at Dec. 31, 2011 and 2010.

Components of Basel I Tier 1 and total risk-based capital *(a)*	**Dec. 31,**	
(in millions)	**2011**	2010 *(b)*
Tier 1 capital:		
Common shareholders' equity	**$33,417**	$32,354
Trust preferred securities	**1,659**	1,676
Adjustments for:		
Goodwill and other intangibles *(c)*	**(20,630)**	(21,297)
Pensions/cash flow hedges	**1,426**	1,053
Securities valuation allowance	**(450)**	(170)
Merchant banking investments	**(33)**	(19)
Total Tier 1 capital	**15,389**	13,597
Tier 2 capital:		
Qualifying unrealized gains on equity securities	**2**	5
Qualifying subordinated debt	**1,545**	2,381
Qualifying allowance for credit losses	**497**	571
Total Tier 2 capital	**2,044**	2,957
Total risk-based capital	**$17,433**	$16,554
Total risk-weighted assets	**$102,255**	$101,407

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Average assets for leverage capital purposes	**$296,484**	$235,905

(a) On a regulatory basis as determined under Basel I guidelines.

(b) Includes discontinued operations.

(c) Reduced by deferred tax liabilities associated with non-tax deductible identifiable intangible assets of $1,459 million at Dec. 31, 2011 and $1,625 million at Dec. 31, 2010, and deferred tax liabilities associated with tax deductible goodwill of $967 million at Dec. 31, 2011 and $816 million at Dec. 31, 2010.

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Note 17–Accumulated other comprehensive income (loss)

(dollars in millions)	Foreign currency translation	ASC 820 Adjustments Pensions	Other post-retirement benefits	Unrealized gain (loss) on assets available-for-sale	Unrealized gain (loss) on cash flow hedges *(a)*	Total accumulated unrealized gain (loss)
2008 ending balance, net of tax (expense) benefit	$ (363)	$(956)	$ (66)	$ (4,053)	$ 37	$ (5,401)
Adjustments for the cumulative effect of applying ASC 320, net of taxes of $-, $-, $-, $470, $-, $470	-	-	-	(676)	-	(676)
Adjusted balance at Jan. 1, 2009	(363)	(956)	(66)	(4,729)	37	(6,077)
Change in 2009, net of tax (expense) benefit of $(82), $14, $(34), $(489), $(1), $(592)	227	(46)	(1)	762	(16)	926
Reclassification adjustment, net of tax (expense) benefit $-, $-, $-, $(2,022), $-, $(2,022)	-	-	-	3,348	(32)	3,316
2009 total unrealized gain (loss)	227	(46)	(1)	4,110	(48)	4,242
2009 ending balance, net of tax (expense) benefit	$ (136)	$(1,002)	$ (67)	$ (619)	$ (11)	$ (1,835)
Adjustments for the cumulative effect of applying ASC 810	-	-	-	24	-	24
Adjusted balance at Jan. 1, 2010	(136)	(1,002)	(67)	(595)	(11)	(1,811)
Change in 2010, net of tax (expense) benefit of $(68), $15, $(3), $(469), $-, $(525)	(319)	9	12	747	12	461
Reclassification/other adjustment, net of tax (expense) benefit $ -, $ -, $ -, $12, $2, $14	(18) *(b)*	-	-	18 *(b)*	(5)	(5)
2010 total unrealized gain (loss)	(337)	9	12	765	7	456

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2010 ending balance, net of tax (expense) benefit	$ (473)	$(993)	$ (55)	$ 170	$ (4)	$ (1,355)
Change in 2011, net of tax (expense) benefit of $(11), $230, $24, $(177), $(2), $64	**(178)**	**(336)**	**(41)**	**306**	**3**	**(246)**
Reclassification/other adjustment, net of tax (expense) benefit $ -, $ -, $ -, $22, $2, $24	**-**	**-**	**-**	**(26)**	**-**	**(26)**
2011 total unrealized gain (loss)	**(178)**	**(336)**	**(41)**	**280**	**3**	**(272)**
2011 ending balance, net of tax (expense) benefit	**$ (651)**	**$(1,329)**	**$ (96)**	**$ 450**	**$ (1)**	**$ (1,627)**

(a) Includes unrealized gain (loss) on foreign currency cash flow hedges of $1 million, $- million and, $(1) million at Dec. 31, 2011, Dec. 31, 2010 and Dec. 31, 2009, respectively.

(b) Includes a net reclassification adjustment of $14 million to retained earnings from other comprehensive income.

Note 18–Stock-based compensation

Our Long-Term Incentive Plans provide for the issuance of stock options, restricted stock, restricted stock units ("RSUs") and other stock-based awards to employees of BNY Mellon. At Dec. 31, 2011, under the Long-Term Incentive Plan approved in April 2011, we may issue 50,858,398 new options. Of this amount, 28,528,609 shares may be issued as restricted stock or RSUs. Stock-based compensation expense related to retirement eligibility vesting totaled $31 million in 2011, $25 million in 2010, and $16 million in 2009.

Stock options

Our Long-Term Incentive Plans provide for the issuance of stock options at fair market value at the date of grant to officers and employees of BNY Mellon. Generally, each option granted is exercisable between one and ten years from the date of grant.

The compensation cost that has been charged against income was $96 million for 2011, $87 million for 2010 and $86 million for 2009. The total income tax benefit recognized in the income statement was $40 million for 2011, $35 million for 2010 and $35 million for 2009.

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We used a lattice-based binomial method to calculate the fair value on the date of grant. The fair value of each option award is estimated on the date of grant using the weighted-average assumptions noted in the following table:

Assumptions	**2011**	2010	2009
Dividend yield	**2.2 %**	2.2 %	3.1 %
Expected volatility	**32**	32	34
Risk-free interest rate	**2.75**	2.94	2.22
Expected option lives (in years)	**6.7**	6.6	5.9

For 2011, 2010 and 2009, assumptions were determined as follows:

- Expected volatilities are based on implied volatilities from traded options on our stock, historical volatility of our stock, and other factors.
- We use historical data to estimate option exercises and employee terminations within the valuation model.
- The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve at the time of grant.
- The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding.

A summary of the status of our options as of Dec. 31, 2011, and changes during the year, is presented below:

Stock option activity	Shares subject to option	Weighted-average exercise price	Weighted-average remaining contractual term *(in years)*
Balance at Dec. 31, 2010	92,540,471	$ 35.21	
Granted	8,739,395	29.98	
Exercised	(809,287)	21.11	
Canceled	(13,667,087)	44.73	
Balance at Dec. 31, 2011	**86,803,492**	**$ 33.32**	**5.2**
Vested and expected to vest at Dec. 31, 2011	**86,150,188**	**33.35**	**5.2**
Exercisable at Dec. 31, 2011	**60,158,853**	**35.21**	**4.0**

Stock options outstanding at Dec. 31, 2011

	Options outstanding			Options exercisable *(a)*	
Range of exercise prices	Outstanding at Dec. 31, 2011	Weighted-average remaining contractual life *(in years)*	Weighted-average exercise price	Exercisable at Dec. 31, 2011	Weighted-average exercise price
$ 18 to 31	43,343,651	6.5	$ 26.05	20,108,983	$ 24.96
31 to 41	22,879,675	3.8	37.03	22,004,630	36.93
41 to 51	20,580,166	3.9	44.51	18,045,240	44.52
$ 18 to 51	**86,803,492**	**5.2**	**$ 33.32**	**60,158,853**	**$ 35.21**

(a) At Dec. 31, 2010 and 2009, 62,801,038 and 65,703,148 options were exercisable at an average price per common share of $37.93 and $38.96, respectively.

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Aggregate intrinsic value of options			
(in millions)	**2011**	2010	2009
Outstanding at Dec. 31,	**$ 22**	$193	$167
Exercisable at Dec. 31,	**$ 11**	$77	$26

The weighted-average fair value of options at grant date was $8.47 in 2011, $8.38 in 2010 and $4.59 in 2009.

The total intrinsic value of options exercised was $7 million in 2011, $12 million in 2010 and $3 million in 2009.

As of Dec. 31, 2011, $110 million of total unrecognized compensation cost related to nonvested options is expected to be recognized over a weighted-average period of 1.6 years.

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Cash received from option exercises totaled $18 million in 2011, $31 million in 2010 and $16 million in 2009. The actual tax benefit realized for the tax deductions from options exercised totaled $2 million in 2011, $1 million in 2010 and $4 million in 2009.

Restricted stock, restricted stock units (“RSU”) and Total Shareholder Return (“TSR”) awards

Restricted stock and RSUs are granted under our Long-Term Incentive Plans at no cost to the recipient.
These awards are subject to forfeiture until certain restrictions have lapsed, including continued employment, for a specified period. The recipient of a share of restricted stock is entitled to voting rights and generally is entitled to dividends on the common stock. An RSU entitles the recipient to receive a share of common stock after the applicable restrictions lapse. The recipient generally is entitled to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSU is outstanding but does not receive voting rights.

The fair value of restricted stock and RSUs is equal to the fair market value of our common stock on the date of grant. The expense is recognized over the vesting period, which is generally three years. The total compensation expense recognized for restricted stock, RSUs and TSRs was $134 million in 2011, $119 million in 2010 and $124 million in 2009. The total income tax benefit recognized in the income statement was $52 million for 2011, $46 million for 2010 and $48 million for 2009.

In March 2008, BNY Mellon granted TSR awards. Under the terms of the TSR Performance share awards, a target award comprised of restricted stock was granted to an employee at the beginning of the three-year performance period beginning on Jan. 1, 2008 through Dec. 31, 2010. BNY Mellon’ s actual TSR for the performance period is compared to the results of a peer group (weighted two-thirds) and an S&P 500 Financial Services Index (weighted one-third). Based on the final calculations, 76% of the target awards (150,038 shares of the target number of performance shares) were earned and released to the participants. The remaining shares that were not earned were forfeited. As of Dec. 31, 2011, there were no TSR awards outstanding.

In 2011, 817,698 of RSUs were granted to members of BNY Mellon’ s Executive Committee which contained certain performance criteria that were achieved in 2011. The actual number of units that vest

is subject to negative discretion by BNY Mellon’ s Human Resources and Compensation Committee. As a result, these shares are subject to variable accounting.

The following table summarizes our nonvested restricted stock, RSU and TSR activity for 2011.

Nonvested restricted stock, RSUs and TSRs activity	Number of shares	Weighted-average fair value
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2010	11,319,776	$ 29.96
Granted	**5,828,098**	**29.79**
Vested	**(3,530,607)**	**39.91**
Forfeited	**(483,809)**	**33.79**
Nonvested restricted stock and RSUs at Dec. 31, 2011 *(a)*	**13,133,458**	**$ 26.44**

(a) *Includes 817,698 shares granted to members of BNY Mellon’ s Executive Committee that are marked-to-market based on the closing stock price at Dec. 31, 2011 of $19.91.*

As of Dec. 31, 2011, $143 million of total unrecognized compensation costs related to nonvested restricted stock and RSUs is expected to be recognized over a weighted-average period of 1.4 years.

The total fair value of restricted stock, RSUs and TSRs that vested was $100 million in 2011, $96 million in 2010 and $72 million in 2009.

Subsidiary Long-Term Incentive plans

BNY Mellon also has several subsidiary Long-Term Incentive Plans which have issued restricted subsidiary shares to certain employees. These share awards are subject to forfeiture until certain restrictions have lapsed, including continued employment for a specified period of time. The shares are non-voting and non-dividend paying. Once the restrictions lapse, which generally occurs in three to five years, the shares can only be sold, at the option of the employee, to BNY Mellon at a price based generally on the fair value of the subsidiary at the time of repurchase. In certain instances BNY Mellon has an election to call the shares.

Note 19–Employee benefit plans

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BNY Mellon has defined benefit and defined contribution retirement plans covering substantially all full-time and eligible part-time employees and other post-retirement plans providing healthcare benefits for certain retired employees.

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Pension and post-retirement healthcare plans

The following tables report the combined data for our domestic and foreign defined benefit pension and post-retirement healthcare plans.

	Pension Benefits				Healthcare Benefits			
	Domestic		Foreign		Domestic		Foreign	
(dollar amounts in millions)	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Weighted-average assumptions used to determine benefit obligations								
Discount rate	**4.75 %**	5.71 %	**4.97%**	5.29%	**4.75%**	5.71%	**5.00%**	5.40%
Rate of compensation increase	**3.00**	3.50	**3.57**	4.47	**3.00**	3.50	**-**	-
Change in benefit obligation *(a)*								
Benefit obligation at beginning of period	**$(3,139)**	$(2,835)	**$(626)**	$(555)	**$(232)**	$(242)	**$(3)**	$(3)
Service cost	**(64)**	(90)	**(33)**	(28)	**(2)**	(2)	**-**	-
Interest cost	**(174)**	(171)	**(36)**	(30)	**(13)**	(14)	**-**	-
Employee contributions	**-**	-	**(1)**	(1)	**-**	-	**-**	-
Amendments	**-**	26	**-**	(3)	**-**	-	**-**	-
Actuarial gain (loss)	**(397)**	(224)	**(5)**	(28)	**(67)**	5	**(1)**	-
(Acquisitions) divestitures	**-**	-	**-**	(11)	**-**	-	**-**	-
Curtailments	**(5)**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**140**	155	**12**	10	**26**	21	**-**	-
Foreign exchange adjustment	**N/A**	N/A	**5**	20	**N/A**	N/A	**-**	-
Benefit obligation at end of period	**(3,639)**	(3,139)	**(684)**	(626)	**(288)**	(232)	**(4)**	(3)
Change in fair value of plan assets								
Fair value at beginning of period	**3,628**	3,331	**611**	540	**71**	66	**-**	-
Actual return on plan assets	**26**	427	**30**	70	**2**	5	**-**	-
Employer contributions	**15**	25	**56**	21	**26**	21	**-**	-
Employee contributions	**-**	-	**1**	1	**-**	-	**-**	-
Acquisitions (divestitures)	**-**	-	**-**	10	**-**	-	**-**	-
Benefit payments	**(140)**	(155)	**(12)**	(10)	**(26)**	(21)	**-**	-
Foreign exchange adjustment	**N/A**	N/A	**(5)**	(21)	**N/A**	N/A	**-**	-
Fair value at end of period	**3,529**	3,628	**681**	611	**73**	71	**-**	-
Funded status at end of period	**$(110)**	$489	**$(3)**	$(15)	**$(215)**	$(161)	**$(4)**	$(3)
Amounts recognized in accumulated other comprehensive (income) loss consist of:								
Net loss (gain)	**$2,126**	$1,582	**$188**	$177	**$124**	$56	**$(2)**	$(4)
Prior service cost (credit)	**(78)**	(94)	**3**	3	**(3)**	(4)	**-**	-
Net initial obligation (asset)	**-**	-	**-**	-	**3**	8	**-**	-
Total (before tax effects)	**$2,048**	$1,488	**$191**	$180	**$124**	$60	**$(2)**	$(4)

(a) *The benefit obligation for pension benefits is the projected benefit obligation and for healthcare benefits, it is the accumulated benefit obligation.*

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Net periodic benefit cost (credit)	Pension Benefits						Healthcare Benefits					
	Domestic			Foreign			Domestic			Foreign		
(dollar amounts in millions)	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009
Weighted-average assumptions as of Jan. 1:												
Market-related value of plan assets	**$3,836**	$3,861	$3,651	**$624**	$529	$459	**$78**	$76	$77	**N/A**	N/A	N/A
Discount rate	**5.71 %**	6.21 %	6.38 %	**5.29%**	5.74%	6.18%	**5.71%**	6.21%	6.38%	**5.40%**	5.85%	6.25%
Expected rate of return on plan assets	**7.50**	8.00	8.00	**6.38**	6.69	6.40	**7.50**	8.00	8.00	**N/A**	N/A	N/A
Rate of compensation increase	**3.50**	3.50	3.50	**4.47**	4.64	4.11	**3.50**	3.50	3.50	**N/A**	N/A	N/A
Components of net periodic benefit cost (credit):												
Service cost	**$64**	$90	$96	**$33**	$28	$20	**$2**	$2	$2	**$-**	$-	$-
Interest cost	**174**	171	160	**36**	30	24	**13**	14	16	**-**	-	-
Expected return on assets	**(282)**	(303)	(295)	**(43)**	(37)	(32)	**(6)**	(6)	(6)	**-**	-	-
Amortization of:												
Net initial obligation (asset)	**-**	-	-	**-**	-	-	**5**	4	4	**-**	-	-
Prior service cost (credit)	**(16)**	(14)	(14)	**-**	-	-	**(1)**	-	-	**-**	-	-
Net actuarial (gain) loss	**109**	71	26	**14**	11	3	**3**	5	5	**(1)**	(1)	(1)
Settlement (gain) loss	**-**	-	5	**-**	-	-	**-**	-	-	**-**	-	-
Curtailment (gain) loss	**5**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Other	**-**	-	(10)	**(1)**	-	-	**-**	-	-	**-**	-	-
Net periodic benefit cost (credit)	**$54**	$15	$(32) *(a)*	**$39**	**$32**	$15	**$16**	$19	$21	**$(1)**	$(1)	$(1)

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(a) Includes discontinued operations.

Changes in other comprehensive (income) loss in 2011	Pension Benefits		Healthcare Benefits	
(in millions)	Domestic	Foreign	Domestic	Foreign
Net loss (gain) arising during period	**$ 653**	**$ 22**	**$ 71**	**$ 1**
Recognition of prior years' net gain (loss)	**(109)**	**(14)**	**(3)**	**1**
Prior service cost (credit) arising during period	**-**	**-**	**-**	**-**
Recognition of prior years' service (cost) credit	**16**	**-**	**1**	**-**
Recognition of net initial (obligation) asset	**-**	**-**	**(5)**	**-**
Foreign exchange adjustment	**N/A**	**3**	**-**	**-**
Total recognized in other comprehensive (income) loss (before tax effects)	**$ 560**	**$ 11**	**$ 64**	**$ 2**

Amounts expected to be recognized in net periodic benefit cost (income) in 2012 (before tax effects)	Pension Benefits		Healthcare Benefits	
(in millions)	Domestic	Foreign	Domestic	Foreign
(Gain) loss recognition	**$ 167**	**$ 12**	**$ 9**	**$ -**
Prior service cost recognition	**(16)**	**-**	**-**	**-**
Net initial obligation (asset) recognition	**-**	**-**	**3**	**-**

	Domestic		Foreign	
(in millions)	**2011**	2010	**2011**	2010
Pension benefits:				
Prepaid benefit cost	**$103**	$680	**$41**	$52
Accrued benefit cost	**(213)**	(191)	**(44)**	(67)
Total pension benefits	**$(110)**	$489	**$(3)**	$(15)
Healthcare benefits:				
Accrued benefit cost	**$(215)**	$(161)	**$(4)**	$(3)
Total healthcare benefits	**$(215)**	$(161)	**$(4)**	$(3)

The accumulated benefit obligation for all defined benefit plans was $4.1 billion at Dec. 31, 2011 and $3.6 billion at Dec. 31, 2010.

Plans with obligations in excess of plan assets	Domestic		Foreign	
(in millions)	**2011**	2010	**2011**	2010
Projected benefit obligation	**$234**	$212	**$35**	$32
Accumulated benefit obligation	**233**	211	**29**	26
Fair value of plan assets	**20**	21	**3**	2

For information on pension assumptions see the "Critical accounting estimates" section.

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Assumed healthcare cost trend–Domestic post- retirement healthcare benefits

The assumed healthcare cost trend rate used in determining benefit expense for 2012 is 8.00% decreasing to 4.75% in 2022. This projection is based on various economic models that forecast a decreasing growth rate of healthcare expenses over time. The underlying assumption is that healthcare expense growth cannot outpace gross national product ("GNP") growth indefinitely, and over time a lower equilibrium growth rate will be achieved. Further, the growth rate assumed in 2022 bears a reasonable relationship to the discount rate.

An increase in the healthcare cost trend rate of one percentage point for each year would increase the accumulated post-retirement benefit obligation by $21.0 million, or 8%, and the sum of the service and interest costs by $0.8 million, or 9%. Conversely, a decrease in this rate of one percentage point for each year would decrease the benefit obligation by $18.1 million, or 7%, and the sum of the service and interest costs by $0.7 million, or 8%.

Assumed healthcare cost trend–Foreign post-retirement healthcare benefits

An increase in the healthcare cost trend rate of one percentage point for each year would increase the accumulated post-retirement benefit obligation by less than $1 million and the sum of the service and interest costs by less than $1 million. Conversely, a decrease in this rate of one percentage point for each year would decrease the benefit obligation by less than $1 million and the sum of the service and interest costs by less than $1 million.

Investment strategy and asset allocation

BNY Mellon is responsible for the administration of various pension and healthcare post-retirement benefits plans, both domestically and internationally. The domestic plans are administered by BNY Mellon' s Benefits Administration Committee, a named fiduciary. Subject to the following, at all relevant times, BNY Mellon' s Benefits Investment Committee, another named fiduciary to the domestic plan, is responsible for the investment of plan assets. The Benefits Investment Committee' s responsibilities include the investment of all domestic defined benefit plan assets, as well as the determination of investment options offered to participants in all domestic performance, asset allocation and investment manager suitability. In addition, the Benefits Investment Committee has oversight of the Regional Governance Committees for the foreign defined benefit plans.

Our investment objective for U.S. and foreign plans is to maximize total return while maintaining a broadly diversified portfolio for the primary purpose of satisfying obligations for future benefit payments.

Equities are the main holding of the plans. Alternative investments (including private equities) and fixed income securities provide diversification and, in certain cases, lower the volatility of returns. In general, equity securities and alternative investments within any domestic plan' s portfolio can be maintained in the range of 30% to 70% of total plan assets, fixed-income securities can range from 20% to 50% of plan assets and cash equivalents can be held in amounts ranging from 0% to 5% of plan assets. Actual asset allocation within the approved ranges varies from time to time based on economic conditions (both current and forecast) and the advice of professional advisors.

Our pension assets were invested as follows at Dec. 31, 2011 and 2010:

Asset allocations	Domestic		Foreign	
	2011	2010	**2011**	2010
Equities	**52 %**	57 %	**64 %**	55 %
Fixed income	**38**	33	**29**	28
Private equities	**3**	3	**-**	-
Alternative investment	**6**	6	**3**	9
Real estate	**-**	-	**3**	3
Cash	**1**	1	**1**	5
Total pension benefits	**100 %**	100 %	**100 %**	100 %

We held no BNY Mellon Corporation stock in our pension plans at Dec. 31, 2010 and 2011. Assets of the U.S. post-retirement healthcare plan are invested in an insurance contract.

BNY Mellon expects to make cash contributions to fund its defined benefit pension plans in 2012 of $18 million for the domestic plans and $26 million for the foreign plans.

BNY Mellon expects to make cash contributions to fund its post-retirement healthcare plans in 2012 of $24 million for the domestic plans and less than $1 million for the foreign plans.

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defined contribution plans. The Benefits Investment Committee conducts periodic reviews of investment

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The following benefit payments for BNY Mellon' s pension and healthcare plans, which reflect expected future service as appropriate, are expected to be paid:

Expected benefit payments *(in millions)*	**Domestic**	**Foreign**
Pension benefits:		
Year 2012	$ 177	$ 9
2013	183	11
2014	197	11
2015	213	13
2016	233	17
2017-2021	1,256	101
Total pension benefits	$ 2,259	$ 162
Healthcare benefits:		
Year 2012	$ 24	$ -
2013	24	-
2014	24	-
2015	24	-
2016	25	-
2017-2021	119	1
Total healthcare benefits	$ 240	$ 1

Effective Jan. 1, 2011, the U.S. pension plan was amended to reduce benefits earned by participants for service after 2010, and to freeze plan participation such that no new employees will enter the plan after Dec. 31, 2010.

Fair value measurement of plan assets

In accordance with ASC 715, BNY Mellon has established a three-level hierarchy for fair value measurements of its pension plan assets based upon the transparency of inputs to the valuation of an asset as of the measurement date. The valuation hierarchy is consistent with guidance in ASC 820 which is detailed in Note 22 of the Notes to Consolidated Financial Statements.

The following is a description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such assets pursuant to the valuation hierarchy.

Cash and currency

This category consists primarily of foreign currency balances. Foreign currency is translated monthly based on current exchange rates.

Common and preferred stock and exchange traded funds

there are no readily available market quotations, we determine fair value primarily based on pricing sources with reasonable levels of price transparency.

Venture capital investments and partnership interests

There are no readily available market quotations for these funds. The fair value of the investments is based on the Plan' s ownership percentage of the fair value of the underlying funds as provided by the fund managers. These funds are typically valued on a quarterly basis. The Plan' s venture capital investments and partnership interests are valued at NAV as a practical expedient for fair value.

Collective trust funds

There are no readily available market quotations for these funds. The fair value of the fund is based on the securities in the portfolio, which typically is the amount that the fund might reasonably expect to receive for the securities upon a sale. These funds are either valued on a daily or monthly basis.

Corporate debt and U.S. and sovereign government obligations

Certain corporate debt and government obligations are valued at the closing price reported in the active market in which the bonds are traded. Other corporate debt and government obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bonds are valued using discounted cash flows that maximize observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

U.S. Treasury securities

Treasury securities are valued at the closing price reported in the active market in which the individual security is traded.

Funds of funds

There are no readily available market quotations for these funds. The fair value of the fund is based on NAVs of the funds in the portfolio, which reflects the value of the underlying securities. The fair value of the underlying securities is typically the amount that the fund might reasonably expect to receive upon selling those hard to value or illiquid securities within the portfolios. For securities that are readily valued,

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These types of securities are valued at the closing price reported in the active market in which the individual securities are traded, if available. Where

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fair value is the closing price at the end of the period. These funds are valued on a monthly basis.

The following tables present the fair value of each major category of plan assets as of Dec. 31, 2011 and Dec. 31, 2010, by captions and by ASC 820 valuation hierarchy. There were no transfers between Level 1 and Level 2.

Plan assets measured at fair value on a recurring basis–domestic plans at Dec. 31, 2011

(in millions)	Level 1	Level 2	Level 3	Total fair value
Collective trust funds	**$-**	**$1,070**	**$ -**	**$ 1,070**
Common and preferred stock	**893**	**-**	**-**	**893**
Corporate debt obligations	**-**	**792**	**-**	**792**
U.S. and sovereign government obligations	**385**	**83**	**-**	**468**
Funds of funds	**-**	**-**	**128**	**128**
Venture capital and partnership interests	**-**	**-**	**121**	**121**
Exchange traded funds	**57**	**-**	**-**	**57**
Total domestic plan assets, at fair value	**$1,335**	**$1,945**	**$ 249**	**$ 3,529**

Plan assets measured at fair value on a recurring basis–foreign plans at Dec. 31, 2011

(in millions)	Level 1	Level 2	Level 3	Total fair value
Equity funds	**$ 312**	**$ 121**	**$ -**	**$ 433**
Sovereign/ government obligation funds	**22**	**102**	**-**	**124**

Plan assets measured at fair value on a recurring basis–domestic plans at Dec. 31, 2010

(in millions)	Level 1	Level 2	Level 3	Total fair value
Collective trust funds	$-	$1,181	$ -	$ 1,181
Common and preferred stock	938	-	-	938
Corporate debt obligations	-	777	-	777
U.S. and sovereign government obligations	271	209	-	480
Funds of funds	-	-	134	134
Venture capital and partnership interests	-	-	115	115
Exchange traded funds	3	-	-	3
Total domestic plan assets, at fair value	$1,212	$2,167	$ 249	$ 3,628

Plan assets measured at fair value on a recurring basis–foreign plans at Dec. 31, 2010

(in millions)	Level 1	Level 2	Level 3	Total fair value
Equity funds	$ 234	$ 126	$ -	$ 360
Sovereign/ government obligation funds	57	46	-	103
Corporate debt funds	-	67	14	81
Cash and currency	26	-	-	26
Venture capital and partnership interests	-	-	41	41

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Corporate debt funds	**-**	**63**	**14**	**77**
Cash and currency	**7**	**-**	**-**	**7**
Venture capital and partnership interests	**-**	**-**	**40**	**40**
Total foreign plan assets, at fair value	**$ 341**	**$ 286**	**$ 54**	**$ 681**

Total foreign plan assets, at fair value	$ 317	$ 239	$ 55	$ 611

Changes in Level 3 fair value measurements

The table below includes a rollforward of the plan assets for the years ended Dec. 31, 2011 and 2010 (including the change in fair value), for financial instruments classified in Level 3 of the valuation hierarchy.

Fair value measurements using significant unobservable inputs–domestic plans–for the year ended Dec. 31, 2011

(in millions)	Funds of funds	Venture capital and partnership interests	Total plan assets at fair value
Fair value at Dec. 31, 2010	$ 134	$ 115	$ 249
Total gains or (losses):			
Included in earnings (or changes in net assets)	(2)	20	18
Purchases, issuances, sales and settlements:			
Purchases	-	7	7
Sales	(4)	(21)	(25)
Fair value at Dec. 31, 2011	**$ 128**	**$ 121**	**$ 249**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ 2	$ 8	$ 10

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Fair value measurements using significant unobservable inputs–foreign plans–for the year ended Dec. 31, 2011

(in millions)	Corporate debt funds	Venture capital and partnership interests	Total plan assets at fair value
Fair value at Dec. 31, 2010	$ 14	$ 41	$ 55
Total gains or (losses) included in earnings (or changes in net assets)	-	1	1
Purchases, issuances, sales and settlements:			
Purchases	-	4	4
Sales	-	(6)	(6)
Fair value at Dec. 31, 2011	**$ 14**	**$ 40**	**$ 54**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ -	$ 1	$ 1

Fair value measurements using significant unobservable inputs–domestic plans–for the year ended Dec. 31, 2010

(in millions)	Fair value at Dec. 31, 2009	Total realized/ unrealized gains (losses)	Purchases, issuances and settlements, net	Transfers in/out-of Level 3	Fair value at Dec. 31, 2010	Changes in unrealized gains and (losses) related to plan assets held at Dec. 31, 2010
Venture capital and partnership interests	$ 110	$ 8	$ (3)	$ -	$ 115	$ 2
Funds of funds	121	5	8	-	134	2
Total plan assets at fair value	$ 231	$ 13	$ 5	$ -	$ 249	$ 4

Fair value measurements using significant unobservable inputs–foreign plans–for the year ended Dec. 31, 2010

(in millions)	Fair value at Dec. 31, 2009	Total realized/ unrealized gains (losses)	Purchases, issuances and settlements, net	Transfers in/out-of Level 3	Fair value at Dec. 31, 2010	Change in unrealized gains and (losses) related to plan assets held at Dec. 31, 2010
Venture capital and partnership interests	$ 36	$ 5	$ -	$ -	$ 41	$ 5
Corporate debt funds	13	1	-	-	14	1
Total plan assets	$ 49	$ 6	$ -	$ -	$ 55	$ 6

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at fair value

Venture capital and partnership interests and funds of funds valued using net asset value per share

At Dec. 31, 2011, BNY Mellon had pension and post-retirement plan assets invested in venture capital and partnership interests and funds of funds valued using net asset value. The fund of funds investments are redeemable at net asset value under agreements with the fund of funds managers.

Venture capital and partnership interests and funds of funds valued using NAV–Dec. 31, 2011

(dollar amounts in millions)	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Venture capital and partnership interests *(a)*	$161	$ 36	N/A	N/A
Funds of funds *(b)*	128	-	Monthly	30-45 days
Total	**$289**	**$ 36**		

(a) *Venture capital and partnership interests do not have redemption rights. Distributions from such funds will be received as the underlying investments are liquidated.*

(b) *Funds of funds include multi-strategy hedge funds that utilize investment strategies that invest over both long-term investment and short-term investment horizons.*

Defined contribution plans

We have an Employee Stock Ownership Plan ("ESOP") covering certain domestic full-time employees with more than one year of service. The ESOP works in conjunction with the defined benefit pension plan. Employees are entitled to the higher of their benefit under the ESOP or such defined benefit pension plan at retirement. Benefits payable under the defined benefit pension plan are offset by the equivalent value of benefits earned under the ESOP.

Contributions are made equal to required principal and interest payments on borrowings by the ESOP. At Dec. 31, 2011 and Dec. 31, 2010, the ESOP owned 7.1 million and 7.4 million shares of our stock, respectively. The fair value of total ESOP assets was $146 million and $228 million at Dec. 31, 2011 and Dec. 31, 2010, respectively. There were no contributions and no ESOP related expense in 2011, 2010 or 2009.

We have defined contribution plans, excluding the ESOP, for which we recognized a cost of $182 million in 2011, $163 million in 2010 and $163 million in 2009.

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The Benefits Investment Committee appointed Fiduciary Counselors, Inc. to serve as the independent fiduciary to (i) make certain fiduciary decisions related to the continued prudence of offering the common stock of BNY Mellon or its affiliates as an investment option under the plans other than with respect to plan sponsor decisions, and (ii) select and monitor any internally managed investments (active or passive, including mutual funds) of BNY Mellon or its affiliates to be offered to participants as investment options under the Plan.

Note 20–Company financial information

Our bank subsidiaries are subject to dividend limitations under the Federal Reserve Act, as well as national and state banking laws. Under these statutes, prior regulatory consent is required for dividends in any year that would exceed the bank' s net profits for such year combined with retained net profits for the prior two years. Additionally, such bank subsidiaries may not declare dividends in excess of net profits on hand, as defined, after deducting the amount by which the principal amount of all loans, on which interest is past due for a period of six months or more, exceeds the allowance for credit losses. The Bank of New York Mellon, which is a New York state chartered bank, is also prohibited from paying dividends in excess of net profits.

The payment of dividends also is limited by minimum capital requirements imposed on banks. As of Dec. 31, 2011, BNY Mellon' s bank subsidiaries exceeded these minimum requirements.

Our bank subsidiaries can declare dividends to the Parent of approximately $1.4 billion, subsequent to Dec. 31, 2011 without the need for a regulatory waiver. In addition, at Dec. 31, 2011, non-bank subsidiaries of the Parent had liquid assets of approximately $1.4 billion.

The bank subsidiaries declared dividends of $156 million in 2011, $239 million in 2010 and $659 million in 2009. The Federal Reserve Board and the OCC have issued additional guidelines that require bank holding companies and national banks to continually evaluate the level of cash dividends in relation to their respective operating income, capital needs, asset quality and overall financial condition.

The Federal Reserve Board policy with respect to the payment of cash dividends by bank holding companies provides that, as a matter of prudent banking, a bank holding company should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the holding company' s capital needs, asset quality and overall financial condition. The Federal Reserve Board can also prohibit a dividend if payment would constitute an unsafe or unsound banking practice. Any increase in BNY Mellon' s ongoing quarterly dividends would require approval from the Federal Reserve. The Federal Reserve' s current guidance provides that, for large bank holding companies like us, dividend payout ratios exceeding 30% of projected after-tax net income will receive particularly close scrutiny.

On Nov. 22, 2011, the Federal Reserve issued a final rule requiring U.S. bank holding companies with total consolidated assets of $50 billion or more, like BNY Mellon, to submit annual capital plans for review. The Federal Reserve will evaluate the bank holding companies' capital adequacy, internal capital adequacy assessment processes, and their plans to make capital distributions, such as dividend payments or stock repurchases.

BNY Mellon' s capital plan was filed with the Federal Reserve on Jan. 9, 2012. The comprehensive capital plan, which was prepared using Basel I capital guidelines, included internally developed baseline and stress projections as well as supervisory baseline and stress projections using macroeconomic assumptions provided by the Federal Reserve. We also provided the Federal Reserve with projections covering the time period it will take the Company to fully comply with Basel III capital guidelines, including the 7% Tier 1 common equity, 8.5% Tier 1 capital, and 3% leverage ratios.

The Federal Reserve is expected to provide an initial response to the capital plan and proposed capital actions, such as dividend payments and share repurchases, no later than March 15, 2012 and more general feedback on the comprehensive capital plan and capital adequacy processes by April 30, 2012.

To address capital actions planned for prior to March 15, 2012, the bank holding companies were given the opportunity to review and confirm in December 2011 that the Federal Reserve had no objection to such actions.

The Federal Reserve Act limits and requires collateral for extensions of credit by our insured subsidiary banks to BNY Mellon and certain of its non-bank

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affiliates. Also, there are restrictions on the amounts of investments by such banks in stock and other securities of BNY Mellon and such affiliates, and restrictions on the acceptance of their securities as collateral for loans by such banks. Extensions of credit by the banks to each of our affiliates are limited to 10% of such bank' s regulatory capital, and in the aggregate for BNY Mellon and all such affiliates to 20%, and collateral must be between 100% and 130% of the amount of the credit, depending on the type of collateral.

Our insured subsidiary banks are required to maintain reserve balances with Federal Reserve Banks under the Federal Reserve Act and Regulation D. Required balances averaged $4.3 billion and $2.2 billion for the years 2011 and 2010, respectively.

In the event of impairment of the capital stock of one of the Parent' s national banks or The Bank of New York Mellon, the Parent, as the banks' stockholder, could be required to pay such deficiency.

The Parent guarantees the debt issued by Mellon Funding Corporation, a wholly-owned financing subsidiary of the Company. The Parent also guarantees committed and uncommitted lines of credit of Pershing LLC and Pershing Limited subsidiaries. The Parent guarantees described above are full and unconditional and contain the standard provisions relating to parent guarantees of subsidiary debt. Additionally, the Parent guarantees or indemnifies obligations of its consolidated subsidiaries as needed. Generally there are no stated notional amounts included in these indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. As a result, we are unable to develop an estimate of the maximum payout under these indemnifications. However, we believe the possibility is remote that we will have to make any material payment under these guarantees and indemnifications.

The Parent' s condensed financial statements are as follows:

Condensed Income Statement–The Bank of New York Mellon Corporation (Parent Corporation)

	Year ended Dec. 31,		
(in millions)	**2011**	2010 *(a)*	2009 *(a)*
Dividends from bank subsidiaries	**$120**	$ 200	$611
Dividends from nonbank subsidiaries	**54**	74	176
Interest revenue from bank subsidiaries	**211**	211	228
Interest revenue from nonbank subsidiaries	**130**	131	146
Gain (loss) on securities held for sale	**17**	5	(2)
Other revenue	**51**	73	81
Total revenue	**583**	694	1,240
Interest (including $13, $14 and $23 to subsidiaries)	**282**	285	366
Other expense	**138**	221	338
Total expense	**420**	506	704
Income (loss) before income taxes and equity in undistributed net income of subsidiaries	**163**	188	536
Provision (benefit) for income taxes	**66**	(465)	(357)
Equity in undistributed net income (loss):			
Bank subsidiaries	**1,781**	1,630	(2,271)
Nonbank subsidiaries	**638**	235	294
Net income (loss)	**2,516**	2,518	(1,084)
Redemption charge and preferred dividends	**-**	-	(283)

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Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	**$2,516**	$ 2,518	$(1,367)

(a) Includes the results of discontinued operations.

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Condensed Balance Sheet–The Bank of New York Mellon Corporation (Parent Corporation)

	Dec. 31,	
(in millions)	**2011**	2010
Assets:		
Cash and due from banks	**$4,884**	$3,452
Securities	**188**	219
Loans–net of allowance	**20**	52
Investment in and advances to subsidiaries and associated companies:		
Banks	**29,169**	26,349
Other	**20,930**	20,578
Subtotal	**50,099**	46,927
Corporate-owned life insurance	**666**	650
Other assets	**3,009**	3,014
Total assets	**$58,866**	$54,314
Liabilities:		
Deferred compensation	**$492**	$497
Commercial paper	**10**	10
Affiliate borrowings	**3,407**	3,344
Other liabilities	**2,735**	2,682
Long-term debt	**18,805**	15,427
Total liabilities	**25,449**	21,960
Shareholders' equity	**33,417**	32,354
Total liabilities and shareholders' equity	**$58,866**	$54,314

Condensed Statement of Cash Flows–The Bank of New York Mellon Corporation (Parent Corporation)

	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Operating activities:			
Net income (loss)	**$2,516**	$2,518	$(1,084)
Adjustments to reconcile net income to net cash provided by/ (used in) operating activities:			
Amortization	**13**	14	13
Equity in undistributed net (income)/ loss of subsidiaries	**(2,419)**	(1,865)	1,977
Change in accrued interest receivable	**(22)**	2	(41)
Change in accrued interest payable	**11**	2	(1)
Change in taxes payable *(a)*	**168**	(321)	(482)
Other, net	**(80)**	179	(455)
Net cash provided by/(used in) operating activities	**187**	529	(73)
Investing activities:			
Purchases of securities	**(50)**	(5)	(9)
Proceeds from sales of securities	**101**	43	129

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Change in loans	**32**	61	110
Acquisitions of, investments in, and advances to subsidiaries	**(611)**	(1,002)	(566)
Other, net	**-**	208	-
Net cash used in investing activities	**(528)**	(695)	(336)
Financing activities:			
Net change in commercial paper	**-**	(2)	(4)
Proceeds from issuance of long-term debt	**5,042**	1,347	3,350
Repayments of long-term debt	**(1,911)**	(2,614)	(1,277)
Change in advances from subsidiaries	**63**	(10)	59
Issuance of common stock	**43**	728	1,387
Treasury stock acquired	**(873)**	(41)	(28)
Cash dividends paid	**(593)**	(440)	(673)
Series B preferred stock repurchased	**-**	-	(3,000)
Warrant repurchased	**-**	-	(136)
Tax benefit realized on share based payment awards	**2**	1	4
Net cash provided by/(used in) financing activities	**1,773**	(1,031)	(318)
Change in cash and due from banks	**1,432**	(1,197)	(727)

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Cash and due from banks at beginning of year	**3,452**	4,649		5,376	
Cash and due from banks at end of year	**$4,884**	$3,452		$4,649	
Supplemental disclosures					
Interest paid	**$293**	$284		$367	
Income taxes paid	**$212**	$442	*(b)*	$1,013	*(b)*
Income taxes refunded	**123**	178	*(b)*	609	*(b)*

(a) Includes payments received from subsidiaries for taxes of $501 million in 2011, $900 million in 2010, and $967 million in 2009.

(b) Includes discontinued operations.

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Note 21–Fair value of financial instruments

The carrying amounts of our financial instruments (i.e., monetary assets and liabilities) are determined under different accounting methods–see Note 1 of the Notes to the Consolidated Financial Statements.

The following disclosure discusses these instruments on a uniform fair value basis. However, active markets do not exist for a significant portion of these instruments, principally loans and interest-bearing deposits with banks. As a result, fair value determinations require significant subjective judgments regarding future cash flows. Other judgments would result in different fair values. Among the assumptions we used are discount rates ranging principally from 0.01% to 4.17% at Dec. 31, 2011, and 0.12% to 6.46% at Dec. 31, 2010. The fair value information supplements the basic financial statements and other traditional financial data presented throughout this report.

Note 22, "Fair value measurement" presents assets and liabilities measured at fair value by the three level valuation hierarchy established under ASC 820. Note 23, "Fair value option" presents the instruments for which fair value accounting was elected and the corresponding income statement impact of those instruments. A summary of the practices used for determining fair value is as follows.

Interest-bearing deposits with the Federal Reserve and other central banks, and federal funds sold and securities purchased under resale agreements

The fair value of interest-bearing deposits with the Federal Reserve and other central banks and federal funds sold and securities purchased under resale agreements is assumed to equal carrying value due to their short maturity.

Interest-bearing deposits with banks

The fair value of interest-bearing deposits with banks is based on discounted cash flows.

Securities, trading activities, and hedging derivatives

The fair value of securities and trading assets and liabilities is based on quoted market prices, dealer quotes, or pricing models. Fair value amounts for hedging derivatives, such as options, futures and forward rate contracts, commitments to purchase and sell foreign exchange, and foreign currency swaps, are similarly determined. The fair value of OTC interest rate swaps is the discounted value of projected future cash flows, adjusted for other factors including, but not limited to and if applicable, optionality and implied volatilities, as well as counterparty credit.

Loans

For residential mortgage loans, fair value is estimated using discounted cash flow analyses, adjusting where appropriate for prepayment estimates, using interest rates currently being offered for loans with similar terms and maturities to borrowers. To determine the fair value of other types of loans, BNY Mellon uses discounted cash flows using current market rates.

Other financial assets

Other financial assets primarily include cash and due from banks, and corporate/bank-owned life insurance. The fair value of cash and due from banks is assumed to equal carrying value due to their short-term nature. The fair value of corporate/bank-owned life insurance is based on the insurance contract cash surrender value.

Deposits, federal funds purchased and securities sold under repurchase agreements, borrowings and long-term debt

The fair value of noninterest-bearing deposits, federal funds purchased and securities sold under repurchase agreements, and payables to customers and broker-dealers is assumed to be their carrying amount. The fair value of interest-bearing deposits, borrowings, and long-term debt is based upon current rates for instruments of the same remaining maturity or quoted market prices for the same or similar issues.

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Summary of financial instruments

	Dec. 31, 2011		Dec. 31, 2010	
(in millions)	**Carrying amount**	**Estimated fair value**	Carrying amount	Estimated fair value
Assets:				
Interest-bearing deposits with the Federal Reserve and other central banks	**$90,243**	**$90,243**	$18,549	$18,549
Interest-bearing deposits with banks	**36,321**	**36,382**	50,200	50,253
Federal funds sold and securities purchased under resale agreements	**4,510**	**4,510**	5,169	5,169
Securities	**84,665**	**84,802**	68,950	68,504
Trading assets	**7,861**	**7,861**	6,276	6,276
Loans	**40,976**	**41,186**	34,163	34,241
Hedging derivatives:				
Interest rate contracts	**965**	**965**	834	834
Foreign exchange contracts	**635**	**635**	2	2
Total hedging derivatives	**1,600**	**1,600**	836	836
Other financial assets	**9,004**	**9,004**	8,283	8,283
Total financial assets	**275,180**	**275,588**	192,426	192,111
Assets of discontinued operations	**-**	**-**	278	278
Assets of consolidated investment management funds - primarily trading	**11,347**	**11,347**	14,766	14,766
Non-financial assets	**38,739**		39,789	
Total assets	**$325,266**		$247,259	
Liabilities:				
Noninterest-bearing deposits	**$95,335**	**$95,335**	$38,703	$38,703
Interest-bearing deposits	**123,759**	**123,760**	106,636	107,417
Federal funds purchased and	**6,267**	**6,267**	5,602	5,602

The table below summarizes the carrying amount of the hedged financial instruments, the notional amount of the hedge and the estimated fair value (unrealized gain (loss)) of the derivatives.

Hedged financial instruments *(in millions)*	Carrying amount	Notional amount of hedge	Unrealized Gain	Unrealized (Loss)
At Dec. 31, 2011:				
Interest-bearing deposits with banks	**$8,789**	**$8,789**	**$441**	**$(17)**
Securities available-for-sale	**4,354**	**4,009**	**-**	**(289)**
Deposits	**10**	**10**	**1**	**-**
Long-term debt	**15,048**	**14,262**	**964**	**(9)**
At Dec. 31, 2010:				
Interest-bearing deposits with banks	$6,763	$6,763	$-	$-
Securities available-for-sale	2,170	2,168	51	(3)
Deposits	27	25	3	-
Long-term debt	12,540	11,774	780	(41)

Note 22–Fair value measurement

The guidance related to "Fair Value Measurement," included in ASC 820 defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. It establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and expands the disclosures about instruments measured at fair value. ASC 820 requires consideration of a company' s own creditworthiness when valuing liabilities.

The standard provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate.

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securities sold under repurchase agreements				
Trading liabilities	**8,071**	**8,071**	6,911	6,911
Payables to customers and broker-dealers	**12,671**	**12,671**	9,962	9,962
Borrowings	**2,376**	**2,376**	2,997	2,997
Long-term debt	**19,933**	**20,459**	16,517	17,120
Hedging derivatives:				
Interest rate contracts	**298**	**298**	44	44
Foreign exchange contracts	**21**	**21**	116	116
Total hedging derivatives	**319**	**319**	160	160
Total financial liabilities	**268,731**	**269,258**	187,488	188,872
Liabilities of consolidated investment management funds - primarily trading	**10,085**	**10,085**	13,563	13,563
Non-financial liabilities	**12,249**		13,051	
Total liabilities	**$291,065**		$214,102	

In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The objective is to determine from weighted indicators of fair value a reasonable point within the range that is most representative of fair value under current market conditions.

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Determination of fair value

Following is a description of our valuation methodologies for assets and liabilities measured at fair value. We have established processes for determining fair values. Fair value is based upon quoted market prices in active markets, where available. For financial instruments where quotes from recent exchange transactions are not available, we determine fair value based on discounted cash flow analysis, comparison to similar instruments, and the use of financial models. Discounted cash flow analysis is dependent upon estimated future cash flows and the level of interest rates. Model-based pricing uses inputs of observable prices, where available, for interest rates, foreign exchange rates, option volatilities and other factors. Models are benchmarked and validated by an independent internal risk management function. Our valuation process takes into consideration factors such as counterparty credit quality, liquidity, concentration concerns, and observability of model parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

Most derivative contracts are valued using internally developed models which are calibrated to observable market data and employ standard market pricing theory for their valuations. An initial "risk-neutral" valuation is performed on each position assuming time-discounting based on a AA credit curve. Then, to arrive at a fair value that incorporates counterparty credit risk, a credit adjustment is made to these results by discounting each trade' s expected exposures to the counterparty using the counterparty' s credit spreads, as implied by the credit default swap market. We also adjust expected liabilities to the counterparty using BNY Mellon' s own credit spreads, as implied by the credit default swap market. Accordingly, the valuation of our derivative position is sensitive to the current changes in our own credit spreads as well as those of our counterparties.

In certain cases, recent prices may not be observable for instruments that trade in inactive or less active markets. Upon evaluating the uncertainty in valuing financial instruments subject to liquidity issues, we make an adjustment to their value. The determination of the liquidity adjustment includes the availability of external quotes, the time since the latest available quote and the price volatility of the instrument.

Certain parameters in some financial models are not directly observable and, therefore, are based on management' s estimates actively. We apply valuation adjustments to mitigate the possibility of error and revision in the model based estimate value. Examples include products where parameters such as correlation and recovery rates are unobservable.

The methods described above for instruments that trade in inactive or less active markets may produce a current fair value calculation that may not be indicative of net realizable value or reflective of future fair values. We believe our methods of determining fair value are appropriate and consistent with other market participants. However, the use of different methodologies or different assumptions to value certain financial instruments could result in a different estimate of fair value.

Valuation hierarchy

ASC 820 established a three-level valuation hierarchy for disclosure of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are described below.

Level 1: Inputs to the valuation methodology are recent quoted prices (unadjusted) for identical assets or liabilities in active markets. Level 1 assets and liabilities include debt and equity securities and derivative financial instruments actively traded on exchanges and U.S. Treasury securities and U.S. Government securities that are actively traded in highly liquid over-the-counter markets.

Level 2: Observable inputs other than Level 1 prices, for example, quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs that are observable or can be corroborated, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 assets and liabilities include debt instruments that are traded less frequently than exchange traded securities and derivative instruments whose model inputs are observable in the market or can be corroborated by market observable data. Examples in this category are certain variable and fixed rate agency and non-agency securities, corporate debt securities and derivative contracts.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Examples in this category include interests in certain securitized financial assets, certain private equity investments, and derivative contracts that are highly structured or long-dated.

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and judgments. These financial instruments are normally traded less

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A financial instrument' s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Securities

Where quoted prices are available in an active market, we classify the securities within Level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds, money market mutual funds and exchange-traded equities.

If quoted market prices are not available, we estimate fair values using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include certain agency and non-agency mortgage-backed securities, commercial mortgage-backed securities and European floating rate notes.

For securities where quotes from recent transactions are not available for identical securities, we determine fair value primarily based on pricing sources with reasonable levels of price transparency that employ financial models or obtain comparison to similar instruments to arrive at "consensus" prices.

Specifically, the pricing sources obtain recent transactions for similar types of securities (e.g., vintage, position in the securitization structure) and ascertain variables such as discount rate and speed of prepayment for the types of transaction and apply such variables to similar types of bonds. We view these as observable transactions in the current marketplace and classify such securities as Level 2. Pricing sources discontinue pricing any specific security whenever they determine there is insufficient observable data to provide a good faith opinion on price.

In addition, we have significant investments in more actively traded agency RMBS and other types of securities such as FDIC-insured debt and sovereign debt. The pricing sources derive the prices for these securities largely from quotes they obtain from three major inter-dealer brokers. The pricing sources receive

For securities with bond insurance, the financial strength of the insurance provider is analyzed and that information is included in the fair value assessment for such securities.

In certain cases where there is limited activity or less transparency around inputs to the valuation, we classify those securities in Level 3 of the valuation hierarchy. Securities classified within Level 3 primarily include other debt securities and securities of state and political subdivisions.

At Dec. 31, 2011, approximately 99% of our securities were valued by pricing sources with reasonable levels of price transparency. Less than 1% of our securities were priced based on economic models and non-binding dealer quotes, and are included in Level 3 of the ASC 820 hierarchy.

Consolidated collateralized loan obligations

BNY Mellon values assets in consolidated CLOs using observable market prices observed from the secondary loan market. The returns to the note holders are solely dependent on the assets and accordingly equal the value of those assets. Based on the structure of the CLOs, the valuation of the assets is attributable to the senior note holders. Changes in the values of assets and liabilities are reflected in the income statement as investment income and interest of investment management fund note holders, respectively.

Derivatives

We classify exchange-traded derivatives valued using quoted prices in Level 1 of the valuation hierarchy. Examples include exchanged-traded equity and foreign exchange options. Since few other classes of derivative contracts are listed on an exchange, most of our derivative positions are valued using internally developed models that use as their basis readily observable market parameters and we classify them in Level 2 of the valuation hierarchy. Such derivatives include basic swaps and options and credit default swaps.

Derivatives valued using models with significant unobservable market parameters in markets that lack two-way flow, are classified in Level 3 of the valuation hierarchy. Examples include long-dated interest rate or currency swaps and options, where parameters may be unobservable for longer maturities; and certain products, where correlation rates are unobservable. The fair value of these derivatives compose less than 1% of our derivative financial

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their daily observed trade price and other information feeds from the inter-dealer brokers.

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instruments. Additional disclosures of derivative instruments are provided in Note 25 of the Notes to Consolidated Financial Statements.

Loans and unfunded lending-related commitments

Where quoted market prices are not available, we generally base the fair value of loans and unfunded lending-related commitments on observable market prices of similar instruments, including bonds, credit derivatives and loans with similar characteristics. If observable market prices are not available, we base the fair value on estimated cash flows adjusted for credit risk which are discounted using an interest rate appropriate for the maturity of the applicable loans or the unfunded lending-related commitments.

Unrealized gains and losses on unfunded lending-related commitments carried at fair value are classified in Other assets and Other liabilities, respectively. Loans and unfunded lending-related commitments carried at fair value are generally classified within Level 2 of the valuation hierarchy.

Seed capital

In our Investment Management business we manage investment assets, including equities, fixed income, money market and alternative investment funds for institutions and other investors; as part of that activity we make seed capital investments in certain funds. Seed capital is included in other assets. When applicable, we value seed capital based on the published NAV of the fund. We include funds in which ownership interests in the fund are publicly traded in an active market and institutional funds in which investors trade in and out daily in Level 1 of the valuation hierarchy. We include open-end funds where investors are allowed to sell their ownership interest back to the fund less frequently than daily and where our interest in the fund contains no other rights or obligations in Level 2 of the valuation hierarchy. However, we generally include investments in funds that allow investors to sell their ownership interest back to the fund less frequently than monthly in Level 3, unless actual redemption prices are observable.

For other types of investments in funds, we consider all of the rights and obligations inherent in our ownership interest, including the reported NAV as well as other factors that affect the fair value of our interest in the fund. To the extent the NAV measurements reported for the investments are based on unobservable inputs or include other rights and obligations (e.g., obligation to meet cash calls), we generally classify them in Level 3 of the valuation hierarchy.

Certain interests in securitizations

For certain interests in securitizations which are classified in securities available-for-sale, trading assets and long-term debt, we use discounted cash flow models which generally include assumptions of projected finance charges related to the securitized assets, estimated net credit losses, prepayment assumptions and estimates of payments to third-party investors. When available, we compare our fair value estimates and assumptions to market activity and to the actual results of the securitized portfolio.

Private equity investments

Our Other segment includes holdings of nonpublic private equity investment through funds managed by third-party investment managers. We value private equity investments initially based upon the transaction price, which we subsequently adjust to reflect expected exit values as evidenced by financing and sale transactions with third parties or through ongoing reviews by the investment managers.

Private equity investments also include publicly held equity investments, generally obtained through the initial public offering of privately held equity investments. These equity investments are often held in a partnership structure. Publicly held investments are marked-to-market at the quoted public value less adjustments for regulatory or contractual sales restrictions or adjustments to reflect the difficulty in selling a partnership interest.

Discounts for restrictions are quantified by analyzing the length of the restriction period and the volatility of the equity security. Publicly held private equity investments are primarily classified in Level 2 of the valuation hierarchy.

The following tables present the financial instruments carried at fair value at Dec. 31, 2011 and 2010, by caption on the consolidated balance sheet and by ASC 820 valuation hierarchy (as described above). We have included credit ratings information in certain of the tables because the information indicates the degree of credit risk to which we are exposed, and significant changes in ratings classifications could result in increased risk for us. There were no material transfers between Level 1 and Level 2 during 2011.

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Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2011

(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Available-for-sale securities:					
U.S. Treasury	$17,326	$-	$ -	$ -	$ 17,326
U.S. Government agencies	-	958	-	-	958
Sovereign debt	44	11,910	-	-	11,954
State and political subdivisions *(b)*	-	2,694	45	-	2,739
Agency RMBS	-	26,796	-	-	26,796
Alt-A RMBS	-	273	-	-	273
Prime RMBS	-	815	-	-	815
Subprime RMBS	-	418	-	-	418
Other RMBS	-	903	-	-	903
Commercial MBS	-	3,339	-	-	3,339
Asset-backed CLOs	-	1,444	-	-	1,444
Other asset-backed securities	-	532	-	-	532
Equity securities	9	21	-	-	30
Money market funds *(b)*	973	-	-	-	973
Other debt securities	-	4,360	3	-	4,363
Foreign covered bonds	1,820	605	-	-	2,425
Alt-A RMBS *(c)*	-	1,879	-	-	1,879
Prime RMBS *(c)*	-	1,175	-	-	1,175
Subprime RMBS *(c)*	-	125	-	-	125
Total available-for-sale	20,172	58,247	48	-	78,467
Trading assets:					
Debt and equity instruments *(d)*	485	1,655	63	-	2,203
Derivative assets:					
Interest rate	164	26,434	54	N/A	
Foreign exchange	4,519	113	-	N/A	
Equity	91	284	43	N/A	
Other	-	3	-	N/A	
Total derivative assets	4,774	26,834	97	(26,047) *(g)*	5,658
Total trading assets	5,259	28,489	160	(26,047)	7,861
Loans	-	10	-	-	10
Other assets *(e)*	672	1,019	157	-	1,848
Subtotal assets of operations at fair value	**26,103**	**87,765**	**365**	**(26,047)**	**88,186**
Percentage of assets prior to netting	22.9 %	76.8 %	0.3 %		
Assets of consolidated investment management funds:					
Trading assets	323	10,428	-	-	10,751
Other assets	453	143	-	-	596
Total assets of consolidated investment management funds	776	10,571	-	-	11,347
Total assets	**$26,879**	**$98,336**	**$ 365**	**$ (26,047)**	**$ 99,533**
Percentage of assets prior to netting	21.4 %	78.3 %	0.3 %		
Trading liabilities:					
Debt and equity instruments	$418	$537	$ -	$ -	$ 955

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Derivative liabilities:					
Interest rate	-	27,201	239	N/A	
Foreign exchange	4,311	44	-	N/A	
Equity	55	200	75	N/A	
Total derivative liabilities	4,366	27,445	314	(25,009) *(g)*	7,116
Total trading liabilities	4,784	27,982	314	(25,009)	8,071
Long-term debt *(b)*	-	326	-	-	326
Other liabilities *(f)*	14	368	-	-	382
Subtotal liabilities at fair value	**4,798**	**28,676**	**314**	**(25,009)**	**8,779**
Percentage of liabilities prior to netting	14.2 %	84.9 %	0.9 %		
Liabilities of consolidated investment management funds:					
Trading liabilities	-	10,053	-	-	10,053
Other liabilities	2	30	-	-	32
Total liabilities of consolidated investment management funds	2	10,083	-	-	10,085
Total liabilities	**$4,800**	**$38,759**	**$ 314**	**$ (25,009)**	**$ 18,864**
Percentage of liabilities prior to netting	10.9 %	88.4 %	0.7 %		

(a) ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

(b) Includes certain interests in securitizations.

(c) Previously included in the Grantor Trust.

(d) Includes loans classified as trading assets and certain interests in securitizations.

(e) Includes private equity investments, seed capital, a brokerage account, and derivatives in designated hedging relationships.

(f) Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.

(g) Netting cannot be disaggregated by product.

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Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2010

(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Available-for-sale securities:					
U.S. Treasury	$12,609	$-	$ -	$ -	$ 12,609
U.S. Government agencies	-	1,005	-	-	1,005
Sovereign debt	27	8,522	-	-	8,549
State and political subdivisions *(b)*	-	498	10	-	508
Agency RMBS	-	19,727	-	-	19,727
Alt-A RMBS	-	470	-	-	470
Prime RMBS	-	1,227	-	-	1,227
Subprime RMBS	-	508	-	-	508
Other RMBS	-	1,331	-	-	1,331
Commercial MBS	-	2,639	-	-	2,639
Asset-backed CLOs	-	249	-	-	249
Other asset-backed securities	-	539	-	-	539
Equity securities	18	29	-	-	47
Money market funds *(b)*	2,538	-	-	-	2,538
Other debt securities	91	3,193	58	-	3,342
Foreign covered bonds	2,260	608	-	-	2,868
Alt-A RMBS *(c)*	-	2,513	-	-	2,513
Prime RMBS *(c)*	-	1,825	-	-	1,825
Subprime RMBS *(c)*	-	158	-	-	158
Total securities available-for-sale	17,543	45,041	68	-	62,652
Trading assets:					
Debt and equity instruments *(d)*	1,598	710	32	-	2,340
Derivative assets:					
Interest rate	272	15,260	119	N/A	
Foreign exchange	3,561	100	-	N/A	
Equity	79	370	-	N/A	
Other	1	1	-	N/A	
Total derivative assets	3,913	15,731	119	(15,827) *(g)*	3,936
Total trading assets	5,511	16,441	151	(15,827)	6,276
Loans	-	-	6	-	6
Other assets *(e)*	52	910	113	-	1,075
Subtotal assets of operations at fair value	**$23,106**	**$62,392**	**$ 338**	**$ (15,827)**	**$ 70,009**
Percentage of assets prior to netting	26.9 %	72.7 %	0.4 %		
Assets of consolidated investment management funds:					
Trading assets	279	13,842	-	-	14,121
Other assets	499	144	2	-	645
Total assets of consolidated investment management funds	778	13,986	2	-	14,766
Total assets	**$23,884**	**$76,378**	**$ 340**	**$ (15,827)**	**$ 84,775**
Percentage of assets prior to netting	23.8 %	75.9 %	0.3 %		
Trading liabilities:					

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Debt and equity instruments	$1,277	$443	$ 6	$ -	$ 1,726
Derivative liabilities:					
Interest rate	-	16,126	149	N/A	
Foreign exchange	3,648	59	-	N/A	
Equity	54	304	22	N/A	
Other	-	4	-	N/A	
Total derivative liabilities	3,702	16,493	171	(15,181) *(g)*	5,185
Total trading liabilities	4,979	16,936	177	(15,181)	6,911
Long-term debt *(b)*	-	269	-	-	269
Other liabilities *(f)*	115	473	2	-	590
Subtotal liabilities at fair value	**$5,094**	**$17,678**	**$ 179**	**$ (15,181)**	**$ 7,770**
Percentage of liabilities prior to netting	22.2 %	77.0 %	0.8 %		
Liabilities of consolidated investment management funds:					
Trading liabilities	-	13,561	-	-	13,561
Other liabilities	2	-	-	-	2
Total liabilities of consolidated investment management funds	2	13,561	-	-	13,563
Total liabilities	**$5,096**	**$31,239**	**$ 179**	**$ (15,181)**	**$ 21,333**
Percentage of liabilities prior to netting	14.0 %	85.5 %	0.5 %		

(a) ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

(b) Includes certain interests in securitizations.

(c) Previously included in the Grantor Trust.

(d) Includes loans classified as trading assets and certain interests in securitizations.

(e) Includes private equity investments, seed capital and derivatives in designated hedging relationships.

(f) Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.

(g) Netting cannot be disaggregated by product.

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Details of certain items measured at fair value on a recurring basis *(dollar amounts in millions)*	**Dec. 31, 2011**					Dec. 31, 2010				
		Ratings					Ratings			
	Total carrying value *(a)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	Total carrying value *(a)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower
Alt-A RMBS, originated in:										
2006-2007	**$ 99**	**- %**	**- %**	**- %**	**100 %**	$ 187	- %	- %	- %	100 %
2005	**113**	**-**	**-**	**-**	**100**	209	-	-	-	100
2004 and earlier	**61**	**27**	**13**	**47**	**13**	74	70	25	5	-
Total Alt-A RMBS	**$ 273**	**6 %**	**3 %**	**11 %**	**80 %**	$ 470	11 %	4 %	1 %	84 %
Prime RMBS, originated in:										
2007	**$ 121**	**38 %**	**4 %**	**- %**	**58 %**	$ 254	50 %	28 %	7 %	15 %
2006	**75**	**-**	**-**	**-**	**100**	166	-	39	-	61
2005	**230**	**32**	**-**	**-**	**68**	310	39	-	14	47
2004 and earlier	**389**	**29**	**38**	**11**	**22**	497	79	12	6	3
Total prime RMBS	**$ 815**	**28 %**	**19 %**	**5 %**	**48 %**	$ 1,227	52 %	16 %	8 %	24 %
Subprime RMBS, originated in:										
2007	**$ 2**	**- %**	**2 %**	**98 %**	**- %**	$ 5	- %	8 %	92 %	- %
2005	**82**	**23**	**12**	**29**	**36**	97	25	12	12	51
2004 and earlier	**334**	**5**	**15**	**18**	**62**	406	74	13	5	8
Total subprime RMBS	**$ 418**	**8 %**	**14 %**	**21 %**	**57 %**	$ 508	64 %	13 %	7 %	16 %
Commercial MBS−Domestic, originated in:										
2009-2011	**$ 200**	**100 %**	**- %**	**- %**	**- %**	$ -	- %	- %	- %	- %
2008	**25**	**16**	**84**	**-**	**-**	-	-	-	-	-
2007	**789**	**66**	**26**	**8**	**-**	685	83	8	9	-
2006	**892**	**85**	**15**	**-**	**-**	582	90	10	-	-
2005	**696**	**94**	**6**	**-**	**-**	489	100	-	-	-
2004 and earlier	**403**	**97**	**2**	**1**	**-**	528	100	-	-	-
Total commercial MBS−Domestic	**$ 3,005**	**84 %**	**14 %**	**2 %**	**- %**	$ 2,284	92 %	5 %	3 %	- %
Foreign covered bonds:										
Germany	**$ 1,461**	**99 %**	**1 %**	**- %**	**- %**	$ 2,260	99 %	1 %	- %	- %
Canada	**795**	**100**	**-**	**-**	**-**	608	100	-	-	-
Other	**169**	**100**	**-**	**-**	**-**	-	-	-	-	-
Total foreign covered bonds	**$ 2,425**	**100 %**	**- %**	**- %**	**- %**	$ 2,868	100 %	- %	- %	- %
European floating rate notes−available-for-sale:										
United Kingdom	**$ 686**	**72 %**	**28 %**	**- %**	**- %**	$ 838	99 %	1 %	- %	- %
Ireland	**203**	**-**	**50**	**47**	**3**	299	92	8	-	-
Italy	**150**	**100**	**-**	**-**	**-**	218	100	-	-	-
Luxembourg	**140**	**-**	**100**	**-**	**-**	143	-	100	-	-
Australia	**101**	**91**	**9**	**-**	**-**	136	100	-	-	-
Germany	**93**	**21**	**6**	**73**	**-**	113	31	69	-	-
Netherlands	**47**	**35**	**65**	**-**	**-**	150	78	22	-	-
France	**9**	**100**	**-**	**-**	**-**	10	100	-	-	-

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Total European floating rate notes–available-for-sale	**$ 1,429**	**55 %**	**34 %**	**11 %**	**- %**	$ 1,907	85 %	15 %	- %	- %
Sovereign debt:										
United Kingdom	**$ 4,526**	**100 %**	**- %**	**- %**	**- %**	$ 3,214	100 %	- %	- %	- %
France	**2,790**	**100**	**-**	**-**	**-**	1,845	100	-	-	-
Germany	**2,347**	**100**	**-**	**-**	**-**	3,065	100	-	-	-
Netherlands	**2,230**	**100**	**-**	**-**	**-**	396	100	-	-	-
Other	**61**	**97**	**3**	**-**	**-**	29	93	6	-	1
Total sovereign debt	**$ 11,954**	**100 %**	**- %**	**- %**	**- %**	$ 8,549	100 %	- %	- %	- %
Alt-A RMBS *(b)*, originated in:										
2007	**$ 554**	**- %**	**- %**	**- %**	**100 %**	$ 792	- %	- %	- %	100 %
2006	**488**	**-**	**-**	**-**	**100**	660	-	-	-	100
2005	**628**	**5**	**-**	**1**	**94**	820	2	-	4	94
2004 and earlier	**209**	**-**	**4**	**27**	**69**	241	22	46	19	13
Total Alt-A RMBS *(b)*	**$ 1,879**	**2 %**	**- %**	**3 %**	**95 %**	$ 2,513	3 %	4 %	3 %	90 %
Prime RMBS *(b)*, originated in:										
2007	**$ 370**	**- %**	**- %**	**- %**	**100 %**	$ 679	- %	- %	- %	100 %
2006	**308**	**-**	**-**	**-**	**100**	431	-	-	-	100
2005	**465**	**-**	**4**	**-**	**96**	672	2	5	1	92
2004 and earlier	**32**	**9**	**-**	**22**	**69**	43	49	47	-	4
Total prime RMBS *(b)*	**$ 1,175**	**- %**	**2 %**	**1 %**	**97 %**	$ 1,825	2 %	3 %	- %	95 %
Subprime RMBS *(b)*, originated in:										
2007	**$ 3**	**- %**	**- %**	**- %**	**100 %**	$ 15	- %	- %	- %	100 %
2006	**74**	**-**	**-**	**-**	**100**	89	-	-	-	100
2005	**11**	**-**	**-**	**-**	**100**	13	-	-	-	100
2004 and earlier	**37**	**5**	**34**	**-**	**61**	41	53	-	-	47
Total subprime RMBS *(b)*	**$ 125**	**2 %**	**10 %**	**- %**	**88 %**	$ 158	14 %	- %	- %	86 %

(a) At Dec. 31, 2011 and Dec. 31, 2010, the German foreign covered bonds were considered Level 1 in the valuation hierarchy. All other assets in the table above are primarily Level 2 assets in the valuation hierarchy.

(b) Previously included in the Grantor Trust.

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Changes in Level 3 fair value measurements

The tables below include a roll forward of the balance sheet amounts for the years ended Dec. 31, 2011 and 2010 (including the change in fair value), for financial instruments classified in Level 3 of the valuation hierarchy.

Our classification of a financial instrument in Level 3 of the valuation hierarchy is based on the significance of the unobservable factors to the overall fair value measurement. However, these instruments generally include other observable components that are actively quoted or validated to third-party sources; accordingly, the gains and losses in the table below include changes in fair value due to observable parameters as well as the unobservable parameters in our valuation methodologies. We also frequently manage the risks of Level 3 financial instruments using securities and derivatives positions that are Level 1 or 2 instruments which are not included in the table; accordingly, the gains or losses below do not reflect the effect of our risk management activities related to the Level 3 instruments.

Fair value measurements for assets using significant unobservable inputs for the year ended Dec. 31, 2011

	Available-for-sale securities		Trading assets				
(in millions)	State and political subdivisions	Other debt securities	Debt and equity instruments	Derivative assets	Loans	Other assets	Total assets
Fair value at Dec. 31, 2010	$ 10	$ 58	$ 32	$ 119	$ 6	$113	$338
Transfers into Level 3	35	-	25	48	-	49	157
Transfers out of Level 3	-	(55)	-	(84)	(2)	(3)	(144)
Total gains or (losses):							
Included in earnings (or changes in net assets)	- *(a)*	- *(a)*	6 *(b)*	15 *(b)*	-	9 *(c)*	30
Purchases, issuances, sales and settlements:							
Purchases	-	-	-	-	-	4	4
Issuances	-	-	-	-	1	-	1
Sales	-	-	-	-	-	(15)	(15)
Settlements	-	-	-	(1)	(5)	-	(6)
Fair value at Dec. 31, 2011	**$ 45**	**$ 3**	**$ 63**	**$ 97**	**$ -**	**$157**	**$365**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses			$ 4	$ 15	$ -	$-	$19

(a) *Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive income (loss) except for the credit portion of OTTI losses which are recorded in securities gains (losses).*

(b) *Reported in foreign exchange and other trading revenue.*

(c) *Reported in investment income.*

Fair value measurements for liabilities using significant unobservable inputs for the year ended Dec. 31, 2011

Trading liabilities

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(in millions)	Debt and equity instruments	Derivative liabilities	Other liabilities	Total liabilities
Fair value at Dec. 31, 2010	$ 6	$ 171	$ 2	$ 179
Transfers into Level 3	-	77	-	77
Transfers out of Level 3	-	(9)	-	(9)
Total (gains) or losses:				
Included in earnings (or changes in net liabilities)	-	88 *(a)*	(2) *(b)*	86
Purchases, issuances, sales and settlements:				
Settlements	(6)	(13)	-	(19)
Fair value at Dec. 31, 2011	**$ -**	**$ 314**	**$ -**	**$ 314**
The amount of total (gains) or losses included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ -	$ 142	$ -	$ 142

(a) Reported in foreign exchange and other trading revenue.

(b) Reported in other revenue.

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Fair value measurements for assets using significant unobservable inputs for the year ended Dec. 31, 2010

(in millions)	Fair value Dec. 31, 2009	Total realized/unrealized gains/(losses) recorded in: Income		Total realized/unrealized gains/(losses) recorded in: Comprehensive income		Purchases, issuances and settlements, net	Transfers in/(out) of Level 3		Fair value Dec. 31, 2010	Change in unrealized gains and (losses) related to instruments held at Dec. 31, 2010
Available-for-sale securities:										
Asset-backed CLOs	$ 6	$ -		$ -		$ -	$ (6)		$ -	$ -
State and political subdivisions	-	1		-		-	9		10	1
Other debt securities	50	2		-		8	(2)		58	2
Total available-for-sale	56	3	*(a)*	-	*(a)*	8	1		68	3
Trading assets:										
Debt and equity instruments	170	(1)	*(b)*	-		3	(140)		32	-
Derivative assets:										
Interest rate	121	(19)		-		2	15		119	28
Equity	25	(25)		-		-	-		-	-
Total derivative assets	146	(44)	*(b)*	-		2	15		119	28
Total trading assets	316	(45)		-		5	(125)		151	28
Loans	25	2		-		(18)	(3)		6	-
Other assets	164	13	*(c)*	-		(4)	(60)		113	-
Total assets	$ 561	$ (27)		$ -		$ (9)	$ (187)	*(d)*	$ 338	$ 31

(a) Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive loss except for other than temporary impairment losses which are recorded in securities gains (losses).

(b) Reported in foreign exchange and other trading revenue.

(c) Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

(d) Primarily relates to investments consolidated in accordance with ASC 810.

Fair value measurements for liabilities using significant unobservable inputs for the year ended Dec. 31, 2010

(in millions)	Fair value Dec. 31, 2009	Total realized/unrealized (gains)/losses recorded in: Income	Total realized/unrealized (gains)/losses recorded in: Comprehensive income	Purchases, issuances and settlements, net	Transfers in/(out) of Level 3	Fair value Dec. 31, 2010	Change in unrealized (gains) and losses related to instruments held at Dec. 31, 2010
Trading liabilities:							

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Debt and equity instruments	$ -	$ -	$ -	$ 6	$ -	$ 6	$ -
Derivative liabilities:							
Interest rate	54	88	-	9	(2)	149	122
Equity	38	(31)	-	15	-	22	-
Total derivative liabilities	92	57 *(a)*	-	24	(2)	171	122
Total trading liabilities	92	57	-	30	(2)	177	122
Other liabilities	3	(1) *(b)*	-	-	-	2	-
Total liabilities	$ 95	$ 56	$ -	$ 30	$ (2)	$ 179	$ 122

(a) Reported in foreign exchange and other trading revenue.

(b) Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

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Assets and liabilities measured at fair value on a nonrecurring basis

Under certain circumstances, we make adjustments to fair value our assets, liabilities and unfunded lending-related commitments although they are not measured at fair value on an ongoing basis. An example would be the recording of an impairment of an asset.

The following table presents the financial instruments carried on the consolidated balance sheet by caption and by level in the fair value hierarchy as of Dec. 31, 2011 and 2010, for which a nonrecurring change in fair value has been recorded during the years ended Dec. 31, 2011 and 2010.

Assets measured at fair value on a nonrecurring basis at Dec. 31, 2011 *(in millions)*	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	$ -	$ 178	$ 43	$ 221
Other assets *(b)*	-	126	-	126
Total assets at fair value on a nonrecurring basis	**$ -**	**$ 304**	**$ 43**	**$ 347**

Assets measured at fair value on a nonrecurring basis at Dec. 31, 2010 *(in millions)*	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	$ -	$ 188	$ 53	$ 241
Other assets *(b)*	-	6	-	6
Total assets at fair value on a nonrecurring basis	$ -	$ 194	$ 53	$ 247

(a) During the years ended Dec. 31, 2011 and 2010, the fair value of these loans was reduced $32 million and $15 million, based on the fair value of the underlying collateral as allowed by ASC 310, Accounting by Creditors for Impairment of a loan, with an offset to the allowance for credit losses.

(b) Includes other assets received in satisfaction of debt and loans held for sale. Loans held for sale are carried on the balance sheet at the lower of cost or market value.

Note 23–Fair value option

ASC 825 provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments and written loan commitments.

The following table presents the assets and liabilities, by type, of consolidated investment management funds recorded at fair value.

Assets and liabilities of consolidated investment management funds, at fair value *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Assets of consolidated investment management funds:		
Trading assets	**$10,751**	$14,121
Other assets	**596**	645
Total assets of consolidated investment management funds	**$11,347**	$14,766
Liabilities of consolidated investment management funds:		
Trading liabilities	**$10,053**	$13,561
Other liabilities	**32**	2

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Total liabilities of consolidated investment management funds	**$10,085**	$13,563
Non-redeemable noncontrolling interests of consolidated investment management funds	**$670**	$699

BNY Mellon values assets in consolidated CLOs using observable market prices observed from the secondary loan market. The returns to the note holders are solely dependent on the assets and accordingly equal the value of those assets. Accordingly, mark-to-market best reflects the limited interest BNY

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Mellon has in the economic performance of the consolidated CLOs. Changes in the values of assets and liabilities are reflected in the income statement as investment income of consolidated investment management funds.

We have elected the fair value option on $240 million of long-term debt in connection with ASC 810. At Dec. 31, 2011, the fair value of this long-term debt was $326 million. The long-term debt is valued using observable market inputs and is included in Level 2 of the ASC 820 hierarchy.

The following table presents the changes in fair value of the long-term debt included in foreign exchange and other trading revenue in the consolidated income statement.

Foreign exchange and other trading revenue	**Year ended Dec. 31,**	
(in millions)	**2011**	2010
Long-term debt *(a)*	**$ (57)**	$ (29)

(a) *The change in fair value of the long-term debt is approximately offset by an economic hedge included in trading.*

We have elected the fair value option on $120 million of unfunded lending-related commitments. The fair market value of unfunded lending-related commitments for which the fair value option was elected was a liability of less than $1 million at Dec. 31, 2011 and Dec. 31, 2010 and is included in other liabilities. Unfunded lending-related commitments are valued using quotes from dealers in the loan markets, and are included in Level 3 of the ASC 820 hierarchy.

Note 24–Commitments and contingent liabilities

In the normal course of business, various commitments and contingent liabilities are outstanding which are not reflected in the accompanying consolidated balance sheets.

Our significant trading and off-balance sheet risks are securities, foreign currency and interest rate risk management products, commercial lending commitments, letters of credit, securities lending indemnifications and support agreements. We assume these risks to reduce interest rate and foreign currency risks, to provide customers with the ability to meet credit and liquidity needs and to hedge foreign currency and interest rate risks. These items involve, to varying degrees, credit, foreign exchange, and interest rate risk not recognized in the balance sheet. Our off-balance sheet risks are managed and monitored in manners similar to those used for on-balance sheet risks. Significant industry concentrations related to credit exposure at Dec. 31, 2011 are disclosed in the Financial institutions portfolio exposure table and the Commercial portfolio exposure table below.

Financial institutions portfolio exposure	**Dec. 31, 2011**		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**
Banks	**$6.3**	**$ 1.9**	**$ 8.2**
Securities industry	**3.8**	**2.6**	**6.4**
Insurance	**0.1**	**4.6**	**4.7**
Asset managers	**0.8**	**3.2**	**4.0**
Government	**-**	**1.6**	**1.6**
Other	**0.1**	**1.6**	**1.7**
Total	**$11.1**	**$ 15.5**	**$ 26.6**

Commercial portfolio exposure	**Dec. 31, 2011**		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**
Manufacturing	**$ 0.3**	**$ 5.7**	**$ 6.0**
Energy and utilities	**0.3**	**4.8**	**5.1**
Services and other	**0.5**	**4.5**	**5.0**
Media and telecom	**0.2**	**1.3**	**1.5**
Total	**$ 1.3**	**$ 16.3**	**$ 17.6**

Major concentrations in securities lending are primarily to broker-dealers and are generally collateralized with cash. Securities lending transactions are discussed below.

The following table presents a summary of our off-balance sheet credit risks, net of participations.

Off-balance sheet credit risks	**Dec. 31,**	
(in millions)	**2011**	2010
Lending commitments *(a)*	**$28,406**	$29,100
Standby letters of credit *(b)*	**6,707**	8,483
Commercial letters of credit	**437**	512
Securities lending indemnifications	**268,812**	278,069
Support agreements	**63**	116

(a) *Net of participations totaling $326 million at Dec. 31, 2011 and $423 million at Dec. 31, 2010.*

(b) *Net of participations totaling $1.2 billion at Dec. 31, 2011 and $1.7 billion at Dec. 31, 2010 .*

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Included in lending commitments are facilities that provide liquidity for variable rate tax-exempt securities wrapped by monoline insurers. The credit approval for these facilities is based on an assessment of the underlying tax-exempt issuer and considers factors other than the financial strength of the monoline insurer.

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The total potential loss on undrawn lending commitments, standby and commercial letters of credit, and securities lending indemnifications is equal to the total notional amount if drawn upon, which does not consider the value of any collateral.

Since many of the commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements. A summary of lending commitment maturities is as follows: $9.9 billion less than one year, $18.3 billion in one to five years and $0.2 billion over five years.

Standby letters of credit ("SBLC") principally support corporate obligations. As shown in the off-balance sheet credit risks table, the maximum potential exposure of SBLCs was $6.7 billion at Dec. 31, 2011 and $8.5 billion at Dec. 31, 2010, and includes $485 million and $628 million that were collateralized with cash and securities at Dec. 31, 2011 and 2010, respectively. At Dec. 31, 2011, $2.2 billion of the SBLCs will expire within one year, $4.3 billion in one to five years and $0.2 billion over five years.

We must recognize, at the inception of standby letters of credit and foreign and other guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. As required by ASC 460 - *Guarantees*, the fair value of the liability, which was recorded with a corresponding asset in other assets, was estimated as the present value of contractual customer fees.

The estimated liability for losses related to these commitments and SBLCs, if any, is included in the allowance for lending-related commitments. The allowance for lending-related commitments was $103 million at Dec. 31, 2011 and $73 million at Dec. 31, 2010.

Payment/performance risk of SBLCs is monitored using both historical performance and internal ratings criteria. BNY Mellon' s historical experience is that SBLCs typically expire without being funded. SBLCs below investment grade are monitored closely for payment/performance risk. The table below shows SBLCs by investment grade:

Standby letters of credit	**Dec. 31,**	
	2011	2010
Investment grade	**91 %**	89 %
Noninvestment grade	**9 %**	11 %

A commercial letter of credit is normally a short-term instrument used to finance a commercial contract for the shipment of goods from a seller to a buyer. Although the commercial letter of credit is contingent upon the satisfaction of specified conditions, it represents a credit exposure if the buyer defaults on the underlying transaction. As a result, the total contractual amounts do not necessarily represent future cash requirements. Commercial letters of credit totaled $437 million at Dec. 31, 2011 compared with $512 million at Dec. 31, 2010.

A securities lending transaction is a fully collateralized transaction in which the owner of a security agrees to lend the security (typically through an agent, in our case, The Bank of New York Mellon), to a borrower, usually a broker-dealer or bank, on an open, overnight or term basis, under the terms of a prearranged contract, which normally matures in less than 90 days.

We typically lend securities with indemnification against borrower default. We generally require the borrower to provide cash collateral with a value of 102% of the fair value of the securities borrowed, which is monitored on a daily basis, thus reducing credit risk. Market risk can also arise in securities lending transactions. These risks are controlled through policies limiting the level of risk that can be undertaken. Securities lending transactions are generally entered into only with highly rated counterparties. Securities lending indemnifications were secured by collateral of $276 billion at Dec. 31, 2011 and $285 billion at Dec. 31, 2010. We recorded $183 million of fee revenue from securities lending transactions in 2011 compared with $150 million in 2010.

We expect many of these guarantees to expire without the need to advance any cash. The revenue associated with guarantees frequently depends on the credit rating of the obligor and the structure of the transaction, including collateral, if any.

At Dec. 31, 2011, our potential maximum exposure to support agreements was $63 million, after deducting the reserve, assuming the securities subject to these agreements being valued at zero and the NAV of the related funds declining below established thresholds. This compares with $116 million at Dec. 31, 2010.

Trust activities

As a result of the GIS acquisition, at Dec. 31, 2011, our clients maintained approximately $400 million of

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custody cash on deposit with other institutions. Revenue generated from these balances is included in other revenue on the income statement. These deposits are expected to transition to BNY Mellon by mid-2012.

Operating leases

Net rent expense for premises and equipment was $350 million in 2011, $314 million in 2010 and $327 million in 2009.

At Dec. 31, 2011, we were obligated under various noncancelable lease agreements, some of which provide for additional rents based upon real estate taxes, insurance and maintenance and for various renewal options. A summary of the future minimum rental commitments under noncancelable operating leases, net of related sublease revenue, is as follows: 2012−$318 million; 2013−$306 million; 2014−$249 million; and 2015−$205 million; 2016−$189 million; and 2017 through 2031−$798 million.

Indemnification Arrangements under Ordinary Course Contracts

We have provided standard representations for underwriting agreements, acquisition and divestiture agreements, sales of loans and commitments, and other similar types of arrangements and customary indemnification for claims and legal proceedings related to providing financial services that are not otherwise included above. Insurance has been purchased to mitigate certain of these risks. Generally, there are no stated or notional amounts included in these indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. Furthermore often counterparties to these transactions provide us with comparable indemnifications. We are unable to develop an estimate of the maximum payout under these indemnifications for several reasons. In addition to the lack of a stated or notional amount in a majority of such indemnifications, we are unable to predict the nature of events that would trigger indemnification or the level of indemnification for a certain event. We believe, however, that the possibility that we will have to make any material payments for these indemnifications is remote. At Dec. 31, 2011 and Dec. 31, 2010, we have not recorded any material liabilities under these arrangements.

Clearing and Settlement Exchanges

We are a minority equity investor in, and member of, several industry clearing or settlement exchanges through which foreign exchange, securities, or other transactions settle. Certain of these industry clearing or settlement exchanges require their members to guarantee their obligations and liabilities or to provide financial support in the event other members do not honor their obligations. We believe the likelihood that a clearing or settlement exchange (of which we are a member) would become insolvent is remote. Additionally, certain settlement exchanges have implemented loss allocation policies which enable the exchange to allocate settlement losses to the members of the exchange. It is not possible to quantify such mark-to-market loss until the loss occurs. In addition, any ancillary costs that occur as a result of any mark-to-market loss cannot be quantified. At Dec. 31, 2011 and Dec. 31, 2010, we have not recorded any material liabilities under these arrangements.

Legal proceedings

In the ordinary course of business, BNY Mellon and its subsidiaries are routinely named as defendants in or made parties to pending and potential legal actions and regulatory matters. Claims for significant monetary damages are often asserted in many of these legal actions, while claims for disgorgement, penalties and/or other remedial sanctions may be sought in regulatory matters. It is inherently difficult to predict the eventual outcomes of such matters given their complexity and the particular facts and circumstances at issue in each of these matters. However, on the basis of our current knowledge and understanding, we do not believe that judgments or settlements, if any, arising from these matters (either individually or in the aggregate, after giving effect to applicable reserves and insurance coverage), will have a material adverse effect on the consolidated financial position or liquidity of BNY Mellon, although they could have a material effect on net income in a given period.

In view of the inherent unpredictability of outcomes in litigation and regulatory matters, particularly where (i) the damages sought are substantial or indeterminate, (ii) the proceedings are in the early stages, or (iii) the matters involve novel legal theories or a large number of parties, as a matter of course there is considerable uncertainty surrounding the timing or ultimate resolution of litigation and regulatory matters, including a possible eventual loss, fine, penalty or business impact, if any, associated with each such matter. In accordance with applicable accounting guidance, BNY Mellon establishes reserves for litigation and regulatory matters when those matters proceed to a

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stage where they present loss contingencies that are both probable and

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reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. BNY Mellon will continue to monitor such matters for developments that could affect the amount of the reserve, and will adjust the reserve amount as appropriate. If the loss contingency in question is not both probable and reasonably estimable, BNY Mellon does not establish a reserve and the matter will continue to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. BNY Mellon believes that its accruals for legal proceedings are appropriate and, in the aggregate, are not material to the consolidated financial position of BNY Mellon, although future accruals could have a material effect on net income in a given period.

For certain of those matters described herein for which a loss contingency may, in the future, be reasonably possible (whether in excess of a related accrued liability or where there is no accrued liability), BNY Mellon is currently unable to estimate a range of reasonably possible loss. For those matters where BNY Mellon is able to estimate a reasonably possible loss, exclusive of matters described in Note 13 of the Notes to Consolidated Financial Statements, subject to the accounting and reporting requirements of ASC 740 (FASB Interpretation 48), the aggregate range of such reasonably possible loss is up to $1.05 billion in excess of the accrued liability (if any) related to those matters.

The following describes certain judicial, regulatory and arbitration proceedings involving BNY Mellon:

Sentinel Matters

As previously disclosed, on Jan. 18, 2008, The Bank of New York Mellon filed a proof of claim in the Chapter 11 bankruptcy proceeding of Sentinel Management Group, Inc. (“Sentinel”) pending in federal court in the Northern District of Illinois, seeking to recover approximately $312 million loaned to Sentinel and secured by securities and cash in an account maintained by Sentinel at The Bank of New York Mellon. On March 3, 2008, the bankruptcy trustee filed an adversary complaint against The Bank of New York Mellon seeking to disallow The Bank of New York Mellon’ s claim and seeking damages for allegedly aiding and abetting Sentinel insiders in misappropriating customer assets and improperly using those assets as collateral for the loan. In a decision dated Nov. 3, 2010, the court found for The Bank of New York Mellon and against the bankruptcy trustee, holding that The Bank of New York Mellon’ s loan to Sentinel is valid, fully secured and not subject to equitable subordination. The bankruptcy trustee appealed this decision on Dec. 1, 2010.

As previously disclosed, in November 2009, the Division of Enforcement of the U.S. Commodities Futures Trading Commission (“CFTC”) indicated that it is considering a recommendation to the CFTC that it file a civil enforcement action against The Bank of New York Mellon for possible violations of the Commodity Exchange Act and CFTC regulations in connection with its relationship to Sentinel. The Bank of New York Mellon responded in writing to the CFTC on Jan. 29, 2010 and provided an explanation as to why an enforcement action is unwarranted.

Auction Rate Securities Matters

As previously disclosed, in April 2008, BNY Mellon notified the SEC that Mellon Financial Markets LLC (“MFM”) placed orders on behalf of certain issuers to purchase their own Auction Rate Securities (“ARS”). In approximately October 2008, the Texas State Securities Board, Florida Office of Financial Regulation and the New York State Attorney General (the “regulators”) began an investigation focused on whether and to what extent the issuers’ orders had the effect of reducing the clearing rate and preventing failed auctions. MFM reached a settlement with the regulators in December 2011 pursuant to which the regulators discontinued the investigation.

As previously disclosed, in February and April 2009, two institutional customers filed lawsuits in Texas state District Court for Dallas County, and California state Superior Court for Orange County, alleging misrepresentations and omissions in the sale of ARS. Two more institutional customers filed arbitration proceedings in December 2008 and May 2011. The Texas lawsuit was resolved and dismissed on April 8, 2011. The earlier-filed arbitration proceeding was dismissed on Aug. 1, 2011. The remaining disputes together seek rescission or damages relating to approximately $67 million of ARS, plus interest and attorneys’ fees.

Securities Lending Matters

As previously disclosed, BNY Mellon or its affiliates have been named as defendants in a number of lawsuits initiated by participants in BNY Mellon’ s securities lending program, which is a part of BNY Mellon’ s Investment Services business. The lawsuits were filed on various dates from December 2008 to 2011, and are currently pending in courts in Oklahoma, New York, Washington, California and South Carolina and in

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commercial court in London. The complaints assert contractual, statutory, and

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common law claims, including claims for negligence and breach of fiduciary duty. The plaintiffs allege losses in connection with the investment of securities lending collateral, including losses related to investments in Sigma Finance Inc., Lehman Brothers Holdings, Inc. and certain asset-backed securities, and seek damages as to those losses. Three of the pending cases seek to proceed as class actions.

Matters Relating To Bernard L. Madoff

As previously disclosed, on May 11, 2010, the New York State Attorney General commenced a civil lawsuit against Ivy Asset Management LLC ("Ivy"), a subsidiary of BNY Mellon that manages primarily funds-of-hedge-funds, and two of its former officers in New York state court. The lawsuit alleges that Ivy, in connection with its role as sub-advisor to investment managers whose clients invested with Madoff, did not disclose certain material facts about Madoff. The complaint seeks an accounting of compensation received from January 1997 to the present by the Ivy defendants in connection with the Madoff investments, and unspecified damages, including restitution, disgorgement, costs and attorneys' fees.

As previously disclosed, on Oct. 21, 2010, the U.S. Department of Labor commenced a civil lawsuit against Ivy, two of its former officers, and others in federal court in the Southern District of New York. The lawsuit alleges that Ivy violated the Employee Retirement Income Security Act ("ERISA") by failing to disclose certain material facts about Madoff to investment managers subadvised by Ivy whose clients included employee benefit plan investors. The complaint seeks disgorgement and damages. On Dec. 8, 2010, the Trustee overseeing the Madoff liquidation sued many of the same defendants in bankruptcy court in New York, seeking to avoid withdrawals from Madoff investments made by various funds-of-funds (including six funds-of-funds managed by Ivy).

As previously disclosed, Ivy or its affiliates have been named in a number of civil lawsuits filed beginning Jan. 27, 2009 relating to certain investment funds that allege losses due to the Madoff investments. Ivy acted as a sub-advisor to the investment managers of some of those funds. Plaintiffs assert various causes of action including securities and common-law fraud. Certain of the cases seek to proceed as class actions and/or to assert derivative claims on behalf of the funds. Most of the cases have been consolidated in two actions in federal court in the Southern District of New York, with certain cases filed in New York State Supreme Court for New York and Nassau counties.

Medical Capital Litigations

As previously disclosed, The Bank of New York Mellon has been named as a defendant in a number of class actions and non-class actions brought by numerous plaintiffs in connection with its role as indenture trustee for debt issued by affiliates of Medical Capital Corporation. The actions, filed in late 2009 and currently pending in federal court in the Central District of California, allege that The Bank of New York Mellon breached its fiduciary and contractual obligations to the holders of the underlying securities, and seek unspecified damages.

Foreign Exchange Matters

As previously disclosed, beginning in December 2009, government authorities have been conducting inquiries seeking information relating primarily to standing instruction foreign exchange transactions in connection with custody services BNY Mellon provides to public pension plans and certain other custody clients. BNY Mellon is cooperating with these inquiries.

In addition, in early 2011, as previously disclosed, the Virginia Attorney General's Office and the Florida Attorney General's Office each filed a Notice of Intervention in a *qui tam* lawsuit pending in its jurisdiction. These offices filed complaints superseding the *qui tam* lawsuits on Aug. 11, 2011. On Oct. 4, 2011, the New York Attorney General's Office, the New York City Comptroller and various city pension and benefit funds filed a lawsuit whereby, among other things, the plaintiffs assert claims under the Martin Act and state and city false claims acts. Also, on Oct. 4, 2011, the United States Department of Justice ("DOJ") filed a civil lawsuit seeking civil penalties under 12 U.S.C. Section 1833a and injunctive relief under 18 U.S.C. Section 1345 based on alleged ongoing violations of 18 U.S.C. Sections 1341 and 1343 (mail and wire fraud). On Jan. 17, 2012, the court approved a partial settlement resolving the DOJ's claim for injunctive relief. In October 2011, several political subdivisions of the state of California intervened in a *qui tam* lawsuit pending in California state court, previously under seal, and, on Nov. 28, 2011, BNY Mellon removed the lawsuit to federal district court in California. On Oct. 26, 2011, the Massachusetts Securities Division filed an Administrative Complaint against BNY Mellon.

BNY Mellon has also been named as a defendant in several putative class action lawsuits filed on various dates in 2011 in federal district courts in Pennsylvania, California, and New York. The

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complaints, which assert varying claims, including breach of contract, and violations of ERISA, state and federal law, all allege that the prices BNY Mellon charged and reported for standing instruction foreign exchange transactions executed in connection with custody services provided by BNY Mellon were improper. In addition, BNY Mellon has been named as a nominal defendant in several derivative lawsuits filed on various dates in 2011 and 2012 in New York state court and federal district court in New York.

German Broker-Dealer Litigation
As previously disclosed, on various dates from 2004 to 2011, BNY Mellon subsidiary Pershing LLC ("Pershing") was named as a defendant in more than 100 lawsuits filed in Germany by plaintiffs who are investors with accounts at German broker-dealers. The plaintiffs allege that Pershing, which had a contractual relationship with the broker-dealers through which the broker-dealers executed options transactions on behalf of the broker-dealers' clients, should be held liable for the tortious acts of the broker-dealers. Plaintiffs seek to recover their investment losses, interest, and statutory attorney's fees and costs. On March 9, 2010, the 11th Senate of the German Federal Supreme Court ruled in the plaintiff's favor in one of these cases, and held Pershing liable for a German broker-dealer's tortious acts. In subsequent cases, the Supreme Court continued to rule in the plaintiffs' favor. In December 2011, Pershing settled the majority of the cases.

Lyondell Litigation
As previously disclosed, in an action filed in New York State Supreme Court for New York County, on Sept. 14, 2010, plaintiffs as holders of debt issued by Basell AF in 2005 allege that The Bank of New York Mellon, as indenture trustee, breached its contractual and fiduciary obligations by executing an intercreditor agreement in 2007 in connection with Basell's acquisition of Lyondell Chemical Company. Plaintiffs are seeking damages for their alleged losses resulting from the execution of the 2007 intercreditor agreement that allowed the company to increase the amount of its senior debt.

Tax Litigation
As previously disclosed, on Aug. 17, 2009, BNY Mellon received a Statutory Notice of Deficiency disallowing tax benefits for the 2001 and 2002 tax years in connection with a 2001 transaction that involved the payment of U.K. corporate income taxes that were credited against BNY Mellon's U.S. contesting the disallowance of the benefits. A trial is currently scheduled for April 16, 2012. The aggregate tax benefit for all six years in question is approximately $900 million, including interest. In the event BNY Mellon is unsuccessful in defending its position, the IRS has agreed not to assess underpayment penalties. See Note 13 of the Notes to Consolidated Financial Statements for additional information.

Mortgage-Securitization Trusts Proceeding
The Bank of New York Mellon as trustee is the petitioner in a legal proceeding filed in New York State Supreme Court, New York County on June 29, 2011, seeking approval of a proposed settlement involving Bank of America Corporation and bondholders in certain Countrywide residential mortgage-securitization trusts. The New York Attorney General has sought permission to intervene in this proceeding and to assert claims against BNY Mellon under the Martin Act and the Executive Law. On Aug. 26, 2011, an investor that had intervened in the state court proceeding removed this case to the United States District Court for the Southern District of New York. BNY Mellon sought to remand the case to state court and on Oct. 19, 2011, the District Court denied BNY Mellon's motion. On Jan. 17, 2012, BNY Mellon filed its brief appealing the District Court's decision to the Second Circuit Court of Appeals.

Note 25–Derivative instruments

We use derivatives to manage exposure to market risk, interest rate risk, credit risk and foreign currency risk. Our trading activities are focused on acting as a market-maker for our customers and facilitating customer trades. In addition, we periodically manage positions for our own account. Positions managed for our own account are immaterial to our overall foreign exchange and other trading revenue and to our overall results of operations.

The notional amounts for derivative financial instruments express the dollar volume of the transactions; however, credit risk is much smaller. We perform credit reviews and enter into netting agreements to minimize the credit risk of derivative financial instruments. We enter into offsetting positions to reduce exposure to foreign exchange and interest rate risk.

Use of derivative financial instruments involves reliance on counterparties. Failure of a counterparty to honor its obligation under a derivative contract is a risk we assume whenever we engage in a derivative

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corporate income tax liability. On Nov. 10, 2009, BNY Mellon filed a petition with the U.S. Tax Court

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contract. Counterparty default losses were $15 million in 2011 and $39 million in 2010. Reserves for losses incurred in both 2011 and 2010 were established in prior years. As a result, these counterparty default losses did not impact income in either year.

Hedging derivatives

We utilize interest rate swap agreements to manage our exposure to interest rate fluctuations. For hedges of investment securities available-for-sale, deposits and long-term debt, the hedge documentation specifies the terms of the hedged items and the interest rate swaps and indicates that the derivative is hedging a fixed-rate item and is a fair value hedge, that the hedge exposure is to the changes in the fair value of the hedged item due to changes in benchmark interest rates, and that the strategy is to eliminate fair value variability by converting fixed-rate interest payments to LIBOR.

The securities hedged consist of sovereign debt and U.S. Treasury bonds that had original maturities of 30 years or less at initial purchase. The swaps on the sovereign debt and U.S. Treasury bonds are not callable. All of these securities are hedged with "pay fixed rate, receive variable rate" swaps of similar maturity, repricing and fixed rate coupon. At Dec. 31, 2011, $4 billion of securities were hedged with interest rate swaps that had notional values of $4 billion.

The fixed rate deposits hedged generally have original maturities of three to six years and are not callable. These deposits are hedged with "receive fixed rate, pay variable" rate swaps of similar maturity, repricing and fixed rate coupon. The swaps are not callable. At Dec. 31, 2011, $10 million of deposits were hedged with interest rate swaps that had notional values of $10 million.

The fixed rate long-term debts hedged generally have original maturities of five to 30 years. We issue both callable and non-callable debt. The non-callable debt is hedged with simple interest rate swaps similar to those described for deposits. Callable debt is hedged with callable swaps where the call dates of the swaps exactly match the call dates of the debt. At Dec. 31, 2011, $14.3 billion of debt was hedged with interest rate swaps that had notional values of $14.3 billion.

In addition, we enter into foreign exchange hedges. We use forward foreign exchange contracts with maturities of nine months or less to hedge our British Pound, Euro and Indian Rupee foreign exchange exposure with respect to foreign currency forecasted revenue and expense transactions in entities that have the U.S. dollar as their functional currency. As of Dec. 31, 2011, the hedged forecasted foreign currency transactions and designated forward foreign exchange contract hedges were $136.1 million (notional), with $0.4 million of pre-tax gain recorded in accumulated other comprehensive income. This gain will be reclassified to income or expense over the next nine months.

We use forward foreign exchange contracts with remaining maturities of one year or less as hedges against our foreign exchange exposure to Euro, Norwegian Krona, British Pound, Swiss Franc and Japanese Yen with respect to interest-bearing deposits with banks and their associated forecasted interest revenue. These hedges are designated as cash flow hedges. These hedges are affected such that their maturities and notional values match those of the deposits with banks. As of Dec. 31, 2011, the hedged interest-bearing deposits with banks and their designated forward foreign exchange contract hedges were $8.8 billion (notional), with $3.0 million of pre-tax loss recorded in accumulated other comprehensive income. This loss will be reclassified to net interest revenue over the next twelve months.

Forward foreign exchange contracts are also used to hedge the value of our net investments in foreign subsidiaries. These forward foreign exchange contracts usually have maturities of less than two years. The derivatives employed are designated as hedges of changes in value of our foreign investments due to exchange rates. Changes in the value of the forward foreign exchange contracts offset the changes in value of the foreign investments due to changes in foreign exchange rates. The change in fair market value of these forward foreign exchange contracts is deferred and reported within accumulated translation adjustments in shareholders' equity, net of tax. At Dec. 31, 2011, forward foreign exchange contracts with notional amounts totaling $5.2 billion were designated as hedges.

In addition to forward foreign exchange contracts, we also designate non-derivative financial instruments as hedges of our net investments in foreign subsidiaries. Those non-derivative financial instruments designated as hedges of our net investments in foreign subsidiaries were all long-term liabilities of BNY Mellon in various currencies, and, at Dec. 31, 2011, had a combined U.S. dollar equivalent value of $495 million.

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Ineffectiveness related to derivatives and hedging relationships was recorded in income as follows:

Ineffectiveness	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Fair value hedges on loans	**$0.1**	$0.1	$(0.1)
Fair value hedges of securities	**(8.6)**	(4.2)	0.1
Fair value hedges of deposits and long-term debt	**(5.3)**	7.7	2.2
Cash flow hedges	**(0.1)**	0.1	-
Other *(a)*	**(0.1)**	(0.2)	0.1
Total	**$(14.0)**	$3.5	$2.3

(a) Includes ineffectiveness recorded on foreign exchange hedges.

The following table summarizes the notional amount and credit exposure of our total derivative portfolio at Dec. 31, 2011 and 2010.

Impact of derivative instruments on the balance sheet	Notional Value		Asset Derivatives Fair Value *(a)*		Liability Derivatives Fair Value *(a)*	
(in millions)	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Derivatives designated as hedging instruments *(b)*:						
Interest rate contracts	**$18,281**	$13,967	**$965**	$834	**$298**	$44
Foreign exchange contracts	**14,160**	11,816	**635**	2	**21**	116
Total derivatives designated as hedging instruments			**$1,600**	$836	**$319**	$160
Derivatives not designated as hedging instruments *(c)*:						
Interest rate contracts	**$975,308**	$1,090,718	**$26,652**	$15,651	**$27,440**	$16,275
Equity contracts	**8,205**	6,905	**418**	449	**330**	380
Credit contracts	**333**	681	**3**	2	**-**	4
Foreign exchange contracts	**379,235**	315,050	**4,632**	3,661	**4,355**	3,707
Total derivatives not designated as hedging instruments			**$31,705**	$19,763	**$32,125**	$20,366
Total derivatives fair value *(d)*			**$33,305**	$20,599	**$32,444**	$20,526
Effect of master netting agreements			**(26,047)**	(15,827)	**(25,009)**	(15,181)
Fair value after effect of master netting agreements			**$7,258**	$4,772	**$7,435**	$5,345

(a) Derivative financial instruments are reported net of cash collateral received and paid of $1,269 million and $231 million, respectively, at Dec. 31, 2011 and $889 million and $243 million, respectively, at Dec. 31, 2010.

(b) The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively, on the balance sheet.

(c) The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the balance sheet.

(d) Fair values are on a gross basis, before consideration of master netting agreements, as required by ASC 815.

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At Dec. 31, 2011, $336 billion (notional) of interest rate contracts will mature within one year, $391 billion between one and five years, and $267 billion after five years. At Dec. 31, 2011, $376 billion (notional) of foreign exchange contracts will mature within one year, $9 billion between one and five years, and $8 billion after five years.

Impact of derivative instruments on the income statement

(in millions)

Derivatives in fair value hedging relationships	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives Year ended Dec. 31,			Location of gain or (loss) recognized in income on hedged item	Amount of gain or (loss) recognized in hedged item Year ended Dec. 31,		
		2011	2010	2009		**2011**	2010	2009
Interest rate contracts	Net interest revenue	**$(150)**	$370	$(406)	Net interest revenue	**$136**	$(366)	$408

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Derivatives in cash flow hedging relationships	Amount of gain or (loss) recognized in accumulated OCI on derivative (effective portion) Year ended Dec. 31,			Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion) Year ended Dec. 31,			Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing) Year ended Dec. 31,		
	2011	2010	2009		**2011**	2010	2009		**2011**	2010	2009
FX contracts	**$(118)**	$(7)	$ -	Net interest revenue	**$(114)**	$(6)	$ -	Net interest revenue	**$ -**	$ -	$ -
FX contracts	**(6)**	(134)	(1)	Other revenue	**(6)**	(135)	6	Other revenue	**(0.1)**	0.1	-
FX contracts	**(525)**	-	-	Trading revenue	**(525)**	-	-	Trading revenue	**-**	-	-
FX contracts	**3**	(1)	-	Salary expense	**2**	(1)	-	Salary expense	**-**	-	-
Interest rate contracts	**-**	-	-	Net interest revenue	**-**	-	26	Net interest revenue	**-**	-	-
Total	**$(646)**	$(142)	$(1)		**$(643)**	$(142)	$32		**$(0.1)**	$0.1	$ -

Derivatives in net investment hedging relationships	Amount of gain or (loss) recognized in accumulated OCI on derivatives (effective portion) Year ended Dec. 31,			Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion) Year ended Dec. 31,			Location of gain or (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing) Year ended Dec. 31,		
	2011	2010	2009		**2011**	2010	2009		**2011**	2010	2009
FX contracts	**$75**	$(52)	$(298)	Net interest revenue	**$ -**	$ -	$ -	Other revenue	**$(0.1)**	$(0.2)	$0.1

Trading activities (including trading derivatives)

We manage trading risk through a system of position limits, a VaR methodology based on Monte Carlo simulations, stop loss advisory triggers, and other market sensitivity measures. Risk is monitored and reported to senior management by a separate unit on a daily basis. Based on certain assumptions, the VaR methodology is designed to capture the potential overnight pre-tax dollar loss from adverse changes in fair values of all trading positions. The calculation assumes a one-day holding period for most instruments, utilizes a 99% confidence level, and incorporates the non-linear characteristics of options. The VaR model is one of several statistical models used to develop economic capital results, which is allocated to lines of business for computing risk-adjusted performance.

As the VaR methodology does not evaluate risk attributable to extraordinary financial, economic or other occurrences, the risk assessment process includes a number of stress scenarios based upon the risk factors in the portfolio and management' s

Revenue from foreign exchange and other trading included the following:

Foreign exchange and other trading revenue *(in millions)*	**2011**	2010	2009
Foreign exchange	**$761**	$787	$850
Fixed income	**65**	80	242
Credit derivatives *(a)*	**(3)**	(7)	(84)
Other	**25**	26	28
Total	**$848**	$886	$1,036

(a) Used as economic hedges of loans.

Foreign exchange includes income from purchasing and selling foreign currencies and currency forwards, futures, and options. Fixed income reflects results from futures and forward contracts, interest rate swaps, foreign currency swaps, options, and fixed income securities. Credit derivatives include revenue from credit

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assessment of market conditions. Additional stress scenarios based upon historic market events are also performed. Stress tests, by their design, incorporate the impact of reduced liquidity and the breakdown of observed correlations. The results of these stress tests are reviewed weekly with senior management.

default swaps. Other primarily includes income from equity securities and equity derivatives.

Counterparty credit risk and collateral

We assess credit risk of our counterparties through regular examination of their financial statements, confidential communication with the management of those counterparties and regular monitoring of publicly available credit rating information. This and other information is used to develop proprietary credit rating metrics used to assess credit quality.

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Collateral requirements are determined after a comprehensive review of the credit quality of each counterparty. Collateral is generally held or pledged in the form of cash or highly liquid government securities. Collateral requirements are monitored and adjusted daily.

Additional disclosures concerning derivative financial instruments are provided in Notes 21 and 22 of the Notes to Consolidated Financial Statements.

Disclosure of contingent features in over-the-counter (“OTC”) derivative instruments

Certain OTC derivative contracts and/or collateral agreements of The Bank of New York Mellon, our largest banking subsidiary and the subsidiary through which BNY Mellon enters into the substantial majority of all of its OTC derivative contracts and/or collateral agreements, contain provisions that may require us to take certain actions if The Bank of New York Mellon’ s public debt rating fell to a certain level. Early termination provisions, or “close-out” agreements, in those contracts could trigger immediate payment of outstanding contracts that are in net liability positions. Certain collateral agreements would require The Bank of New York Mellon to immediately post additional collateral to cover some or all of The Bank of New York Mellon’ s liabilities to a counterparty.

The following table shows the fair value of contracts falling under early termination provisions that were in net liability positions as of Dec. 31, 2011 for three key ratings triggers:

If The Bank of New York Mellon’ s rating was changed to (Moody’ s/S&P)	Potential close-out exposures (fair value) *(a)*
A3/A-	$ 936 million
Baa2/BBB	$ 1,129 million
Bal/BB+	$ 1,803 million

(a) *The change between rating categories is incremental, not cumulative.*

Additionally, if The Bank of New York Mellon’ s debt rating had fallen below investment grade on Dec. 31, 2011, existing collateral arrangements would have required us to have posted an additional $498 million of collateral.

Note 26–Review of businesses

the Other segment. The following discussion of our businesses satisfies the disclosure requirements for ASC 280, *Segment Reporting*.

Organization of our business

In the first quarter of 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. The realignment reflects management’ s current approach to assessing performance and decisions regarding resource allocations. Investment Management includes the former Asset Management and Wealth Management businesses. Investment Services includes the former Asset Servicing, Issuer Services and Clearing Services businesses, and the Cash Management business previously included in the Treasury Services business. The Other segment includes credit-related activities previously included in the Treasury Services business, the lease financing portfolio, corporate treasury activities, including our investment securities portfolio, our equity investments in Wing Hang Bank and ConvergEx Group, business exits and corporate overhead. All prior periods presented in this Annual Report are presented accordingly.

Also in the first quarter of 2011, we revised the net interest revenue for our businesses to reflect a new approach which adjusts our transfer pricing methodology to better reflect the value of certain domestic deposits. All prior period business results were restated to reflect this revision. This revision did not impact the consolidated results.

Business accounting principles

Our business data has been determined on an internal management basis of accounting, rather than the generally accepted accounting principles used for consolidated financial reporting. These measurement principles are designed so that reported results of the businesses will track their economic performance.

Business results are subject to reclassification whenever improvements are made in the measurement principles, or when organizational changes are made.

The accounting policies of the businesses are the same as those described in Note 1 of the Notes to Consolidated Financial Statements.

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We have an internal information system that produces performance data for our two principal businesses and

The operations of acquired businesses are integrated with the existing businesses soon after they are completed. As a result of the integration of staff support functions, management of customer relationships, operating processes and the financial

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impact of funding acquisitions, we cannot precisely determine the impact of acquisitions on income before taxes and therefore do not report it.

Information on our businesses is reported on a continuing operations basis for 2010 and 2009. See Note 4 of the Notes to Consolidated Financial Statements for a discussion of discontinued operations.

The primary types of revenue for two principal businesses and the Other segment are presented below:

Business	Primary types of revenue
Investment Management	• Investment management and performance fees from: Mutual funds Institutional clients Private clients High-net-worth individuals and families, endowments and foundations and related entities • Distribution and servicing fees
Investment Services	• Asset servicing fees, including institutional trust and custody fees, broker-dealer services and securities lending • Issuer services fees, including Corporate Trust, Depositary Receipts, employee investment plan services and Shareowner Services • Clearing services fees, including broker-dealer services, registered investment advisor services and prime brokerage services • Treasury services fees, including global payment services and working capital solutions • Foreign exchange
Other segment	• Credit-related activities • Leasing operations • Corporate treasury activities • Global markets and institutional banking services • Business exits

The results of our businesses are presented and analyzed on an internal management reporting basis:

- Revenue amounts reflect fee and other revenue generated by each business. Fee and other revenue transferred between businesses under revenue transfer agreements is included within other revenue in each business.
- Revenues and expenses associated with specific client bases are included in those businesses. For example, foreign exchange activity associated with clients using custody products is allocated to Investment Services.
- Recurring FDIC expense is allocated to the businesses based on average deposits generated within each business.
- Litigation expense is generally recorded in the business in which the charge occurs.
- Management of the investment securities portfolio is a shared service contained in the Other segment. As a result, gains and losses associated with the valuation of the securities portfolio are included in the Other segment.
- Client deposits serve as the primary funding source for our investment securities portfolio. We typically allocate all interest revenue to the businesses generating the deposits.

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- Net interest revenue is allocated to businesses based on the yields on the assets and liabilities generated by each business. We employ a funds transfer pricing system that matches funds with the specific assets and liabilities of each business based on their interest sensitivity and maturity characteristics.
- Support and other indirect expenses are allocated to businesses based on internally-developed methodologies. Accordingly, the higher yield related to the restructured investment securities portfolio has been included in the results of the businesses.
- Restructuring charges are related to corporate initiatives and are therefore recorded in the Other segment.
- M&I expenses are corporate level items and are therefore recorded in the Other segment.

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- Balance sheet assets and liabilities and their related income or expense are specifically assigned to each business. Businesses with a net liability position have been allocated assets.
- Goodwill and intangible assets are reflected within individual businesses.

Total revenue includes approximately $2.2 billion in 2011, $2.1 billion in 2010 and $1.6 billion in 2009, of international operations domiciled in the UK which comprised 15%, 15% and 21% of total revenue, respectively.

The following consolidating schedules show the contribution of our businesses to our overall profitability.

For the year ended Dec. 31, 2011

(dollar amounts in millions)	**Investment Management**		**Investment Services**		**Other**	**Consolidated**	
Fee and other revenue	**$ 3,264**	*(a)*	**$ 7,957**		**$475**	**$ 11,696**	*(a)*
Net interest revenue	**206**		**2,635**		**143**	**2,984**	
Total revenue	**3,470**		**10,592**		**618**	**14,680**	
Provision for credit losses	**1**		**-**		**-**	**1**	
Noninterest expense	**2,746**		**7,478**		**888**	**11,112**	
Income (loss) before taxes	**$ 723**	*(a)*	**$ 3,114**		**$(270)**	**$ 3,567**	*(a)*
Pre-tax operating margin *(b)*	**21**	**%**	**29**	**%**	**N/M**	**24**	**%**
Average assets	**$ 37,043**		**$ 207,454**		**$46,648**	**$ 291,145**	

(a) Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

(b) Income before taxes divided by total revenue.

For the year ended Dec. 31, 2010

(dollar amounts in millions)	**Investment Management**		**Investment Services**		**Other**	**Total continuing operations**	
Fee and other revenue	$ 3,234	*(a)*	$ 7,179		$478	$ 10,891	*(a)*
Net interest revenue	205		2,448		272	2,925	
Total revenue	3,439		9,627		750	13,816	
Provision for credit losses	3		-		8	11	
Noninterest expense	2,693		6,515		962	10,170	
Income (loss) before taxes	$ 743	*(a)*	$ 3,112		$(220)	$ 3,635	*(a)*
Pre-tax operating margin *(b)*	22	%	32	%	N/M	26	%
Average assets	$ 35,411		$ 161,605		$40,420	$ 237,436	*(c)*

(a) Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

(b) Income before taxes divided by total revenue.

(c) Including average assets of discontinued operations of $404 million in 2010, consolidated average assets were $237,840 million.

For the year ended Dec. 31, 2009

(dollar amounts in millions)	**Investment Management**	**Investment Services**	**Other**	**Total continuing operations**
Fee and other revenue	$ 2,825	$ 6,887	$(4,973)	$ 4,739

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Net interest revenue	242	2,349	324	2,915
Total revenue	3,067	9,236	(4,649)	7,654
Provision for credit losses	1	-	331	332
Noninterest expense	2,499	5,901	1,130	9,530
Income (loss) before taxes	$ 567	$ 3,335	$(6,110)	$ (2,208)
Pre-tax operating margin *(a)*	18 %	36 %	N/M	N/M
Average assets	$ 21,840	$ 151,001	$37,098	$ 209,939 *(b)*

(a) Income before taxes divided by total revenue.

(b) Including average assets of discontinued operations of $2,188 million in 2009, consolidated average assets were $212,127 million.

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Note 27–International operations

International activity includes Investment Management and Investment Services fee revenue generating businesses, foreign exchange trading activity, loans and other revenue producing assets and transactions in which the customer is domiciled outside of the United States and/or the international activity is resident at an international entity. Due to the nature of our international and domestic activities, it is not possible to precisely distinguish between internationally and domestically domiciled customers.

As a result, it is necessary to make certain subjective assumptions such as:

- Income from international operations is determined after internal allocations for interest revenue, taxes, expenses, provision and allowance for credit losses.
- Expense charges to international operations include those directly incurred in connection with such activities, as well as an allocable share of general support and overhead charges.

Total revenue, income before income taxes, income from continuing operations and total assets of our international operations are shown in the table below.

International operations

	International				Total	Total	
(in millions)	EMEA		APAC	Other	international	domestic	Total
2011:							
Total assets at period end *(a)*	**$61,115**	*(b)*	**$13,030**	**$1,694**	**$ 75,839**	**$249,427**	**$325,266**
Total revenue	**3,780**	*(b)*	**842**	**769**	**5,391**	**9,339**	**14,730**
Income before taxes	**1,135**		**426**	**350**	**1,911**	**1,706**	**3,617**
Net income	**867**		**325**	**267**	**1,459**	**1,110**	**2,569**
2010 *(c)*:							
Total assets at period end *(a)*	$72,629	*(b)*	$8,806	$3,124	$ 84,559	$162,422	$246,981
Total revenue	3,497	*(b)*	745	735	4,977	8,898	13,875
Income before taxes	1,222		394	348	1,964	1,730	3,694
Net income from continuing operations	916		295	261	1,472	1,175	2,647
2009 *(c)*:							
Total assets at period end *(a)*	$58,011	*(b)*	$5,588	$1,375	$ 64,974	$145,008	$209,982
Total revenue	2,825	*(b)(d)*	669	578	4,072	3,582	7,654
Income (loss) before taxes	863	*(d)*	287	257	1,407	(3,615)	(2,208)
Net income (loss) from continuing operations	667	*(d)*	222	199	1,088	(1,901) *(e)*	(813)

(a) Total assets include long-lived assets, which are not considered by management to be significant in relation to total assets. Long-lived assets are primarily located in the United States.

(b) Includes revenue of approximately $2.2 billion, $2.1 billion and $1.6 billion and assets of approximately $28.3 billion, $44.7 billion and $43.0 billion in 2011, 2010, and 2009, respectively, of international operations domiciled in the United Kingdom, which is 15%, 15% and 21% of total revenue and 9%, 18%, and 20% of total assets, respectively.

(c) Presented on a continuing operations basis.

(d) In 2009, excludes the $269 million of investment securities losses on the European floating rate notes.

(e) Domestic income from continuing operations in 2009 was reduced by investment securities losses.

Note 28–Supplemental information to the Consolidated Statement of Cash Flows

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Noncash investing and financing transactions that, appropriately, are not reflected in the Consolidated Statement of Cash Flows are listed below.

Noncash investing and financing transactions	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Transfers from loans to other assets for OREO	**$16**	$11	$ 11
Assets of consolidated VIEs	**3,419**	15,249	-
Liabilities of consolidated VIEs	**3,478**	13,949	-
Non-controlling interests of consolidated VIEs	**29**	699	-
Disposition of business	**544**	-	-
Issuance of common stock for acquisitions	**-**	-	85

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
The Bank of New York Mellon Corporation:

We have audited the accompanying consolidated balance sheets of The Bank of New York Mellon Corporation and subsidiaries ("BNY Mellon") as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2011. These consolidated financial statements are the responsibility of BNY Mellon' s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BNY Mellon as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, in 2010, BNY Mellon changed their methods of accounting related to the consolidation of variable interest entities.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), BNY Mellon' s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 28, 2012 expressed an unqualified opinion on the effectiveness of BNY Mellon' s internal control over financial reporting.

/s/ KPMG LLP

New York, New York
February 28, 2012

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Directors, Executive Committee and Other Executive Officers

Directors

Ruth E. Bruch
Retired Senior Vice President and
Chief Information Officer
Kellogg Company
Cereal and convenience foods

Nicholas M. Donofrio
Retired Executive Vice President,
Innovation and Technology
IBM Corporation
Developer, manufacturer and provider of
advanced information technologies and
services

Gerald L. Hassell
Chairman, President and Chief Executive
Officer
The Bank of New York Mellon
Corporation

Edmund F. (Ted) Kelly
Chairman
Liberty Mutual Group
Multi-line insurance company

Richard J. Kogan
Retired Chairman, President and Chief
Executive Officer
Schering-Plough Corporation
International research-based development
and manufacturing

Michael J. Kowalski
Chairman and Chief Executive Officer
Tiffany & Co.
International designer, manufacturer and
distributor of jewelry and fine goods

John A. Luke, Jr.
Chairman and Chief Executive Officer
MeadWestvaco Corporation
Manufacturer of paper, packaging and
specialty chemicals

Mark A. Nordenberg
Chancellor and Chief Executive Officer
University of Pittsburgh

Catherine A. Rein
Retired Senior Executive Vice President
and Chief Administrative Officer
MetLife, Inc.
Insurance and financial services company

William C. Richardson
President and Chief Executive Officer
Emeritus
The W. K. Kellogg Foundation
Retired Chairman and Co-Trustee of
The W. K. Kellogg Foundation Trust
Private foundation

Samuel C. Scott III
Retired Chairman, President and Chief
Executive Officer
Corn Products International, Inc.
Global producers of corn-refined products
and ingredients

John P. Surma
Chairman and Chief Executive Officer
United States Steel Corporation
Steel manufacturing

Wesley W. von Schack
Chairman
AEGIS Insurance Services, Inc.
Mutual property and casualty insurance
company

Executive Committee and Other Executive Officers

Gerald L. Hassell *
Chairman, President and Chief Executive
Officer

Curtis Y. Arledge *
Chief Executive Officer,
Investment Management

Richard F. Brueckner *
Chief of Staff

Arthur Certosimo *
Chief Executive Officer,
Global Markets

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Major public research university

Michael Cole-Fontayn
Chairman,
Europe, the Middle East and Africa

Thomas P. (Todd) Gibbons *
Chief Financial Officer

Mitchell E. Harris
President,
Investment Management

Timothy F. Keaney *
Chief Executive Officer,
BNY Mellon Asset Servicing

Stephen D. Lackey
Chairman,
Asia Pacific

James P. Palermo *
Chief Executive Officer,
Global Client Management and Liquidity Services

John A. Park *
Controller

Karen B. Peetz *
Chief Executive Officer,
Financial Markets and Treasury Services

Lisa B. Peters *
Chief Human Resources Officer

Brian G. Rogan *
Chief Risk Officer

Brian T. Shea
Chief Executive Officer,
Pershing LLC

Jane C. Sherburne *
General Counsel

Kurt D. Woetzel *
Head of Global Operations and Technology and Chief Administrative Officer

* Designated as an Executive Officer.

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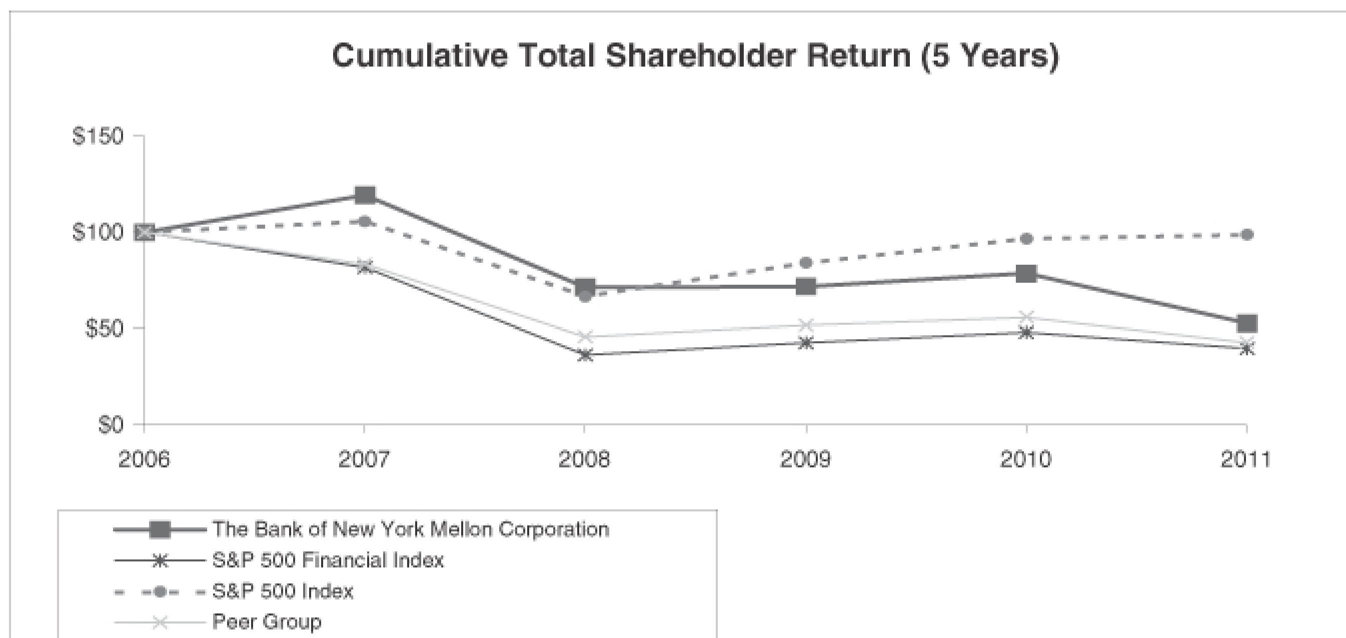
Performance Graph



	2006	2007	2008	2009	2010	**2011**
The Bank of New York Mellon Corporation	$100.0	$119.4	$71.2	$71.8	$78.5	**$52.7**
S&P 500 Financial Index	100.0	81.5	36.4	42.7	47.9	**39.8**
S&P 500 Index	100.0	105.5	66.5	84.1	96.7	**98.8**
Peer Group	100.0	83.4	45.8	51.6	55.8	**42.8**

This graph shows The Bank of New York Mellon Corporation' s cumulative total shareholder returns over the five-year period from Dec. 31, 2006 to Dec. 31, 2011. The graph reflects total shareholder returns for The Bank of New York Company, Inc. from Dec. 31, 2006 to June 29, 2007, and for The Bank of New York Mellon Corporation from July 2, 2007 to Dec. 31, 2011. The last day of trading The Bank of New York Company, Inc. common stock on the NYSE was June 29, 2007 and the first day of trading The Bank of New York Mellon Corporation common stock on the NYSE was July 2, 2007. We are showing combined The Bank of New York Company, Inc. - The Bank of New York Mellon Corporation shareholder returns because The Bank of New York Mellon Corporation does not have a five-year history as a public company. Our peer group is composed of financial services companies which provide investment management and investment servicing. We also utilize the S&P 500 Financial Index as a benchmark against our performance. The graph shows the cumulative total returns for the same five-year period of the S&P 500 Financial Index, the S&P 500 Index as well as our peer group listed below. The comparison assumes a $100 investment on Dec. 31, 2006 in The Bank of New York Company, Inc. common stock (which was converted on a 0.9434 for one basis into The Bank of New York Mellon Corporation common stock on July 1, 2007), in the S&P 500 Financial Index, in the S&P 500 Index and in the peer group detailed below and assumes that all dividends were reinvested.

Peer Group*		
American Express Company	Citigroup Inc.	Prudential Financial, Inc.
Bank of America Corporation	JPMorgan Chase & Co.	State Street Corporation
BlackRock, Inc.	Northern Trust Corporation	U.S. Bancorp
The Charles Schwab Corporation	The PNC Financial Services Group, Inc.	Wells Fargo & Company

*Returns are weighted by market capitalization at the beginning of the measurement period.

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Exhibit 21.1

THE BANK OF NEW YORK MELLON CORPORATION
PRIMARY SUBSIDIARIES
DEC. 31, 2011

The following are primary subsidiaries of The Bank of New York Mellon Corporation as of December 31, 2011 and the states or jurisdictions in which they are organized. The names of particular subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute, as of December 31, 2011, a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934, as amended.

4101 Austin Boulevard Corp. – State of Incorporation: New York

Alcentra Investments Limited – Incorporation: Bermuda

BNY Alcentra Group Holdings, Inc. – State of Incorporation: Delaware

BNY Aurora Holding Corp. – State of Incorporation: New York

BNY Capital Corporation – State of Incorporation: New York

BNY Capital Funding, LLC – State of Organization: Delaware

BNY Capital Markets Holdings, Inc. – State of Incorporation: New York

BNY Holdings (UK) Limited – Incorporation: England

BNY International Financing Corporation – Incorporation: United States

BNY International Holdings LLC – State of Organization: Delaware

BNY International Leasing LLC – State of Organization: Delaware

BNY ITC Leasing, LLC – State of Organization: Delaware

BNY Lease Holdings LLC – State of Organization: Delaware

BNY Lease Equities (Cap Funding) LLC – State of Organization: Delaware

BNY Real Estate Holdings LLC – State of Organization: Delaware

BNYM GIS Funding I LLC – State of Organization: Delaware

BNYM GIS Funding III LLC – State of Organization: Delaware

BNY Mellon ARX Investimentos Ltda. – Incorporation: Brazil

BNY Mellon Asset Management International Holdings Limited – Incorporation: England

BNY Mellon Asset Management Japan Limited – Incorporation: Japan

BNY Mellon Capital Markets, LLC – State of Organization: Delaware

BNY Mellon Clearing, LLC – State of Organization: Delaware

BNY Mellon Fund Managers Limited – Incorporation: England

BNY Mellon Global Management Limited – Incorporation: Ireland

BNY Mellon International Asset Management Group Limited – Incorporation: England

BNY Mellon Investment Servicing (US) Inc. – State of Incorporation: Massachusetts

BNY Mellon Securities Services (Ireland) Limited – Incorporation: Ireland

BNY Mellon Trust Company (Ireland) Limited – Incorporation: Ireland

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BNY Mellon, National Association – Incorporation: United States

Colson Services Corp. – State of Incorporation: Delaware

Insight Investment Management (Global) Limited – Incorporation: England

Insight Investment Management Limited – Incorporation: England

Insight Investment Funds Management Limited – Incorporation: England

MAM (MA) Holding Trust – Incorporation: Massachusetts

MBC Investments Corporation – State of Incorporation: Delaware

MBSC Securities Corporation – State of Incorporation: New York

Mellon Canada Holding Company – Incorporation: Canada

Mellon Capital Management Corporation – State of Incorporation: Delaware

Mellon International Holdings S.a r.l. – Incorporation: Luxembourg

Mellon Investor Services Holdings LLC – State of Organization: Delaware

Mellon Overseas Investment Corporation – Incorporation: United States

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THE BANK OF NEW YORK MELLON CORPORATION
PRIMARY SUBSIDIARIES
DEC. 31, 2011

Continued

MUNB Loan Holdings, LLC – State of Organization: Delaware

One Wall Street Corporation – State of Incorporation: New York

Pershing Group LLC – State of Organization: Delaware

Pershing Holdings (UK) Limited – Incorporation: England

Pershing Investments LLC – State of Organization: Delaware

Pershing Limited – Incorporation: England

Pershing LLC – State of Organization: Delaware

Pershing Securities Limited – Incorporation: England

TBC Securities Co., Inc. – State of Incorporation: Massachusetts

The Bank of New York Mellon – Organized: New York

The Bank of New York Mellon (International) Limited – Incorporation: England

The Bank of New York Mellon (Ireland) Limited – Incorporation: Ireland

The Bank of New York Mellon Trust Company, National Association – Incorporation: United States

The Bank of New York Mellon SA/NV – Incorporation: Belgium

The Boston Company Asset Management, LLC – State of Organization: Massachusetts

The Dreyfus Corporation – State of Incorporation: New York

Walter Scott & Partners Limited – Incorporation: Scotland

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
The Bank of New York Mellon Corporation:

We consent to the incorporation by reference in the following registration statements, as amended:

Form	Registration Statement	Filer
S-8	333-174342	The Bank of New York Mellon Corporation
S-8	333-171258	The Bank of New York Mellon Corporation
S-8	333-150324	The Bank of New York Mellon Corporation
S-8	333-150323	The Bank of New York Mellon Corporation
S-8	333-149473	The Bank of New York Mellon Corporation
S-8	333-144216	The Bank of New York Mellon Corporation
S-3	333-167832	The Bank of New York Mellon Corporation
S-3	333-167829	The Bank of New York Mellon Corporation
S-3	333-167832-01	BNY Capital X
S-3	333-167832-02	BNY Capital IX
S-3	333-167832-03	BNY Capital VIII
S-3	333-167832-04	BNY Capital VII
S-3	333-167832-05	BNY Capital VI

of our reports dated February 28, 2012, with respect to the consolidated balance sheets of The Bank of New York Mellon Corporation and subsidiaries ("BNY Mellon") as of December 31, 2011 and 2010, and the related consolidated statements of income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2011, and the effectiveness of internal control over financial reporting as of December 31, 2011, which reports appear in the December 31, 2011 Annual Report on Form 10-K of BNY Mellon. The aforementioned report with respect to the consolidated financial statements of BNY Mellon refers to changes, in 2010, in BNY Mellon' s methods of accounting related to the consolidation of variable interest entities.

/s/ KPMG LLP

New York, New York
February 28, 2012

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Exhibit 24.1

POWER OF ATTORNEY

THE BANK OF NEW YORK MELLON CORPORATION

Know all men by these presents, that each person whose signature appears below constitutes and appoints Jane C. Sherburne and Arlie R. Nogay, and each of them, such person' s true and lawful attorney-in-fact and agent, with full power of substitution and revocation, for such person and in such person' s name, place and stead, in any and all capacities, to sign one or more Annual Reports on Form 10-K pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, for The Bank of New York Mellon Corporation for the year ended December 31, 2011, and any and all amendments thereto, and to file same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission and with the New York Stock Exchange, Inc., granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and each of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

This power of attorney shall be effective as of February 14, 2012 and shall continue in full force and effect until revoked by the undersigned in a writing filed with the secretary of the Corporation.

/s/ Ruth E. Bruch
Ruth E. Bruch, Director

/s/ Nicholas M. Donofrio
Nicholas M. Donofrio, Director

/s/ Edmund F. Kelly
Edmund F. Kelly, Director

/s/ Richard J. Kogan
Richard J. Kogan, Director

/s/ Michael J. Kowalski
Michael J. Kowalski, Director

/s/ John A. Luke, Jr.
John A. Luke, Jr., Director

/s/ Mark A. Nordenberg
Mark A. Nordenberg, Director

/s/ Catherine A. Rein
Catherine A. Rein, Director

/s/ William C. Richardson
William C. Richardson, Director

/s/ Samuel C. Scott III
Samuel C. Scott III, Director

/s/ John P. Surma
John P. Surma, Director

/s/ Wesley W. von Schack
Wesley W. von Schack, Director

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Exhibit 31.1

CERTIFICATION

I, Gerald L. Hassell, certify that:

1. I have reviewed this annual report on Form 10-K of The Bank of New York Mellon Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and

5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting.

Date: February 28, 2012

/s/ Gerald L. Hassell

Name: Gerald L. Hassell

Title: Chief Executive Officer

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Exhibit 31.2

CERTIFICATION

I, Thomas P. Gibbons, certify that:

1. I have reviewed this annual report on Form 10-K of The Bank of New York Mellon Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’ s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’ s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’ s internal control over financial reporting that occurred during the registrant’ s most recent fiscal quarter (the registrant’ s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’ s internal control over financial reporting; and
5. The registrant’ s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’ s auditors and the audit committee of the registrant’ s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’ s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’ s internal control over financial reporting.

Date: February 28, 2012

/s/ Thomas P. Gibbons

Name: Thomas P. Gibbons
Title: Chief Financial Officer

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Exhibit 32.1

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Mellon Corporation ("BNY Mellon"), hereby certifies, to his knowledge, that BNY Mellon' s Annual Report on Form 10-K for the year ended December 31, 2011 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BNY Mellon.

Dated: February 28, 2012

/s/ Gerald L. Hassell

Name: Gerald L. Hassell
Title: Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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Exhibit 32.2

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Mellon Corporation (“BNY Mellon”), hereby certifies, to his knowledge, that BNY Mellon’ s Annual Report on Form 10-K for the year ended December 31, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BNY Mellon.

Dated: February 28, 2012

/s/ Thomas P. Gibbons

Name: Thomas P. Gibbons
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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Discontinued operations (Tables)	12 Months Ended Dec. 31, 2011

Schedule of Disposal Groups, Including Discontinued Operations, Income Statement Disclosures

Summarized financial information for discontinued operations is as follows:

Discontinued operations			
(in millions)	**2011**	2010	2009
Fee and other revenue	**$ -**	$-	$7
Net interest revenue	**-**	9	59
Provision for loan losses	**-**	-	191
Net interest revenue after provision for loan losses	**-**	9	(132)
Noninterest expense:			
Staff	**-**	4	37
Professional, legal and other purchased services	**-**	4	4
Net occupancy	**-**	1	5
Other	**-**	3	16
Goodwill impairment	**-**	-	50
Total noninterest expense	**-**	12	112
Income (loss) from operations	**-**	(3)	(237)
Loss on assets held for sale	**-**	(106)	(184)
Loss on sale of MUNB	**-**	(1)	-
Provision (benefit) for income taxes	**-**	(44)	(151)
Net income (loss) from discontinued operations	**$ -**	$(66)	$(270)

Schedule of Disposal Groups, Including Discontinued Operations, Balance Sheet Disclosures

Discontinued operations assets and liabilities		
	Dec. 31,	
(in millions)	**2011**	2010
Loans, net of allowance for loan losses	**$ -**	$183

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Deferred taxes	-	90
Other assets	-	5
Assets of discontinued operations	$ -	$278
Liabilities of discontinued operations	$ -	$-

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Plans with Obligations in Excess of Plan Assets (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Domestic		
Defined Benefit Plan Disclosure [Line Items]		
Projected benefit obligation	$ 234	$ 212
Accumulated benefit obligation	233	211
Fair value of plan assets	20	21
Foreign		
Defined Benefit Plan Disclosure [Line Items]		
Projected benefit obligation	35	32
Accumulated benefit obligation	29	26
Fair value of plan assets	$ 3	$ 2

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Long-term debt - Additional Information (Detail) (USD $)	Dec. 31, 2011
Notes and debentures that mature in 2012	$ 3,450,000,000
Notes and debentures that mature in 2013	1,610,000,000
Notes and debentures that mature in 2014	4,360,000,000
Notes and debentures that mature in 2015	1,900,000,000
Notes and debentures that mature in 2016	1,850,000,000
Long term debt redeemable	249,000,000
Long term debt redeemable in 2012	142,000,000
Long term debt redeemable in 2013	$ 107,000,000
Junior Subordinated Debentures	
Debt instrument, stated interest rate	6.044%
Debt instrument, due date	2043
MEL Capital IV	
Stock purchase date	Jun. 20, 2012

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Company financial information (Tables)	12 Months Ended Dec. 31, 2011

Condensed Income Statement Parent Corporation

Condensed Income Statement—The Bank of New York Mellon Corporation (Parent Corporation)

(in millions)	Year ended Dec. 31, 2011	2010 (a)	2009 (a)
Dividends from bank subsidiaries	**$120**	$200	$611
Dividends from nonbank subsidiaries	**54**	74	176
Interest revenue from bank subsidiaries	**211**	211	228
Interest revenue from nonbank subsidiaries	**130**	131	146
Gain (loss) on securities held for sale	**17**	5	(2)
Other revenue	**51**	73	81
Total revenue	**583**	694	1,240
Interest (including $13, $14 and $23 to subsidiaries)	**282**	285	366
Other expense	**138**	221	338
Total expense	**420**	506	704
Income (loss) before income taxes and equity in undistributed net income of subsidiaries	**163**	188	536
Provision (benefit) for income taxes	**66**	(465)	(357)
Equity in undistributed net income (loss):			
Bank subsidiaries	**1,781**	1,630	(2,271)
Nonbank subsidiaries	**638**	235	294
Net income (loss)	**2,516**	2,518	(1,084)
Redemption charge and preferred dividends	**-**	-	(283)
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	**$2,516**	$2,518	$(1,367)

(a) Includes the results of discontinued operations.

Condensed Balance Sheet Parent Corporation

Condensed Balance Sheet—The Bank of New York Mellon Corporation (Parent Corporation)

(in millions)	Dec. 31, 2011	2010
Assets:		
Cash and due from banks	**$4,884**	$3,452
Securities	**188**	219
Loans—net of allowance	**20**	52

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Investment in and advances to subsidiaries and associated companies:		
Banks	**29,169**	26,349
Other	**20,930**	20,578
Subtotal	**50,099**	46,927
Corporate-owned life insurance	**666**	650
Other assets	**3,009**	3,014
Total assets	**$58,866**	$54,314
Liabilities:		
Deferred compensation	**$492**	$497
Commercial paper	**10**	10
Affiliate borrowings	**3,407**	3,344
Other liabilities	**2,735**	2,682
Long-term debt	**18,805**	15,427
Total liabilities	**25,449**	21,960
Shareholders' equity	**33,417**	32,354
Total liabilities and shareholders' equity	**$58,866**	$54,314

Condensed Statement of Cash Flows Parent Corporation

Condensed Statement of Cash Flows—The Bank of New York Mellon Corporation (Parent Corporation)

	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Operating activities:			
Net income (loss)	**$2,516**	$2,518	$(1,084)
Adjustments to reconcile net income to net cash provided by/ (used in) operating activities:			
Amortization	**13**	14	13
Equity in undistributed net (income)/loss of subsidiaries	**(2,419)**	(1,865)	1,977
Change in accrued interest receivable	**(22)**	2	(41)
Change in accrued interest payable	**11**	2	(1)
Change in taxes payable *(a)*	**168**	(321)	(482)
Other, net	**(80)**	179	(455)
Net cash provided by/ (used in) operating activities	**187**	529	(73)
Investing activities:			
Purchases of securities	**(50)**	(5)	(9)
Proceeds from sales of securities	**101**	43	129
Change in loans	**32**	61	110

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Acquisitions of, investments in, and advances to subsidiaries	**(611)**	(1,002)	(566)
Other, net	**-**	208	-
Net cash used in investing activities	**(528)**	(695)	(336)
Financing activities:			
Net change in commercial paper	**-**	(2)	(4)
Proceeds from issuance of long-term debt	**5,042**	1,347	3,350
Repayments of long-term debt	**(1,911)**	(2,614)	(1,277)
Change in advances from subsidiaries	**63**	(10)	59
Issuance of common stock	**43**	728	1,387
Treasury stock acquired	**(873)**	(41)	(28)
Cash dividends paid	**(593)**	(440)	(673)
Series B preferred stock repurchased	**-**	-	(3,000)
Warrant repurchased	**-**	-	(136)
Tax benefit realized on share based payment awards	**2**	1	4
Net cash provided by/ (used in) financing activities	**1,773**	(1,031)	(318)
Change in cash and due from banks	**1,432**	(1,197)	(727)
Cash and due from banks at beginning of year	**3,452**	4,649	5,376
Cash and due from banks at end of year	**$4,884**	$3,452	$4,649
Supplemental disclosures			
Interest paid	**$293**	$284	$367
Income taxes paid	**$212**	$442 *(b)*	$1,013 *(b)*
Income taxes refunded	**123**	178 *(b)*	609 *(b)*

(a) Includes payments received from subsidiaries for taxes of $501 million in 2011, $900 million in 2010, and $967 million in 2009.

(b) Includes discontinued operations.

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Condensed Statement of Cash Flows Parent Corporation (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Operating activities:						
Net income (loss)	$ 2,569		$ 2,581	[1]	$ (1,083)	[1]
Adjustments to reconcile net income to net cash provided by/ (used in) operating activities:						
Net cash provided by operating activities	2,211		4,050		3,781	
Investing activities:						
Other, net	(1,234)		(591)		(987)	
Net cash (used for) provided by investing activities	(80,178)		(14,937)		23,088	
Financing activities:						
Net change in commercial paper			(2)		(126)	
Proceeds from issuance of long-term debt	5,042		1,347		3,350	
Repayments of long-term debt	(1,911)		(2,614)		(1,882)	
Issuance of common stock	25		697		1,371	
Treasury stock acquired	(873)		(41)		(28)	
Common cash dividends paid	(593)		(440)		(599)	
Series B preferred stock repurchased					(3,000)	
Warrant repurchased					(136)	
Net cash provided by (used for) financing activities	78,765		10,790		(27,973)	
Change in cash and due from banks	500		(57)		(1,157)	
Cash and due from banks at beginning of period	3,675		3,732		4,889	
Cash and due from banks at end of period	4,175		3,675		3,732	
Supplemental disclosures						
Interest paid	586		591		682	
Income taxes paid	640		699		2,392	
Income taxes refunded	136		197		664	
Parent Company						
Operating activities:						
Net income (loss)	2,516		2,518		(1,084)	
Adjustments to reconcile net income to net cash provided by/ (used in) operating activities:						
Amortization	13		14		13	
Equity in undistributed net (income)/loss of subsidiaries	(2,419)		(1,865)		1,977	
Change in accrued interest receivable	(22)		2		(41)	
Change in accrued interest payable	11		2		(1)	
Change in taxes payable	168	[2]	(321)	[2]	(482)	[2]
Other, net	(80)		179		(455)	
Net cash provided by operating activities	187		529		(73)	
Investing activities:						

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Purchases of securities	(50)	(5)	(9)
Proceeds from sales of securities	101	43	129
Change in loans	32	61	110
Acquisitions of, investments in, and advances to subsidiaries	(611)	(1,002)	(566)
Other, net		208	
Net cash (used for) provided by investing activities	(528)	(695)	(336)
Financing activities:			
Net change in commercial paper		(2)	(4)
Proceeds from issuance of long-term debt	5,042	1,347	3,350
Repayments of long-term debt	(1,911)	(2,614)	(1,277)
Change in advances from subsidiaries	63	(10)	59
Issuance of common stock	43	728	1,387
Treasury stock acquired	(873)	(41)	(28)
Common cash dividends paid	(593)	(440)	(673)
Series B preferred stock repurchased			(3,000)
Warrant repurchased			(136)
Tax benefit realized on share based payment awards	2	1	4
Net cash provided by (used for) financing activities	1,773	(1,031)	(318)
Change in cash and due from banks	1,432	(1,197)	(727)
Cash and due from banks at beginning of period	3,452	4,649	5,376
Cash and due from banks at end of period	4,884	3,452	4,649
Supplemental disclosures			
Interest paid	293	284	367
Income taxes paid	212	442 [3]	1,013 [3]
Income taxes refunded	$ 123	$ 178 [3]	$ 609 [3]

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[2] Includes payments received from subsidiaries for taxes of $501 million in 2011, $900 million in 2010, and $967 million in 2009.

[3] Includes discontinued operations.

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Long-term debt (Tables)

	12 Months Ended Dec. 31, 2011

Long-term Debt

Long-term debt	**Dec. 31, 2011**			Dec. 31, 2010	
(in millions)	**Rate**	**Maturity**	**Amount**	Rate	Amount
Senior debt:					
Fixed rate	**1.50-6.92%**	**2012-2021**	**$12,367**	2.50-6.92%	$9,354
Floating rate	**0.35-1.40%**	**2012-2038**	**2,679**	0.10-0.57%	1,475
Subordinated debt *(a)*	**4.75-7.50%**	**2012-2033**	**3,201**	4.40-7.50%	4,037
Junior subordinated debentures *(a)*	**5.95-7.78%**	**2026-2043**	**1,686**	5.95-7.78%	1,651
Total			**$19,933**		$16,517

(a)Fixed rate.

Trust Preferred Securities Issued by the Trusts

The following table sets forth a summary of the Trust Preferred Securities issued by the Trusts as of Dec. 31, 2011:

Trust Preferred Securities at Dec. 31, 2011 *(dollar amounts in millions)*	Amount	Interest rate	Assets of trust *(a)*	Due date	Call date	Call price
BNY Institutional Capital Trust A	$300	7.78 %	$ 309	2026	2006	101.95% *(b)*
BNY Capital IV	200	6.88	206	2028	2004	Par
BNY Capital V	350	5.95	361	2033	2008	Par
MEL Capital III *(c)*	309	6.37	300	2036	2016	Par
MEL Capital IV	500	6.24	500	-	2012	Par
Total	**$1,659**		**$ 1,676**			

(a)Junior subordinated debentures and interest in stock purchase contracts for Mellon Capital IV.

(b)Call price decreases ratably to par in the year 2016.

(c)Amount was translated from Sterling into U.S. dollars on a basis of U.S. $1.54 to £1, the rate of exchange on Dec. 31, 2011.

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Revenue from Foreign Exchange and Other Trading Activities (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Trading Activity, Gains and Losses, Net [Line Items]			
Foreign exchange and other trading revenue	$ 848	$ 886	$ 1,036
Foreign Exchange			
Trading Activity, Gains and Losses, Net [Line Items]			
Foreign exchange and other trading revenue	761	787	850
Fixed income			
Trading Activity, Gains and Losses, Net [Line Items]			
Foreign exchange and other trading revenue	65	80	242
Credit derivatives			
Trading Activity, Gains and Losses, Net [Line Items]			
Foreign exchange and other trading revenue	(3) [1]	(7) [1]	(84) [1]
Other Trading			
Trading Activity, Gains and Losses, Net [Line Items]			
Foreign exchange and other trading revenue	$ 25	$ 26	$ 28

[1] Used as economic hedges of loans.

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Consolidated and Largest Bank Subsidiary Capital Ratios (Detail)	Dec. 31, 2011	Dec. 31, 2010
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]		
Tier 1	15.00% [1]	13.40% [1]
Total capital	17.00% [1]	16.30% [1]
Leverage	5.20% [1]	5.80% [1]
Bank Of New York Mellon		
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]		
Tier 1	14.30% [1]	11.40% [1]
Total capital	17.70% [1]	15.30% [1]
Leverage	5.30% [1]	5.30% [1]

[1] Determined under Basel I guidelines. For a banking institution to qualify as "well capitalized," its Basel I Tier 1, Total (Tier 1 plus Tier 2) and leverage capital ratios must be at least 6%, 10% and 5%, respectively. For The Bank of New York Mellon, our largest bank subsidiary, to qualify as "adequately capitalized ," Basel I Tier 1, Total and leverage capital ratios must be at least 4%, 8% and 3%, respectively.

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Amortized Cost and Fair Values of Securities (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Gain (Loss) on Investments [Line Items]		
Fair value	$ 82,007	$ 66,309
Available-for-sale		
Gain (Loss) on Investments [Line Items]		
Fair value	78,467	62,652
Available-for-sale | Other Debt Securities		
Gain (Loss) on Investments [Line Items]		
Fair value	16,317 [1]	11,891 [2]
US Government-sponsored Enterprises Debt Securities | Available-for-sale | Other Debt Securities		
Gain (Loss) on Investments [Line Items]		
Fair value	$ 13,100	$ 11,000

[1] Includes $13.1 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.
[2] Includes $11.0 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.

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Components of Tier 1 and Total Risk-Based Capital (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	$ 15,389	[1]	$ 13,597	[1],[2]
Total Tier 2 capital	2,044	[1]	2,957	[1],[2]
Total risk-based capital	17,433	[1]	16,554	[1],[2]
Total risk-weighted assets	102,255	[1]	101,407	[1],[2]
Average assets for leverage capital purposes	296,484	[1]	235,905	[1],[2]
Common stock				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	33,417	[1]	32,354	[1],[2]
Trust Preferred Securities				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	1,659	[1]	1,676	[1],[2]
Goodwill And Other Intangibles				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	(20,630)	[1],[3]	(21,297)	[1],[2],[3]
Pensions/Cash Flow Hedges				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	1,426	[1]	1,053	[1],[2]
Securities Valuation Allowance				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	(450)	[1]	(170)	[1],[2]
Merchant Banking Investments				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 1 capital	(33)	[1]	(19)	[1],[2]
Qualifying Unrealized Gains on Equity Securities				
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]				
Total Tier 2 capital	2	[1]	5	[1],[2]
Subordinated Debt				

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Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]		
Total Tier 2 capital	1,545 [1]	2,381 [1],[2]
Qualifying Allowance For Credit Losses		
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]		
Total Tier 2 capital	$ 497 [1]	$ 571 [1],[2]

[1] On a regulatory basis as determined under Basel I guidelines.

[2] Includes discontinued operations.

[3] Reduced by deferred tax liabilities associated with non-tax deductible identifiable intangible assets of $1,459 million at Dec. 31, 2011 and $1,625 million at Dec. 31, 2010, and deferred tax liabilities associated with tax deductible goodwill of $967 million at Dec. 31, 2011 and $816 million at Dec. 31, 2010.

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Fair value of financial instruments (Tables)

Carrying Amount and Fair Value of Financial Instruments

12 Months Ended Dec. 31, 2011

Summary of financial instruments

	Dec. 31, 2011		Dec. 31, 2010	
(in millions)	**Carrying amount**	**Estimated fair value**	Carrying amount	Estimated fair value
Assets:				
Interest-bearing deposits with the Federal Reserve and other central banks	**$90,243**	**$90,243**	$18,549	$18,549
Interest-bearing deposits with banks	**36,321**	**36,382**	50,200	50,253
Federal funds sold and securities purchased under resale agreements	**4,510**	**4,510**	5,169	5,169
Securities	**84,665**	**84,802**	68,950	68,504
Trading assets	**7,861**	**7,861**	6,276	6,276
Loans	**40,976**	**41,186**	34,163	34,241
Hedging derivatives:				
Interest rate contracts	**965**	**965**	834	834
Foreign exchange contracts	**635**	**635**	2	2
Total hedging derivatives	**1,600**	**1,600**	836	836
Other financial assets	**9,004**	**9,004**	8,283	8,283
Total financial assets	**275,180**	**275,588**	192,426	192,111
Assets of discontinued operations	**-**	**-**	278	278
Assets of consolidated investment management funds – primarily trading	**11,347**	**11,347**	14,766	14,766
Non-financial assets	**38,739**		39,789	
Total assets	**$325,266**		$247,259	
Liabilities:				
Noninterest-bearing deposits	**$95,335**	**$95,335**	$38,703	$38,703
Interest-bearing deposits	**123,759**	**123,760**	106,636	107,417
Federal funds purchased and securities sold under repurchase agreements	**6,267**	**6,267**	5,602	5,602
Trading liabilities	**8,071**	**8,071**	6,911	6,911
Payables to customers and broker-dealers	**12,671**	**12,671**	9,962	9,962
Borrowings	**2,376**	**2,376**	2,997	2,997

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Long-term debt	**19,933**	**20,459**	16,517	17,120
Hedging derivatives:				
Interest rate contracts	**298**	**298**	44	44
Foreign exchange contracts	**21**	**21**	116	116
Total hedging derivatives	**319**	**319**	160	160
Total financial liabilities	**268,731**	**269,258**	187,488	188,872
Liabilities of consolidated investment management funds – primarily trading	**10,085**	**10,085**	13,563	13,563
Non-financial liabilities	**12,249**		13,051	
Total liabilities	**$291,065**		$214,102	

Summary of Carrying Amount of Hedged Financial Instruments, Related Notional Amount of the Hedge and Estimated Fair Value of Derivatives

The table below summarizes the carrying amount of the hedged financial instruments, the notional amount of the hedge and the estimated fair value (unrealized gain (loss)) of the derivatives.

Hedged financial instruments *(in millions)*	Carrying amount	Notional amount of hedge	Unrealized Gain	Unrealized (Loss)
At Dec. 31, 2011:				
Interest-bearing deposits with banks	**$8,789**	**$8,789**	**$441**	**$(17)**
Securities available-for-sale	**4,354**	**4,009**	**-**	**(289)**
Deposits	**10**	**10**	**1**	**-**
Long-term debt	**15,048**	**14,262**	**964**	**(9)**
At Dec. 31, 2010:				
Interest-bearing deposits with banks	$6,763	$6,763	$-	$-
Securities available-for-sale	2,170	2,168	51	(3)
Deposits	27	25	3	-
Long-term debt	12,540	11,774	780	(41)

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Off-Balance Sheet Risks Significant Industry Concentrations (Detail) (USD $) In Billions, unless otherwise specified	Dec. 31, 2011
Financial Institutions	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	$ 11.1
Unfunded commitments	15.5
Total exposure	26.6
Financial Institutions | Banks	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	6.3
Unfunded commitments	1.9
Total exposure	8.2
Financial Institutions | Securities Industry	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	3.8
Unfunded commitments	2.6
Total exposure	6.4
Financial Institutions | Insurance	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.1
Unfunded commitments	4.6
Total exposure	4.7
Financial Institutions | Asset Managers	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.8
Unfunded commitments	3.2
Total exposure	4.0
Financial Institutions | Government	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Unfunded commitments	1.6
Total exposure	1.6
Financial Institutions | Other Industry	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.1
Unfunded commitments	1.6
Total exposure	1.7
Commercial	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	1.3
Unfunded commitments	16.3

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Total exposure	17.6
Commercial | Manufacturing	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.3
Unfunded commitments	5.7
Total exposure	6.0
Commercial | Energy and Utilities	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.3
Unfunded commitments	4.8
Total exposure	5.1
Commercial | Services and Other	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.5
Unfunded commitments	4.5
Total exposure	5.0
Commercial | Media and Telecom	
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]	
Loans	0.2
Unfunded commitments	1.3
Total exposure	$ 1.5

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Details of our Loan Distribution and Industry Concentrations of Credit Risk (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	$ 43,979	$ 37,808 [1]	
Financial Institutions			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	11,144	9,256	
Commercial			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	1,280	1,595	
Wealth Management Loans and Mortgages			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	7,342	6,506	
Commercial Real Estate			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	1,449	1,592	
Overdrafts			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	4,849	6,049	
Domestic			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	33,971	29,767 [1]	
Domestic | Financial Institutions			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	4,606	4,630 [1]	
Domestic | Commercial			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	752	1,250 [1]	
Domestic | Wealth Management Loans and Mortgages			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	7,342	6,506 [1]	
Domestic | Commercial Real Estate			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	1,449	1,592 [1]	
Domestic | Lease Financings			
Accounts, Notes, Loans and Financing Receivable [Line Items]			
Loans	1,558 [2]	1,605 [1],[2]	
Domestic | Other Residential Mortgages			

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Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	1,923		2,079	[1]	
Domestic | Overdrafts					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	2,958		4,524	[1]	3,946
Domestic | Other loans					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	623		771	[1]	407
Domestic | Margin Loans					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	12,760		6,810	[1]	4,657
Foreign					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	10,008		8,041	[1]	
Foreign | Financial Institutions					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	6,538		4,626	[1]	
Foreign | Commercial					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	528		345	[1]	
Foreign | Lease Financings					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	1,051	[2]	1,545	[1],[2]	
Foreign | Other loans					
Accounts, Notes, Loans and Financing Receivable [Line Items]					
Loans	$ 1,891		$ 1,525	[1]	$ 2,109

[1] Presented on a continuing operations basis.

[2] Net of unearned income on domestic and foreign lease financings of $1,343 million at Dec. 31, 2011 and $2,036 million at Dec. 31, 2010.

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Carrying Amount and Fair Value of Financial Instruments (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Assets:		
Assets of discontinued operations		$ 278
Total assets	325,266	247,259
Liabilities:		
Total liabilities	291,065	214,102
Investment Management Funds		
Assets:		
Trading assets	10,751	14,121
Other financial assets	596	645
Total assets	11,347	14,766
Liabilities:		
Trading liabilities	10,053	13,561
Total liabilities	10,085	13,563
Carrying Amount		
Assets:		
Interest-bearing deposits with the Federal Reserve and other central banks	90,243	18,549
Interest-bearing deposits with banks	36,321	50,200
Federal funds sold and securities purchased under resale agreements	4,510	5,169
Securities	84,665	68,950
Trading assets	7,861	6,276
Loans	40,976	34,163
Hedging derivatives	1,600	836
Other financial assets	9,004	8,283
Total financial assets	275,180	192,426
Assets of discontinued operations		278
Non-financial assets	38,739	39,789
Total assets	325,266	247,259
Liabilities:		
Noninterest-bearing deposits	95,335	38,703
Interest-bearing deposits	123,759	106,636
Federal funds purchased and securities sold under repurchase agreements	6,267	5,602
Trading liabilities	8,071	6,911
Payables to customers and broker-dealers	12,671	9,962
Borrowings	2,376	2,997
Long-term debt	19,933	16,517
Hedging derivatives	319	160
Total financial liabilities	268,731	187,488
Non-financial liabilities	12,249	13,051
Total liabilities	291,065	214,102

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Carrying Amount | Investment Management Funds		
Assets:		
Total assets	11,347	14,766
Liabilities:		
Total liabilities	10,085	13,563
Carrying Amount | Interest Rate Contract		
Assets:		
Hedging derivatives	965	834
Liabilities:		
Hedging derivatives	298	44
Carrying Amount | Foreign Exchange Contract		
Assets:		
Hedging derivatives	635	2
Liabilities:		
Hedging derivatives	21	116
Estimated Fair Value		
Assets:		
Interest-bearing deposits with the Federal Reserve and other central banks	90,243	18,549
Interest-bearing deposits with banks	36,382	50,253
Federal funds sold and securities purchased under resale agreements	4,510	5,169
Securities	84,802	68,504
Trading assets	7,861	6,276
Loans	41,186	34,241
Hedging derivatives	1,600	836
Other financial assets	9,004	8,283
Total financial assets	275,588	192,111
Assets of discontinued operations		278
Liabilities:		
Noninterest-bearing deposits	95,335	38,703
Interest-bearing deposits	123,760	107,417
Federal funds purchased and securities sold under repurchase agreements	6,267	5,602
Trading liabilities	8,071	6,911
Payables to customers and broker-dealers	12,671	9,962
Borrowings	2,376	2,997
Long-term debt	20,459	17,120
Hedging derivatives	319	160
Total financial liabilities	269,258	188,872
Estimated Fair Value | Investment Management Funds		
Assets:		
Total assets	11,347	14,766
Liabilities:		
Total liabilities	10,085	13,563
Estimated Fair Value | Interest Rate Contract		
Assets:		

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Hedging derivatives	965	834
Liabilities:		
Hedging derivatives	298	44
Estimated Fair Value | Foreign Exchange Contract		
Assets:		
Hedging derivatives	635	2
Liabilities:		
Hedging derivatives	$ 21	$ 116

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Restructuring Charges by Business Segment (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended			
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	$ 89	$ 28 [1]	$ 150 [1]	
Operational Efficiency Initiatives 2011				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	107			
Operational Efficiency Initiatives 2011 | Investment Management				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	17			
Operational Efficiency Initiatives 2011 | Investment Services				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	41			
Operational Efficiency Initiatives 2011 | Other Operating Segment				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	49			
Global Location Strategy 2009				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	(15)	35	139	
Total charges since inception	159			
Global Location Strategy 2009 | Investment Management				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges		15	40	
Total charges since inception	55			
Global Location Strategy 2009 | Investment Services				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	(18)	26	68	
Total charges since inception	76			
Global Location Strategy 2009 | Other Operating Segment				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	3	(6)	31	
Total charges since inception	28			
Workforce Reduction Program 2008				
Restructuring Cost and Reserve [Line Items]				
Restructuring charges	(3)	(7)	11	181
Total charges since inception	182			
Workforce Reduction Program 2008 | Investment Management				

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Restructuring Cost and Reserve [Line Items]			
Restructuring charges	(1)	(5)	9
Total charges since inception	80		
Workforce Reduction Program 2008 | Investment Services			
Restructuring Cost and Reserve [Line Items]			
Restructuring charges	(2)	(2)	(2)
Total charges since inception	54		
Workforce Reduction Program 2008 | Other Operating Segment			
Restructuring Cost and Reserve [Line Items]			
Restructuring charges			4
Total charges since inception	$ 48		

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Restructuring charges (Tables)	12 Months Ended Dec. 31, 2011

Operational Efficiency Initiatives 2011

Activity in Restructuring Reserve

The following table presents the activity in the restructuring reserve related to the operational efficiency initiatives through Dec. 31, 2011.

Operational efficiency initiatives 2011 – restructuring charge reserve activity

(in millions)	Severance	Other	Total
Original restructuring charge	$ 78	$ 29	$ 107
Utilization	(4)	(29)	(33)
Balance at Dec. 31, 2011	$ 74	$ -	$ 74

Restructuring Charges by Business Segment

The table below presents the restructuring charge if it had been allocated by business.

Operational efficiency initiatives 2011 – restructuring charge by business

(in millions)	**2011**
Investment Management	**$17**
Investment Services	**41**
Other segment (including Business Partners)	**49**
Total restructuring charge	**$107**

Global Location Strategy 2009

Activity in Restructuring Reserve

The following table presents the activity in the restructuring reserve related to the global location strategy through Dec. 31, 2011.

Global location strategy 2009 – restructuring charge reserve activity

(in millions)	Severance	Asset write-offs/ other	Total
Original restructuring charge	$ 102	$ 37	$ 139
Utilization	-	(23)	(23)
Balance at Dec. 31, 2009	102	14	116
Additional charges	29	6	35
Utilization	(50)	(1)	(51)
Balance at Dec. 31, 2010	$ 81	$ 19	$ 100
Additional (recovery)	(15)	-	(15)
Utilization	(39)	(8)	(47)
Balance at Dec. 31, 2011	$ 27	$ 11	$ 38

Restructuring Charges by Business Segment

The table below presents the restructuring charge if it had been allocated by business.

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Global location strategy 2009 – restructuring charge (recovery) by business				Total charges since
(in millions)	**2011**	2010	2009	inception
Investment Management	**$-**	$ 15	$40	$ 55
Investment Services	**(18)**	26	68	76
Other segment (including Business Partners)	**3**	(6)	31	28
Total restructuring charge	**$(15)**	$ 35	$139	$ 159

Workforce Reduction Program 2008

Activity in Restructuring Reserve

The following table presents the activity in the restructuring reserve related to the workforce reduction program through Dec. 31, 2011.

Workforce reduction program 2008 – restructuring charge reserve activity			
(in millions)	Severance	Other	Total
Original restructuring charge	$ 166	$ 15	$181
Additional charges	4	7	11
Utilization	(105)	(22)	(127)
Balance at Dec. 31, 2009	$ 65	$ -	$65
Additional (recovery)	(7)	-	(7)
Utilization	(42)	-	(42)
Balance at Dec. 31, 2010	$ 16	$ -	$16
Additional (recovery)	(3)	-	(3)
Utilization	(13)	-	(13)
Balance at Dec. 31, 2011	**$ -**	**$ -**	**$-**

Restructuring Charges by Business Segment

The table below presents the restructuring charge if it had been allocated by business.

Workforce reduction program 2008 – restructuring charge (recovery) by business				Total charges since
(in millions)	**2011**	2010	2009	inception
Investment Management	**$ (1)**	$ (5)	$ 9	$ 80
Investment Services	**(2)**	(2)	(2)	54
Other (including Business Partners)	**-**	-	4	48
Total restructuring charge	**$ (3)**	$ (7)	$ 11	$ 182

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Derivative instruments

Derivative instruments

12 Months Ended Dec. 31, 2011

Note 25—Derivative instruments

We use derivatives to manage exposure to market risk, interest rate risk, credit risk and foreign currency risk. Our trading activities are focused on acting as a market-maker for our customers and facilitating customer trades. In addition, we periodically manage positions for our own account. Positions managed for our own account are immaterial to our overall foreign exchange and other trading revenue and to our overall results of operations.

The notional amounts for derivative financial instruments express the dollar volume of the transactions; however, credit risk is much smaller. We perform credit reviews and enter into netting agreements to minimize the credit risk of derivative financial instruments. We enter into offsetting positions to reduce exposure to foreign exchange and interest rate risk.

Use of derivative financial instruments involves reliance on counterparties. Failure of a counterparty to honor its obligation under a derivative contract is a risk we assume whenever we engage in a derivative contract. Counterparty default losses were $15 million in 2011 and $39 million in 2010. Reserves for losses incurred in both 2011 and 2010 were established in prior years. As a result, these counterparty default losses did not impact income in either year.

Hedging derivatives

We utilize interest rate swap agreements to manage our exposure to interest rate fluctuations. For hedges of investment securities available-for-sale, deposits and long-term debt, the hedge documentation specifies the terms of the hedged items and the interest rate swaps and indicates that the derivative is hedging a fixed-rate item and is a fair value hedge, that the hedge exposure is to the changes in the fair value of the hedged item due to changes in benchmark interest rates, and that the strategy is to eliminate fair value variability by converting fixed-rate interest payments to LIBOR.

The securities hedged consist of sovereign debt and U.S. Treasury bonds that had original maturities of 30 years or less at initial purchase. The swaps on the sovereign debt and U.S. Treasury bonds are not callable. All of these securities are hedged with “pay fixed rate, receive variable rate” swaps of similar maturity, repricing and fixed rate coupon. At Dec. 31, 2011, $4 billion of securities were hedged with interest rate swaps that had notional values of $4 billion.

The fixed rate deposits hedged generally have original maturities of three to six years and are not callable. These deposits are hedged with “receive fixed rate, pay variable” rate swaps of similar maturity, repricing and fixed rate coupon. The swaps are not callable. At Dec. 31, 2011, $10 million of deposits were hedged with interest rate swaps that had notional values of $10 million.

The fixed rate long-term debts hedged generally have original maturities of five to 30 years. We issue both callable and non-callable debt. The non-callable debt is hedged with simple interest rate swaps similar to those described for deposits. Callable debt is hedged with callable swaps where the call dates of the swaps exactly match the call dates of the debt. At Dec. 31, 2011, $14.3 billion of debt was hedged with interest rate swaps that had notional values of $14.3 billion.

In addition, we enter into foreign exchange hedges. We use forward foreign exchange contracts with maturities of nine months or less to hedge our British Pound, Euro and Indian Rupee foreign exchange exposure with respect to foreign currency forecasted revenue and expense transactions in entities that have the U.S. dollar as their functional currency. As of Dec. 31, 2011, the hedged forecasted foreign currency transactions and designated forward foreign exchange contract hedges were $136.1 million (notional), with $0.4 million of pre-tax gain recorded in accumulated other comprehensive income. This gain will be reclassified to income or expense over the next nine months.

We use forward foreign exchange contracts with remaining maturities of one year or less as hedges against our foreign exchange exposure to Euro, Norwegian Krona, British Pound, Swiss Franc and Japanese Yen with respect to interest-bearing deposits with banks and their associated forecasted interest revenue. These hedges are designated as cash flow hedges. These hedges are affected such that their maturities and notional values match those of the deposits with banks. As of Dec. 31, 2011, the hedged interest-bearing deposits with banks and their designated forward foreign

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exchange contract hedges were $8.8 billion (notional), with $3.0 million of pre-tax loss recorded in accumulated other comprehensive income. This loss will be reclassified to net interest revenue over the next twelve months.

Forward foreign exchange contracts are also used to hedge the value of our net investments in foreign subsidiaries. These forward foreign exchange contracts usually have maturities of less than two years. The derivatives employed are designated as hedges of changes in value of our foreign investments due to exchange rates. Changes in the value of the forward foreign exchange contracts offset the changes in value of the foreign investments due to changes in foreign exchange rates. The change in fair market value of these forward foreign exchange contracts is deferred and reported within accumulated translation adjustments in shareholders' equity, net of tax. At Dec. 31, 2011, forward foreign exchange contracts with notional amounts totaling $5.2 billion were designated as hedges.

In addition to forward foreign exchange contracts, we also designate non-derivative financial instruments as hedges of our net investments in foreign subsidiaries. Those non-derivative financial instruments designated as hedges of our net investments in foreign subsidiaries were all long-term liabilities of BNY Mellon in various currencies, and, at Dec. 31, 2011, had a combined U.S. dollar equivalent value of $495 million.

Ineffectiveness related to derivatives and hedging relationships was recorded in income as follows:

Ineffectiveness	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Fair value hedges on loans	**$0.1**	$0.1	$(0.1)
Fair value hedges of securities	**(8.6)**	(4.2)	0.1
Fair value hedges of deposits and long-term debt	**(5.3)**	7.7	2.2
Cash flow hedges	**(0.1)**	0.1	-
Other *(a)*	**(0.1)**	(0.2)	0.1
Total	**$(14.0)**	$3.5	$2.3

(a) Includes ineffectiveness recorded on foreign exchange hedges.

The following table summarizes the notional amount and credit exposure of our total derivative portfolio at Dec. 31, 2011 and 2010.

Impact of derivative instruments on the balance sheet	Notional Value		Asset Derivatives Fair Value *(a)*		Liability Derivatives Fair Value *(a)*	
(in millions)	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Derivatives designated as hedging instruments *(b)*:						
Interest rate contracts	**$18,281**	$13,967	**$965**	$834	**$298**	$44
Foreign exchange contracts	**14,160**	11,816	**635**	2	**21**	116
Total derivatives designated as hedging instruments			**$1,600**	$836	**$319**	$160
Derivatives not designated as hedging instruments *(c)*:						
Interest rate contracts	**$975,308**	$1,090,718	**$26,652**	$15,651	**$27,440**	$16,275
Equity contracts	**8,205**	6,905	**418**	449	**330**	380
Credit contracts	**333**	681	**3**	2	**-**	4
Foreign exchange contracts	**379,235**	315,050	**4,632**	3,661	**4,355**	3,707
Total derivatives not designated as hedging instruments			**$31,705**	$19,763	**$32,125**	$20,366
Total derivatives fair value *(d)*			**$33,305**	$20,599	**$32,444**	$20,526
Effect of master netting agreements			**(26,047)**	(15,827)	**(25,009)**	(15,181)
Fair value after effect of master netting agreements			**$7,258**	$4,772	**$7,435**	$5,345

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(a) Derivative financial instruments are reported net of cash collateral received and paid of $1,269 million and $231 million, respectively, at Dec. 31, 2011 and $889 million and $243 million, respectively, at Dec. 31, 2010.
(b) The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively, on the balance sheet.
(c) The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the balance sheet.
(d) Fair values are on a gross basis, before consideration of master netting agreements, as required by ASC 815.

At Dec. 31, 2011, $336 billion (notional) of interest rate contracts will mature within one year, $391 billion between one and five years, and $267 billion after five years. At Dec. 31, 2011, $376 billion (notional) of foreign exchange contracts will mature within one year, $9 billion between one and five years, and $8 billion after five years.

Impact of derivative instruments on the income statement

(in millions)

Derivatives in fair value hedging relationships	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives Year ended Dec. 31,			Location of gain or (loss) recognized in income on hedged item	Amount of gain or (loss) recognized in hedged item Year ended Dec. 31,		
		2011	2010	2009		**2011**	2010	2009
Interest rate contracts	Net interest revenue	**$(150)**	$370	$(406)	Net interest revenue	**$136**	$(366)	$408

Derivatives in cash flow hedging relationships	Amount of gain or (loss) recognized in accumulated OCI on derivative (effective portion) Year ended Dec. 31,			Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion) Year ended Dec. 31,			Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing) Year ended Dec. 31,		
	2011	2010	2009		**2011**	2010	2009		**2011**	2010	2009
FX contracts	**$(118)**	$(7)	$ -	Net interest revenue	**$(114)**	$(6)	$ -	Net interest revenue	**$ -**	$ -	$ -
FX contracts	**(6)**	(134)	(1)	Other revenue	**(6)**	(135)	6	Other revenue	**(0.1)**	0.1	-
FX contracts	**(525)**	-	-	Trading revenue	**(525)**	-	-	Trading revenue	**-**	-	-
FX contracts	**3**	(1)	-	Salary expense	**2**	(1)	-	Salary expense	**-**	-	-
Interest rate contracts	**-**	-	-	Net interest revenue	**-**	-	26	Net interest revenue	**-**	-	-
Total	**$(646)**	$(142)	$ (1)		**$(643)**	$(142)	$ 32		**$ (0.1)**	$ 0.1	$ -

Derivatives in net investment hedging relationships	Amount of gain or (loss) recognized in accumulated OCI on derivatives (effective portion) Year ended Dec. 31,			Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion) Year ended Dec. 31,			Location of gain or (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing) Year ended Dec. 31,		
	2011	2010	2009		**2011**	2010	2009		**2011**	2010	2009
FX contracts	**$ 75**	$(52)	$(298)	Net interest revenue	**$ -**	$ -	$ -	Other revenue	**$ (0.1)**	$ (0.2)	$ 0.1

Trading activities (including trading derivatives)

We manage trading risk through a system of position limits, a VaR methodology based on Monte Carlo simulations, stop loss advisory triggers, and other market sensitivity measures. Risk is monitored and reported to senior management by a separate unit on a daily basis. Based on certain assumptions, the VaR methodology is designed to capture the potential overnight pre-tax dollar loss from adverse changes in fair values of all trading positions. The calculation assumes a one-day holding period for most instruments, utilizes a 99% confidence level, and incorporates

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the non-linear characteristics of options. The VaR model is one of several statistical models used to develop economic capital results, which is allocated to lines of business for computing risk-adjusted performance.

As the VaR methodology does not evaluate risk attributable to extraordinary financial, economic or other occurrences, the risk assessment process includes a number of stress scenarios based upon the risk factors in the portfolio and management's assessment of market conditions. Additional stress scenarios based upon historic market events are also performed. Stress tests, by their design, incorporate the impact of reduced liquidity and the breakdown of observed correlations. The results of these stress tests are reviewed weekly with senior management.

Revenue from foreign exchange and other trading included the following:

Foreign exchange and other trading revenue *(in millions)*	**2011**	2010	2009
Foreign exchange	**$761**	$787	$850
Fixed income	**65**	80	242
Credit derivatives *(a)*	**(3)**	(7)	(84)
Other	**25**	26	28
Total	**$ 848**	$ 886	$1,036

(a) Used as economic hedges of loans.

Foreign exchange includes income from purchasing and selling foreign currencies and currency forwards, futures, and options. Fixed income reflects results from futures and forward contracts, interest rate swaps, foreign currency swaps, options, and fixed income securities. Credit derivatives include revenue from credit default swaps. Other primarily includes income from equity securities and equity derivatives.

Counterparty credit risk and collateral

We assess credit risk of our counterparties through regular examination of their financial statements, confidential communication with the management of those counterparties and regular monitoring of publicly available credit rating information. This and other information is used to develop proprietary credit rating metrics used to assess credit quality.

Collateral requirements are determined after a comprehensive review of the credit quality of each counterparty. Collateral is generally held or pledged in the form of cash or highly liquid government securities. Collateral requirements are monitored and adjusted daily.

Additional disclosures concerning derivative financial instruments are provided in Notes 21 and 22 of the Notes to Consolidated Financial Statements.

Disclosure of contingent features in over-the-counter ("OTC") derivative instruments

Certain OTC derivative contracts and/or collateral agreements of The Bank of New York Mellon, our largest banking subsidiary and the subsidiary through which BNY Mellon enters into the substantial majority of all of its OTC derivative contracts and/or collateral agreements, contain provisions that may require us to take certain actions if The Bank of New York Mellon's public debt rating fell to a certain level. Early termination provisions, or "close-out" agreements, in those contracts could trigger immediate payment of outstanding contracts that are in net liability positions. Certain collateral agreements would require The Bank of New York Mellon to immediately post additional collateral to cover some or all of The Bank of New York Mellon's liabilities to a counterparty.

The following table shows the fair value of contracts falling under early termination provisions that were in net liability positions as of Dec. 31, 2011 for three key ratings triggers:

If The Bank of New York Mellon's rating was changed to (Moody's/S&P)	**Potential close-out exposures (fair value)** *(a)*
A3/A-	$ 936 million
Baa2/BBB	$ 1,129 million

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Bal/BB+	$ 1,803 million

(a) The change between rating categories is incremental, not cumulative.

Additionally, if The Bank of New York Mellon's debt rating had fallen below investment grade on Dec. 31, 2011, existing collateral arrangements would have required us to have posted an additional $498 million of collateral.

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Fair Value of Derivative Contracts Falling under Early Termination Provisions that were in a Net Liability Position (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	
A3/A-		
Credit Derivatives [Line Items]		
Potential close-out exposures (fair value)	$ 936	[1]
Baa2/BBB		
Credit Derivatives [Line Items]		
Potential close-out exposures (fair value)	1,129	[1]
Bal/BB+		
Credit Derivatives [Line Items]		
Potential close-out exposures (fair value)	$ 1,803	[1]

[1] The change between rating categories is incremental, not cumulative.

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Details of our Loan Distribution and Industry Concentrations of Credit Risk (Parenthetical) (Detail) (Lease Financings, USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Lease Financings		
Accounts, Notes, Loans and Financing Receivable [Line Items]		
Unearned income on lease financings	$ 1,343	$ 2,036

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Consolidated Credit Supported VIEs (Detail) (Credit Supported, USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Variable Interest Entity [Line Items]		
Assets	$ 14	$ 53
Liabilities	22	126
Available-for-sale		
Variable Interest Entity [Line Items]		
Assets	14	53
Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Liabilities	22	126
Variable Interest Entity, Primary Beneficiary		
Variable Interest Entity [Line Items]		
Maximum loss exposure	24	104
Variable Interest Entity, Primary Beneficiary | Available-for-sale		
Variable Interest Entity [Line Items]		
Maximum loss exposure	14	53
Variable Interest Entity, Primary Beneficiary | Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Maximum loss exposure	$ 10	$ 51

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Accumulated Other Comprehensive Income (Loss) (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Unrealized gain (loss) on foreign currency cash flow hedges	$ 1		$ (1)
Reclassification adjustment/other, to retained earnings from other comprehensive income		14	
Foreign Currency Translation			
Other comprehensive income, tax (expense) benefit	(11)	(68)	(82)
ASC 820 Adjustments Pensions			
Other comprehensive income, tax (expense) benefit	230	15	14
Health Care Benefits			
Other comprehensive income, tax (expense) benefit	24	(3)	(34)
Unrealized Gain (Loss) On Assets Available For Sale			
Other comprehensive income, tax (expense) benefit	(177)	(469)	(489)
Reclassification adjustment, tax	22	12	(2,022)
Unrealized Gain (Loss) On Cash Flow Hedges			
Other comprehensive income, tax (expense) benefit	(2) [1]		(1) [1]
Reclassification adjustment, tax	2 [1]	2 [1]	
Accumulated Other Comprehensive Income			
Other comprehensive income, tax (expense) benefit	64	(525)	(592)
Reclassification adjustment, tax	24	14	(2,022)
ASC 320 | Restatement Adjustment			
Adjustment for the cumulative effect of applying new accounting principle, taxes			470
ASC 320 | Unrealized Gain (Loss) On Assets Available For Sale | Restatement Adjustment			
Adjustment for the cumulative effect of applying new accounting principle, taxes			470
ASC 320 | Accumulated Other Comprehensive Income | Restatement Adjustment			
Adjustment for the cumulative effect of applying new accounting principle, taxes			$ 470

[1] Includes unrealized gain (loss) on foreign currency cash flow hedges of $1 million, $- million and, $(1) million at Dec. 31, 2011, Dec. 31, 2010 and Dec. 31, 2009, respectively.

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Aggregate Intrinsic Value of Options (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Outstanding at Dec. 31,	$ 22	$ 193	$ 167
Exercisable at Dec. 31,	$ 11	$ 77	$ 26

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Maturity Distribution by Carrying Amount and Yield (on a Tax Equivalent Basis) of Investment Securities Portfolio (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	
Securities available-for-sale, amount:		
One year or less	$ 6,230	
Over 1 through 5 years	25,278	
Over 5 through 10 years	4,107	
Over 10 years	4,150	
Total	78,467	
Securities held-to-maturity, amount:		
One year or less	3	
Over 1 through 5 years	414	
Over 5 through 10 years	432	
Over 10 years	67	
Total	3,521	
Mortgage-Backed Securities		
Securities available-for-sale, amount:		
Without single maturity date	35,723	
Securities held-to-maturity, amount:		
Without single maturity date	2,605	
Asset-Backed Securities		
Securities available-for-sale, amount:		
Without single maturity date	1,976	
Equity Securities		
Securities available-for-sale, amount:		
Without single maturity date	1,003	[1]
U.S. Treasury		
Securities available-for-sale, amount:		
One year or less	1,165	
Over 1 through 5 years	11,618	
Over 5 through 10 years	2,313	
Over 10 years	2,230	
Total	17,326	
Securities held-to-maturity, amount:		
Over 1 through 5 years	413	
Over 5 through 10 years	400	
Total	813	
Securities available-for-sale, yield:		
One year or less	0.96%	[2]

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Over 1 through 5 years	1.03% [2]
Over 5 through 10 years	2.83% [2]
Over 10 years	3.11% [2]
Total	1.53% [2]
Securities held-to-maturity, yield:	
One year or less	[2]
Over 1 through 5 years	1.71% [2]
Over 5 through 10 years	2.62% [2]
Total	2.17% [2]
U.S. Government Agencies	
Securities available-for-sale, amount:	
Over 1 through 5 years	958
Total	958
Securities available-for-sale, yield:	
Over 1 through 5 years	1.63% [2]
Total	1.63% [2]
Securities held-to-maturity, yield:	
One year or less	[2]
State And Political Subdivisions	
Securities available-for-sale, amount:	
One year or less	60
Over 1 through 5 years	1,155
Over 5 through 10 years	1,063
Over 10 years	461
Total	2,739
Securities held-to-maturity, amount:	
Over 1 through 5 years	1
Over 5 through 10 years	32
Over 10 years	67
Total	100
Securities available-for-sale, yield:	
One year or less	1.44% [2]
Over 1 through 5 years	1.93% [2]
Over 5 through 10 years	3.87% [2]
Over 10 years	4.80% [2]
Total	3.16% [2]
Securities held-to-maturity, yield:	
One year or less	[2]
Over 1 through 5 years	6.87% [2]
Over 5 through 10 years	6.66% [2]

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Over 10 years	6.58%	[2]
Total	6.60%	[2]
Other bonds, Notes and Debentures		
Securities available-for-sale, amount:		
One year or less	5,005	
Over 1 through 5 years	11,547	
Over 5 through 10 years	731	
Over 10 years	1,459	
Total	18,742	
Securities held-to-maturity, amount:		
One year or less	3	
Total	3	
Securities available-for-sale, yield:		
One year or less	1.47%	[2]
Over 1 through 5 years	1.40%	[2]
Over 5 through 10 years	2.82%	[2]
Over 10 years	3.66%	[2]
Total	1.65%	[2]
Securities held-to-maturity, yield:		
One year or less		[2]
Mortgage/Asset-Backed and Equity Securities		
Securities available-for-sale, amount:		
Total	38,702	
Securities held-to-maturity, amount:		
Total	2,605	
Securities available-for-sale, yield:		
Total	4.20%	[2]
Securities held-to-maturity, yield:		
One year or less		[2]
Total	2.68%	[2]
Mortgage/Asset-Backed and Equity Securities | Mortgage-Backed Securities		
Securities available-for-sale, amount:		
Without single maturity date	35,723	
Securities held-to-maturity, amount:		
Without single maturity date	2,605	
Securities available-for-sale, yield:		
Without single maturity date	4.45%	[2]
Securities held-to-maturity, yield:		
Without single maturity date	2.68%	[2]
Mortgage/Asset-Backed and Equity Securities | Asset-Backed Securities		
Securities available-for-sale, amount:		

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Without single maturity date	1,976
Securities available-for-sale, yield:	
Without single maturity date	1.91% [2]
Mortgage/Asset-Backed and Equity Securities | Equity Securities	
Securities available-for-sale, amount:	
Without single maturity date	$ 1,003 [1]
Securities available-for-sale, yield:	
Without single maturity date	0.01% [1],[2]

[1] Includes money market funds.
[2] Yields are based upon the amortized cost of securities.

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Credit Quality Indicators - Commercial Portfolio Credit Risk Profile by Creditworthiness Category (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Financing Receivable, Recorded Investment [Line Items]		
Loans	$ 43,979	$ 37,808 [1]
Commercial		
Financing Receivable, Recorded Investment [Line Items]		
Loans	1,280	1,595
Commercial | Investment grade		
Financing Receivable, Recorded Investment [Line Items]		
Loans	906	964
Commercial | Noninvestment grade		
Financing Receivable, Recorded Investment [Line Items]		
Loans	374	631
Commercial Real Estate		
Financing Receivable, Recorded Investment [Line Items]		
Loans	1,449	1,592
Commercial Real Estate | Investment grade		
Financing Receivable, Recorded Investment [Line Items]		
Loans	1,062	1,072
Commercial Real Estate | Noninvestment grade		
Financing Receivable, Recorded Investment [Line Items]		
Loans	387	520
Financial Institutions		
Financing Receivable, Recorded Investment [Line Items]		
Loans	11,144	9,256
Financial Institutions | Investment grade		
Financing Receivable, Recorded Investment [Line Items]		
Loans	9,643	7,894
Financial Institutions | Noninvestment grade		
Financing Receivable, Recorded Investment [Line Items]		
Loans	$ 1,501	$ 1,362

[1] Presented on a continuing operations basis.

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Fair value option (Tables)

12 Months Ended Dec. 31, 2011

Fair Value Option of Consolidated Investment Management Funds at Fair Value

The following table presents the assets and liabilities, by type, of consolidated investment management funds recorded at fair value.

Assets and liabilities of consolidated investment management funds, at fair value *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Assets of consolidated investment management funds:		
Trading assets	**$10,751**	$14,121
Other assets	**596**	645
Total assets of consolidated investment management funds	**$11,347**	$14,766
Liabilities of consolidated investment management funds:		
Trading liabilities	**$10,053**	$13,561
Other liabilities	**32**	2
Total liabilities of consolidated investment management funds	**$10,085**	$13,563
Non-redeemable noncontrolling interests of consolidated investment management funds	**$670**	$699

Fair Value Option - Changes in Fair Value Included in Foreign Exchange and Other Trading Activities

The following table presents the changes in fair value of the long-term debt included in foreign exchange and other trading revenue in the consolidated income statement.

Foreign exchange and other trading revenue	**Year ended Dec. 31,**	
(in millions)	**2011**	2010
Long-term debt *(a)*	**$ (57)**	$ (29)

(a) *The change in fair value of the long-term debt is approximately offset by an economic hedge included in trading.*

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Reconciliation of Statutory Federal Income Tax Rate to Effective Income Tax Rate (Detail)	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Reconciliation of Statutory Federal Tax Rate [Line Items]			
Federal rate	35.00%	35.00%	35.00%
State and local income taxes, net of federal income tax benefit	1.60%	2.40%	4.50%
Credit for low-income housing investments	(1.90%)	(1.80%)	2.60%
Tax-exempt income	(2.60%)	(2.30%)	2.90%
Foreign operations	(3.20%)	(5.20%)	3.50%
Tax settlements			4.00%
Tax loss on mortgages			10.80%
Other - net	0.10%	0.20%	(0.10%)
Effective rate	29.00%	28.30%	63.20%

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Nonvested Restricted Stock, RSUs and TSRs Activity (Detail) (Restricted Stock, Restricted Stock Units (RSUs) and Total Shareholder Returns (TSRs), USD $)	12 Months Ended Dec. 31, 2011	
Restricted Stock, Restricted Stock Units (RSUs) and Total Shareholder Returns (TSRs)		
Number of Shares		
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2010	11,319,776	
Granted	5,828,098	
Vested	(3,530,607)	
Forfeited	(483,809)	
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2011	13,133,458	[1]
Weighted-average fair value		
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2010	$ 29.96	
Granted	$ 29.79	
Vested	$ 39.91	
Forfeited	$ 33.79	
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2011	$ 26.44	[1]

[1] Includes 817,698 shares granted to members of BNY Mellon's Executive Committee that are marked-to-market based on the closing stock price at Dec. 31, 2011 of $19.91.

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Debt Securities Credit Losses Roll Forward Recorded in Earnings (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Schedule of Investment Income, Reported Amounts, by Category [Line Items]		
Beginning balance as of Jan. 1	$ 182	$ 244
Add: Initial OTTI credit losses	61	10
Subsequent OTTI credit losses	18	6
Less: Realized losses for securities sold / consolidated	8	78
Ending balance as of Dec. 31	$ 253	$ 182

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Company financial information - Additional Information (Detail) (USD $)	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Dividend payout ratio when exceeded will receive close Fed scrutiny	30.00%		
Basel III			
Minimum Ratio for Tier 1 common to be Adequately Capitalized	7.00%		
Minimum Ratio for Tier 1 to be Adequately Capitalized	8.50%		
Minimum Ratio for Leverage to be Adequately Capitalized	3.00%		
Minimum			
Collateral for extensions of credit, percentage of amount of credit limit	100.00%		
Maximum			
Collateral for extensions of credit, percentage of amount of credit limit	130.00%		
Bank Subsidiaries			
Ability to pay dividends by certain of bank subsidiaries to the parent without the need for a regulatory waiver	$ 1,400,000,000		
Required average Federal Reserve balance, under the Federal Reserve Act	4,300,000,000	2,200,000,000	
Dividends declared	156,000,000	239,000,000	659,000,000
Nonbank Subsidiaries			
Liquid assets	$ 1,400,000,000		
Credit Extensions To Affiliates			
Extensions of credit by the banks percentage of such bank's regulatory capital	10.00%		
Credit Extensions In Aggregate To BNY And All Affiliates			
Extensions of credit by the banks percentage of such bank's regulatory capital	20.00%		

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Information about Impaired Loans (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Financing Receivable, Impaired [Line Items]						
Recorded Investment	$ 128	[1]	$ 140	[1]	$ 345	
Unpaid principal balance	153	[1]	165	[1]		
Related allowance	32	[1],[2]	26	[1]	51	[2]
Average recorded investment	121		174		216	
Interest income recognized	2		2		2	
Impaired Financing Receivables with Related Allowance						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	119		118		303	
Unpaid principal balance	138		138			
Related allowance	32	[2]	26			
Average recorded investment	105		154			
Interest income recognized	2		2			
Impaired Financing Receivables with Related Allowance | Commercial						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	26		30		30	
Unpaid principal balance	31		30			
Related allowance	9	[2]	10			
Average recorded investment	27		30			
Interest income recognized	1		1			
Impaired Financing Receivables with Related Allowance | Commercial Real Estate						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	35		25		49	
Unpaid principal balance	41		39			
Related allowance	7	[2]	9			
Average recorded investment	22		34			
Impaired Financing Receivables with Related Allowance | Financial Institutions						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	21		4		171	
Unpaid principal balance	21		10			
Related allowance	7	[2]				
Average recorded investment	9		35			
Impaired Financing Receivables with Related Allowance | Wealth Management Loans and Mortgages						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	27		52		53	

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Unpaid principal balance	27	52	
Related allowance	5 [2]	5	
Average recorded investment	37	53	
Interest income recognized	1	1	
Impaired Financing Receivables with Related Allowance | Foreign			
Financing Receivable, Impaired [Line Items]			
Recorded Investment	10	7	
Unpaid principal balance	18	7	
Related allowance	4 [2]	2	
Average recorded investment	10	2	
Impaired Financing Receivables with No Related Allowance			
Financing Receivable, Impaired [Line Items]			
Recorded Investment	9 [3]	22 [3]	42 [3]
Unpaid principal balance	15 [3]	27 [3]	
Average recorded investment	16 [3]	20 [3]	
Impaired Financing Receivables with No Related Allowance | Commercial			
Financing Receivable, Impaired [Line Items]			
Recorded Investment		2	33
Unpaid principal balance		6	
Average recorded investment	1	6	
Impaired Financing Receivables with No Related Allowance | Commercial Real Estate			
Financing Receivable, Impaired [Line Items]			
Recorded Investment	3	19	9
Unpaid principal balance	3	19	
Average recorded investment	13	11	
Impaired Financing Receivables with No Related Allowance | Financial Institutions			
Financing Receivable, Impaired [Line Items]			
Recorded Investment	3		
Unpaid principal balance	9		
Impaired Financing Receivables with No Related Allowance | Wealth Management Loans and Mortgages			
Financing Receivable, Impaired [Line Items]			
Recorded Investment	3	1	
Unpaid principal balance	3	2	
Average recorded investment	$ 2	$ 3	

[1] Excludes an aggregate of $2 million of impaired loans in amounts individually less than $1 million at Dec. 31, 2011 and $3 million at Dec. 31, 2010. The allowance for loan loss associated with these loans totaled less than $1 million at both Dec. 31, 2011 and Dec. 31, 2010.

[2] The allowance for impaired loans is included in the allowance for loan losses.

[3] When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

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Pension and Postretirement Plan Investment Assets Measured at Fair Value on Recurring Basis (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Domestic Pension Benefits			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	$ 3,529	$ 3,628	$ 3,331
Foreign Pension Benefits			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	681	611	540
Level 3 | Domestic Pension Benefits			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	249	249	231
Level 3 | Domestic Pension Benefits | Fund of Funds			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	128	134	121
Level 3 | Domestic Pension Benefits | Venture Capital and Partnership Interests			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	121	115	110
Level 3 | Foreign Pension Benefits			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	54	55	49
Level 3 | Foreign Pension Benefits | Corporate Debt Obligations			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	14	14	13
Level 3 | Foreign Pension Benefits | Venture Capital and Partnership Interests			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	40	41	36
Fair Value, Measurements, Recurring | Domestic Pension Benefits			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	3,529	3,628	
Fair Value, Measurements, Recurring | Domestic Pension Benefits | Collective Trust Funds			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	1,070	1,181	
Fair Value, Measurements, Recurring | Domestic Pension Benefits | Common And Preferred Stock			
Defined Benefit Plan Disclosure [Line Items]			
Plan assets, at fair value	893	938	
Fair Value, Measurements, Recurring | Domestic Pension Benefits | Corporate Debt Obligations			

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Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	792	777
Fair Value, Measurements, Recurring	Domestic Pension Benefits	U.S. And Sovereign Government Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	468	480
Fair Value, Measurements, Recurring	Domestic Pension Benefits	Fund of Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	128	134
Fair Value, Measurements, Recurring	Domestic Pension Benefits	Venture Capital and Partnership Interests		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	121	115
Fair Value, Measurements, Recurring	Domestic Pension Benefits	Exchange Traded Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	57	3
Fair Value, Measurements, Recurring	Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	681	611
Fair Value, Measurements, Recurring	Foreign Pension Benefits	Corporate Debt Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	77	81
Fair Value, Measurements, Recurring	Foreign Pension Benefits	Venture Capital and Partnership Interests		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	40	41
Fair Value, Measurements, Recurring	Foreign Pension Benefits	Equity Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	433	360
Fair Value, Measurements, Recurring	Foreign Pension Benefits	Sovereign Government Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	124	103
Fair Value, Measurements, Recurring	Foreign Pension Benefits	Cash And Currency		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	7	26
Fair Value, Measurements, Recurring	Level 1	Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	1,335	1,212
Fair Value, Measurements, Recurring	Level 1	Domestic Pension Benefits	Common And Preferred Stock		
Defined Benefit Plan Disclosure [Line Items]		

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Plan assets, at fair value	893	938
Fair Value, Measurements, Recurring | Level 1 | Domestic Pension Benefits | U.S. And Sovereign Government Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	385	271
Fair Value, Measurements, Recurring | Level 1 | Domestic Pension Benefits | Exchange Traded Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	57	3
Fair Value, Measurements, Recurring | Level 1 | Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	341	317
Fair Value, Measurements, Recurring | Level 1 | Foreign Pension Benefits | Equity Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	312	234
Fair Value, Measurements, Recurring | Level 1 | Foreign Pension Benefits | Sovereign Government Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	22	57
Fair Value, Measurements, Recurring | Level 1 | Foreign Pension Benefits | Cash And Currency		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	7	26
Fair Value, Measurements, Recurring | Level 2 | Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	1,945	2,167
Fair Value, Measurements, Recurring | Level 2 | Domestic Pension Benefits | Collective Trust Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	1,070	1,181
Fair Value, Measurements, Recurring | Level 2 | Domestic Pension Benefits | Corporate Debt Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	792	777
Fair Value, Measurements, Recurring | Level 2 | Domestic Pension Benefits | U.S. And Sovereign Government Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	83	209
Fair Value, Measurements, Recurring | Level 2 | Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	286	239
Fair Value, Measurements, Recurring | Level 2 | Foreign Pension Benefits | Corporate Debt Obligations		
Defined Benefit Plan Disclosure [Line Items]		

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Plan assets, at fair value	63	67
Fair Value, Measurements, Recurring	Level 2	Foreign Pension Benefits	Equity Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	121	126
Fair Value, Measurements, Recurring	Level 2	Foreign Pension Benefits	Sovereign Government Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	102	46
Fair Value, Measurements, Recurring	Level 3	Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	249	249
Fair Value, Measurements, Recurring	Level 3	Domestic Pension Benefits	Fund of Funds		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	128	134
Fair Value, Measurements, Recurring	Level 3	Domestic Pension Benefits	Venture Capital and Partnership Interests		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	121	115
Fair Value, Measurements, Recurring	Level 3	Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	54	55
Fair Value, Measurements, Recurring	Level 3	Foreign Pension Benefits	Corporate Debt Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	14	14
Fair Value, Measurements, Recurring	Level 3	Foreign Pension Benefits	Venture Capital and Partnership Interests		
Defined Benefit Plan Disclosure [Line Items]		
Plan assets, at fair value	$ 40	$ 41

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Condensed Income Statement Parent Corporation (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2009	
Total revenue	$ 14,680	$ 13,816		$ 7,654	
Interest (including $13, $14 and $23 to subsidiaries)	604	545	[1]	593	[1]
Provision (benefit) for income taxes	1,048	1,047	[1],[2]	(1,395)	[1],[2]
Redemption charge and preferred dividends				(283)	[1]
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	2,516	2,518	[1]	(1,367)	[1]
Parent Company					
Gain (loss) on securities held for sale	17	5	[3]	(2)	[3]
Other revenue	51	73	[3]	81	[3]
Total revenue	583	694	[3]	1,240	[3]
Interest (including $13, $14 and $23 to subsidiaries)	282	285	[3]	366	[3]
Other expense	138	221	[3]	338	[3]
Total expense	420	506	[3]	704	[3]
Income (loss) before income taxes and equity in undistributed net income of subsidiaries	163	188	[3]	536	[3]
Provision (benefit) for income taxes	66	(465)	[3]	(357)	[3]
Net income (loss)	2,516	2,518	[3]	(1,084)	[3]
Redemption charge and preferred dividends				(283)	[3]
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	2,516	2,518	[3]	(1,367)	[3]
Equity in undistributed net income (loss) of subsidiaries	(2,419)	(1,865)		1,977	
Parent Company | Bank Subsidiaries					
Dividends from subsidiaries	120	200	[3]	611	[3]
Interest revenue from subsidiaries	211	211	[3]	228	[3]
Equity in undistributed net income (loss) of subsidiaries	1,781	1,630	[3]	(2,271)	[3]
Parent Company | Nonbank Subsidiaries					
Dividends from subsidiaries	54	74	[3]	176	[3]
Interest revenue from subsidiaries	130	131	[3]	146	[3]
Equity in undistributed net income (loss) of subsidiaries	$ 638	$ 235	[3]	$ 294	[3]

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[2] Based on continuing operations for 2010 and 2009.

[3] Includes the results of discontinued operations.

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Allowance for Credit Losses Activity (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Financing Receivable, Allowance for Credit Losses [Line Items]			
Beginning balance	$ 571	$ 628	$ 529
Charge-offs	(83)	(88)	(216)
Recoveries	8	20	2
Net (charge-offs) recoveries	(75)	(68)	(214)
Provision	1	11	332
Transferred to discontinued operations			(19)
Ending balance	497	571	628
Allowance for loans losses	394	498	503
Allowance for unfunded commitments	103	73	125
Individually evaluated for impairment, loan balance	128	140	345
Individually evaluated for impairment, allowance for loan losses	32	26	51
Collectively evaluated for impairment, loan balance	43,851	37,668	36,344
Collectively evaluated for impairment, allowance for loan losses	362	472	452
Commercial			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Beginning balance	93	155	180
Charge-offs	(6)	(5)	(90)
Recoveries	3	15	
Net (charge-offs) recoveries	(3)	10	(90)
Provision	1	(72)	66
Transferred to discontinued operations			(1)
Ending balance	91	93	155
Allowance for loans losses	33	51	94
Allowance for unfunded commitments	58	42	61
Individually evaluated for impairment, loan balance	26	32	63
Individually evaluated for impairment, allowance for loan losses	9	10	10
Collectively evaluated for impairment, loan balance	726	1,218	2,261
Collectively evaluated for impairment, allowance for loan losses	24	41	84
Commercial Real Estate			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Beginning balance	40	45	59
Charge-offs	(4)	(8)	(31)
Recoveries		1	
Net (charge-offs) recoveries	(4)	(7)	(31)
Provision	(2)	2	34
Transferred to discontinued operations			(17)
Ending balance	34	40	45
Allowance for loans losses	24	28	31
Allowance for unfunded commitments	10	12	14

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Individually evaluated for impairment, loan balance	38	44	58
Individually evaluated for impairment, allowance for loan losses	7	9	13
Collectively evaluated for impairment, loan balance	1,411	1,548	1,986
Collectively evaluated for impairment, allowance for loan losses	17	19	18
Financial Institutions			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Beginning balance	11	76	57
Charge-offs	(8)	(25)	(34)
Recoveries	2	2	
Net (charge-offs) recoveries	(6)	(23)	(34)
Provision	58	(42)	53
Ending balance	63	11	76
Allowance for loans losses	41	1	42
Allowance for unfunded commitments	22	10	34
Individually evaluated for impairment, loan balance	24	4	171
Individually evaluated for impairment, allowance for loan losses	7		25
Collectively evaluated for impairment, loan balance	4,582	4,626	5,338
Collectively evaluated for impairment, allowance for loan losses	34	1	17
Lease Financings			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Beginning balance	90	80	90
Recoveries			1
Net (charge-offs) recoveries			1
Provision	(24)	10	(11)
Ending balance	66	90	80
Allowance for loans losses	66	90	80
Collectively evaluated for impairment, loan balance	1,558	1,605	1,703
Collectively evaluated for impairment, allowance for loan losses	66	90	80
Wealth Management Loans and Mortgages			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Beginning balance	41	58	32
Charge-offs	(1)	(4)	(1)
Recoveries			1
Net (charge-offs) recoveries	(1)	(4)	
Provision	(11)	(13)	26
Ending balance	29	41	58
Allowance for loans losses	23	38	56
Allowance for unfunded commitments	6	3	2
Individually evaluated for impairment, loan balance	30	53	53
Individually evaluated for impairment, allowance for loan losses	5	5	3
Collectively evaluated for impairment, loan balance	7,312	6,453	6,109
Collectively evaluated for impairment, allowance for loan losses	18	33	53
Other Residential Mortgages			
Financing Receivable, Allowance for Credit Losses [Line Items]			

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Beginning balance	235		164		88	
Charge-offs	(56)		(46)		(60)	
Recoveries	3		2			
Net (charge-offs) recoveries	(53)		(44)		(60)	
Provision	(26)		115		137	
Transferred to discontinued operations					(1)	
Ending balance	156		235		164	
Allowance for loans losses	156		235		164	
Collectively evaluated for impairment, loan balance	1,923		2,079		2,179	
Collectively evaluated for impairment, allowance for loan losses	156		235		164	
All Other						
Financing Receivable, Allowance for Credit Losses [Line Items]						
Beginning balance	1	[1],[2]			2	[3]
Provision	(1)	[2]	1	[1]	(2)	[3]
Ending balance			1	[1],[2]		
Allowance for loans losses			1	[1]		
Collectively evaluated for impairment, loan balance	16,341	[2]	12,105	[1]	9,010	[3]
Collectively evaluated for impairment, allowance for loan losses			1	[1]		
Foreign						
Financing Receivable, Allowance for Credit Losses [Line Items]						
Beginning balance	60	[4],[5]	50	[4],[6]	21	[6]
Charge-offs	(8)	[5]				
Net (charge-offs) recoveries	(8)	[5]				
Provision	6	[5]	10	[4]	29	[6]
Ending balance	58	[5]	60	[4],[5]	50	[4],[6]
Allowance for loans losses	51	[5]	54	[4]	36	[6]
Allowance for unfunded commitments	7	[5]	6	[4]	14	[6]
Individually evaluated for impairment, loan balance	10	[5]	7	[4]		
Individually evaluated for impairment, allowance for loan losses	4	[5]	2	[4]		
Collectively evaluated for impairment, loan balance	9,998	[5]	8,034	[4]	7,758	[6]
Collectively evaluated for impairment, allowance for loan losses	$ 47	[5]	$ 52	[4]	$ 36	[6]

[1] Includes $4,524 million of domestic overdrafts, $6,810 million of margin loans and $771 million of other loans at Dec. 31, 2010.

[2] Includes $2,958 million of domestic overdrafts, $12,760 million of margin loans and $623 million of other loans at Dec. 31, 2011.

[3] Includes $3,946 million of domestic overdrafts, $4,657 million of margin loans and $407 million of other loans at Dec. 31, 2009.

[4] Includes $1,525 million of other foreign loans (primarily overdrafts) at Dec. 31, 2010.

[5] Includes $1,891 million of other foreign loans (primarily overdrafts) at Dec. 31, 2011.

[6] Includes $2,109 million of other foreign loans (primarily overdrafts) at Dec. 31, 2009.

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Foreign Revenue, Income before Income Taxes, Net Income and Assets from Foreign Operations (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Revenue	$ 14,680	$ 13,816	$ 7,654
Asset	325,266	247,259	
European Floating Rate Notes			
Securities losses			(269)
United Kingdom			
Revenue	2,200	2,100	1,600
Asset	$ 28,300	$ 44,700	$ 43,000
Percentage of revenue	15.00%	15.00%	21.00%
Percentage of asset	9.00%	18.00%	20.00%

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Information about Impaired Loans (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Financing Receivable, Impaired [Line Items]						
Recorded Investment	$ 128	[1]	$ 140	[1]	$ 345	
Related allowance	32	[1],[2]	26	[1]	51	[2]
Impaired Financing Receivables with Related Allowance						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	119		118		303	
Related allowance	32	[2]	26			
Loans Individually Less than 1 Million | Impaired Financing Receivables with Related Allowance						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	2		3			
Maximum | Loans Individually Less than 1 Million | Impaired Financing Receivables with Related Allowance						
Financing Receivable, Impaired [Line Items]						
Recorded Investment	1		1			
Related allowance	$ 1		$ 1			

[1] Excludes an aggregate of $2 million of impaired loans in amounts individually less than $1 million at Dec. 31, 2011 and $3 million at Dec. 31, 2010. The allowance for loan loss associated with these loans totaled less than $1 million at both Dec. 31, 2011 and Dec. 31, 2010.

[2] The allowance for impaired loans is included in the allowance for loan losses.

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Securities - Additional Information (Detail) (USD $) In Billions, unless otherwise specified	Dec. 31, 2011
Assets pledged primarily for potential borrowing at the Federal Reserve Discount Window	$ 77.0
Assets pledged primarily for potential borrowing at the Federal Reserve Discount Window, securities	68.2
Assets pledged primarily for potential borrowing at the Federal Reserve Discount Window, interest-bearing deposits with banks	4.9
Assets pledged primarily for potential borrowing at the Federal Reserve Discount Window, loans	3.9
Assets pledged primarily for actual borrowing at the Federal Reserve Discount Window, securities available-for-sale	1.6
Market value of securities received, that can be sold or repledged	14.0
Market value of securities received, repledged and sold	$ 2.5

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Realized Gross Gains, Realized Gross Losses and Recognized Gross Impairments on Securities (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Gain (Loss) on Investments [Line Items]			
Realized gross gains	$ 183	$ 48	$ 130
Realized gross losses	(56)	(5)	(1,648)
Recognized gross impairments	(79)	(16)	(3,851)
Net securities gains (losses)	$ 48	$ 27	$ (5,369)

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Accumulated other comprehensive income (loss)

12 Months Ended Dec. 31, 2011

Accumulated other comprehensive income (loss)

Note 17—Accumulated other comprehensive income (loss)

(dollars in millions)	Foreign currency translation	ASC 820 Adjustments: Pensions	ASC 820 Adjustments: Other post-retirement benefits	Unrealized gain (loss) on assets available-for-sale	Unrealized gain (loss) on cash flow hedges *(a)*	Total accumulated unrealized gain (loss)
2008 ending balance, net of tax (expense) benefit	$ (363)	$(956)	$ (66)	$ (4,053)	$ 37	$ (5,401)
Adjustments for the cumulative effect of applying ASC 320, net of taxes of $-, $-, $-, $470, $-, $470	-	-	-	(676)	-	(676)
Adjusted balance at Jan. 1, 2009	(363)	(956)	(66)	(4,729)	37	(6,077)
Change in 2009, net of tax (expense) benefit of $(82), $14, $(34), $(489), $(1), $(592)	227	(46)	(1)	762	(16)	926
Reclassification adjustment, net of tax (expense) benefit $-, $-, $-, $(2,022), $-, $(2,022)	-	-	-	3,348	(32)	3,316
2009 total unrealized gain (loss)	227	(46)	(1)	4,110	(48)	4,242
2009 ending balance, net of tax (expense) benefit	$ (136)	$(1,002)	$ (67)	$ (619)	$ (11)	$ (1,835)
Adjustments for the cumulative effect of applying ASC 810	-	-	-	24	-	24
Adjusted balance at Jan. 1, 2010	(136)	(1,002)	(67)	(595)	(11)	(1,811)

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Change in 2010, net of tax (expense) benefit of $(68), $15, $(3), $(469), $-, $(525)	(319)	9	12	747	12	461
Reclassification/ other adjustment, net of tax (expense) benefit $ -, $ -, $ -, $12, $2, $14	(18) *(b)*	-	-	18 *(b)*	(5)	(5)
2010 total unrealized gain (loss)	(337)	9	12	765	7	456
2010 ending balance, net of tax (expense) benefit	$ (473)	$(993)	$ (55)	$ 170	$ (4)	$ (1,355)
Change in 2011, net of tax (expense) benefit of $(11), $230, $24, $(177), $(2), $64	**(178)**	**(336)**	**(41)**	**306**	**3**	**(246)**
Reclassification/ other adjustment, net of tax (expense) benefit $ -, $ -, $ -, $22, $2, $24	**-**	**-**	**-**	**(26)**	**-**	**(26)**
2011 total unrealized gain (loss)	**(178)**	**(336)**	**(41)**	**280**	**3**	**(272)**
2011 ending balance, net of tax (expense) benefit	**$ (651)**	**$(1,329)**	**$ (96)**	**$ 450**	**$ (1)**	**$ (1,627)**

(a) Includes unrealized gain (loss) on foreign currency cash flow hedges of $1 million, $- million and, $(1) million at Dec. 31, 2011, Dec. 31, 2010 and Dec. 31, 2009, respectively.

(b) Includes a net reclassification adjustment of $14 million to retained earnings from other comprehensive income.

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Employee benefit plans - Additional Information (Detail) (USD $) Share data in Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Defined Benefit Plan Disclosure [Line Items]			
Accumulated benefit obligation for all defined benefit plans	$ 4,100,000,000	$ 3,600,000,000	
Shares of stock owned by Employee Stock Ownership Plan	7.1	7.4	
Fair value of shares total ESOP assets	146,000,000	228,000,000	
Assumed healthcare cost trend rate used in determining benefit expense for 2012	8.00%		
Assumed healthcare cost trend rate used in determining benefit expense for 2022	4.75%		
Recognized cost of defined contribution plans, excluding the ESOP	182,000,000	163,000,000	163,000,000
Domestic Healthcare Benefits			
Defined Benefit Plan Disclosure [Line Items]			
Change in the postretirement benefit obligation as a result of an increase of one percentage point in the assumed medical trend rate	21,000,000		
Change in the postretirement benefit obligation as a result of an increase of one percentage point in the assumed medical trend rate, percentage increase	8.00%		
Change in the postretirement service cost plus interest cost as a result of an increase of one percentage point in the assumed medical trend rate	800,000		
Change in the postretirement service cost plus interest cost as a result of an increase of one percentage point in the assumed medical trend rate, percentage increase	9.00%		
Change in the postretirement benefit obligation as a result of a decrease of one percentage point in the assumed medical trend rate	18,100,000		
Change in the postretirement benefit obligation as a result of a decrease of one percentage point in the assumed medical trend rate, percentage decrease	7.00%		
Change in the postretirement service cost plus interest cost as a result of a decrease of one percentage point in the assumed medical trend rate	700,000		
Change in the postretirement service cost plus interest cost as a result of a decrease of one percentage point in the assumed medical trend rate, percentage decrease	8.00%		
Cash contributions expected to be made to fund defined benefit plans in the next fiscal year	24,000,000		
Foreign Healthcare Benefits | Maximum			
Defined Benefit Plan Disclosure [Line Items]			
Change in the postretirement benefit obligation as a result of an increase of one percentage point in the assumed medical trend rate	1,000,000		

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Change in the postretirement service cost plus interest cost as a result of an increase of one percentage point in the assumed medical trend rate	1,000,000
Change in the postretirement benefit obligation as a result of a decrease of one percentage point in the assumed medical trend rate	1,000,000
Change in the postretirement service cost plus interest cost as a result of a decrease of one percentage point in the assumed medical trend rate	1,000,000
Cash contributions expected to be made to fund defined benefit plans in the next fiscal year	1,000,000
Domestic	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of plan asset, Equity securities and alternative investments, lower limit	30.00%
Percentage of plan asset, Equity securities and alternative investments, upper limit	70.00%
Percentage of plan asset, Fixed-income securities, lower limit	20.00%
Percentage of plan asset, Fixed-income securities, upper limit	50.00%
Percentage of plan asset, Cash equivalents, lower limit	0.00%
Percentage of plan asset, Cash equivalents, upper limit	5.00%
Domestic Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Cash contributions expected to be made to fund defined benefit plans in the next fiscal year	18,000,000
Foreign Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Cash contributions expected to be made to fund defined benefit plans in the next fiscal year	$ 26,000,000

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Impact of Derivative Instruments on the Balance Sheet (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Derivatives, Fair Value [Line Items]				
Asset derivatives fair value	$ 33,305	[1],[2]	$ 20,599	[1],[2]
Asset derivatives fair value, effect of master netting agreements	(26,047)	[1]	(15,827)	[1]
Asset derivatives fair value, fair value after effect of master netting agreements	7,258	[1]	4,772	[1]
Liability derivatives fair value	32,444	[1],[2]	20,526	[1],[2]
Liability derivatives fair value, effect of master netting agreements	(25,009)	[1]	(15,181)	[1]
Liability derivatives fair value, fair value after effect of master netting agreements	7,435	[1]	5,345	[1]
Designated as Hedging Instrument				
Derivatives, Fair Value [Line Items]				
Asset derivatives fair value	1,600	[1],[3]	836	[1],[3]
Liability derivatives fair value	319	[1],[3]	160	[1],[3]
Designated as Hedging Instrument | Interest Rate Contract				
Derivatives, Fair Value [Line Items]				
Notional value	18,281.0	[3]	13,967.0	[3]
Asset derivatives fair value	965	[1],[3]	834	[1],[3]
Liability derivatives fair value	298	[1],[3]	44	[1],[3]
Designated as Hedging Instrument | Foreign Exchange Contract				
Derivatives, Fair Value [Line Items]				
Notional value	14,160.0	[3]	11,816.0	[3]
Asset derivatives fair value	635	[1],[3]	2	[1],[3]
Liability derivatives fair value	21	[1],[3]	116	[1],[3]
Nondesignated				
Derivatives, Fair Value [Line Items]				
Asset derivatives fair value	31,705	[1],[4]	19,763	[1],[4]
Liability derivatives fair value	32,125	[1],[4]	20,366	[1],[4]
Nondesignated | Interest Rate Contract				
Derivatives, Fair Value [Line Items]				
Notional value	975,308.0	[4]	1,090,718.0	[4]
Asset derivatives fair value	26,652	[1],[4]	15,651	[1],[4]
Liability derivatives fair value	27,440	[1],[4]	16,275	[1],[4]
Nondesignated | Foreign Exchange Contract				
Derivatives, Fair Value [Line Items]				
Notional value	379,235.0	[4]	315,050.0	[4]

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Asset derivatives fair value	4,632	[1],[4]	3,661	[1],[4]
Liability derivatives fair value	4,355	[1],[4]	3,707	[1],[4]
Nondesignated | Equity Contract				
Derivatives, Fair Value [Line Items]				
Notional value	8,205.0	[4]	6,905.0	[4]
Asset derivatives fair value	418	[1],[4]	449	[1],[4]
Liability derivatives fair value	330	[1],[4]	380	[1],[4]
Nondesignated | Credit Risk Contract				
Derivatives, Fair Value [Line Items]				
Notional value	333.0	[4]	681.0	[4]
Asset derivatives fair value	3	[1],[4]	2	[1],[4]
Liability derivatives fair value			$ 4	[1],[4]

[1] Derivative financial instruments are reported net of cash collateral received and paid of $1,269 million and $231 million, respectively, at Dec. 31, 2011 and $889 million and $243 million, respectively, at Dec. 31, 2010.

[2] Fair values are on a gross basis, before consideration of master netting agreements, as required by ASC 815.

[3] The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively, on the balance sheet.

[4] The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the balance sheet.

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Shareholders' equity (Tables)	12 Months Ended Dec. 31, 2011
Consolidated and Largest Bank Subsidiary Capital Ratios	Our consolidated and largest bank subsidiary, The Bank of New York Mellon, capital ratios are shown below.

Consolidated and largest bank subsidiary capital ratios *(a)*	**Dec. 31, 2011**	Dec. 31, 2010
Consolidated capital ratios:		
Tier 1	**15.0%**	13.4%
Total capital	**17.0**	16.3
Leverage	**5.2**	5.8
The Bank of New York Mellon capital ratios:		
Tier 1	**14.3%**	11.4%
Total capital	**17.7**	15.3
Leverage	**5.3**	5.3

(a) Determined under Basel I guidelines. For a banking institution to qualify as "well capitalized," its Basel I Tier 1, Total (Tier 1 plus Tier 2) and leverage capital ratios must be at least 6%, 10% and 5%, respectively. For The Bank of New York Mellon, our largest bank subsidiary, to qualify as "adequately capitalized ," Basel I Tier 1, Total and leverage capital ratios must be at least 4%, 8% and 3%, respectively.

Amounts of Capital by Which BNY Mellon and Our Largest Bank Subsidiary, The Bank of New York Mellon, Exceed Well Capitalized Guidelines

At Dec. 31, 2011, the amounts of capital by which BNY Mellon and our largest bank subsidiary, The Bank of New York Mellon, exceed the well capitalized guidelines are as follows:

Capital above guidelines at Dec. 31, 2011 *(in millions)*	Consolidated	The Bank of New York Mellon
Tier 1 capital	**$ 9,254**	**$ 7,241**
Total capital	**7,208**	**6,708**
Leverage	**565**	**618**

Components of Tier 1 and Total Risk-Based Capital

The following table presents the components of our Basel I Tier 1 and total risk-based capital at Dec. 31, 2011 and 2010.

Components of Basel I Tier 1 and total risk-based capital *(a)* *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010 *(b)*
Tier 1 capital:		
Common shareholders' equity	**$33,417**	$32,354
Trust preferred securities	**1,659**	1,676
Adjustments for:		
Goodwill and other intangibles *(c)*	**(20,630)**	(21,297)
Pensions/cash flow hedges	**1,426**	1,053
Securities valuation allowance	**(450)**	(170)
Merchant banking investments	**(33)**	(19)
Total Tier 1 capital	**15,389**	13,597

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Tier 2 capital:		
Qualifying unrealized gains on equity securities	**2**	5
Qualifying subordinated debt	**1,545**	2,381
Qualifying allowance for credit losses	**497**	571
Total Tier 2 capital	**2,044**	2,957
Total risk-based capital	**$17,433**	$16,554
Total risk-weighted assets	**$102,255**	$101,407
Average assets for leverage capital purposes	**$296,484**	$235,905

(a) On a regulatory basis as determined under Basel I guidelines.

(b) Includes discontinued operations.

(c) Reduced by deferred tax liabilities associated with non-tax deductible identifiable intangible assets of $1,459 million at Dec. 31, 2011 and $1,625 million at Dec. 31, 2010, and deferred tax liabilities associated with tax deductible goodwill of $967 million at Dec. 31, 2011 and $816 million at Dec. 31, 2010.

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Summary of Carrying Amount of Hedged Financial Instruments, Related Notional Amount of the Hedge and Estimated Fair Value of Derivatives (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Interest-bearing Deposits		
Derivative [Line Items]		
Carrying amount	$ 8,789	$ 6,763
Notional amount of hedge	8,789.0	6,763.0
Unrealized Gain	441	
Unrealized (Loss)	(17)	
Available-for-sale		
Derivative [Line Items]		
Carrying amount	4,354	2,170
Notional amount of hedge	4,009.0	2,168.0
Unrealized Gain		51
Unrealized (Loss)	(289)	(3)
Deposits		
Derivative [Line Items]		
Carrying amount	10	27
Notional amount of hedge	10.0	25.0
Unrealized Gain	1	3
Long-term Debt		
Derivative [Line Items]		
Carrying amount	15,048	12,540
Notional amount of hedge	14,262.0	11,774.0
Unrealized Gain	964	780
Unrealized (Loss)	$ (9)	$ (41)

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Goodwill and intangible assets (Tables)	12 Months Ended Dec. 31, 2011

Goodwill by Business Segment

The table below provides a breakdown of goodwill by business.

Goodwill by business *(in millions)*	Investment Management	Investment Services	Other	Consolidated
Balance at Dec. 31, 2009	$ 9,312	$ 6,890	$ 47	$ 16,249
Acquisitions	8	1,790	-	1,798
Foreign exchange translation	(44)	(30)	(1)	(75)
Other *(a)*	83	(7)	(6)	70
Balance at Dec. 31, 2010	$ 9,359	$ 8,643	$ 40	$ 18,042
Acquisitions/dispositions	10	(118)	-	(108)
Foreign exchange translation	(32)	(29)	-	(61)
Other *(a)*	36	(5)	-	31
Balance at Dec. 31, 2011	**$ 9,373**	**$ 8,491**	**$ 40**	**$ 17,904**

(a) Other changes in goodwill include purchase price adjustments and certain other reclassifications.

Intangible Assets by Business Segment

The table below provides a breakdown of intangible assets by business.

Intangible assets – net carrying amount by business *(in millions)*	Investment Management	Investment Services	Other	Consolidated
Balance at Dec. 31, 2009	$ 2,825	$ 1,911	$852	$ 5,588
Acquisitions	15	530	-	545
Amortization	(237)	(182)	(2)	(421)
Foreign exchange translation	(9)	-	-	(9)
Other *(a)*	(2)	(5)	-	(7)
Balance at Dec. 31, 2010	$ 2,592	$ 2,254	$850	$ 5,696
Acquisitions/dispositions	6	(111)	-	(105)
Amortization	(214)	(212)	(2)	(428)
Foreign exchange translation	(2)	(2)	-	(4)
Impairment	-	(9)	-	(9)
Other *(a)*	-	2	-	2
Balance at Dec. 31, 2011	**$ 2,382**	**$ 1,922**	**$848**	**$ 5,152**

(a) Other changes in intangible assets include purchase price adjustments and certain other reclassifications.

Intangible Assets by Type

The table below provides a breakdown of intangible assets by type.

Intangible assets	**Dec. 31, 2011**				Dec. 31, 2010		
(in millions)	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	**Remaining weighted average amortization period**	Gross carrying amount	Accumulated amortization	Net carrying amount
Subject to amortization:							
Customer relationships—Investment Management	**$ 2,109**	**$ (1,189)**	**$ 920**	**12 yrs.**	$ 2,102	$ (983)	$ 1,119
Customer contracts—Investment Services	**2,351**	**(834)**	**1,517**	**13 yrs.**	2,566	(736)	1,830
Other	**131**	**(95)**	**36**	**5 yrs.**	134	(86)	48
Total subject to amortization	**4,591**	**(2,118)**	**2,473**	**13 yrs.**	4,802	(1,805)	2,997
Not subject to amortization: *(a)*							
Trade name	**1,366**	**N/A**	**1,366**	**N/A**	1,375	N/A	1,375
Customer relationships	**1,313**	**N/A**	**1,313**	**N/A**	1,314	N/A	1,314

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Other	**-**	**N/A**	**-**	**N/A**	10	N/A	10
Total not subject to amortization	**2,679**	**N/A**	**2,679**	**N/A**	2,699	N/A	2,699
Total intangible assets	**$ 7,270**	**$ (2,118)**	**$ 5,152**	**N/A**	$ 7,501	$ (1,805)	$ 5,696

(a) Intangible assets not subject to amortization have an indefinite life.

Estimated Annual Amortization Expense

Estimated annual amortization expense for current intangibles for the next five years is as follows:

For the year ended Dec. 31,	Estimated amortization expense *(in millions)*
2012	**$383**
2013	**333**
2014	**297**
2015	**266**
2016	**236**

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Impact of Derivative Instruments on the Income Statement (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Fair Value Hedging | Interest Rate Contract | Net Interest Revenue			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in income on derivatives	$ (150)	$ 370	$ (406)
Amount of gain or (loss) recognized in hedged item	136	(366)	408
Cash Flow Hedging			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in OCI on derivative (effective portion)	(646)	(142)	(1)
Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)	(643)	(142)	32
Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing)	(0.1)	0.1	
Cash Flow Hedging | Interest Rate Contract | Net Interest Revenue			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)			26
Cash Flow Hedging | Foreign Exchange Contract | Net Interest Revenue			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in OCI on derivative (effective portion)	(118)	(7)	
Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)	(114)	(6)	
Cash Flow Hedging | Foreign Exchange Contract | Other Revenue			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in OCI on derivative (effective portion)	(6)	(134)	(1)
Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)	(6)	(135)	6
Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing)	(0.1)	0.1	
Cash Flow Hedging | Foreign Exchange Contract | Trading Revenue			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in OCI on derivative (effective portion)	(525)		
Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)	(525)		
Cash Flow Hedging | Foreign Exchange Contract | Salary Expense			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in OCI on derivative (effective portion)	3	(1)	
Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion)	2	(1)	
Net Investment Hedging | Foreign Exchange Contract			
Derivative Instruments, Gain (Loss) [Line Items]			

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Amount of gain or (loss) recognized in OCI on derivative (effective portion)	75	(52)	(298)
Net Investment Hedging | Foreign Exchange Contract | Other Revenue			
Derivative Instruments, Gain (Loss) [Line Items]			
Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing)	$ (0.1)	$ (0.2)	$ 0.1

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Pre-Tax Securities Gains (Losses) by Type (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	$ 48	$ 27	$ (5,369)
U.S. Treasury			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	77	15	
Agency RMBS			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	8	15	
Alt-A RMBS			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	(36)	(13)	(3,113)
Prime RMBS			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	(1)		(1,008)
Subprime RMBS			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	(21)	(4)	(322)
European Floating Rate Notes			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	(39)	(3)	(269)
Sovereign Debt			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	36		
Home Equity Lines of Credit			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)			(205)
Commercial MBS			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)			(89)
Grantor Trust			

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Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)			(39)
Credit Cards			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)			(26)
ABS CDOs			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)			(23)
Other Securities			
Schedule of Investment Income, Reported Amounts, by Category [Line Items]			
Net securities gains (losses)	$ 24	$ 17	$ (275)

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Other Assets (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]		
Federal Reserve Bank stock	$ 429	$ 400

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Summary of significant accounting and reporting policies (Policies)	12 Months Ended Dec. 31, 2011
Basis of Presentation	*Basis of Presentation* The accounting and financial reporting policies of BNY Mellon, a global financial services company, conform to U.S. generally accepted accounting principles ("GAAP") and prevailing industry practices. In the opinion of management, all adjustments necessary for a fair presentation of financial position, results of operations and cash flows for the annual periods have been made. Certain other immaterial reclassifications have been made to prior years to place them on a basis comparable with current period presentation.
Use of estimates	*Use of estimates* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates based upon assumptions about future economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition. Amounts subject to estimates are items such as the allowance for loan losses and lending-related commitments, goodwill and intangible assets, pension accounting, the fair value of financial instruments and other-than-temporary impairments. Among other effects, such changes in estimates could result in future impairments of investment securities, goodwill and intangible assets and establishment of allowances for loan losses and lending-related commitments as well as increased pension and post-retirement expense.
Organization of our businesses	*Organization of our businesses* In 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. The realignment reflects management's current approach to assessing performance and decisions regarding resource allocations. Investment Management includes the former Asset Management and Wealth Management businesses. Investment Services includes the former Asset Servicing, Issuer Services and Clearing Services businesses, and the Cash Management business previously included in the Treasury Services business. The credit-related activities previously included in the Treasury Services business, are now included in the Other segment. Fee revenue classifications in the income statement were changed in 2011 to reflect this realignment as follows: • Investment management and performance fees consist of the former asset and wealth management fee revenue; and • Investment services fees consist of the former securities servicing fees, including asset servicing, issuer services, clearing services, as well as treasury services fee revenue. All prior periods were reclassified. The reclassifications did not affect the results of operations.
Equity method investments	*Equity method investments*

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The consolidated financial statements include the accounts of BNY Mellon and its subsidiaries. Equity investments of less than a majority but at least 20% ownership are accounted for by the equity method and classified as other assets. Earnings on these investments are reflected in fee and other revenue as investment services fees or investment income, as appropriate, in the period earned. Our most significant equity method investments are:

Equity method investments at Dec. 31, 2011			
(dollars in millions)	Percentage Ownership		Book Value
CIBC Mellon	**50.0**	**%**	**$ 577**
Wing Hang	**20.4**	**%**	**$ 399**
Siguler Guff	**20.0**	**%**	**$ 267**
ConvergEx	**33.2**	**%**	**$ 152**
West LB Joint Venture	**50.0**	**%**	**$ 91**

Acquired businesses

Acquired businesses

The income statement and balance sheet include results of acquired businesses accounted for under the acquisition method of accounting pursuant to ASC 805—*Business Combinations* and equity investments from the dates of acquisition. For acquisitions prior to Jan. 1, 2009, we recorded any contingent purchase payments when the amounts were resolved and became payable. For acquisitions occurring after Dec. 31, 2008, contingent purchase consideration was measured at its fair value and recorded on the purchase date.

Parent financial statements

Parent financial statements

The Parent financial statements in Note 20 of the Notes to Consolidated Financial Statements include the accounts of the Parent; those of a wholly owned financing subsidiary that functions as a financing entity for BNY Mellon and its subsidiaries by issuing commercial paper and other debt guaranteed by BNY Mellon; and MIPA, LLC, a single-member limited liability company, created to hold and administer corporate owned life insurance. Financial data for the Parent, the financing subsidiary and the single-member limited liability company are combined for financial reporting purposes because of the limited function of these entities and the unconditional guarantee by BNY Mellon of their obligations.

Variable interest entities

Variable interest entities

We consider the underlying facts and circumstances of individual transactions when assessing whether or not an entity is a potential variable interest entity (“VIE”). VIEs are entities that do not have sufficient equity at risk for the entity to finance its activities without additional financial support, or in which equity investors do not have the characteristics of a controlling financial interest. BNY Mellon applies ASC 810 to its mutual funds, hedge funds, private equity funds, collective investment funds and real estate investment trusts, which were determined to be VIEs. Generally, the company is deemed to be the primary beneficiary and thus required to consolidate a VIE, if BNY Mellon has a variable interest (or combination of variable interests) that, based on a quantitative analysis, will absorb a majority of the VIE’s expected losses, that will receive a majority of the VIE’s expected residual returns, or both. A “variable interest” is a contractual, ownership or other interest that changes with changes in the fair value of the VIE’s net assets. “Expected losses” and “expected residual returns” are measures of variability in the expected cash flows of a VIE.

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BNY Mellon's other VIEs are evaluated under the guidance included in ASU 2009-17. These other VIEs include securitization trusts, which are no longer considered qualifying special purpose entities ("QSPEs"), and CLOs, in which BNY Mellon serves as the investment manager. In addition, we provide trust and custody services for a fee to entities sponsored by other corporations in which we have no other interest. The company must determine whether or not its variable interests in these VIEs, based on qualitative analysis, provide BNY Mellon with a controlling financial interest in the VIE. The analysis includes an assessment of the characteristics of the VIE. The Company is considered to have a controlling financial interest in the VIE, which would require consolidation of the VIE, if it has the following characteristics: (1) the power to direct the activities that most significantly impact the VIE's economic performance; and (2) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Nature of operations

Nature of operations

BNY Mellon is a global leader in providing a broad range of financial products and services in domestic and international markets. Through our two principal businesses, Investment Management and Investment Services, we serve the following major classes of customers—institutions, corporations, and high net worth individuals. For institutions and corporations, we provide the following services:

- investment management;
- trust and custody;
- foreign exchange;
- fund administration;
- securities lending;
- depositary receipts;
- corporate trust;
- global payment/cash management; and
- banking services.

For individuals, we provide mutual funds, separate accounts, wealth management and private banking services. BNY Mellon's investment management businesses provide investment products in many asset classes and investment styles on a global basis.

Trading account securities, available-for-sale securities, and held-to-maturity securities

Trading account securities, available-for-sale securities, and held-to-maturity securities

Securities are accounted for under ASC 320 *Investments—Debt and Equity Securities.* Securities are generally classified in the trading, available-for-sale investment or the held-to-maturity investment securities portfolios when they are purchased. Securities are classified as trading securities when our intention is to resell. Securities are classified as available-for-sale securities when we intend to hold the securities for an indefinite period of time or when the securities may be used for tactical asset/liability purposes and may be sold from time to time to effectively manage interest rate exposure, prepayment risk and liquidity needs. Securities are classified as held-to-maturity securities when we intend to hold them until maturity. Seed capital investments are classified as other assets or available-for-sale securities, depending on the nature of the investment and management's intent.

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Trading securities are stated at fair value. Trading revenue includes both realized and unrealized gains and losses. The liability incurred on short-sale transactions, representing the obligation to deliver securities, is included in trading liabilities at fair value.

Available-for-sale securities are stated at fair value. The difference between fair value and amortized cost representing unrealized gains or losses on assets classified as available-for-sale, are recorded net of tax as an addition to or deduction from other comprehensive income ("OCI"), unless a security is deemed to have an other-than-temporary impairment ("OTTI"). Gains and losses on sales of available-for-sale securities are reported in the income statement. The cost of debt and equity securities sold is determined on a specific identification and average cost method, respectively. Unrealized gains and losses on seed capital investments classified as other assets are recorded in investment income. Held-to-maturity securities are stated at cost.

Income on securities purchased is adjusted for amortization of premium and accretion of discount on a level yield basis.

We routinely conduct periodic reviews to identify and evaluate each investment security to determine whether OTTI has occurred. We examine various factors when determining whether an impairment, representing the fair value of a security being below its amortized cost, is other than temporary. The following are examples of factors that BNY Mellon considers:

- The length of time and the extent to which the fair value has been less than the amortized cost basis;
- Whether management has an intent to sell the security;
- Whether the decline in fair value is attributable to specific adverse conditions affecting a particular investment;
- Whether the decline in fair value is attributable to specific conditions, such as conditions in an industry or in a geographic area;
- Whether a debt security has been downgraded by a rating agency;
- Whether a debt security exhibits cash flow deterioration; and
- For each non-agency RMBS, we compare the remaining credit enhancement that protects the individual security from losses against the projected losses of principal and/or interest expected to come from the underlying mortgage collateral, to determine whether such credit losses might directly impact the relevant security.

The determination of whether a credit loss exists is based on best estimates of the present value of cash flows to be collected from the debt security. Generally, cash flows are discounted at the effective interest rate implicit in the debt security at the time of acquisition. For debt securities that are beneficial interests in securitized financial assets and are not high credit quality, ASC 325 provides that cash flows be discounted at the current yield used to accrete the beneficial interest.

The credit component of an OTTI of a debt security is recognized in earnings and the non-credit component is recognized in OCI when we do not intend to sell the security and it is more likely than not that BNY Mellon will not be required to sell the security prior to recovery.

For held-to-maturity debt securities, the amount of OTTI recorded in OCI for the non-credit portion of a previous OTTI is amortized prospectively, as an increase to the carrying amount of the security, over the remaining life of the security on the basis of the timing of future estimated cash flows of the securities. In order not to be required to recognize the non-credit component of an OTTI in earnings, management is required to assert that it does not have the intent to sell the

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security and that it is more likely than not it will not have to sell the security before recovery of its cost basis.

If we intend to sell the security or it is more likely than not that BNY Mellon will be required to sell the security prior to recovery, the non-credit component of OTTI is recognized in earnings and subsequently accreted to interest income on an effective yield basis over the life of the security.

The accounting policies for the determination of the fair value of financial instruments and OTTI have been identified as "critical accounting estimates" as they require us to make numerous assumptions based on available market data. See Note 5 of the Notes to Consolidated Financial Statements for these disclosures.

Loans and leases

Loans and leases

Loans are reported net of any unearned discount. Loan origination and upfront commitment fees, as well as certain direct loan origination and commitment costs, are deferred and amortized as a yield adjustment over the lives of the related loans. Deferred fees and costs are netted against outstanding loan balances. Loans held for sale are carried at the lower of cost or market value.

Unearned revenue on direct financing leases is accreted over the lives of the leases in decreasing amounts to provide a constant rate of return on the net investment in the leases. Revenue on leveraged leases is recognized on a basis to achieve a constant yield on the outstanding investment in the lease, net of the related deferred tax liability, in the years in which the net investment is positive. Gains and losses on residual values of leased equipment sold are included in investment income. Considering the nature of these leases and the number of significant assumptions, there is risk associated with the income recognition on these leases should any of the assumptions change materially in future periods.

Nonperforming assets

Nonperforming assets

Commercial loans are placed on nonaccrual status when principal or interest is past due 90 days or more, or when there is reasonable doubt that interest or principal will be collected.

When a first lien residential mortgage loan reaches 90 days delinquent, it is subject to an impairment test and may be placed on nonaccrual status. At 180 days delinquent, the loan is subject to further impairment testing. The loan will remain on accrual status if the realizable value of the collateral exceeds the unpaid principal balance plus accrued interest. If the loan is impaired, a charge-off is taken and the loan is placed on nonaccrual status. At 270 days delinquent, all first lien mortgages are placed on nonaccrual status. Second lien mortgages are automatically placed on nonaccrual status when they reach 90 days delinquent. When a loan is placed on nonaccrual status, previously accrued and uncollected interest is reversed against current period interest revenue. Interest receipts on nonaccrual and impaired loans are recognized as interest revenue or are applied to principal when we believe the ultimate collectability of principal is in doubt. Nonaccrual loans generally are restored to an accrual basis when principal and interest become current.

A loan is considered to be impaired, as defined by ASC 310—*Accounting by Creditors for Impairment of a Loan*, when it is probable that we will be unable to collect all principal and interest amounts due according to the contractual terms of the loan agreement. An impairment

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allowance is measured on loans $1 million or greater and which meet the definition of an impaired loan per ASC 310.

Impaired loans $1 million or greater are required to be measured based upon the loan's market price, the present value of expected future cash flows, discounted at the loan's initial effective interest rate, or at fair value of the collateral if the loan is collateral dependent. If the loan valuation is less than the recorded value of the loan, an impairment allowance is established by either an allocation of the allowance for credit losses or by a provision for credit losses. Impairment allowances are not needed when the recorded investment in an impaired loan is less than the loan valuation.

[Allowance for loan losses and allowance for lending related commitments]

Allowance for loan losses and allowance for lending-related commitments

The allowance for loans losses, shown as a valuation allowance to loans, and the allowance for lending-related commitments are referred to as BNY Mellon's allowance for credit exposure. The accounting policy for the determination of the adequacy of the allowances has been identified as a "critical accounting estimate" as it requires us to make numerous complex and subjective estimates and assumptions relating to amounts which are inherently uncertain.

The allowance for loans losses is maintained to absorb losses inherent in the loan portfolio as of the balance sheet date based on our judgment. The allowance determination methodology is designed to provide procedural discipline in assessing the appropriateness of the allowance. Credit losses are charged against the allowance. Recoveries are added to the allowance.

The methodology for determining the allowance for lending-related commitments considers the same factors as the allowance for loan losses, as well as an estimate of the probability of drawdown. In 2011, we implemented an enhanced methodology for determining the allowance for credit losses by adding a qualitative allowance framework. Within this framework, management applies judgment when assessing internal risk factors and environmental factors to compute an additional allowance for each component of the loan portfolio. This change did not impact the allowance or provision for credit losses.

The three elements of the allowance for loan losses and the allowance for lending-related commitments include the qualitative allowance framework. The three elements are:

- an allowance for impaired credits of $1 million or greater;
- an allowance for higher risk-rated credits and pass-rated credits; and
- an allowance for residential mortgage loans.

Our lending is primarily to institutional customers. As a result, our loans are generally larger than $1 million. Therefore, the first element, impaired credits, is based on individual analysis of all impaired loans of $1 million or greater. The allowance is measured by the difference between the recorded value of impaired loans and their impaired value. Impaired value is either the present value of the expected future cash flows from the borrower, the market value of the loan, or the fair value of the collateral.

The second element, higher risk-rated credits and pass-rated credits, is based on our probable loss model. All borrowers are assigned to pools based on their credit ratings. The probable loss inherent in each loan in a pool incorporates the borrower's credit rating, loss given default rating and maturity. The loss given default incorporates a recovery expectation. The borrower's

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[Software](#)

probability of default is derived from the associated credit rating. Borrower ratings are reviewed at least annually and are periodically mapped to third-party databases, including rating agency and default and recovery databases, to ensure ongoing consistency and validity. Higher risk-rated credits are reviewed quarterly. Commercial loans over $1 million are individually analyzed before being assigned a credit rating. We also apply this technique to our lease financing and wealth management portfolios.

The third element, the allowance for residential mortgage loans, is determined by segregating six mortgage pools into delinquency periods ranging from current through foreclosure. Each of these delinquency periods is assigned a probability of default. A specific loss given default based on a combination of external loss data from third-party databases and internal loss history is assigned for each mortgage pool. For each pool, the inherent loss is calculated using the above factors. The resulting probable loss factor is applied against the loan balance to determine the allowance held for each pool.

The qualitative framework is used to determine an additional allowance for each portfolio based on the factors below:

Internal risk factors:

- Non-performing loans to total non-margin loans;
- Criticized assets to total loans and lending-related commitments;
- Ratings volatility;
- Borrower concentration; and
- Significant concentration in high-risk industry.

Environmental risk factors:

- U.S. non-investment grade default rate;
- Unemployment rate; and
- Change in real GDP (quarter-over-quarter).

The allocation of the prior period allowance for loan losses and allowance for lending-related commitments has been restated to reflect the implementation of the qualitative allowance framework. The allocation of allowance for credit losses is inherently judgmental, and the entire allowance for credit losses is available to absorb credit losses regardless of the nature of the loss.

[Premises and equipment](#)

Premises and equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful life of the owned asset and, for leasehold improvements, over the lesser of the remaining term of the leased facility or the estimated economic life of the improvement. For owned and capitalized assets, estimated useful lives range from two to 40 years. Maintenance and repairs are charged to expense as incurred, while major improvements are capitalized and amortized to operating expense over their identified useful lives.

[Software](#)

Software

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BNY Mellon capitalizes costs relating to acquired software and internal-use software development projects that provide new or significantly improved functionality. We capitalize projects that are expected to result in longer-term operational benefits, such as replacement systems or new applications that result in significantly increased operational efficiencies or functionality. All other costs incurred in connection with an internal-use software project are expensed as incurred. Capitalized software is recorded in other assets.

Identified intangible assets and goodwill

Identified intangible assets and goodwill

Identified intangible assets with estimable lives are amortized in a pattern consistent with the assets' identifiable cash flows or using a straight-line method over their remaining estimated benefit periods if the pattern of cash flows is not estimable. Intangible assets with estimable lives are reviewed for possible impairment when events or changed circumstances may affect the underlying basis of the asset. Goodwill and intangibles with indefinite lives are not amortized, but are assessed annually for impairment, or more often if events and circumstances indicate it is more likely than not they may be impaired. The accounting policy for valuing and impairment testing of identified intangible assets and goodwill has been identified as a "critical accounting estimate" as it requires us to make numerous complex and subjective estimates. See Note 7 of the Notes to Consolidated Financial Statements for additional disclosures related to goodwill and intangible assets.

Noncontrolling Interests

Noncontrolling Interests

Noncontrolling interests included in permanent equity are adjusted for the income or (loss) attributable to the noncontrolling interest holders and any distributions to those shareholders. Redeemable noncontrolling interests are reported as temporary equity. In accordance with ASC 480, *Distinguishing Liabilities from Equity*, BNY Mellon recognizes changes in the redemption value of the redeemable noncontrolling interests as they occur and adjusts the carrying value to be equal to the redemption value.

Fee revenue

Fee revenue

We record investment services fees, investment management fees, foreign exchange and other trading revenue, financing-related fees, distribution and servicing, and other revenue when the services are provided and earned based on contractual terms, when amounts are determined and collectibility is reasonably assured.

Additionally, we recognize revenue from non-refundable, up-front implementation fees under outsourcing contracts using a straight-line method, commencing in the period the ongoing services are performed through the expected term of the contractual relationship. Incremental direct set-up costs of implementation, up to the related implementation fee or minimum fee revenue amount, are deferred and amortized over the same period that the related implementation fees are recognized. If a client terminates an outsourcing contract prematurely, the unamortized deferred incremental direct set-up costs and the unamortized deferred up-front implementation fees related to that contract are recognized in the period the contract is terminated.

Performance fees are recognized in the period in which the performance fees are earned and become determinable. Performance fees are generally calculated as a percentage of the applicable portfolio's performance in excess of a benchmark index or a peer group's performance. When a portfolio underperforms its benchmark or fails to generate positive performance, subsequent

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years' performance must generally exceed this shortfall prior to fees being earned. Amounts billable in subsequent years and which are subject to a clawback if performance thresholds in those years are not met are not recognized since the fees are potentially uncollectible. These fees are recognized when it is determined that they will be collected. When a multi-year performance contract provides that fees earned are billed ratably over the performance period, only the portion of the fees earned that are non-refundable are recognized.

[Net interest revenue]

Net interest revenue

Revenue on interest-earning assets and expense on interest-bearing liabilities is recognized based on the effective yield of the related financial instrument.

[Foreign currency translation]

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars at the rate of exchange on the balance sheet date. Transaction gains and losses are included in the income statement. Translation gains and losses on investments in foreign entities with functional currencies that are not the U.S. dollar are recorded as foreign currency translation adjustments in other comprehensive results. Revenue and expense transactions are translated at the applicable daily rate or the weighted average monthly exchange rate when applying the daily rate is not practical.

[Pension]

Pension

The measurement date for BNY Mellon's pension plans is Dec. 31. Plan assets are determined based on fair value generally representing observable market prices. The projected benefit obligation is determined based on the present value of projected benefit distributions at an assumed discount rate. The discount rate utilized is based on the yield of high-quality corporate bonds available in the marketplace. The net periodic pension expense or credit includes service costs, interest costs based on an assumed discount rate, an expected return on plan assets based on an actuarially derived market-related value and amortization of prior years' actuarial gains and losses.

Actuarial gains and losses include the impact of plan amendments, gains or losses related to changes in the amount of the projected benefit obligation or plan assets resulting from experience different from the assumed rate of return, changes in the discount rate or other assumptions. To the extent an actuarial gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets, the excess is recognized over the future service periods of active employees.

Our expected long-term rate of return on plan assets is based on anticipated returns for each asset class. Anticipated returns are weighted for the expected allocation for each asset class and are based on forecasts for prospective returns in the equity and fixed income markets, which should track the long-term historical returns for these markets. We also consider the growth outlook for U.S. and global economies, as well as current and prospective interest rates.

The market-related value utilized to determine the expected return on plan assets is based on the fair value of plan assets adjusted for the difference between expected returns and actual performance of plan assets. The difference between actual experience and expected returns on plan assets is included as an adjustment in the market-related value over a five-year period.

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BNY Mellon's accounting policy regarding pensions has been identified as a "critical accounting estimate" as it is regarded to be critical to the presentation of our financial statements since it requires management to make numerous complex and subjective assumptions relating to amounts which are inherently uncertain. See Note 19 of the Notes to Consolidated Financial Statements for additional disclosures related to pensions.

Severance

Severance

BNY Mellon provides separation benefits for U.S.-based employees through The Bank of New York Mellon Corporation Supplemental Unemployment Benefit Plan. These benefits are provided to eligible employees separated from their jobs for business reasons not related to individual performance. Basic separation benefits are generally based on the employee's years of continuous benefited service. Severance for employees based outside of the U.S. is determined in accordance with local agreements and legal requirements. Separation expense is recorded when management commits to an action that will result in separation and the amount of the liability can be reasonably estimated.

Income taxes

Income taxes

We record current tax liabilities or assets through charges or credits to the current tax provision for the estimated taxes payable or refundable for the current year. Deferred tax assets and liabilities are recorded for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax valuation allowance is established if it is more likely than not that all or a portion of the deferred tax assets will not be realized. A tax position that fails to meet a more-likely-than-not recognition threshold will result in either reduction of current or deferred tax assets, and/or recording of current or deferred tax liabilities. Interest and penalties related to income taxes are recorded as income tax expense.

Derivative financial instruments

Derivative financial instruments

Derivative contracts, such as futures contracts, forwards, interest rate swaps, foreign currency swaps and options and similar products used in trading activities are recorded at fair value. Gains and losses are included in foreign exchange and other trading revenue in fee and other revenue. Unrealized gains are recognized as trading assets and unrealized losses are recognized as trading liabilities, after taking into consideration master netting agreements.

We enter into various derivative financial instruments for non-trading purposes primarily as part of our asset/liability management ("ALM") process. These derivatives are designated as fair value and cash flow hedges of certain assets and liabilities when we enter into the derivative contracts. Gains and losses associated with fair value hedges are recorded in income as well as any change in the value of the related hedged item associated with the designated risks being hedged. Gains and losses on cash flow hedges are recorded in other comprehensive income, until reclassified into earnings to meet the risks being hedged. Foreign currency transaction gains and losses related to a hedged net investment in a foreign operation, net of their tax effect, are recorded with cumulative foreign currency translation adjustments within other comprehensive income.

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We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objectives and strategy for undertaking various hedge transactions.

We formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective and whether those derivatives are expected to remain highly effective in future periods. We evaluate ineffectiveness in terms of amounts that could impact a hedge's ability to qualify for hedge accounting and the risk that the hedge could result in more than a de minimis amount of ineffectiveness. At inception, the potential causes of ineffectiveness related to each of our hedges is assessed to determine if we can expect the hedge to be highly effective over the life of the transaction and to determine the method for evaluating effectiveness on an ongoing basis.

Recognizing that changes in the value of derivatives used for hedging or the value of hedged items could result in significant ineffectiveness, we have processes in place that are designed to identify and evaluate such changes when they occur. Quarterly, we perform a quantitative effectiveness assessment and record any ineffectiveness in current earnings.

We discontinue hedge accounting prospectively when we determine that a derivative is no longer an effective hedge, the derivative expires, is sold, or management discontinues the derivative's hedge designation. Subsequent gains and losses on these derivatives are included in foreign exchange and other trading revenue. For discontinued fair value hedges, the accumulated gain or loss on the hedged item is amortized on a yield basis over the remaining life of the hedged item. Accumulated gains and losses, net of tax effect, from discontinued cash flow hedges are reclassified from other comprehensive income and recognized in current earnings in other revenue upon receipt of the hedged cash flow.

The accounting policy for the determination of the fair value of derivative financial instruments has been identified as a "critical accounting estimate" as it requires us to make numerous assumptions based on the available market data. See Note 25 of the Notes to Consolidated Financial Statements for additional disclosures related to derivative financial instruments disclosures.

Statement of cash flows

Statement of cash flows

We have defined cash as cash and due from banks. Cash flows from hedging activities are classified in the same category as the items hedged.

Stock options

Stock options

Compensation expense is recognized in the income statement, on a straight-line basis, over the applicable vesting period, for all share-based payments.

Certain of our stock compensation grants vest when the employee retires. ASC 718 requires the completion of expensing of new grants with this feature by the first date the employee is eligible to retire. For grants prior to Jan. 1, 2006, we will continue to expense them over their stated vesting period.

Other Than Temporary Impairment, Additional Disclosure, Policy

Other-than-temporary impairment

We routinely conduct periodic reviews of all securities using economic models to identify and evaluate each investment security to determine whether OTTI has occurred. Various inputs to the

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economic models are used to determine if an unrealized loss on securities is other-than-temporary. For example, the most significant inputs related to non-agency RMBS are:

- Default rate—the number of mortgage loans expected to go into default over the life of the transaction, which is driven by the roll rate of loans in each performance bucket that will ultimately migrate to default; and
- Severity—the loss expected to be realized when a loan defaults.

To determine if an unrealized loss is other-than-temporary, we project total estimated defaults of the underlying assets (mortgages) and multiply that calculated amount by an estimate of realizable value upon sale of these assets in the marketplace (severity) in order to determine the projected collateral loss. We also evaluate the current credit enhancement underlying the bond to determine the impact on cash flows. If we determine that a given security will be subject to a write-down or loss, we record the expected credit loss as a charge to earnings.

In addition, we have estimated the expected loss by taking into account observed performance of the underlying securities, industry studies, market forecasts, as well as our view of the economic outlook affecting collateral.

The table below shows the projected weighted-average default rates and loss severities for the 2007, 2006 and late 2005 non-agency RMBS at Dec. 31, 2011 and 2010.

Projected weighted-average default rates and severities

	Dec. 31, 2011		Dec. 31, 2010	
	Default Rate	**Severity**	Default Rate	Severity
Alt-A	**44 %**	**57 %**	42 %	49 %
Subprime	**63 %**	**73 %**	68 %	65 %
Prime	**25 %**	**43 %**	20 %	42 %

Securitizations and Variable Interest Entities Policy

Variable Interest Entities

Accounting guidance on the consolidation of VIEs is included in ASC 810, *Consolidation*, and ASU 2009-17, "Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities."

Effective Jan. 1, 2010, the FASB approved ASU 2010-10 "Amendments for Certain Investment Funds," which defers the requirements of ASU 2009-17 for asset managers' interests in entities that apply the specialized accounting guidance for investment companies or that have the attributes of investment companies and for interests in money market funds.

Accounting guidance on the consolidation of VIEs applies to certain entities in which the equity investors:

- do not have sufficient equity at risk for the entity to finance its activities without additional financial support, or
- lack one or more of the following characteristics of a controlling financial interest:
  - The power, through voting rights or similar rights, to direct the activities of an entity that most significantly impact the entity's economic performance (ASU 2009-17 model).
  - The direct or indirect ability to make decisions about the entity's activities through voting rights or similar rights (ASC 810 model).

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- The obligation to absorb the expected losses of the entity.
- The right to receive the expected residual returns of the entity.

BNY Mellon's VIEs generally include retail, institutional and alternative investment funds offered to its retail and institutional customers in which it acts as the fund's investment manager. BNY Mellon earns management fees on these funds as well as performance fees in certain funds. It may also provide start-up capital in its new funds. These VIEs are included in the scope of ASU 2010-10 and are reviewed for consolidation based on the guidance in ASC 810.

BNY Mellon applies ASC 810 to its mutual funds, hedge funds, private equity funds, collective investment funds and real estate investment trusts. If these entities are determined to be VIEs, primary beneficiary calculations are prepared in accordance with ASC 810 to determine whether or not BNY Mellon is the primary beneficiary and required to consolidate the VIE. The primary beneficiary of a VIE is the party that absorbs a majority of the variable interests' expected losses, receives a majority of its expected residual returns or both.

The primary beneficiary calculations include estimates of ranges and probabilities of losses and returns from the funds. The calculated expected gains and expected losses are allocated to the variable interest holders of the funds, which are generally the fund's investors and which may include BNY Mellon, in order to determine which entity is required to consolidate the VIE, if any.

BNY Mellon has other VIEs, including securitization trusts, which are no longer considered QSPEs, and CLOs, in which BNY Mellon serves as the investment manager. In addition, we provide trust and custody services for a fee to entities sponsored by other corporations in which we have no other interest. These VIEs are evaluated under the guidance included in ASU 2009-17. BNY Mellon has two securitizations and several CLOs, which are assessed for consolidation in accordance with ASU 2009-17.

The primary beneficiary of these VIEs is the entity whose variable interests provide it with a controlling financial interest, which includes the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE.

In order to determine if it has a controlling financial interest in these VIEs, BNY Mellon assesses the VIE's purpose and design along with the risks it was designed to create and pass through to its variable interest holders. We also assess our involvement in the VIE and the involvement of any other variable interest holders in the VIE.

Generally, as the sponsor and the manager of its VIEs, BNY Mellon has the power to control the activities that significantly impact the VIE's economic performance. Both a qualitative and quantitative analysis of BNY Mellon's variable interests are performed to determine if BNY Mellon has the obligation to absorb losses of the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE. The analyses included assessments related to the expected performance of the VIEs and its related impact on BNY Mellon's seed capital, management fees or residual interests in the VIEs. We also assess any potential impact the VIE's expected performance has on our performance fees.

Fair Value of Financial Instruments, Policy

The carrying amounts of our financial instruments (i.e., monetary assets and liabilities) are determined under different accounting methods—see Note 1 of the Notes to the Consolidated Financial Statements. The following disclosure discusses these instruments on a uniform fair

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value basis. However, active markets do not exist for a significant portion of these instruments, principally loans and interest-bearing deposits with banks. As a result, fair value determinations require significant subjective judgments regarding future cash flows. Other judgments would result in different fair values. Among the assumptions we used are discount rates ranging principally from 0.01% to 4.17% at Dec. 31, 2011, and 0.12% to 6.46% at Dec. 31, 2010. The fair value information supplements the basic financial statements and other traditional financial data presented throughout this report.

Note 22, "Fair value measurement" presents assets and liabilities measured at fair value by the three level valuation hierarchy established under ASC 820. Note 23, "Fair value option" presents the instruments for which fair value accounting was elected and the corresponding income statement impact of those instruments. A summary of the practices used for determining fair value is as follows.

Interest-bearing deposits with the Federal Reserve and other central banks, and federal funds sold and securities purchased under resale agreements

The fair value of interest-bearing deposits with the Federal Reserve and other central banks and federal funds sold and securities purchased under resale agreements is assumed to equal carrying value due to their short maturity.

Interest-bearing deposits with banks

The fair value of interest-bearing deposits with banks is based on discounted cash flows.

Securities, trading activities, and hedging derivatives

The fair value of securities and trading assets and liabilities is based on quoted market prices, dealer quotes, or pricing models. Fair value amounts for hedging derivatives, such as options, futures and forward rate contracts, commitments to purchase and sell foreign exchange, and foreign currency swaps, are similarly determined. The fair value of OTC interest rate swaps is the discounted value of projected future cash flows, adjusted for other factors including, but not limited to and if applicable, optionality and implied volatilities, as well as counterparty credit.

Loans

For residential mortgage loans, fair value is estimated using discounted cash flow analyses, adjusting where appropriate for prepayment estimates, using interest rates currently being offered for loans with similar terms and maturities to borrowers. To determine the fair value of other types of loans, BNY Mellon uses discounted cash flows using current market rates.

Other financial assets

Other financial assets primarily include cash and due from banks, and corporate/bank-owned life insurance. The fair value of cash and due from banks is assumed to equal carrying value due to their short-term nature. The fair value of corporate/bank-owned life insurance is based on the insurance contract cash surrender value.

Deposits, federal funds purchased and securities sold under repurchase agreements, borrowings and long-term debt

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The fair value of noninterest-bearing deposits, federal funds purchased and securities sold under repurchase agreements, and payables to customers and broker-dealers is assumed to be their carrying amount. The fair value of interest-bearing deposits, borrowings, and long-term debt is based upon current rates for instruments of the same remaining maturity or quoted market prices for the same or similar issues.

Fair Value Measurement Policy

The guidance related to "Fair Value Measurement," included in ASC 820 defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. It establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and expands the disclosures about instruments measured at fair value. ASC 820 requires consideration of a company's own creditworthiness when valuing liabilities.

The standard provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The objective is to determine from weighted indicators of fair value a reasonable point within the range that is most representative of fair value under current market conditions.

Determination of fair value

Following is a description of our valuation methodologies for assets and liabilities measured at fair value. We have established processes for determining fair values. Fair value is based upon quoted market prices in active markets, where available. For financial instruments where quotes from recent exchange transactions are not available, we determine fair value based on discounted cash flow analysis, comparison to similar instruments, and the use of financial models. Discounted cash flow analysis is dependent upon estimated future cash flows and the level of interest rates. Model-based pricing uses inputs of observable prices, where available, for interest rates, foreign exchange rates, option volatilities and other factors. Models are benchmarked and validated by an independent internal risk management function. Our valuation process takes into consideration factors such as counterparty credit quality, liquidity, concentration concerns, and observability of model parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

Most derivative contracts are valued using internally developed models which are calibrated to observable market data and employ standard market pricing theory for their valuations. An initial "risk-neutral" valuation is performed on each position assuming time-discounting based on a AA credit curve. Then, to arrive at a fair value that incorporates counterparty credit risk, a credit adjustment is made to these results by discounting each trade's expected exposures to the counterparty using the counterparty's credit spreads, as implied by the credit default swap market. We also adjust expected liabilities to the counterparty using BNY Mellon's own credit spreads, as implied by the credit default swap market. Accordingly, the valuation of our derivative position is sensitive to the current changes in our own credit spreads as well as those of our counterparties.

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In certain cases, recent prices may not be observable for instruments that trade in inactive or less active markets. Upon evaluating the uncertainty in valuing financial instruments subject to liquidity issues, we make an adjustment to their value. The determination of the liquidity adjustment includes the availability of external quotes, the time since the latest available quote and the price volatility of the instrument.

Certain parameters in some financial models are not directly observable and, therefore, are based on management's estimates and judgments. These financial instruments are normally traded less actively. We apply valuation adjustments to mitigate the possibility of error and revision in the model based estimate value. Examples include products where parameters such as correlation and recovery rates are unobservable.

The methods described above for instruments that trade in inactive or less active markets may produce a current fair value calculation that may not be indicative of net realizable value or reflective of future fair values. We believe our methods of determining fair value are appropriate and consistent with other market participants. However, the use of different methodologies or different assumptions to value certain financial instruments could result in a different estimate of fair value.

Valuation hierarchy

ASC 820 established a three-level valuation hierarchy for disclosure of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are described below.

Level 1: Inputs to the valuation methodology are recent quoted prices (unadjusted) for identical assets or liabilities in active markets. Level 1 assets and liabilities include debt and equity securities and derivative financial instruments actively traded on exchanges and U.S. Treasury securities and U.S. Government securities that are actively traded in highly liquid over-the-counter markets.

Level 2: Observable inputs other than Level 1 prices, for example, quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs that are observable or can be corroborated, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 assets and liabilities include debt instruments that are traded less frequently than exchange traded securities and derivative instruments whose model inputs are observable in the market or can be corroborated by market observable data. Examples in this category are certain variable and fixed rate agency and non-agency securities, corporate debt securities and derivative contracts.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Examples in this category include interests in certain securitized financial assets, certain private equity investments, and derivative contracts that are highly structured or long-dated.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

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Securities

Where quoted prices are available in an active market, we classify the securities within Level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds, money market mutual funds and exchange-traded equities.

If quoted market prices are not available, we estimate fair values using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include certain agency and non-agency mortgage-backed securities, commercial mortgage-backed securities and European floating rate notes.

For securities where quotes from recent transactions are not available for identical securities, we determine fair value primarily based on pricing sources with reasonable levels of price transparency that employ financial models or obtain comparison to similar instruments to arrive at "consensus" prices.

Specifically, the pricing sources obtain recent transactions for similar types of securities (e.g., vintage, position in the securitization structure) and ascertain variables such as discount rate and speed of prepayment for the types of transaction and apply such variables to similar types of bonds. We view these as observable transactions in the current marketplace and classify such securities as Level 2. Pricing sources discontinue pricing any specific security whenever they determine there is insufficient observable data to provide a good faith opinion on price.

In addition, we have significant investments in more actively traded agency RMBS and other types of securities such as FDIC-insured debt and sovereign debt. The pricing sources derive the prices for these securities largely from quotes they obtain from three major inter-dealer brokers. The pricing sources receive their daily observed trade price and other information feeds from the inter-dealer brokers.

For securities with bond insurance, the financial strength of the insurance provider is analyzed and that information is included in the fair value assessment for such securities.

In certain cases where there is limited activity or less transparency around inputs to the valuation, we classify those securities in Level 3 of the valuation hierarchy. Securities classified within Level 3 primarily include other debt securities and securities of state and political subdivisions.

At Dec. 31, 2011, approximately 99% of our securities were valued by pricing sources with reasonable levels of price transparency. Less than 1% of our securities were priced based on economic models and non-binding dealer quotes, and are included in Level 3 of the ASC 820 hierarchy.

Consolidated collateralized loan obligations

BNY Mellon values assets in consolidated CLOs using observable market prices observed from the secondary loan market. The returns to the note holders are solely dependent on the assets and accordingly equal the value of those assets. Based on the structure of the CLOs, the valuation of the assets is attributable to the senior note holders. Changes in the values of assets and liabilities are reflected in the income statement as investment income and interest of investment management fund note holders, respectively.

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Derivatives

We classify exchange-traded derivatives valued using quoted prices in Level 1 of the valuation hierarchy. Examples include exchanged-traded equity and foreign exchange options. Since few other classes of derivative contracts are listed on an exchange, most of our derivative positions are valued using internally developed models that use as their basis readily observable market parameters and we classify them in Level 2 of the valuation hierarchy. Such derivatives include basic swaps and options and credit default swaps.

Derivatives valued using models with significant unobservable market parameters in markets that lack two-way flow, are classified in Level 3 of the valuation hierarchy. Examples include long-dated interest rate or currency swaps and options, where parameters may be unobservable for longer maturities; and certain products, where correlation rates are unobservable. The fair value of these derivatives compose less than 1% of our derivative financial instruments. Additional disclosures of derivative instruments are provided in Note 25 of the Notes to Consolidated Financial Statements.

Loans and unfunded lending-related commitments

Where quoted market prices are not available, we generally base the fair value of loans and unfunded lending-related commitments on observable market prices of similar instruments, including bonds, credit derivatives and loans with similar characteristics. If observable market prices are not available, we base the fair value on estimated cash flows adjusted for credit risk which are discounted using an interest rate appropriate for the maturity of the applicable loans or the unfunded lending-related commitments.

Unrealized gains and losses on unfunded lending-related commitments carried at fair value are classified in Other assets and Other liabilities, respectively. Loans and unfunded lending-related commitments carried at fair value are generally classified within Level 2 of the valuation hierarchy.

Seed capital

In our Investment Management business we manage investment assets, including equities, fixed income, money market and alternative investment funds for institutions and other investors; as part of that activity we make seed capital investments in certain funds. Seed capital is included in other assets. When applicable, we value seed capital based on the published NAV of the fund. We include funds in which ownership interests in the fund are publicly traded in an active market and institutional funds in which investors trade in and out daily in Level 1 of the valuation hierarchy. We include open-end funds where investors are allowed to sell their ownership interest back to the fund less frequently than daily and where our interest in the fund contains no other rights or obligations in Level 2 of the valuation hierarchy. However, we generally include investments in funds that allow investors to sell their ownership interest back to the fund less frequently than monthly in Level 3, unless actual redemption prices are observable.

For other types of investments in funds, we consider all of the rights and obligations inherent in our ownership interest, including the reported NAV as well as other factors that affect the fair value of our interest in the fund. To the extent the NAV measurements reported for the investments are based on unobservable inputs or include other rights and obligations (e.g., obligation to meet cash calls), we generally classify them in Level 3 of the valuation hierarchy.

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Certain interests in securitizations

For certain interests in securitizations which are classified in securities available-for-sale, trading assets and long-term debt, we use discounted cash flow models which generally include assumptions of projected finance charges related to the securitized assets, estimated net credit losses, prepayment assumptions and estimates of payments to third-party investors. When available, we compare our fair value estimates and assumptions to market activity and to the actual results of the securitized portfolio.

Private equity investments

Our Other segment includes holdings of nonpublic private equity investment through funds managed by third-party investment managers. We value private equity investments initially based upon the transaction price, which we subsequently adjust to reflect expected exit values as evidenced by financing and sale transactions with third parties or through ongoing reviews by the investment managers.

Private equity investments also include publicly held equity investments, generally obtained through the initial public offering of privately held equity investments. These equity investments are often held in a partnership structure. Publicly held investments are marked-to-market at the quoted public value less adjustments for regulatory or contractual sales restrictions or adjustments to reflect the difficulty in selling a partnership interest.

Discounts for restrictions are quantified by analyzing the length of the restriction period and the volatility of the equity security. Publicly held private equity investments are primarily classified in Level 2 of the valuation hierarchy.

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Stock-based compensation (Tables)	12 Months Ended Dec. 31, 2011
Weighted Average Assumptions In Lattice-Based Binomial Method	The fair value of each option award is estimated on the date of grant using the weighted-average assumptions noted in the following table:

Assumptions	**2011**	2010	2009
Dividend yield	**2.2 %**	2.2 %	3.1 %
Expected volatility	**32**	32	34
Risk-free interest rate	**2.75**	2.94	2.22
Expected option lives (in years)	**6.7**	6.6	5.9

Summary of Stock Option Activity

A summary of the status of our options as of Dec. 31, 2011, and changes during the year, is presented below:

Stock option activity	Shares subject to option	Weighted-average exercise price	Weighted-average remaining contractual term *(in years)*
Balance at Dec. 31, 2010	92,540,471	$ 35.21	
Granted	8,739,395	29.98	
Exercised	(809,287)	21.11	
Canceled	(13,667,087)	44.73	
Balance at Dec. 31, 2011	**86,803,492**	**$ 33.32**	**5.2**
Vested and expected to vest at Dec. 31, 2011	**86,150,188**	**33.35**	**5.2**
Exercisable at Dec. 31, 2011	**60,158,853**	**35.21**	**4.0**

Stock Options Outstanding

Stock options outstanding at Dec. 31, 2011					
	Options outstanding			Options exercisable *(a)*	
Range of exercise prices	Outstanding at Dec. 31, 2011	Weighted-average remaining contractual life *(in years)*	Weighted-average exercise price	Exercisable at Dec. 31, 2011	Weighted-average exercise price
$ 18 to 31	43,343,651	6.5	$ 26.05	20,108,983	$ 24.96
31 to 41	22,879,675	3.8	37.03	22,004,630	36.93
41 to 51	20,580,166	3.9	44.51	18,045,240	44.52
$ 18 to 51	**86,803,492**	**5.2**	**$ 33.32**	**60,158,853**	**$ 35.21**

(a)At Dec. 31, 2010 and 2009, 62,801,038 and 65,703,148 options were exercisable at an average price per common share of $37.93 and $38.96, respectively.

Aggregate Intrinsic Value of Options

Aggregate intrinsic value of options *(in millions)*	**2011**	2010	2009
Outstanding at Dec. 31,	**$ 22**	$193	$167
Exercisable at Dec. 31,	**$ 11**	$77	$26

Nonvested Restricted Stock, RSUs and TSRs Activity

The following table summarizes our nonvested restricted stock, RSU and TSR activity for 2011.

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Nonvested restricted stock, RSUs and TSRs activity	Number of shares	Weighted-average fair value
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2010	11,319,776	$ 29.96
Granted	**5,828,098**	**29.79**
Vested	**(3,530,607)**	**39.91**
Forfeited	**(483,809)**	**33.79**
Nonvested restricted stock and RSUs at Dec. 31, 2011 *(a)*	**13,133,458**	**$ 26.44**

(a) Includes 817,698 shares granted to members of BNY Mellon's Executive Committee that are marked-to-market based on the closing stock price at Dec. 31, 2011 of $19.91.

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Summarized Financial Information for Assets and Liabilities of Discontinued Operations (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups, Including Discontinued Operations [Line Items]		
Loans, net of allowance for loan losses		$ 183
Deferred taxes		90
Other assets		5
Assets of discontinued operations		278
Liabilities of discontinued operations		

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Assets and Liabilities Measured at Fair Value on a Recurring Basis (Detail) (Fair Value, Measurements, Recurring, USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total trading assets	$ 7,861		$ 6,276	
Loans	10		6	
Other assets	1,848	[1]	1,075	[1]
Total assets	99,533		84,775	
Trading liabilities	8,071		6,911	
Long-term debt	326	[2]	269	[2]
Other liabilities	382	[3]	590	[3]
Total liabilities	18,864		21,333	
Available-for-sale				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	78,467		62,652	
Available-for-sale | U.S. Treasury				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	17,326		12,609	
Available-for-sale | U.S. Government Agencies				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	958		1,005	
Available-for-sale | Sovereign Debt				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	11,954	[4]	8,549	[4]
Available-for-sale | State And Political Subdivisions				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	2,739	[2]	508	[2]
Available-for-sale | Agency RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	26,796		19,727	
Available-for-sale | Alt-A RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				

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Available-for-sale	273	[4]	470	[4]
Available-for-sale | Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	815	[4]	1,227	[4]
Available-for-sale | Subprime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	418	[4]	508	[4]
Available-for-sale | Other RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	903		1,331	
Available-for-sale | Commercial MBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	3,339		2,639	
Available-for-sale | Asset-Backed CLOs				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,444		249	
Available-for-sale | Other Asset-Backed Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	532		539	
Available-for-sale | Equity Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	30		47	
Available-for-sale | Money Market Funds				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	973	[2]	2,538	[2]
Available-for-sale | Other Debt Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	4,363		3,342	
Available-for-sale | Foreign Covered Bonds				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	2,425	[4]	2,868	[4]
Available-for-sale | Grantor Trust Alt-A RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				

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Available-for-sale	1,879	[4],[5]	2,513	[4],[5]
Available-for-sale | Grantor Trust Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,175	[4],[5]	1,825	[4],[5]
Available-for-sale | Grantor Trust Sub Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	125	[4],[5]	158	[4],[5]
Trading Assets				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Debt and equity instruments	2,203	[6]	2,340	[6]
Derivative assets	5,658		3,936	
Operations				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total assets	88,186		70,009	
Total liabilities	8,779		7,770	
Investment Management Funds				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total trading assets	10,751		14,121	
Other assets	596		645	
Total assets	11,347		14,766	
Trading liabilities	10,053		13,561	
Other liabilities	32		2	
Total liabilities	10,085		13,563	
Trading Liabilities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Debt and equity instruments	955		1,726	
Derivative liabilities	7,116		5,185	
Level 1				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total trading assets	5,259		5,511	
Other assets	672	[1]	52	[1]
Total assets	26,879		23,884	
Percentage of assets prior to netting	21.40%		23.80%	
Trading liabilities	4,784		4,979	
Other liabilities	14	[3]	115	[3]
Total liabilities	4,800		5,096	
Percentage of liabilities prior to netting	10.90%		14.00%	

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Level 1 | Available-for-sale		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	20,172	17,543
Level 1 | Available-for-sale | U.S. Treasury		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	17,326	12,609
Level 1 | Available-for-sale | Sovereign Debt		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	44	27
Level 1 | Available-for-sale | Equity Securities		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	9	18
Level 1 | Available-for-sale | Money Market Funds		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	973 [2]	2,538 [2]
Level 1 | Available-for-sale | Other Debt Securities		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale		91
Level 1 | Available-for-sale | Foreign Covered Bonds		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	1,820	2,260
Level 1 | Trading Assets		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Debt and equity instruments	485 [6]	1,598 [6]
Derivative assets	4,774	3,913
Level 1 | Trading Assets | Interest Rate Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative assets	164	272
Level 1 | Trading Assets | Foreign Exchange Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative assets	4,519	3,561
Level 1 | Trading Assets | Equity Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative assets	91	79

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Level 1 | Trading Assets | Other Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative assets		1
Level 1 | Operations		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Total assets	26,103	23,106
Percentage of assets prior to netting	22.90%	26.90%
Total liabilities	4,798	5,094
Percentage of liabilities prior to netting	14.20%	22.20%
Level 1 | Investment Management Funds		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Total trading assets	323	279
Other assets	453	499
Total assets	776	778
Other liabilities	2	2
Total liabilities	2	2
Level 1 | Trading Liabilities		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Debt and equity instruments	418	1,277
Derivative liabilities	4,366	3,702
Level 1 | Trading Liabilities | Foreign Exchange Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative liabilities	4,311	3,648
Level 1 | Trading Liabilities | Equity Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative liabilities	55	54
Level 2		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Total trading assets	28,489	16,441
Loans	10	
Other assets	1,019 [1]	910 [1]
Total assets	98,336	76,378
Percentage of assets prior to netting	78.30%	75.90%
Trading liabilities	27,982	16,936
Long-term debt	326 [2]	269 [2]
Other liabilities	368 [3]	473 [3]
Total liabilities	38,759	31,239

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Percentage of liabilities prior to netting	88.40%	85.50%
Level 2 | Available-for-sale		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	58,247	45,041
Level 2 | Available-for-sale | U.S. Government Agencies		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	958	1,005
Level 2 | Available-for-sale | Sovereign Debt		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	11,910	8,522
Level 2 | Available-for-sale | State And Political Subdivisions		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	2,694 [2]	498 [2]
Level 2 | Available-for-sale | Agency RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	26,796	19,727
Level 2 | Available-for-sale | Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	273	470
Level 2 | Available-for-sale | Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	815	1,227
Level 2 | Available-for-sale | Subprime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	418	508
Level 2 | Available-for-sale | Other RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	903	1,331
Level 2 | Available-for-sale | Commercial MBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	3,339	2,639
Level 2 | Available-for-sale | Asset-Backed CLOs		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	1,444	249

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Level 2 | Available-for-sale | Other Asset-Backed Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	532		539	
Level 2 | Available-for-sale | Equity Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	21		29	
Level 2 | Available-for-sale | Other Debt Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	4,360		3,193	
Level 2 | Available-for-sale | Foreign Covered Bonds				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	605		608	
Level 2 | Available-for-sale | Grantor Trust Alt-A RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,879	[5]	2,513	[5]
Level 2 | Available-for-sale | Grantor Trust Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,175	[5]	1,825	[5]
Level 2 | Available-for-sale | Grantor Trust Sub Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	125	[5]	158	[5]
Level 2 | Trading Assets				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Debt and equity instruments	1,655	[6]	710	[6]
Derivative assets	26,834		15,731	
Level 2 | Trading Assets | Interest Rate Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative assets	26,434		15,260	
Level 2 | Trading Assets | Foreign Exchange Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative assets	113		100	
Level 2 | Trading Assets | Equity Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				

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Derivative assets	284	370
Level 2 | Trading Assets | Other Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative assets	3	1
Level 2 | Operations		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Total assets	87,765	62,392
Percentage of assets prior to netting	76.80%	72.70%
Total liabilities	28,676	17,678
Percentage of liabilities prior to netting	84.90%	77.00%
Level 2 | Investment Management Funds		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Total trading assets	10,428	13,842
Other assets	143	144
Total assets	10,571	13,986
Trading liabilities	10,053	13,561
Other liabilities	30	
Total liabilities	10,083	13,561
Level 2 | Trading Liabilities		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Debt and equity instruments	537	443
Derivative liabilities	27,445	16,493
Level 2 | Trading Liabilities | Interest Rate Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative liabilities	27,201	16,126
Level 2 | Trading Liabilities | Foreign Exchange Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative liabilities	44	59
Level 2 | Trading Liabilities | Equity Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative liabilities	200	304
Level 2 | Trading Liabilities | Other Contract		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Derivative liabilities		4
Level 3		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		

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Total trading assets	160		151	
Loans			6	
Other assets	157	[1]	113	[1]
Total assets	365		340	
Percentage of assets prior to netting	0.30%		0.30%	
Trading liabilities	314		177	
Other liabilities			2	[3]
Total liabilities	314		179	
Percentage of liabilities prior to netting	0.70%		0.50%	
Level 3 | Available-for-sale				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	48		68	
Level 3 | Available-for-sale | State And Political Subdivisions				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	45	[2]	10	[2]
Level 3 | Available-for-sale | Other Debt Securities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	3		58	
Level 3 | Trading Assets				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Debt and equity instruments	63	[6]	32	[6]
Derivative assets	97		119	
Level 3 | Trading Assets | Interest Rate Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative assets	54		119	
Level 3 | Trading Assets | Equity Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative assets	43			
Level 3 | Operations				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total assets	365		338	
Percentage of assets prior to netting	0.30%		0.40%	
Total liabilities	314		179	
Percentage of liabilities prior to netting	0.90%		0.80%	
Level 3 | Investment Management Funds				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				

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Other assets			2	
Total assets			2	
Level 3 | Trading Liabilities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Debt and equity instruments			6	
Derivative liabilities	314		171	
Level 3 | Trading Liabilities | Interest Rate Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative liabilities	239		149	
Level 3 | Trading Liabilities | Equity Contract				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative liabilities	75		22	
Netting				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total trading assets	(26,047)	[7]	(15,827)	[7]
Total assets	(26,047)	[7]	(15,827)	[7]
Trading liabilities	(25,009)	[7]	(15,181)	[7]
Total liabilities	(25,009)	[7]	(15,181)	[7]
Netting | Trading Assets				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative assets	(26,047)	[7],[8]	(15,827)	[7],[8]
Netting | Operations				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Total assets	(26,047)	[7]	(15,827)	[7]
Total liabilities	(25,009)	[7]	(15,181)	[7]
Netting | Trading Liabilities				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Derivative liabilities	$ (25,009)	[7],[8]	$ (15,181)	[7],[8]

[1] Includes private equity investments, seed capital, a brokerage account, and derivatives in designated hedging relationships.

[2] Includes certain interests in securitizations.

[3] Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.

[4] At Dec. 31, 2011 and Dec. 31, 2010, the German foreign covered bonds were considered Level 1 in the valuation hierarchy. All other assets in the table above are primarily Level 2 assets in the valuation hierarchy.

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[5] Previously included in the Grantor Trust.

[6] Includes loans classified as trading assets and certain interests in securitizations.

[7] ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

[8] Netting cannot be disaggregated by product.

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Long-term Debt (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended			
	Dec. 31, 2011		Dec. 31, 2010	
Amount	$ 19,933		$ 16,517	
Senior Debt Fixed Rate				
Rate - Minimum rate	1.50%		2.50%	
Rate - Maximum rate	6.92%		6.92%	
Maturity - Minimum Date	2012			
Maturity - Maximum Date	2021			
Amount	12,367		9,354	
Senior Debt Floating Rate				
Rate - Minimum rate	0.35%		0.10%	
Rate - Maximum rate	1.40%		0.57%	
Maturity - Minimum Date	2012			
Maturity - Maximum Date	2038			
Amount	2,679		1,475	
Subordinated Debt				
Rate - Minimum rate	4.75%	[1]	4.40%	[1]
Rate - Maximum rate	7.50%	[1]	7.50%	[1]
Maturity - Minimum Date	2012	[1]		
Maturity - Maximum Date	2033	[1]		
Amount	3,201	[1]	4,037	[1]
Junior Subordinated Debentures				
Rate - Minimum rate	5.95%	[1]	5.95%	[1]
Rate - Maximum rate	7.78%	[1]	7.78%	[1]
Maturity - Minimum Date	2026	[1]		
Maturity - Maximum Date	2043	[1]		
Amount	$ 1,686	[1]	$ 1,651	[1]

[1] Fixed rate.

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Condensed Balance Sheet Parent Corporation (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Investment in and advances to subsidiaries and associated companies:				
Corporate-owned life insurance	$ 4,216	$ 4,071		
Other assets	19,839	18,790		
Total assets	325,266	247,259		
Liabilities:				
Long-term debt	19,933	16,517		
Total liabilities	291,065	214,102		
Shareholders' equity	33,417	32,354	28,977	25,264
Total liabilities, temporary equity and permanent equity	325,266	247,259		
Parent Company				
Assets:				
Cash and due from banks	4,884	3,452		
Securities	188	219		
Loans-net of allowance	20	52		
Investment in and advances to subsidiaries and associated companies:				
Investment in and advances to subsidiaries and associated companies	50,099	46,927		
Corporate-owned life insurance	666	650		
Other assets	3,009	3,014		
Total assets	58,866	54,314		
Liabilities:				
Deferred compensation	492	497		
Commercial paper	10	10		
Affiliate borrowings	3,407	3,344		
Other liabilities	2,735	2,682		
Long-term debt	18,805	15,427		
Total liabilities	25,449	21,960		
Shareholders' equity	33,417	32,354		
Total liabilities, temporary equity and permanent equity	58,866	54,314		
Parent Company | Bank Subsidiaries				
Investment in and advances to subsidiaries and associated companies:				
Investment in and advances to subsidiaries and associated companies	29,169	26,349		
Parent Company | Nonbank Subsidiaries				
Investment in and advances to subsidiaries and associated companies:				

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Investment in and advances to subsidiaries and associated companies	$ 20,930	$ 20,578

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International operations (Tables)

Foreign Revenue, Income before Income Taxes, Net Income and Assets from Foreign Operations

12 Months Ended Dec. 31, 2011

Total revenue, income before income taxes, income from continuing operations and total assets of our international operations are shown in the table below.

International operations

(in millions)	International EMEA		APAC	Other	Total international	Total domestic		Total	
2011:									
Total assets at period end *(a)*	**$61,115**	*(b)*	**$13,030**	**$1,694**	**$ 75,839**	**$249,427**		**$325,266**	
Total revenue	**3,780**	*(b)*	**842**	**769**	**5,391**	**9,339**		**14,730**	
Income before taxes	**1,135**		**426**	**350**	**1,911**	**1,706**		**3,617**	
Net income	**867**		**325**	**267**	**1,459**	**1,110**		**2,569**	
2010 *(c)***:**									
Total assets at period end *(a)*	$72,629	*(b)*	$8,806	$3,124	$ 84,559	$162,422		$246,981	
Total revenue	3,497	*(b)*	745	735	4,977	8,898		13,875	
Income before taxes	1,222		394	348	1,964	1,730		3,694	
Net income from continuing operations	916		295	261	1,472	1,175		2,647	
2009 *(c)***:**									
Total assets at period end *(a)*	$58,011	*(b)*	$5,588	$1,375	$ 64,974	$145,008		$209,982	
Total revenue	2,825	*(b)(d)*	669	578	4,072	3,582		7,654	
Income (loss) before taxes	863	*(d)*	287	257	1,407	(3,615	)	(2,208	)
Net income (loss) from continuing operations	667	*(d)*	222	199	1,088	(1,901	) *(e)*	(813	)

(a) Total assets include long-lived assets, which are not considered by management to be significant in relation to total assets. Long-lived assets are primarily located in the United States.

(b) Includes revenue of approximately $2.2 billion, $2.1 billion and $1.6 billion and assets of approximately $28.3 billion, $44.7 billion and $43.0 billion in 2011, 2010, and 2009,

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respectively, of international operations domiciled in the United Kingdom, which is 15%, 15% and 21% of total revenue and 9%, 18%, and 20% of total assets, respectively.

(c) *Presented on a continuing operations basis.*

(d) *In 2009, excludes the $269 million of investment securities losses on the European floating rate notes.*

(e) *Domestic income from continuing operations in 2009 was reduced by investment securities losses.*

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Income taxes (Tables)

12 Months Ended Dec. 31, 2011

Provision (Benefit) for Income Taxes from Continuing Operations

Provision (benefit) for income taxes	Year ended Dec. 31,		
(in millions)	**2011**	2010 *(a)*	2009 *(a)*
Current taxes (benefits):			
Federal	**$691**	$(670)	$289
Foreign	**317**	408	185
State and local	**28**	110	101
Total current tax expense (benefit)	**1,036**	(152)	575
Deferred taxes:			
Federal	**(34)**	1,278	(1,676)
Foreign	**(16)**	(75)	-
State and local	**62**	(4)	(294)
Total deferred tax expense (benefit)	**12**	1,199	(1,970)
Provision (benefit) for income taxes	**$1,048**	$1,047	$(1,395)

(a) *Based on continuing operations for 2010 and 2009.*

Components of Income (Loss) before Taxes

The components of income (loss) before taxes are as follows:

Components of income (loss) before taxes	Year ended Dec. 31,		
(in millions)	**2011**	2010 *(a)*	2009 *(a)*
Domestic	**$2,336**	$2,363	$(3,022)
Foreign	**1,281**	1,331	814
Income (loss) before taxes	**$3,617**	$3,694	$(2,208)

(a) *Based on continuing operations for 2010 and 2009.*

Components of Net Deferred Tax Liability Included in Accrued Taxes and Other Expenses

The components of our net deferred tax liability are as follows:

Net deferred tax liability	Dec. 31,	
(in millions)	**2011**	2010
Depreciation and amortization	**$2,599**	$2,366
Lease financings	**1,040**	1,093
Pension obligation	**(49)**	190
Reserves not deducted for tax	**(401)**	(331)
Credit losses on loans	**(290)**	(409)
Net operating loss carryover	**(126)**	(112)
Employee benefits	**(544)**	(543)
Equity investments	**238**	227
Other assets	**(289)**	(264)
Other liabilities	**378**	380
Net deferred tax liability	**$2,556**	$2,597

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Reconciliation of Statutory Federal Income Tax Rate to Effective Income Tax Rate

The following table presents a reconciliation of the statutory federal income tax rate to our effective income tax rate applicable to income from continuing operations.

Effective tax rate	Year ended Dec. 31,		
	2011	2010	2009
Federal rate	**35.0 %**	35.0 %	35.0 %
State and local income taxes, net of federal income tax benefit	**1.6**	2.4	4.5
Credit for low-income housing investments	**(1.9)**	(1.8)	2.6
Tax-exempt income	**(2.6)**	(2.3)	2.9
Foreign operations	**(3.2)**	(5.2)	3.5
Tax settlements	**-**	-	4.0
Tax loss on mortgages	**-**	-	10.8
Other – net	**0.1**	0.2	(0.1)
Effective rate	**29.0 %**	28.3 %	63.2 %

Unrecognized Tax Positions

Unrecognized tax positions *(in millions)*	**2011**	2010	2009
Beginning balance at Jan. 1, – gross	**$289**	$335	$189
Prior period tax positions:			
increases	**24**	97	225
decreases	**(12)**	(60)	(30)
Current period tax positions	**16**	41	10
Settlements	**(64)**	(119)	(58)
Statute expiration	**(3)**	(5)	(1)
Ending balance at Dec. 31, – gross	**$250**	$289	$335

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Summary of Off-Balance Sheet Credit Transactions, Net of Participations (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Lending commitments		
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]		
Off-balance sheet credit risks participations	$ 326	$ 423
Standby letters of credit		
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]		
Off-balance sheet credit risks participations	$ 1,200	$ 1,700

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Summary of significant accounting and reporting policies	12 Months Ended
	Dec. 31, 2011

Summary of significant accounting and reporting policies

Note 1—Summary of significant accounting and reporting policies

Basis of Presentation

The accounting and financial reporting policies of BNY Mellon, a global financial services company, conform to U.S. generally accepted accounting principles ("GAAP") and prevailing industry practices.

In the opinion of management, all adjustments necessary for a fair presentation of financial position, results of operations and cash flows for the annual periods have been made. Certain other immaterial reclassifications have been made to prior years to place them on a basis comparable with current period presentation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates based upon assumptions about future economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition. Amounts subject to estimates are items such as the allowance for loan losses and lending-related commitments, goodwill and intangible assets, pension accounting, the fair value of financial instruments and other-than-temporary impairments. Among other effects, such changes in estimates could result in future impairments of investment securities, goodwill and intangible assets and establishment of allowances for loan losses and lending-related commitments as well as increased pension and post-retirement expense.

Organization of our businesses

In 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. The realignment reflects management's current approach to assessing performance and decisions regarding resource allocations. Investment Management includes the former Asset Management and Wealth Management businesses. Investment Services includes the former Asset Servicing, Issuer Services and Clearing Services businesses, and the Cash Management business previously included in the Treasury Services business. The credit-related activities previously included in the Treasury Services business, are now included in the Other segment. Fee revenue classifications in the income statement were changed in 2011 to reflect this realignment as follows:

- Investment management and performance fees consist of the former asset and wealth management fee revenue; and
- Investment services fees consist of the former securities servicing fees, including asset servicing, issuer services, clearing services, as well as treasury services fee revenue.

All prior periods were reclassified. The reclassifications did not affect the results of operations.

Equity method investments

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The consolidated financial statements include the accounts of BNY Mellon and its subsidiaries. Equity investments of less than a majority but at least 20% ownership are accounted for by the equity method and classified as other assets. Earnings on these investments are reflected in fee and other revenue as investment services fees or investment income, as appropriate, in the period earned. Our most significant equity method investments are:

Equity method investments at Dec. 31, 2011			
(dollars in millions)	Percentage Ownership		Book Value
CIBC Mellon	**50.0**	**%**	**$ 577**
Wing Hang	**20.4**	**%**	**$ 399**
Siguler Guff	**20.0**	**%**	**$ 267**
ConvergEx	**33.2**	**%**	**$ 152**
West LB Joint Venture	**50.0**	**%**	**$ 91**

Acquired businesses

The income statement and balance sheet include results of acquired businesses accounted for under the acquisition method of accounting pursuant to ASC 805—*Business Combinations* and equity investments from the dates of acquisition. For acquisitions prior to Jan. 1, 2009, we recorded any contingent purchase payments when the amounts were resolved and became payable. For acquisitions occurring after Dec. 31, 2008, contingent purchase consideration was measured at its fair value and recorded on the purchase date.

Parent financial statements

The Parent financial statements in Note 20 of the Notes to Consolidated Financial Statements include the accounts of the Parent; those of a wholly owned financing subsidiary that functions as a financing entity for BNY Mellon and its subsidiaries by issuing commercial paper and other debt guaranteed by BNY Mellon; and MIPA, LLC, a single-member limited liability company, created to hold and administer corporate owned life insurance. Financial data for the Parent, the financing subsidiary and the single-member limited liability company are combined for financial reporting purposes because of the limited function of these entities and the unconditional guarantee by BNY Mellon of their obligations.

Variable interest entities

We consider the underlying facts and circumstances of individual transactions when assessing whether or not an entity is a potential variable interest entity (“VIE”). VIEs are entities that do not have sufficient equity at risk for the entity to finance its activities without additional financial support, or in which equity investors do not have the characteristics of a controlling financial interest. BNY Mellon applies ASC 810 to its mutual funds, hedge funds, private equity funds, collective investment funds and real estate investment trusts, which were determined to be VIEs. Generally, the company is deemed to be the primary beneficiary and thus required to consolidate a VIE, if BNY Mellon has a variable interest (or combination of variable interests) that, based on a quantitative analysis, will absorb a majority of the VIE’s expected losses, that will receive a majority of the VIE’s expected residual returns, or both. A “variable interest” is a contractual, ownership or other interest that changes with changes in the fair value of the VIE’s net assets. “Expected losses” and “expected residual returns” are measures of variability in the expected cash flows of a VIE.

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BNY Mellon's other VIEs are evaluated under the guidance included in ASU 2009-17. These other VIEs include securitization trusts, which are no longer considered qualifying special purpose entities ("QSPEs"), and CLOs, in which BNY Mellon serves as the investment manager. In addition, we provide trust and custody services for a fee to entities sponsored by other corporations in which we have no other interest. The company must determine whether or not its variable interests in these VIEs, based on qualitative analysis, provide BNY Mellon with a controlling financial interest in the VIE. The analysis includes an assessment of the characteristics of the VIE. The Company is considered to have a controlling financial interest in the VIE, which would require consolidation of the VIE, if it has the following characteristics: (1) the power to direct the activities that most significantly impact the VIE's economic performance; and (2) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Nature of operations

BNY Mellon is a global leader in providing a broad range of financial products and services in domestic and international markets. Through our two principal businesses, Investment Management and Investment Services, we serve the following major classes of customers—institutions, corporations, and high net worth individuals. For institutions and corporations, we provide the following services:

- investment management;
- trust and custody;
- foreign exchange;
- fund administration;
- securities lending;
- depositary receipts;
- corporate trust;
- global payment/cash management; and
- banking services.

For individuals, we provide mutual funds, separate accounts, wealth management and private banking services. BNY Mellon's investment management businesses provide investment products in many asset classes and investment styles on a global basis.

Trading account securities, available-for-sale securities, and held-to-maturity securities

Securities are accounted for under ASC 320 *Investments—Debt and Equity Securities.* Securities are generally classified in the trading, available-for-sale investment or the held-to-maturity investment securities portfolios when they are purchased. Securities are classified as trading securities when our intention is to resell. Securities are classified as available-for-sale securities when we intend to hold the securities for an indefinite period of time or when the securities may be used for tactical asset/liability purposes and may be sold from time to time to effectively manage interest rate exposure, prepayment risk and liquidity needs. Securities are classified as held-to-maturity securities when we intend to hold them until maturity. Seed capital investments are classified as other assets or available-for-sale securities, depending on the nature of the investment and management's intent.

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Trading securities are stated at fair value. Trading revenue includes both realized and unrealized gains and losses. The liability incurred on short-sale transactions, representing the obligation to deliver securities, is included in trading liabilities at fair value.

Available-for-sale securities are stated at fair value. The difference between fair value and amortized cost representing unrealized gains or losses on assets classified as available-for-sale, are recorded net of tax as an addition to or deduction from other comprehensive income ("OCI"), unless a security is deemed to have an other-than-temporary impairment ("OTTI"). Gains and losses on sales of available-for-sale securities are reported in the income statement. The cost of debt and equity securities sold is determined on a specific identification and average cost method, respectively. Unrealized gains and losses on seed capital investments classified as other assets are recorded in investment income. Held-to-maturity securities are stated at cost.

Income on securities purchased is adjusted for amortization of premium and accretion of discount on a level yield basis.

We routinely conduct periodic reviews to identify and evaluate each investment security to determine whether OTTI has occurred. We examine various factors when determining whether an impairment, representing the fair value of a security being below its amortized cost, is other than temporary. The following are examples of factors that BNY Mellon considers:

- The length of time and the extent to which the fair value has been less than the amortized cost basis;
- Whether management has an intent to sell the security;
- Whether the decline in fair value is attributable to specific adverse conditions affecting a particular investment;
- Whether the decline in fair value is attributable to specific conditions, such as conditions in an industry or in a geographic area;
- Whether a debt security has been downgraded by a rating agency;
- Whether a debt security exhibits cash flow deterioration; and
- For each non-agency RMBS, we compare the remaining credit enhancement that protects the individual security from losses against the projected losses of principal and/or interest expected to come from the underlying mortgage collateral, to determine whether such credit losses might directly impact the relevant security.

The determination of whether a credit loss exists is based on best estimates of the present value of cash flows to be collected from the debt security. Generally, cash flows are discounted at the effective interest rate implicit in the debt security at the time of acquisition. For debt securities that are beneficial interests in securitized financial assets and are not high credit quality, ASC 325 provides that cash flows be discounted at the current yield used to accrete the beneficial interest.

The credit component of an OTTI of a debt security is recognized in earnings and the non-credit component is recognized in OCI when we do not intend to sell the security and it is more likely than not that BNY Mellon will not be required to sell the security prior to recovery.

For held-to-maturity debt securities, the amount of OTTI recorded in OCI for the non-credit portion of a previous OTTI is amortized prospectively, as an increase to the carrying amount of the security, over the remaining life of the security on the basis of the timing of future estimated cash flows of the securities. In order not to be required to recognize the non-credit component of an OTTI in earnings, management is required to assert that it does not have the intent to sell the

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security and that it is more likely than not it will not have to sell the security before recovery of its cost basis.

If we intend to sell the security or it is more likely than not that BNY Mellon will be required to sell the security prior to recovery, the non-credit component of OTTI is recognized in earnings and subsequently accreted to interest income on an effective yield basis over the life of the security.

The accounting policies for the determination of the fair value of financial instruments and OTTI have been identified as "critical accounting estimates" as they require us to make numerous assumptions based on available market data. See Note 5 of the Notes to Consolidated Financial Statements for these disclosures.

Loans and leases

Loans are reported net of any unearned discount. Loan origination and upfront commitment fees, as well as certain direct loan origination and commitment costs, are deferred and amortized as a yield adjustment over the lives of the related loans. Deferred fees and costs are netted against outstanding loan balances. Loans held for sale are carried at the lower of cost or market value.

Unearned revenue on direct financing leases is accreted over the lives of the leases in decreasing amounts to provide a constant rate of return on the net investment in the leases. Revenue on leveraged leases is recognized on a basis to achieve a constant yield on the outstanding investment in the lease, net of the related deferred tax liability, in the years in which the net investment is positive. Gains and losses on residual values of leased equipment sold are included in investment income. Considering the nature of these leases and the number of significant assumptions, there is risk associated with the income recognition on these leases should any of the assumptions change materially in future periods.

Nonperforming assets

Commercial loans are placed on nonaccrual status when principal or interest is past due 90 days or more, or when there is reasonable doubt that interest or principal will be collected.

When a first lien residential mortgage loan reaches 90 days delinquent, it is subject to an impairment test and may be placed on nonaccrual status. At 180 days delinquent, the loan is subject to further impairment testing. The loan will remain on accrual status if the realizable value of the collateral exceeds the unpaid principal balance plus accrued interest. If the loan is impaired, a charge-off is taken and the loan is placed on nonaccrual status. At 270 days delinquent, all first lien mortgages are placed on nonaccrual status. Second lien mortgages are automatically placed on nonaccrual status when they reach 90 days delinquent. When a loan is placed on nonaccrual status, previously accrued and uncollected interest is reversed against current period interest revenue. Interest receipts on nonaccrual and impaired loans are recognized as interest revenue or are applied to principal when we believe the ultimate collectability of principal is in doubt. Nonaccrual loans generally are restored to an accrual basis when principal and interest become current.

A loan is considered to be impaired, as defined by ASC 310—*Accounting by Creditors for Impairment of a Loan*, when it is probable that we will be unable to collect all principal and

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interest amounts due according to the contractual terms of the loan agreement. An impairment allowance is measured on loans $1 million or greater and which meet the definition of an impaired loan per ASC 310.

Impaired loans $1 million or greater are required to be measured based upon the loan's market price, the present value of expected future cash flows, discounted at the loan's initial effective interest rate, or at fair value of the collateral if the loan is collateral dependent. If the loan valuation is less than the recorded value of the loan, an impairment allowance is established by either an allocation of the allowance for credit losses or by a provision for credit losses. Impairment allowances are not needed when the recorded investment in an impaired loan is less than the loan valuation.

Allowance for loan losses and allowance for lending-related commitments

The allowance for loans losses, shown as a valuation allowance to loans, and the allowance for lending-related commitments are referred to as BNY Mellon's allowance for credit exposure. The accounting policy for the determination of the adequacy of the allowances has been identified as a "critical accounting estimate" as it requires us to make numerous complex and subjective estimates and assumptions relating to amounts which are inherently uncertain.

The allowance for loans losses is maintained to absorb losses inherent in the loan portfolio as of the balance sheet date based on our judgment. The allowance determination methodology is designed to provide procedural discipline in assessing the appropriateness of the allowance. Credit losses are charged against the allowance. Recoveries are added to the allowance.

The methodology for determining the allowance for lending-related commitments considers the same factors as the allowance for loan losses, as well as an estimate of the probability of drawdown. In 2011, we implemented an enhanced methodology for determining the allowance for credit losses by adding a qualitative allowance framework. Within this framework, management applies judgment when assessing internal risk factors and environmental factors to compute an additional allowance for each component of the loan portfolio. This change did not impact the allowance or provision for credit losses.

The three elements of the allowance for loan losses and the allowance for lending-related commitments include the qualitative allowance framework. The three elements are:

- an allowance for impaired credits of $1 million or greater;
- an allowance for higher risk-rated credits and pass-rated credits; and
- an allowance for residential mortgage loans.

Our lending is primarily to institutional customers. As a result, our loans are generally larger than $1 million. Therefore, the first element, impaired credits, is based on individual analysis of all impaired loans of $1 million or greater. The allowance is measured by the difference between the recorded value of impaired loans and their impaired value. Impaired value is either the present value of the expected future cash flows from the borrower, the market value of the loan, or the fair value of the collateral.

The second element, higher risk-rated credits and pass-rated credits, is based on our probable loss model. All borrowers are assigned to pools based on their credit ratings. The probable loss inherent in each loan in a pool incorporates the borrower's credit rating, loss given default rating

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and maturity. The loss given default incorporates a recovery expectation. The borrower's probability of default is derived from the associated credit rating. Borrower ratings are reviewed at least annually and are periodically mapped to third-party databases, including rating agency and default and recovery databases, to ensure ongoing consistency and validity. Higher risk-rated credits are reviewed quarterly. Commercial loans over $1 million are individually analyzed before being assigned a credit rating. We also apply this technique to our lease financing and wealth management portfolios.

The third element, the allowance for residential mortgage loans, is determined by segregating six mortgage pools into delinquency periods ranging from current through foreclosure. Each of these delinquency periods is assigned a probability of default. A specific loss given default based on a combination of external loss data from third-party databases and internal loss history is assigned for each mortgage pool. For each pool, the inherent loss is calculated using the above factors. The resulting probable loss factor is applied against the loan balance to determine the allowance held for each pool.

The qualitative framework is used to determine an additional allowance for each portfolio based on the factors below:

Internal risk factors:

- Non-performing loans to total non-margin loans;
- Criticized assets to total loans and lending-related commitments;
- Ratings volatility;
- Borrower concentration; and
- Significant concentration in high-risk industry.

Environmental risk factors:

- U.S. non-investment grade default rate;
- Unemployment rate; and
- Change in real GDP (quarter-over-quarter).

The allocation of the prior period allowance for loan losses and allowance for lending-related commitments has been restated to reflect the implementation of the qualitative allowance framework. The allocation of allowance for credit losses is inherently judgmental, and the entire allowance for credit losses is available to absorb credit losses regardless of the nature of the loss.

Premises and equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful life of the owned asset and, for leasehold improvements, over the lesser of the remaining term of the leased facility or the estimated economic life of the improvement. For owned and capitalized assets, estimated useful lives range from two to 40 years. Maintenance and repairs are charged to expense as incurred, while major improvements are capitalized and amortized to operating expense over their identified useful lives.

Software

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BNY Mellon capitalizes costs relating to acquired software and internal-use software development projects that provide new or significantly improved functionality. We capitalize projects that are expected to result in longer-term operational benefits, such as replacement systems or new applications that result in significantly increased operational efficiencies or functionality. All other costs incurred in connection with an internal-use software project are expensed as incurred. Capitalized software is recorded in other assets.

Identified intangible assets and goodwill

Identified intangible assets with estimable lives are amortized in a pattern consistent with the assets' identifiable cash flows or using a straight-line method over their remaining estimated benefit periods if the pattern of cash flows is not estimable. Intangible assets with estimable lives are reviewed for possible impairment when events or changed circumstances may affect the underlying basis of the asset. Goodwill and intangibles with indefinite lives are not amortized, but are assessed annually for impairment, or more often if events and circumstances indicate it is more likely than not they may be impaired. The accounting policy for valuing and impairment testing of identified intangible assets and goodwill has been identified as a "critical accounting estimate" as it requires us to make numerous complex and subjective estimates. See Note 7 of the Notes to Consolidated Financial Statements for additional disclosures related to goodwill and intangible assets.

Noncontrolling Interests

Noncontrolling interests included in permanent equity are adjusted for the income or (loss) attributable to the noncontrolling interest holders and any distributions to those shareholders. Redeemable noncontrolling interests are reported as temporary equity. In accordance with ASC 480, *Distinguishing Liabilities from Equity*, BNY Mellon recognizes changes in the redemption value of the redeemable noncontrolling interests as they occur and adjusts the carrying value to be equal to the redemption value.

Fee revenue

We record investment services fees, investment management fees, foreign exchange and other trading revenue, financing-related fees, distribution and servicing, and other revenue when the services are provided and earned based on contractual terms, when amounts are determined and collectibility is reasonably assured.

Additionally, we recognize revenue from non-refundable, up-front implementation fees under outsourcing contracts using a straight-line method, commencing in the period the ongoing services are performed through the expected term of the contractual relationship. Incremental direct set-up costs of implementation, up to the related implementation fee or minimum fee revenue amount, are deferred and amortized over the same period that the related implementation fees are recognized. If a client terminates an outsourcing contract prematurely, the unamortized deferred incremental direct set-up costs and the unamortized deferred up-front implementation fees related to that contract are recognized in the period the contract is terminated.

Performance fees are recognized in the period in which the performance fees are earned and become determinable. Performance fees are generally calculated as a percentage of the applicable portfolio's performance in excess of a benchmark index or a peer group's performance. When a portfolio underperforms its benchmark or fails to generate positive performance, subsequent

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years' performance must generally exceed this shortfall prior to fees being earned. Amounts billable in subsequent years and which are subject to a clawback if performance thresholds in those years are not met are not recognized since the fees are potentially uncollectible. These fees are recognized when it is determined that they will be collected. When a multi-year performance contract provides that fees earned are billed ratably over the performance period, only the portion of the fees earned that are non-refundable are recognized.

Net interest revenue

Revenue on interest-earning assets and expense on interest-bearing liabilities is recognized based on the effective yield of the related financial instrument.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars at the rate of exchange on the balance sheet date. Transaction gains and losses are included in the income statement. Translation gains and losses on investments in foreign entities with functional currencies that are not the U.S. dollar are recorded as foreign currency translation adjustments in other comprehensive results. Revenue and expense transactions are translated at the applicable daily rate or the weighted average monthly exchange rate when applying the daily rate is not practical.

Pension

The measurement date for BNY Mellon's pension plans is Dec. 31. Plan assets are determined based on fair value generally representing observable market prices. The projected benefit obligation is determined based on the present value of projected benefit distributions at an assumed discount rate. The discount rate utilized is based on the yield of high-quality corporate bonds available in the marketplace. The net periodic pension expense or credit includes service costs, interest costs based on an assumed discount rate, an expected return on plan assets based on an actuarially derived market-related value and amortization of prior years' actuarial gains and losses.

Actuarial gains and losses include the impact of plan amendments, gains or losses related to changes in the amount of the projected benefit obligation or plan assets resulting from experience different from the assumed rate of return, changes in the discount rate or other assumptions. To the extent an actuarial gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets, the excess is recognized over the future service periods of active employees.

Our expected long-term rate of return on plan assets is based on anticipated returns for each asset class. Anticipated returns are weighted for the expected allocation for each asset class and are based on forecasts for prospective returns in the equity and fixed income markets, which should track the long-term historical returns for these markets. We also consider the growth outlook for U.S. and global economies, as well as current and prospective interest rates.

The market-related value utilized to determine the expected return on plan assets is based on the fair value of plan assets adjusted for the difference between expected returns and actual performance of plan assets. The difference between actual experience and expected returns on plan assets is included as an adjustment in the market-related value over a five-year period.

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BNY Mellon's accounting policy regarding pensions has been identified as a "critical accounting estimate" as it is regarded to be critical to the presentation of our financial statements since it requires management to make numerous complex and subjective assumptions relating to amounts which are inherently uncertain. See Note 19 of the Notes to Consolidated Financial Statements for additional disclosures related to pensions.

Severance

BNY Mellon provides separation benefits for U.S.-based employees through The Bank of New York Mellon Corporation Supplemental Unemployment Benefit Plan. These benefits are provided to eligible employees separated from their jobs for business reasons not related to individual performance. Basic separation benefits are generally based on the employee's years of continuous benefited service. Severance for employees based outside of the U.S. is determined in accordance with local agreements and legal requirements. Separation expense is recorded when management commits to an action that will result in separation and the amount of the liability can be reasonably estimated.

Income taxes

We record current tax liabilities or assets through charges or credits to the current tax provision for the estimated taxes payable or refundable for the current year. Deferred tax assets and liabilities are recorded for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax valuation allowance is established if it is more likely than not that all or a portion of the deferred tax assets will not be realized. A tax position that fails to meet a more-likely-than-not recognition threshold will result in either reduction of current or deferred tax assets, and/or recording of current or deferred tax liabilities. Interest and penalties related to income taxes are recorded as income tax expense.

Derivative financial instruments

Derivative contracts, such as futures contracts, forwards, interest rate swaps, foreign currency swaps and options and similar products used in trading activities are recorded at fair value. Gains and losses are included in foreign exchange and other trading revenue in fee and other revenue. Unrealized gains are recognized as trading assets and unrealized losses are recognized as trading liabilities, after taking into consideration master netting agreements.

We enter into various derivative financial instruments for non-trading purposes primarily as part of our asset/liability management ("ALM") process. These derivatives are designated as fair value and cash flow hedges of certain assets and liabilities when we enter into the derivative contracts. Gains and losses associated with fair value hedges are recorded in income as well as any change in the value of the related hedged item associated with the designated risks being hedged. Gains and losses on cash flow hedges are recorded in other comprehensive income, until reclassified into earnings to meet the risks being hedged. Foreign currency transaction gains and losses related to a hedged net investment in a foreign operation, net of their tax effect, are recorded with cumulative foreign currency translation adjustments within other comprehensive income.

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We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objectives and strategy for undertaking various hedge transactions.

We formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective and whether those derivatives are expected to remain highly effective in future periods. We evaluate ineffectiveness in terms of amounts that could impact a hedge's ability to qualify for hedge accounting and the risk that the hedge could result in more than a de minimis amount of ineffectiveness. At inception, the potential causes of ineffectiveness related to each of our hedges is assessed to determine if we can expect the hedge to be highly effective over the life of the transaction and to determine the method for evaluating effectiveness on an ongoing basis.

Recognizing that changes in the value of derivatives used for hedging or the value of hedged items could result in significant ineffectiveness, we have processes in place that are designed to identify and evaluate such changes when they occur. Quarterly, we perform a quantitative effectiveness assessment and record any ineffectiveness in current earnings.

We discontinue hedge accounting prospectively when we determine that a derivative is no longer an effective hedge, the derivative expires, is sold, or management discontinues the derivative's hedge designation. Subsequent gains and losses on these derivatives are included in foreign exchange and other trading revenue. For discontinued fair value hedges, the accumulated gain or loss on the hedged item is amortized on a yield basis over the remaining life of the hedged item. Accumulated gains and losses, net of tax effect, from discontinued cash flow hedges are reclassified from other comprehensive income and recognized in current earnings in other revenue upon receipt of the hedged cash flow.

The accounting policy for the determination of the fair value of derivative financial instruments has been identified as a "critical accounting estimate" as it requires us to make numerous assumptions based on the available market data. See Note 25 of the Notes to Consolidated Financial Statements for additional disclosures related to derivative financial instruments disclosures.

Statement of cash flows

We have defined cash as cash and due from banks. Cash flows from hedging activities are classified in the same category as the items hedged.

Stock options

Compensation expense is recognized in the income statement, on a straight-line basis, over the applicable vesting period, for all share-based payments.

Certain of our stock compensation grants vest when the employee retires. ASC 718 requires the completion of expensing of new grants with this feature by the first date the employee is eligible to retire. For grants prior to Jan. 1, 2006, we will continue to expense them over their stated vesting period.

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Amounts Expected to be Recognized in Net Periodic Benefit Cost Income (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2011
Domestic Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
(Gain) loss recognition	$ 167
Prior service cost recognition	(16)
Foreign Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
(Gain) loss recognition	12
Domestic Healthcare Benefits	
Defined Benefit Plan Disclosure [Line Items]	
(Gain) loss recognition	9
Net initial obligation (asset) recognition	$ 3

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Non-consolidated VIEs (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Variable Interest Entity [Line Items]		
Assets	$ 42	$ 58
Liabilities		
Trading		
Variable Interest Entity [Line Items]		
Assets	1	24
Liabilities		
Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Assets	41	34
Liabilities		
Variable Interest Entity, Not Primary Beneficiary		
Variable Interest Entity [Line Items]		
Maximum loss exposure	42	58
Variable Interest Entity, Not Primary Beneficiary | Trading		
Variable Interest Entity [Line Items]		
Maximum loss exposure	1	24
Variable Interest Entity, Not Primary Beneficiary | Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Maximum loss exposure	$ 41	$ 34

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Noncash Investing and Financing Transactions that are Not Reflected in the Consolidated Statement of Cash Flows (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Noncash or Part Noncash Acquisitions [Line Items]			
Transfers from loans to other assets for OREO	$ 16	$ 11	$ 11
Assets of consolidated VIEs	3,419	15,249	
Liabilities of consolidated VIEs	3,478	13,949	
Non-controlling interests of consolidated VIEs	29	699	
Disposition of business	544		
Issuance of common stock for acquisitions			$ 85

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Supplemental information to the Consolidated Statement of Cash Flows (Tables)	12 Months Ended
	Dec. 31, 2011
Noncash Investing and Financing Transactions that are Not Reflected in the Consolidated Statement of Cash Flows	Noncash investing and financing transactions that, appropriately, are not reflected in the Consolidated Statement of Cash Flows are listed below.

Noncash investing and financing transactions	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Transfers from loans to other assets for OREO	**$16**	$11	$ 11
Assets of consolidated VIEs	**3,419**	15,249	-
Liabilities of consolidated VIEs	**3,478**	13,949	-
Non-controlling interests of consolidated VIEs	**29**	699	-
Disposition of business	**544**	-	-
Issuance of common stock for acquisitions	**-**	-	85

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Stock-based Compensation - Additional Information (Detail) (USD $) In Millions, except Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Stock option expense related to retirement eligibility vesting	$ 31	$ 25	$ 16
Stock option exercisable period - minimum (years)	1 year		
Stock option exercisable period - maximum (years)	10 years		
Weighted-average fair value of stock options at grant date	$ 8.47	$ 8.38	$ 4.59
Total intrinsic value of options exercised	7	12	3
Cash received from option exercises	18	31	16
Actual tax benefit realized for the tax deductions from options exercised	2	1	4
Total shareholder return award performance measurement period (years)	3 years		
Stock Options			
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Stock based compensation, authorized shares	50,858,398		
Stock based compensation cost	96	87	86
Stock based compensation cost, tax benefit recognized	40	35	35
Unrecognized compensation cost related to nonvested awards	110		
Unrecognized compensation cost expected to be recognized for nonvested award over a weighted-average period, years	1.6		
Restricted Stock and Restricted Stock Units (RSUs)			
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Stock based compensation, authorized shares	28,528,609		
Unrecognized compensation cost related to nonvested awards	143		
Unrecognized compensation cost expected to be recognized for nonvested award over a weighted-average period, years	1.4		
Restricted Stock, Restricted Stock Units (RSUs) and Total Shareholder Returns (TSRs)			
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Stock based compensation, vesting period	3 years		
Stock based compensation cost	134	119	124
Stock based compensation cost, tax benefit recognized	52	46	48
Shares granted	5,828,098		
Total fair value of stock based compensation that vested during the period	$ 100	$ 96	$ 72
Total Shareholders Return			
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Stock based compensation, percentage of target awards earned	76.00%		

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Stock based compensation, shares earned and released in period	150,038
Restricted Stock Units | Executive Committee	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Shares granted	817,698
Subsidiary Long-Term Incentive Plans | Minimum	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Stock based compensation, required service period	3 years
Subsidiary Long-Term Incentive Plans | Maximum	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Stock based compensation, required service period	5 years

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Ineffectiveness Related to Derivatives and Hedging Relationships Recorded in Income (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Derivative Instruments, Gain (Loss) [Line Items]			
Ineffectiveness related to derivatives and hedging relationships	$ (14.0)	$ 3.5	$ 2.3
Loans			
Derivative Instruments, Gain (Loss) [Line Items]			
Ineffectiveness related to derivatives and hedging relationships	0.1	0.1	(0.1)
Securities Investment			
Derivative Instruments, Gain (Loss) [Line Items]			
Ineffectiveness related to derivatives and hedging relationships	(8.6)	(4.2)	0.1
Deposits and long term debt			
Derivative Instruments, Gain (Loss) [Line Items]			
Ineffectiveness related to derivatives and hedging relationships	(5.3)	7.7	2.2
Cash Flow Hedging			
Derivative Instruments, Gain (Loss) [Line Items]			
Ineffectiveness related to derivatives and hedging relationships	(0.1)	0.1	
Other			
Derivative Instruments, Gain (Loss) [Line Items]			
Ineffectiveness related to derivatives and hedging relationships	$ (0.1) [1]	$ (0.2) [1]	$ 0.1 [1]

[1] Includes ineffectiveness recorded on foreign exchange hedges.

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Combined Data for Domestic and Foreign Defined Benefit Pension and Post Retirement Healthcare Plans (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Domestic Pension Benefits						
Weighted-average assumptions used to determine benefit obligations						
Discount rate	4.75%		5.71%			
Rate of compensation increase	3.00%		3.50%			
Change in benefit obligation						
Benefit obligation at beginning of period	$ (3,139)	[1]	$ (2,835)	[1]		
Service cost	(64)	[1]	(90)	[1]	(96)	
Interest cost	(174)	[1]	(171)	[1]	(160)	
Amendments			26	[1]		
Actuarial gain (loss)	(397)	[1]	(224)	[1]		
Curtailments	(5)	[1]				
Benefits paid	140	[1]	155	[1]		
Benefit obligation at end of period	(3,639)	[1]	(3,139)	[1]	(2,835)	[1]
Change in fair value of plan assets						
Fair value at beginning of period	3,628		3,331			
Actual return on plan assets	26		427			
Employer contributions	15		25			
Benefit payments	(140)	[1]	(155)	[1]		
Fair value at end of period	3,529		3,628		3,331	
Funded status at end of period	(110)		489			
Amounts recognized in accumulated other comprehensive (income) loss consist of:						
Net loss (gain)	2,126		1,582			
Prior service cost (credit)	(78)		(94)			
Total (before tax effects)	2,048		1,488			
Foreign Pension Benefits						
Weighted-average assumptions used to determine benefit obligations						
Discount rate	4.97%		5.29%			
Rate of compensation increase	3.57%		4.47%			
Change in benefit obligation						
Benefit obligation at beginning of period	(626)	[1]	(555)	[1]		
Service cost	(33)	[1]	(28)	[1]	(20)	
Interest cost	(36)	[1]	(30)	[1]	(24)	
Employee contributions	(1)	[1]	(1)	[1]		

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Amendments			(3)	[1]		
Actuarial gain (loss)	(5)	[1]	(28)	[1]		
(Acquisitions) divestitures			(11)	[1]		
Benefits paid	12	[1]	10	[1]		
Foreign exchange adjustment	5	[1]	20	[1]		
Benefit obligation at end of period	(684)	[1]	(626)	[1]	(555)	[1]
Change in fair value of plan assets						
Fair value at beginning of period	611		540			
Actual return on plan assets	30		70			
Employer contributions	56		21			
Employee contributions	1	[1]	1	[1]		
Acquisitions (divestitures)			10			
Benefit payments	(12)	[1]	(10)	[1]		
Foreign exchange adjustment	(5)		(21)			
Fair value at end of period	681		611		540	
Funded status at end of period	(3)		(15)			
Amounts recognized in accumulated other comprehensive (income) loss consist of:						
Net loss (gain)	188		177			
Prior service cost (credit)	3		3			
Total (before tax effects)	191		180			
Domestic Healthcare Benefits						
Weighted-average assumptions used to determine benefit obligations						
Discount rate	4.75%		5.71%			
Rate of compensation increase	3.00%		3.50%			
Change in benefit obligation						
Benefit obligation at beginning of period	(232)	[1]	(242)	[1]		
Service cost	(2)	[1]	(2)	[1]	(2)	
Interest cost	(13)	[1]	(14)	[1]	(16)	
Actuarial gain (loss)	(67)	[1]	5	[1]		
Benefits paid	26	[1]	21	[1]		
Benefit obligation at end of period	(288)	[1]	(232)	[1]	(242)	[1]
Change in fair value of plan assets						
Fair value at beginning of period	71		66			
Actual return on plan assets	2		5			
Employer contributions	26		21			
Benefit payments	(26)	[1]	(21)	[1]		
Fair value at end of period	73		71		66	
Funded status at end of period	(215)		(161)			
Amounts recognized in accumulated other comprehensive (income) loss consist of:						

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Net loss (gain)	124	56
Prior service cost (credit)	(3)	(4)
Net initial obligation (asset)	3	8
Total (before tax effects)	124	60
Foreign Healthcare Benefits		
Weighted-average assumptions used to determine benefit obligations		
Discount rate	5.00%	5.40%
Change in benefit obligation		
Benefit obligation at beginning of period	(3) [1]	
Actuarial gain (loss)	(1) [1]	
Benefit obligation at end of period	(4) [1]	(3) [1]
Change in fair value of plan assets		
Funded status at end of period	(4)	(3)
Amounts recognized in accumulated other comprehensive (income) loss consist of:		
Net loss (gain)	(2)	(4)
Total (before tax effects)	$ (2)	$ (4)

[1] The benefit obligation for pension benefits is the projected benefit obligation and for healthcare benefits, it is the accumulated benefit obligation.

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Other assets (Tables)

Other Assets

12 Months Ended Dec. 31, 2011		
Other assets *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Corporate/bank owned life insurance	**$4,216**	$4,071
Accounts receivable	**4,208**	3,506
Equity in joint ventures and other investments *(a)*	**2,677**	2,643
Income taxes receivable	**2,573**	2,826
Fair value of hedging derivatives	**1,600**	836
Software	**986**	896
Fails to deliver	**961**	1,428
Prepaid expenses	**784**	834
Due from customers on acceptances	**321**	424
Prepaid pension assets	**144**	732
Other	**1,369**	594
Total other assets	**$19,839**	$18,790

(a) Includes Federal Reserve Bank stock of $429 million and $400 million, respectively, at cost.

Seed Capital and Private Equity Investments Valued Using NAV

The table below presents information about BNY Mellon's investments in seed capital and private equity investments.

Seed capital and private equity investments valued using NAV – Dec. 31, 2011

(dollar amounts in millions)	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds *(a)*	$ 9	$ -	Monthly-quarterly	3-45 days
Private equity funds *(b)*	122	24	N/A	N/A
Other funds *(c)*	63	-	Monthly-yearly	*(c)*
Total	**$ 194**	**$ 24**		

(a) Hedge funds include multi-strategy funds that utilize a variety of investment strategies and equity long-short hedge funds that include various funds that invest over both long-term investment and short-term investment horizons.

(b) Private equity funds primarily include numerous venture capital funds that invest in various sectors of the economy. Private equity funds do not have redemption rights. Distributions from such funds will be received as the underlying investments in the funds are liquidated.

(c) Other funds include various market neutral, leveraged loans, real estate and structured credit funds. Redemption notice periods vary by fund.

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Fair value of financial instruments

Fair value of financial instruments

12 Months Ended Dec. 31, 2011

Note 21—Fair value of financial instruments

The carrying amounts of our financial instruments (i.e., monetary assets and liabilities) are determined under different accounting methods—see Note 1 of the Notes to the Consolidated Financial Statements. The following disclosure discusses these instruments on a uniform fair value basis. However, active markets do not exist for a significant portion of these instruments, principally loans and interest-bearing deposits with banks. As a result, fair value determinations require significant subjective judgments regarding future cash flows. Other judgments would result in different fair values. Among the assumptions we used are discount rates ranging principally from 0.01% to 4.17% at Dec. 31, 2011, and 0.12% to 6.46% at Dec. 31, 2010. The fair value information supplements the basic financial statements and other traditional financial data presented throughout this report.

Note 22, “Fair value measurement” presents assets and liabilities measured at fair value by the three level valuation hierarchy established under ASC 820. Note 23, “Fair value option” presents the instruments for which fair value accounting was elected and the corresponding income statement impact of those instruments. A summary of the practices used for determining fair value is as follows.

Interest-bearing deposits with the Federal Reserve and other central banks, and federal funds sold and securities purchased under resale agreements

The fair value of interest-bearing deposits with the Federal Reserve and other central banks and federal funds sold and securities purchased under resale agreements is assumed to equal carrying value due to their short maturity.

Interest-bearing deposits with banks

The fair value of interest-bearing deposits with banks is based on discounted cash flows.

Securities, trading activities, and hedging derivatives

The fair value of securities and trading assets and liabilities is based on quoted market prices, dealer quotes, or pricing models. Fair value amounts for hedging derivatives, such as options, futures and forward rate contracts, commitments to purchase and sell foreign exchange, and foreign currency swaps, are similarly determined. The fair value of OTC interest rate swaps is the discounted value of projected future cash flows, adjusted for other factors including, but not limited to and if applicable, optionality and implied volatilities, as well as counterparty credit.

Loans

For residential mortgage loans, fair value is estimated using discounted cash flow analyses, adjusting where appropriate for prepayment estimates, using interest rates currently being offered for loans with similar terms and maturities to borrowers. To determine the fair value of other types of loans, BNY Mellon uses discounted cash flows using current market rates.

Other financial assets

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Other financial assets primarily include cash and due from banks, and corporate/bank-owned life insurance. The fair value of cash and due from banks is assumed to equal carrying value due to their short-term nature. The fair value of corporate/bank-owned life insurance is based on the insurance contract cash surrender value.

Deposits, federal funds purchased and securities sold under repurchase agreements, borrowings and long-term debt

The fair value of noninterest-bearing deposits, federal funds purchased and securities sold under repurchase agreements, and payables to customers and broker-dealers is assumed to be their carrying amount. The fair value of interest-bearing deposits, borrowings, and long-term debt is based upon current rates for instruments of the same remaining maturity or quoted market prices for the same or similar issues.

Summary of financial instruments

	Dec. 31, 2011		Dec. 31, 2010	
(in millions)	**Carrying amount**	**Estimated fair value**	Carrying amount	Estimated fair value
Assets:				
Interest-bearing deposits with the Federal Reserve and other central banks	**$90,243**	**$90,243**	$18,549	$18,549
Interest-bearing deposits with banks	**36,321**	**36,382**	50,200	50,253
Federal funds sold and securities purchased under resale agreements	**4,510**	**4,510**	5,169	5,169
Securities	**84,665**	**84,802**	68,950	68,504
Trading assets	**7,861**	**7,861**	6,276	6,276
Loans	**40,976**	**41,186**	34,163	34,241
Hedging derivatives:				
Interest rate contracts	**965**	**965**	834	834
Foreign exchange contracts	**635**	**635**	2	2
Total hedging derivatives	**1,600**	**1,600**	836	836
Other financial assets	**9,004**	**9,004**	8,283	8,283
Total financial assets	**275,180**	**275,588**	192,426	192,111
Assets of discontinued operations	**-**	**-**	278	278
Assets of consolidated investment management funds – primarily trading	**11,347**	**11,347**	14,766	14,766
Non-financial assets	**38,739**		39,789	
Total assets	**$325,266**		$247,259	
Liabilities:				
Noninterest-bearing deposits	**$95,335**	**$95,335**	$38,703	$38,703
Interest-bearing deposits	**123,759**	**123,760**	106,636	107,417
Federal funds purchased and securities sold under repurchase agreements	**6,267**	**6,267**	5,602	5,602
Trading liabilities	**8,071**	**8,071**	6,911	6,911
Payables to customers and broker-dealers	**12,671**	**12,671**	9,962	9,962
Borrowings	**2,376**	**2,376**	2,997	2,997
Long-term debt	**19,933**	**20,459**	16,517	17,120

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Hedging derivatives:				
Interest rate contracts	**298**	**298**	44	44
Foreign exchange contracts	**21**	**21**	116	116
Total hedging derivatives	**319**	**319**	160	160
Total financial liabilities	**268,731**	**269,258**	187,488	188,872
Liabilities of consolidated investment management funds – primarily trading	**10,085**	**10,085**	13,563	13,563
Non-financial liabilities	**12,249**		13,051	
Total liabilities	**$291,065**		$214,102	

The table below summarizes the carrying amount of the hedged financial instruments, the notional amount of the hedge and the estimated fair value (unrealized gain (loss)) of the derivatives.

Hedged financial instruments *(in millions)*	Carrying amount	Notional amount of hedge	Unrealized Gain	Unrealized (Loss)
At Dec. 31, 2011:				
Interest-bearing deposits with banks	**$8,789**	**$8,789**	**$441**	**$(17)**
Securities available-for-sale	**4,354**	**4,009**	**-**	**(289)**
Deposits	**10**	**10**	**1**	**-**
Long-term debt	**15,048**	**14,262**	**964**	**(9)**
At Dec. 31, 2010:				
Interest-bearing deposits with banks	$6,763	$6,763	$-	$-
Securities available-for-sale	2,170	2,168	51	(3)
Deposits	27	25	3	-
Long-term debt	12,540	11,774	780	(41)

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Company financial information	12 Months Ended Dec. 31, 2011

Company financial information

Note 20—Company financial information

Our bank subsidiaries are subject to dividend limitations under the Federal Reserve Act, as well as national and state banking laws. Under these statutes, prior regulatory consent is required for dividends in any year that would exceed the bank's net profits for such year combined with retained net profits for the prior two years. Additionally, such bank subsidiaries may not declare dividends in excess of net profits on hand, as defined, after deducting the amount by which the principal amount of all loans, on which interest is past due for a period of six months or more, exceeds the allowance for credit losses. The Bank of New York Mellon, which is a New York state chartered bank, is also prohibited from paying dividends in excess of net profits.

The payment of dividends also is limited by minimum capital requirements imposed on banks. As of Dec. 31, 2011, BNY Mellon's bank subsidiaries exceeded these minimum requirements.

Our bank subsidiaries can declare dividends to the Parent of approximately $1.4 billion, subsequent to Dec. 31, 2011 without the need for a regulatory waiver. In addition, at Dec. 31, 2011, non-bank subsidiaries of the Parent had liquid assets of approximately $1.4 billion.

The bank subsidiaries declared dividends of $156 million in 2011, $239 million in 2010 and $659 million in 2009. The Federal Reserve Board and the OCC have issued additional guidelines that require bank holding companies and national banks to continually evaluate the level of cash dividends in relation to their respective operating income, capital needs, asset quality and overall financial condition.

The Federal Reserve Board policy with respect to the payment of cash dividends by bank holding companies provides that, as a matter of prudent banking, a bank holding company should not maintain a rate of cash dividends unless its net income available to common shareholders has been sufficient to fully fund the dividends, and the prospective rate of earnings retention appears to be consistent with the holding company's capital needs, asset quality and overall financial condition. The Federal Reserve Board can also prohibit a dividend if payment would constitute an unsafe or unsound banking practice. Any increase in BNY Mellon's ongoing quarterly dividends would require approval from the Federal Reserve. The Federal Reserve's current guidance provides that, for large bank holding companies like us, dividend payout ratios exceeding 30% of projected after-tax net income will receive particularly close scrutiny.

On Nov. 22, 2011, the Federal Reserve issued a final rule requiring U.S. bank holding companies with total consolidated assets of $50 billion or more, like BNY Mellon, to submit annual capital plans for review. The Federal Reserve will evaluate the bank holding companies' capital adequacy, internal capital adequacy assessment processes, and their plans to make capital distributions, such as dividend payments or stock repurchases.

BNY Mellon's capital plan was filed with the Federal Reserve on Jan. 9, 2012. The comprehensive capital plan, which was prepared using Basel I capital guidelines, included internally developed baseline and stress projections as well as supervisory baseline and stress projections using macroeconomic assumptions provided by the Federal Reserve. We also provided the Federal Reserve with projections covering the time period it will take the Company

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to fully comply with Basel III capital guidelines, including the 7% Tier 1 common equity, 8.5% Tier 1 capital, and 3% leverage ratios.

The Federal Reserve is expected to provide an initial response to the capital plan and proposed capital actions, such as dividend payments and share repurchases, no later than March 15, 2012 and more general feedback on the comprehensive capital plan and capital adequacy processes by April 30, 2012.

To address capital actions planned for prior to March 15, 2012, the bank holding companies were given the opportunity to review and confirm in December 2011 that the Federal Reserve had no objection to such actions.

The Federal Reserve Act limits and requires collateral for extensions of credit by our insured subsidiary banks to BNY Mellon and certain of its non-bank affiliates. Also, there are restrictions on the amounts of investments by such banks in stock and other securities of BNY Mellon and such affiliates, and restrictions on the acceptance of their securities as collateral for loans by such banks. Extensions of credit by the banks to each of our affiliates are limited to 10% of such bank's regulatory capital, and in the aggregate for BNY Mellon and all such affiliates to 20%, and collateral must be between 100% and 130% of the amount of the credit, depending on the type of collateral.

Our insured subsidiary banks are required to maintain reserve balances with Federal Reserve Banks under the Federal Reserve Act and Regulation D. Required balances averaged $4.3 billion and $2.2 billion for the years 2011 and 2010, respectively.

In the event of impairment of the capital stock of one of the Parent's national banks or The Bank of New York Mellon, the Parent, as the banks' stockholder, could be required to pay such deficiency.

The Parent guarantees the debt issued by Mellon Funding Corporation, a wholly-owned financing subsidiary of the Company. The Parent also guarantees committed and uncommitted lines of credit of Pershing LLC and Pershing Limited subsidiaries. The Parent guarantees described above are full and unconditional and contain the standard provisions relating to parent guarantees of subsidiary debt. Additionally, the Parent guarantees or indemnifies obligations of its consolidated subsidiaries as needed. Generally there are no stated notional amounts included in these indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. As a result, we are unable to develop an estimate of the maximum payout under these indemnifications. However, we believe the possibility is remote that we will have to make any material payment under these guarantees and indemnifications.

The Parent's condensed financial statements are as follows:

Condensed Income Statement—The Bank of New York Mellon Corporation (Parent Corporation)

	Year ended Dec. 31,		
(in millions)	**2011**	2010 *(a)*	2009 *(a)*
Dividends from bank subsidiaries	**$120**	$ 200	$611
Dividends from nonbank subsidiaries	**54**	74	176
Interest revenue from bank subsidiaries	**211**	211	228

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Interest revenue from nonbank subsidiaries	**130**	131	146
Gain (loss) on securities held for sale	**17**	5	(2)
Other revenue	**51**	73	81
Total revenue	**583**	694	1,240
Interest (including $13, $14 and $23 to subsidiaries)	**282**	285	366
Other expense	**138**	221	338
Total expense	**420**	506	704
Income (loss) before income taxes and equity in undistributed net income of subsidiaries	**163**	188	536
Provision (benefit) for income taxes	**66**	(465)	(357)
Equity in undistributed net income (loss):			
Bank subsidiaries	**1,781**	1,630	(2,271)
Nonbank subsidiaries	**638**	235	294
Net income (loss)	**2,516**	2,518	(1,084)
Redemption charge and preferred dividends	**-**	-	(283)
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	**$2,516**	$ 2,518	$(1,367)

(a) Includes the results of discontinued operations.

Condensed Balance Sheet—The Bank of New York Mellon Corporation (Parent Corporation)

	Dec. 31,	
(in millions)	**2011**	2010
Assets:		
Cash and due from banks	**$4,884**	$3,452
Securities	**188**	219
Loans—net of allowance	**20**	52
Investment in and advances to subsidiaries and associated companies:		
Banks	**29,169**	26,349
Other	**20,930**	20,578
Subtotal	**50,099**	46,927
Corporate-owned life insurance	**666**	650
Other assets	**3,009**	3,014
Total assets	**$58,866**	$54,314
Liabilities:		
Deferred compensation	**$492**	$497
Commercial paper	**10**	10
Affiliate borrowings	**3,407**	3,344
Other liabilities	**2,735**	2,682
Long-term debt	**18,805**	15,427
Total liabilities	**25,449**	21,960

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Shareholders' equity	**33,417**	32,354
Total liabilities and shareholders' equity	**$58,866**	$54,314

Condensed Statement of Cash Flows—The Bank of New York Mellon Corporation (Parent Corporation)

	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Operating activities:			
Net income (loss)	**$2,516**	$2,518	$(1,084)
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			
Amortization	**13**	14	13
Equity in undistributed net (income)/loss of subsidiaries	**(2,419)**	(1,865)	1,977
Change in accrued interest receivable	**(22)**	2	(41)
Change in accrued interest payable	**11**	2	(1)
Change in taxes payable *(a)*	**168**	(321)	(482)
Other, net	**(80)**	179	(455)
Net cash provided by/(used in) operating activities	**187**	529	(73)
Investing activities:			
Purchases of securities	**(50)**	(5)	(9)
Proceeds from sales of securities	**101**	43	129
Change in loans	**32**	61	110
Acquisitions of, investments in, and advances to subsidiaries	**(611)**	(1,002)	(566)
Other, net	**-**	208	-
Net cash used in investing activities	**(528)**	(695)	(336)
Financing activities:			
Net change in commercial paper	**-**	(2)	(4)
Proceeds from issuance of long-term debt	**5,042**	1,347	3,350
Repayments of long-term debt	**(1,911)**	(2,614)	(1,277)
Change in advances from subsidiaries	**63**	(10)	59
Issuance of common stock	**43**	728	1,387
Treasury stock acquired	**(873)**	(41)	(28)
Cash dividends paid	**(593)**	(440)	(673)
Series B preferred stock repurchased	**-**	-	(3,000)
Warrant repurchased	**-**	-	(136)
Tax benefit realized on share based payment awards	**2**	1	4

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Net cash provided by/(used in) financing activities	**1,773**	(1,031)	(318)
Change in cash and due from banks	**1,432**	(1,197)	(727)
Cash and due from banks at beginning of year	**3,452**	4,649	5,376
Cash and due from banks at end of year	**$4,884**	$3,452	$4,649
Supplemental disclosures			
Interest paid	**$293**	$284	$367
Income taxes paid	**$212**	$442 *(b)*	$1,013 *(b)*
Income taxes refunded	**123**	178 *(b)*	609 *(b)*

(a) Includes payments received from subsidiaries for taxes of $501 million in 2011, $900 million in 2010, and $967 million in 2009.

(b) Includes discontinued operations.

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Net Interest Revenue (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended				
	Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2009	
Interest revenue					
Non-margin loans	$ 681	$ 738		$ 874	
Margin loans	129	88		69	
Securities:					
Taxable	1,949	1,944		1,718	
Exempt from federal income taxes	36	25		30	
Total securities	1,985	1,969		1,748	
Other short-term investments-U.S. government-backed commercial paper				9	
Deposits in banks	543	491		684	
Deposits with the Federal Reserve and other central banks	148	49		43	
Federal funds sold and securities purchased under resale agreements	28	64		31	
Trading assets	74	71		50	
Total interest revenue	3,588	3,470	[1]	3,508	[1]
Interest expense					
Deposits in domestic offices	47	49		57	
Deposits in foreign offices	194	82		115	
Borrowings from Federal Reserve related to ABCP				7	
Federal funds purchased and securities sold under repurchase agreements	2	43			
Trading liabilities	32	41		22	
Other borrowed funds	21	24		20	
Customer payables	7	6		6	
Long-term debt	301	300		366	
Total interest expense	604	545	[1]	593	[1]
Net interest revenue	$ 2,984	$ 2,925	[1]	$ 2,915	[1]

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Fair value measurement (Tables)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

12 Months Ended Dec. 31, 2011

The following tables present the financial instruments carried at fair value at Dec. 31, 2011 and 2010, by caption on the consolidated balance sheet and by ASC 820 valuation hierarchy (as described above). We have included credit ratings information in certain of the tables because the information indicates the degree of credit risk to which we are exposed, and significant changes in ratings classifications could result in increased risk for us. There were no material transfers between Level 1 and Level 2 during 2011.

Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2011

(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Available-for-sale securities:					
U.S. Treasury	$17,326	$-	$ -	$ -	$ 17,326
U.S. Government agencies	-	958	-	-	958
Sovereign debt	44	11,910	-	-	11,954
State and political subdivisions *(b)*	-	2,694	45	-	2,739
Agency RMBS	-	26,796	-	-	26,796
Alt-A RMBS	-	273	-	-	273
Prime RMBS	-	815	-	-	815
Subprime RMBS	-	418	-	-	418
Other RMBS	-	903	-	-	903
Commercial MBS	-	3,339	-	-	3,339
Asset-backed CLOs	-	1,444	-	-	1,444
Other asset-backed securities	-	532	-	-	532
Equity securities	9	21	-	-	30
Money market funds *(b)*	973	-	-	-	973
Other debt securities	-	4,360	3	-	4,363
Foreign covered bonds	1,820	605	-	-	2,425
Alt-A RMBS *(c)*	-	1,879	-	-	1,879
Prime RMBS *(c)*	-	1,175	-	-	1,175
Subprime RMBS *(c)*	-	125	-	-	125
Total available-for-sale	20,172	58,247	48	-	78,467
Trading assets:					
Debt and equity instruments *(d)*	485	1,655	63	-	2,203
Derivative assets:					
Interest rate	164	26,434	54	N/A	
Foreign exchange	4,519	113	-	N/A	
Equity	91	284	43	N/A	
Other	-	3	-	N/A	
Total derivative assets	4,774	26,834	97	(26,047) *(g)*	5,658
Total trading assets	5,259	28,489	160	(26,047)	7,861
Loans	-	10	-	-	10
Other assets *(e)*	672	1,019	157	-	1,848
Subtotal assets of operations at fair value	**26,103**	**87,765**	**365**	**(26,047)**	**88,186**
Percentage of assets prior to netting	22.9 %	76.8 %	0.3 %		
Assets of consolidated investment management funds:					
Trading assets	323	10,428	-	-	10,751
Other assets	453	143	-	-	596
Total assets of consolidated investment management funds	776	10,571	-	-	11,347
Total assets	**$26,879**	**$98,336**	**$ 365**	**$ (26,047)**	**$ 99,533**
Percentage of assets prior to netting	21.4 %	78.3 %	0.3 %		
Trading liabilities:					
Debt and equity instruments	$418	$537	$ -	$ -	$ 955
Derivative liabilities:					
Interest rate	-	27,201	239	N/A	
Foreign exchange	4,311	44	-	N/A	
Equity	55	200	75	N/A	
Total derivative liabilities	4,366	27,445	314	(25,009) *(g)*	7,116
Total trading liabilities	4,784	27,982	314	(25,009)	8,071
Long-term debt *(b)*	-	326	-	-	326

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Other liabilities *(f)*	14	368	-	-	382
Subtotal liabilities at fair value	**4,798**	**28,676**	**314**	**(25,009)**	**8,779**
Percentage of liabilities prior to netting	14.2 %	84.9 %	0.9 %		
Liabilities of consolidated investment management funds:					
Trading liabilities	-	10,053	-	-	10,053
Other liabilities	2	30	-	-	32
Total liabilities of consolidated investment management funds	2	10,083	-	-	10,085
Total liabilities	**$4,800**	**$38,759**	**$ 314**	**$(25,009)**	**$ 18,864**
Percentage of liabilities prior to netting	10.9 %	88.4 %	0.7 %		

(a) ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

(b) Includes certain interests in securitizations.

(c) Previously included in the Grantor Trust.

(d) Includes loans classified as trading assets and certain interests in securitizations.

(e) Includes private equity investments, seed capital, a brokerage account, and derivatives in designated hedging relationships.

(f) Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.

(g) Netting cannot be disaggregated by product.

Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2010

(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Available-for-sale securities:					
U.S. Treasury	$12,609	$-	$ -	$ -	$ 12,609
U.S. Government agencies	-	1,005	-	-	1,005
Sovereign debt	27	8,522	-	-	8,549
State and political subdivisions *(b)*	-	498	10	-	508
Agency RMBS	-	19,727	-	-	19,727
Alt-A RMBS	-	470	-	-	470
Prime RMBS	-	1,227	-	-	1,227
Subprime RMBS	-	508	-	-	508
Other RMBS	-	1,331	-	-	1,331
Commercial MBS	-	2,639	-	-	2,639
Asset-backed CLOs	-	249	-	-	249
Other asset-backed securities	-	539	-	-	539
Equity securities	18	29	-	-	47
Money market funds *(b)*	2,538	-	-	-	2,538
Other debt securities	91	3,193	58	-	3,342
Foreign covered bonds	2,260	608	-	-	2,868
Alt-A RMBS *(c)*	-	2,513	-	-	2,513
Prime RMBS *(c)*	-	1,825	-	-	1,825
Subprime RMBS *(c)*	-	158	-	-	158
Total securities available-for-sale	17,543	45,041	68	-	62,652
Trading assets:					
Debt and equity instruments *(d)*	1,598	710	32	-	2,340
Derivative assets:					
Interest rate	272	15,260	119	N/A	
Foreign exchange	3,561	100	-	N/A	
Equity	79	370	-	N/A	
Other	1	1	-	N/A	
Total derivative assets	3,913	15,731	119	(15,827) *(g)*	3,936
Total trading assets	5,511	16,441	151	(15,827)	6,276
Loans	-	-	6	-	6
Other assets *(e)*	52	910	113	-	1,075
Subtotal assets of operations at fair value	**$23,106**	**$62,392**	**$ 338**	**$ (15,827)**	**$ 70,009**
Percentage of assets prior to netting	26.9 %	72.7 %	0.4 %		
Assets of consolidated investment management funds:					
Trading assets	279	13,842	-	-	14,121
Other assets	499	144	2	-	645
Total assets of consolidated investment management funds	778	13,986	2	-	14,766
Total assets	**$23,884**	**$76,378**	**$ 340**	**$ (15,827)**	**$ 84,775**

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Percentage of assets prior to netting	23.8 %	75.9 %	0.3 %		
Trading liabilities:					
Debt and equity instruments	$1,277	$443	$ 6	$ -	$ 1,726
Derivative liabilities:					
Interest rate	-	16,126	149	N/A	
Foreign exchange	3,648	59	-	N/A	
Equity	54	304	22	N/A	
Other	-	4	-	N/A	
Total derivative liabilities	3,702	16,493	171	(15,181) *(g)*	5,185
Total trading liabilities	4,979	16,936	177	(15,181)	6,911
Long-term debt *(b)*	-	269	-	-	269
Other liabilities *(f)*	115	473	2	-	590
Subtotal liabilities at fair value	**$5,094**	**$17,678**	**$ 179**	**$ (15,181)**	**$ 7,770**
Percentage of liabilities prior to netting	22.2 %	77.0 %	0.8 %		
Liabilities of consolidated investment management funds:					
Trading liabilities	-	13,561	-	-	13,561
Other liabilities	2	-	-	-	2
Total liabilities of consolidated investment management funds	2	13,561	-	-	13,563
Total liabilities	**$5,096**	**$31,239**	**$ 179**	**$ (15,181)**	**$ 21,333**
Percentage of liabilities prior to netting	14.0 %	85.5 %	0.5 %		

(a) ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

(b) Includes certain interests in securitizations.

(c) Previously included in the Grantor Trust.

(d) Includes loans classified as trading assets and certain interests in securitizations.

(e) Includes private equity investments, seed capital and derivatives in designated hedging relationships.

(f) Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.

(g) Netting cannot be disaggregated by product.

Details of certain items measured at fair value on a recurring basis	**Dec. 31, 2011**					Dec. 31, 2010				
	Total	Ratings				Total	Ratings			
(dollar amounts in millions)	carrying value *(a)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	carrying value *(a)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower
Alt-A RMBS, originated in:										
2006-2007	**$ 99**	**- %**	**- %**	**- %**	**100 %**	$ 187	- %	- %	- %	100 %
2005	**113**	**-**	**-**	**-**	**100**	209	-	-	-	100
2004 and earlier	**61**	**27**	**13**	**47**	**13**	74	70	25	5	-
Total Alt-A RMBS	**$ 273**	**6 %**	**3 %**	**11 %**	**80 %**	$ 470	11 %	4 %	1 %	84 %
Prime RMBS, originated in:										
2007	**$ 121**	**38 %**	**4 %**	**- %**	**58 %**	$ 254	50 %	28 %	7 %	15 %
2006	**75**	**-**	**-**	**-**	**100**	166	-	39	-	61
2005	**230**	**32**	**-**	**-**	**68**	310	39	-	14	47
2004 and earlier	**389**	**29**	**38**	**11**	**22**	497	79	12	6	3
Total prime RMBS	**$ 815**	**28 %**	**19 %**	**5 %**	**48 %**	$ 1,227	52 %	16 %	8 %	24 %
Subprime RMBS, originated in:										
2007	**$ 2**	**- %**	**2 %**	**98 %**	**- %**	$ 5	- %	8 %	92 %	- %
2005	**82**	**23**	**12**	**29**	**36**	97	25	12	12	51
2004 and earlier	**334**	**5**	**15**	**18**	**62**	406	74	13	5	8
Total subprime RMBS	**$ 418**	**8 %**	**14 %**	**21 %**	**57 %**	$ 508	64 %	13 %	7 %	16 %
Commercial MBS—Domestic, originated in:										
2009-2011	**$ 200**	**100 %**	**- %**	**- %**	**- %**	$ -	- %	- %	- %	- %
2008	**25**	**16**	**84**	**-**	**-**	-	-	-	-	-
2007	**789**	**66**	**26**	**8**	**-**	685	83	8	9	-
2006	**892**	**85**	**15**	**-**	**-**	582	90	10	-	-
2005	**696**	**94**	**6**	**-**	**-**	489	100	-	-	-
2004 and earlier	**403**	**97**	**2**	**1**	**-**	528	100	-	-	-
Total commercial MBS—Domestic	**$ 3,005**	**84 %**	**14 %**	**2 %**	**- %**	$ 2,284	92 %	5 %	3 %	- %
Foreign covered bonds:										

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Germany	**$ 1,461**	**99 %**	**1 %**	**- %**	**- %**	$ 2,260	99 %	1 %	- %	- %
Canada	**795**	**100**	**-**	**-**	**-**	608	100	-	-	-
Other	**169**	**100**	**-**	**-**	**-**	-	-	-	-	-
Total foreign covered bonds	**$ 2,425**	**100 %**	**- %**	**- %**	**- %**	$ 2,868	100 %	- %	- %	- %
European floating rate notes—available-for-sale:										
United Kingdom	**$ 686**	**72 %**	**28 %**	**- %**	**- %**	$ 838	99 %	1 %	- %	- %
Ireland	**203**	**-**	**50**	**47**	**3**	299	92	8	-	-
Italy	**150**	**100**	**-**	**-**	**-**	218	100	-	-	-
Luxembourg	**140**	**-**	**100**	**-**	**-**	143	-	100	-	-
Australia	**101**	**91**	**9**	**-**	**-**	136	100	-	-	-
Germany	**93**	**21**	**6**	**73**	**-**	113	31	69	-	-
Netherlands	**47**	**35**	**65**	**-**	**-**	150	78	22	-	-
France	**9**	**100**	**-**	**-**	**-**	10	100	-	-	-
Total European floating rate notes—available-for-sale	**$ 1,429**	**55 %**	**34 %**	**11 %**	**- %**	$ 1,907	85 %	15 %	- %	- %
Sovereign debt:										
United Kingdom	**$ 4,526**	**100 %**	**- %**	**- %**	**- %**	$ 3,214	100 %	- %	- %	- %
France	**2,790**	**100**	**-**	**-**	**-**	1,845	100	-	-	-
Germany	**2,347**	**100**	**-**	**-**	**-**	3,065	100	-	-	-
Netherlands	**2,230**	**100**	**-**	**-**	**-**	396	100	-	-	-
Other	**61**	**97**	**3**	**-**	**-**	29	93	6	-	1
Total sovereign debt	**$ 11,954**	**100 %**	**- %**	**- %**	**- %**	$ 8,549	100 %	- %	- %	- %
Alt-A RMBS *(b)*, originated in:										
2007	**$ 554**	**- %**	**- %**	**- %**	**100 %**	$ 792	- %	- %	- %	100 %
2006	**488**	**-**	**-**	**-**	**100**	660	-	-	-	100
2005	**628**	**5**	**-**	**1**	**94**	820	2	-	4	94
2004 and earlier	**209**	**-**	**4**	**27**	**69**	241	22	46	19	13
Total Alt-A RMBS *(b)*	**$ 1,879**	**2 %**	**- %**	**3 %**	**95 %**	$ 2,513	3 %	4 %	3 %	90 %
Prime RMBS *(b)*, originated in:										
2007	**$ 370**	**- %**	**- %**	**- %**	**100 %**	$ 679	- %	- %	- %	100 %
2006	**308**	**-**	**-**	**-**	**100**	431	-	-	-	100
2005	**465**	**-**	**4**	**-**	**96**	672	2	5	1	92
2004 and earlier	**32**	**9**	**-**	**22**	**69**	43	49	47	-	4
Total prime RMBS *(b)*	**$ 1,175**	**- %**	**2 %**	**1 %**	**97 %**	$ 1,825	2 %	3 %	- %	95 %
Subprime RMBS *(b)*, originated in:										
2007	**$ 3**	**- %**	**- %**	**- %**	**100 %**	$ 15	- %	- %	- %	100 %
2006	**74**	**-**	**-**	**-**	**100**	89	-	-	-	100
2005	**11**	**-**	**-**	**-**	**100**	13	-	-	-	100
2004 and earlier	**37**	**5**	**34**	**-**	**61**	41	53	-	-	47
Total subprime RMBS *(b)*	**$ 125**	**2 %**	**10 %**	**- %**	**88 %**	$ 158	14 %	- %	- %	86 %

(a) At Dec. 31, 2011 and Dec. 31, 2010, the German foreign covered bonds were considered Level 1 in the valuation hierarchy. All other assets in the table above are primarily Level 2 assets in the valuation hierarchy.

(b) Previously included in the Grantor Trust.

Fair Value Measurements Using Significant Unobservable Inputs

The tables below include a roll forward of the balance sheet amounts for the years ended Dec. 31, 2011 and 2010 (including the change in fair value), for financial instruments classified in Level 3 of the valuation hierarchy.

Our classification of a financial instrument in Level 3 of the valuation hierarchy is based on the significance of the unobservable factors to the overall fair value measurement. However, these instruments generally include other observable components that are actively quoted or validated to third-party sources; accordingly, the gains and losses in the table below include changes in fair value due to observable parameters as well as the unobservable parameters in our valuation methodologies. We also frequently manage the risks of Level 3 financial instruments using securities and derivatives positions that are Level 1 or 2 instruments which are not included in the table; accordingly, the gains or losses below do not reflect the effect of our risk management activities related to the Level 3 instruments.

Fair value measurements for assets using significant unobservable inputs for the year ended Dec. 31, 2011

	Available-for-sale securities		Trading assets				
(in millions)	State and political subdivisions	Other debt securities	Debt and equity instruments	Derivative assets	Loans	Other assets	Total assets

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Fair value at Dec. 31, 2010	$ 10	$ 58	$ 32	$ 119	$ 6	$113	$338
Transfers into Level 3	35	-	25	48	-	49	157
Transfers out of Level 3	-	(55)	-	(84)	(2)	(3)	(144)
Total gains or (losses):							
Included in earnings (or changes in net assets)	- *(a)*	- *(a)*	6 *(b)*	15 *(b)*	-	9 *(c)*	30
Purchases, issuances, sales and settlements:							
Purchases	-	-	-	-	-	4	4
Issuances	-	-	-	-	1	-	1
Sales	-	-	-	-	-	(15)	(15)
Settlements	-	-	-	(1)	(5)	-	(6)
Fair value at Dec. 31, 2011	**$ 45**	**$ 3**	**$ 63**	**$ 97**	**$ -**	**$157**	**$365**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses			$ 4	$ 15	$ -	$-	$19

(a) Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive income (loss) except for the credit portion of OTTI losses which are recorded in securities gains (losses).

(b) Reported in foreign exchange and other trading revenue.

(c) Reported in investment income.

Fair value measurements for liabilities using significant unobservable inputs for the year ended Dec. 31, 2011

	Trading liabilities			
(in millions)	Debt and equity instruments	Derivative liabilities	Other liabilities	Total liabilities
Fair value at Dec. 31, 2010	$ 6	$ 171	$ 2	$ 179
Transfers into Level 3	-	77	-	77
Transfers out of Level 3	-	(9)	-	(9)
Total (gains) or losses:				
Included in earnings (or changes in net liabilities)	-	88 *(a)*	(2) *(b)*	86
Purchases, issuances, sales and settlements:				
Settlements	(6)	(13)	-	(19)
Fair value at Dec. 31, 2011	**$ -**	**$ 314**	**$ -**	**$ 314**
The amount of total (gains) or losses included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ -	$ 142	$ -	$ 142

(a) Reported in foreign exchange and other trading revenue.

(b) Reported in other revenue.

Fair value measurements for assets using significant unobservable inputs for the year ended Dec. 31, 2010

		Total realized/unrealized gains/(losses) recorded in					
(in millions)	Fair value Dec. 31, 2009	Income	Comprehensive income	Purchases, issuances and settlements, net	Transfers in/(out) of Level 3	Fair value Dec. 31, 2010	Change in unrealized gains and (losses) related to instruments held at Dec. 31, 2010
Available-for-sale securities:							
Asset-backed CLOs	$ 6	$ -	$ -	$ -	$ (6)	$ -	$ -
State and political subdivisions	-	1	-	-	9	10	1
Other debt securities	50	2	-	8	(2)	58	2
Total available-for-sale	56	3 *(a)*	- *(a)*	8	1	68	3
Trading assets:							

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Debt and equity instruments	170	(1) *(b)*	-	3	(140)	32	-
Derivative assets:							
Interest rate	121	(19)	-	2	15	119	28
Equity	25	(25)	-	-	-	-	-
Total derivative assets	146	(44) *(b)*	-	2	15	119	28
Total trading assets	316	(45)	-	5	(125)	151	28
Loans	25	2	-	(18)	(3)	6	-
Other assets	164	13 *(c)*	-	(4)	(60)	113	-
Total assets	$ 561	$ (27)	$ -	$ (9)	$ (187) *(d)*	$ 338	$ 31

(a) Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive loss except for other than temporary impairment losses which are recorded in securities gains (losses).

(b) Reported in foreign exchange and other trading revenue.

(c) Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

(d) Primarily relates to investments consolidated in accordance with ASC 810.

Fair value measurements for liabilities using significant unobservable inputs for the year ended Dec. 31, 2010

		Total realized/unrealized (gains)/losses recorded in					
(in millions)	Fair value Dec. 31, 2009	Income	Comprehensive income	Purchases, issuances and settlements, net	Transfers in/(out) of Level 3	Fair value Dec. 31, 2010	Change in unrealized (gains) and losses related to instruments held at Dec. 31, 2010
Trading liabilities:							
Debt and equity instruments	$ -	$ -	$ -	$ 6	$ -	$ 6	$ -
Derivative liabilities:							
Interest rate	54	88	-	9	(2)	149	122
Equity	38	(31)	-	15	-	22	-
Total derivative liabilities	92	57 *(a)*	-	24	(2)	171	122
Total trading liabilities	92	57	-	30	(2)	177	122
Other liabilities	3	(1) *(b)*	-	-	-	2	-
Total liabilities	$ 95	$ 56	$ -	$ 30	$ (2)	$ 179	$ 122

(a) Reported in foreign exchange and other trading revenue.

(b) Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

Assets Measured at Fair Value on a Nonrecurring Basis

The following table presents the financial instruments carried on the consolidated balance sheet by caption and by level in the fair value hierarchy as of Dec. 31, 2011 and 2010, for which a nonrecurring change in fair value has been recorded during the years ended Dec. 31, 2011 and 2010.

Assets measured at fair value on a nonrecurring basis at Dec. 31, 2011

(in millions)	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	$ -	$ 178	$ 43	$ 221
Other assets *(b)*	-	126	-	126
Total assets at fair value on a nonrecurring basis	**$ -**	**$ 304**	**$ 43**	**$ 347**

Assets measured at fair value on a nonrecurring basis at Dec. 31, 2010

(in millions)	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	$ -	$ 188	$ 53	$ 241
Other assets *(b)*	-	6	-	6
Total assets at fair value on a nonrecurring basis	$ -	$ 194	$ 53	$ 247

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(a) During the years ended Dec. 31, 2011 and 2010, the fair value of these loans was reduced $32 million and $15 million, based on the fair value of the underlying collateral as allowed by ASC 310, Accounting by Creditors for Impairment of a loan, with an offset to the allowance for credit losses.

(b) Includes other assets received in satisfaction of debt and loans held for sale. Loans held for sale are carried on the balance sheet at the lower of cost or market value.

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Net interest revenue (Tables)

Net Interest Revenue

12 Months Ended Dec. 31, 2011			
Net interest revenue			
(in millions)	**2011**	2010	2009
Interest revenue			
Non-margin loans	**$681**	$738	$874
Margin loans	**129**	88	69
Securities:			
Taxable	**1,949**	1,944	1,718
Exempt from federal income taxes	**36**	25	30
Total securities	**1,985**	1,969	1,748
Other short-term investments-U.S. government-backed commercial paper	**-**	-	9
Deposits in banks	**543**	491	684
Deposits with the Federal Reserve and other central banks	**148**	49	43
Federal funds sold and securities purchased under resale agreements	**28**	64	31
Trading assets	**74**	71	50
Total interest revenue	**3,588**	3,470	3,508
Interest expense			
Deposits in domestic offices	**47**	49	57
Deposits in foreign offices	**194**	82	115
Borrowings from Federal Reserve related to ABCP	**-**	-	7
Federal funds purchased and securities sold under repurchase agreements	**2**	43	-
Trading liabilities	**32**	41	22
Other borrowed funds	**21**	24	20
Customer payables	**7**	6	6
Long-term debt	**301**	300	366
Total interest expense	**604**	545	593
Net interest revenue	**$2,984**	$2,925	$2,915

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Fair value measurement	12 Months Ended Dec. 31, 2011
Fair value measurement	

Note 22—Fair value measurement

The guidance related to "Fair Value Measurement," included in ASC 820 defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. It establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date and expands the disclosures about instruments measured at fair value. ASC 820 requires consideration of a company's own creditworthiness when valuing liabilities.

The standard provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The objective is to determine from weighted indicators of fair value a reasonable point within the range that is most representative of fair value under current market conditions.

Determination of fair value

Following is a description of our valuation methodologies for assets and liabilities measured at fair value. We have established processes for determining fair values. Fair value is based upon quoted market prices in active markets, where available. For financial instruments where quotes from recent exchange transactions are not available, we determine fair value based on discounted cash flow analysis, comparison to similar instruments, and the use of financial models. Discounted cash flow analysis is dependent upon estimated future cash flows and the level of interest rates. Model-based pricing uses inputs of observable prices, where available, for interest rates, foreign exchange rates, option volatilities and other factors. Models are benchmarked and validated by an independent internal risk management function. Our valuation process takes into consideration factors such as counterparty credit quality, liquidity, concentration concerns, and observability of model parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value.

Most derivative contracts are valued using internally developed models which are calibrated to observable market data and employ standard market pricing theory for their valuations. An initial "risk-neutral" valuation is performed on each position assuming time-discounting based on a AA credit curve. Then, to arrive at a fair value that incorporates counterparty credit risk, a credit adjustment is made to these results by discounting each trade's expected exposures to the counterparty using the counterparty's credit spreads, as implied by the credit default swap market. We also adjust expected liabilities to the counterparty using BNY Mellon's own credit spreads, as implied by the credit default swap market. Accordingly, the valuation of our derivative position is sensitive to the current changes in our own credit spreads as well as those of our counterparties.

In certain cases, recent prices may not be observable for instruments that trade in inactive or less active markets. Upon evaluating the uncertainty in valuing financial instruments subject to liquidity issues, we make an adjustment to their value. The determination of the liquidity adjustment includes the availability of external quotes, the time since the latest available quote and the price volatility of the instrument.

Certain parameters in some financial models are not directly observable and, therefore, are based on management's estimates and judgments. These financial instruments are normally traded less actively. We apply valuation adjustments to mitigate the possibility of error and revision in the model based estimate value. Examples include products where parameters such as correlation and recovery rates are unobservable.

The methods described above for instruments that trade in inactive or less active markets may produce a current fair value calculation that may not be indicative of net realizable value or reflective of future fair values. We believe our methods of determining fair value are appropriate and consistent with other market participants. However, the use of different methodologies or different assumptions to value certain financial instruments could result in a different estimate of fair value.

Valuation hierarchy

ASC 820 established a three-level valuation hierarchy for disclosure of fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are described below.

Level 1: Inputs to the valuation methodology are recent quoted prices (unadjusted) for identical assets or liabilities in active markets. Level 1 assets and liabilities include debt and equity securities and derivative financial instruments actively traded on exchanges and U.S. Treasury securities and U.S. Government securities that are actively traded in highly liquid over-the-counter markets.

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Level 2: Observable inputs other than Level 1 prices, for example, quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs that are observable or can be corroborated, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 assets and liabilities include debt instruments that are traded less frequently than exchange traded securities and derivative instruments whose model inputs are observable in the market or can be corroborated by market observable data. Examples in this category are certain variable and fixed rate agency and non-agency securities, corporate debt securities and derivative contracts.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Examples in this category include interests in certain securitized financial assets, certain private equity investments, and derivative contracts that are highly structured or long-dated.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Securities

Where quoted prices are available in an active market, we classify the securities within Level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds, money market mutual funds and exchange-traded equities.

If quoted market prices are not available, we estimate fair values using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Examples of such instruments, which would generally be classified within Level 2 of the valuation hierarchy, include certain agency and non-agency mortgage-backed securities, commercial mortgage-backed securities and European floating rate notes.

For securities where quotes from recent transactions are not available for identical securities, we determine fair value primarily based on pricing sources with reasonable levels of price transparency that employ financial models or obtain comparison to similar instruments to arrive at "consensus" prices.

Specifically, the pricing sources obtain recent transactions for similar types of securities (e.g., vintage, position in the securitization structure) and ascertain variables such as discount rate and speed of prepayment for the types of transaction and apply such variables to similar types of bonds. We view these as observable transactions in the current marketplace and classify such securities as Level 2. Pricing sources discontinue pricing any specific security whenever they determine there is insufficient observable data to provide a good faith opinion on price.

In addition, we have significant investments in more actively traded agency RMBS and other types of securities such as FDIC-insured debt and sovereign debt. The pricing sources derive the prices for these securities largely from quotes they obtain from three major inter-dealer brokers. The pricing sources receive their daily observed trade price and other information feeds from the inter-dealer brokers.

For securities with bond insurance, the financial strength of the insurance provider is analyzed and that information is included in the fair value assessment for such securities.

In certain cases where there is limited activity or less transparency around inputs to the valuation, we classify those securities in Level 3 of the valuation hierarchy. Securities classified within Level 3 primarily include other debt securities and securities of state and political subdivisions.

At Dec. 31, 2011, approximately 99% of our securities were valued by pricing sources with reasonable levels of price transparency. Less than 1% of our securities were priced based on economic models and non-binding dealer quotes, and are included in Level 3 of the ASC 820 hierarchy.

Consolidated collateralized loan obligations

BNY Mellon values assets in consolidated CLOs using observable market prices observed from the secondary loan market. The returns to the note holders are solely dependent on the assets and accordingly equal the value of those assets. Based on the structure of the CLOs, the valuation of the assets is attributable to the senior note holders. Changes in the values of assets and liabilities are reflected in the income statement as investment income and interest of investment management fund note holders, respectively.

Derivatives

We classify exchange-traded derivatives valued using quoted prices in Level 1 of the valuation hierarchy. Examples include exchanged-traded equity and foreign exchange options. Since few other classes of derivative contracts are listed on an exchange, most

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of our derivative positions are valued using internally developed models that use as their basis readily observable market parameters and we classify them in Level 2 of the valuation hierarchy. Such derivatives include basic swaps and options and credit default swaps.

Derivatives valued using models with significant unobservable market parameters in markets that lack two-way flow, are classified in Level 3 of the valuation hierarchy. Examples include long-dated interest rate or currency swaps and options, where parameters may be unobservable for longer maturities; and certain products, where correlation rates are unobservable. The fair value of these derivatives compose less than 1% of our derivative financial instruments. Additional disclosures of derivative instruments are provided in Note 25 of the Notes to Consolidated Financial Statements.

Loans and unfunded lending-related commitments

Where quoted market prices are not available, we generally base the fair value of loans and unfunded lending-related commitments on observable market prices of similar instruments, including bonds, credit derivatives and loans with similar characteristics. If observable market prices are not available, we base the fair value on estimated cash flows adjusted for credit risk which are discounted using an interest rate appropriate for the maturity of the applicable loans or the unfunded lending-related commitments.

Unrealized gains and losses on unfunded lending-related commitments carried at fair value are classified in Other assets and Other liabilities, respectively. Loans and unfunded lending-related commitments carried at fair value are generally classified within Level 2 of the valuation hierarchy.

Seed capital

In our Investment Management business we manage investment assets, including equities, fixed income, money market and alternative investment funds for institutions and other investors; as part of that activity we make seed capital investments in certain funds. Seed capital is included in other assets. When applicable, we value seed capital based on the published NAV of the fund. We include funds in which ownership interests in the fund are publicly traded in an active market and institutional funds in which investors trade in and out daily in Level 1 of the valuation hierarchy. We include open-end funds where investors are allowed to sell their ownership interest back to the fund less frequently than daily and where our interest in the fund contains no other rights or obligations in Level 2 of the valuation hierarchy. However, we generally include investments in funds that allow investors to sell their ownership interest back to the fund less frequently than monthly in Level 3, unless actual redemption prices are observable.

For other types of investments in funds, we consider all of the rights and obligations inherent in our ownership interest, including the reported NAV as well as other factors that affect the fair value of our interest in the fund. To the extent the NAV measurements reported for the investments are based on unobservable inputs or include other rights and obligations (e.g., obligation to meet cash calls), we generally classify them in Level 3 of the valuation hierarchy.

Certain interests in securitizations

For certain interests in securitizations which are classified in securities available-for-sale, trading assets and long-term debt, we use discounted cash flow models which generally include assumptions of projected finance charges related to the securitized assets, estimated net credit losses, prepayment assumptions and estimates of payments to third-party investors. When available, we compare our fair value estimates and assumptions to market activity and to the actual results of the securitized portfolio.

Private equity investments

Our Other segment includes holdings of nonpublic private equity investment through funds managed by third-party investment managers. We value private equity investments initially based upon the transaction price, which we subsequently adjust to reflect expected exit values as evidenced by financing and sale transactions with third parties or through ongoing reviews by the investment managers.

Private equity investments also include publicly held equity investments, generally obtained through the initial public offering of privately held equity investments. These equity investments are often held in a partnership structure. Publicly held investments are marked-to-market at the quoted public value less adjustments for regulatory or contractual sales restrictions or adjustments to reflect the difficulty in selling a partnership interest.

Discounts for restrictions are quantified by analyzing the length of the restriction period and the volatility of the equity security. Publicly held private equity investments are primarily classified in Level 2 of the valuation hierarchy.

The following tables present the financial instruments carried at fair value at Dec. 31, 2011 and 2010, by caption on the consolidated balance sheet and by ASC 820 valuation hierarchy (as described above). We have included credit ratings information in certain of the tables because the information indicates the degree of credit risk to which we are exposed, and significant changes in ratings classifications could result in increased risk for us. There were no material transfers between Level 1 and Level 2 during 2011.

Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2011					
(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value

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Available-for-sale securities:					
U.S. Treasury	$17,326	$-	$ -	$ -	$ 17,326
U.S. Government agencies	-	958	-	-	958
Sovereign debt	44	11,910	-	-	11,954
State and political subdivisions *(b)*	-	2,694	45	-	2,739
Agency RMBS	-	26,796	-	-	26,796
Alt-A RMBS	-	273	-	-	273
Prime RMBS	-	815	-	-	815
Subprime RMBS	-	418	-	-	418
Other RMBS	-	903	-	-	903
Commercial MBS	-	3,339	-	-	3,339
Asset-backed CLOs	-	1,444	-	-	1,444
Other asset-backed securities	-	532	-	-	532
Equity securities	9	21	-	-	30
Money market funds *(b)*	973	-	-	-	973
Other debt securities	-	4,360	3	-	4,363
Foreign covered bonds	1,820	605	-	-	2,425
Alt-A RMBS *(c)*	-	1,879	-	-	1,879
Prime RMBS *(c)*	-	1,175	-	-	1,175
Subprime RMBS *(c)*	-	125	-	-	125
Total available-for-sale	20,172	58,247	48	-	78,467
Trading assets:					
Debt and equity instruments *(d)*	485	1,655	63	-	2,203
Derivative assets:					
Interest rate	164	26,434	54	N/A	
Foreign exchange	4,519	113	-	N/A	
Equity	91	284	43	N/A	
Other	-	3	-	N/A	
Total derivative assets	4,774	26,834	97	(26,047) *(g)*	5,658
Total trading assets	5,259	28,489	160	(26,047)	7,861
Loans	-	10	-	-	10
Other assets *(e)*	672	1,019	157	-	1,848
Subtotal assets of operations at fair value	**26,103**	**87,765**	**365**	**(26,047)**	**88,186**
Percentage of assets prior to netting	22.9 %	76.8 %	0.3 %		
Assets of consolidated investment management funds:					
Trading assets	323	10,428	-	-	10,751
Other assets	453	143	-	-	596
Total assets of consolidated investment management funds	776	10,571	-	-	11,347
Total assets	**$26,879**	**$98,336**	**$ 365**	**$ (26,047)**	**$ 99,533**
Percentage of assets prior to netting	21.4 %	78.3 %	0.3 %		
Trading liabilities:					
Debt and equity instruments	$418	$537	$ -	$ -	$ 955
Derivative liabilities:					
Interest rate	-	27,201	239	N/A	
Foreign exchange	4,311	44	-	N/A	
Equity	55	200	75	N/A	
Total derivative liabilities	4,366	27,445	314	(25,009) *(g)*	7,116
Total trading liabilities	4,784	27,982	314	(25,009)	8,071
Long-term debt *(b)*	-	326	-	-	326
Other liabilities *(f)*	14	368	-	-	382
Subtotal liabilities at fair value	**4,798**	**28,676**	**314**	**(25,009)**	**8,779**
Percentage of liabilities prior to netting	14.2 %	84.9 %	0.9 %		
Liabilities of consolidated investment management funds:					
Trading liabilities	-	10,053	-	-	10,053
Other liabilities	2	30	-	-	32
Total liabilities of consolidated investment management funds	2	10,083	-	-	10,085
Total liabilities	**$4,800**	**$38,759**	**$ 314**	**$ (25,009)**	**$ 18,864**
Percentage of liabilities prior to netting	10.9 %	88.4 %	0.7 %		

(a) ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

(b) Includes certain interests in securitizations.

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(c) *Previously included in the Grantor Trust.*

(d) *Includes loans classified as trading assets and certain interests in securitizations.*

(e) *Includes private equity investments, seed capital, a brokerage account, and derivatives in designated hedging relationships.*

(f) *Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.*

(g) *Netting cannot be disaggregated by product.*

Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2010

(dollar amounts in millions)	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Available-for-sale securities:					
U.S. Treasury	$12,609	$-	$ -	$ -	$ 12,609
U.S. Government agencies	-	1,005	-	-	1,005
Sovereign debt	27	8,522	-	-	8,549
State and political subdivisions *(b)*	-	498	10	-	508
Agency RMBS	-	19,727	-	-	19,727
Alt-A RMBS	-	470	-	-	470
Prime RMBS	-	1,227	-	-	1,227
Subprime RMBS	-	508	-	-	508
Other RMBS	-	1,331	-	-	1,331
Commercial MBS	-	2,639	-	-	2,639
Asset-backed CLOs	-	249	-	-	249
Other asset-backed securities	-	539	-	-	539
Equity securities	18	29	-	-	47
Money market funds *(b)*	2,538	-	-	-	2,538
Other debt securities	91	3,193	58	-	3,342
Foreign covered bonds	2,260	608	-	-	2,868
Alt-A RMBS *(c)*	-	2,513	-	-	2,513
Prime RMBS *(c)*	-	1,825	-	-	1,825
Subprime RMBS *(c)*	-	158	-	-	158
Total securities available-for-sale	17,543	45,041	68	-	62,652
Trading assets:					
Debt and equity instruments *(d)*	1,598	710	32	-	2,340
Derivative assets:					
Interest rate	272	15,260	119	N/A	
Foreign exchange	3,561	100	-	N/A	
Equity	79	370	-	N/A	
Other	1	1	-	N/A	
Total derivative assets	3,913	15,731	119	(15,827) *(g)*	3,936
Total trading assets	5,511	16,441	151	(15,827)	6,276
Loans	-	-	6	-	6
Other assets *(e)*	52	910	113	-	1,075
Subtotal assets of operations at fair value	**$23,106**	**$62,392**	**$ 338**	**$ (15,827)**	**$ 70,009**
Percentage of assets prior to netting	26.9 %	72.7 %	0.4 %		
Assets of consolidated investment management funds:					
Trading assets	279	13,842	-	-	14,121
Other assets	499	144	2	-	645
Total assets of consolidated investment management funds	778	13,986	2	-	14,766
Total assets	**$23,884**	**$76,378**	**$ 340**	**$ (15,827)**	**$ 84,775**
Percentage of assets prior to netting	23.8 %	75.9 %	0.3 %		
Trading liabilities:					
Debt and equity instruments	$1,277	$443	$ 6	$ -	$ 1,726
Derivative liabilities:					
Interest rate	-	16,126	149	N/A	
Foreign exchange	3,648	59	-	N/A	
Equity	54	304	22	N/A	
Other	-	4	-	N/A	
Total derivative liabilities	3,702	16,493	171	(15,181) *(g)*	5,185
Total trading liabilities	4,979	16,936	177	(15,181)	6,911
Long-term debt *(b)*	-	269	-	-	269
Other liabilities *(f)*	115	473	2	-	590

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Subtotal liabilities at fair value	**$5,094**	**$17,678**	**$ 179**	**$ (15,181)**	**$ 7,770**
Percentage of liabilities prior to netting	22.2 %	77.0 %	0.8 %		
Liabilities of consolidated investment management funds:					
Trading liabilities	-	13,561	-	-	13,561
Other liabilities	2	-	-	-	2
Total liabilities of consolidated investment management funds	2	13,561	-	-	13,563
Total liabilities	**$5,096**	**$31,239**	**$ 179**	**$ (15,181)**	**$ 21,333**
Percentage of liabilities prior to netting	14.0 %	85.5 %	0.5 %		

(a) ASC 815 permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral.

(b) Includes certain interests in securitizations.

(c) Previously included in the Grantor Trust.

(d) Includes loans classified as trading assets and certain interests in securitizations.

(e) Includes private equity investments, seed capital and derivatives in designated hedging relationships.

(f) Includes the fair value adjustment for certain unfunded lending-related commitments and derivatives in designated hedging relationships and support agreements.

(g) Netting cannot be disaggregated by product.

Details of certain items measured at fair value on a recurring basis	**Dec. 31, 2011**					Dec. 31, 2010				
	Total	Ratings				Total	Ratings			
(dollar amounts in millions)	carrying value *(a)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	carrying value *(a)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower
Alt-A RMBS, originated in:										
2006-2007	**$ 99**	**- %**	**- %**	**- %**	**100 %**	$ 187	- %	- %	- %	100 %
2005	**113**	**-**	**-**	**-**	**100**	209	-	-	-	100
2004 and earlier	**61**	**27**	**13**	**47**	**13**	74	70	25	5	-
Total Alt-A RMBS	**$ 273**	**6 %**	**3 %**	**11 %**	**80 %**	$ 470	11 %	4 %	1 %	84 %
Prime RMBS, originated in:										
2007	**$ 121**	**38 %**	**4 %**	**- %**	**58 %**	$ 254	50 %	28 %	7 %	15 %
2006	**75**	**-**	**-**	**-**	**100**	166	-	39	-	61
2005	**230**	**32**	**-**	**-**	**68**	310	39	-	14	47
2004 and earlier	**389**	**29**	**38**	**11**	**22**	497	79	12	6	3
Total prime RMBS	**$ 815**	**28 %**	**19 %**	**5 %**	**48 %**	$ 1,227	52 %	16 %	8 %	24 %
Subprime RMBS, originated in:										
2007	**$ 2**	**- %**	**2 %**	**98 %**	**- %**	$ 5	- %	8 %	92 %	- %
2005	**82**	**23**	**12**	**29**	**36**	97	25	12	12	51
2004 and earlier	**334**	**5**	**15**	**18**	**62**	406	74	13	5	8
Total subprime RMBS	**$ 418**	**8 %**	**14 %**	**21 %**	**57 %**	$ 508	64 %	13 %	7 %	16 %
Commercial MBS—Domestic, originated in:										
2009-2011	**$ 200**	**100 %**	**- %**	**- %**	**- %**	$ -	- %	- %	- %	- %
2008	**25**	**16**	**84**	**-**	**-**	-	-	-	-	-
2007	**789**	**66**	**26**	**8**	**-**	685	83	8	9	-
2006	**892**	**85**	**15**	**-**	**-**	582	90	10	-	-
2005	**696**	**94**	**6**	**-**	**-**	489	100	-	-	-
2004 and earlier	**403**	**97**	**2**	**1**	**-**	528	100	-	-	-
Total commercial MBS—Domestic	**$ 3,005**	**84 %**	**14 %**	**2 %**	**- %**	$ 2,284	92 %	5 %	3 %	- %
Foreign covered bonds:										
Germany	**$ 1,461**	**99 %**	**1 %**	**- %**	**- %**	$ 2,260	99 %	1 %	- %	- %
Canada	**795**	**100**	**-**	**-**	**-**	608	100	-	-	-
Other	**169**	**100**	**-**	**-**	**-**	-	-	-	-	-
Total foreign covered bonds	**$ 2,425**	**100 %**	**- %**	**- %**	**- %**	$ 2,868	100 %	- %	- %	- %
European floating rate notes—available-for-sale:										
United Kingdom	**$ 686**	**72 %**	**28 %**	**- %**	**- %**	$ 838	99 %	1 %	- %	- %
Ireland	**203**	**-**	**50**	**47**	**3**	299	92	8	-	-
Italy	**150**	**100**	**-**	**-**	**-**	218	100	-	-	-
Luxembourg	**140**	**-**	**100**	**-**	**-**	143	-	100	-	-
Australia	**101**	**91**	**9**	**-**	**-**	136	100	-	-	-
Germany	**93**	**21**	**6**	**73**	**-**	113	31	69	-	-

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Netherlands	47	35	65	-	-	150	78	22	-	-
France	9	100	-	-	-	10	100	-	-	-
Total European floating rate notes—available-for-sale	$ 1,429	55 %	34 %	11 %	- %	$ 1,907	85 %	15 %	- %	- %
Sovereign debt:										
United Kingdom	$ 4,526	100 %	- %	- %	- %	$ 3,214	100 %	- %	- %	- %
France	2,790	100	-	-	-	1,845	100	-	-	-
Germany	2,347	100	-	-	-	3,065	100	-	-	-
Netherlands	2,230	100	-	-	-	396	100	-	-	-
Other	61	97	3	-	-	29	93	6	-	1
Total sovereign debt	$ 11,954	100 %	- %	- %	- %	$ 8,549	100 %	- %	- %	- %
Alt-A RMBS *(b)*, originated in:										
2007	$ 554	- %	- %	- %	100 %	$ 792	- %	- %	- %	100 %
2006	488	-	-	-	100	660	-	-	-	100
2005	628	5	-	1	94	820	2	-	4	94
2004 and earlier	209	-	4	27	69	241	22	46	19	13
Total Alt-A RMBS *(b)*	$ 1,879	2 %	- %	3 %	95 %	$ 2,513	3 %	4 %	3 %	90 %
Prime RMBS *(b)*, originated in:										
2007	$ 370	- %	- %	- %	100 %	$ 679	- %	- %	- %	100 %
2006	308	-	-	-	100	431	-	-	-	100
2005	465	-	4	-	96	672	2	5	1	92
2004 and earlier	32	9	-	22	69	43	49	47	-	4
Total prime RMBS *(b)*	$ 1,175	- %	2 %	1 %	97 %	$ 1,825	2 %	3 %	- %	95 %
Subprime RMBS *(b)*, originated in:										
2007	$ 3	- %	- %	- %	100 %	$ 15	- %	- %	- %	100 %
2006	74	-	-	-	100	89	-	-	-	100
2005	11	-	-	-	100	13	-	-	-	100
2004 and earlier	37	5	34	-	61	41	53	-	-	47
Total subprime RMBS *(b)*	$ 125	2 %	10 %	- %	88 %	$ 158	14 %	- %	- %	86 %

(a) At Dec. 31, 2011 and Dec. 31, 2010, the German foreign covered bonds were considered Level 1 in the valuation hierarchy. All other assets in the table above are primarily Level 2 assets in the valuation hierarchy.

(b) Previously included in the Grantor Trust.

Changes in Level 3 fair value measurements

The tables below include a roll forward of the balance sheet amounts for the years ended Dec. 31, 2011 and 2010 (including the change in fair value), for financial instruments classified in Level 3 of the valuation hierarchy.

Our classification of a financial instrument in Level 3 of the valuation hierarchy is based on the significance of the unobservable factors to the overall fair value measurement. However, these instruments generally include other observable components that are actively quoted or validated to third-party sources; accordingly, the gains and losses in the table below include changes in fair value due to observable parameters as well as the unobservable parameters in our valuation methodologies. We also frequently manage the risks of Level 3 financial instruments using securities and derivatives positions that are Level 1 or 2 instruments which are not included in the table; accordingly, the gains or losses below do not reflect the effect of our risk management activities related to the Level 3 instruments.

Fair value measurements for assets using significant unobservable inputs for the year ended Dec. 31, 2011

	Available-for-sale securities		Trading assets				
(in millions)	State and political subdivisions	Other debt securities	Debt and equity instruments	Derivative assets	Loans	Other assets	Total assets
Fair value at Dec. 31, 2010	$ 10	$ 58	$ 32	$ 119	$ 6	$113	$338
Transfers into Level 3	35	-	25	48	-	49	157
Transfers out of Level 3	-	(55)	-	(84)	(2)	(3)	(144)
Total gains or (losses):							
Included in earnings (or changes in net assets)	- *(a)*	- *(a)*	6 *(b)*	15 *(b)*	-	9 *(c)*	30
Purchases, issuances, sales and settlements:							
Purchases	-	-	-	-	-	4	4
Issuances	-	-	-	-	1	-	1

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Sales	-	-	-	-	-	(15)	(15)
Settlements	-	-	-	(1)	(5)	-	(6)
Fair value at Dec. 31, 2011	**$ 45**	**$ 3**	**$ 63**	**$ 97**	**$ -**	**$157**	**$365**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses			$ 4	$ 15	$ -	$-	$19

(a) Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive income (loss) except for the credit portion of OTTI losses which are recorded in securities gains (losses).

(b) Reported in foreign exchange and other trading revenue.

(c) Reported in investment income.

Fair value measurements for liabilities using significant unobservable inputs for the year ended Dec. 31, 2011

	Trading liabilities			
(in millions)	Debt and equity instruments	Derivative liabilities	Other liabilities	Total liabilities
Fair value at Dec. 31, 2010	$ 6	$ 171	$ 2	$ 179
Transfers into Level 3	-	77	-	77
Transfers out of Level 3	-	(9)	-	(9)
Total (gains) or losses:				
Included in earnings (or changes in net liabilities)	-	88 *(a)*	(2) *(b)*	86
Purchases, issuances, sales and settlements:				
Settlements	(6)	(13)	-	(19)
Fair value at Dec. 31, 2011	**$ -**	**$ 314**	**$ -**	**$ 314**
The amount of total (gains) or losses included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ -	$ 142	$ -	$ 142

(a) Reported in foreign exchange and other trading revenue.

(b) Reported in other revenue.

Fair value measurements for assets using significant unobservable inputs for the year ended Dec. 31, 2010

		Total realized/unrealized gains/(losses) recorded in					
(in millions)	Fair value Dec. 31, 2009	Income	Comprehensive income	Purchases, issuances and settlements, net	Transfers in/(out) of Level 3	Fair value Dec. 31, 2010	Change in unrealized gains and (losses) related to instruments held at Dec. 31, 2010
Available-for-sale securities:							
Asset-backed CLOs	$ 6	$ -	$ -	$ -	$ (6)	$ -	$ -
State and political subdivisions	-	1	-	-	9	10	1
Other debt securities	50	2	-	8	(2)	58	2
Total available-for-sale	56	3 *(a)*	- *(a)*	8	1	68	3
Trading assets:							
Debt and equity instruments	170	(1) *(b)*	-	3	(140)	32	-
Derivative assets:							
Interest rate	121	(19)	-	2	15	119	28
Equity	25	(25)	-	-	-	-	-
Total derivative assets	146	(44) *(b)*	-	2	15	119	28
Total trading assets	316	(45)	-	5	(125)	151	28
Loans	25	2	-	(18)	(3)	6	-

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Other assets	164	13 *(c)*	-	(4)	(60)	113	-
Total assets	$ 561	$ (27)	$ -	$ (9)	$ (187) *(d)*	$ 338	$ 31

(a) Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive loss except for other than temporary impairment losses which are recorded in securities gains (losses).

(b) Reported in foreign exchange and other trading revenue.

(c) Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

(d) Primarily relates to investments consolidated in accordance with ASC 810.

Fair value measurements for liabilities using significant unobservable inputs for the year ended Dec. 31, 2010

(in millions)	Fair value Dec. 31, 2009	Total realized/unrealized (gains)/losses recorded in Income	Comprehensive income	Purchases, issuances and settlements, net	Transfers in/(out) of Level 3	Fair value Dec. 31, 2010	Change in unrealized (gains) and losses related to instruments held at Dec. 31, 2010
Trading liabilities:							
Debt and equity instruments	$ -	$ -	$ -	$ 6	$ -	$ 6	$ -
Derivative liabilities:							
Interest rate	54	88	-	9	(2)	149	122
Equity	38	(31)	-	15	-	22	-
Total derivative liabilities	92	57 *(a)*	-	24	(2)	171	122
Total trading liabilities	92	57	-	30	(2)	177	122
Other liabilities	3	(1) *(b)*	-	-	-	2	-
Total liabilities	$ 95	$ 56	$ -	$ 30	$ (2)	$ 179	$ 122

(a) Reported in foreign exchange and other trading revenue.

(b) Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

Assets and liabilities measured at fair value on a nonrecurring basis

Under certain circumstances, we make adjustments to fair value our assets, liabilities and unfunded lending-related commitments although they are not measured at fair value on an ongoing basis. An example would be the recording of an impairment of an asset.

The following table presents the financial instruments carried on the consolidated balance sheet by caption and by level in the fair value hierarchy as of Dec. 31, 2011 and 2010, for which a nonrecurring change in fair value has been recorded during the years ended Dec. 31, 2011 and 2010.

Assets measured at fair value on a nonrecurring basis at Dec. 31, 2011

(in millions)	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	$ -	$ 178	$ 43	$ 221
Other assets *(b)*	-	126	-	126
Total assets at fair value on a nonrecurring basis	**$ -**	**$ 304**	**$ 43**	**$ 347**

Assets measured at fair value on a nonrecurring basis at Dec. 31, 2010

(in millions)	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	$ -	$ 188	$ 53	$ 241
Other assets *(b)*	-	6	-	6
Total assets at fair value on a nonrecurring basis	$ -	$ 194	$ 53	$ 247

(a) During the years ended Dec. 31, 2011 and 2010, the fair value of these loans was reduced $32 million and $15 million, based on the fair value of the underlying collateral as allowed by ASC 310, Accounting by Creditors for Impairment of a loan, with an offset to the allowance for credit losses.

(b) Includes other assets received in satisfaction of debt and loans held for sale. Loans held for sale are carried on the balance sheet at the lower of cost or market value.

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Fair value option	12 Months Ended Dec. 31, 2011
Fair value option	**Note 23—Fair value option**

ASC 825 provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments and written loan commitments.

The following table presents the assets and liabilities, by type, of consolidated investment management funds recorded at fair value.

Assets and liabilities of consolidated investment management funds, at fair value *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Assets of consolidated investment management funds:		
Trading assets	**$10,751**	$14,121
Other assets	**596**	645
Total assets of consolidated investment management funds	**$11,347**	$14,766
Liabilities of consolidated investment management funds:		
Trading liabilities	**$10,053**	$13,561
Other liabilities	**32**	2
Total liabilities of consolidated investment management funds	**$10,085**	$13,563
Non-redeemable noncontrolling interests of consolidated investment management funds	**$670**	$699

BNY Mellon values assets in consolidated CLOs using observable market prices observed from the secondary loan market. The returns to the note holders are solely dependent on the assets and accordingly equal the value of those assets. Accordingly, mark-to-market best reflects the limited interest BNY Mellon has in the economic performance of the consolidated CLOs. Changes in the values of assets and liabilities are reflected in the income statement as investment income of consolidated investment management funds.

We have elected the fair value option on $240 million of long-term debt in connection with ASC 810. At Dec. 31, 2011, the fair value of this long-term debt was $326 million. The long-term debt is valued using observable market inputs and is included in Level 2 of the ASC 820 hierarchy.

The following table presents the changes in fair value of the long-term debt included in foreign exchange and other trading revenue in the consolidated income statement.

Foreign exchange and other trading revenue

(in millions)	**Year ended Dec. 31, 2011**	Year ended Dec. 31, 2010
Long-term debt *(a)*	**$ (57)**	$ (29)

(a) The change in fair value of the long-term debt is approximately offset by an economic hedge included in trading.

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We have elected the fair value option on $120 million of unfunded lending-related commitments. The fair market value of unfunded lending-related commitments for which the fair value option was elected was a liability of less than $1 million at Dec. 31, 2011 and Dec. 31, 2010 and is included in other liabilities. Unfunded lending-related commitments are valued using quotes from dealers in the loan markets, and are included in Level 3 of the ASC 820 hierarchy.

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Consolidated Statement of Changes in Equity (Parenthetical) (USD $) In Millions, except Per Share data, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Dividends on common stock, per share	$ 0.48	$ 0.36	$ 0.51
Dividends on preferred stock, per share			$ 24.58
Total The Bank of New York Mellon Corporation shareholders' equity	$ 33,417	$ 32,354	$ 28,977
Reclassification adjustment, OTTI reclassified to net securities gains (losses) on the income statement	(26)	(15)	3,348
Reclassification adjustment/other, to retained earnings from other comprehensive income		14	
Total comprehensive income, comprehensive income attributable to The Bank of New York Mellon Corporation shareholders	2,244	2,960	3,158
ASC 320 | Restatement Adjustment			
Adjustment for the cumulative effect of applying new accounting principle, taxes			$ 470

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Assets Measured at Fair Value on a Nonrecurring Basis (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Reduction in fair value of loans based on the fair value of the underlying collateral as allowed by ASC 310	$ 32	$ 15

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Commitments and contingent liabilities

Commitments and contingent liabilities

12 Months Ended Dec. 31, 2011

Note 24—Commitments and contingent liabilities

In the normal course of business, various commitments and contingent liabilities are outstanding which are not reflected in the accompanying consolidated balance sheets.

Our significant trading and off-balance sheet risks are securities, foreign currency and interest rate risk management products, commercial lending commitments, letters of credit, securities lending indemnifications and support agreements. We assume these risks to reduce interest rate and foreign currency risks, to provide customers with the ability to meet credit and liquidity needs and to hedge foreign currency and interest rate risks. These items involve, to varying degrees, credit, foreign exchange, and interest rate risk not recognized in the balance sheet. Our off-balance sheet risks are managed and monitored in manners similar to those used for on-balance sheet risks. Significant industry concentrations related to credit exposure at Dec. 31, 2011 are disclosed in the Financial institutions portfolio exposure table and the Commercial portfolio exposure table below.

Financial institutions portfolio exposure	**Dec. 31, 2011**		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**
Banks	**$6.3**	**$ 1.9**	**$ 8.2**
Securities industry	**3.8**	**2.6**	**6.4**
Insurance	**0.1**	**4.6**	**4.7**
Asset managers	**0.8**	**3.2**	**4.0**
Government	**-**	**1.6**	**1.6**
Other	**0.1**	**1.6**	**1.7**
Total	**$11.1**	**$ 15.5**	**$ 26.6**

Commercial portfolio exposure	**Dec. 31, 2011**		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**
Manufacturing	**$ 0.3**	**$ 5.7**	**$ 6.0**
Energy and utilities	**0.3**	**4.8**	**5.1**
Services and other	**0.5**	**4.5**	**5.0**
Media and telecom	**0.2**	**1.3**	**1.5**
Total	**$ 1.3**	**$ 16.3**	**$ 17.6**

Major concentrations in securities lending are primarily to broker-dealers and are generally collateralized with cash. Securities lending transactions are discussed below.

The following table presents a summary of our off-balance sheet credit risks, net of participations.

Off-balance sheet credit risks	**Dec. 31,**	
(in millions)	**2011**	2010
Lending commitments *(a)*	**$28,406**	$29,100
Standby letters of credit *(b)*	**6,707**	8,483
Commercial letters of credit	**437**	512

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Securities lending indemnifications	**268,812**	278,069
Support agreements	**63**	116

(a) Net of participations totaling $326 million at Dec. 31, 2011 and $423 million at Dec. 31, 2010.

(b) Net of participations totaling $1.2 billion at Dec. 31, 2011 and $1.7 billion at Dec. 31, 2010 .

Included in lending commitments are facilities that provide liquidity for variable rate tax-exempt securities wrapped by monoline insurers. The credit approval for these facilities is based on an assessment of the underlying tax-exempt issuer and considers factors other than the financial strength of the monoline insurer.

The total potential loss on undrawn lending commitments, standby and commercial letters of credit, and securities lending indemnifications is equal to the total notional amount if drawn upon, which does not consider the value of any collateral.

Since many of the commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements. A summary of lending commitment maturities is as follows: $9.9 billion less than one year, $18.3 billion in one to five years and $0.2 billion over five years.

Standby letters of credit (“SBLC”) principally support corporate obligations. As shown in the off-balance sheet credit risks table, the maximum potential exposure of SBLCs was $6.7 billion at Dec. 31, 2011 and $8.5 billion at Dec. 31, 2010, and includes $485 million and $628 million that were collateralized with cash and securities at Dec. 31, 2011 and 2010, respectively. At Dec. 31, 2011, $2.2 billion of the SBLCs will expire within one year, $4.3 billion in one to five years and $0.2 billion over five years.

We must recognize, at the inception of standby letters of credit and foreign and other guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. As required by ASC 460 – *Guarantees*, the fair value of the liability, which was recorded with a corresponding asset in other assets, was estimated as the present value of contractual customer fees.

The estimated liability for losses related to these commitments and SBLCs, if any, is included in the allowance for lending-related commitments. The allowance for lending-related commitments was $103 million at Dec. 31, 2011 and $73 million at Dec. 31, 2010.

Payment/performance risk of SBLCs is monitored using both historical performance and internal ratings criteria. BNY Mellon’s historical experience is that SBLCs typically expire without being funded. SBLCs below investment grade are monitored closely for payment/performance risk. The table below shows SBLCs by investment grade:

Standby letters of credit	**Dec. 31,**	
	2011	2010
Investment grade	**91 %**	89 %
Noninvestment grade	**9 %**	11 %

A commercial letter of credit is normally a short-term instrument used to finance a commercial contract for the shipment of goods from a seller to a buyer. Although the commercial letter of credit is contingent upon the satisfaction of specified conditions, it represents a credit exposure if the buyer defaults on the underlying transaction. As a result, the total contractual amounts do not

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necessarily represent future cash requirements. Commercial letters of credit totaled $437 million at Dec. 31, 2011 compared with $512 million at Dec. 31, 2010.

A securities lending transaction is a fully collateralized transaction in which the owner of a security agrees to lend the security (typically through an agent, in our case, The Bank of New York Mellon), to a borrower, usually a broker-dealer or bank, on an open, overnight or term basis, under the terms of a prearranged contract, which normally matures in less than 90 days.

We typically lend securities with indemnification against borrower default. We generally require the borrower to provide cash collateral with a value of 102% of the fair value of the securities borrowed, which is monitored on a daily basis, thus reducing credit risk. Market risk can also arise in securities lending transactions. These risks are controlled through policies limiting the level of risk that can be undertaken. Securities lending transactions are generally entered into only with highly rated counterparties. Securities lending indemnifications were secured by collateral of $276 billion at Dec. 31, 2011 and $285 billion at Dec. 31, 2010. We recorded $183 million of fee revenue from securities lending transactions in 2011 compared with $150 million in 2010.

We expect many of these guarantees to expire without the need to advance any cash. The revenue associated with guarantees frequently depends on the credit rating of the obligor and the structure of the transaction, including collateral, if any.

At Dec. 31, 2011, our potential maximum exposure to support agreements was $63 million, after deducting the reserve, assuming the securities subject to these agreements being valued at zero and the NAV of the related funds declining below established thresholds. This compares with $116 million at Dec. 31, 2010.

Trust activities

As a result of the GIS acquisition, at Dec. 31, 2011, our clients maintained approximately $400 million of custody cash on deposit with other institutions. Revenue generated from these balances is included in other revenue on the income statement. These deposits are expected to transition to BNY Mellon by mid-2012.

Operating leases

Net rent expense for premises and equipment was $350 million in 2011, $314 million in 2010 and $327 million in 2009.

At Dec. 31, 2011, we were obligated under various noncancelable lease agreements, some of which provide for additional rents based upon real estate taxes, insurance and maintenance and for various renewal options. A summary of the future minimum rental commitments under noncancelable operating leases, net of related sublease revenue, is as follows: 2012—$318 million; 2013—$306 million; 2014—$249 million; and 2015—$205 million; 2016—$189 million; and 2017 through 2031—$798 million.

Indemnification Arrangements under Ordinary Course Contracts

We have provided standard representations for underwriting agreements, acquisition and divestiture agreements, sales of loans and commitments, and other similar types of arrangements and customary indemnification for claims and legal proceedings related to providing financial services that are not otherwise included above. Insurance has been purchased to mitigate certain of these risks. Generally, there are no stated or notional amounts included in these

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indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. Furthermore often counterparties to these transactions provide us with comparable indemnifications. We are unable to develop an estimate of the maximum payout under these indemnifications for several reasons. In addition to the lack of a stated or notional amount in a majority of such indemnifications, we are unable to predict the nature of events that would trigger indemnification or the level of indemnification for a certain event. We believe, however, that the possibility that we will have to make any material payments for these indemnifications is remote. At Dec. 31, 2011 and Dec. 31, 2010, we have not recorded any material liabilities under these arrangements.

Clearing and Settlement Exchanges

We are a minority equity investor in, and member of, several industry clearing or settlement exchanges through which foreign exchange, securities, or other transactions settle. Certain of these industry clearing or settlement exchanges require their members to guarantee their obligations and liabilities or to provide financial support in the event other members do not honor their obligations. We believe the likelihood that a clearing or settlement exchange (of which we are a member) would become insolvent is remote. Additionally, certain settlement exchanges have implemented loss allocation policies which enable the exchange to allocate settlement losses to the members of the exchange. It is not possible to quantify such mark-to-market loss until the loss occurs. In addition, any ancillary costs that occur as a result of any mark-to-market loss cannot be quantified. At Dec. 31, 2011 and Dec. 31, 2010, we have not recorded any material liabilities under these arrangements.

Legal proceedings

In the ordinary course of business, BNY Mellon and its subsidiaries are routinely named as defendants in or made parties to pending and potential legal actions and regulatory matters. Claims for significant monetary damages are often asserted in many of these legal actions, while claims for disgorgement, penalties and/or other remedial sanctions may be sought in regulatory matters. It is inherently difficult to predict the eventual outcomes of such matters given their complexity and the particular facts and circumstances at issue in each of these matters. However, on the basis of our current knowledge and understanding, we do not believe that judgments or settlements, if any, arising from these matters (either individually or in the aggregate, after giving effect to applicable reserves and insurance coverage), will have a material adverse effect on the consolidated financial position or liquidity of BNY Mellon, although they could have a material effect on net income in a given period.

In view of the inherent unpredictability of outcomes in litigation and regulatory matters, particularly where (i) the damages sought are substantial or indeterminate, (ii) the proceedings are in the early stages, or (iii) the matters involve novel legal theories or a large number of parties, as a matter of course there is considerable uncertainty surrounding the timing or ultimate resolution of litigation and regulatory matters, including a possible eventual loss, fine, penalty or business impact, if any, associated with each such matter. In accordance with applicable accounting guidance, BNY Mellon establishes reserves for litigation and regulatory matters when those matters proceed to a stage where they present loss contingencies that are both probable and reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. BNY Mellon will continue to monitor such matters for developments that could affect the amount of the reserve, and will adjust the reserve amount as appropriate. If the loss contingency in question is not both probable and reasonably estimable, BNY Mellon does not

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establish a reserve and the matter will continue to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. BNY Mellon believes that its accruals for legal proceedings are appropriate and, in the aggregate, are not material to the consolidated financial position of BNY Mellon, although future accruals could have a material effect on net income in a given period.

For certain of those matters described herein for which a loss contingency may, in the future, be reasonably possible (whether in excess of a related accrued liability or where there is no accrued liability), BNY Mellon is currently unable to estimate a range of reasonably possible loss. For those matters where BNY Mellon is able to estimate a reasonably possible loss, exclusive of matters described in Note 13 of the Notes to Consolidated Financial Statements, subject to the accounting and reporting requirements of ASC 740 (FASB Interpretation 48), the aggregate range of such reasonably possible loss is up to $1.05 billion in excess of the accrued liability (if any) related to those matters.

The following describes certain judicial, regulatory and arbitration proceedings involving BNY Mellon:

Sentinel Matters

As previously disclosed, on Jan. 18, 2008, The Bank of New York Mellon filed a proof of claim in the Chapter 11 bankruptcy proceeding of Sentinel Management Group, Inc. (“Sentinel”) pending in federal court in the Northern District of Illinois, seeking to recover approximately $312 million loaned to Sentinel and secured by securities and cash in an account maintained by Sentinel at The Bank of New York Mellon. On March 3, 2008, the bankruptcy trustee filed an adversary complaint against The Bank of New York Mellon seeking to disallow The Bank of New York Mellon’s claim and seeking damages for allegedly aiding and abetting Sentinel insiders in misappropriating customer assets and improperly using those assets as collateral for the loan. In a decision dated Nov. 3, 2010, the court found for The Bank of New York Mellon and against the bankruptcy trustee, holding that The Bank of New York Mellon’s loan to Sentinel is valid, fully secured and not subject to equitable subordination. The bankruptcy trustee appealed this decision on Dec. 1, 2010.

As previously disclosed, in November 2009, the Division of Enforcement of the U.S. Commodities Futures Trading Commission (“CFTC”) indicated that it is considering a recommendation to the CFTC that it file a civil enforcement action against The Bank of New York Mellon for possible violations of the Commodity Exchange Act and CFTC regulations in connection with its relationship to Sentinel. The Bank of New York Mellon responded in writing to the CFTC on Jan. 29, 2010 and provided an explanation as to why an enforcement action is unwarranted.

Auction Rate Securities Matters

As previously disclosed, in April 2008, BNY Mellon notified the SEC that Mellon Financial Markets LLC (“MFM”) placed orders on behalf of certain issuers to purchase their own Auction Rate Securities (“ARS”). In approximately October 2008, the Texas State Securities Board, Florida Office of Financial Regulation and the New York State Attorney General (the “regulators”) began an investigation focused on whether and to what extent the issuers’ orders had the effect of reducing the clearing rate and preventing failed auctions. MFM reached a settlement with the regulators in December 2011 pursuant to which the regulators discontinued the investigation.

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As previously disclosed, in February and April 2009, two institutional customers filed lawsuits in Texas state District Court for Dallas County, and California state Superior Court for Orange County, alleging misrepresentations and omissions in the sale of ARS. Two more institutional customers filed arbitration proceedings in December 2008 and May 2011. The Texas lawsuit was resolved and dismissed on April 8, 2011. The earlier-filed arbitration proceeding was dismissed on Aug. 1, 2011. The remaining disputes together seek rescission or damages relating to approximately $67 million of ARS, plus interest and attorneys' fees.

Securities Lending Matters
As previously disclosed, BNY Mellon or its affiliates have been named as defendants in a number of lawsuits initiated by participants in BNY Mellon's securities lending program, which is a part of BNY Mellon's Investment Services business. The lawsuits were filed on various dates from December 2008 to 2011, and are currently pending in courts in Oklahoma, New York, Washington, California and South Carolina and in commercial court in London. The complaints assert contractual, statutory, and common law claims, including claims for negligence and breach of fiduciary duty. The plaintiffs allege losses in connection with the investment of securities lending collateral, including losses related to investments in Sigma Finance Inc., Lehman Brothers Holdings, Inc. and certain asset-backed securities, and seek damages as to those losses. Three of the pending cases seek to proceed as class actions.

Matters Relating To Bernard L. Madoff
As previously disclosed, on May 11, 2010, the New York State Attorney General commenced a civil lawsuit against Ivy Asset Management LLC ("Ivy"), a subsidiary of BNY Mellon that manages primarily funds-of-hedge-funds, and two of its former officers in New York state court. The lawsuit alleges that Ivy, in connection with its role as sub-advisor to investment managers whose clients invested with Madoff, did not disclose certain material facts about Madoff. The complaint seeks an accounting of compensation received from January 1997 to the present by the Ivy defendants in connection with the Madoff investments, and unspecified damages, including restitution, disgorgement, costs and attorneys' fees.

As previously disclosed, on Oct. 21, 2010, the U.S. Department of Labor commenced a civil lawsuit against Ivy, two of its former officers, and others in federal court in the Southern District of New York. The lawsuit alleges that Ivy violated the Employee Retirement Income Security Act ("ERISA") by failing to disclose certain material facts about Madoff to investment managers subadvised by Ivy whose clients included employee benefit plan investors. The complaint seeks disgorgement and damages. On Dec. 8, 2010, the Trustee overseeing the Madoff liquidation sued many of the same defendants in bankruptcy court in New York, seeking to avoid withdrawals from Madoff investments made by various funds-of-funds (including six funds-of-funds managed by Ivy).

As previously disclosed, Ivy or its affiliates have been named in a number of civil lawsuits filed beginning Jan. 27, 2009 relating to certain investment funds that allege losses due to the Madoff investments. Ivy acted as a sub-advisor to the investment managers of some of those funds. Plaintiffs assert various causes of action including securities and common-law fraud. Certain of the cases seek to proceed as class actions and/or to assert derivative claims on behalf of the funds. Most of the cases have been consolidated in two actions in federal court in the Southern District of New York, with certain cases filed in New York State Supreme Court for New York and Nassau counties.

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Medical Capital Litigations

As previously disclosed, The Bank of New York Mellon has been named as a defendant in a number of class actions and non-class actions brought by numerous plaintiffs in connection with its role as indenture trustee for debt issued by affiliates of Medical Capital Corporation. The actions, filed in late 2009 and currently pending in federal court in the Central District of California, allege that The Bank of New York Mellon breached its fiduciary and contractual obligations to the holders of the underlying securities, and seek unspecified damages.

Foreign Exchange Matters

As previously disclosed, beginning in December 2009, government authorities have been conducting inquiries seeking information relating primarily to standing instruction foreign exchange transactions in connection with custody services BNY Mellon provides to public pension plans and certain other custody clients. BNY Mellon is cooperating with these inquiries.

In addition, in early 2011, as previously disclosed, the Virginia Attorney General's Office and the Florida Attorney General's Office each filed a Notice of Intervention in a *qui tam* lawsuit pending in its jurisdiction. These offices filed complaints superseding the *qui tam* lawsuits on Aug. 11, 2011. On Oct. 4, 2011, the New York Attorney General's Office, the New York City Comptroller and various city pension and benefit funds filed a lawsuit whereby, among other things, the plaintiffs assert claims under the Martin Act and state and city false claims acts. Also, on Oct. 4, 2011, the United States Department of Justice ("DOJ") filed a civil lawsuit seeking civil penalties under 12 U.S.C. Section 1833a and injunctive relief under 18 U.S.C. Section 1345 based on alleged ongoing violations of 18 U.S.C. Sections 1341 and 1343 (mail and wire fraud). On Jan. 17, 2012, the court approved a partial settlement resolving the DOJ's claim for injunctive relief. In October 2011, several political subdivisions of the state of California intervened in a *qui tam* lawsuit pending in California state court, previously under seal, and, on Nov. 28, 2011, BNY Mellon removed the lawsuit to federal district court in California. On Oct. 26, 2011, the Massachusetts Securities Division filed an Administrative Complaint against BNY Mellon.

BNY Mellon has also been named as a defendant in several putative class action lawsuits filed on various dates in 2011 in federal district courts in Pennsylvania, California, and New York. The complaints, which assert varying claims, including breach of contract, and violations of ERISA, state and federal law, all allege that the prices BNY Mellon charged and reported for standing instruction foreign exchange transactions executed in connection with custody services provided by BNY Mellon were improper. In addition, BNY Mellon has been named as a nominal defendant in several derivative lawsuits filed on various dates in 2011 and 2012 in New York state court and federal district court in New York.

German Broker-Dealer Litigation

As previously disclosed, on various dates from 2004 to 2011, BNY Mellon subsidiary Pershing LLC ("Pershing") was named as a defendant in more than 100 lawsuits filed in Germany by plaintiffs who are investors with accounts at German broker-dealers. The plaintiffs allege that Pershing, which had a contractual relationship with the broker-dealers through which the broker-dealers executed options transactions on behalf of the broker-dealers' clients, should be held liable for the tortious acts of the broker-dealers. Plaintiffs seek to recover their investment losses, interest, and statutory attorney's fees and costs. On March 9, 2010, the 11th Senate of the German Federal Supreme Court ruled in the plaintiff's favor in one of these cases, and held Pershing liable for a German broker-dealer's tortious acts. In subsequent cases, the Supreme Court

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continued to rule in the plaintiffs' favor. In December 2011, Pershing settled the majority of the cases.

Lyondell Litigation

As previously disclosed, in an action filed in New York State Supreme Court for New York County, on Sept. 14, 2010, plaintiffs as holders of debt issued by Basell AF in 2005 allege that The Bank of New York Mellon, as indenture trustee, breached its contractual and fiduciary obligations by executing an intercreditor agreement in 2007 in connection with Basell's acquisition of Lyondell Chemical Company. Plaintiffs are seeking damages for their alleged losses resulting from the execution of the 2007 intercreditor agreement that allowed the company to increase the amount of its senior debt.

Tax Litigation

As previously disclosed, on Aug. 17, 2009, BNY Mellon received a Statutory Notice of Deficiency disallowing tax benefits for the 2001 and 2002 tax years in connection with a 2001 transaction that involved the payment of U.K. corporate income taxes that were credited against BNY Mellon's U.S. corporate income tax liability. On Nov. 10, 2009, BNY Mellon filed a petition with the U.S. Tax Court contesting the disallowance of the benefits. A trial is currently scheduled for April 16, 2012. The aggregate tax benefit for all six years in question is approximately $900 million, including interest. In the event BNY Mellon is unsuccessful in defending its position, the IRS has agreed not to assess underpayment penalties. See Note 13 of the Notes to Consolidated Financial Statements for additional information.

Mortgage-Securitization Trusts Proceeding

The Bank of New York Mellon as trustee is the petitioner in a legal proceeding filed in New York State Supreme Court, New York County on June 29, 2011, seeking approval of a proposed settlement involving Bank of America Corporation and bondholders in certain Countrywide residential mortgage-securitization trusts. The New York Attorney General has sought permission to intervene in this proceeding and to assert claims against BNY Mellon under the Martin Act and the Executive Law. On Aug. 26, 2011, an investor that had intervened in the state court proceeding removed this case to the United States District Court for the Southern District of New York. BNY Mellon sought to remand the case to state court and on Oct. 19, 2011, the District Court denied BNY Mellon's motion. On Jan. 17, 2012, BNY Mellon filed its brief appealing the District Court's decision to the Second Circuit Court of Appeals.

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Details Of Certain Items Measured At Fair Value On A Recurring Basis (Detail) (Fair Value, Measurements, Recurring, Available-for-sale, USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	$ 78,467		$ 62,652	
Alt-A RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	273	[1]	470	[1]
Alt-A RMBS | 2006-2007				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	99	[1]	187	[1]
Alt-A RMBS | 2005				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	113	[1]	209	[1]
Alt-A RMBS | 2004 and earlier				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	61	[1]	74	[1]
Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	815	[1]	1,227	[1]
Prime RMBS | 2007				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	121	[1]	254	[1]
Prime RMBS | 2006				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	75	[1]	166	[1]
Prime RMBS | 2005				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	230	[1]	310	[1]
Prime RMBS | 2004 and earlier				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	389	[1]	497	[1]
Subprime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	418	[1]	508	[1]
Subprime RMBS | 2007				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				

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Available-for-sale	2	[1]	5	[1]
Subprime RMBS | 2005				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	82	[1]	97	[1]
Subprime RMBS | 2004 and earlier				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	334	[1]	406	[1]
Commercial MBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	3,339		2,639	
Commercial MBS | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	3,005	[1]	2,284	[1]
Commercial MBS | Origination in 2009 - 2011 | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	200	[1]		
Commercial MBS | 2008 | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	25	[1]		
Commercial MBS | 2007 | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	789	[1]	685	[1]
Commercial MBS | 2006 | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	892	[1]	582	[1]
Commercial MBS | 2005 | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	696	[1]	489	[1]
Commercial MBS | 2004 and earlier | Domestic				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	403	[1]	528	[1]
Foreign Covered Bonds				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	2,425	[1]	2,868	[1]
Foreign Covered Bonds | Germany				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,461	[1]	2,260	[1]
Foreign Covered Bonds | Canada				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	795	[1]	608	[1]
Foreign Covered Bonds | Other				

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Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	169	[1]		
European Floating Rate Notes				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,429	[1]	1,907	[1]
European Floating Rate Notes | Germany				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	93	[1]	113	[1]
European Floating Rate Notes | United Kingdom				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	686	[1]	838	[1]
European Floating Rate Notes | Ireland				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	203	[1]	299	[1]
European Floating Rate Notes | Italy				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	150	[1]	218	[1]
European Floating Rate Notes | Luxembourg				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	140	[1]	143	[1]
European Floating Rate Notes | Australia				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	101	[1]	136	[1]
European Floating Rate Notes | Netherlands				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	47	[1]	150	[1]
European Floating Rate Notes | France				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	9	[1]	10	[1]
Sovereign Debt				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	11,954	[1]	8,549	[1]
Sovereign Debt | Germany				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	2,347	[1]	3,065	[1]
Sovereign Debt | Other				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	61	[1]	29	[1]
Sovereign Debt | United Kingdom				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	4,526	[1]	3,214	[1]

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Sovereign Debt | Netherlands				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	2,230	[1]	396	[1]
Sovereign Debt | France				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	2,790	[1]	1,845	[1]
Grantor Trust Alt-A RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,879	[1],[2]	2,513	[1],[2]
Grantor Trust Alt-A RMBS | 2007				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	554	[1],[2]	792	[1],[2]
Grantor Trust Alt-A RMBS | 2006				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	488	[1],[2]	660	[1],[2]
Grantor Trust Alt-A RMBS | 2005				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	628	[1],[2]	820	[1],[2]
Grantor Trust Alt-A RMBS | 2004 and earlier				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	209	[1],[2]	241	[1],[2]
Grantor Trust Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	1,175	[1],[2]	1,825	[1],[2]
Grantor Trust Prime RMBS | 2007				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	370	[1],[2]	679	[1],[2]
Grantor Trust Prime RMBS | 2006				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	308	[1],[2]	431	[1],[2]
Grantor Trust Prime RMBS | 2005				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	465	[1],[2]	672	[1],[2]
Grantor Trust Prime RMBS | 2004 and earlier				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	32	[1],[2]	43	[1],[2]
Grantor Trust Sub Prime RMBS				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				
Available-for-sale	125	[1],[2]	158	[1],[2]
Grantor Trust Sub Prime RMBS | 2007				
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]				

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Available-for-sale	3 [1],[2]	15 [1],[2]
Grantor Trust Sub Prime RMBS | 2006		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	74 [1],[2]	89 [1],[2]
Grantor Trust Sub Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	11 [1],[2]	13 [1],[2]
Grantor Trust Sub Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Available-for-sale	$ 37 [1],[2]	$ 41 [1],[2]
Ratings, AAA/AA- | Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	6.00%	11.00%
Ratings, AAA/AA- | Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	27.00%	70.00%
Ratings, AAA/AA- | Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	28.00%	52.00%
Ratings, AAA/AA- | Prime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	38.00%	50.00%
Ratings, AAA/AA- | Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	32.00%	39.00%
Ratings, AAA/AA- | Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	29.00%	79.00%
Ratings, AAA/AA- | Subprime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	8.00%	64.00%
Ratings, AAA/AA- | Subprime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	23.00%	25.00%
Ratings, AAA/AA- | Subprime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	5.00%	74.00%
Ratings, AAA/AA- | Commercial MBS | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	84.00%	92.00%
Ratings, AAA/AA- | Commercial MBS | Origination in 2009 - 2011 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	

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Ratings, AAA/AA- | Commercial MBS | 2008 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	16.00%	
Ratings, AAA/AA- | Commercial MBS | 2007 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	66.00%	83.00%
Ratings, AAA/AA- | Commercial MBS | 2006 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	85.00%	90.00%
Ratings, AAA/AA- | Commercial MBS | 2005 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	94.00%	100.00%
Ratings, AAA/AA- | Commercial MBS | 2004 and earlier | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	97.00%	100.00%
Ratings, AAA/AA- | Foreign Covered Bonds		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Foreign Covered Bonds | Germany		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	99.00%	99.00%
Ratings, AAA/AA- | Foreign Covered Bonds | Canada		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Foreign Covered Bonds | Other		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	
Ratings, AAA/AA- | European Floating Rate Notes		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	55.00%	85.00%
Ratings, AAA/AA- | European Floating Rate Notes | Germany		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	21.00%	31.00%
Ratings, AAA/AA- | European Floating Rate Notes | United Kingdom		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	72.00%	99.00%
Ratings, AAA/AA- | European Floating Rate Notes | Ireland		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		92.00%
Ratings, AAA/AA- | European Floating Rate Notes | Italy		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | European Floating Rate Notes | Australia		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		

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Percentage of fair value	91.00%	100.00%
Ratings, AAA/AA- | European Floating Rate Notes | Netherlands		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	35.00%	78.00%
Ratings, AAA/AA- | European Floating Rate Notes | France		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Sovereign Debt		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Sovereign Debt | Germany		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Sovereign Debt | Other		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	97.00%	93.00%
Ratings, AAA/AA- | Sovereign Debt | United Kingdom		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Sovereign Debt | Netherlands		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Sovereign Debt | France		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, AAA/AA- | Grantor Trust Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	2.00% [2]	3.00% [2]
Ratings, AAA/AA- | Grantor Trust Alt-A RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	5.00% [2]	2.00% [2]
Ratings, AAA/AA- | Grantor Trust Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		22.00% [2]
Ratings, AAA/AA- | Grantor Trust Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		2.00% [2]
Ratings, AAA/AA- | Grantor Trust Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		2.00% [2]
Ratings, AAA/AA- | Grantor Trust Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	9.00% [2]	49.00% [2]

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Ratings, AAA/AA- | Grantor Trust Sub Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	2.00% [2]	14.00% [2]
Ratings, AAA/AA- | Grantor Trust Sub Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	5.00% [2]	53.00% [2]
Ratings, A+/A- | Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	3.00%	4.00%
Ratings, A+/A- | Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	13.00%	25.00%
Ratings, A+/A- | Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	19.00%	16.00%
Ratings, A+/A- | Prime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	4.00%	28.00%
Ratings, A+/A- | Prime RMBS | 2006		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		39.00%
Ratings, A+/A- | Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	38.00%	12.00%
Ratings, A+/A- | Subprime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	14.00%	13.00%
Ratings, A+/A- | Subprime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	2.00%	8.00%
Ratings, A+/A- | Subprime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	12.00%	12.00%
Ratings, A+/A- | Subprime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	15.00%	13.00%
Ratings, A+/A- | Commercial MBS | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	14.00%	5.00%
Ratings, A+/A- | Commercial MBS | 2008 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	84.00%	
Ratings, A+/A- | Commercial MBS | 2007 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		

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Percentage of fair value	26.00%	8.00%
Ratings, A+/A- | Commercial MBS | 2006 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	15.00%	10.00%
Ratings, A+/A- | Commercial MBS | 2005 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	6.00%	
Ratings, A+/A- | Commercial MBS | 2004 and earlier | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	2.00%	
Ratings, A+/A- | Foreign Covered Bonds | Germany		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	1.00%	1.00%
Ratings, A+/A- | European Floating Rate Notes		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	34.00%	15.00%
Ratings, A+/A- | European Floating Rate Notes | Germany		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	6.00%	69.00%
Ratings, A+/A- | European Floating Rate Notes | United Kingdom		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	28.00%	1.00%
Ratings, A+/A- | European Floating Rate Notes | Ireland		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	50.00%	8.00%
Ratings, A+/A- | European Floating Rate Notes | Luxembourg		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, A+/A- | European Floating Rate Notes | Australia		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	9.00%	
Ratings, A+/A- | European Floating Rate Notes | Netherlands		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	65.00%	22.00%
Ratings, A+/A- | Sovereign Debt | Other		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	3.00%	6.00%
Ratings, A+/A- | Grantor Trust Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		4.00% [2]
Ratings, A+/A- | Grantor Trust Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	4.00% [2]	46.00% [2]
Ratings, A+/A- | Grantor Trust Prime RMBS		

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Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	2.00% [2]	3.00% [2]
Ratings, A+/A- | Grantor Trust Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	4.00% [2]	5.00% [2]
Ratings, A+/A- | Grantor Trust Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		47.00% [2]
Ratings, A+/A- | Grantor Trust Sub Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	10.00% [2]	
Ratings, A+/A- | Grantor Trust Sub Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	34.00% [2]	
Ratings, BBB+/BBB- | Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	11.00%	1.00%
Ratings, BBB+/BBB- | Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	47.00%	5.00%
Ratings, BBB+/BBB- | Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	5.00%	8.00%
Ratings, BBB+/BBB- | Prime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		7.00%
Ratings, BBB+/BBB- | Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		14.00%
Ratings, BBB+/BBB- | Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	11.00%	6.00%
Ratings, BBB+/BBB- | Subprime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	21.00%	7.00%
Ratings, BBB+/BBB- | Subprime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	98.00%	92.00%
Ratings, BBB+/BBB- | Subprime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	29.00%	12.00%
Ratings, BBB+/BBB- | Subprime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		

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Percentage of fair value	18.00%	5.00%
Ratings, BBB+/BBB- | Commercial MBS | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	2.00%	3.00%
Ratings, BBB+/BBB- | Commercial MBS | 2007 | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	8.00%	9.00%
Ratings, BBB+/BBB- | Commercial MBS | 2004 and earlier | Domestic		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	1.00%	
Ratings, BBB+/BBB- | European Floating Rate Notes		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	11.00%	
Ratings, BBB+/BBB- | European Floating Rate Notes | Germany		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	73.00%	
Ratings, BBB+/BBB- | European Floating Rate Notes | Ireland		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	47.00%	
Ratings, BBB+/BBB- | Grantor Trust Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	3.00% [2]	3.00% [2]
Ratings, BBB+/BBB- | Grantor Trust Alt-A RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	1.00% [2]	4.00% [2]
Ratings, BBB+/BBB- | Grantor Trust Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	27.00% [2]	19.00% [2]
Ratings, BBB+/BBB- | Grantor Trust Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	1.00% [2]	
Ratings, BBB+/BBB- | Grantor Trust Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		1.00% [2]
Ratings, BBB+/BBB- | Grantor Trust Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	22.00% [2]	
Ratings, BB+ and lower | Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	80.00%	84.00%
Ratings, BB+ and lower | Alt-A RMBS | 2006-2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%

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Ratings, BB+ and lower | Alt-A RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	100.00%
Ratings, BB+ and lower | Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	13.00%	
Ratings, BB+ and lower | Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	48.00%	24.00%
Ratings, BB+ and lower | Prime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	58.00%	15.00%
Ratings, BB+ and lower | Prime RMBS | 2006		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00%	61.00%
Ratings, BB+ and lower | Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	68.00%	47.00%
Ratings, BB+ and lower | Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	22.00%	3.00%
Ratings, BB+ and lower | Subprime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	57.00%	16.00%
Ratings, BB+ and lower | Subprime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	36.00%	51.00%
Ratings, BB+ and lower | Subprime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	62.00%	8.00%
Ratings, BB+ and lower | European Floating Rate Notes | Ireland		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	3.00%	
Ratings, BB+ and lower | Sovereign Debt | Other		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value		1.00%
Ratings, BB+ and lower | Grantor Trust Alt-A RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	95.00% [2]	90.00% [2]
Ratings, BB+ and lower | Grantor Trust Alt-A RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Alt-A RMBS | 2006		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		

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Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Alt-A RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	94.00% [2]	94.00% [2]
Ratings, BB+ and lower | Grantor Trust Alt-A RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	69.00% [2]	13.00% [2]
Ratings, BB+ and lower | Grantor Trust Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	97.00% [2]	95.00% [2]
Ratings, BB+ and lower | Grantor Trust Prime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Prime RMBS | 2006		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	96.00% [2]	92.00% [2]
Ratings, BB+ and lower | Grantor Trust Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	69.00% [2]	4.00% [2]
Ratings, BB+ and lower | Grantor Trust Sub Prime RMBS		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	88.00% [2]	86.00% [2]
Ratings, BB+ and lower | Grantor Trust Sub Prime RMBS | 2007		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Sub Prime RMBS | 2006		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Sub Prime RMBS | 2005		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	100.00% [2]	100.00% [2]
Ratings, BB+ and lower | Grantor Trust Sub Prime RMBS | 2004 and earlier		
Fair Value, Assets and Liabilities Measured on Recurring Basis [Line Items]		
Percentage of fair value	61.00% [2]	47.00% [2]

[1] At Dec. 31, 2011 and Dec. 31, 2010, the German foreign covered bonds were considered Level 1 in the valuation hierarchy. All other assets in the table above are primarily Level 2 assets in the valuation hierarchy.

[2] Previously included in the Grantor Trust.

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Nonperforming Assets (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	$ 329		$ 393	
Other assets owned	12		6	
Total nonperforming assets	341	[1]	399	[1]
Domestic				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	319		386	
Domestic | Other Residential Mortgages				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	203		244	
Domestic | Commercial Real Estate				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	40		44	
Domestic | Wealth Management Loans and Mortgages				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	32		59	
Domestic | Financial Institutions				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	23		5	
Domestic | Commercial				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	21		34	
Foreign				
Financing Receivable, Impaired [Line Items]				
Nonperforming loans	$ 10		$ 7	

[1] Loans of consolidated investment management funds are not part of BNY Mellon's loan portfolio. Included in these loans are nonperforming loans of $101 million at Dec. 31, 2011 and $218 million at Dec. 31, 2010. These loans are recorded at fair value and therefore do not impact the provision for credit losses and allowance for loan losses, and accordingly are excluded from the nonperforming assets table above.

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Summary of Trust Preferred Securities Issued by Trusts (Parenthetical) (Detail)	Dec. 31, 2011
Translated from Sterling into U.S. dollars on a basis of U.S. to Pound Sterling, rate of exchange	1.54

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Securities (Tables)

[Amortized Cost and Fair Values of Securities]

12 Months Ended
Dec. 31, 2011

The following tables present the amortized cost, the gross unrealized gains and losses and the fair value of securities at Dec. 31, 2011 and 2010.

Securities at Dec. 31, 2011 *(in millions)*	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value
Available-for-sale:				
U.S. Treasury	**$ 16,814**	**$514**	**$2**	**$17,326**
U.S. Government agencies	**932**	**26**	**-**	**958**
State and political subdivisions	**2,724**	**62**	**47**	**2,739**
Agency RMBS	**26,232**	**575**	**11**	**26,796**
Alt-A RMBS	**306**	**9**	**42**	**273**
Prime RMBS	**916**	**1**	**102**	**815**
Subprime RMBS	**606**	**2**	**190**	**418**
Other RMBS	**1,133**	**-**	**230**	**903**
Commercial MBS	**3,327**	**89**	**77**	**3,339**
Asset-backed CLOs	**1,480**	**1**	**37**	**1,444**
Other asset-backed securities	**527**	**8**	**3**	**532**
Foreign covered bonds	**2,410**	**18**	**3**	**2,425**
Other debt securities	**16,016**	**339**	**38**	**16,317** *(a)*
Equity securities	**26**	**4**	**-**	**30**
Money market funds	**973**	**-**	**-**	**973**
Alt-A RMBS *(b)*	**1,790**	**157**	**68**	**1,879**
Prime RMBS *(b)*	**1,090**	**106**	**21**	**1,175**
Subprime RMBS *(b)*	**122**	**6**	**3**	**125**
Total securities available-for-sale	**77,424**	**1,917**	**874**	**78,467**
Held-to-maturity:				
U.S. Treasury	**813**	**53**	**-**	**866**
State and political subdivisions	**100**	**3**	**-**	**103**
Agency RMBS	**658**	**39**	**-**	**697**
Alt-A RMBS	**153**	**4**	**19**	**138**
Prime RMBS	**121**	**-**	**10**	**111**
Subprime RMBS	**28**	**-**	**3**	**25**
Other RMBS	**1,617**	**47**	**93**	**1,571**
Commercial MBS	**28**	**-**	**2**	**26**
Other securities	**3**	**-**	**-**	**3**
Total securities held-to-maturity	**3,521**	**146**	**127**	**3,540**
Total securities	**$ 80,945**	**$2,063**	**$1,001**	**$82,007**

(a) Includes $13.1 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.

(b) Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.

Securities at Dec. 31, 2010 *(in millions)*	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value
Available-for-sale:				
U.S. Treasury	$ 12,650	$97	$138	$12,609
U.S. Government agencies	1,007	2	4	1,005
State and political subdivisions	559	4	55	508
Agency RMBS	19,383	387	43	19,727
Alt-A RMBS	475	34	39	470
Prime RMBS	1,305	8	86	1,227
Subprime RMBS	696	-	188	508
Other RMBS	1,665	1	335	1,331
Commercial MBS	2,650	89	100	2,639
Asset-backed CLOs	263	-	14	249
Other asset-backed securities	532	9	2	539
Foreign covered bonds	2,884	-	16	2,868
Other debt securities	11,800	148	57	11,891 *(a)*
Equity securities	36	11	-	47
Money market funds	2,538	-	-	2,538
Alt-A RMBS *(b)*	2,164	364	15	2,513
Prime RMBS *(b)*	1,626	205	6	1,825
Subprime RMBS *(b)*	128	30	-	158
Total securities available-for-sale	62,361	1,389	1,098	62,652

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Held-to-maturity:				
State and political subdivisions	119	2	-	121
Agency RMBS	397	33	-	430
Alt-A RMBS	215	5	19	201
Prime RMBS	149	2	5	146
Subprime RMBS	28	-	3	25
Other RMBS	2,709	69	81	2,697
Commercial MBS	34	-	1	33
Other securities	4	-	-	4
Total securities held-to-maturity	3,655	111	109	3,657
Total securities	$ 66,016	$1,500	$1,207	$66,309

(a) Includes $11.0 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.

(b) Previously included in the Grantor Trust.

Realized Gross Gains, Realized Gross Losses and Recognized Gross Impairments on Securities

Net securities gains (losses) *(in millions)*	**2011**	2010	2009
Realized gross gains	**$183**	$48	$130
Realized gross losses	**(56)**	(5)	(1,648)
Recognized gross impairments	**(79)**	(16)	(3,851)
Total net securities gains (losses)	**$48**	$27	$(5,369)

Aggregate Fair Value of Investments with a Continuous Unrealized Loss Position

The following tables show the aggregate related fair value of investments with a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or more.

Temporarily impaired securities at Dec. 31, 2011	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
U.S. Treasury	**$118**	**$ 2**	**$-**	**$ -**	**$118**	**$ 2**
State and political subdivisions	**483**	**2**	**157**	**45**	**640**	**47**
Agency RMBS	**3,844**	**10**	**140**	**1**	**3,984**	**11**
Alt-A RMBS	**132**	**16**	**69**	**26**	**201**	**42**
Prime RMBS	**324**	**25**	**447**	**77**	**771**	**102**
Subprime RMBS	**-**	**-**	**400**	**190**	**400**	**190**
Other RMBS	**5**	**4**	**895**	**226**	**900**	**230**
Commercial MBS	**340**	**2**	**495**	**75**	**835**	**77**
Asset-backed CLOs	**1,143**	**26**	**211**	**11**	**1,354**	**37**
Other asset-backed securities	**60**	**1**	**18**	**2**	**78**	**3**
Foreign covered bonds	**368**	**1**	**406**	**2**	**774**	**3**
Other debt securities	**2,867**	**12**	**54**	**26**	**2,921**	**38**
Alt-A RMBS *(a)*	**595**	**53**	**29**	**15**	**624**	**68**
Prime RMBS *(a)*	**437**	**21**	**-**	**-**	**437**	**21**
Subprime RMBS *(a)*	**50**	**3**	**-**	**-**	**50**	**3**
Total securities available-for-sale	**$10,766**	**$ 178**	**$3,321**	**$ 696**	**$14,087**	**$ 874**
Held-to-maturity:						
Alt-A RMBS	**$69**	**$ 3**	**$42**	**$ 16**	**$111**	**$ 19**
Prime RMBS	**-**	**-**	**56**	**10**	**56**	**10**
Subprime RMBS	**-**	**-**	**25**	**3**	**25**	**3**
Other RMBS	**107**	**2**	**573**	**91**	**680**	**93**
Commercial MBS	**-**	**-**	**26**	**2**	**26**	**2**
Total securities held-to-maturity	**$176**	**$ 5**	**$722**	**$ 122**	**$898**	**$ 127**
Total temporarily impaired securities	**$10,942**	**$ 183**	**$4,043**	**$ 818**	**$14,985**	**$ 1,001**

(a) Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.

Temporarily impaired securities at Dec. 31, 2010	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
U.S. Treasury	$6,519	$ 138	$-	$ -	$6,519	$ 138
U.S. Government agencies	489	4	-	-	489	4
State and political subdivisions	210	39	122	16	332	55
Agency RMBS	5,079	42	206	1	5,285	43
Alt-A RMBS	55	3	104	36	159	39
Prime RMBS	315	13	739	73	1,054	86
Subprime RMBS	3	-	484	188	487	188
Other RMBS	49	17	1,275	318	1,324	335
Commercial MBS	28	1	536	99	564	100
Asset-backed CLOs	-	-	249	14	249	14
Other asset-backed securities	1	-	32	2	33	2

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Foreign covered bonds	2,553	16	-	-	2,553	16
Other debt securities	1,068	37	61	20	1,129	57
Alt-A RMBS *(a)*	196	15	-	-	196	15
Prime RMBS *(a)*	139	6	-	-	139	6
Total securities available-for-sale	$16,704	$ 331	$3,808	$ 767	$20,512	$ 1,098
Held-to-maturity:						
Alt-A RMBS	$18	$ -	$108	$ 19	$126	$ 19
Prime RMBS	-	-	73	5	73	5
Subprime RMBS	-	-	25	3	25	3
Other RMBS	315	5	614	76	929	81
Commercial MBS	-	-	33	1	33	1
Total securities held-to-maturity	$333	$ 5	$853	$ 104	$1,186	$ 109
Total temporarily impaired securities	$17,037	$ 336	$4,661	$ 871	$21,698	$ 1,207

(a) Previously included in the Grantor Trust.

Amortized Cost and Fair Values of Securities by Contractual Maturity

The following table shows the maturity distribution by carrying amount and yield (on a tax equivalent basis) of our investment securities portfolio at Dec. 31, 2011.

Investment securities portfolio	U.S. Treasury		U.S Government agency		State and political subdivisions		Other bonds, notes and debentures		Mortgage/ asset-backed and equity securities		
(dollars in millions)	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Total
Securities available-for-sale:											
One year or less	$1,165	0.96 %	$ -	- %	$60	1.44 %	$5,005	1.47 %	$-	- %	**$6,230**
Over 1 through 5 years	11,618	1.03	958	1.63	1,155	1.93	11,547	1.40	-	-	**25,278**
Over 5 through 10 years	2,313	2.83	-	-	1,063	3.87	731	2.82	-	-	**4,107**
Over 10 years	2,230	3.11	-	-	461	4.80	1,459	3.66	-	-	**4,150**
Mortgage-backed securities	-	-	-	-	-	-	-	-	35,723	4.45	**35,723**
Asset-backed securities	-	-	-	-	-	-	-	-	1,976	1.91	**1,976**
Equity securities *(b)*	-	-	-	-	-	-	-	-	1,003	0.01	**1,003**
Total	$17,326	1.53 %	$ 958	1.63 %	$2,739	3.16 %	$18,742	1.65 %	$38,702	4.20 %	**$78,467**
Securities held-to-maturity:											
One year or less	$-	- %	$ -	- %	$-	- %	$3	- %	$-	- %	**$3**
Over 1 through 5 years	413	1.71	-	-	1	6.87	-	-	-	-	**414**
Over 5 through 10 years	400	2.62	-	-	32	6.66	-	-	-	-	**432**
Over 10 years	-	-	-	-	67	6.58	-	-	-	-	**67**
Mortgage-backed securities	-	-	-	-	-	-	-	-	2,605	2.68	**2,605**
Total	$813	2.17 %	$ -	- %	$100	6.60 %	$3	- %	$2,605	2.68 %	**$3,521**

(a) Yields are based upon the amortized cost of securities.

(b) Includes money market funds.

Projected Weighted-Average Default Rates and Loss Severities

The table below shows the projected weighted-average default rates and loss severities for the 2007, 2006 and late 2005 non-agency RMBS at Dec. 31, 2011 and 2010.

Projected weighted-average default rates and severities	**Dec. 31, 2011**		Dec. 31, 2010	
	Default Rate	**Severity**	Default Rate	Severity
Alt-A	**44 %**	**57 %**	42 %	49 %
Subprime	**63 %**	**73 %**	68 %	65 %
Prime	**25 %**	**43 %**	20 %	42 %

Pre-Tax Securities Gains (Losses) by Type

The following table provides pre-tax net securities gains (losses) by type.

Net securities gains (losses) *(in millions)*	**2011**	2010	2009
U.S. Treasury	**$77**	$15	$-
Agency RMBS	**8**	15	-
Alt-A RMBS	**(36)**	(13)	(3,113)
Prime RMBS	**(1)**	-	(1,008)
Subprime RMBS	**(21)**	(4)	(322)
European floating rate notes	**(39)**	(3)	(269)
Sovereign debt	**36**	-	-
Home equity lines of credit	**-**	-	(205)
Commercial MBS	**-**	-	(89)
Grantor Trust	**-**	-	(39)
Credit cards	**-**	-	(26)
ABS CDOs	**-**	-	(23)
Other	**24**	17	(275)

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Total net securities gains (losses)	**$48**	$27	$(5,369)

Debt Securities Credit Losses Roll Forward Recorded in Earnings

The following table reflects investment securities credit losses recorded in earnings. The beginning balance represents the credit loss component for which OTTI occurred on debt securities in prior periods. The additions represent the first time a debt security was credit impaired or when subsequent credit impairments have occurred. The deductions represent credit losses on securities that have been sold, are required to be sold or it is our intention to sell.

Debt securities credit loss roll forward		
(in millions)	**2011**	2010
Beginning balance as of Jan. 1	**$182**	$244
Add: Initial OTTI credit losses	**61**	10
Subsequent OTTI credit losses	**18**	6
Less: Realized losses for securities sold / consolidated	**8**	78
Ending balance as of Dec. 31	**$253**	$182

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Employee benefit plans (Tables)

12 Months Ended Dec. 31, 2011

[Combined Data for Domestic and Foreign Defined Benefit Pension and Post Retirement Healthcare Plans]

The following tables report the combined data for our domestic and foreign defined benefit pension and post-retirement healthcare plans.

	Pension Benefits				Healthcare Benefits			
	Domestic		Foreign		Domestic		Foreign	
(dollar amounts in millions)	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Weighted-average assumptions used to determine benefit obligations								
Discount rate	**4.75 %**	5.71 %	**4.97%**	5.29%	**4.75%**	5.71%	**5.00%**	5.40%
Rate of compensation increase	**3.00**	3.50	**3.57**	4.47	**3.00**	3.50	**-**	-
Change in benefit obligation *(a)*								
Benefit obligation at beginning of period	**$(3,139)**	$(2,835)	**$(626)**	$(555)	**$(232)**	$(242)	**$(3)**	$(3)
Service cost	**(64)**	(90)	**(33)**	(28)	**(2)**	(2)	**-**	-
Interest cost	**(174)**	(171)	**(36)**	(30)	**(13)**	(14)	**-**	-
Employee contributions	**-**	-	**(1)**	(1)	**-**	-	**-**	-
Amendments	**-**	26	**-**	(3)	**-**	-	**-**	-
Actuarial gain (loss)	**(397)**	(224)	**(5)**	(28)	**(67)**	5	**(1)**	-
(Acquisitions) divestitures	**-**	-	**-**	(11)	**-**	-	**-**	-
Curtailments	**(5)**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**140**	155	**12**	10	**26**	21	**-**	-
Foreign exchange adjustment	**N/A**	N/A	**5**	20	**N/A**	N/A	**-**	-
Benefit obligation at end of period	**(3,639)**	(3,139)	**(684)**	(626)	**(288)**	(232)	**(4)**	(3)
Change in fair value of plan assets								
Fair value at beginning of period	**3,628**	3,331	**611**	540	**71**	66	**-**	-
Actual return on plan assets	**26**	427	**30**	70	**2**	5	**-**	-
Employer contributions	**15**	25	**56**	21	**26**	21	**-**	-
Employee contributions	**-**	-	**1**	1	**-**	-	**-**	-
Acquisitions (divestitures)	**-**	-	**-**	10	**-**	-	**-**	-
Benefit payments	**(140)**	(155)	**(12)**	(10)	**(26)**	(21)	**-**	-
Foreign exchange adjustment	**N/A**	N/A	**(5)**	(21)	**N/A**	N/A	**-**	-
Fair value at end of period	**3,529**	3,628	**681**	611	**73**	71	**-**	-
Funded status at end of period	**$(110)**	$489	**$(3)**	$(15)	**$(215)**	$(161)	**$(4)**	$(3)
Amounts recognized in accumulated other comprehensive (income) loss consist of:								
Net loss (gain)	**$2,126**	$1,582	**$188**	$177	**$124**	$56	**$(2)**	$(4)
Prior service cost (credit)	**(78)**	(94)	**3**	3	**(3)**	(4)	**-**	-
Net initial obligation (asset)	**-**	-	**-**	-	**3**	8	**-**	-
Total (before tax effects)	**$2,048**	$1,488	**$191**	$180	**$124**	$60	**$(2)**	$(4)

(a) The benefit obligation for pension benefits is the projected benefit obligation and for healthcare benefits, it is the accumulated benefit obligation.

[Net Periodic Benefit Cost (Credit)]

Net periodic benefit cost (credit)	Pension Benefits						Healthcare Benefits					
	Domestic			Foreign			Domestic			Foreign		
(dollar amounts in millions)	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009
Weighted-average assumptions as of Jan. 1:												
Market-related value of plan assets	**$3,836**	$3,861	$3,651	**$624**	$529	$459	**$78**	$76	$77	**N/A**	N/A	N/A
Discount rate	**5.71 %**	6.21 %	6.38 %	**5.29%**	5.74%	6.18%	**5.71%**	6.21%	6.38%	**5.40%**	5.85%	6.25%

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Expected rate of return on plan assets	**7.50**	8.00	8.00	**6.38**	6.69	6.40	**7.50**	8.00	8.00	**N/A**	N/A	N/A
Rate of compensation increase	**3.50**	3.50	3.50	**4.47**	4.64	4.11	**3.50**	3.50	3.50	**N/A**	N/A	N/A
Components of net periodic benefit cost (credit):												
Service cost	**$64**	$90	$96	**$33**	$28	$20	**$2**	$2	$2	**$-**	$-	$-
Interest cost	**174**	171	160	**36**	30	24	**13**	14	16	**-**	-	-
Expected return on assets	**(282)**	(303)	(295)	**(43)**	(37)	(32)	**(6)**	(6)	(6)	**-**	-	-
Amortization of:												
Net initial obligation (asset)	**-**	-	-	**-**	-	-	**5**	4	4	**-**	-	-
Prior service cost (credit)	**(16)**	(14)	(14)	**-**	-	-	**(1)**	-	-	**-**	-	-
Net actuarial (gain) loss	**109**	71	26	**14**	11	3	**3**	5	5	**(1)**	(1)	(1)
Settlement (gain) loss	**-**	-	5	**-**	-	-	**-**	-	-	**-**	-	-
Curtailment (gain) loss	**5**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Other	**-**	-	(10)	**(1)**	-	-	**-**	-	-	**-**	-	-
Net periodic benefit cost (credit)	**$54**	$15	$(32) *(a)*	**$39**	**$32**	$15	**$16**	$19	$21	**$(1)**	$(1)	$(1)

(a) Includes discontinued operations.

Changes in Other Comprehensive Income Loss

Changes in other comprehensive (income) loss in 2011	Pension Benefits		Healthcare Benefits	
(in millions)	Domestic	Foreign	Domestic	Foreign
Net loss (gain) arising during period	**$ 653**	**$ 22**	**$ 71**	**$ 1**
Recognition of prior years' net gain (loss)	**(109)**	**(14)**	**(3)**	**1**
Prior service cost (credit) arising during period	**-**	**-**	**-**	**-**
Recognition of prior years' service (cost) credit	**16**	**-**	**1**	**-**
Recognition of net initial (obligation) asset	**-**	**-**	**(5)**	**-**
Foreign exchange adjustment	**N/A**	**3**	**-**	**-**
Total recognized in other comprehensive (income) loss (before tax effects)	**$ 560**	**$ 11**	**$ 64**	**$ 2**

Amounts Expected to be Recognized in Net Periodic Benefit Cost Income

Amounts expected to be recognized in net periodic benefit cost (income) in 2012 (before tax effects)	Pension Benefits		Healthcare Benefits	
(in millions)	Domestic	Foreign	Domestic	Foreign
(Gain) loss recognition	**$ 167**	**$ 12**	**$ 9**	**$ -**
Prior service cost recognition	**(16)**	**-**	**-**	**-**
Net initial obligation (asset) recognition	**-**	**-**	**3**	**-**

Defined Benefit Plan Funded Status of Plan

	Domestic		Foreign	
(in millions)	**2011**	2010	**2011**	2010
Pension benefits:				
Prepaid benefit cost	**$103**	$680	**$41**	$52
Accrued benefit cost	**(213)**	(191)	**(44)**	(67)
Total pension benefits	**$(110)**	$489	**$(3)**	$(15)
Healthcare benefits:				
Accrued benefit cost	**$(215)**	$(161)	**$(4)**	$(3)
Total healthcare benefits	**$(215)**	$(161)	**$(4)**	$(3)

Plans with Obligations in Excess of Plan Assets

Plans with obligations in excess of plan assets	Domestic	Foreign

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(in millions)	2011	2010	2011	2010
Projected benefit obligation	**$234**	$212	**$35**	$32
Accumulated benefit obligation	**233**	211	**29**	26
Fair value of plan assets	**20**	21	**3**	2

Pension Investment Asset Allocation

Our pension assets were invested as follows at Dec. 31, 2011 and 2010:

Asset allocations	Domestic		Foreign	
	2011	2010	**2011**	2010
Equities	**52 %**	57 %	**64 %**	55 %
Fixed income	**38**	33	**29**	28
Private equities	**3**	3	**-**	-
Alternative investment	**6**	6	**3**	9
Real estate	**-**	-	**3**	3
Cash	**1**	1	**1**	5
Total pension benefits	**100 %**	100 %	**100 %**	100 %

Benefit Payments for BNY Mellons Pension and Healthcare Plans Expected to be Paid

The following benefit payments for BNY Mellon's pension and healthcare plans, which reflect expected future service as appropriate, are expected to be paid:

Expected benefit payments (in millions)	**Domestic**	**Foreign**
Pension benefits:		
Year 2012	$ 177	$ 9
2013	183	11
2014	197	11
2015	213	13
2016	233	17
2017-2021	1,256	101
Total pension benefits	$ 2,259	$ 162
Healthcare benefits:		
Year 2012	$ 24	$ -
2013	24	-
2014	24	-
2015	24	-
2016	25	-
2017-2021	119	1
Total healthcare benefits	$ 240	$ 1

Pension and Postretirement Plan Investment Assets Measured at Fair Value on a Recurring Basis

The following tables present the fair value of each major category of plan assets as of Dec. 31, 2011 and Dec. 31, 2010, by captions and by ASC 820 valuation hierarchy. There were no transfers between Level 1 and Level 2.

Plan assets measured at fair value on a recurring basis— domestic plans at Dec. 31, 2011 (in millions)	Level 1	Level 2	Level 3	Total fair value
Collective trust funds	**$-**	**$1,070**	**$ -**	**$ 1,070**
Common and preferred stock	**893**	**-**	**-**	**893**
Corporate debt obligations	**-**	**792**	**-**	**792**
U.S. and sovereign government obligations	**385**	**83**	**-**	**468**
Funds of funds	**-**	**-**	**128**	**128**
Venture capital and partnership interests	**-**	**-**	**121**	**121**
Exchange traded funds	**57**	**-**	**-**	**57**
Total domestic plan assets, at fair value	**$1,335**	**$1,945**	**$ 249**	**$ 3,529**

Plan assets measured at fair value on a recurring basis— foreign plans at Dec. 31, 2011 (in millions)	Level 1	Level 2	Level 3	Total fair value
Equity funds	**$ 312**	**$ 121**	**$ -**	**$ 433**
Sovereign/government obligation funds	**22**	**102**	**-**	**124**

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Corporate debt funds	**-**	**63**	**14**	**77**
Cash and currency	**7**	**-**	**-**	**7**
Venture capital and partnership interests	**-**	**-**	**40**	**40**
Total foreign plan assets, at fair value	**$ 341**	**$ 286**	**$ 54**	**$ 681**

Plan assets measured at fair value on a recurring basis—domestic plans at Dec. 31, 2010

(in millions)	Level 1	Level 2	Level 3	Total fair value
Collective trust funds	$-	$1,181	$ -	$ 1,181
Common and preferred stock	938	-	-	938
Corporate debt obligations	-	777	-	777
U.S. and sovereign government obligations	271	209	-	480
Funds of funds	-	-	134	134
Venture capital and partnership interests	-	-	115	115
Exchange traded funds	3	-	-	3
Total domestic plan assets, at fair value	$1,212	$2,167	$ 249	$ 3,628

Plan assets measured at fair value on a recurring basis—foreign plans at Dec. 31, 2010

(in millions)	Level 1	Level 2	Level 3	Total fair value
Equity funds	$ 234	$ 126	$ -	$ 360
Sovereign/government obligation funds	57	46	-	103
Corporate debt funds	-	67	14	81
Cash and currency	26	-	-	26
Venture capital and partnership interests	-	-	41	41
Total foreign plan assets, at fair value	$ 317	$ 239	$ 55	$ 611

Rollforward of Plan Investment Assets Including Change in Fair Value Classified in Level 3 of Valuation Hierarchy

The table below includes a rollforward of the plan assets for the years ended Dec. 31, 2011 and 2010 (including the change in fair value), for financial instruments classified in Level 3 of the valuation hierarchy.

Fair value measurements using significant unobservable inputs—domestic plans—for the year ended Dec. 31, 2011

(in millions)	Funds of funds	Venture capital and partnership interests	Total plan assets at fair value
Fair value at Dec. 31, 2010	$ 134	$ 115	$ 249
Total gains or (losses):			
Included in earnings (or changes in net assets)	(2)	20	18
Purchases, issuances, sales and settlements:			
Purchases	-	7	7
Sales	(4)	(21)	(25)
Fair value at Dec. 31, 2011	**$ 128**	**$ 121**	**$ 249**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ 2	$ 8	$ 10

Fair value measurements using significant unobservable inputs—foreign plans—for the year ended Dec. 31, 2011

(in millions)	Corporate debt funds	Venture capital and partnership interests	Total plan assets at fair value
Fair value at Dec. 31, 2010	$ 14	$ 41	$ 55
Total gains or (losses) included in earnings (or changes in net assets)	-	1	1
Purchases, issuances, sales and settlements:			
Purchases	-	4	4
Sales	-	(6)	(6)
Fair value at Dec. 31, 2011	**$ 14**	**$ 40**	**$ 54**

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The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ -	$ 1	$ 1

Fair value measurements using significant unobservable inputs—domestic plans—for the year ended Dec. 31, 2010

(in millions)	Fair value at Dec. 31, 2009	Total realized/ unrealized gains (losses)	Purchases, issuances and settlements, net	Transfers in/out-of Level 3	Fair value at Dec. 31, 2010	Changes in unrealized gains and (losses) related to plan assets held at Dec. 31, 2010
Venture capital and partnership interests	$ 110	$ 8	$ (3)	$ -	$ 115	$ 2
Funds of funds	121	5	8	-	134	2
Total plan assets at fair value	$ 231	$ 13	$ 5	$ -	$ 249	$ 4

Fair value measurements using significant unobservable inputs—foreign plans—for the year ended Dec. 31, 2010

(in millions)	Fair value at Dec. 31, 2009	Total realized/ unrealized gains (losses)	Purchases, issuances and settlements, net	Transfers in/out-of Level 3	Fair value at Dec. 31, 2010	Change in unrealized gains and (losses) related to plan assets held at Dec. 31, 2010
Venture capital and partnership interests	$ 36	$ 5	$ -	$ -	$ 41	$ 5
Corporate debt funds	13	1	-	-	14	1
Total plan assets at fair value	$ 49	$ 6	$ -	$ -	$ 55	$ 6

Pension and Post-Retirement Plan Assets Valued Using Net Asset Value

Venture capital and partnership interests and funds of funds valued using NAV—Dec. 31, 2011

(dollar amounts in millions)	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Venture capital and partnership interests *(a)*	$161	$ 36	N/A	N/A
Funds of funds *(b)*	128	-	Monthly	30-45 days
Total	**$289**	**$ 36**		

(a) Venture capital and partnership interests do not have redemption rights. Distributions from such funds will be received as the underlying investments are liquidated.

(b) Funds of funds include multi-strategy hedge funds that utilize investment strategies that invest over both long-term investment and short-term investment horizons.

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Aggregate Fair Value of Investments with a Continuous Unrealized Loss Position (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	$ 10,942	$ 17,037
Less than 12 months Unrealized losses	183	336
12 months or more Fair value	4,043	4,661
12 months or more Unrealized losses	818	871
Total Fair value	14,985	21,698
Total Unrealized losses	1,001	1,207
Available-for-sale		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	10,766	16,704
Less than 12 months Unrealized losses	178	331
12 months or more Fair value	3,321	3,808
12 months or more Unrealized losses	696	767
Total Fair value	14,087	20,512
Total Unrealized losses	874	1,098
Available-for-sale | U.S. Treasury		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	118	6,519
Less than 12 months Unrealized losses	2	138
Total Fair value	118	6,519
Total Unrealized losses	2	138
Available-for-sale | State And Political Subdivisions		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	483	210
Less than 12 months Unrealized losses	2	39
12 months or more Fair value	157	122
12 months or more Unrealized losses	45	16
Total Fair value	640	332
Total Unrealized losses	47	55
Available-for-sale | Agency RMBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	3,844	5,079
Less than 12 months Unrealized losses	10	42
12 months or more Fair value	140	206
12 months or more Unrealized losses	1	1
Total Fair value	3,984	5,285
Total Unrealized losses	11	43
Available-for-sale | Alt-A RMBS		

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Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	132	55
Less than 12 months Unrealized losses	16	3
12 months or more Fair value	69	104
12 months or more Unrealized losses	26	36
Total Fair value	201	159
Total Unrealized losses	42	39
Available-for-sale	Prime RMBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	324	315
Less than 12 months Unrealized losses	25	13
12 months or more Fair value	447	739
12 months or more Unrealized losses	77	73
Total Fair value	771	1,054
Total Unrealized losses	102	86
Available-for-sale	Subprime RMBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value		3
12 months or more Fair value	400	484
12 months or more Unrealized losses	190	188
Total Fair value	400	487
Total Unrealized losses	190	188
Available-for-sale	Other RMBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	5	49
Less than 12 months Unrealized losses	4	17
12 months or more Fair value	895	1,275
12 months or more Unrealized losses	226	318
Total Fair value	900	1,324
Total Unrealized losses	230	335
Available-for-sale	Commercial MBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	340	28
Less than 12 months Unrealized losses	2	1
12 months or more Fair value	495	536
12 months or more Unrealized losses	75	99
Total Fair value	835	564
Total Unrealized losses	77	100
Available-for-sale	Asset-Backed CLOs		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	1,143	
Less than 12 months Unrealized losses	26	
12 months or more Fair value	211	249
12 months or more Unrealized losses	11	14

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Total Fair value	1,354		249	
Total Unrealized losses	37		14	
Available-for-sale | Other Asset-Backed Securities				
Investments, Unrealized Loss Position [Line Items]				
Less than 12 months Fair value	60		1	
Less than 12 months Unrealized losses	1			
12 months or more Fair value	18		32	
12 months or more Unrealized losses	2		2	
Total Fair value	78		33	
Total Unrealized losses	3		2	
Available-for-sale | Foreign Covered Bonds				
Investments, Unrealized Loss Position [Line Items]				
Less than 12 months Fair value	368		2,553	
Less than 12 months Unrealized losses	1		16	
12 months or more Fair value	406			
12 months or more Unrealized losses	2			
Total Fair value	774		2,553	
Total Unrealized losses	3		16	
Available-for-sale | Other Debt Securities				
Investments, Unrealized Loss Position [Line Items]				
Less than 12 months Fair value	2,867		1,068	
Less than 12 months Unrealized losses	12		37	
12 months or more Fair value	54		61	
12 months or more Unrealized losses	26		20	
Total Fair value	2,921		1,129	
Total Unrealized losses	38		57	
Available-for-sale | Grantor Trust Alt-A RMBS				
Investments, Unrealized Loss Position [Line Items]				
Less than 12 months Fair value	595	[1]	196	[2]
Less than 12 months Unrealized losses	53	[1]	15	[2]
12 months or more Fair value	29	[1]		
12 months or more Unrealized losses	15	[1]		
Total Fair value	624	[1]	196	[2]
Total Unrealized losses	68	[1]	15	[2]
Available-for-sale | Grantor Trust Prime RMBS				
Investments, Unrealized Loss Position [Line Items]				
Less than 12 months Fair value	437	[1]	139	[2]
Less than 12 months Unrealized losses	21	[1]	6	[2]
Total Fair value	437	[1]	139	[2]
Total Unrealized losses	21	[1]	6	[2]
Available-for-sale | Grantor Trust Sub Prime RMBS				
Investments, Unrealized Loss Position [Line Items]				

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Less than 12 months Fair value	50 [1]	
Less than 12 months Unrealized losses	3 [1]	
Total Fair value	50 [1]	
Total Unrealized losses	3 [1]	
Available-for-sale | U.S. Government Agencies		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value		489
Less than 12 months Unrealized losses		4
Total Fair value		489
Total Unrealized losses		4
Held-to-maturity		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	176	333
Less than 12 months Unrealized losses	5	5
12 months or more Fair value	722	853
12 months or more Unrealized losses	122	104
Total Fair value	898	1,186
Total Unrealized losses	127	109
Held-to-maturity | Alt-A RMBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	69	18
Less than 12 months Unrealized losses	3	
12 months or more Fair value	42	108
12 months or more Unrealized losses	16	19
Total Fair value	111	126
Total Unrealized losses	19	19
Held-to-maturity | Prime RMBS		
Investments, Unrealized Loss Position [Line Items]		
12 months or more Fair value	56	73
12 months or more Unrealized losses	10	5
Total Fair value	56	73
Total Unrealized losses	10	5
Held-to-maturity | Subprime RMBS		
Investments, Unrealized Loss Position [Line Items]		
12 months or more Fair value	25	25
12 months or more Unrealized losses	3	3
Total Fair value	25	25
Total Unrealized losses	3	3
Held-to-maturity | Other RMBS		
Investments, Unrealized Loss Position [Line Items]		
Less than 12 months Fair value	107	315
Less than 12 months Unrealized losses	2	5
12 months or more Fair value	573	614

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12 months or more Unrealized losses	91	76
Total Fair value	680	929
Total Unrealized losses	93	81
Held-to-maturity | Commercial MBS		
Investments, Unrealized Loss Position [Line Items]		
12 months or more Fair value	26	33
12 months or more Unrealized losses	2	1
Total Fair value	26	33
Total Unrealized losses	$ 2	$ 1

[1] Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.

[2] Previously included in the Grantor Trust.

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Consolidated Income Statement (USD $) In Millions, except Share data in Thousands, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Investment services fees:						
Foreign exchange and other trading revenue	$ 848		$ 886		$ 1,036	
Net securities gains (losses)	48		27		(5,369)	
Total fee and other revenue	11,696	[1]	10,891	[2]	4,739	
Net interest revenue						
Interest revenue	3,588		3,470	[3]	3,508	[3]
Interest expense	604		545	[3]	593	[3]
Net interest revenue	2,984		2,925	[3]	2,915	[3]
Provision for credit losses	1		11	[3]	332	[3]
Net interest revenue after provision for credit losses	2,983		2,914	[3]	2,583	[3]
Noninterest expense						
Staff	5,726		5,215	[3]	4,700	[3]
Professional, legal and other purchased services	1,217		1,099	[3]	1,017	[3]
Net occupancy	624		588	[3]	564	[3]
Software	485		410	[3]	367	[3]
Distribution and servicing	416		377	[3]	393	[3]
Furniture and equipment	330		315	[3]	309	[3]
Sub-custodian	298		247	[3]	203	[3]
Business development	261		271	[3]	214	[3]
Other	1,147		1,060	[3]	954	[3]
Subtotal	10,504		9,582	[3]	8,721	[3]
Amortization of intangible assets	428		421	[3]	426	[3]
Restructuring charges	89		28	[3]	150	[3]
Merger and integration expenses	91		139	[3]	233	[3]
Total noninterest expense	11,112		10,170	[3]	9,530	[3]
Income						
Income (loss) from continuing operations before income taxes	3,617		3,694	[3],[4],[5]	(2,208)	[3],[4],[5]
Provision (benefit) for income taxes	1,048		1,047	[3],[5]	(1,395)	[3],[5]
Net income (loss) from continuing operations	2,569		2,647	[3],[4]	(813)	[3],[4]
Discontinued operations:						
Loss from discontinued operations			(110)	[3]	(421)	[3]
Benefit for income taxes			(44)	[3]	(151)	[3]
Net income (loss) from discontinued operations			(66)	[3]	(270)	[3]

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Net income (loss)	2,569		2,581	[3]	(1,083)	[3]
Net (income) attributable to noncontrolling interests	(53)		(63)	[3]	(1)	[3]
Redemption charge and preferred dividends					(283)	[3]
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	2,516		2,518	[3]	(1,367)	[3]
Reconciliation of net income (loss) from continuing operations to the net income applicable to common shareholders of The Bank of New York Mellon Corporation						
Net income (loss) from continuing operations	2,569		2,647	[3],[4]	(813)	[3],[4]
Net (income) attributable to noncontrolling interests	(53)		(63)		(1)	
Redemption charge and preferred dividends					(283)	[3]
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation	2,516		2,584		(1,097)	
Net loss from discontinued operations			(66)		(270)	
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation	2,516		2,518	[3]	(1,367)	[3]
Less: Earnings allocated to participating securities	27		23			
Excess of redeemable value over the fair value of noncontrolling interests	9					
Net income (loss) applicable to common shareholders of The Bank of New York Mellon Corporation after required adjustments for the calculation of basic and diluted earnings per share	2,480		2,495		(1,367)	
Average common shares and equivalents outstanding of The Bank of New York Mellon Corporation						
Basic	1,220,804		1,212,630		1,178,907	
Common stock equivalents	8,425		9,508			
Less: Participating securities	6,203		5,924			
Diluted	1,223,026		1,216,214		1,178,907	[6]
Anti-dilutive securities	86,270	[7]	87,058	[7]	98,112	[7]
Basic:						
Net income (loss) from continuing operations	$ 2.03	[8]	$ 2.11	[8]	$ (0.93)	[8]
Net loss from discontinued operations			$ (0.05)	[8]	$ (0.23)	[8]
Net income (loss) applicable to common stock	$ 2.03	[8]	$ 2.06	[8]	$ (1.16)	[8]
Diluted:						
Net income (loss) from continuing operations	$ 2.03	[8]	$ 2.11	[8]	$ (0.93)	[8]
Net loss from discontinued operations			$ (0.05)	[8]	$ (0.23)	[8]
Net income (loss) applicable to common stock	$ 2.03	[8]	$ 2.05	[8],[9]	$ (1.16)	[8]
Operations						
Investment services fees:						

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Asset servicing	3,697	3,076	[3]	2,573	[3]
Issuer services	1,445	1,460	[3]	1,463	[3]
Clearing services	1,159	1,005	[3]	962	[3]
Treasury services	535	530	[3]	519	[3]
Total investment services fees	6,836	6,071	[3]	5,517	[3]
Investment management and performance fees	3,002	2,868	[3]	2,677	[3]
Foreign exchange and other trading revenue	848	886	[3]	1,036	[3]
Distribution and servicing	187	210	[3]	326	[3]
Financing-related fees	170	195	[3]	215	[3]
Investment income	258	308	[3]	226	[3]
Other	197	159	[3]	111	[3]
Total fee revenue	11,498	10,697	[3]	10,108	[3]
Net securities gains (losses)-including other-than-temporary impairment	(86)	(43)	[3]	(5,552)	[3]
Non-credit-related gains (losses) on securities not expected to be sold (recognized in OCI)	(134)	(70)	[3]	(183)	[3]
Net securities gains (losses)	48	27	[3]	(5,369)	[3]
Total fee and other revenue	11,546	10,724	[3]	4,739	[3]
Investment Management Funds					
Investment services fees:					
Investment income	670	663	[3]		
Interest of investment management fund note holders	470	437	[3]		
Income of consolidated investment management funds	200	226	[3]		
Total fee and other revenue	150	167			
Discontinued operations:					
Net (income) attributable to noncontrolling interests	$ (50)	$ (59)	[3]		

[1] Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

[2] Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

[3] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[4] Presented on a continuing operations basis.

[5] Based on continuing operations for 2010 and 2009.

[6] Diluted earnings per share for the year ended Dec. 31, 2009, was calculated using average basic shares. Adding back the dilutive shares would be anti-dilutive.

[7] Represents stock options, restricted stock, restricted stock units, participating securities and warrants outstanding but not included in the computation of diluted average common shares because their effect would be anti-dilutive.

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[8] Basic and diluted earnings per share under the two-class method are determined on the net income reported on the income statement less earnings allocated to participating securities, and the excess of redeemable value over the fair value of noncontrolling interests.

[9] Does not foot due to rounding.

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Other noninterest expense (Tables)	**12 Months Ended Dec. 31, 2011**
Other Non-Interest Expense	The following table provides a breakdown of other noninterest expense presented on the consolidated income statement.

Other noninterest expense

(in millions)	**2011**	2010	2009
Litigation	**$210**	$217	$34
Communications	**173**	140	115
Clearing	**135**	127	117
Other	**629**	576	688
Total other	**$1,147**	$1,060	$954

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Other Assets (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]		
Corporate/bank owned life insurance	$ 4,216	$ 4,071
Accounts receivable	4,208	3,506
Equity in joint ventures and other investments	2,677 [1]	2,643 [1]
Income taxes receivable	2,573	2,826
Fair value of hedging derivatives	1,600	836
Software	986	896
Fails to deliver	961	1,428
Prepaid expenses	784	834
Due from customers on acceptances	321	424
Prepaid pension assets	144	732
Other	1,369	594
Total other assets	$ 19,839	$ 18,790

[1] Includes Federal Reserve Bank stock of $429 million and $400 million, respectively, at cost.

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Nonvested Restricted Stock, RSUs and TSRs Activity (Parenthetical) (Detail) (Restricted Stock Units, Executive Committee, USD $)	12 Months Ended
	Dec. 31, 2011
Restricted Stock Units | Executive Committee	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Shares granted	817,698
Shares granted, weighted-average fair value	$ 19.91

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Summary of Trust Preferred Securities Issued by Trusts (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	
Amount	$ 1,659	
Assets of trust	1,676	[1]
BNY Institutional Capital Trust A		
Amount	300	
Interest rate	7.78%	
Assets of trust	309	[1]
Call price	101.95%	[2]
Due date	2026	
Call date	2006	
BNY Capital IV		
Amount	200	
Interest rate	6.88%	
Assets of trust	206	[1]
Due date	2028	
Call date	2004	
BNY Capital V		
Amount	350	
Interest rate	5.95%	
Assets of trust	361	[1]
Due date	2033	
Call date	2008	
MEL Capital III		
Amount	309	[3]
Interest rate	6.37%	[3]
Assets of trust	300	[1],[3]
Due date	2036	[3]
Call date	2016	[3]
MEL Capital IV		
Amount	500	
Interest rate	6.24%	
Assets of trust	$ 500	[1]
Call date	2012	

[1] Junior subordinated debentures and interest in stock purchase contracts for Mellon Capital IV.
[2] Call price decreases ratably to par in the year 2016.
[3] Amount was translated from Sterling into U.S. dollars on a basis of U.S. $1.54 to £1, the rate of exchange on Dec. 31, 2011.

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Consolidated Statement of Cash Flows (USD $) In Millions, unless otherwise specified	12 Months Ended				
	Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2009	
Operating activities					
Net income (loss)	$ 2,569	$ 2,581	[1]	$ (1,083)	[1]
Net (income) loss attributable to noncontrolling interests	(53)	(63)	[1]	(1)	[1]
Net loss from discontinued operations		(66)	[1]	(270)	[1]
Net income (loss) from continuing operations applicable to common shareholders of The Bank of New York Mellon Corporation	2,516	2,584		(814)	
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:					
Provision for credit losses	1	11	[1]	332	[1]
Pension plan contribution	(71)	(46)		(394)	
Depreciation and amortization	776	629		711	
Deferred tax expense (benefit)	12	1,199	[2]	(1,970)	[2]
Net securities (gains) losses and venture capital (income)	(65)	(57)		5,387	
Change in trading activities	(425)	(155)		(636)	
Change in accruals and other, net	(533)	(115)		1,192	
Net effect of discontinued operations				(27)	
Net cash provided by operating activities	2,211	4,050		3,781	
Investing activities					
Change in interest-bearing deposits with banks	12,983	7,073		(9,635)	
Change in interest-bearing deposits with the Federal Reserve and other central banks	(70,787)	(11,187)		45,908	
Purchases of securities held-to-maturity	(1,226)	(19)		(114)	
Paydowns of securities held-to-maturity	233	255		643	
Maturities of securities held-to-maturity	1,127	316		280	
Purchases of securities available-for-sale	(42,367)	(23,585)		(28,665)	
Sales of securities available-for-sale	9,507	5,981		3,975	
Paydowns of securities available-for-sale	8,332	7,944		6,361	
Maturities of securities available-for-sale	9,385	2,666		2,001	
Net principal (disbursed to) received from loans to customers	(6,863)	310		4,268	
Sales of loans and other real estate	604	511		851	
Change in federal funds sold and securities purchased under resale agreements	659	(1,634)		(1,545)	
Change in seed capital investments	162	(160)		(8)	
Purchases of premises and equipment/capitalized software	(642)	(230)		(318)	
Acquisitions, net cash	(64)	(2,793)		(364)	
Dispositions, net cash		133			
Proceeds from the sale of premises and equipment	13	14		6	
Other, net	(1,234)	(591)		(987)	
Net effect of discontinued operations		59		431	

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Net cash (used for) provided by investing activities	(80,178)	(14,937)	23,088
Financing activities			
Change in deposits	74,252	8,527	(24,774)
Change in federal funds purchased and securities sold under repurchase agreements	665	2,058	2,602
Change in payables to customers and broker-dealers	2,709	(762)	1,447
Change in other borrowed funds	(549)	1,988	(5,717)
Change in commercial paper		(2)	(126)
Net proceeds from the issuance of long-term debt	5,042	1,347	3,350
Repayments of long-term debt	(1,911)	(2,614)	(1,882)
Proceeds from the exercise of stock options	18	31	16
Issuance of common stock	25	697	1,371
Treasury stock acquired	(873)	(41)	(28)
Common cash dividends paid	(593)	(440)	(599)
Series B preferred stock repurchased			(3,000)
Common stock warrant repurchased			(136)
Preferred dividends paid			(73)
Other, net	(20)	1	4
Net effect of discontinued operations			(428)
Net cash provided by (used for) financing activities	78,765	10,790	(27,973)
Effect of exchange rate changes on cash	(298)	40	(53)
Change in cash and due from banks			
Change in cash and due from banks	500	(57)	(1,157)
Cash and due from banks at beginning of period	3,675	3,732	4,889
Cash and due from banks at end of period	4,175	3,675	3,732
Supplemental disclosures			
Interest paid	586	591	682
Income taxes paid	640	699	2,392
Income taxes refunded	$ 136	$ 197	$ 664

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[2] Based on continuing operations for 2010 and 2009.

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Intangible Assets by Type (Detail) (USD $) In Millions, unless otherwise specified				12 Months Ended		12 Months Ended		12 Months Ended		12 Months Ended								
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2011 Finite-lived Intangible Assets Year	Dec. 31, 2010 Finite-lived Intangible Assets	Dec. 31, 2011 Finite-lived Intangible Assets Customer Relationships Year	Dec. 31, 2010 Finite-lived Intangible Assets Customer Relationships	Dec. 31, 2011 Finite-lived Intangible Assets Customer Contracts - Investment Services Year	Dec. 31, 2010 Finite-lived Intangible Assets Customer Contracts - Investment Services	Dec. 31, 2011 Finite-lived Intangible Assets Other Intangible Assets Year	Dec. 31, 2010 Finite-lived Intangible Assets Other Intangible Assets	Dec. 31, 2011 Indefinite-lived Intangible Assets	Dec. 31, 2010 Indefinite-lived Intangible Assets	Dec. 31, 2011 Indefinite-lived Intangible Assets Customer Relationships	Dec. 31, 2010 Indefinite-lived Intangible Assets Customer Relationships	Dec. 31, 2010 Indefinite-lived Intangible Assets Other Intangible Assets	Dec. 31, 2011 Indefinite-lived Intangible Assets Trade Name	Dec. 31, 2010 Indefinite-lived Intangible Assets Trade Name
Intangible Assets by Major Class [Line Items]																		
Gross carrying amount	$ 7,270	$ 7,501		$ 4,591	$ 4,802	$ 2,109	$ 2,102	$ 2,351	$ 2,566	$ 131	$ 134	$ 2,679 [1]	$ 2,699 [1]	$ 1,313 [1]	$ 1,314 [1]	$ 10 [1]	$ 1,366 [1]	$ 1,375 [1]
Accumulated amortization	(2,118)	(1,805)		(2,118)	(1,805)	(1,189)	(983)	(834)	(736)	(95)	(86)							
Net carrying amount	$ 5,152	$ 5,696	$ 5,588	$ 2,473	$ 2,997	$ 920	$ 1,119	$ 1,517	$ 1,830	$ 36	$ 48	$ 2,679 [1]	$ 2,699 [1]	$ 1,313 [1]	$ 1,314 [1]	$ 10 [1]	$ 1,366 [1]	$ 1,375 [1]
Remaining weighted average amortization period (in years)				13		12		13		5								

[1] Intangible assets not subject to amortization have an indefinite life.

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Fair Value Measurements Using Significant Unobservable Inputs (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	$ 338	$ 561
Transfers into Level 3	157	
Transfers out of Level 3	(144)	
Total gains or (losses) included in earnings (or changes in net assets)	30	(27)
Purchases	4	
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Issuances	1	
Purchases, issuances and settlements, net		(9)
Sales	(15)	
Transfers in/(out) of Level 3		(187) [1]
Settlements	(6)	
Ending Balance	365	338
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	19	
Change in unrealized gains and (losses) related to instruments held at the end of the period		31
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance	179	95
Transfers into Level 3	77	
Transfers out of Level 3	(9)	
Total (gains) or losses included in earnings (or changes in net liabilities)	86	56
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Settlements	(19)	
Purchases, issuances and settlements, net		30
Transfers in/(out) of Level 3		(2)
Ending Balance	314	179
Change in unrealized gains and (losses) related to instruments held at the end of the period		122
The amount of total (gains) or losses included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	142	
Available-for-sale		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance		56
Total gains or (losses) included in earnings (or changes in net assets)		3 [2]
Total realized/unrealized gains/(losses) recorded in Comprehensive income		[2]
Purchases, issuances and settlements, net		8
Transfers in/(out) of Level 3		1
Ending Balance		68

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Change in unrealized gains and (losses) related to instruments held at the end of the period		3
Available-for-sale | State And Political Subdivisions		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	10	
Transfers into Level 3	35	
Total gains or (losses) included in earnings (or changes in net assets)		1
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Transfers in/(out) of Level 3		9
Ending Balance	45	10
Change in unrealized gains and (losses) related to instruments held at the end of the period		1
Available-for-sale | Other Debt Securities		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	58	50
Transfers out of Level 3	(55)	
Total gains or (losses) included in earnings (or changes in net assets)		2
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		8
Transfers in/(out) of Level 3		(2)
Ending Balance	3	58
Change in unrealized gains and (losses) related to instruments held at the end of the period		2
Available-for-sale | Asset-Backed CLOs		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance		6
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Transfers in/(out) of Level 3		(6)
Trading Assets		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance		316
Total gains or (losses) included in earnings (or changes in net assets)		(45)
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		5
Transfers in/(out) of Level 3		(125)
Ending Balance		151
Change in unrealized gains and (losses) related to instruments held at the end of the period		28
Trading Assets | Debt and equity instruments		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	32	170
Transfers into Level 3	25	
Total gains or (losses) included in earnings (or changes in net assets)	6 [3]	(1) [3]
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		3
Transfers in/(out) of Level 3		(140)
Ending Balance	63	32

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The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	4	
Trading Assets | Derivative assets		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	119	146
Transfers into Level 3	48	
Transfers out of Level 3	(84)	
Total gains or (losses) included in earnings (or changes in net assets)	15 [3]	(44) [3]
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		2
Transfers in/(out) of Level 3		15
Settlements	(1)	
Ending Balance	97	119
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	15	
Change in unrealized gains and (losses) related to instruments held at the end of the period		28
Trading Assets | Interest Rate Contract		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance		121
Total gains or (losses) included in earnings (or changes in net assets)		(19)
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		2
Transfers in/(out) of Level 3		15
Ending Balance		119
Change in unrealized gains and (losses) related to instruments held at the end of the period		28
Trading Assets | Equity Contract		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance		25
Total gains or (losses) included in earnings (or changes in net assets)		(25)
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Loans		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	6	25
Transfers out of Level 3	(2)	
Total gains or (losses) included in earnings (or changes in net assets)		2
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Issuances	1	
Purchases, issuances and settlements, net		(18)
Transfers in/(out) of Level 3		(3)
Settlements	(5)	
Ending Balance		6
Other Assets		
Fair value measurements for assets using significant unobservable inputs		
Beginning Balance	113	164

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Transfers into Level 3	49	
Transfers out of Level 3	(3)	
Total gains or (losses) included in earnings (or changes in net assets)	9 [4]	13 [4]
Purchases	4	
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		(4)
Sales	(15)	
Transfers in/(out) of Level 3		(60)
Ending Balance	157	113
Trading Liabilities		
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance		92
Total (gains) or losses included in earnings (or changes in net liabilities)		57
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		30
Transfers in/(out) of Level 3		(2)
Ending Balance		177
Change in unrealized gains and (losses) related to instruments held at the end of the period		122
Trading Liabilities | Debt and equity instruments		
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance	6	
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Settlements	(6)	
Purchases, issuances and settlements, net		6
Ending Balance		6
Trading Liabilities | Derivative liabilities		
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance	171	92
Transfers into Level 3	77	
Transfers out of Level 3	(9)	
Total (gains) or losses included in earnings (or changes in net liabilities)	88 [3]	57 [3]
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Settlements	(13)	
Purchases, issuances and settlements, net		24
Transfers in/(out) of Level 3		(2)
Ending Balance	314	171
Change in unrealized gains and (losses) related to instruments held at the end of the period		122
The amount of total (gains) or losses included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	142	
Trading Liabilities | Interest Rate Contract		
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance		54
Total (gains) or losses included in earnings (or changes in net liabilities)		88
Total realized/unrealized gains/(losses) recorded in Comprehensive income		

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Purchases, issuances and settlements, net		9
Transfers in/(out) of Level 3		(2)
Ending Balance		149
Change in unrealized gains and (losses) related to instruments held at the end of the period		122
Trading Liabilities | Equity Contract		
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance		38
Total (gains) or losses included in earnings (or changes in net liabilities)		(31)
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Purchases, issuances and settlements, net		15
Ending Balance		22
Other Liabilities		
Fair value measurements for liabilities using significant unobservable inputs		
Beginning Balance	2	3
Total (gains) or losses included in earnings (or changes in net liabilities)	(2) [5]	(1) [4]
Total realized/unrealized gains/(losses) recorded in Comprehensive income		
Ending Balance		$ 2

[1] Primarily relates to investments consolidated in accordance with ASC 810.

[2] Realized gains (losses) are reported in securities gains (losses). Unrealized gains (losses) are reported in accumulated other comprehensive loss except for other than temporary impairment losses which are recorded in securities gains (losses).

[3] Reported in foreign exchange and other trading revenue.

[4] Reported in foreign exchange and other trading revenue, except for derivatives in designated hedging relationships which are recorded in interest revenue and interest expense.

[5] Reported in other revenue.

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Changes in Other Comprehensive Income Loss (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2011
Domestic Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Net loss (gain) arising during period	$ 653
Recognition of prior years' net gain (loss)	(109)
Prior service cost (credit) arising during period	
Recognition of prior years' service (cost) credit	16
Total recognized in other comprehensive (income) loss (before tax effects)	560
Foreign Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Net loss (gain) arising during period	22
Recognition of prior years' net gain (loss)	(14)
Prior service cost (credit) arising during period	
Foreign exchange adjustment	3
Total recognized in other comprehensive (income) loss (before tax effects)	11
Domestic Healthcare Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Net loss (gain) arising during period	71
Recognition of prior years' net gain (loss)	(3)
Prior service cost (credit) arising during period	
Recognition of prior years' service (cost) credit	1
Recognition of net initial (obligation) asset	(5)
Total recognized in other comprehensive (income) loss (before tax effects)	64
Foreign Healthcare Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Net loss (gain) arising during period	1
Recognition of prior years' net gain (loss)	1
Prior service cost (credit) arising during period	
Total recognized in other comprehensive (income) loss (before tax effects)	$ 2

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Foreign Revenue, Income before Income Taxes, Net Income and Assets from Foreign Operations (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Total assets	$ 325,266	[1]	$ 246,981	[1],[2]	$ 209,982	[1],[2]
Total revenue	14,730		13,875	[2]	7,654	[2]
Income (loss) before taxes	3,617		3,694	[2],[3],[4]	(2,208)	[2],[3],[4]
Net income (loss) from continuing operations	2,569		2,647	[2],[3]	(813)	[2],[3]
EMEA						
Total assets	61,115	[1],[5]	72,629	[1],[2],[5]	58,011	[1],[2],[5]
Total revenue	3,780	[5]	3,497	[2],[5]	2,825	[2],[5],[6]
Income (loss) before taxes	1,135		1,222	[2]	863	[2],[6]
Net income (loss) from continuing operations	867		916	[2]	667	[2],[6]
APAC						
Total assets	13,030	[1]	8,806	[1],[2]	5,588	[1],[2]
Total revenue	842		745	[2]	669	[2]
Income (loss) before taxes	426		394	[2]	287	[2]
Net income (loss) from continuing operations	325		295	[2]	222	[2]
Other						
Total assets	1,694	[1]	3,124	[1],[2]	1,375	[1],[2]
Total revenue	769		735	[2]	578	[2]
Income (loss) before taxes	350		348	[2]	257	[2]
Net income (loss) from continuing operations	267		261	[2]	199	[2]
Foreign						
Total assets	75,839	[1]	84,559	[1],[2]	64,974	[1],[2]
Total revenue	5,391		4,977	[2]	4,072	[2]
Income (loss) before taxes	1,911		1,964	[2]	1,407	[2]
Net income (loss) from continuing operations	1,459		1,472	[2]	1,088	[2]
Domestic						
Total assets	249,427	[1]	162,422	[1],[2]	145,008	[1],[2]
Total revenue	9,339		8,898	[2]	3,582	[2]
Income (loss) before taxes	1,706		1,730	[2]	(3,615)	[2]
Net income (loss) from continuing operations	$ 1,110		$ 1,175	[2]	$ (1,901)	[2],[7]

[1] Total assets include long-lived assets, which are not considered by management to be significant in relation to total assets. Long-lived assets are primarily located in the United States.

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[2] Presented on a continuing operations basis.

[3] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[4] Based on continuing operations for 2010 and 2009.

[5] Includes revenue of approximately $2.2 billion, $2.1 billion and $1.6 billion and assets of approximately $28.3 billion, $44.7 billion and $43.0 billion in 2011, 2010, and 2009, respectively, of international operations domiciled in the United Kingdom, which is 15%, 15% and 21% of total revenue and 9%, 18%, and 20% of total assets, respectively.

[6] In 2009, excludes the $269 million of investment securities losses on the European floating rate notes.

[7] Domestic income from continuing operations in 2009 was reduced by investment securities losses.

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Defined Benefit Plan Funded Status of Plan (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Prepaid benefit cost	$ 103	$ 680
Accrued benefit cost	(213)	(191)
Total benefits	(110)	489
Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Prepaid benefit cost	41	52
Accrued benefit cost	(44)	(67)
Total benefits	(3)	(15)
Domestic Healthcare Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Accrued benefit cost	(215)	(161)
Total benefits	(215)	(161)
Foreign Healthcare Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Accrued benefit cost	(4)	(3)
Total benefits	$ (4)	$ (3)

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Derivative instruments (Tables)	12 Months Ended Dec. 31, 2011
Ineffectiveness Related to Derivatives and Hedging Relationships Recorded in Income	Ineffectiveness related to derivatives and hedging relationships was recorded in income as follows:

Ineffectiveness	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Fair value hedges on loans	**$0.1**	$0.1	$(0.1)
Fair value hedges of securities	**(8.6)**	(4.2)	0.1
Fair value hedges of deposits and long-term debt	**(5.3)**	7.7	2.2
Cash flow hedges	**(0.1)**	0.1	-
Other *(a)*	**(0.1)**	(0.2)	0.1
Total	**$(14.0)**	$3.5	$2.3

(a) Includes ineffectiveness recorded on foreign exchange hedges.

Impact of Derivative Instruments on the Balance Sheet

The following table summarizes the notional amount and credit exposure of our total derivative portfolio at Dec. 31, 2011 and 2010.

Impact of derivative instruments on the balance sheet	Notional Value		Asset Derivatives Fair Value *(a)*		Liability Derivatives Fair Value *(a)*	
(in millions)	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Derivatives designated as hedging instruments *(b)*:						
Interest rate contracts	**$18,281**	$13,967	**$965**	$834	**$298**	$44
Foreign exchange contracts	**14,160**	11,816	**635**	2	**21**	116
Total derivatives designated as hedging instruments			**$1,600**	$836	**$319**	$160
Derivatives not designated as hedging instruments *(c)*:						
Interest rate contracts	**$975,308**	$1,090,718	**$26,652**	$15,651	**$27,440**	$16,275
Equity contracts	**8,205**	6,905	**418**	449	**330**	380
Credit contracts	**333**	681	**3**	2	**-**	4
Foreign exchange contracts	**379,235**	315,050	**4,632**	3,661	**4,355**	3,707
Total derivatives not designated as hedging instruments			**$31,705**	$19,763	**$32,125**	$20,366
Total derivatives fair value *(d)*			**$33,305**	$20,599	**$32,444**	$20,526
Effect of master netting agreements			**(26,047)**	(15,827)	**(25,009)**	(15,181)
Fair value after effect of master netting agreements			**$7,258**	$4,772	**$7,435**	$5,345

(a) Derivative financial instruments are reported net of cash collateral received and paid of $1,269 million and $231 million, respectively, at Dec. 31, 2011 and $889 million and $243 million, respectively, at Dec. 31, 2010.

(b) The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively, on the balance sheet.

(c) The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the balance sheet.

(d) Fair values are on a gross basis, before consideration of master netting agreements, as required by ASC 815.

Impact of Derivative Instruments on the Income Statement

Impact of derivative instruments on the income statement

(in millions)

Derivatives in fair value hedging relationships	Location of gain or (loss) recognized in income on derivatives	Amount of gain or (loss) recognized in income on derivatives Year ended Dec. 31,	Location of gain or (loss) recognized in income on hedged item	Amount of gain or (loss) recognized in hedged item Year ended Dec. 31,

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		2011	2010	2009		2011	2010	2009
Interest rate contracts	Net interest revenue	**$(150)**	$370	$(406)	Net interest revenue	**$136**	$(366)	$408

Derivatives in cash flow hedging relationships	Amount of gain or (loss) recognized in accumulated OCI on derivative (effective portion) Year ended Dec. 31,			Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion) Year ended Dec. 31,			Location of gain or (loss) recognized in income on derivatives (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing) Year ended Dec. 31,		
	2011	2010	2009		**2011**	2010	2009		**2011**	2010	2009
FX contracts	**$(118)**	$(7)	$ -	Net interest revenue	**$(114)**	$(6)	$ -	Net interest revenue	**$ -**	$ -	$ -
FX contracts	**(6)**	(134)	(1)	Other revenue	**(6)**	(135)	6	Other revenue	**(0.1)**	0.1	-
FX contracts	**(525)**	-	-	Trading revenue	**(525)**	-	-	Trading revenue	**-**	-	-
FX contracts	**3**	(1)	-	Salary expense	**2**	(1)	-	Salary expense	**-**	-	-
Interest rate contracts	**-**	-	-	Net interest revenue	**-**	-	26	Net interest revenue	**-**	-	-
Total	**$(646)**	$(142)	$(1)		**$(643)**	$(142)	$32		**$(0.1)**	$0.1	$ -

Derivatives in net investment hedging relationships	Amount of gain or (loss) recognized in accumulated OCI on derivatives (effective portion) Year ended Dec. 31,			Location of gain or (loss) reclassified from accumulated OCI into income (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into income (effective portion) Year ended Dec. 31,			Location of gain or (loss) recognized in income on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in income on derivatives (ineffectiveness portion and amount excluded from effectiveness testing) Year ended Dec. 31,		
	2011	2010	2009		**2011**	2010	2009		**2011**	2010	2009
FX contracts	**$75**	$(52)	$(298)	Net interest revenue	**$ -**	$ -	$ -	Other revenue	**$(0.1)**	$(0.2)	$0.1

Revenue from Foreign Exchange and Other Trading Activities

Revenue from foreign exchange and other trading included the following:

Foreign exchange and other trading revenue *(in millions)*	**2011**	2010	2009
Foreign exchange	**$761**	$787	$850
Fixed income	**65**	80	242
Credit derivatives *(a)*	**(3)**	(7)	(84)
Other	**25**	26	28
Total	**$ 848**	$ 886	$1,036

(a) Used as economic hedges of loans.

Fair Value of Derivative Contracts Falling under Early Termination Provisions that were in a Net Liability Position

The following table shows the fair value of contracts falling under early termination provisions that were in net liability positions as of Dec. 31, 2011 for three key ratings triggers:

If The Bank of New York Mellon's rating was changed to (Moody's/S&P)	**Potential close-out exposures (fair value)** *(a)*
A3/A-	$ 936 million
Baa2/BBB	$ 1,129 million
Bal/BB+	$ 1,803 million

(a) The change between rating categories is incremental, not cumulative.

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Deposits - Additional Information (Detail) (USD $)	Dec. 31, 2011	Dec. 31, 2010
Aggregate amount of time deposits in denominations of $100,000	$ 44,200,000,000	$ 35,300,000,000
Time deposits mature in 2012	44,600,000,000	
Time deposits mature in 2013	3,000,000	
Time deposits mature in 2014	20,000,000	
Time deposits mature in 2015	3,000,000	
Time deposits mature in 2016		
Time deposits mature in 2017 and thereafter	$ 4,000,000	

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International operations | **12 Months Ended Dec. 31, 2011**

International operations

Note 27—International operations

International activity includes Investment Management and Investment Services fee revenue generating businesses, foreign exchange trading activity, loans and other revenue producing assets and transactions in which the customer is domiciled outside of the United States and/or the international activity is resident at an international entity. Due to the nature of our international and domestic activities, it is not possible to precisely distinguish between internationally and domestically domiciled customers. As a result, it is necessary to make certain subjective assumptions such as:

- Income from international operations is determined after internal allocations for interest revenue, taxes, expenses, provision and allowance for credit losses.
- Expense charges to international operations include those directly incurred in connection with such activities, as well as an allocable share of general support and overhead charges.

Total revenue, income before income taxes, income from continuing operations and total assets of our international operations are shown in the table below.

International operations

	International				Total	Total	
(in millions)	EMEA		APAC	Other	international	domestic	Total
2011:							
Total assets at period end *(a)*	**$61,115**	*(b)*	**$13,030**	**$1,694**	**$ 75,839**	**$249,427**	**$325,266**
Total revenue	**3,780**	*(b)*	**842**	**769**	**5,391**	**9,339**	**14,730**
Income before taxes	**1,135**		**426**	**350**	**1,911**	**1,706**	**3,617**
Net income	**867**		**325**	**267**	**1,459**	**1,110**	**2,569**
2010 *(c)***:**							
Total assets at period end *(a)*	$72,629	*(b)*	$8,806	$3,124	$ 84,559	$162,422	$246,981
Total revenue	3,497	*(b)*	745	735	4,977	8,898	13,875
Income before taxes	1,222		394	348	1,964	1,730	3,694
Net income from continuing operations	916		295	261	1,472	1,175	2,647
2009 *(c)***:**							

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Total assets at period end *(a)*	$58,011	*(b)*	$5,588	$1,375	$64,974	$145,008		$209,982
Total revenue	2,825	*(b)(d)*	669	578	4,072	3,582		7,654
Income (loss) before taxes	863	*(d)*	287	257	1,407	(3,615)		(2,208)
Net income (loss) from continuing operations	667	*(d)*	222	199	1,088	(1,901)	*(e)*	(813)

(a)Total assets include long-lived assets, which are not considered by management to be significant in relation to total assets. Long-lived assets are primarily located in the United States.

(b)Includes revenue of approximately $2.2 billion, $2.1 billion and $1.6 billion and assets of approximately $28.3 billion, $44.7 billion and $43.0 billion in 2011, 2010, and 2009, respectively, of international operations domiciled in the United Kingdom, which is 15%, 15% and 21% of total revenue and 9%, 18%, and 20% of total assets, respectively.

(c)Presented on a continuing operations basis.

(d)In 2009, excludes the $269 million of investment securities losses on the European floating rate notes.

(e)Domestic income from continuing operations in 2009 was reduced by investment securities losses.

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Pension and Post-Retirement Plan Assets Valued Using Net Asset Value (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2011	
Fair Value	$ 194	
Unfunded commitments	24	
Pension		
Fair Value	289	
Unfunded commitments	36	
Pension | Venture Capital and Partnership Interests		
Fair Value	161	[1]
Unfunded commitments	36	[1]
Pension | Fund of Funds		
Fair Value	$ 128	[2]
Redemption frequency	Monthly	[2]
Redemption notice period	30-45 days	[2]

[1] Venture capital and partnership interests do not have redemption rights. Distributions from such funds will be received as the underlying investments are liquidated.

[2] Funds of funds include multi-strategy hedge funds that utilize investment strategies that invest over both long-term investment and short-term investment horizons.

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Stock Options Outstanding (Detail) (USD $)	12 Months Ended			
	Dec. 31, 2011 Year		Dec. 31, 2010	Dec. 31, 2009
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]				
Range of Exercise Prices, Lower Range	$ 18			
Range of Exercise Prices, Upper Range	$ 51			
Options outstanding	86,803,492			
Options outstanding, Weighted-average remaining contractual life (in years)	5.2			
Options outstanding, Weighted-average exercise price	$ 33.32			
Options exercisable	60,158,853	[1]	62,801,038	65,703,148
Options exercisable, Weighted-average exercise price	$ 35.21	[1]	$ 37.93	$ 38.96
Range 1				
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]				
Range of Exercise Prices, Lower Range	$ 18			
Range of Exercise Prices, Upper Range	$ 31			
Options outstanding	43,343,651			
Options outstanding, Weighted-average remaining contractual life (in years)	6.5			
Options outstanding, Weighted-average exercise price	$ 26.05			
Options exercisable	20,108,983	[1]		
Options exercisable, Weighted-average exercise price	$ 24.96	[1]		
Range 2				
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]				
Range of Exercise Prices, Lower Range	$ 31			
Range of Exercise Prices, Upper Range	$ 41			
Options outstanding	22,879,675			
Options outstanding, Weighted-average remaining contractual life (in years)	3.8			
Options outstanding, Weighted-average exercise price	$ 37.03			
Options exercisable	22,004,630	[1]		
Options exercisable, Weighted-average exercise price	$ 36.93	[1]		
Range 3				
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]				
Range of Exercise Prices, Lower Range	$ 41			
Range of Exercise Prices, Upper Range	$ 51			
Options outstanding	20,580,166			

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Options outstanding, Weighted-average remaining contractual life (in years)	3.9
Options outstanding, Weighted-average exercise price	$ 44.51
Options exercisable	18,045,240 [1]
Options exercisable, Weighted-average exercise price	$ 44.52 [1]

[1] At Dec. 31, 2010 and 2009, 62,801,038 and 65,703,148 options were exercisable at an average price per common share of $37.93 and $38.96, respectively.

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Acquisitions - Additional Information (Detail) (USD $)	12 Months Ended	1 Months Ended	12 Months Ended	1 Months Ended					
	Dec. 31, 2011	Dec. 31, 2011 Shareowner Services	Dec. 31, 2011 Shareowner Services	Jun. 30, 2011 Talon Asset Management Year	Nov. 30, 2011 Penson Financial Services Australia Pty Ltd Year	Jun. 30, 2010 Global Investment Servicing Year	Aug. 02, 2010 BHF Asset Servicing GmbH Year	Aug. 31, 2010 I(3) Advisors of Toronto Year	Nov. 30, 2009 Insight Investment Management Limited Year
Business Acquisition [Line Items]									
Contingent payments	$ 17,000,000								
Potential obligation to pay additional consideration, lower limit	3,000,000								
Potential obligation to pay additional consideration, upper limit	35,000,000								
Potential obligation to pay additional consideration, period of measurement (in years)	3 years								
Business acquisition				11,000,000	33,000,000	2,300,000,000	370,000,000	21,100,000	377,000,000
Assets acquired						590,000,000	3,600,000,000		
Potential contingent additional consideration recorded as goodwill				5,000,000					
Assets acquired, securities							2,600,000,000		
Liabilities assumed						250,000,000	3,400,000,000		
Goodwill related to acquisition						1,505,000,000			
Liabilities assumed, deposits							2,300,000,000		
Goodwill related to acquisition, tax deductible				10,000,000	10,000,000	1,256,000,000	272,000,000		
Goodwill related to acquisition, non-tax deductible						249,000,000		8,000,000	202,000,000
Intangible assets, useful life, minimum (in years)						10			
Intangible assets, useful life (in years)				20	9		10	33	
Intangible assets, useful life, maximum (in years)						20			11
Intangible assets - customer relationships				6,000,000	6,000,000			10,000,000	
Intangible assets - customer contracts						477,000,000	40,000,000		111,000,000
Business disposition, sales price		550,000,000							
Business disposition, pre-tax gain		98,000,000							
Business disposition, revenue			273,000,000						
Business disposition, per tax income			$ 21,000,000						

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Long-term debt

Long-term debt

12 Months Ended Dec. 31, 2011

Note 14—Long-term debt

Long-term debt	**Dec. 31, 2011**			Dec. 31, 2010	
(in millions)	**Rate**	**Maturity**	**Amount**	Rate	Amount
Senior debt:					
Fixed rate	**1.50-6.92%**	**2012-2021**	**$12,367**	2.50-6.92%	$9,354
Floating rate	**0.35-1.40%**	**2012-2038**	**2,679**	0.10-0.57%	1,475
Subordinated debt *(a)*	**4.75-7.50%**	**2012-2033**	**3,201**	4.40-7.50%	4,037
Junior subordinated debentures *(a)*	**5.95-7.78%**	**2026-2043**	**1,686**	5.95-7.78%	1,651
Total			**$19,933**		$16,517

(a)Fixed rate.

Total long-term debt that matures during the next five years for BNY Mellon is as follows: 2012 – $3.45 billion, 2013 – $1.61 billion, 2014 – $4.36 billion, 2015 – $1.90 billion and 2016 – $1.85 billion. At Dec. 31, 2011, subordinated debt aggregating $249 million will be redeemable at our option as follows: 2012 – $142 million, and 2013 – $107 million.

Junior subordinated debentures

Wholly owned subsidiaries of BNY Mellon (the “Trusts”) have issued cumulative Company-Obligated Mandatory Redeemable Trust Preferred Securities of Subsidiary Trust Holding Solely Junior Subordinated Debentures (“trust preferred securities”). The sole assets of each trust are junior subordinated deferrable interest debentures of BNY Mellon whose maturities and interest rates match the trust preferred securities. Our obligations under the agreements that relate to the trust preferred securities, the Trusts and the debentures constitute a full and unconditional guarantee by us of the Trusts’ obligations under the trust preferred securities. The assets for Mellon Capital IV are currently (i) our remarketable 6.044% junior subordinated notes due 2043, and (ii) interests in stock purchase contracts between Mellon Capital IV and us. On June 20, 2012, the “stock purchase date,” as defined in the prospectus supplement for the trust preferred securities of Mellon Capital IV, the sole assets of the trust will become shares of a series of our non-cumulative perpetual preferred stock.

The following table sets forth a summary of the Trust Preferred Securities issued by the Trusts as of Dec. 31, 2011:

Trust Preferred Securities at Dec. 31, 2011 *(dollar amounts in millions)*	Amount	Interest rate	Assets of trust *(a)*	Due date	Call date	Call price
BNY Institutional Capital Trust A	$300	7.78 %	$ 309	2026	2006	101.95% *(b)*
BNY Capital IV	200	6.88	206	2028	2004	Par
BNY Capital V	350	5.95	361	2033	2008	Par
MEL Capital III *(c)*	309	6.37	300	2036	2016	Par
MEL Capital IV	500	6.24	500	-	2012	Par
Total	**$1,659**		**$ 1,676**			

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(a)Junior subordinated debentures and interest in stock purchase contracts for Mellon Capital IV.
(b)Call price decreases ratably to par in the year 2016.
(c)Amount was translated from Sterling into U.S. dollars on a basis of U.S. $1.54 to £1, the rate of exchange on Dec. 31, 2011.

We have the option to shorten the maturity of BNY Capital IV to 2013 or extend the maturity to 2047. The BNY Capital Trust Preferred Securities have been converted to floating rate via interest rate swaps.

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Supplemental information to the Consolidated Statement of Cash Flows	12 Months Ended
	Dec. 31, 2011
Supplemental information to the Consolidated Statement of Cash Flows	**Note 28—Supplemental information to the Consolidated Statement of Cash Flows** Noncash investing and financing transactions that, appropriately, are not reflected in the Consolidated Statement of Cash Flows are listed below.

Noncash investing and financing transactions	Year ended Dec. 31,		
(in millions)	**2011**	2010	2009
Transfers from loans to other assets for OREO	**$16**	$11	$ 11
Assets of consolidated VIEs	**3,419**	15,249	-
Liabilities of consolidated VIEs	**3,478**	13,949	-
Non-controlling interests of consolidated VIEs	**29**	699	-
Disposition of business	**544**	-	-
Issuance of common stock for acquisitions	**-**	-	85

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Seed Capital and Private Equity Investments Valued Using NAV (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2011	
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]		
Fair Value	$ 194	
Unfunded commitments	24	
Hedge Funds		
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]		
Fair Value	9	[1]
Redemption frequency	Monthly-quarterly	[1]
Redemption notice period	3-45 days	[1]
Private Equity Funds		
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]		
Fair Value	122	[2]
Unfunded commitments	24	[2]
Other Funds		
Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure [Line Items]		
Fair Value	$ 63	[3]
Redemption frequency	Monthly-yearly	[3]

[1] Hedge funds include multi-strategy funds that utilize a variety of investment strategies and equity long-short hedge funds that include various funds that invest over both long-term investment and short-term investment horizons.

[2] Private equity funds primarily include numerous venture capital funds that invest in various sectors of the economy. Private equity funds do not have redemption rights. Distributions from such funds will be received as the underlying investments in the funds are liquidated.

[3] Other funds include various market neutral, leveraged loans, real estate and structured credit funds.

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Amounts of Capital by Which BNY Mellon and Our Largest Bank Subsidiary, The Bank of New York Mellon, Exceed Well Capitalized Guidelines (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]	
Tier 1 capital	$ 9,254
Total capital	7,208
Leverage	565
Bank Of New York Mellon	
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]	
Tier 1 capital	7,241
Total capital	6,708
Leverage	$ 618

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Standby Letters of Credits (SBLCs) by Investment Grade (Detail) (Standby letters of credit)	Dec. 31, 2011	Dec. 31, 2010
Investment grade		
Concentration Risk [Line Items]		
Standby letters of credit	91.00%	89.00%
Noninvestment grade		
Concentration Risk [Line Items]		
Standby letters of credit	9.00%	11.00%

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Shareholders' equity	12 Months Ended Dec. 31, 2011
Shareholders' equity	

Note 16—Shareholders' equity

BNY Mellon has 3.5 billion authorized shares of common stock with a par value of $0.01 per share, 100 million authorized shares of preferred stock with a par value of $0.01 per share. At Dec. 31, 2011, 1,209,674,607 shares of common stock were outstanding. There were no shares of preferred stock outstanding at Dec. 31, 2011.

Temporary equity

Temporary equity was $114 million at Dec. 31, 2011 and $92 million at Dec. 31, 2010. Temporary equity represents amounts recorded for redeemable non-controlling interests resulting from equity-classified share-based payment arrangements that are currently redeemable or are expected to become redeemable. The current redemption value of such awards is classified as temporary equity and is adjusted to its redemption value at each balance sheet date.

Troubled Asset Relief Program

In 2008, BNY Mellon issued and sold to the U.S. Treasury $3 billion of preferred stock and a warrant to purchase shares of common stock in accordance with the terms of the Troubled Asset Relief Program Capital Purchase Program.

In 2009, BNY Mellon repurchased the Series B preferred stock for its $3 billion liquidation value. BNY Mellon recorded an after-tax redemption charge of $196.5 million in 2009, representing the difference between the amortized cost of the Series B preferred stock and the repurchase price.

Also in 2009, BNY Mellon repurchased for $136 million the warrant for 14,516,129 shares of our common stock.

Common stock repurchase program

On Dec. 18, 2007, the Board of Directors of BNY Mellon authorized the repurchase of up to 35 million shares of common stock. On March 22, 2011, the Board of Directors of BNY Mellon authorized the repurchase of up to an additional 13 million shares of common stock. In 2011, we repurchased 34.8 million shares in the open market, at an average price of $24.00 per share for a total of $835 million. At Dec. 31, 2011, 12.0 million common shares were available for repurchase under the program. There is no expiration date on the share repurchase authorizations.

Capital adequacy

Regulators establish certain levels of capital for bank holding companies and banks, including BNY Mellon and our bank subsidiaries, in accordance with established quantitative measurements. For the Parent to maintain its status as a financial holding company, our bank subsidiaries and BNY Mellon must, among other things, qualify as well capitalized.

As of Dec. 31, 2011 and 2010, BNY Mellon and our bank subsidiaries were considered well capitalized on the basis of the Basel I Total and Tier 1 capital to risk-weighted assets ratios and the leverage ratio (Basel I Tier 1 capital to quarterly average assets as defined for regulatory purposes).

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Our consolidated and largest bank subsidiary, The Bank of New York Mellon, capital ratios are shown below.

Consolidated and largest bank subsidiary capital ratios *(a)*	**Dec. 31, 2011**	Dec. 31, 2010
Consolidated capital ratios:		
Tier 1	**15.0%**	13.4%
Total capital	**17.0**	16.3
Leverage	**5.2**	5.8
The Bank of New York Mellon capital ratios:		
Tier 1	**14.3%**	11.4%
Total capital	**17.7**	15.3
Leverage	**5.3**	5.3

(a) Determined under Basel I guidelines. For a banking institution to qualify as "well capitalized," its Basel I Tier 1, Total (Tier 1 plus Tier 2) and leverage capital ratios must be at least 6%, 10% and 5%, respectively. For The Bank of New York Mellon, our largest bank subsidiary, to qualify as "adequately capitalized ," Basel I Tier 1, Total and leverage capital ratios must be at least 4%, 8% and 3%, respectively.

If a financial holding company such as BNY Mellon fails to qualify as well capitalized, it may lose its status as a financial holding company, which may restrict its ability to undertake or continue certain activities or make acquisitions that are not generally permissible for bank holding companies without financial holding company status. If a bank holding company such as BNY Mellon or bank such as The Bank of New York Mellon or BNY Mellon, N.A. fails to qualify as "well capitalized," it may be subject to higher FDIC assessments.

If a bank holding company such as BNY Mellon or bank such as The Bank of New York Mellon or BNY Mellon, N.A. fails to qualify as adequately capitalized, regulatory sanctions and limitations are imposed. At Dec. 31, 2011, the amounts of capital by which BNY Mellon and our largest bank subsidiary, The Bank of New York Mellon, exceed the well capitalized guidelines are as follows:

Capital above guidelines at Dec. 31, 2011

(in millions)	Consolidated	The Bank of New York Mellon
Tier 1 capital	**$ 9,254**	**$ 7,241**
Total capital	**7,208**	**6,708**
Leverage	**565**	**618**

The following table presents the components of our Basel I Tier 1 and total risk-based capital at Dec. 31, 2011 and 2010.

Components of Basel I Tier 1 and total risk-based capital *(a)*

(in millions)	**Dec. 31, 2011**	Dec. 31, 2010 *(b)*
Tier 1 capital:		
Common shareholders' equity	**$33,417**	$32,354
Trust preferred securities	**1,659**	1,676

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Adjustments for:		
Goodwill and other intangibles *(c)*	**(20,630)**	(21,297)
Pensions/cash flow hedges	**1,426**	1,053
Securities valuation allowance	**(450)**	(170)
Merchant banking investments	**(33)**	(19)
Total Tier 1 capital	**15,389**	13,597
Tier 2 capital:		
Qualifying unrealized gains on equity securities	**2**	5
Qualifying subordinated debt	**1,545**	2,381
Qualifying allowance for credit losses	**497**	571
Total Tier 2 capital	**2,044**	2,957
Total risk-based capital	**$17,433**	$16,554
Total risk-weighted assets	**$102,255**	$101,407
Average assets for leverage capital purposes	**$296,484**	$235,905

(a) On a regulatory basis as determined under Basel I guidelines.

(b) Includes discontinued operations.

(c) Reduced by deferred tax liabilities associated with non-tax deductible identifiable intangible assets of $1,459 million at Dec. 31, 2011 and $1,625 million at Dec. 31, 2010, and deferred tax liabilities associated with tax deductible goodwill of $967 million at Dec. 31, 2011 and $816 million at Dec. 31, 2010.

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Discontinued operations - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups, Including Discontinued Operations [Line Items]		
Assets of discontinued operations		$ 278
Loans previously reported as discontinued operations at fair value	114	
Net gain on loan sales and valuation changes on loans	$ 100	

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Income taxes - Additional information (Detail) (USD $)	12 Months Ended			
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Income Taxes [Line Items]				
Federal alternative minimum tax credit carryforwards	$ 45,000,000			
Earnings attributable to foreign subsidiaries that have been permanently reinvested abroad	3,500,000,000			
Tax reserves	250,000,000	289,000,000	335,000,000	189,000,000
Impact on tax expense if tax reserves were unnecessary	250,000,000			
Accrued interest, related to income taxes in the balance sheet	59,000,000			
Additional tax expense related to interest	31,000,000	9,000,000		
Reasonably possible increase in uncertain tax positions within the next 12 months, if a re-evaluation is required	850,000,000			
United Kingdom				
Income Taxes [Line Items]				
The total amount of disputed tax assessments for the life of a transaction, covering the period from 2001 - 2006 related to foreign tax credits	900,000,000			
State and Local				
Income Taxes [Line Items]				
Net operating loss carryfowards	1,600,000,000			
Operating loss carryforwards, expiration year	2029			
Germany				
Income Taxes [Line Items]				
Net operating loss carryfowards	$ 110,000,000			

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Condensed Statement of Cash Flows Parent Corporation (Parenthetical) (Detail) (Parent Company, USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Parent Company			
Payments received from subsidiaries	$ 501	$ 900	$ 967

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Consolidated Statement of Changes in Equity (USD $) In Millions, unless otherwise specified	Total	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss), net of tax	Treasury stock	Non-redeemable non-controlling interest	Non-redeemable non-controlling interest of consolidated asset management funds	Redeemable non-controlling interests/ temporary equity	Preferred stock
Beginning balance at Dec. 31, 2008 (Scenario, Previously Reported)	$ 28,089 [1]	$ 11	$ 20,432	$ 10,225	$ (5,401)	$ (3)	$ 39			$ 2,786
Beginning balance (Restatement Adjustment) (ASC 320)				676	(676)					
Beginning balance at Dec. 31, 2008	28,089	11	20,432	10,901	(6,077)	(3)	39			2,786
Purchase of subsidiary shares from noncontrolling interests	(85)		(74)				(11)			
Distributions paid to noncontrolling interests	(7)						(7)			
Comprehensive income:										
Net income	(1,083)			(1,084)			1			
Other comprehensive income, net of tax	930				926		4			
Reclassification adjustment	3,316 [2]				3,316					
Total comprehensive income	3,163 [3]			(1,084)	4,242		5			
Dividends on common stock at $0.48 in 2011, $0.36 in 2010 and $0.51 in 2009 per share	(599)			(599)						
Dividends on preferred stock at $24.58 per share	(69)			(69)						
Repurchase of common stock	(28)					(28)				
Repurchase of series B preferred stock	(3,000)									(3,000)
Repurchase of common stock warrant	(136)		(136)							
Common stock issued in public offering	1,347	1	1,346							
Common stock issued in connection with acquisitions and investments	85		85							
Common stock issued under employee benefit plans	51		49			2				
Common stock issued under direct stock purchase and dividend reinvestment plan	19		19							
Amortization of preferred stock discount and redemption charge				(214)						214
Stock awards and options exercised	197		197							
Other	(24)		(1)	(23)						
Ending Balance at Dec. 31, 2009 (Scenario, Previously Reported)	29,003 [1],[4]	12	21,917	8,912	(1,835)	(29)	26			
Ending Balance (Restatement Adjustment) (ASC 810)	76			52	24					
Ending Balance (Restatement Adjustment) (ASC 825)	(73)			(73)						
Ending Balance at Dec. 31, 2009	29,006	12	21,917	8,891	(1,811)	(29)	26			

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Shares issued to shareholders of noncontrolling interests									44
Purchase of subsidiary shares from noncontrolling interests	(18)		(18)						(6)
Distributions paid to noncontrolling interests	(4)						(4)		
Other net changes in noncontrolling interests	(139)		15	(55)			(10)	(89)	50
Consolidation of investment management funds	785							785	
Deconsolidation of investment management funds	(12)							(12)	
Comprehensive income:									
Net income	2,577			2,518				59	4
Other comprehensive income, net of tax	417				461			(44)	
Reclassification adjustment [5]	(19)			(14)	(5)				
Total comprehensive income	2,975 [6]			2,504	456			15	4
Dividends on common stock at $0.48 in 2011, $0.36 in 2010 and $0.51 in 2009 per share	(441)			(441)					
Repurchase of common stock	(41)					(41)			
Common stock issued under stock forward contract	676		676						
Common stock issued under employee benefit plans	35		34			1			
Common stock issued under direct stock purchase and dividend reinvestment plan	16		16						
Stock awards and options exercised	227		245	(1)		(17)			
Ending Balance at Dec. 31, 2010	33,065 [4],[7]	12	22,885	10,898	(1,355)	(86)	12	699	92
Shares issued to shareholders of noncontrolling interests									41
Purchase of subsidiary shares from noncontrolling interests	2		2						(19)
Other net changes in noncontrolling interests	(74)		17	(9)			(12)	(70)	(2)
Consolidation of investment management funds	7							7	
Comprehensive income:									
Net income	2,566			2,516				50	3
Other comprehensive income, net of tax	(262)				(246)			(16)	(1)
Reclassification adjustment [8]	(26)				(26)				
Total comprehensive income	2,278 [9]			2,516	(272)			34	2
Dividends on common stock at $0.48 in 2011, $0.36 in 2010 and $0.51 in 2009 per share	(593)			(593)					
Repurchase of common stock	(873)					(873)			
Common stock issued under employee benefit plans	33		30			3			
Common stock issued under direct stock purchase and dividend reinvestment plan	20		20						
Stock awards and options exercised	221		231	(1)		(9)			
Other	1			1					

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Ending Balance at Dec. 31, 2011	$ 34,087 [7]	$ 12	$ 23,185	$ 12,812	$ (1,627)	$ (965)	$ 670	$ 114

[1] Includes total The Bank of New York Mellon Corporation common shareholders' equity of $25,264 million at Dec. 31, 2008, and $28,977 million at Dec. 31, 2009.

[2] Includes $3,348 million (after tax) related to OTTI that was reclassified to net securities gains (losses) on the income statement.

[3] Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $3,158 million for the year ended Dec. 31, 2009.

[4] Includes total The Bank of New York Mellon Corporation common shareholders' equity of $28,977 million at Dec. 31, 2009, and $32,354 million at Dec. 31, 2010.

[5] Includes $(15) million (after tax) related to OTTI, and a $14 million reclassification to retained earnings from other comprehensive income.

[6] Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $2,960 million for the year ended Dec. 31, 2010.

[7] Includes total The Bank of New York Mellon Corporation common shareholders' equity of $32,354 million at Dec. 31, 2010, and $33,417 million at Dec. 31, 2011.

[8] Includes $(26) million (after tax) related to net securities gains (losses).

[9] Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $2,244 million for the year ended Dec. 31, 2011.

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Consolidated Income Statement (Parenthetical) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Net (income) attributable to noncontrolling interests	$ (53)	$ (63) [1]	$ (1) [1]
Investment Management Funds			
Net (income) attributable to noncontrolling interests	$ (50)	$ (59) [1]	

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Deposits	12 Months Ended Dec. 31, 2011
Deposits	**Note 9—Deposits** Total time deposits in denominations of $100,000 or greater was $44.2 billion at Dec. 31, 2011, and $35.3 billion at Dec. 31, 2010. At Dec. 31, 2011, the scheduled maturities of all time deposits are as follows: 2012 – $44.6 billion; 2013 – $3 million; 2014 – $20 million; 2015 – $3 million; 2016 –$- million; and 2017 and thereafter – $4 million.

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Activity in Restructuring Reserve (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended									12 Months Ended					13 Months Ended	12 Months Ended		13 Months Ended	
	Dec. 31, 2011 Operational Efficiency Initiatives 2011	Dec. 31, 2011 Operational Efficiency Initiatives 2011 Severance	Dec. 31, 2011 Operational Efficiency Initiatives 2011 Other	Dec. 31, 2011 Global Location Strategy 2009	Dec. 31, 2010 Global Location Strategy 2009	Dec. 31, 2009 Global Location Strategy 2009	Dec. 31, 2011 Global Location Strategy 2009 Severance	Dec. 31, 2010 Global Location Strategy 2009 Severance	Dec. 31, 2008 Global Location Strategy 2009 Severance	Dec. 31, 2011 Global Location Strategy 2009 Asset Write-offs/ Other	Dec. 31, 2010 Global Location Strategy 2009 Asset Write-offs/ Other	Dec. 31, 2009 Global Location Strategy 2009 Asset Write-offs/ Other	Dec. 31, 2011 Workforce Reduction Program 2008	Dec. 31, 2010 Workforce Reduction Program 2008	Dec. 31, 2009 Workforce Reduction Program 2008	Dec. 31, 2011 Workforce Reduction Program 2008 Severance	Dec. 31, 2010 Workforce Reduction Program 2008 Severance	Dec. 31, 2009 Workforce Reduction Program 2008 Severance	Dec. 31, 2009 Workforce Reduction Program 2008 Other
Restructuring Cost and Reserve [Line Items]																			
Beginning Balance	$ 107	$ 78	$ 29	$ 100	$ 116	$ 139	$ 81	$ 102	$ 102	$ 19	$ 14	$ 37	$ 16	$ 65	$ 181	$ 16	$ 65	$ 166	$ 15
Additional charges/(recovery)				(15)	35		(15)	29			6		(3)	(7)	11	(3)	(7)	4	7
Utilization	(33)	(4)	(29)	(47)	(51)	(23)	(39)	(50)		(8)	(1)	(23)	(13)	(42)	(127)	(13)	(42)	(105)	(22)
Ending Balance	$ 74	$ 74		$ 38	$ 100	$ 116	$ 27	$ 81	$ 102	$ 11	$ 19	$ 14		$ 16	$ 65		$ 16	$ 65	

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Intangible Assets by Business Segment (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Intangible Assets by Major Class [Line Items]			
Beginning Balance	$ 5,696	$ 5,588	
Acquisitions/dispositions	(105)		
Acquisitions		545	
Amortization	(428)	(421) [1]	(426) [1]
Foreign exchange translation	(4)	(9)	
Impairment	(9)		
Other	2 [2]	(7) [2]	
Ending Balance	5,152	5,696	5,588
Investment Management			
Intangible Assets by Major Class [Line Items]			
Beginning Balance	2,592	2,825	
Acquisitions/dispositions	6		
Acquisitions		15	
Amortization	(214)	(237)	
Foreign exchange translation	(2)	(9)	
Other		(2) [2]	
Ending Balance	2,382	2,592	
Investment Services			
Intangible Assets by Major Class [Line Items]			
Beginning Balance	2,254	1,911	
Acquisitions/dispositions	(111)		
Acquisitions		530	
Amortization	(212)	(182)	
Foreign exchange translation	(2)		
Impairment	(9)		
Other	2 [2]	(5) [2]	
Ending Balance	1,922	2,254	
Other Operating Segment			
Intangible Assets by Major Class [Line Items]			
Beginning Balance	850	852	
Amortization	(2)	(2)	
Ending Balance	$ 848	$ 850	

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[2] Other changes in intangible assets include purchase price adjustments and certain other reclassifications.

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Goodwill by Business Segment (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended			
	Dec. 31, 2011		Dec. 31, 2010	
Goodwill [Line Items]				
Beginning Balance	$ 18,042		$ 16,249	
Acquisitions/dispositions	(108)			
Acquisitions			1,798	
Foreign exchange translation	(61)		(75)	
Other	31	[1]	70	[1]
Ending Balance	17,904		18,042	
Investment Management				
Goodwill [Line Items]				
Beginning Balance	9,359		9,312	
Acquisitions/dispositions	10			
Acquisitions			8	
Foreign exchange translation	(32)		(44)	
Other	36	[1]	83	[1]
Ending Balance	9,373		9,359	
Investment Services				
Goodwill [Line Items]				
Beginning Balance	8,643		6,890	
Acquisitions/dispositions	(118)			
Acquisitions			1,790	
Foreign exchange translation	(29)		(30)	
Other	(5)	[1]	(7)	[1]
Ending Balance	8,491		8,643	
Other Operating Segment				
Goodwill [Line Items]				
Beginning Balance			47	
Foreign exchange translation			(1)	
Other			(6)	[1]
Ending Balance	$ 40		$ 40	

[1] Other changes in goodwill include purchase price adjustments and certain other reclassifications.

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Consolidated and Largest Bank Subsidiary Capital Ratios (Parenthetical) (Detail) (Basel I)	**Dec. 31, 2011**
Basel I	
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]	
Minimum Ratio for Tier 1 to be Well Capitalized	6.00%
Minimum Ratio for Total Tier 1 plus Tier 2 to be Well Capitalized	10.00%
Minimum Ratio for Leverage to be Well Capitalized	5.00%
Minimum Ratio for Tier 1 to be Adequately Capitalized	4.00%
Minimum Ratio for Total Tier 1 plus Tier 2 to be Adequately Capitalized	8.00%
Minimum Ratio for Leverage to be Adequately Capitalized	3.00%

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Stock Options Outstanding (Parenthetical) (Detail) (USD $)	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]			
Options exercisable	60,158,853 [1]	62,801,038	65,703,148
Options exercisable Weighted-Average Exercise Price	$ 35.21 [1]	$ 37.93	$ 38.96

[1] At Dec. 31, 2010 and 2009, 62,801,038 and 65,703,148 options were exercisable at an average price per common share of $37.93 and $38.96, respectively.

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Commitments and contingent liabilities - Additional Information (Detail) (USD $)	12 Months Ended			
	Dec. 31, 2011 LegalMatter	Dec. 31, 2010	Dec. 31, 2009	Jan. 18, 2008
Commitments and Contingencies Disclosure [Line Items]				
Lending commitment maturing in less than one year	$ 9,900,000,000			
Lending commitment maturing in one to five years	18,300,000,000			
Lending commitment maturing over five years	200,000,000			
SBLCs collateralized with cash and securities	485,000,000	628,000,000		
SBLCs expiring within one year	2,200,000,000			
SBLCs expiring within one to five years	4,300,000,000			
SBLCs expiring over five years	200,000,000			
Allowance for lending related commitments	103,000,000	73,000,000		
Commercial Letters of Credit	437,000,000	512,000,000		
Maximum maturities of prearranged contract for a securities lending transaction (in days)	90 days	90 days		
Custody cash on deposit at other institutions as a result of GIS acquisition	400,000,000			
Future minimum rental commitments under noncancelable operating leases, net of related sublease revenue for 2012	318,000,000			
Future minimum rental commitments under noncancelable operating leases, net of related sublease revenue for 2013	306,000,000			
Future minimum rental commitments under noncancelable operating leases, net of related sublease revenue for 2014	249,000,000			
Future minimum rental commitments under noncancelable operating leases, net of related sublease revenue for 2015	205,000,000			
Future minimum rental commitments under noncancelable operating leases, net of related sublease revenue for 2016	189,000,000			
Future minimum rental commitments under noncancelable operating leases, net of related sublease revenue for 2017 through 2031	798,000,000			
Legal proceedings loss contingency, range of possible loss, maximum	1,050,000,000			
Number of cases regarding customer losses in the securities lending program seeking to proceed as a class action	3			
Number of court actions that most of the Madoff cases have been consolidated into	2			

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Cash collateralization percentage generally required for a securities lending transaction with indemnification against broker default	102.00%	102.00%		
Securities lending indemnifications, secured amount of collateral	276,000,000,000	285,000,000,000		
Net rent expense for premises and equipment	350,000,000	314,000,000	327,000,000	
Bank filed a proof of claim on Jan. 18, 2008 in the Chapter 11 bankruptcy of Sentinel Management Group, Inc. (Sentinel), seeking to recover approximate amount loaned to Sentinel				312,000,000
Number of institutional customers filing lawsuits regarding the sale of Auction Rate Securities to them	2			
Number of customers filing an arbitration proceeding in the auction rate securities matter	2			
Claim for rescission of auction rate securities transactions	67,000,000			
Standby letters of credit				
Commitments and Contingencies Disclosure [Line Items]				
Potential exposure of off-balance sheet credit risks	6,707,000,000 [1]	8,483,000,000 [1]		
Securities lending indemnifications				
Commitments and Contingencies Disclosure [Line Items]				
Potential exposure of off-balance sheet credit risks	268,812,000,000	278,069,000,000		
Fee revenue from securities lending transactions	183,000,000	150,000,000		
Support agreements				
Commitments and Contingencies Disclosure [Line Items]				
Potential exposure of off-balance sheet credit risks	63,000,000	116,000,000		
Germany				
Commitments and Contingencies Disclosure [Line Items]				
Number of lawsuits filed in Germany related to options transactions on behalf of German broker-dealer clients	100			
United Kingdom				
Commitments and Contingencies Disclosure [Line Items]				
The total amount of disputed tax assessments for the life of a transaction, covering the period from 2001 - 2006 related to foreign tax credits	$ 900,000,000			

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[1] Net of participations totaling $1.2 billion at Dec. 31, 2011 and $1.7 billion at Dec. 31, 2010 .

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Rollforward of Plan Investment Assets Including Change in Fair Value Classified in Level 3 of Valuation Hierarchy (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	$ 3,628	$ 3,331
Total gains or (losses) included in earnings (or changes in net assets)	26	427
Fair value at end of period	3,529	3,628
Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	611	540
Total gains or (losses) included in earnings (or changes in net assets)	30	70
Fair value at end of period	681	611
Level 3 | Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	249	231
Total gains or (losses) included in earnings (or changes in net assets)	18	13
Purchases, issuances and settlements, net		5
Purchases	7	
Transfers in/out-of Level 3		
Sales	(25)	
Fair value at end of period	249	249
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	10	4
Level 3 | Domestic Pension Benefits | Fund of Funds		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	134	121
Total gains or (losses) included in earnings (or changes in net assets)	(2)	5
Purchases, issuances and settlements, net		8
Transfers in/out-of Level 3		
Sales	(4)	
Fair value at end of period	128	134
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	2	2
Level 3 | Domestic Pension Benefits | Venture Capital and Partnership Interests		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	115	110
Total gains or (losses) included in earnings (or changes in net assets)	20	8
Purchases, issuances and settlements, net		(3)

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Purchases	7	
Transfers in/out-of Level 3		
Sales	(21)	
Fair value at end of period	121	115
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	8	2
Level 3 | Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	55	49
Total gains or (losses) included in earnings (or changes in net assets)	1	6
Purchases	4	
Transfers in/out-of Level 3		
Sales	(6)	
Fair value at end of period	54	55
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	1	6
Level 3 | Foreign Pension Benefits | Venture Capital and Partnership Interests		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period	41	36
Total gains or (losses) included in earnings (or changes in net assets)	1	5
Purchases	4	
Transfers in/out-of Level 3		
Sales	(6)	
Fair value at end of period	40	41
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	1	5
Level 3 | Foreign Pension Benefits | Corporate Debt Obligations		
Defined Benefit Plan Disclosure [Line Items]		
Fair value at beginning of period		13
Total gains or (losses) included in earnings (or changes in net assets)		1
Transfers in/out-of Level 3		
Fair value at end of period	14	14
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses		$ 1

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Securitizations and variable interest entities - Additional Information (Detail) (Credit Supported, USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Credit Supported		
Variable Interest Entity [Line Items]		
Liabilities related to VIEs for which credit support agreements were provided	$ 22	$ 126

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Document and Entity Information (USD $)	12 Months Ended Dec. 31, 2011	Jan. 31, 2012	Jun. 30, 2011
Document Type	10-K		
Amendment Flag	false		
Document Period End Date	Dec. 31, 2011		
Document Fiscal Year Focus	2011		
Document Fiscal Period Focus	FY		
Trading Symbol	BK		
Entity Registrant Name	Bank of New York Mellon CORP		
Entity Central Index Key	0001390777		
Current Fiscal Year End Date	--12-31		
Entity Well-known Seasoned Issuer	Yes		
Entity Current Reporting Status	Yes		
Entity Voluntary Filers	No		
Entity Filer Category	Large Accelerated Filer		
Entity Common Stock, Shares Outstanding		1,204,793,331	
Entity Public Float			$ 31,482,706,020

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Components of Tier 1 and Total Risk-Based Capital (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Compliance with Regulatory Capital Requirements under Banking Regulations [Line Items]		
Deferred tax liabilities, associated with non-tax deductible identifiable intangible assets	$ 1,459	$ 1,625
Deferred tax liabilities, associated with tax deductible goodwill	$ 967	$ 816

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Net interest revenue	12 Months Ended Dec. 31, 2011
Net interest revenue	**Note 10—Net interest revenue**

Net interest revenue *(in millions)*	**2011**	2010	2009
Interest revenue			
Non-margin loans	**$681**	$738	$874
Margin loans	**129**	88	69
Securities:			
Taxable	**1,949**	1,944	1,718
Exempt from federal income taxes	**36**	25	30
Total securities	**1,985**	1,969	1,748
Other short-term investments-U.S. government-backed commercial paper	**-**	-	9
Deposits in banks	**543**	491	684
Deposits with the Federal Reserve and other central banks	**148**	49	43
Federal funds sold and securities purchased under resale agreements	**28**	64	31
Trading assets	**74**	71	50
Total interest revenue	**3,588**	3,470	3,508
Interest expense			
Deposits in domestic offices	**47**	49	57
Deposits in foreign offices	**194**	82	115
Borrowings from Federal Reserve related to ABCP	**-**	-	7
Federal funds purchased and securities sold under repurchase agreements	**2**	43	-
Trading liabilities	**32**	41	22
Other borrowed funds	**21**	24	20
Customer payables	**7**	6	6
Long-term debt	**301**	300	366
Total interest expense	**604**	545	593
Net interest revenue	**$2,984**	$2,925	$2,915

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Fair value option - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Fair Value, Option, Quantitative Disclosures [Line Items]		
Long-term debt, carrying amount	$ 240	
Maximum		
Fair Value, Option, Quantitative Disclosures [Line Items]		
Fair market value of unfunded lending-related commitments for which the fair value option was elected, included in other liabilities	1	1
Written Loan Commitment, Fair Value Option		
Fair Value, Option, Quantitative Disclosures [Line Items]		
Amount of unfunded lending-related commitments for which the fair value option was elected	120	
Operations		
Fair Value, Option, Quantitative Disclosures [Line Items]		
Long-term debt, fair value	$ 326	$ 269

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Loans and asset quality - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2011 Other Residential Mortgages Contract	Dec. 31, 2011 Wealth Management Mortgages Portfolio Segment	Dec. 31, 2010 Wealth Management Mortgages Portfolio Segment	Dec. 31, 2011 Wealth Management Mortgages Portfolio Segment New York State	Dec. 31, 2011 Wealth Management Mortgages Portfolio Segment Massachusetts	Dec. 31, 2011 Wealth Management Mortgages Portfolio Segment California State	Dec. 31, 2011 Wealth Management Mortgages Portfolio Segment Florida	Dec. 31, 2011 Wealth Management Mortgages Portfolio Segment Other	12 Months Ended Dec. 31, 2011 Overdrafts	12 Months Ended Dec. 31, 2010 Overdrafts	Dec. 31, 2011 Subsequently Defaulted Other Residential Mortgages Contract	Dec. 31, 2011 Subsequently Defaulted Other Residential Mortgages Maximum	Dec. 31, 2011 Domestic	Dec. 31, 2010 Domestic	Dec. 31, 2011 Domestic Other Residential Mortgages	Dec. 31, 2010 Domestic Other Residential Mortgages	Dec. 31, 2011 Domestic Overdrafts	Dec. 31, 2010 Domestic Overdrafts	Dec. 31, 2009 Domestic Overdrafts	Dec. 31, 2011 Domestic Margin Loans	Dec. 31, 2010 Domestic Margin Loans	Dec. 31, 2009 Domestic Margin Loans	Dec. 31, 2011 Domestic Margin Loans Minimum	Dec. 31, 2010 Domestic Margin Loans Minimum
Accounts, Notes, Loans and Financing Receivable [Line Items]																											
Loans to directors and executive officers and to entities in which certain of our directors have an ownership interest or direct or indirect subsidiaries of such entities	$ 3	$ 3	$ 4																								
Number of contracts				11										1													
Outstanding recorded investment Pre- modification				5																							
Outstanding recorded investment Post- modification				5																							
Recorded Investment	128 [1]	140 [1]	345												1												
Loan to value ratio at origination					62.00%																						
Percentage of past due mortgages					1.00%																						
Geographic concentrations							24.00%	17.00%	17.00%	8.00%	34.00%																
Loans	43,979	37,808 [2]			3,781	3,341						4,849	6,049			33,971	29,767 [2]	1,923	2,079 [2]	2,958	4,524 [2]	3,946	12,760	6,810 [2]	4,657		
Purchased mortgages																		$ 596									
Number of business days in which overdrafts are generally repaid												2 days															
Purchased residential mortgages, loan to value ratio																		76.00%									
Percentage of purchased residential mortgages that were at least 60 days delinquent																		28.00%									
Required daily collateral margin																										100.00%	100.00%

[1] Excludes an aggregate of $2 million of impaired loans in amounts individually less than $1 million at Dec. 31, 2011 and $3 million at Dec. 31, 2010. The allowance for loan loss associated with these loans totaled less than $1 million at both Dec. 31, 2011 and Dec. 31, 2010.

[2] Presented on a continuing operations basis.

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Contribution of Segments to Overall Profitability (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Segment Reporting Information [Line Items]						
Fee and other revenue	$ 11,696	[1]	$ 10,891	[2]	$ 4,739	
Net interest revenue	2,984		2,925	[3]	2,915	[3]
Total revenue	14,680		13,816		7,654	
Provision for credit losses	1		11	[3]	332	[3]
Noninterest expense	11,112		10,170	[3]	9,530	[3]
Income (loss) before taxes	3,567	[1]	3,635	[2]	(2,208)	
Pre-tax operating margin	24.00%	[4]	26.00%	[4]		
Average assets	291,145		237,436	[5]	209,939	[6]
Investment Management						
Segment Reporting Information [Line Items]						
Fee and other revenue	3,264	[1]	3,234	[2]	2,825	
Net interest revenue	206		205		242	
Total revenue	3,470		3,439		3,067	
Provision for credit losses	1		3		1	
Noninterest expense	2,746		2,693		2,499	
Income (loss) before taxes	723	[1]	743	[2]	567	
Pre-tax operating margin	21.00%	[4]	22.00%	[4]	18.00%	[4]
Average assets	37,043		35,411		21,840	
Investment Services						
Segment Reporting Information [Line Items]						
Fee and other revenue	7,957		7,179		6,887	
Net interest revenue	2,635		2,448		2,349	
Total revenue	10,592		9,627		9,236	
Noninterest expense	7,478		6,515		5,901	
Income (loss) before taxes	3,114		3,112		3,335	
Pre-tax operating margin	29.00%	[4]	32.00%	[4]	36.00%	[4]
Average assets	207,454		161,605		151,001	
Other Operating Segment						
Segment Reporting Information [Line Items]						
Fee and other revenue	475		478		(4,973)	
Net interest revenue	143		272		324	
Total revenue	618		750		(4,649)	
Provision for credit losses			8		331	
Noninterest expense	888		962		1,130	
Income (loss) before taxes	(270)		(220)		(6,110)	

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Average assets	$ 46,648	$ 40,420	$ 37,098

[1] Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

[2] Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

[3] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[4] Income before taxes divided by total revenue.

[5] Including average assets of discontinued operations of $404 million in 2010, consolidated average assets were $237,840 million.

[6] Including average assets of discontinued operations of $2,188 million in 2009, consolidated average assets were $212,127 million.

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Credit Quality Indicators - Wealth Management Loans and Mortgages - Credit Risk Profile by Internally Assigned Grade (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	
Financing Receivable, Recorded Investment [Line Items]			
Loans	$ 43,979	$ 37,808	[1]
Wealth Management Loans Portfolio Segment | Investment grade			
Financing Receivable, Recorded Investment [Line Items]			
Loans	3,450	2,995	
Wealth Management Loans Portfolio Segment | Noninvestment grade			
Financing Receivable, Recorded Investment [Line Items]			
Loans	111	170	
Wealth Management Mortgages Portfolio Segment			
Financing Receivable, Recorded Investment [Line Items]			
Loans	3,781	3,341	
Wealth Management Loans and Mortgages			
Financing Receivable, Recorded Investment [Line Items]			
Loans	$ 7,342	$ 6,506	

[1] Presented on a continuing operations basis.

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Consolidated Balance Sheet (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Securities:		
Loans	$ 43,979	$ 37,808 [1]
Allowance for loan losses	(394)	(498)
Goodwill	17,904	18,042
Intangible assets	5,152	5,696
Other assets (includes $1,848 and $1,075, at fair value)	19,839	18,790
Assets of discontinued operations		278
Total assets	325,266	247,259
Deposits:		
Long-term debt (includes $326 and $269, at fair value)	19,933	16,517
Total liabilities	291,065	214,102
Temporary equity		
Redeemable noncontrolling interests	114	92
Permanent equity		
Common stock - par value $0.01 per common share; authorized 3,500,000,000 common shares; issued 1,249,061,305 and 1,244,608,989 common shares	12	12
Additional paid-in capital	23,185	22,885
Retained earnings	12,812	10,898
Accumulated other comprehensive loss, net of tax	(1,627)	(1,355)
Less: Treasury stock of 39,386,698 and 3,078,794 common shares, at cost	(965)	(86)
Total The Bank of New York Mellon Corporation shareholders' equity	33,417	32,354
Total permanent equity	34,087 [2]	33,065 [2],[3]
Total liabilities, temporary equity and permanent equity	325,266	247,259
Operations		
Cash and due from:		
Banks	4,175	3,675
Interest-bearing deposits with the Federal Reserve and other central banks	90,243	18,549
Interest-bearing deposits with banks	36,321	50,200
Federal funds sold and securities purchased under resale agreements	4,510	5,169
Securities:		
Held-to-maturity (fair value of $3,540 and $3,657)	3,521	3,655
Available-for-sale	78,467	62,652
Total securities	81,988	66,307
Trading assets	7,861	6,276
Loans	43,979	37,808
Allowance for loan losses	(394)	(498)
Net loans	43,585	37,310
Premises and equipment	1,681	1,693
Accrued interest receivable	660	508

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Goodwill	17,904	18,042
Intangible assets	5,152	5,696
Other assets (includes $1,848 and $1,075, at fair value)	19,839	18,790
Assets of discontinued operations		278
Total assets	313,919	232,493
Other assets	1,848	1,075
Liabilities		
Other liabilities	382	590
Deposits:		
Noninterest-bearing (principally U.S. offices)	95,335	38,703
Interest-bearing deposits in U.S. offices	41,231	37,937
Interest-bearing deposits in Non-U.S. offices	82,528	68,699
Total deposits	219,094	145,339
Federal funds purchased and securities sold under repurchase agreements	6,267	5,602
Trading liabilities	8,071	6,911
Payables to customers and broker-dealers	12,671	9,962
Commercial paper	10	10
Other borrowed funds	2,174	2,858
Accrued taxes and other expenses	6,235	6,164
Other liabilities (including allowance for lending-related commitments of $103 and $73, also includes $382 and $590, at fair value)	6,525	7,176
Long-term debt (includes $326 and $269, at fair value)	19,933	16,517
Total liabilities	280,980	200,539
Permanent equity		
Non-redeemable noncontrolling interests		12
Investment Management Funds		
Securities:		
Trading assets	10,751	14,121
Other assets	596	645
Total assets	11,347	14,766
Liabilities		
Trading liabilities	10,053	13,561
Other liabilities	32	2
Total liabilities	10,085	13,563
Permanent equity		
Non-redeemable noncontrolling interests	$ 670	$ 699

[1] Presented on a continuing operations basis.

[2] Includes total The Bank of New York Mellon Corporation common shareholders' equity of $32,354 million at Dec. 31, 2010, and $33,417 million at Dec. 31, 2011.

[3] Includes total The Bank of New York Mellon Corporation common shareholders' equity of $28,977 million at Dec. 31, 2009, and $32,354 million at Dec. 31, 2010.

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Discontinued operations

	12 Months Ended Dec. 31, 2011
Discontinued operations	**Note 4—Discontinued operations**

On Jan. 15, 2010, BNY Mellon sold MUNB, our former national bank subsidiary located in Florida. We applied discontinued operations accounting to this business. Summarized financial information for discontinued operations is as follows:

Discontinued operations			
(in millions)	**2011**	2010	2009
Fee and other revenue	**$ -**	$-	$7
Net interest revenue	**-**	9	59
Provision for loan losses	**-**	-	191
Net interest revenue after provision for loan losses	**-**	9	(132)
Noninterest expense:			
Staff	**-**	4	37
Professional, legal and other purchased services	**-**	4	4
Net occupancy	**-**	1	5
Other	**-**	3	16
Goodwill impairment	**-**	-	50
Total noninterest expense	**-**	12	112
Income (loss) from operations	**-**	(3)	(237)
Loss on assets held for sale	**-**	(106)	(184)
Loss on sale of MUNB	**-**	(1)	-
Provision (benefit) for income taxes	**-**	(44)	(151)
Net income (loss) from discontinued operations	**$ -**	$(66)	$(270)

Discontinued operations assets and liabilities		
	Dec. 31,	
(in millions)	**2011**	2010
Loans, net of allowance for loan losses	**$ -**	$183
Deferred taxes	**-**	90
Other assets	**-**	5
Assets of discontinued operations	**$ -**	$278
Liabilities of discontinued operations	**$ -**	$-

Certain loans were not sold as part of the MUNB transaction and are held-for-sale. Effective Jan. 1, 2011, we reclassified the remaining assets of discontinued operations of $278 million to continuing operations. Loans of $114 million at Dec. 31, 2011, are included in other assets on the balance sheet. These loans are recorded at the lower of cost or market. In 2011, we recorded income of $100 million primarily related to paydowns and valuation changes on loans held-for-sale.

Information for 2010 and 2009 included in these Financial Statements and Notes reflects continuing operations, unless otherwise noted.

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Acquisitions and dispositions

Acquisitions and dispositions

12 Months Ended
Dec. 31, 2011

Note 3—Acquisitions and dispositions

We sometimes structure our acquisitions with both an initial payment and later contingent payments tied to post-closing revenue or income growth. For acquisitions completed prior to Jan. 1, 2009, we record the fair value of contingent payments as an additional cost of the entity acquired in the period that the payment becomes probable. For acquisitions completed after Jan. 1, 2009, subsequent changes in the fair value of a contingent consideration liability will be recorded through the income statement. Contingent payments totaled $17 million in 2011.

At Dec. 31, 2011, we were potentially obligated to pay additional consideration which, using reasonable assumptions for the performance of the acquired companies and joint ventures based on contractual agreements, could range from $3 million to $35 million over the next 3 years.

Acquisitions in 2011

On July 1, 2011, BNY Mellon acquired the wealth management operations of Chicago-based Talon Asset Management ("Talon") for cash of $11 million. We are obligated to pay, upon occurrence of certain events, contingent additional consideration of $5 million, which was recorded as goodwill at the acquisition date. Talon manages assets of wealthy families and institutions. Goodwill related to this acquisition, including the contingent additional consideration, is included in our Investment Management business and totaled $10 million and is deductible for tax purposes. Customer relationship intangible assets related to this acquisition are included in our Investment Management business, with a life of 20 years, and totaled $6 million. The impact of this acquisition was not material to earnings per share in 2011.

On Nov. 30, 2011, BNY Mellon acquired Penson Financial Services Australia Pty Ltd ("Penson"), a clearing firm located in Australia, in a $33 million share purchase transaction. Goodwill related to this acquisition is included in our Investment Services business and totaled $10 million and is non-tax deductible. Customer relationship intangible assets related to this acquisition are included in our Investment Services business, with a life of nine years, and totaled $6 million. The impact of this acquisition was not material to earnings per share in 2011.

Dispositions in 2011

On Dec. 31, 2011, BNY Mellon sold the Shareowner Services business. The sales price of $550 million resulted in a pre-tax gain of $98 million. We recorded an immaterial after-tax gain primarily due to the write-off of non-tax deductible goodwill associated with the business. Excluding the gain on the sale, the Shareowner Services business contributed $273 million of revenue and $21 million of pre-tax income in 2011.

Acquisitions in 2010

On July 1, 2010, we acquired GIS for cash of $2.3 billion. GIS provides a comprehensive suite of products which includes subaccounting, fund accounting/administration, custody, managed account services and alternative investment services. Assets acquired totaled approximately $590 million. Liabilities assumed totaled approximately $250 million. Goodwill related to this acquisition totaled $1,505 million, of which $1,256 million is tax deductible and $249 million is

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non-tax deductible. Customer contract intangible assets related to this acquisition totaled $477 million with lives ranging from ten years to 20 years.

On Aug. 2, 2010, we acquired BAS for cash of $370 million. This transaction included the purchase of Frankfurter Service Kapitalanlage—Gesellschaft mbH ("FSKAG"), a wholly-owned fund administration affiliate. The combined business offers a full range of tailored solutions for investment companies, financial institutions and institutional investors in Germany. Assets acquired totaled approximately $3.6 billion and primarily consisted of securities of approximately $2.6 billion. Liabilities assumed totaled approximately $3.4 billion and included deposits of $2.3 billion. Goodwill related to this acquisition of $272 million is tax deductible. Customer contract intangible assets related to this acquisition totaled $40 million with a life of ten years.

On Sept. 1, 2010, we acquired I(3) Advisors of Toronto, an independent wealth advisory company, for cash of $21.1 million. Goodwill related to this acquisition totaled $8 million and is non-tax deductible. Customer relationship intangible assets related to this acquisition totaled $10 million with a life of 33 years.

Divestitures in 2010

On Jan. 15, 2010, BNY Mellon sold MUNB, our national bank subsidiary located in Florida. The results for MUNB were classified as discontinued operations. See Note 4 for additional information on the MUNB transaction.

Acquisitions in 2009

In November 2009, we acquired Insight Investment Management Limited ("Insight") for $377 million of cash and stock. Goodwill related to this acquisition is non-tax deductible and totaled $202 million. Intangible assets (primarily customer contracts) related to the transaction, with a life up to 11 years, totaled $111 million.

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Benefit Payments for BNY Mellons Pension and Healthcare Plans Expected to be Paid (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011
Domestic Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Year 2012	$ 177
2013	183
2014	197
2015	213
2016	233
2017-2021	1,256
Total benefits	2,259
Foreign Pension Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Year 2012	9
2013	11
2014	11
2015	13
2016	17
2017-2021	101
Total benefits	162
Domestic Healthcare Benefits	
Defined Benefit Plan Disclosure [Line Items]	
Year 2012	24
2013	24
2014	24
2015	24
2016	25
2017-2021	119
Total benefits	240
Foreign Healthcare Benefits	
Defined Benefit Plan Disclosure [Line Items]	
2017-2021	1
Total benefits	$ 1

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Securitizations and variable interest entities	12 Months Ended Dec. 31, 2011
Securitizations and variable interest entities	

Note 15—Securitizations and variable interest entities

Variable Interest Entities

Accounting guidance on the consolidation of VIEs is included in ASC 810, *Consolidation*, and ASU 2009-17, "Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities."

Effective Jan. 1, 2010, the FASB approved ASU 2010-10 "Amendments for Certain Investment Funds," which defers the requirements of ASU 2009-17 for asset managers' interests in entities that apply the specialized accounting guidance for investment companies or that have the attributes of investment companies and for interests in money market funds.

Accounting guidance on the consolidation of VIEs applies to certain entities in which the equity investors:

- do not have sufficient equity at risk for the entity to finance its activities without additional financial support, or
- lack one or more of the following characteristics of a controlling financial interest:
  - The power, through voting rights or similar rights, to direct the activities of an entity that most significantly impact the entity's economic performance (ASU 2009-17 model).
  - The direct or indirect ability to make decisions about the entity's activities through voting rights or similar rights (ASC 810 model).
  - The obligation to absorb the expected losses of the entity.
  - The right to receive the expected residual returns of the entity.

BNY Mellon's VIEs generally include retail, institutional and alternative investment funds offered to its retail and institutional customers in which it acts as the fund's investment manager. BNY Mellon earns management fees on these funds as well as performance fees in certain funds. It may also provide start-up capital in its new funds. These VIEs are included in the scope of ASU 2010-10 and are reviewed for consolidation based on the guidance in ASC 810.

BNY Mellon applies ASC 810 to its mutual funds, hedge funds, private equity funds, collective investment funds and real estate investment trusts. If these entities are determined to be VIEs, primary beneficiary calculations are prepared in accordance with ASC 810 to determine whether or not BNY Mellon is the primary beneficiary and required to consolidate the VIE. The primary beneficiary of a VIE is the party that absorbs a majority of the variable interests' expected losses, receives a majority of its expected residual returns or both.

The primary beneficiary calculations include estimates of ranges and probabilities of losses and returns from the funds. The calculated expected gains and expected losses are allocated to the variable interest holders of the funds, which are generally the fund's investors and which may include BNY Mellon, in order to determine which entity is required to consolidate the VIE, if any.

BNY Mellon has other VIEs, including securitization trusts, which are no longer considered QSPEs, and CLOs, in which BNY Mellon serves as the investment manager. In addition, we

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provide trust and custody services for a fee to entities sponsored by other corporations in which we have no other interest. These VIEs are evaluated under the guidance included in ASU 2009-17. BNY Mellon has two securitizations and several CLOs, which are assessed for consolidation in accordance with ASU 2009-17.

The primary beneficiary of these VIEs is the entity whose variable interests provide it with a controlling financial interest, which includes the power to direct the activities that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE.

In order to determine if it has a controlling financial interest in these VIEs, BNY Mellon assesses the VIE's purpose and design along with the risks it was designed to create and pass through to its variable interest holders. We also assess our involvement in the VIE and the involvement of any other variable interest holders in the VIE.

Generally, as the sponsor and the manager of its VIEs, BNY Mellon has the power to control the activities that significantly impact the VIE's economic performance. Both a qualitative and quantitative analysis of BNY Mellon's variable interests are performed to determine if BNY Mellon has the obligation to absorb losses of the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE. The analyses included assessments related to the expected performance of the VIEs and its related impact on BNY Mellon's seed capital, management fees or residual interests in the VIEs. We also assess any potential impact the VIE's expected performance has on our performance fees.

The following tables present the incremental assets and liabilities included in BNY Mellon's consolidated financial statements, after applying intercompany eliminations, as of Dec. 31, 2011 and Dec. 31, 2010, based on the assessments performed in accordance with ASC 810 and ASU 2009-17. The net assets of any consolidated VIE are solely available to settle the liabilities of the VIE and to settle any investors' ownership liquidation requests, including any seed capital invested in the VIE by BNY Mellon.

Investments consolidated under ASC 810 and ASU 2009-17 at Dec. 31, 2011

(in millions)	Investment Management funds	Securitizations	Total consolidated investments
Available-for-sale	**$ -**	**$ 479**	**$ 479**
Trading assets	**10,751**	**-**	**10,751**
Other assets	**596**	**-**	**596**
Total assets	**$ 11,347**	**$ 479**	**$ 11,826**
Trading liabilities	**10,053**	**-**	**10,053**
Other liabilities	**32**	**443**	**475**
Total liabilities	**$ 10,085**	**$ 443**	**$ 10,528**
Non-redeemable noncontrolling interests	**$ 670**	**$ -**	**$ 670**

Investments consolidated under ASC 810 and ASU 2009-17 at Dec. 31, 2010

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(in millions)	Investment Management funds	Securitizations	Total consolidated investments
Available-for-sale	$ -	$ 483	$ 483
Trading assets	14,121	-	14,121
Other assets	645	-	645
Total assets	$ 14,766	$ 483	$ 15,249
Trading liabilities	13,561	-	13,561
Other liabilities	2	386	388
Total liabilities	$ 13,563	$ 386	$ 13,949
Non-redeemable noncontrolling interests	$ 699	$ -	$ 699

BNY Mellon voluntarily provided capital support agreements to certain VIEs (see below). With the exception of these agreements, we are not contractually required to provide financial or any other support to any of our VIEs. Additionally, creditors of any consolidated VIEs do not have any recourse to the general credit of BNY Mellon.

Non-consolidated VIEs

As of Dec. 31, 2011 and Dec. 31, 2010, the following assets related to the VIEs, where BNY Mellon is not the primary beneficiary, are included in our consolidated financial statements.

Non-consolidated VIEs at Dec. 31, 2011			
(in millions)	Assets	Liabilities	Maximum loss exposure
Trading	$ 1	$ -	$ 1
Other	41	-	41
Total	**$ 42**	**$ -**	**$ 42**

Non-consolidated VIEs at Dec. 31, 2010			
(in millions)	Assets	Liabilities	Maximum loss exposure
Trading	$ 24	$ -	$ 24
Other	34	-	34
Total	$ 58	$ -	$ 58

The maximum loss exposure indicated in the above tables relate solely to BNY Mellon's seed capital or residual interests invested in the VIEs.

Credit supported VIEs

BNY Mellon voluntarily provided limited credit support to certain money market, collective, commingled and separate account funds (the "Funds"). Entering into such support agreements represents an event under ASC 810, and is subject to its interpretations.

In analyzing the Funds for which credit support was provided, it was determined that interest rate risk and credit risk are the two main risks that the Funds are designed to create and pass through to their investors. Accordingly, interest rate and credit risk were analyzed to determine if BNY Mellon was the primary beneficiary of each of the Funds.

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BNY Mellon's analysis of the credit risk variability and interest rate risk variability associated with the supported Funds resulted in BNY Mellon not being the primary beneficiary and therefore the Funds were not consolidated.

The tables below show the financial statement items related to non-consolidated VIEs to which we have provided credit support agreements at Dec. 31, 2011 and Dec. 31, 2010.

Credit supported VIEs at Dec. 31, 2011			
(in millions)	Assets	Liabilities	Maximum loss exposure
Other	**$ -**	**$ -**	**$ -**

Credit supported VIEs at Dec. 31, 2010			
(in millions)	Assets	Liabilities	Maximum loss exposure
Other	$ -	$ -	$ 13

Consolidated credit supported VIEs

Certain funds have been created solely with securities that are subject to credit support agreements where we have agreed to absorb the majority of loss. Accordingly, these funds have been consolidated into BNY Mellon and have affected the following financial statement items at Dec. 31, 2011 and Dec. 31, 2010.

Consolidated credit supported VIEs at Dec. 31, 2011			
(in millions)	Assets	Liabilities	Maximum loss exposure
Available-for-sale	$ 14	$ -	$ 14
Other	-	22	10
Total	**$ 14**	**$ 22**	**$ 24**

Consolidated credit supported VIEs at Dec. 31, 2010			
(in millions)	Assets	Liabilities	Maximum loss exposure
Available-for-sale	$ 53	$ -	$ 53
Other	-	126	51
Total	$ 53	$ 126	$ 104

The maximum loss exposure shown above for the credit support agreements provided to BNY Mellon's VIEs primarily reflects a complete loss on the Lehman Brothers Holdings Inc. securities for BNY Mellon's clients that accepted our offer of support. As of Dec. 31, 2011, BNY Mellon recorded $22 million in liabilities related to its VIEs for which credit support agreements were provided.

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Other noninterest expense	12 Months Ended Dec. 31, 2011
Other noninterest expense	**Note 11—Other noninterest expense**

The following table provides a breakdown of other noninterest expense presented on the consolidated income statement.

Other noninterest expense *(in millions)*	**2011**	2010	2009
Litigation	**$210**	$217	$34
Communications	**173**	140	115
Clearing	**135**	127	117
Other	**629**	576	688
Total other	**$1,147**	$1,060	$954

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Nonperforming Assets (Parenthetical) (Detail) (Investment Management Funds, Nonperforming Financing Receivable, USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Investment Management Funds | Nonperforming Financing Receivable		
Financing Receivable, Impaired [Line Items]		
Loans fair value	$ 101	$ 218

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Goodwill and intangible assets	12 Months Ended Dec. 31, 2011
Goodwill and intangible assets	**Note 7—Goodwill and intangible assets**

Goodwill impairment testing

BNY Mellon's three business segments include seven reporting units for which annual goodwill impairment testing is done in accordance with ASC 350. The Investment Management segment is comprised of two reporting units; the Investment Services segment is comprised of four reporting units; and one reporting unit is included in the Other segment.

The goodwill impairment test is performed in two steps. The first step compares the estimated fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. However, if the carrying amount of the reporting unit were to exceed its estimated fair value, a second step would be performed that would compare the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. An impairment loss would be recorded to the extent that the carrying amount of goodwill exceeds its implied fair value. The Company performed its annual goodwill impairment testing for all reporting units in the second quarter of 2011.

The broad decline of stock prices throughout the U.S. stock market in the second half of 2011 also impacted the Company's stock price, which declined below the Company's net book value per share. As a result of this sustained decline in the second half of 2011, the Company performed an interim goodwill test of all its reporting units in the fourth quarter of 2011. The estimated fair values of each of the Company's reporting units exceeded their carrying values in the interim test and no goodwill impairment was recognized.

Goodwill

The level of goodwill decreased in 2011 compared with 2010 as a result of the sale of Shareowner Services and foreign exchange translation on non-U.S. dollar denominated goodwill, partially offset by the acquisitions of Penson Financial Services, Talon Asset Management and contingent payments on previous acquisitions.

The table below provides a breakdown of goodwill by business.

Goodwill by business *(in millions)*	Investment Management	Investment Services	Other	Consolidated
Balance at Dec. 31, 2009	$ 9,312	$ 6,890	$ 47	$ 16,249
Acquisitions	8	1,790	-	1,798
Foreign exchange translation	(44)	(30)	(1)	(75)
Other *(a)*	83	(7)	(6)	70
Balance at Dec. 31, 2010	$ 9,359	$ 8,643	$ 40	$ 18,042
Acquisitions/dispositions	10	(118)	-	(108)
Foreign exchange translation	(32)	(29)	-	(61)
Other *(a)*	36	(5)	-	31
Balance at Dec. 31, 2011	**$ 9,373**	**$ 8,491**	**$ 40**	**$ 17,904**

(a) Other changes in goodwill include purchase price adjustments and certain other reclassifications.

Intangible assets

The decrease in intangible assets in 2011 compared with 2010 resulted from amortization of intangible assets and the sale of Shareowner Services, partially offset by the acquisition of customer contracts in the Investment Services and Investment Management businesses. Also, in 2011, we recorded $9 million in

impairment charges to write-down the value of a software technology intangible to its fair value. This impairment charge is included in other expense on the income statement.

Amortization of intangible assets was $428 million, $421 million and $426 million in 2011, 2010 and 2009, respectively.

The table below provides a breakdown of intangible assets by business.

Intangible assets – net carrying amount by business

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(in millions)	Investment Management	Investment Services	Other	Consolidated
Balance at Dec. 31, 2009	$ 2,825	$ 1,911	$852	$ 5,588
Acquisitions	15	530	-	545
Amortization	(237)	(182)	(2)	(421)
Foreign exchange translation	(9)	-	-	(9)
Other *(a)*	(2)	(5)	-	(7)
Balance at Dec. 31, 2010	$ 2,592	$ 2,254	$850	$ 5,696
Acquisitions/dispositions	6	(111)	-	(105)
Amortization	(214)	(212)	(2)	(428)
Foreign exchange translation	(2)	(2)	-	(4)
Impairment	-	(9)	-	(9)
Other *(a)*	-	2	-	2
Balance at Dec. 31, 2011	**$ 2,382**	**$ 1,922**	**$848**	**$ 5,152**

(a) Other changes in intangible assets include purchase price adjustments and certain other reclassifications.

The table below provides a breakdown of intangible assets by type.

Intangible assets	**Dec. 31, 2011**				Dec. 31, 2010		
(in millions)	**Gross carrying amount**	**Accumulated amortization**	**Net carrying amount**	**Remaining weighted average amortization period**	Gross carrying amount	Accumulated amortization	Net carrying amount
Subject to amortization:							
Customer relationships—Investment Management	**$ 2,109**	**$ (1,189)**	**$ 920**	**12 yrs.**	$ 2,102	$ (983)	$ 1,119
Customer contracts—Investment Services	**2,351**	**(834)**	**1,517**	**13 yrs.**	2,566	(736)	1,830
Other	**131**	**(95)**	**36**	**5 yrs.**	134	(86)	48
Total subject to amortization	**4,591**	**(2,118)**	**2,473**	**13 yrs.**	4,802	(1,805)	2,997
Not subject to amortization: *(a)*							
Trade name	**1,366**	**N/A**	**1,366**	**N/A**	1,375	N/A	1,375
Customer relationships	**1,313**	**N/A**	**1,313**	**N/A**	1,314	N/A	1,314
Other	**-**	**N/A**	**-**	**N/A**	10	N/A	10
Total not subject to amortization	**2,679**	**N/A**	**2,679**	**N/A**	2,699	N/A	2,699
Total intangible assets	**$ 7,270**	**$ (2,118)**	**$ 5,152**	**N/A**	$ 7,501	$ (1,805)	$ 5,696

(a) Intangible assets not subject to amortization have an indefinite life.

Estimated annual amortization expense for current intangibles for the next five years is as follows:

For the year ended Dec. 31,	Estimated amortization expense *(in millions)*
2012	**$383**
2013	**333**
2014	**297**
2015	**266**
2016	**236**

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Condensed Income Statement Parent Corporation (Parenthetical) (Detail) (Parent Company, USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Parent Company			
Interest Expense - Portion Related to Borrowings from Subsidiaries	$ 13	$ 14 [1]	$ 23 [1]

[1] Includes the results of discontinued operations.

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Review of businesses (Tables)

12 Months Ended Dec. 31, 2011

Contribution of Segments to Overall Profitability

The following consolidating schedules show the contribution of our businesses to our overall profitability.

For the year ended Dec. 31, 2011

(dollar amounts in millions)	**Investment Management**		**Investment Services**		**Other**		**Consolidated**	
Fee and other revenue	**$ 3,264**	*(a)*	**$ 7,957**		**$475**		**$ 11,696**	*(a)*
Net interest revenue	**206**		**2,635**		**143**		**2,984**	
Total revenue	**3,470**		**10,592**		**618**		**14,680**	
Provision for credit losses	**1**		**-**		**-**		**1**	
Noninterest expense	**2,746**		**7,478**		**888**		**11,112**	
Income (loss) before taxes	**$ 723**	*(a)*	**$ 3,114**		**$(270)**		**$ 3,567**	*(a)*
Pre-tax operating margin *(b)*	**21**	**%**	**29**	**%**	**N/M**		**24**	**%**
Average assets	**$ 37,043**		**$ 207,454**		**$46,648**		**$ 291,145**	

(a) Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

(b) Income before taxes divided by total revenue.

For the year ended Dec. 31, 2010

(dollar amounts in millions)	**Investment Management**		**Investment Services**		**Other**		**Total continuing operations**	
Fee and other revenue	$ 3,234	*(a)*	$ 7,179		$478		$ 10,891	*(a)*
Net interest revenue	205		2,448		272		2,925	
Total revenue	3,439		9,627		750		13,816	
Provision for credit losses	3		-		8		11	
Noninterest expense	2,693		6,515		962		10,170	
Income (loss) before taxes	$ 743	*(a)*	$ 3,112		$(220)		$ 3,635	*(a)*
Pre-tax operating margin *(b)*	22	%	32	%	N/M		26	%
Average assets	$ 35,411		$ 161,605		$40,420		$ 237,436	*(c)*

(a) Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

(b) Income before taxes divided by total revenue.

(c) Including average assets of discontinued operations of $404 million in 2010, consolidated average assets were $237,840 million.

For the year ended Dec. 31, 2009

(dollar amounts in millions)	**Investment Management**	**Investment Services**	**Other**	**Total continuing operations**
Fee and other revenue	$ 2,825	$ 6,887	$(4,973)	$ 4,739
Net interest revenue	242	2,349	324	2,915
Total revenue	3,067	9,236	(4,649)	7,654

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Provision for credit losses	1		-		331		332	
Noninterest expense	2,499		5,901		1,130		9,530	
Income (loss) before taxes	$ 567		$ 3,335		$(6,110)		$ (2,208	)
Pre-tax operating margin *(a)*	18	%	36	%	N/M		N/M	
Average assets	$ 21,840		$ 151,001		$37,098		$ 209,939	*(b)*

(a)Income before taxes divided by total revenue.

(b)Including average assets of discontinued operations of $2,188 million in 2009, consolidated average assets were $212,127 million.

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Fair value of financial instruments - Additional Information (Detail)	Dec. 31, 2011	Dec. 31, 2010
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Discount rate, lower limit	0.01%	0.12%
Discount rate, upper limit	4.17%	6.46%

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Unrecognized Tax Positions (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Beginning balance at Jan. 1, - gross	$ 289	$ 335	$ 189
Prior period tax positions:			
increases	24	97	225
decreases	(12)	(60)	(30)
Current period tax positions	16	41	10
Settlements	(64)	(119)	(58)
Statute expiration	(3)	(5)	(1)
Ending balance at Dec. 31, - gross	$ 250	$ 289	$ 335

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Securities

Securities

12 Months Ended
Dec. 31, 2011

Note 5—Securities

The following tables present the amortized cost, the gross unrealized gains and losses and the fair value of securities at Dec. 31, 2011 and 2010.

Securities at Dec. 31, 2011 (in millions)	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value
Available-for-sale:				
U.S. Treasury	**$ 16,814**	**$514**	**$2**	**$17,326**
U.S. Government agencies	**932**	**26**	**-**	**958**
State and political subdivisions	**2,724**	**62**	**47**	**2,739**
Agency RMBS	**26,232**	**575**	**11**	**26,796**
Alt-A RMBS	**306**	**9**	**42**	**273**
Prime RMBS	**916**	**1**	**102**	**815**
Subprime RMBS	**606**	**2**	**190**	**418**
Other RMBS	**1,133**	**-**	**230**	**903**
Commercial MBS	**3,327**	**89**	**77**	**3,339**
Asset-backed CLOs	**1,480**	**1**	**37**	**1,444**
Other asset-backed securities	**527**	**8**	**3**	**532**
Foreign covered bonds	**2,410**	**18**	**3**	**2,425**
Other debt securities	**16,016**	**339**	**38**	**16,317** *(a)*
Equity securities	**26**	**4**	**-**	**30**
Money market funds	**973**	**-**	**-**	**973**
Alt-A RMBS *(b)*	**1,790**	**157**	**68**	**1,879**
Prime RMBS *(b)*	**1,090**	**106**	**21**	**1,175**
Subprime RMBS *(b)*	**122**	**6**	**3**	**125**
Total securities available-for-sale	**77,424**	**1,917**	**874**	**78,467**
Held-to-maturity:				
U.S. Treasury	**813**	**53**	**-**	**866**
State and political subdivisions	**100**	**3**	**-**	**103**
Agency RMBS	**658**	**39**	**-**	**697**
Alt-A RMBS	**153**	**4**	**19**	**138**
Prime RMBS	**121**	**-**	**10**	**111**
Subprime RMBS	**28**	**-**	**3**	**25**
Other RMBS	**1,617**	**47**	**93**	**1,571**
Commercial MBS	**28**	**-**	**2**	**26**
Other securities	**3**	**-**	**-**	**3**
Total securities held-to-maturity	**3,521**	**146**	**127**	**3,540**
Total securities	**$ 80,945**	**$2,063**	**$1,001**	**$82,007**

(a) Includes $13.1 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.

(b) Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.

Securities at Dec. 31, 2010 (in millions)	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value
Available-for-sale:				
U.S. Treasury	$ 12,650	$97	$138	$12,609
U.S. Government agencies	1,007	2	4	1,005
State and political subdivisions	559	4	55	508
Agency RMBS	19,383	387	43	19,727
Alt-A RMBS	475	34	39	470
Prime RMBS	1,305	8	86	1,227
Subprime RMBS	696	-	188	508
Other RMBS	1,665	1	335	1,331
Commercial MBS	2,650	89	100	2,639
Asset-backed CLOs	263	-	14	249
Other asset-backed securities	532	9	2	539
Foreign covered bonds	2,884	-	16	2,868
Other debt securities	11,800	148	57	11,891 *(a)*
Equity securities	36	11	-	47
Money market funds	2,538	-	-	2,538
Alt-A RMBS *(b)*	2,164	364	15	2,513
Prime RMBS *(b)*	1,626	205	6	1,825
Subprime RMBS *(b)*	128	30	-	158
Total securities available-for-sale	62,361	1,389	1,098	62,652

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Held-to-maturity:				
State and political subdivisions	119	2	-	121
Agency RMBS	397	33	-	430
Alt-A RMBS	215	5	19	201
Prime RMBS	149	2	5	146
Subprime RMBS	28	-	3	25
Other RMBS	2,709	69	81	2,697
Commercial MBS	34	-	1	33
Other securities	4	-	-	4
Total securities held-to-maturity	3,655	111	109	3,657
Total securities	$ 66,016	$1,500	$1,207	$66,309

(a) *Includes $11.0 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.*

(b) *Previously included in the Grantor Trust.*

Net securities gains (losses)			
(in millions)	**2011**	2010	2009
Realized gross gains	**$183**	$48	$130
Realized gross losses	**(56)**	(5)	(1,648)
Recognized gross impairments	**(79)**	(16)	(3,851)
Total net securities gains (losses)	**$48**	$27	$(5,369)

Temporarily impaired securities

At Dec. 31, 2011, substantially all of the unrealized losses on the investment securities portfolio were attributable to credit spreads widening since purchase, and interest rate movements. We do not intend to sell these securities and it is not more likely than not that we will have to sell.

The following tables show the aggregate related fair value of investments with a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or more.

Temporarily impaired securities at Dec. 31, 2011	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
U.S. Treasury	**$118**	**$ 2**	**$-**	**$ -**	**$118**	**$ 2**
State and political subdivisions	**483**	**2**	**157**	**45**	**640**	**47**
Agency RMBS	**3,844**	**10**	**140**	**1**	**3,984**	**11**
Alt-A RMBS	**132**	**16**	**69**	**26**	**201**	**42**
Prime RMBS	**324**	**25**	**447**	**77**	**771**	**102**
Subprime RMBS	**-**	**-**	**400**	**190**	**400**	**190**
Other RMBS	**5**	**4**	**895**	**226**	**900**	**230**
Commercial MBS	**340**	**2**	**495**	**75**	**835**	**77**
Asset-backed CLOs	**1,143**	**26**	**211**	**11**	**1,354**	**37**
Other asset-backed securities	**60**	**1**	**18**	**2**	**78**	**3**
Foreign covered bonds	**368**	**1**	**406**	**2**	**774**	**3**
Other debt securities	**2,867**	**12**	**54**	**26**	**2,921**	**38**
Alt-A RMBS *(a)*	**595**	**53**	**29**	**15**	**624**	**68**
Prime RMBS *(a)*	**437**	**21**	**-**	**-**	**437**	**21**
Subprime RMBS *(a)*	**50**	**3**	**-**	**-**	**50**	**3**
Total securities available-for-sale	**$10,766**	**$ 178**	**$3,321**	**$ 696**	**$14,087**	**$ 874**
Held-to-maturity:						
Alt-A RMBS	**$69**	**$ 3**	**$42**	**$ 16**	**$111**	**$ 19**
Prime RMBS	**-**	**-**	**56**	**10**	**56**	**10**
Subprime RMBS	**-**	**-**	**25**	**3**	**25**	**3**
Other RMBS	**107**	**2**	**573**	**91**	**680**	**93**
Commercial MBS	**-**	**-**	**26**	**2**	**26**	**2**
Total securities held-to-maturity	**$176**	**$ 5**	**$722**	**$ 122**	**$898**	**$ 127**
Total temporarily impaired securities	**$10,942**	**$ 183**	**$4,043**	**$ 818**	**$14,985**	**$ 1,001**

(a) *Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.*

Temporarily impaired securities at Dec. 31, 2010	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
U.S. Treasury	$6,519	$ 138	$-	$ -	$6,519	$ 138
U.S. Government agencies	489	4	-	-	489	4
State and political subdivisions	210	39	122	16	332	55
Agency RMBS	5,079	42	206	1	5,285	43
Alt-A RMBS	55	3	104	36	159	39

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Prime RMBS	315	13	739	73	1,054	86
Subprime RMBS	3	-	484	188	487	188
Other RMBS	49	17	1,275	318	1,324	335
Commercial MBS	28	1	536	99	564	100
Asset-backed CLOs	-	-	249	14	249	14
Other asset-backed securities	1	-	32	2	33	2
Foreign covered bonds	2,553	16	-	-	2,553	16
Other debt securities	1,068	37	61	20	1,129	57
Alt-A RMBS *(a)*	196	15	-	-	196	15
Prime RMBS *(a)*	139	6	-	-	139	6
Total securities available-for-sale	$16,704	$ 331	$3,808	$ 767	$20,512	$ 1,098
Held-to-maturity:						
Alt-A RMBS	$18	$ -	$108	$ 19	$126	$ 19
Prime RMBS	-	-	73	5	73	5
Subprime RMBS	-	-	25	3	25	3
Other RMBS	315	5	614	76	929	81
Commercial MBS	-	-	33	1	33	1
Total securities held-to-maturity	$333	$ 5	$853	$ 104	$1,186	$ 109
Total temporarily impaired securities	$17,037	$ 336	$4,661	$ 871	$21,698	$ 1,207

(a) Previously included in the Grantor Trust.

The following table shows the maturity distribution by carrying amount and yield (on a tax equivalent basis) of our investment securities portfolio at Dec. 31, 2011.

Investment securities portfolio	U.S. Treasury		U.S Government agency		State and political subdivisions		Other bonds, notes and debentures		Mortgage/ asset-backed and equity securities		
(dollars in millions)	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Total
Securities available-for-sale:											
One year or less	$1,165	0.96 %	$ -	- %	$60	1.44 %	$5,005	1.47 %	$-	- %	**$6,230**
Over 1 through 5 years	11,618	1.03	958	1.63	1,155	1.93	11,547	1.40	-	-	**25,278**
Over 5 through 10 years	2,313	2.83	-	-	1,063	3.87	731	2.82	-	-	**4,107**
Over 10 years	2,230	3.11	-	-	461	4.80	1,459	3.66	-	-	**4,150**
Mortgage-backed securities	-	-	-	-	-	-	-	-	35,723	4.45	**35,723**
Asset-backed securities	-	-	-	-	-	-	-	-	1,976	1.91	**1,976**
Equity securities *(b)*	-	-	-	-	-	-	-	-	1,003	0.01	**1,003**
Total	$17,326	1.53 %	$ 958	1.63 %	$2,739	3.16 %	$18,742	1.65 %	$38,702	4.20 %	**$78,467**
Securities held-to-maturity:											
One year or less	$-	- %	$ -	- %	$-	- %	$3	- %	$-	- %	**$3**
Over 1 through 5 years	413	1.71	-	-	1	6.87	-	-	-	-	**414**
Over 5 through 10 years	400	2.62	-	-	32	6.66	-	-	-	-	**432**
Over 10 years	-	-	-	-	67	6.58	-	-	-	-	**67**
Mortgage-backed securities	-	-	-	-	-	-	-	-	2,605	2.68	**2,605**
Total	$813	2.17 %	$ -	- %	$100	6.60 %	$3	- %	$2,605	2.68 %	**$3,521**

(a) Yields are based upon the amortized cost of securities.

(b) Includes money market funds.

Other-than-temporary impairment

We routinely conduct periodic reviews of all securities using economic models to identify and evaluate each investment security to determine whether OTTI has occurred. Various inputs to the economic models are used to determine if an unrealized loss on securities is other-than-temporary. For example, the most significant inputs related to non-agency RMBS are:

- Default rate—the number of mortgage loans expected to go into default over the life of the transaction, which is driven by the roll rate of loans in each performance bucket that will ultimately migrate to default; and
- Severity—the loss expected to be realized when a loan defaults.

To determine if an unrealized loss is other-than-temporary, we project total estimated defaults of the underlying assets (mortgages) and multiply that calculated amount by an estimate of realizable value upon sale of these assets in the marketplace (severity) in order to determine the projected collateral loss. We also evaluate the current credit enhancement underlying the bond to determine the impact on cash flows. If we determine that a given security will be subject to a write-down or loss, we record the expected credit loss as a charge to earnings.

In addition, we have estimated the expected loss by taking into account observed performance of the underlying securities, industry studies, market forecasts, as well as our view of the economic outlook affecting collateral.

The table below shows the projected weighted-average default rates and loss severities for the 2007, 2006 and late 2005 non-agency RMBS at Dec. 31, 2011 and 2010.

Projected weighted-average default rates and severities

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	Dec. 31, 2011		Dec. 31, 2010	
	Default Rate	**Severity**	Default Rate	Severity
Alt-A	**44 %**	**57 %**	42 %	49 %
Subprime	**63 %**	**73 %**	68 %	65 %
Prime	**25 %**	**43 %**	20 %	42 %

The following table provides pre-tax net securities gains (losses) by type.

Net securities gains (losses) *(in millions)*	**2011**	2010	2009
U.S. Treasury	**$77**	$15	$-
Agency RMBS	**8**	15	-
Alt-A RMBS	**(36)**	(13)	(3,113)
Prime RMBS	**(1)**	-	(1,008)
Subprime RMBS	**(21)**	(4)	(322)
European floating rate notes	**(39)**	(3)	(269)
Sovereign debt	**36**	-	-
Home equity lines of credit	**-**	-	(205)
Commercial MBS	**-**	-	(89)
Grantor Trust	**-**	-	(39)
Credit cards	**-**	-	(26)
ABS CDOs	**-**	-	(23)
Other	**24**	17	(275)
Total net securities gains (losses)	**$48**	$27	$(5,369)

The following table reflects investment securities credit losses recorded in earnings. The beginning balance represents the credit loss component for which OTTI occurred on debt securities in prior periods. The additions represent the first time a debt security was credit impaired or when subsequent credit impairments have occurred. The deductions represent credit losses on securities that have been sold, are required to be sold or it is our intention to sell.

Debt securities credit loss roll forward *(in millions)*	**2011**	2010
Beginning balance as of Jan. 1	**$182**	$244
Add: Initial OTTI credit losses	**61**	10
Subsequent OTTI credit losses	**18**	6
Less: Realized losses for securities sold / consolidated	**8**	78
Ending balance as of Dec. 31	**$253**	$182

At Dec. 31, 2011, assets amounting to $77.0 billion were pledged primarily for potential borrowing at the Federal Reserve Discount Window. The significant components of pledged assets were as follows: $68.2 billion of securities, $4.9 billion of interest-bearing deposits with banks and $3.9 billion of loans. Also included in these pledged assets was securities available-for-sale of $1.6 billion which were pledged as collateral for actual borrowings. The lenders in these borrowings have the right to repledge or sell these securities. We obtain securities under resale, securities borrowed and custody agreements on terms which permit us to repledge or resell the securities to others. As of Dec. 31, 2011, the market value of the securities received that can be sold or repledged was $14.0 billion. We routinely repledge or lend these securities to third parties. As of Dec. 31, 2011, the market value of collateral repledged and sold was $2.5 billion.

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Loans and asset quality

Loans and asset quality

12 Months Ended
Dec. 31, 2011

Note 6—Loans and asset quality

Loans

The table below provides the details of our loan distribution and industry concentrations of credit risk at Dec. 31, 2011 and 2010:

Loans	**Dec. 31,**	
(in millions)	**2011**	2010 *(a)*
Domestic:		
Financial institutions	**$ 4,606**	$ 4,630
Commercial	**752**	1,250
Wealth management loans and mortgages	**7,342**	6,506
Commercial real estate	**1,449**	1,592
Lease financings *(b)*	**1,558**	1,605
Other residential mortgages	**1,923**	2,079
Overdrafts	**2,958**	4,524
Other	**623**	771
Margin loans	**12,760**	6,810
Total domestic	**33,971**	29,767
Foreign:		
Financial institutions	**6,538**	4,626
Commercial	**528**	345
Lease financings *(b)*	**1,051**	1,545
Other (primarily overdrafts)	**1,891**	1,525
Total foreign	**10,008**	8,041
Total loans	**$ 43,979**	$ 37,808

(a) *Presented on a continuing operations basis.*
(b) *Net of unearned income on domestic and foreign lease financings of $1,343 million at Dec. 31, 2011 and $2,036 million at Dec. 31, 2010.*

In the ordinary course of business, we and our banking subsidiaries have made loans at prevailing interest rates and terms to our directors and executive officers and to entities in which certain of our directors have an ownership interest or direct or indirect subsidiaries of such entities. The aggregate amount of these loans was $3 million at both Dec. 31, 2011 and Dec. 31, 2010, and $4 million at Dec. 31, 2009. These loans are primarily extensions of credit under revolving lines of credit established for such entities.

Our loan portfolio is comprised of three portfolio segments: commercial, lease financing and mortgages. We manage our portfolio at the class level which is comprised of six classes of financing receivables: commercial, commercial real estate, financial institutions, lease financings, wealth management loans and mortgages, and other residential mortgages. The following tables are presented for each class of financing receivable, and provide additional information about our credit risks and the adequacy of our allowance for credit losses.

Allowance for credit losses

Transactions in the allowance for credit losses are summarized as follows:

Allowance for credit losses activity for the year ended Dec. 31, 2011 (in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other *(a)*	Foreign *(b)*	Total
Beginning balance	$ 93	$ 40	$ 11	$ 90	$ 41	$ 235	$1	$ 60	$571
Charge-offs	(6)	(4)	(8)	-	(1)	(56)	-	(8)	(83)
Recoveries	3	-	2	-	-	3	-	-	8
Net (charge-offs) recoveries	(3)	(4)	(6)	-	(1)	(53)	-	(8)	(75)
Provision	1	(2)	58	(24)	(11)	(26)	(1)	6	1
Ending balance	**$ 91**	**$ 34**	**$ 63**	**$ 66**	**$ 29**	**$ 156**	**$-**	**$ 58**	**$497**
Allowance for:									
Loans losses	$ 33	$ 24	$ 41	$ 66	$ 23	$ 156	$-	$ 51	$394

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	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other (a)	Foreign (b)	Total
Unfunded commitments	58	10	22	-	6	-	-	7	103
Individually evaluated for impairment:									
Loan balance	$ 26	$ 38	$ 24	$ -	$ 30	$ -	$-	$ 10	$128
Allowance for loan losses	9	7	7	-	5	-	-	4	32
Collectively evaluated for impairment:									
Loan balance	$ 726	$ 1,411	$ 4,582	$ 1,558	$ 7,312	$ 1,923	$16,341 (a)	$ 9,998 (b)	$43,851
Allowance for loan losses	24	17	34	66	18	156	-	47	362

(a) Includes $2,958 million of domestic overdrafts, $12,760 million of margin loans and $623 million of other loans at Dec. 31, 2011.

(b) Includes $1,891 million of other foreign loans (primarily overdrafts) at Dec. 31, 2011.

Allowance for credit losses activity for the year ended Dec. 31, 2010

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other (a)	Foreign (b)	Total
Beginning balance	$ 155	$ 45	$ 76	$ 80	$ 58	$ 164	$-	$ 50	$628
Charge-offs	(5)	(8)	(25)	-	(4)	(46)	-	-	(88)
Recoveries	15	1	2	-	-	2	-	-	20
Net charge-offs	10	(7)	(23)	-	(4)	(44)	-	-	(68)
Provision	(72)	2	(42)	10	(13)	115	1	10	11
Ending balance	$ 93	$ 40	$ 11	$ 90	$ 41	$ 235	$1	$ 60	$571
Allowance for:									
Loans losses	$ 51	$ 28	$ 1	$ 90	$ 38	$ 235	$1	$ 54	$498
Unfunded commitments	42	12	10	-	3	-	-	6	73
Individually evaluated for impairment:									
Loan balance	$ 32	$ 44	$ 4	$ -	$ 53	$ -	$-	$ 7	$140
Allowance for loan losses	10	9	-	-	5	-	-	2	26
Collectively evaluated for impairment:									
Loan balance	$ 1,218	$ 1,548	$ 4,626	$ 1,605	$ 6,453	$ 2,079	$12,105 (a)	$ 8,034 (b)	$37,668
Allowance for loan losses	41	19	1	90	33	235	1	52	472

(a) Includes $4,524 million of domestic overdrafts, $6,810 million of margin loans and $771 million of other loans at Dec. 31, 2010.

(b) Includes $1,525 million of other foreign loans (primarily overdrafts) at Dec. 31, 2010.

Allowance for credit losses activity for the year ended Dec. 31, 2009

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other (a)	Foreign (b)	Total
Beginning balance	$ 180	$ 59	$ 57	$ 90	$ 32	$ 88	$ 2	$ 21	$529
Charge-offs	(90)	(31)	(34)	-	(1)	(60)	-	-	(216)
Recoveries	-	-	-	1	1	-	-	-	2
Net charge-offs	(90)	(31)	(34)	1	-	(60)	-	-	(214)
Provision	66	34	53	(11)	26	137	(2)	29	332
Transferred to discontinued operations	(1)	(17)	-	-	-	(1)	-	-	(19)
Ending balance	$ 155	$ 45	$ 76	$ 80	$ 58	$ 164	$ -	$ 50	$628
Allowance for:									
Loans losses	$ 94	$ 31	$ 42	$ 80	$ 56	$ 164	$ -	$ 36	$503

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Unfunded commitments	61	14	34	-	2	-	-	14	125
Individually evaluated for impairment:									
Loan balance	$ 63	$ 58	$ 171	$ -	$ 53	$ -	$ -	$ -	$345
Allowance for loan losses	10	13	25	-	3	-	-	-	51
Collectively evaluated for impairment:									
Loan balance	$ 2,261	$ 1,986	$ 5,338	$ 1,703	$ 6,109	$ 2,179	$ 9,010 *(a)*	$ 7,758 *(b)*	$36,344
Allowance for loan losses	84	18	17	80	53	164	-	36	452

(a) Includes $3,946 million of domestic overdrafts, $4,657 million of margin loans and $407 million of other loans at Dec. 31, 2009.
(b) Includes $2,109 million of other foreign loans (primarily overdrafts) at Dec. 31, 2009.

Nonperforming assets

The table below sets forth information about our nonperforming assets.

Nonperforming assets	**Dec. 31,**	
(in millions)	**2011**	2010
Nonperforming loans:		
Domestic:		
Other residential mortgages	**$203**	$244
Commercial real estate	**40**	44
Wealth management	**32**	59
Financial institutions	**23**	5
Commercial	**21**	34
Total domestic	**319**	386
Foreign loans	**10**	7
Total nonperforming loans	**329**	393
Other assets owned	**12**	6
Total nonperforming assets *(a)*	**$341**	$399

(a) Loans of consolidated investment management funds are not part of BNY Mellon's loan portfolio. Included in these loans are nonperforming loans of $101 million at Dec. 31, 2011 and $218 million at Dec. 31, 2010. These loans are recorded at fair value and therefore do not impact the provision for credit losses and allowance for loan losses, and accordingly are excluded from the nonperforming assets table above.

At Dec. 31, 2011, undrawn commitments to borrowers whose loans were classified as nonaccrual or reduced rate were not material.

Lost interest

Lost interest *(in millions)*	**2011**	2010	2009
Amount by which interest income recognized on nonperforming loans exceeded reversals:			
Total	**$ 2**	$ 2	$ 2
Foreign	**-**	-	-
Amount by which interest income would have increased if nonperforming loans at year-end had been performing for the entire year:			
Total *(a)*	**$ 17**	$ 20	$ 19
Foreign	**-**	-	-

(a) Lost interest excludes discontinued operations for 2010 and 2009.

Impaired loans

The table below sets forth information about our impaired loans. We use the discounted cash flow method as the primary method for valuing impaired loans.

Impaired loans	Year ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009

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(in millions)	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized	Recorded Investment
Impaired loans with an allowance:					
Commercial	**$ 27**	**$ 1**	$ 30	$ 1	$ 30
Commercial real estate	**22**	**-**	34	-	49
Financial institutions	**9**	**-**	35	-	171
Wealth management loans and mortgages	**37**	**1**	53	1	53
Foreign	**10**	**-**	2	-	-
Total impaired loans with an allowance	**105**	**2**	154	2	303
Impaired loans without an allowance:					
Commercial	**1**	**-**	6	-	33
Commercial real estate	**13**	**-**	11	-	9
Wealth management loans and mortgages	**2**	**-**	3	-	-
Total impaired loans without an allowance *(a)*	**16**	**-**	20	-	42
Total impaired loans	**$ 121**	**$ 2**	$ 174	$ 2	$ 345
Allowance for impaired loans *(b)*					$ 51
Average balance of impaired loans – 2009					216
Interest income recognized on impaired loans					2

(a) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(b) The allowance for impaired loans is included in the allowance for loan losses.

Impaired loans	**Dec. 31, 2011**			Dec. 31, 2010		
(in millions)	Recorded investment	Unpaid principal balance	Related allowance *(a)*	Recorded investment	Unpaid principal balance	Related allowance
Impaired loans with an allowance:						
Commercial	**$ 26**	**$ 31**	**$ 9**	$ 30	$ 30	$ 10
Commercial real estate	**35**	**41**	**7**	25	39	9
Financial institutions	**21**	**21**	**7**	4	10	-
Wealth management loans and mortgages	**27**	**27**	**5**	52	52	5
Foreign	**10**	**18**	**4**	7	7	2
Total impaired loans with an allowance	**119**	**138**	**32**	118	138	26
Impaired loans without an allowance:						
Commercial	**-**	**-**	**-**	2	6	-
Commercial real estate	**3**	**3**	**-**	19	19	-
Financial institutions	**3**	**9**	**-**	-	-	-
Wealth management loans and mortgages	**3**	**3**	**-**	1	2	-
Total impaired loans without an allowance *(b)*	**9**	**15**	**-**	22	27	-
Total impaired loans *(c)*	**$ 128**	**$ 153**	**$ 32**	$ 140	$ 165	$ 26

(a) The allowance for impaired loans is included in the allowance for loan losses.

(b) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(c) Excludes an aggregate of $2 million of impaired loans in amounts individually less than $1 million at Dec. 31, 2011 and $3 million at Dec. 31, 2010. The allowance for loan loss associated with these loans totaled less than $1 million at both Dec. 31, 2011 and Dec. 31, 2010.

Past due loans

The table below sets forth information about our past due loans.

Past due loans and still accruing interest	**Dec. 31, 2011**		Dec. 31, 2010	
	Days past due	Total	Days past due	Total

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(in millions)	30-59	60-89	>90	past due	30-59	60-89	>90	past due
Domestic:								
Commercial real estate	**$118**	**$ 9**	**$-**	**$ 127**	$174	$ -	$11	$ 185
Wealth management loans and mortgages	**89**	**3**	**-**	**92**	62	4	6	72
Commercial	**60**	**7**	**-**	**67**	10	1	1	12
Other residential mortgages	**36**	**10**	**13**	**59**	40	15	15	70
Financial institutions	**36**	**-**	**-**	**36**	10	1	-	11
Total domestic	**339**	**29**	**13**	**381**	296	21	33	350
Foreign	**-**	**-**	**-**	**-**	-	-	-	-
Total past due loans	**$339**	**$ 29**	**$13**	**$ 381**	$296	$ 21	$33	$ 350

Troubled debt restructurings ("TDRs")

A modified loan is considered a TDR if the debtor is experiencing financial difficulties and the creditor grants a concession to the debtor that would not otherwise be considered. A TDR may include a transfer of real estate or other assets from the debtor to the creditor, or a modification of the term of the loan. Not all modified loans are considered TDRs. At Dec. 31, 2011, there were no unfunded lending-related commitments to debtors whose terms have been modified in TDRs.

As a result of adopting ASU 2011-02, *Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring* effective July 1, 2011, we reassessed all loan restructurings that occurred on or after Jan. 1, 2011 through June 30, 2011 and determined that no additional modified loans would have qualified as TDRs.

In the fourth quarter of 2011, 11 other residential mortgage loans were restructured in TDRs. The pre-modification and post-modification outstanding recorded investment was $5 million. The modifications of the other residential mortgage loans consisted of reducing the stated interest rate and in certain cases, extending the interest only payment period and/or maturity date. The value of modified loans is based on the fair value of the collateral. Probable loss factors are applied to the value of the modified loans to determine the allowance for credit losses.

One of the residential mortgage loans that had been restructured in a TDR during the previous 12 months subsequently defaulted during the fourth quarter of 2011. The total recorded investment of this loan was less than $1 million.

Credit quality indicators

Our credit strategy is to focus on investment grade names to support cross-selling opportunities, avoid single name/industry concentrations and exit high-risk portfolios. Each customer is assigned an internal rating grade which is mapped to an external rating agency grade equivalent based upon a number of dimensions which are continually evaluated and may change over time.

The following tables set forth information about credit quality indicators.

Commercial loan portfolio

Commercial loan portfolio – Credit risk profile by creditworthiness category	Commercial		Commercial real estate		Financial institutions	
(in millions)	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Investment grade	**$906**	$964	**$ 1,062**	$ 1,072	**$9,643**	$7,894
Noninvestment grade	**374**	631	**387**	520	**1,501**	1,362
Total	**$1,280**	$1,595	**$ 1,449**	$ 1,592	**$11,144**	$9,256

The commercial loan portfolio is divided into investment grade and non-investment grade categories based on rating criteria largely consistent with those of the public rating agencies. Each customer in the portfolio is assigned an internal rating grade. These internal rating grades are generally consistent with the ratings categories of the public rating agencies. Customers with ratings consistent with BBB-(S&P)/Baa3 (Moody's) or better are considered to be investment grade. Those clients with ratings lower than this threshold are considered to be non-investment grade.

Wealth management loans and mortgages

Wealth management loans and mortgages – Credit risk profile by internally assigned grade (in millions)	**Dec. 31, 2011**	Dec. 31, 2010
Wealth management loans:		
Investment grade	**$3,450**	$2,995
Noninvestment grade	**111**	170
Wealth management mortgages	**3,781**	3,341

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Total	**$7,342**	$6,506

Wealth management non-mortgage loans are not typically rated by external rating agencies. A majority of the wealth management loans are secured by the customers' investment management accounts or custody accounts. Eligible assets pledged for these loans are typically investment grade, fixed income securities, equities and/or mutual funds. Internal ratings for this portion of the wealth management portfolio, therefore, would equate to investment-grade external ratings. Wealth management loans are provided to select customers based on the pledge of other types of assets, including business assets, fixed assets, or a modest amount of commercial real estate. For the loans collateralized by other assets, the credit quality of the obligor is carefully analyzed, but we do not consider this portfolio of loans to be of investment grade quality.

Credit quality indicators for wealth management mortgages are not correlated to external ratings. Wealth management mortgages are typically loans to high-net-worth individuals, which are secured primarily by residential property. These loans are primarily interest-only adjustable rate mortgages with an average loan to value ratio of 62% at origination. In the wealth management portfolio, 1% of the mortgages were past due at Dec. 31, 2011.

At Dec. 31, 2011, the private wealth mortgage portfolio was comprised of the following geographic concentrations: New York – 24%; Massachusetts – 17%; California – 17%; Florida – 8%; and other – 34%.

Other residential mortgages

The other residential mortgage portfolio primarily consists of one to four family residential mortgage loans and totaled $1,923 million at Dec. 31, 2011. These loans are not typically correlated to external ratings. Included in this portfolio is $596 million of mortgage loans purchased in 2005, 2006 and the first quarter of 2007 that are predominantly prime mortgage loans, with a small portion of Alt-A loans. As of Dec. 31, 2011, the purchased loans in this portfolio had a weighted-average loan-to-value ratio of 76% at origination and 28% of these loans were at least 60 days delinquent. The properties securing the prime and Alt-A mortgage loans were located (in order of concentration) in California, Florida, Virginia, Maryland and the tri-state area (New York, New Jersey and Connecticut).

Overdrafts

Overdrafts primarily relate to custody and securities clearance clients and totaled $4,849 million at Dec. 31, 2011 and $6,049 million at Dec. 31, 2010. Overdrafts occur on a daily basis in the custody and securities clearance business and are generally repaid within two business days.

Margin loans

We had $12,760 million of secured margin loans on our balance sheet at Dec. 31, 2011, compared with $6,810 million at Dec. 31, 2010. Margin loans are collateralized with marketable securities and borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. We have rarely suffered a loss on these types of loans and do not allocate any of our allowance for credit losses to them.

Other loans

Other loans primarily includes loans to consumers that are fully collateralized with equities, mutual funds and fixed income securities, as well as bankers' acceptances.

Reverse repurchase agreements

Reverse repurchase agreements are transactions fully collateralized with high-quality liquid securities. These transactions carry minimal credit risk and therefore are not allocated an allowance for credit losses.

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Net Periodic Benefit Cost (Credit) (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Domestic Pension Benefits			
Weighted-average assumptions as of Jan. 1:			
Market-related value of plan assets	$ 3,836	$ 3,861	$ 3,651
Discount rate	5.71%	6.21%	6.38%
Expected rate of return on plan assets	7.50%	8.00%	8.00%
Rate of compensation increase	3.50%	3.50%	3.50%
Components of net periodic benefit cost (credit):			
Service cost	64 [1]	90 [1]	96
Interest cost	174 [1]	171 [1]	160
Expected return on assets	(282)	(303)	(295)
Amortization of:			
Prior service cost (credit)	(16)	(14)	(14)
Net actuarial (gain) loss	109	71	26
Settlement (gain) loss			5
Curtailment (gain) loss	5		
Other			(10)
Net periodic benefit cost (credit)	54	15	(32) [2]
Foreign Pension Benefits			
Weighted-average assumptions as of Jan. 1:			
Market-related value of plan assets	624	529	459
Discount rate	5.29%	5.74%	6.18%
Expected rate of return on plan assets	6.38%	6.69%	6.40%
Rate of compensation increase	4.47%	4.64%	4.11%
Components of net periodic benefit cost (credit):			
Service cost	33 [1]	28 [1]	20
Interest cost	36 [1]	30 [1]	24
Expected return on assets	(43)	(37)	(32)
Amortization of:			
Net actuarial (gain) loss	14	11	3
Other	(1)		
Net periodic benefit cost (credit)	39	32	15
Domestic Healthcare Benefits			
Weighted-average assumptions as of Jan. 1:			
Market-related value of plan assets	78	76	77
Discount rate	5.71%	6.21%	6.38%
Expected rate of return on plan assets	7.50%	8.00%	8.00%
Rate of compensation increase	3.50%	3.50%	3.50%
Components of net periodic benefit cost (credit):			

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Service cost	2 [1]	2 [1]	2
Interest cost	13 [1]	14 [1]	16
Expected return on assets	(6)	(6)	(6)
Amortization of:			
Net initial obligation (asset)	5	4	4
Prior service cost (credit)	(1)		
Net actuarial (gain) loss	3	5	5
Net periodic benefit cost (credit)	16	19	21
Foreign Healthcare Benefits			
Weighted-average assumptions as of Jan. 1:			
Discount rate	5.40%	5.85%	6.25%
Amortization of:			
Net actuarial (gain) loss	(1)	(1)	(1)
Net periodic benefit cost (credit)	$ (1)	$ (1)	$ (1)

[1] The benefit obligation for pension benefits is the projected benefit obligation and for healthcare benefits, it is the accumulated benefit obligation.

[2] Includes discontinued operations.

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Impact of Derivative Instruments on the Balance Sheet (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Derivatives, Fair Value [Line Items]		
Derivative financial instruments, cash collateral received	$ 1,269	$ 889
Derivative financial instruments, cash collateral paid	$ 231	$ 243

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Other assets

[Other assets]

12 Months Ended
Dec. 31, 2011

Note 8—Other assets

Other assets *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Corporate/bank owned life insurance	**$4,216**	$4,071
Accounts receivable	**4,208**	3,506
Equity in joint ventures and other investments *(a)*	**2,677**	2,643
Income taxes receivable	**2,573**	2,826
Fair value of hedging derivatives	**1,600**	836
Software	**986**	896
Fails to deliver	**961**	1,428
Prepaid expenses	**784**	834
Due from customers on acceptances	**321**	424
Prepaid pension assets	**144**	732
Other	**1,369**	594
Total other assets	**$19,839**	$18,790

(a) Includes Federal Reserve Bank stock of $429 million and $400 million, respectively, at cost.

Seed capital and private equity investments valued using net asset value per share

In our Investment Management business, we manage investment assets, including equities, fixed income, money market and alternative investment funds for institutions and other investors; as part of that activity we make seed capital investments in certain funds. BNY Mellon also holds private equity investments, which consist of investments in private equity funds, mezzanine financings and direct equity investments. Seed capital and private equity investments are included in other assets. Consistent with our policy to focus on our core activities, we continue to reduce our exposure to private equity investments.

The fair value of these investments has been estimated using the net asset value ("NAV") per share of BNY Mellon's ownership interest in the funds. The table below presents information about BNY Mellon's investments in seed capital and private equity investments.

Seed capital and private equity investments valued using NAV – Dec. 31, 2011

(dollar amounts in millions)	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period
Hedge funds *(a)*	$ 9	$ -	Monthly-quarterly	3-45 days
Private equity funds *(b)*	122	24	N/A	N/A
Other funds *(c)*	63	-	Monthly-yearly	*(c)*
Total	**$ 194**	**$ 24**		

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(a) Hedge funds include multi-strategy funds that utilize a variety of investment strategies and equity long-short hedge funds that include various funds that invest over both long-term investment and short-term investment horizons.

(b) Private equity funds primarily include numerous venture capital funds that invest in various sectors of the economy. Private equity funds do not have redemption rights. Distributions from such funds will be received as the underlying investments in the funds are liquidated.

(c) Other funds include various market neutral, leveraged loans, real estate and structured credit funds. Redemption notice periods vary by fund.

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Summary of Significant Accounting and Reporting Policies - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended Dec. 31, 2011 MortgagePool Year
Significant Accounting Policies [Line Items]	
Minimum Loan amount to measure impairment allowance	$ 1
Number of pools that residential mortgages are segregated into for probability of default estimation	6
Minimum estimated useful lives of owned and capitalized assets (In years)	2
Maximum estimated useful lives of owned and capitalized assets (In years)	40
Maximum percentage of excess actuarial gain or loss before excess is recognized (percentage)	10.00%
Period of time that the difference between actual experience vs. expected returns is adjusted against the market-related value (years)	5
Minimum amount of majority of loans, primarily to institutional customers	1
Minimum loan amount for commercial loans to be assigned a credit rating	$ 1

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Shareholders' equity - Additional Information (Detail) (USD $)	12 Months Ended			Mar. 22, 2011	Dec. 31, 2010	Dec. 18, 2007
	Dec. 31, 2011	Dec. 31, 2009	Dec. 31, 2008			
Class of Stock [Line Items]						
Common stock, authorized	3,500,000,000				3,500,000,000	
Common stock, par value	$ 0.01				$ 0.01	
Preferred stock, authorized	100,000,000					
Preferred stock, par value	$ 0.01					
Common stock, outstanding	1,209,674,607					
Preferred stock, outstanding	0					
Redeemable noncontrolling interests	$ 114,000,000				$ 92,000,000	
Issuance of preferred stock and a warrant to purchase shares of common stock			3,000,000,000			
Repurchase of shares of Series B preferred stock, value		3,000,000,000				
Redemption charge on repurchase of Series B preferred stock , net of tax		196,500,000				
Repurchased warrants for common stock, value		136,000,000				
Repurchased warrants for common stock, shares		14,516,129				
Repurchase of shares of common stock, authorized						35,000,000
Repurchase of shares of common stock, additional authorized				13,000,000		
Repurchase of common stock, shares	34,800,000					
Repurchase of common stock, price per share	$ 24.00					
Repurchase of common stock, value	$ 835,000,000					
Common stock shares available for repurchase	12,000,000					

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Lost Interest (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Financing Receivable, Impaired [Line Items]			
Amount by which interest income recognized on nonperforming loans exceeded reversals	$ 2	$ 2	$ 2
Amount by which interest income would have increased if nonperforming loans at period-end had been performing for the entire year	$ 17 [1]	$ 20 [1]	$ 19 [1]

[1] Lost interest excludes discontinued operations for 2010 and 2009.

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Summarized Financial Information for Income (Loss) from Discontinued Operations (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2010	Dec. 31, 2009
Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups, Including Discontinued Operations [Line Items]		
Fee and other revenue		$ 7
Net interest revenue	9	59
Provision for loan losses		191
Net interest revenue after provision for loan losses	9	(132)
Noninterest expense:		
Staff	4	37
Professional, legal and other purchased services	4	4
Net occupancy	1	5
Other	3	16
Goodwill impairment		50
Total noninterest expense	12	112
Income (loss) from operations	(3)	(237)
Loss on assets held for sale	(106)	(184)
Loss on sale of MUNB	(1)	
Provision (benefit) for income taxes	(44) [1]	(151) [1]
Net income (loss) from discontinued operations	$ (66) [1]	$ (270) [1]

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Restructuring charges - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended				13 Months Ended
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008 Person	Dec. 31, 2009
Restructuring Cost and Reserve [Line Items]					
Restructuring charge, pre-tax	$ 89	$ 28 [1]	$ 150 [1]		
Operational Efficiency Initiatives 2011					
Restructuring Cost and Reserve [Line Items]					
Estimated reduction in workforce due to restructuring, number of positions	1,500				
Estimated reduction in workforce due to restructuring, percentage of positions	3.00%				
Restructuring charge, pre-tax	107				
Severance cost	78				
Operating lease-related items and consulting costs	29				
Global Location Strategy 2009					
Restructuring Cost and Reserve [Line Items]					
Estimated reduction in workforce due to restructuring, number of positions	2,400				
Restructuring charge, pre-tax	(15)	35	139		
Severance cost			102		
Asset write-offs and expenses to the closing of offices			37		
Additional charges/(recovery)	(15)	35			
Workforce Reduction Program 2008					
Restructuring Cost and Reserve [Line Items]					
Estimated reduction in workforce due to restructuring, number of positions				1,800	
Restructuring charge, pre-tax	(3)	(7)	11	181	
Additional charges/(recovery)	$ (3)	$ (7)			$ 11

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Significant Equity Method Investments (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011
CIBC Mellon	
Percentage Ownership	50.00%
Book Value	$ 577
Wing Hang	
Percentage Ownership	20.40%
Book Value	399
Siguler Guff	
Percentage Ownership	20.00%
Book Value	267
ConvergEx	
Percentage Ownership	33.20%
Book Value	152
West LB Joint Venture	
Percentage Ownership	50.00%
Book Value	$ 91

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Assets Measured at Fair Value on a Nonrecurring Basis (Detail) (Fair Value, Measurements, Nonrecurring, USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Loans	$ 221	[1]	$ 241	[1]
Other assets	126	[2]	6	[2]
Total assets	347		247	
Level 2				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Loans	178	[1]	188	[1]
Other assets	126	[2]	6	[2]
Total assets	304		194	
Level 3				
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]				
Loans	43	[1]	53	[1]
Total assets	$ 43		$ 53	

[1] During the years ended Dec. 31, 2011 and 2010, the fair value of these loans was reduced $32 million and $15 million, based on the fair value of the underlying collateral as allowed by ASC 310, Accounting by Creditors for Impairment of a loan, with an offset to the allowance for credit losses.

[2] Includes other assets received in satisfaction of debt and loans held for sale. Loans held for sale are carried on the balance sheet at the lower of cost or market value.

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Goodwill and Intangible Assets - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Goodwill and Intangible Assets Disclosure [Line Items]			
Impairment	$ 9		
Amortization of intangible assets	$ 428	$ 421 [1]	$ 426 [1]

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Weighted Average Assumptions In Lattice-Based Binomial Method (Detail)	12 Months Ended		
	Dec. 31, 2011 Year	Dec. 31, 2010 Year	Dec. 31, 2009 Year
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]			
Dividend yield	2.20%	2.20%	3.10%
Expected volatility	32.00%	32.00%	34.00%
Risk-free interest rate	2.75%	2.94%	2.22%
Expected option lives (in years)	6.7	6.6	5.9

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Review of businesses	12 Months Ended Dec. 31, 2011

Review of businesses

Note 26—Review of businesses

We have an internal information system that produces performance data for our two principal businesses and the Other segment. The following discussion of our businesses satisfies the disclosure requirements for ASC 280, *Segment Reporting*.

Organization of our business

In the first quarter of 2011, BNY Mellon realigned its internal reporting structure and business presentation to focus on its two principal businesses, Investment Management and Investment Services. The realignment reflects management's current approach to assessing performance and decisions regarding resource allocations. Investment Management includes the former Asset Management and Wealth Management businesses. Investment Services includes the former Asset Servicing, Issuer Services and Clearing Services businesses, and the Cash Management business previously included in the Treasury Services business. The Other segment includes credit-related activities previously included in the Treasury Services business, the lease financing portfolio, corporate treasury activities, including our investment securities portfolio, our equity investments in Wing Hang Bank and ConvergEx Group, business exits and corporate overhead. All prior periods presented in this Annual Report are presented accordingly.

Also in the first quarter of 2011, we revised the net interest revenue for our businesses to reflect a new approach which adjusts our transfer pricing methodology to better reflect the value of certain domestic deposits. All prior period business results were restated to reflect this revision. This revision did not impact the consolidated results.

Business accounting principles

Our business data has been determined on an internal management basis of accounting, rather than the generally accepted accounting principles used for consolidated financial reporting. These measurement principles are designed so that reported results of the businesses will track their economic performance.

Business results are subject to reclassification whenever improvements are made in the measurement principles, or when organizational changes are made.

The accounting policies of the businesses are the same as those described in Note 1 of the Notes to Consolidated Financial Statements.

The operations of acquired businesses are integrated with the existing businesses soon after they are completed. As a result of the integration of staff support functions, management of customer relationships, operating processes and the financial impact of funding acquisitions, we cannot precisely determine the impact of acquisitions on income before taxes and therefore do not report it.

Information on our businesses is reported on a continuing operations basis for 2010 and 2009. See Note 4 of the Notes to Consolidated Financial Statements for a discussion of discontinued operations.

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The primary types of revenue for two principal businesses and the Other segment are presented below:

Business	Primary types of revenue
Investment Management	• Investment management and performance fees from: Mutual funds; Institutional clients; Private clients; High-net-worth individuals and families, endowments and foundations and related entities • Distribution and servicing fees
Investment Services	• Asset servicing fees, including institutional trust and custody fees, broker-dealer services and securities lending • Issuer services fees, including Corporate Trust, Depositary Receipts, employee investment plan services and Shareowner Services • Clearing services fees, including broker-dealer services, registered investment advisor services and prime brokerage services • Treasury services fees, including global payment services and working capital solutions • Foreign exchange
Other segment	• Credit-related activities • Leasing operations • Corporate treasury activities • Global markets and institutional banking services • Business exits

The results of our businesses are presented and analyzed on an internal management reporting basis:

- Revenue amounts reflect fee and other revenue generated by each business. Fee and other revenue transferred between businesses under revenue transfer agreements is included within other revenue in each business.
- Revenues and expenses associated with specific client bases are included in those businesses. For example, foreign exchange activity associated with clients using custody products is allocated to Investment Services.
- Net interest revenue is allocated to businesses based on the yields on the assets and liabilities generated by each business. We employ a funds transfer pricing system that

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matches funds with the specific assets and liabilities of each business based on their interest sensitivity and maturity characteristics.

- Support and other indirect expenses are allocated to businesses based on internally-developed methodologies.
- Recurring FDIC expense is allocated to the businesses based on average deposits generated within each business.
- Litigation expense is generally recorded in the business in which the charge occurs.
- Management of the investment securities portfolio is a shared service contained in the Other segment. As a result, gains and losses associated with the valuation of the securities portfolio are included in the Other segment.
- Client deposits serve as the primary funding source for our investment securities portfolio. We typically allocate all interest revenue to the businesses generating the deposits. Accordingly, the higher yield related to the restructured investment securities portfolio has been included in the results of the businesses.
- Restructuring charges are related to corporate initiatives and are therefore recorded in the Other segment.
- M&I expenses are corporate level items and are therefore recorded in the Other segment.
- Balance sheet assets and liabilities and their related income or expense are specifically assigned to each business. Businesses with a net liability position have been allocated assets.
- Goodwill and intangible assets are reflected within individual businesses.

Total revenue includes approximately $2.2 billion in 2011, $2.1 billion in 2010 and $1.6 billion in 2009, of international operations domiciled in the UK which comprised 15%, 15% and 21% of total revenue, respectively.

The following consolidating schedules show the contribution of our businesses to our overall profitability.

For the year ended Dec. 31, 2011

(dollar amounts in millions)	**Investment Management**		**Investment Services**		**Other**	**Consolidated**	
Fee and other revenue	**$ 3,264**	*(a)*	**$ 7,957**		**$475**	**$ 11,696**	*(a)*
Net interest revenue	**206**		**2,635**		**143**	**2,984**	
Total revenue	**3,470**		**10,592**		**618**	**14,680**	
Provision for credit losses	**1**		**-**		**-**	**1**	
Noninterest expense	**2,746**		**7,478**		**888**	**11,112**	
Income (loss) before taxes	**$ 723**	*(a)*	**$ 3,114**		**$(270)**	**$ 3,567**	*(a)*
Pre-tax operating margin *(b)*	**21**	**%**	**29**	**%**	**N/M**	**24**	**%**
Average assets	**$ 37,043**		**$ 207,454**		**$46,648**	**$ 291,145**	

(a) Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

(b) Income before taxes divided by total revenue.

For the year ended Dec. 31, 2010

(dollar amounts in millions)	**Investment Management**	**Investment Services**	**Other**	**Total continuing operations**

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Fee and other revenue	$ 3,234 (a)	$ 7,179	$478	$ 10,891 (a)
Net interest revenue	205	2,448	272	2,925
Total revenue	3,439	9,627	750	13,816
Provision for credit losses	3	-	8	11
Noninterest expense	2,693	6,515	962	10,170
Income (loss) before taxes	$ 743 (a)	$ 3,112	$(220)	$ 3,635 (a)
Pre-tax operating margin *(b)*	22 %	32 %	N/M	26 %
Average assets	$ 35,411	$ 161,605	$40,420	$ 237,436 (c)

(a) Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

(b) Income before taxes divided by total revenue.

(c) Including average assets of discontinued operations of $404 million in 2010, consolidated average assets were $237,840 million.

For the year ended Dec. 31, 2009

(dollar amounts in millions)	**Investment Management**	**Investment Services**	**Other**	**Total continuing operations**
Fee and other revenue	$ 2,825	$ 6,887	$(4,973)	$ 4,739
Net interest revenue	242	2,349	324	2,915
Total revenue	3,067	9,236	(4,649)	7,654
Provision for credit losses	1	-	331	332
Noninterest expense	2,499	5,901	1,130	9,530
Income (loss) before taxes	$ 567	$ 3,335	$(6,110)	$ (2,208)
Pre-tax operating margin *(a)*	18 %	36 %	N/M	N/M
Average assets	$ 21,840	$ 151,001	$37,098	$ 209,939 (b)

(a) Income before taxes divided by total revenue.

(b) Including average assets of discontinued operations of $2,188 million in 2009, consolidated average assets were $212,127 million.

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Pension Investment Asset Allocation (Detail)	Dec. 31, 2011	Dec. 31, 2010
Domestic Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	100.00%	100.00%
Domestic Pension Benefits | Equity Securities		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	52.00%	57.00%
Domestic Pension Benefits | Fixed Income Securities		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	38.00%	33.00%
Domestic Pension Benefits | Private Equities		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	3.00%	3.00%
Domestic Pension Benefits | Alternative Investment		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	6.00%	6.00%
Domestic Pension Benefits | Cash		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	1.00%	1.00%
Foreign Pension Benefits		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	100.00%	100.00%
Foreign Pension Benefits | Equity Securities		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	64.00%	55.00%
Foreign Pension Benefits | Fixed Income Securities		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	29.00%	28.00%
Foreign Pension Benefits | Alternative Investment		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	3.00%	9.00%
Foreign Pension Benefits | Real Estate		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	3.00%	3.00%
Foreign Pension Benefits | Cash		
Defined Benefit Plan Disclosure [Line Items]		
Pension benefits, asset allocations	1.00%	5.00%

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Review of businesses - Additional Information (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Revenue	$ 14,680	$ 13,816	$ 7,654
United Kingdom			
Revenue	$ 2,200	$ 2,100	$ 1,600
Percentage of total revenue	15.00%	15.00%	21.00%

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Accumulated other comprehensive income (loss) (Tables)

Accumulated Other Comprehensive Income (Loss)

12 Months Ended

Dec. 31, 2011

(dollars in millions)	Foreign currency translation	ASC 820 Adjustments: Pensions	ASC 820 Adjustments: Other post-retirement benefits	Unrealized gain (loss) on assets available-for-sale	Unrealized gain (loss) on cash flow hedges *(a)*	Total accumulated unrealized gain (loss)
2008 ending balance, net of tax (expense) benefit	$ (363)	$(956)	$ (66)	$ (4,053)	$ 37	$ (5,401)
Adjustments for the cumulative effect of applying ASC 320, net of taxes of $-, $-, $-, $470, $-, $470	-	-	-	(676)	-	(676)
Adjusted balance at Jan. 1, 2009	(363)	(956)	(66)	(4,729)	37	(6,077)
Change in 2009, net of tax (expense) benefit of $(82), $14, $(34), $(489), $(1), $(592)	227	(46)	(1)	762	(16)	926
Reclassification adjustment, net of tax (expense) benefit $-, $-, $-, $(2,022), $-, $(2,022)	-	-	-	3,348	(32)	3,316
2009 total unrealized gain (loss)	227	(46)	(1)	4,110	(48)	4,242
2009 ending balance, net of tax (expense) benefit	$ (136)	$(1,002)	$ (67)	$ (619)	$ (11)	$ (1,835)
Adjustments for the cumulative effect of applying ASC 810	-	-	-	24	-	24
Adjusted balance at Jan. 1, 2010	(136)	(1,002)	(67)	(595)	(11)	(1,811)
Change in 2010, net of tax (expense)	(319)	9	12	747	12	461

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benefit of $(68), $15, $(3), $(469), $-, $(525)						
Reclassification/ other adjustment, net of tax (expense) benefit $ -, $ -, $ -, $12, $2, $14	(18) *(b)*	-	-	18 *(b)*	(5)	(5)
2010 total unrealized gain (loss)	(337)	9	12	765	7	456
2010 ending balance, net of tax (expense) benefit	$ (473)	$(993)	$ (55)	$ 170	$ (4)	$ (1,355)
Change in 2011, net of tax (expense) benefit of $(11), $230, $24, $(177), $(2), $64	**(178)**	**(336)**	**(41)**	**306**	**3**	**(246)**
Reclassification/ other adjustment, net of tax (expense) benefit $ -, $ -, $ -, $22, $2, $24	**-**	**-**	**-**	**(26)**	**-**	**(26)**
2011 total unrealized gain (loss)	**(178)**	**(336)**	**(41)**	**280**	**3**	**(272)**
2011 ending balance, net of tax (expense) benefit	**$ (651)**	**$(1,329)**	**$ (96)**	**$ 450**	**$ (1)**	**$ (1,627)**

(a) Includes unrealized gain (loss) on foreign currency cash flow hedges of $1 million, $- million and, $(1) million at Dec. 31, 2011, Dec. 31, 2010 and Dec. 31, 2009, respectively.

(b) Includes a net reclassification adjustment of $14 million to retained earnings from other comprehensive income.

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Income taxes

Income taxes

12 Months Ended Dec. 31, 2011

Note 13—Income taxes

Provision (benefit) for income taxes *(in millions)*	Year ended Dec. 31, **2011**	2010 *(a)*	2009 *(a)*
Current taxes (benefits):			
Federal	**$691**	$(670)	$289
Foreign	**317**	408	185
State and local	**28**	110	101
Total current tax expense (benefit)	**1,036**	(152)	575
Deferred taxes:			
Federal	**(34)**	1,278	(1,676)
Foreign	**(16)**	(75)	-
State and local	**62**	(4)	(294)
Total deferred tax expense (benefit)	**12**	1,199	(1,970)
Provision (benefit) for income taxes	**$1,048**	$1,047	$(1,395)

(a) Based on continuing operations for 2010 and 2009.

The components of income (loss) before taxes are as follows:

Components of income (loss) before taxes *(in millions)*	Year ended Dec. 31, **2011**	2010 *(a)*	2009 *(a)*
Domestic	**$2,336**	$2,363	$(3,022)
Foreign	**1,281**	1,331	814
Income (loss) before taxes	**$3,617**	$3,694	$(2,208)

(a) Based on continuing operations for 2010 and 2009.

The components of our net deferred tax liability are as follows:

Net deferred tax liability *(in millions)*	Dec. 31, **2011**	2010
Depreciation and amortization	**$2,599**	$2,366
Lease financings	**1,040**	1,093
Pension obligation	**(49)**	190
Reserves not deducted for tax	**(401)**	(331)
Credit losses on loans	**(290)**	(409)
Net operating loss carryover	**(126)**	(112)
Employee benefits	**(544)**	(543)
Equity investments	**238**	227
Other assets	**(289)**	(264)
Other liabilities	**378**	380
Net deferred tax liability	**$2,556**	$2,597

As of Dec. 31, 2011, we have net operating loss carryforwards for state and local income tax purposes of $1.6 billion which will expire in 2029. We have a German net operating loss

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carryforward of $110 million with an indefinite life. In addition, we have alternative minimum tax credit carryforwards of $45 million with an indefinite life. We have not recorded a valuation allowance because we expect to realize our deferred tax assets including these carryovers.

As of Dec. 31, 2011, we had approximately $3.5 billion of earnings attributable to foreign subsidiaries that have been permanently reinvested abroad and for which no provision has been recorded for income tax that would occur if repatriated. It is not practicable at this time to determine the income tax liability that would result upon repatriation of these earnings.

The following table presents a reconciliation of the statutory federal income tax rate to our effective income tax rate applicable to income from continuing operations.

Effective tax rate	Year ended Dec. 31,		
	2011	2010	2009
Federal rate	**35.0 %**	35.0 %	35.0 %
State and local income taxes, net of federal income tax benefit	**1.6**	2.4	4.5
Credit for low-income housing investments	**(1.9)**	(1.8)	2.6
Tax-exempt income	**(2.6)**	(2.3)	2.9
Foreign operations	**(3.2)**	(5.2)	3.5
Tax settlements	**-**	-	4.0
Tax loss on mortgages	**-**	-	10.8
Other – net	**0.1**	0.2	(0.1)
Effective rate	**29.0 %**	28.3 %	63.2 %

Unrecognized tax positions *(in millions)*	**2011**	2010	2009
Beginning balance at Jan. 1, – gross	**$289**	$335	$189
Prior period tax positions:			
increases	**24**	97	225
decreases	**(12)**	(60)	(30)
Current period tax positions	**16**	41	10
Settlements	**(64)**	(119)	(58)
Statute expiration	**(3)**	(5)	(1)
Ending balance at Dec. 31, – gross	**$250**	$289	$335

Our total tax reserves as of Dec. 31, 2011 were $250 million compared with $289 million at Dec. 31, 2010. If these tax reserves were unnecessary, $250 million would affect the effective tax rate in future periods. We recognize accrued interest and penalties, if applicable, related to income taxes in income tax expense. Included in the balance sheet at Dec. 31, 2011 is accrued interest, where applicable, of $59 million. The additional tax expense related to interest for the year ended Dec. 31, 2011 was $31 million compared with $9 million for the year ended Dec. 31, 2010.

As previously disclosed, on Nov. 10, 2009 BNY Mellon filed a petition with the U.S. Tax Court challenging the IRS' disallowance of certain foreign tax credits claimed for the 2001 and 2002 tax years. The aggregate tax for all of the years in question is approximately $900 million, including interest. A trial is currently scheduled for April 16, 2012. See Note 24 of the Notes to Consolidated Financial Statements for additional information. BNY Mellon continues to believe the tax treatment of the transaction was consistent with statutory and judicial authority existing at

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the time of the transaction. However, if there is a decision by the courts in similar litigation with unrelated taxpayers before the BNY Mellon matter is decided and that decision adopts the Government's expansive view of economic substance for disallowing foreign tax credits, BNY Mellon may be required to re-evaluate its uncertain tax position with respect to this matter. If a re-evaluation is required, it is reasonably possible that the total reserve for uncertain tax positions, pursuant to ASC 740 (FASB Interpretation 48), could increase within the next 12 months by a net amount up to $850 million.

Our federal consolidated income tax returns are closed to examination through 2002. Our New York State and New York City return examinations have been completed through 2008. Our United Kingdom income tax returns are closed through 2008.

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Incremental Assets and Liabilities of VIEs Included in Consolidated Financial Statements (Detail) (Variable Interest Entity, Primary Beneficiary, USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Variable Interest Entity [Line Items]		
Available-for-sale	$ 479	$ 483
Trading assets	10,751	14,121
Other assets	596	645
Total assets	11,826	15,249
Trading liabilities	10,053	13,561
Other liabilities	475	388
Total liabilities	10,528	13,949
Non-redeemable noncontrolling interests	670	699
Investment Management Funds		
Variable Interest Entity [Line Items]		
Trading assets	10,751	14,121
Other assets	596	645
Total assets	11,347	14,766
Trading liabilities	10,053	13,561
Other liabilities	32	2
Total liabilities	10,085	13,563
Non-redeemable noncontrolling interests	670	699
Securitizations		
Variable Interest Entity [Line Items]		
Available-for-sale	479	483
Total assets	479	483
Other liabilities	443	386
Total liabilities	$ 443	$ 386

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Stock-based compensation

Stock-based compensation	12 Months Ended Dec. 31, 2011

Stock-based compensation

Note 18—Stock-based compensation

Our Long-Term Incentive Plans provide for the issuance of stock options, restricted stock, restricted stock units ("RSUs") and other stock-based awards to employees of BNY Mellon. At Dec. 31, 2011, under the Long-Term Incentive Plan approved in April 2011, we may issue 50,858,398 new options. Of this amount, 28,528,609 shares may be issued as restricted stock or RSUs. Stock-based compensation expense related to retirement eligibility vesting totaled $31 million in 2011, $25 million in 2010, and $16 million in 2009.

Stock options

Our Long-Term Incentive Plans provide for the issuance of stock options at fair market value at the date of grant to officers and employees of BNY Mellon. Generally, each option granted is exercisable between one and ten years from the date of grant.

The compensation cost that has been charged against income was $96 million for 2011, $87 million for 2010 and $86 million for 2009. The total income tax benefit recognized in the income statement was $40 million for 2011, $35 million for 2010 and $35 million for 2009.

We used a lattice-based binomial method to calculate the fair value on the date of grant. The fair value of each option award is estimated on the date of grant using the weighted-average assumptions noted in the following table:

Assumptions	**2011**	2010	2009
Dividend yield	**2.2 %**	2.2 %	3.1 %
Expected volatility	**32**	32	34
Risk-free interest rate	**2.75**	2.94	2.22
Expected option lives (in years)	**6.7**	6.6	5.9

For 2011, 2010 and 2009, assumptions were determined as follows:

- Expected volatilities are based on implied volatilities from traded options on our stock, historical volatility of our stock, and other factors.
- We use historical data to estimate option exercises and employee terminations within the valuation model.
- The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve at the time of grant.
- The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding.

A summary of the status of our options as of Dec. 31, 2011, and changes during the year, is presented below:

Stock option activity	Shares subject to option	Weighted-average exercise price	Weighted-average remaining

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			contractual term *(in years)*
Balance at Dec. 31, 2010	92,540,471	$ 35.21	
Granted	8,739,395	29.98	
Exercised	(809,287)	21.11	
Canceled	(13,667,087)	44.73	
Balance at Dec. 31, 2011	**86,803,492**	**$ 33.32**	**5.2**
Vested and expected to vest at Dec. 31, 2011	**86,150,188**	**33.35**	**5.2**
Exercisable at Dec. 31, 2011	**60,158,853**	**35.21**	**4.0**

Stock options outstanding at Dec. 31, 2011

	Options outstanding			Options exercisable *(a)*	
Range of exercise prices	Outstanding at Dec. 31, 2011	Weighted-average remaining contractual life *(in years)*	Weighted-average exercise price	Exercisable at Dec. 31, 2011	Weighted-average exercise price
$ 18 to 31	43,343,651	6.5	$ 26.05	20,108,983	$ 24.96
31 to 41	22,879,675	3.8	37.03	22,004,630	36.93
41 to 51	20,580,166	3.9	44.51	18,045,240	44.52
$ 18 to 51	**86,803,492**	**5.2**	**$ 33.32**	**60,158,853**	**$ 35.21**

(a)At Dec. 31, 2010 and 2009, 62,801,038 and 65,703,148 options were exercisable at an average price per common share of $37.93 and $38.96, respectively.

Aggregate intrinsic value of options *(in millions)*	**2011**	2010	2009
Outstanding at Dec. 31,	**$ 22**	$193	$167
Exercisable at Dec. 31,	**$ 11**	$77	$26

The weighted-average fair value of options at grant date was $8.47 in 2011, $8.38 in 2010 and $4.59 in 2009.

The total intrinsic value of options exercised was $7 million in 2011, $12 million in 2010 and $3 million in 2009.

As of Dec. 31, 2011, $110 million of total unrecognized compensation cost related to nonvested options is expected to be recognized over a weighted-average period of 1.6 years.

Cash received from option exercises totaled $18 million in 2011, $31 million in 2010 and $16 million in 2009. The actual tax benefit realized for the tax deductions from options exercised totaled $2 million in 2011, $1 million in 2010 and $4 million in 2009.

Restricted stock, restricted stock units ("RSU") and Total Shareholder Return ("TSR") awards

Restricted stock and RSUs are granted under our Long-Term Incentive Plans at no cost to the recipient.
These awards are subject to forfeiture until certain restrictions have lapsed, including continued employment, for a specified period. The recipient of a share of restricted stock is entitled to

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voting rights and generally is entitled to dividends on the common stock. An RSU entitles the recipient to receive a share of common stock after the applicable restrictions lapse. The recipient generally is entitled to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSU is outstanding but does not receive voting rights.

The fair value of restricted stock and RSUs is equal to the fair market value of our common stock on the date of grant. The expense is recognized over the vesting period, which is generally three years. The total compensation expense recognized for restricted stock, RSUs and TSRs was $134 million in 2011, $119 million in 2010 and $124 million in 2009. The total income tax benefit recognized in the income statement was $52 million for 2011, $46 million for 2010 and $48 million for 2009.

In March 2008, BNY Mellon granted TSR awards. Under the terms of the TSR Performance share awards, a target award comprised of restricted stock was granted to an employee at the beginning of the three-year performance period beginning on Jan. 1, 2008 through Dec. 31, 2010. BNY Mellon's actual TSR for the performance period is compared to the results of a peer group (weighted two-thirds) and an S&P 500 Financial Services Index (weighted one-third). Based on the final calculations, 76% of the target awards (150,038 shares of the target number of performance shares) were earned and released to the participants. The remaining shares that were not earned were forfeited. As of Dec. 31, 2011, there were no TSR awards outstanding.

In 2011, 817,698 of RSUs were granted to members of BNY Mellon's Executive Committee which contained certain performance criteria that were achieved in 2011. The actual number of units that vest is subject to negative discretion by BNY Mellon's Human Resources and Compensation Committee. As a result, these shares are subject to variable accounting.

The following table summarizes our nonvested restricted stock, RSU and TSR activity for 2011.

Nonvested restricted stock, RSUs and TSRs activity	Number of shares	Weighted-average fair value
Nonvested restricted stock, RSUs and TSRs at Dec. 31, 2010	11,319,776	$ 29.96
Granted	**5,828,098**	**29.79**
Vested	**(3,530,607)**	**39.91**
Forfeited	**(483,809)**	**33.79**
Nonvested restricted stock and RSUs at Dec. 31, 2011 *(a)*	**13,133,458**	**$ 26.44**

(a) Includes 817,698 shares granted to members of BNY Mellon's Executive Committee that are marked-to-market based on the closing stock price at Dec. 31, 2011 of $19.91.

As of Dec. 31, 2011, $143 million of total unrecognized compensation costs related to nonvested restricted stock and RSUs is expected to be recognized over a weighted-average period of 1.4 years.

The total fair value of restricted stock, RSUs and TSRs that vested was $100 million in 2011, $96 million in 2010 and $72 million in 2009.

Subsidiary Long-Term Incentive plans

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BNY Mellon also has several subsidiary Long-Term Incentive Plans which have issued restricted subsidiary shares to certain employees. These share awards are subject to forfeiture until certain restrictions have lapsed, including continued employment for a specified period of time. The shares are non-voting and non-dividend paying. Once the restrictions lapse, which generally occurs in three to five years, the shares can only be sold, at the option of the employee, to BNY Mellon at a price based generally on the fair value of the subsidiary at the time of repurchase. In certain instances BNY Mellon has an election to call the shares.

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Contribution of Segments to Overall Profitability (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended					
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009	
Segment Reporting Information [Line Items]						
Net (income) loss attributable to noncontrolling interests	$ (53)		$ (63)	[1]	$ (1)	[1]
Total fee and other revenue	11,696	[2]	10,891	[3]	4,739	
Average assets of discontinued operations			404		2,188	
Consolidated average assets, including discontinued operations			237,840		212,127	
Investment Management Funds						
Segment Reporting Information [Line Items]						
Income of consolidated investment management funds	200		226	[1]		
Net (income) loss attributable to noncontrolling interests	(50)		(59)	[1]		
Total fee and other revenue	$ 150		$ 167			

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[2] Total fee and other revenue includes income from consolidated investment management funds of $200 million, net of noncontrolling interests of $50 million, for a net impact of $150 million. Income before taxes includes noncontrolling interests of $50 million.

[3] Total fee and other revenue includes income from consolidated investment management funds of $226 million, net of noncontrolling interests of $59 million, for a net impact of $167 million. Income before taxes includes noncontrolling interests of $59 million.

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Summary of Off-Balance Sheet Credit Transactions, Net of Participations (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011		Dec. 31, 2010	
Lending commitments				
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]				
Potential exposure of off-balance sheet credit risks	$ 28,406	[1]	$ 29,100	[1]
Standby letters of credit				
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]				
Potential exposure of off-balance sheet credit risks	6,707	[2]	8,483	[2]
Commercial letters of credit				
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]				
Potential exposure of off-balance sheet credit risks	437		512	
Securities lending indemnifications				
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]				
Potential exposure of off-balance sheet credit risks	268,812		278,069	
Support agreements				
Fair Value, Off-balance Sheet Risks, Disclosure Information [Line Items]				
Potential exposure of off-balance sheet credit risks	$ 63		$ 116	

[1] Net of participations totaling $326 million at Dec. 31, 2011 and $423 million at Dec. 31, 2010.

[2] Net of participations totaling $1.2 billion at Dec. 31, 2011 and $1.7 billion at Dec. 31, 2010 .

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Estimated Annual Amortization Expense (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended
	Dec. 31, 2011
Expected Amortization Expense [Line Items]	
2012	$ 383
2013	333
2014	297
2015	266
2016	$ 236

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Securitizations and variable interest entities (Tables)	**12 Months Ended Dec. 31, 2011**

Incremental Assets and Liabilities of VIEs Included in Consolidated Financial Statements

The following tables present the incremental assets and liabilities included in BNY Mellon's consolidated financial statements, after applying intercompany eliminations, as of Dec. 31, 2011 and Dec. 31, 2010, based on the assessments performed in accordance with ASC 810 and ASU 2009-17. The net assets of any consolidated VIE are solely available to settle the liabilities of the VIE and to settle any investors' ownership liquidation requests, including any seed capital invested in the VIE by BNY Mellon.

Investments consolidated under ASC 810 and ASU 2009-17 at Dec. 31, 2011

(in millions)	Investment Management funds	Securitizations	Total consolidated investments
Available-for-sale	**$ -**	**$ 479**	**$ 479**
Trading assets	**10,751**	**-**	**10,751**
Other assets	**596**	**-**	**596**
Total assets	**$ 11,347**	**$ 479**	**$ 11,826**
Trading liabilities	**10,053**	**-**	**10,053**
Other liabilities	**32**	**443**	**475**
Total liabilities	**$ 10,085**	**$ 443**	**$ 10,528**
Non-redeemable noncontrolling interests	**$ 670**	**$ -**	**$ 670**

Investments consolidated under ASC 810 and ASU 2009-17 at Dec. 31, 2010

(in millions)	Investment Management funds	Securitizations	Total consolidated investments
Available-for-sale	$ -	$ 483	$ 483
Trading assets	14,121	-	14,121
Other assets	645	-	645
Total assets	$ 14,766	$ 483	$ 15,249
Trading liabilities	13,561	-	13,561
Other liabilities	2	386	388
Total liabilities	$ 13,563	$ 386	$ 13,949
Non-redeemable noncontrolling interests	$ 699	$ -	$ 699

Variable Interest Entity, Not Primary Beneficiary

Schedule of Variable Interest Entities

As of Dec. 31, 2011 and Dec. 31, 2010, the following assets related to the VIEs, where BNY Mellon is not the primary beneficiary, are included in our consolidated financial statements.

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Non-consolidated VIEs at Dec. 31, 2011			Maximum loss
(in millions)	Assets	Liabilities	exposure
Trading	$ 1	$ -	$ 1
Other	41	-	41
Total	**$ 42**	**$ -**	**$ 42**

Non-consolidated VIEs at Dec. 31, 2010			Maximum loss
(in millions)	Assets	Liabilities	exposure
Trading	$ 24	$ -	$ 24
Other	34	-	34
Total	$ 58	$ -	$ 58

Credit Supported | Variable Interest Entity, Not Primary Beneficiary

Schedule of Variable Interest Entities

The tables below show the financial statement items related to non-consolidated VIEs to which we have provided credit support agreements at Dec. 31, 2011 and Dec. 31, 2010.

Credit supported VIEs at Dec. 31, 2011			Maximum loss
(in millions)	Assets	Liabilities	exposure
Other	**$ -**	**$ -**	**$ -**

Credit supported VIEs at Dec. 31, 2010			Maximum loss
(in millions)	Assets	Liabilities	exposure
Other	$ -	$ -	$ 13

Credit Supported | Variable Interest Entity, Primary Beneficiary

Schedule of Variable Interest Entities

Certain funds have been created solely with securities that are subject to credit support agreements where we have agreed to absorb the majority of loss. Accordingly, these funds have been consolidated into BNY Mellon and have affected the following financial statement items at Dec. 31, 2011 and Dec. 31, 2010.

Consolidated credit supported VIEs at Dec. 31, 2011			Maximum loss
(in millions)	Assets	Liabilities	exposure
Available-for-sale	$ 14	$ -	$ 14
Other	-	22	10
Total	**$ 14**	**$ 22**	**$ 24**

Consolidated credit supported VIEs at Dec. 31, 2010

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(in millions)	Assets	Liabilities	Maximum loss exposure
Available-for-sale	$ 53	$ -	$ 53
Other	-	126	51
Total	$ 53	$ 126	$ 104

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Provision (Benefit) for Income Taxes from Continuing Operations (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended				
	Dec. 31, 2011	Dec. 31, 2010		Dec. 31, 2009	
Current taxes (benefits):					
Federal	$ 691	$ (670)	[1]	$ 289	[1]
Foreign	317	408	[1]	185	[1]
State and local	28	110	[1]	101	[1]
Total current tax expense (benefit)	1,036	(152)	[1]	575	[1]
Deferred taxes:					
Federal	(34)	1,278	[1]	(1,676)	[1]
Foreign	(16)	(75)	[1]		
State and local	62	(4)	[1]	(294)	[1]
Total deferred tax expense (benefit)	12	1,199	[1]	(1,970)	[1]
Provision (benefit) for income taxes	$ 1,048	$ 1,047	[1],[2]	$ (1,395)	[1],[2]

[1] Based on continuing operations for 2010 and 2009.

[2] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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Loans and asset quality (Tables)

12 Months Ended Dec. 31, 2011

Details of our Loan Distribution and Industry Concentrations of Credit Risk

The table below provides the details of our loan distribution and industry concentrations of credit risk at Dec. 31, 2011 and 2010:

Loans	**Dec. 31,**	
(in millions)	**2011**	2010 *(a)*
Domestic:		
Financial institutions	**$ 4,606**	$ 4,630
Commercial	**752**	1,250
Wealth management loans and mortgages	**7,342**	6,506
Commercial real estate	**1,449**	1,592
Lease financings *(b)*	**1,558**	1,605
Other residential mortgages	**1,923**	2,079
Overdrafts	**2,958**	4,524
Other	**623**	771
Margin loans	**12,760**	6,810
Total domestic	**33,971**	29,767
Foreign:		
Financial institutions	**6,538**	4,626
Commercial	**528**	345
Lease financings *(b)*	**1,051**	1,545
Other (primarily overdrafts)	**1,891**	1,525
Total foreign	**10,008**	8,041
Total loans	**$ 43,979**	$ 37,808

(a) Presented on a continuing operations basis.

(b) Net of unearned income on domestic and foreign lease financings of $1,343 million at Dec. 31, 2011 and $2,036 million at Dec. 31, 2010.

Allowance for Credit Losses Activity

Transactions in the allowance for credit losses are summarized as follows:

Allowance for credit losses activity for the year ended Dec. 31, 2011 *(in millions)*	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other *(a)*	Foreign *(b)*	Total
Beginning balance	$ 93	$ 40	$ 11	$ 90	$ 41	$ 235	$1	$ 60	$571
Charge-offs	(6)	(4)	(8)	-	(1)	(56)	-	(8)	(83)
Recoveries	3	-	2	-	-	3	-	-	8
Net (charge-offs) recoveries	(3)	(4)	(6)	-	(1)	(53)	-	(8)	(75)
Provision	1	(2)	58	(24)	(11)	(26)	(1)	6	1
Ending balance	**$ 91**	**$ 34**	**$ 63**	**$ 66**	**$ 29**	**$ 156**	**$-**	**$ 58**	**$497**
Allowance for:									
Loans losses	$ 33	$ 24	$ 41	$ 66	$ 23	$ 156	$-	$ 51	$394
Unfunded commitments	58	10	22	-	6	-	-	7	103
Individually evaluated for impairment:									
Loan balance	$ 26	$ 38	$ 24	$ -	$ 30	$ -	$-	$ 10	$128
Allowance for loan losses	9	7	7	-	5	-	-	4	32
Collectively evaluated for impairment:									
Loan balance	$ 726	$ 1,411	$ 4,582	$ 1,558	$ 7,312	$ 1,923	$16,341 *(a)*	$ 9,998 *(b)*	$43,851
Allowance for loan losses	24	17	34	66	18	156	-	47	362

(a) Includes $2,958 million of domestic overdrafts, $12,760 million of margin loans and $623 million of other loans at Dec. 31, 2011.

(b) Includes $1,891 million of other foreign loans (primarily overdrafts) at Dec. 31, 2011.

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Allowance for credit losses activity for the year ended Dec. 31, 2010 (in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other (a)	Foreign (b)	Total
Beginning balance	$ 155	$ 45	$ 76	$ 80	$ 58	$ 164	$ -	$ 50	$628
Charge-offs	(5)	(8)	(25)	-	(4)	(46)	-	-	(88)
Recoveries	15	1	2	-	-	2	-	-	20
Net charge-offs	10	(7)	(23)	-	(4)	(44)	-	-	(68)
Provision	(72)	2	(42)	10	(13)	115	1	10	11
Ending balance	$ 93	$ 40	$ 11	$ 90	$ 41	$ 235	$1	$ 60	$571
Allowance for:									
Loans losses	$ 51	$ 28	$ 1	$ 90	$ 38	$ 235	$1	$ 54	$498
Unfunded commitments	42	12	10	-	3	-	-	6	73
Individually evaluated for impairment:									
Loan balance	$ 32	$ 44	$ 4	$ -	$ 53	$ -	$ -	$ 7	$140
Allowance for loan losses	10	9	-	-	5	-	-	2	26
Collectively evaluated for impairment:									
Loan balance	$ 1,218	$ 1,548	$ 4,626	$ 1,605	$ 6,453	$ 2,079	$12,105 (a)	$ 8,034 (b)	$37,668
Allowance for loan losses	41	19	1	90	33	235	1	52	472

(a) Includes $4,524 million of domestic overdrafts, $6,810 million of margin loans and $771 million of other loans at Dec. 31, 2010.
(b) Includes $1,525 million of other foreign loans (primarily overdrafts) at Dec. 31, 2010.

Allowance for credit losses activity for the year ended Dec. 31, 2009 (in millions)	Commercial	Commercial real estate	Financial institutions	Lease financing	Wealth management loans and mortgages	Other residential mortgages	All Other (a)	Foreign (b)	Total
Beginning balance	$ 180	$ 59	$ 57	$ 90	$ 32	$ 88	$ 2	$ 21	$529
Charge-offs	(90)	(31)	(34)	-	(1)	(60)	-	-	(216)
Recoveries	-	-	-	1	1	-	-	-	2
Net charge-offs	(90)	(31)	(34)	1	-	(60)	-	-	(214)
Provision	66	34	53	(11)	26	137	(2)	29	332
Transferred to discontinued operations	(1)	(17)	-	-	-	(1)	-	-	(19)
Ending balance	$ 155	$ 45	$ 76	$ 80	$ 58	$ 164	$ -	$ 50	$628
Allowance for:									
Loans losses	$ 94	$ 31	$ 42	$ 80	$ 56	$ 164	$ -	$ 36	$503
Unfunded commitments	61	14	34	-	2	-	-	14	125
Individually evaluated for impairment:									
Loan balance	$ 63	$ 58	$ 171	$ -	$ 53	$ -	$ -	$ -	$345
Allowance for loan losses	10	13	25	-	3	-	-	-	51
Collectively evaluated for impairment:									
Loan balance	$ 2,261	$ 1,986	$ 5,338	$ 1,703	$ 6,109	$ 2,179	$ 9,010 (a)	$ 7,758 (b)	$36,344
Allowance for loan losses	84	18	17	80	53	164	-	36	452

(a) Includes $3,946 million of domestic overdrafts, $4,657 million of margin loans and $407 million of other loans at Dec. 31, 2009.
(b) Includes $2,109 million of other foreign loans (primarily overdrafts) at Dec. 31, 2009.

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Nonperforming Assets

The table below sets forth information about our nonperforming assets.

Nonperforming assets *(in millions)*	**Dec. 31, 2011**	Dec. 31, 2010
Nonperforming loans:		
Domestic:		
Other residential mortgages	**$203**	$244
Commercial real estate	**40**	44
Wealth management	**32**	59
Financial institutions	**23**	5
Commercial	**21**	34
Total domestic	**319**	386
Foreign loans	**10**	7
Total nonperforming loans	**329**	393
Other assets owned	**12**	6
Total nonperforming assets *(a)*	**$341**	$399

(a) Loans of consolidated investment management funds are not part of BNY Mellon's loan portfolio. Included in these loans are nonperforming loans of $101 million at Dec. 31, 2011 and $218 million at Dec. 31, 2010. These loans are recorded at fair value and therefore do not impact the provision for credit losses and allowance for loan losses, and accordingly are excluded from the nonperforming assets table above.

Lost Interest

Lost interest

Lost interest *(in millions)*	**2011**	2010	2009
Amount by which interest income recognized on nonperforming loans exceeded reversals:			
Total	**$ 2**	$ 2	$ 2
Foreign	**-**	-	-
Amount by which interest income would have increased if nonperforming loans at year-end had been performing for the entire year:			
Total *(a)*	**$ 17**	$ 20	$ 19
Foreign	**-**	-	-

(a) Lost interest excludes discontinued operations for 2010 and 2009.

Information about Impaired Loans

The table below sets forth information about our impaired loans. We use the discounted cash flow method as the primary method for valuing impaired loans.

Impaired loans	Year ended				
	Dec. 31, 2011		Dec. 31, 2010		Dec. 31, 2009
(in millions)	Average recorded investment	Interest income recognized	Average recorded investment	Interest income recognized	Recorded Investment
Impaired loans with an allowance:					
Commercial	**$ 27**	**$ 1**	$ 30	$ 1	$ 30
Commercial real estate	**22**	**-**	34	-	49
Financial institutions	**9**	**-**	35	-	171
Wealth management loans and mortgages	**37**	**1**	53	1	53
Foreign	**10**	**-**	2	-	-
Total impaired loans with an allowance	**105**	**2**	154	2	303
Impaired loans without an allowance*:*					
Commercial	**1**	**-**	6	-	33
Commercial real estate	**13**	**-**	11	-	9
Wealth management loans and mortgages	**2**	**-**	3	-	-
Total impaired loans without an allowance *(a)*	**16**	**-**	20	-	42
Total impaired loans	**$ 121**	**$ 2**	$ 174	$ 2	$ 345
Allowance for impaired loans *(b)*					$ 51
Average balance of impaired loans – 2009					216

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Interest income recognized on impaired loans	2

(a) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(b) The allowance for impaired loans is included in the allowance for loan losses.

Impaired loans	**Dec. 31, 2011**			Dec. 31, 2010		
(in millions)	Recorded investment	Unpaid principal balance	Related allowance *(a)*	Recorded investment	Unpaid principal balance	Related allowance
Impaired loans with an allowance:						
Commercial	**$ 26**	**$ 31**	**$ 9**	$ 30	$ 30	$ 10
Commercial real estate	**35**	**41**	**7**	25	39	9
Financial institutions	**21**	**21**	**7**	4	10	-
Wealth management loans and mortgages	**27**	**27**	**5**	52	52	5
Foreign	**10**	**18**	**4**	7	7	2
Total impaired loans with an allowance	**119**	**138**	**32**	118	138	26
Impaired loans without an allowance:						
Commercial	**-**	**-**	**-**	2	6	-
Commercial real estate	**3**	**3**	**-**	19	19	-
Financial institutions	**3**	**9**	**-**	-	-	-
Wealth management loans and mortgages	**3**	**3**	**-**	1	2	-
Total impaired loans without an allowance *(b)*	**9**	**15**	**-**	22	27	-
Total impaired loans *(c)*	**$ 128**	**$ 153**	**$ 32**	$ 140	$ 165	$ 26

(a) The allowance for impaired loans is included in the allowance for loan losses.

(b) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(c) Excludes an aggregate of $2 million of impaired loans in amounts individually less than $1 million at Dec. 31, 2011 and $3 million at Dec. 31, 2010. The allowance for loan loss associated with these loans totaled less than $1 million at both Dec. 31, 2011 and Dec. 31, 2010.

Information about Past Due Loans

The table below sets forth information about our past due loans.

Past due loans and still accruing interest	**Dec. 31, 2011**				Dec. 31, 2010			
	Days past due			Total	Days past due			Total
(in millions)	30-59	60-89	>90	past due	30-59	60-89	>90	past due
Domestic:								
Commercial real estate	**$118**	**$ 9**	**$-**	**$ 127**	$174	$ -	$11	$ 185
Wealth management loans and mortgages	**89**	**3**	**-**	**92**	62	4	6	72
Commercial	**60**	**7**	**-**	**67**	10	1	1	12
Other residential mortgages	**36**	**10**	**13**	**59**	40	15	15	70
Financial institutions	**36**	**-**	**-**	**36**	10	1	-	11
Total domestic	**339**	**29**	**13**	**381**	296	21	33	350
Foreign	**-**	**-**	**-**	**-**	-	-	-	-
Total past due loans	**$339**	**$ 29**	**$13**	**$ 381**	$296	$ 21	$33	$ 350

Credit Quality Indicators - Commercial Portfolio Credit Risk Profile by Creditworthiness Category

The following tables set forth information about credit quality indicators.

Commercial loan portfolio

Commercial loan portfolio – Credit risk profile by creditworthiness category	Commercial		Commercial real estate		Financial institutions	
(in millions)	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010	**Dec. 31, 2011**	Dec. 31, 2010
Investment grade	**$906**	$964	**$ 1,062**	$ 1,072	**$9,643**	$7,894
Noninvestment grade	**374**	631	**387**	520	**1,501**	1,362
Total	**$1,280**	$1,595	**$ 1,449**	$ 1,592	**$11,144**	$9,256

Credit Quality Indicators - Wealth Management Loans and Mortgages - Credit Risk

Wealth management loans and mortgages

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Profile by Internally Assigned Grade

Wealth management loans and mortgages – Credit risk profile by internally assigned grade

(in millions)	**Dec. 31, 2011**	Dec. 31, 2010
Wealth management loans:		
Investment grade	**$3,450**	$2,995
Noninvestment grade	**111**	170
Wealth management mortgages	**3,781**	3,341
Total	**$7,342**	$6,506

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Components of Net Deferred Tax Liability (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Schedule of Deferred Income Tax Assets and Liabilities [Line Items]		
Depreciation and amortization	$ 2,599	$ 2,366
Lease financings	1,040	1,093
Pension obligation	(49)	190
Reserves not deducted for tax	(401)	(331)
Credit losses on loans	(290)	(409)
Net operating loss carryover	(126)	(112)
Employee benefits	(544)	(543)
Equity investments	238	227
Other assets	(289)	(264)
Other liabilities	378	380
Net deferred tax liability	$ 2,556	$ 2,597

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Consolidated Balance Sheet (Parenthetical) (USD $) In Millions, except Share data, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Other liabilities, allowance for lending related commitments	$ 103	$ 73
Common stock, par value	$ 0.01	$ 0.01
Common stock, authorized	3,500,000,000	3,500,000,000
Common stock, issued	1,249,061,305	1,244,608,989
Treasury stock, common shares	39,386,698	3,078,794
Operations		
Held-to-maturity, fair value	3,540	3,657
Other assets, fair value	1,848	1,075
Other liabilities, allowance for lending related commitments	103	73
Other liabilities, fair value	382	590
Long-term debt, fair value	$ 326	$ 269

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Information about Past Due Loans (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	$ 339	$ 296
60-89 Days past due	29	21
>90 Days past due	13	33
Total past due	381	350
Domestic		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	339	296
60-89 Days past due	29	21
>90 Days past due	13	33
Total past due	381	350
Domestic | Commercial Real Estate		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	118	174
60-89 Days past due	9	
>90 Days past due		11
Total past due	127	185
Domestic | Wealth Management Loans and Mortgages		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	89	62
60-89 Days past due	3	4
>90 Days past due		6
Total past due	92	72
Domestic | Commercial		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	60	10
60-89 Days past due	7	1
>90 Days past due		1
Total past due	67	12
Domestic | Other Residential Mortgages		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	36	40
60-89 Days past due	10	15
>90 Days past due	13	15
Total past due	59	70
Domestic | Financial Institutions		
Financing Receivable, Recorded Investment, Past Due [Line Items]		
30-59 Days past due	36	10
60-89 Days past due		1
Total past due	$ 36	$ 11

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Accounting changes and new accounting guidance

Accounting changes and new accounting guidance

	12 Months Ended
	Dec. 31, 2011

Note 2—Accounting changes and new accounting guidance

ASU 2011-02—A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring

In April 2011, the FASB issued ASU 2011-02, "A Creditor's Determination of Whether a Restructuring is a Troubled Debt Restructuring." This ASU provided clarifying guidance for creditors when determining whether they granted concessions and whether the debtor is experiencing financial difficulty. For purposes of identifying and disclosing troubled debt restructurings ("TDRs"), this ASU was effective for interim and annual periods beginning after June 15, 2011 and was applied retrospectively to TDRs occurring on or after Jan. 1, 2011. Furthermore, this ASU specified that the absence of a market rate for a loan with risks similar to the restructured loan is an indicator of a TDR, but not a determinative factor, and that the assessment should consider all aspects of the restructuring. For purposes of measuring impairment of a receivable restructured in a TDR, the guidance in this ASU was applied prospectively for interim and annual periods beginning after June 15, 2011. This ASU also required an entity to disclose the information required by ASU 2010-20. See Note 6 of the Notes to Consolidated Financial Statements for these disclosures.

ASU 2010-6—Improving Disclosures About Fair Value Measurements

In January 2010, the FASB issued ASU 2010-6, "Improving Disclosures about Fair Value Measurements." This amended ASC 820 to clarify existing requirements regarding disclosures of inputs and valuation techniques and levels of disaggregation. Effective March 31, 2011, this ASU required new disclosures about Level 3 purchases, sales, issuances and settlements in the roll-forward activity for fair value measurements. This ASU is required in interim and annual financial statements. See Note 22 of the Notes to Consolidated Financial Statements for these disclosures.

ASU 2010-29—Disclosure of Supplementary Pro Forma Information for Business Combinations

In December 2010, the FASB issued ASU 2010-29, "Disclosure of Supplementary Pro Forma Information for Business Combinations." This ASU specified that if a public entity presents comparative financial statements, the entity would disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This ASU also expanded the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination. The ASU was effective prospectively for business combinations consummated on or after Jan. 1, 2011.

Adopted in 2010

ASU 2009-17—Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities

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In December 2009, the FASB issued ASU 2009-17 “Improvements to Financial Reporting by Entities Involved with Variable Interest Entities.” This ASU amended ASC 810 to require ongoing assessments to determine whether an entity is a VIE and whether an enterprise is the primary beneficiary of a VIE. This ASU also amended the guidance for determining which enterprise, if any, is the primary beneficiary of a VIE by requiring the enterprise to initially perform a qualitative analysis to determine if the enterprise’s variable interest or interests give it a controlling financial interest. Consolidation is based on a company’s ability to direct the activities of the entity that most significantly impact the entity’s economic performance. If a company has control and the right to receive benefits or the obligation to absorb losses which could potentially be significant to the VIE, then consolidation is required. This ASU was effective Jan. 1, 2010, and primarily impacted our Investment Management businesses.

This ASU does not change the economic risk related to these businesses and therefore, BNY Mellon’s computation of economic capital required by our businesses did not change.

This statement also required additional disclosures about an enterprise’s involvement in a VIE, including the requirement for sponsors of a VIE to disclose information even if they do not hold a significant variable interest in the VIE.

In February 2010, the FASB issued ASU 2010-10, “Amendments for Certain Investment Funds” which deferred the requirements of ASU 2009-17 for asset managers’ interests in entities that apply the specialized accounting guidance for investment companies or that have the attributes of investment companies and asset managers’ interests in money market funds. This amendment was effective Jan. 1, 2010.

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Derivative instruments - Additional Information (Detail) (USD $)	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Counterparty default losses	$ 15,000,000	$ 39,000,000
Non-derivative financial instruments designated as hedges of net investments in foreign subsidiaries were all long-term liabilities of BNY Mellon in various currencies	495,000,000	
Value-at-risk methodology assumed holding period for instruments (in days)	1 day	
Value-at-risk methodology confidence level percentage	99.00%	
Additional collateral the Company would have to post for existing collateral arrangements, if the company's debt rating had fallen below investment grade	498,000,000	
Available-for-sale		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Hedged financial instruments	4,000,000,000	
Hedged financial instruments, notional amount of derivative	4,009,000,000	2,168,000,000
Deposits		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Hedged financial instruments	10,000,000	
Hedged financial instruments, notional amount of derivative	10,000,000	25,000,000
Long-term Debt		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Hedged financial instruments	14,300,000,000	
Hedged financial instruments, notional amount of derivative	14,262,000,000	11,774,000,000
Interest Rate Swap	Available-for-sale		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Original maturities, maximum (in years) of hedged instruments	30 years	
Hedged financial instruments, notional amount of derivative	4,000,000,000	
Interest Rate Swap	Deposits		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Original maturities, minimum (in years) of hedged instruments	3 years	
Original maturities, maximum (in years) of hedged instruments	6 years	
Hedged financial instruments, notional amount of derivative	10,000,000	
Interest Rate Swap	Long-term Debt		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Original maturities, minimum (in years) of hedged instruments	5 years	
Original maturities, maximum (in years) of hedged instruments	30 years	
Hedged financial instruments, notional amount of derivative	14,300,000,000	
Foreign Exchange Contract		
Derivative Instruments and Hedging Activities Disclosure [Line Items]		
Notional amount of derivatives that will mature within one year	376,000,000,000	
Notional amount of derivatives that will mature between one and five years	9,000,000,000	
Notional amount of derivatives that will mature after 5 years	8,000,000,000	
Interest Rate Contract		

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Derivative Instruments and Hedging Activities Disclosure [Line Items]	
Notional amount of derivatives that will mature within one year	336,000,000,000
Notional amount of derivatives that will mature between one and five years	391,000,000,000
Notional amount of derivatives that will mature after 5 years	267,000,000,000
Cash Flow Hedging | Foreign Exchange Contract	
Derivative Instruments and Hedging Activities Disclosure [Line Items]	
Hedging derivatives, maturities, maximum	9 months
Hedged financial instruments, notional amount of derivative	136,100,000
Amount of (pre-tax) losses recorded in other comprehensive income that will be reclassified to income or expense over the next nine months	400,000
Cash Flow Hedging | Foreign Exchange Contract | Fair Value Hedge	
Derivative Instruments and Hedging Activities Disclosure [Line Items]	
Hedging derivatives, maturities, maximum	1 year
Hedged financial instruments, notional amount of derivative	8,800,000,000
Amount of (pre-tax) gain recorded in other comprehensive income that will be reclassified to net interest revenue and other income over the next twelve months	3,000,000
Net Investment Hedging | Foreign Exchange Contract	
Derivative Instruments and Hedging Activities Disclosure [Line Items]	
Hedging derivatives, maturities, maximum	2 years
Hedged financial instruments, notional amount of derivative	$ 5,200,000,000

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Fair Value Option of Consolidated Investment Management Funds at Fair Value (Detail) (Investment Management Funds, USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Investment Management Funds		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Trading assets	$ 10,751	$ 14,121
Other assets	596	645
Total assets	11,347	14,766
Trading liabilities	10,053	13,561
Other liabilities	32	2
Total liabilities	10,085	13,563
Non-redeemable noncontrolling interests	$ 670	$ 699

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Commitments and contingent liabilities (Tables)	12 Months Ended Dec. 31, 2011

Off-Balance Sheet Risks Significant Industry Concentrations

Significant industry concentrations related to credit exposure at Dec. 31, 2011 are disclosed in the Financial institutions portfolio exposure table and the Commercial portfolio exposure table below.

Financial institutions portfolio exposure	**Dec. 31, 2011**		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**
Banks	**$6.3**	**$ 1.9**	**$ 8.2**
Securities industry	**3.8**	**2.6**	**6.4**
Insurance	**0.1**	**4.6**	**4.7**
Asset managers	**0.8**	**3.2**	**4.0**
Government	**-**	**1.6**	**1.6**
Other	**0.1**	**1.6**	**1.7**
Total	**$11.1**	**$ 15.5**	**$ 26.6**

Commercial portfolio exposure	**Dec. 31, 2011**		
(in billions)	**Loans**	**Unfunded commitments**	**Total exposure**
Manufacturing	**$ 0.3**	**$ 5.7**	**$ 6.0**
Energy and utilities	**0.3**	**4.8**	**5.1**
Services and other	**0.5**	**4.5**	**5.0**
Media and telecom	**0.2**	**1.3**	**1.5**
Total	**$ 1.3**	**$ 16.3**	**$ 17.6**

Summary of Off-Balance Sheet Credit Transactions, Net of Participations

The following table presents a summary of our off-balance sheet credit risks, net of participations.

Off-balance sheet credit risks	**Dec. 31,**	
(in millions)	**2011**	2010
Lending commitments *(a)*	**$28,406**	$29,100
Standby letters of credit *(b)*	**6,707**	8,483
Commercial letters of credit	**437**	512
Securities lending indemnifications	**268,812**	278,069
Support agreements	**63**	116

(a) Net of participations totaling $326 million at Dec. 31, 2011 and $423 million at Dec. 31, 2010.

(b) Net of participations totaling $1.2 billion at Dec. 31, 2011 and $1.7 billion at Dec. 31, 2010 .

Standby Letters of Credits (SBLCs) by Investment Grade

The table below shows SBLCs by investment grade:

Standby letters of credit	**Dec. 31,**	
	2011	2010
Investment grade	**91 %**	89 %
Noninvestment grade	**9 %**	11 %

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Allowance for Credit Losses Activity (Parenthetical) (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	$ 43,979	$ 37,808 [1]	
Overdrafts			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	4,849	6,049	
Domestic			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	33,971	29,767 [1]	
Domestic | Overdrafts			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	2,958	4,524 [1]	3,946
Domestic | Margin Loans			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	12,760	6,810 [1]	4,657
Domestic | Other loans			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	623	771 [1]	407
Foreign			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	10,008	8,041 [1]	
Foreign | Other loans			
Financing Receivable, Allowance for Credit Losses [Line Items]			
Loans	$ 1,891	$ 1,525 [1]	$ 2,109

[1] Presented on a continuing operations basis.

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Components of Income (Loss) before Taxes (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Reconciliation of Provision of Income Taxes [Line Items]			
Domestic	$ 2,336	$ 2,363 [1]	$ (3,022) [1]
Foreign	1,281	1,331 [1]	814 [1]
Income (loss) from continuing operations before income taxes	$ 3,617	$ 3,694 [1],[2],[3]	$ (2,208) [1],[2],[3]

[1] Based on continuing operations for 2010 and 2009.

[2] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

[3] Presented on a continuing operations basis.

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Amortized Cost and Fair Values of Securities (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Gain (Loss) on Investments [Line Items]		
Amortized cost	$ 80,945	$ 66,016
Gross unrealized Gains	2,063	1,500
Gross unrealized Losses	1,001	1,207
Fair value	82,007	66,309
Available-for-sale		
Gain (Loss) on Investments [Line Items]		
Amortized cost	77,424	62,361
Gross unrealized Gains	1,917	1,389
Gross unrealized Losses	874	1,098
Fair value	78,467	62,652
Available-for-sale | U.S. Treasury		
Gain (Loss) on Investments [Line Items]		
Amortized cost	16,814	12,650
Gross unrealized Gains	514	97
Gross unrealized Losses	2	138
Fair value	17,326	12,609
Available-for-sale | U.S. Government Agencies		
Gain (Loss) on Investments [Line Items]		
Amortized cost	932	1,007
Gross unrealized Gains	26	2
Gross unrealized Losses		4
Fair value	958	1,005
Available-for-sale | State And Political Subdivisions		
Gain (Loss) on Investments [Line Items]		
Amortized cost	2,724	559
Gross unrealized Gains	62	4
Gross unrealized Losses	47	55
Fair value	2,739	508
Available-for-sale | Agency RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	26,232	19,383
Gross unrealized Gains	575	387
Gross unrealized Losses	11	43
Fair value	26,796	19,727
Available-for-sale | Alt-A RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	306	475
Gross unrealized Gains	9	34

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Gross unrealized Losses	42	39
Fair value	273	470
Available-for-sale | Prime RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	916	1,305
Gross unrealized Gains	1	8
Gross unrealized Losses	102	86
Fair value	815	1,227
Available-for-sale | Subprime RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	606	696
Gross unrealized Gains	2	
Gross unrealized Losses	190	188
Fair value	418	508
Available-for-sale | Other RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	1,133	1,665
Gross unrealized Gains		1
Gross unrealized Losses	230	335
Fair value	903	1,331
Available-for-sale | Commercial MBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	3,327	2,650
Gross unrealized Gains	89	89
Gross unrealized Losses	77	100
Fair value	3,339	2,639
Available-for-sale | Asset-Backed CLOs		
Gain (Loss) on Investments [Line Items]		
Amortized cost	1,480	263
Gross unrealized Gains	1	
Gross unrealized Losses	37	14
Fair value	1,444	249
Available-for-sale | Other Asset-Backed Securities		
Gain (Loss) on Investments [Line Items]		
Amortized cost	527	532
Gross unrealized Gains	8	9
Gross unrealized Losses	3	2
Fair value	532	539
Available-for-sale | Foreign Covered Bonds		
Gain (Loss) on Investments [Line Items]		
Amortized cost	2,410	2,884
Gross unrealized Gains	18	
Gross unrealized Losses	3	16
Fair value	2,425	2,868

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Available-for-sale | Other Debt Securities				
Gain (Loss) on Investments [Line Items]				
Amortized cost	16,016		11,800	
Gross unrealized Gains	339		148	
Gross unrealized Losses	38		57	
Fair value	16,317	[1]	11,891	[2]
Available-for-sale | Equity Securities				
Gain (Loss) on Investments [Line Items]				
Amortized cost	26		36	
Gross unrealized Gains	4		11	
Fair value	30		47	
Available-for-sale | Money Market Funds				
Gain (Loss) on Investments [Line Items]				
Amortized cost	973		2,538	
Fair value	973		2,538	
Available-for-sale | Grantor Trust Alt-A RMBS				
Gain (Loss) on Investments [Line Items]				
Amortized cost	1,790	[3]	2,164	[4]
Gross unrealized Gains	157	[3]	364	[4]
Gross unrealized Losses	68	[3]	15	[4]
Fair value	1,879	[3]	2,513	[4]
Available-for-sale | Grantor Trust Prime RMBS				
Gain (Loss) on Investments [Line Items]				
Amortized cost	1,090	[3]	1,626	[4]
Gross unrealized Gains	106	[3]	205	[4]
Gross unrealized Losses	21	[3]	6	[4]
Fair value	1,175	[3]	1,825	[4]
Available-for-sale | Grantor Trust Sub Prime RMBS				
Gain (Loss) on Investments [Line Items]				
Amortized cost	122	[3]	128	[4]
Gross unrealized Gains	6	[3]	30	[4]
Gross unrealized Losses	3	[3]		
Fair value	125	[3]	158	[4]
Held-to-maturity				
Gain (Loss) on Investments [Line Items]				
Amortized cost	3,521		3,655	
Gross unrealized Gains	146		111	
Gross unrealized Losses	127		109	
Fair value	3,540		3,657	
Held-to-maturity | U.S. Treasury				
Gain (Loss) on Investments [Line Items]				

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Amortized cost	813	
Gross unrealized Gains	53	
Fair value	866	
Held-to-maturity | State And Political Subdivisions		
Gain (Loss) on Investments [Line Items]		
Amortized cost	100	119
Gross unrealized Gains	3	2
Fair value	103	121
Held-to-maturity | Agency RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	658	397
Gross unrealized Gains	39	33
Fair value	697	430
Held-to-maturity | Alt-A RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	153	215
Gross unrealized Gains	4	5
Gross unrealized Losses	19	19
Fair value	138	201
Held-to-maturity | Prime RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	121	149
Gross unrealized Gains		2
Gross unrealized Losses	10	5
Fair value	111	146
Held-to-maturity | Subprime RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	28	28
Gross unrealized Losses	3	3
Fair value	25	25
Held-to-maturity | Other RMBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	1,617	2,709
Gross unrealized Gains	47	69
Gross unrealized Losses	93	81
Fair value	1,571	2,697
Held-to-maturity | Commercial MBS		
Gain (Loss) on Investments [Line Items]		
Amortized cost	28	34
Gross unrealized Losses	2	1
Fair value	26	33
Held-to-maturity | Other Securities		
Gain (Loss) on Investments [Line Items]		
Amortized cost	3	4

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Fair value	$ 3	$ 4

[1] Includes $13.1 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.
[2] Includes $11.0 billion, at fair value, of government-sponsored and guaranteed entities, and sovereign debt.
[3] Previously included in the Grantor Trust. The Grantor Trust was dissolved in 2011.
[4] Previously included in the Grantor Trust.

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Employee benefit plans

Employee benefit plans

12 Months Ended
Dec. 31, 2011

Note 19—Employee benefit plans

BNY Mellon has defined benefit and defined contribution retirement plans covering substantially all full-time and eligible part-time employees and other post-retirement plans providing healthcare benefits for certain retired employees.

Pension and post-retirement healthcare plans

The following tables report the combined data for our domestic and foreign defined benefit pension and post-retirement healthcare plans.

	Pension Benefits				Healthcare Benefits			
	Domestic		Foreign		Domestic		Foreign	
(dollar amounts in millions)	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Weighted-average assumptions used to determine benefit obligations								
Discount rate	**4.75 %**	5.71 %	**4.97%**	5.29%	**4.75%**	5.71%	**5.00%**	5.40%
Rate of compensation increase	**3.00**	3.50	**3.57**	4.47	**3.00**	3.50	**-**	-
Change in benefit obligation *(a)*								
Benefit obligation at beginning of period	**$(3,139)**	$(2,835)	**$(626)**	$(555)	**$(232)**	$(242)	**$(3)**	$(3)
Service cost	**(64)**	(90)	**(33)**	(28)	**(2)**	(2)	**-**	-
Interest cost	**(174)**	(171)	**(36)**	(30)	**(13)**	(14)	**-**	-
Employee contributions	**-**	-	**(1)**	(1)	**-**	-	**-**	-
Amendments	**-**	26	**-**	(3)	**-**	-	**-**	-
Actuarial gain (loss)	**(397)**	(224)	**(5)**	(28)	**(67)**	5	**(1)**	-
(Acquisitions) divestitures	**-**	-	**-**	(11)	**-**	-	**-**	-
Curtailments	**(5)**	-	**-**	-	**-**	-	**-**	-
Benefits paid	**140**	155	**12**	10	**26**	21	**-**	-
Foreign exchange adjustment	**N/A**	N/A	**5**	20	**N/A**	N/A	**-**	-
Benefit obligation at end of period	**(3,639)**	(3,139)	**(684)**	(626)	**(288)**	(232)	**(4)**	(3)
Change in fair value of plan assets								
Fair value at beginning of period	**3,628**	3,331	**611**	540	**71**	66	**-**	-
Actual return on plan assets	**26**	427	**30**	70	**2**	5	**-**	-
Employer contributions	**15**	25	**56**	21	**26**	21	**-**	-
Employee contributions	**-**	-	**1**	1	**-**	-	**-**	-
Acquisitions (divestitures)	**-**	-	**-**	10	**-**	-	**-**	-
Benefit payments	**(140)**	(155)	**(12)**	(10)	**(26)**	(21)	**-**	-
Foreign exchange adjustment	**N/A**	N/A	**(5)**	(21)	**N/A**	N/A	**-**	-
Fair value at end of period	**3,529**	3,628	**681**	611	**73**	71	**-**	-
Funded status at end of period	**$(110)**	$489	**$(3)**	$(15)	**$(215)**	$(161)	**$(4)**	$(3)
Amounts recognized in accumulated other comprehensive (income) loss consist of:								
Net loss (gain)	**$2,126**	$1,582	**$188**	$177	**$124**	$56	**$(2)**	$(4)
Prior service cost (credit)	**(78)**	(94)	**3**	3	**(3)**	(4)	**-**	-
Net initial obligation (asset)	**-**	-	**-**	-	**3**	8	**-**	-
Total (before tax effects)	**$2,048**	$1,488	**$191**	$180	**$124**	$60	**$(2)**	$(4)

(a) The benefit obligation for pension benefits is the projected benefit obligation and for healthcare benefits, it is the accumulated benefit obligation.

Net periodic benefit cost (credit)	Pension Benefits						Healthcare Benefits					
	Domestic			Foreign			Domestic			Foreign		
(dollar amounts in millions)	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009	**2011**	2010	2009

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Weighted-average assumptions as of Jan. 1:												
Market-related value of plan assets	**$3,836**	$3,861	$3,651	**$624**	$529	$459	**$78**	$76	$77	**N/A**	N/A	N/A
Discount rate	**5.71 %**	6.21 %	6.38 %	**5.29%**	5.74%	6.18%	**5.71%**	6.21%	6.38%	**5.40%**	5.85%	6.25%
Expected rate of return on plan assets	**7.50**	8.00	8.00	**6.38**	6.69	6.40	**7.50**	8.00	8.00	**N/A**	N/A	N/A
Rate of compensation increase	**3.50**	3.50	3.50	**4.47**	4.64	4.11	**3.50**	3.50	3.50	**N/A**	N/A	N/A
Components of net periodic benefit cost (credit):												
Service cost	**$64**	$90	$96	**$33**	$28	$20	**$2**	$2	$2	**$-**	$-	$-
Interest cost	**174**	171	160	**36**	30	24	**13**	14	16	**-**	-	-
Expected return on assets	**(282)**	(303)	(295)	**(43)**	(37)	(32)	**(6)**	(6)	(6)	**-**	-	-
Amortization of:												
Net initial obligation (asset)	**-**	-	-	**-**	-	-	**5**	4	4	**-**	-	-
Prior service cost (credit)	**(16)**	(14)	(14)	**-**	-	-	**(1)**	-	-	**-**	-	-
Net actuarial (gain) loss	**109**	71	26	**14**	11	3	**3**	5	5	**(1)**	(1)	(1)
Settlement (gain) loss	**-**	-	5	**-**	-	-	**-**	-	-	**-**	-	-
Curtailment (gain) loss	**5**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Other	**-**	-	(10)	**(1)**	-	-	**-**	-	-	**-**	-	-
Net periodic benefit cost (credit)	**$54**	$15	$(32) *(a)*	**$39**	**$32**	$15	**$16**	$19	$21	**$(1)**	$(1)	$(1)

(a) Includes discontinued operations.

Changes in other comprehensive (income) loss in 2011	Pension Benefits		Healthcare Benefits	
(in millions)	Domestic	Foreign	Domestic	Foreign
Net loss (gain) arising during period	**$ 653**	**$ 22**	**$ 71**	**$ 1**
Recognition of prior years' net gain (loss)	**(109)**	**(14)**	**(3)**	**1**
Prior service cost (credit) arising during period	**-**	**-**	**-**	**-**
Recognition of prior years' service (cost) credit	**16**	**-**	**1**	**-**
Recognition of net initial (obligation) asset	**-**	**-**	**(5)**	**-**
Foreign exchange adjustment	**N/A**	**3**	**-**	**-**
Total recognized in other comprehensive (income) loss (before tax effects)	**$ 560**	**$ 11**	**$ 64**	**$ 2**

Amounts expected to be recognized in net periodic benefit cost (income) in 2012 (before tax effects)	Pension Benefits		Healthcare Benefits	
(in millions)	Domestic	Foreign	Domestic	Foreign
(Gain) loss recognition	**$ 167**	**$ 12**	**$ 9**	**$ -**
Prior service cost recognition	**(16)**	**-**	**-**	**-**
Net initial obligation (asset) recognition	**-**	**-**	**3**	**-**

	Domestic	Foreign

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(in millions)	**2011**	2010	**2011**	2010
Pension benefits:				
Prepaid benefit cost	**$103**	$680	**$41**	$52
Accrued benefit cost	**(213)**	(191)	**(44)**	(67)
Total pension benefits	**$(110)**	$489	**$(3)**	$(15)
Healthcare benefits:				
Accrued benefit cost	**$(215)**	$(161)	**$(4)**	$(3)
Total healthcare benefits	**$(215)**	$(161)	**$(4)**	$(3)

The accumulated benefit obligation for all defined benefit plans was $4.1 billion at Dec. 31, 2011 and $3.6 billion at Dec. 31, 2010.

Plans with obligations in excess of plan assets	Domestic		Foreign	
(in millions)	**2011**	2010	**2011**	2010
Projected benefit obligation	**$234**	$212	**$ 35**	$ 32
Accumulated benefit obligation	**233**	211	**29**	26
Fair value of plan assets	**20**	21	**3**	2

For information on pension assumptions see the “Critical accounting estimates” section.

Assumed healthcare cost trend—Domestic post- retirement healthcare benefits

The assumed healthcare cost trend rate used in determining benefit expense for 2012 is 8.00% decreasing to 4.75% in 2022. This projection is based on various economic models that forecast a decreasing growth rate of healthcare expenses over time. The underlying assumption is that healthcare expense growth cannot outpace gross national product (“GNP”) growth indefinitely, and over time a lower equilibrium growth rate will be achieved. Further, the growth rate assumed in 2022 bears a reasonable relationship to the discount rate.

An increase in the healthcare cost trend rate of one percentage point for each year would increase the accumulated post-retirement benefit obligation by $21.0 million, or 8%, and the sum of the service and interest costs by $0.8 million, or 9%. Conversely, a decrease in this rate of one percentage point for each year would decrease the benefit obligation by $18.1 million, or 7%, and the sum of the service and interest costs by $0.7 million, or 8%.

Assumed healthcare cost trend—Foreign post-retirement healthcare benefits

An increase in the healthcare cost trend rate of one percentage point for each year would increase the accumulated post-retirement benefit obligation by less than $1 million and the sum of the service and interest costs by less than $1 million. Conversely, a decrease in this rate of one percentage point for each year would decrease the benefit obligation by less than $1 million and the sum of the service and interest costs by less than $1 million.

Investment strategy and asset allocation

BNY Mellon is responsible for the administration of various pension and healthcare post-retirement benefits plans, both domestically and internationally. The domestic plans are administered by BNY Mellon’s Benefits Administration Committee, a named fiduciary. Subject to the following, at all relevant times, BNY Mellon’s Benefits Investment Committee, another named fiduciary to the domestic plan, is responsible for the investment of plan assets. The Benefits Investment Committee’s responsibilities include the investment of all domestic defined benefit plan assets, as well as the determination of investment options offered to participants in all domestic defined contribution plans. The Benefits Investment Committee conducts periodic reviews of investment performance, asset allocation and investment manager suitability. In addition, the Benefits Investment Committee has oversight of the Regional Governance Committees for the foreign defined benefit plans.

Our investment objective for U.S. and foreign plans is to maximize total return while maintaining a broadly diversified portfolio for the primary purpose of satisfying obligations for future benefit payments.

Equities are the main holding of the plans. Alternative investments (including private equities) and fixed income securities provide diversification and, in certain cases, lower the volatility of returns. In general, equity securities and alternative investments within any domestic plan’s portfolio can be maintained in the range of 30% to 70% of total plan assets, fixed-income securities can range from 20% to 50% of plan assets and cash equivalents can be held in amounts ranging from 0% to 5% of plan assets. Actual asset allocation within the approved ranges varies from time to time based on economic conditions (both current and forecast) and the advice of professional advisors.

Our pension assets were invested as follows at Dec. 31, 2011 and 2010:

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Asset allocations	Domestic		Foreign	
	2011	2010	**2011**	2010
Equities	**52 %**	57 %	**64 %**	55 %
Fixed income	**38**	33	**29**	28
Private equities	**3**	3	**-**	-
Alternative investment	**6**	6	**3**	9
Real estate	**-**	-	**3**	3
Cash	**1**	1	**1**	5
Total pension benefits	**100 %**	100 %	**100 %**	100 %

We held no BNY Mellon Corporation stock in our pension plans at Dec. 31, 2010 and 2011. Assets of the U.S. post-retirement healthcare plan are invested in an insurance contract.

BNY Mellon expects to make cash contributions to fund its defined benefit pension plans in 2012 of $18 million for the domestic plans and $26 million for the foreign plans.

BNY Mellon expects to make cash contributions to fund its post-retirement healthcare plans in 2012 of $24 million for the domestic plans and less than $1 million for the foreign plans.

The following benefit payments for BNY Mellon's pension and healthcare plans, which reflect expected future service as appropriate, are expected to be paid:

Expected benefit payments *(in millions)*	**Domestic**	**Foreign**
Pension benefits:		
Year 2012	$ 177	$ 9
2013	183	11
2014	197	11
2015	213	13
2016	233	17
2017-2021	1,256	101
Total pension benefits	$ 2,259	$ 162
Healthcare benefits:		
Year 2012	$ 24	$ -
2013	24	-
2014	24	-
2015	24	-
2016	25	-
2017-2021	119	1
Total healthcare benefits	$ 240	$ 1

Effective Jan. 1, 2011, the U.S. pension plan was amended to reduce benefits earned by participants for service after 2010, and to freeze plan participation such that no new employees will enter the plan after Dec. 31, 2010.

Fair value measurement of plan assets

In accordance with ASC 715, BNY Mellon has established a three-level hierarchy for fair value measurements of its pension plan assets based upon the transparency of inputs to the valuation of an asset as of the measurement date. The valuation hierarchy is consistent with guidance in ASC 820 which is detailed in Note 22 of the Notes to Consolidated Financial Statements.

The following is a description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such assets pursuant to the valuation hierarchy.

Cash and currency

This category consists primarily of foreign currency balances. Foreign currency is translated monthly based on current exchange rates.

Common and preferred stock and exchange traded funds

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These types of securities are valued at the closing price reported in the active market in which the individual securities are traded, if available. Where there are no readily available market quotations, we determine fair value primarily based on pricing sources with reasonable levels of price transparency.

Venture capital investments and partnership interests

There are no readily available market quotations for these funds. The fair value of the investments is based on the Plan's ownership percentage of the fair value of the underlying funds as provided by the fund managers. These funds are typically valued on a quarterly basis. The Plan's venture capital investments and partnership interests are valued at NAV as a practical expedient for fair value.

Collective trust funds

There are no readily available market quotations for these funds. The fair value of the fund is based on the securities in the portfolio, which typically is the amount that the fund might reasonably expect to receive for the securities upon a sale. These funds are either valued on a daily or monthly basis.

Corporate debt and U.S. and sovereign government obligations

Certain corporate debt and government obligations are valued at the closing price reported in the active market in which the bonds are traded. Other corporate debt and government obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bonds are valued using discounted cash flows that maximize observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

U.S. Treasury securities

Treasury securities are valued at the closing price reported in the active market in which the individual security is traded.

Funds of funds

There are no readily available market quotations for these funds. The fair value of the fund is based on NAVs of the funds in the portfolio, which reflects the value of the underlying securities. The fair value of the underlying securities is typically the amount that the fund might reasonably expect to receive upon selling those hard to value or illiquid securities within the portfolios. For securities that are readily valued, fair value is the closing price at the end of the period. These funds are valued on a monthly basis.

The following tables present the fair value of each major category of plan assets as of Dec. 31, 2011 and Dec. 31, 2010, by captions and by ASC 820 valuation hierarchy. There were no transfers between Level 1 and Level 2.

Plan assets measured at fair value on a recurring basis—domestic plans at Dec. 31, 2011

(in millions)	Level 1	Level 2	Level 3	Total fair value
Collective trust funds	**$-**	**$1,070**	**$ -**	**$ 1,070**
Common and preferred stock	**893**	**-**	**-**	**893**
Corporate debt obligations	**-**	**792**	**-**	**792**
U.S. and sovereign government obligations	**385**	**83**	**-**	**468**
Funds of funds	**-**	**-**	**128**	**128**
Venture capital and partnership interests	**-**	**-**	**121**	**121**
Exchange traded funds	**57**	**-**	**-**	**57**
Total domestic plan assets, at fair value	**$1,335**	**$1,945**	**$ 249**	**$ 3,529**

Plan assets measured at fair value on a recurring basis—foreign plans at Dec. 31, 2011

(in millions)	Level 1	Level 2	Level 3	Total fair value
Equity funds	**$ 312**	**$ 121**	**$ -**	**$ 433**
Sovereign/government obligation funds	**22**	**102**	**-**	**124**
Corporate debt funds	**-**	**63**	**14**	**77**
Cash and currency	**7**	**-**	**-**	**7**
Venture capital and partnership interests	**-**	**-**	**40**	**40**
Total foreign plan assets, at fair value	**$ 341**	**$ 286**	**$ 54**	**$ 681**

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Plan assets measured at fair value on a recurring basis— domestic plans at Dec. 31, 2010				
(in millions)	Level 1	Level 2	Level 3	Total fair value
Collective trust funds	$-	$1,181	$ -	$ 1,181
Common and preferred stock	938	-	-	938
Corporate debt obligations	-	777	-	777
U.S. and sovereign government obligations	271	209	-	480
Funds of funds	-	-	134	134
Venture capital and partnership interests	-	-	115	115
Exchange traded funds	3	-	-	3
Total domestic plan assets, at fair value	$1,212	$2,167	$ 249	$ 3,628

Plan assets measured at fair value on a recurring basis— foreign plans at Dec. 31, 2010				
(in millions)	Level 1	Level 2	Level 3	Total fair value
Equity funds	$ 234	$ 126	$ -	$ 360
Sovereign/government obligation funds	57	46	-	103
Corporate debt funds	-	67	14	81
Cash and currency	26	-	-	26
Venture capital and partnership interests	-	-	41	41
Total foreign plan assets, at fair value	$ 317	$ 239	$ 55	$ 611

Changes in Level 3 fair value measurements

The table below includes a rollforward of the plan assets for the years ended Dec. 31, 2011 and 2010 (including the change in fair value), for financial instruments classified in Level 3 of the valuation hierarchy.

Fair value measurements using significant unobservable inputs—domestic plans—for the year ended Dec. 31, 2011			
(in millions)	Funds of funds	Venture capital and partnership interests	Total plan assets at fair value
Fair value at Dec. 31, 2010	$ 134	$ 115	$ 249
Total gains or (losses):			
Included in earnings (or changes in net assets)	(2)	20	18
Purchases, issuances, sales and settlements:			
Purchases	-	7	7
Sales	(4)	(21)	(25)
Fair value at Dec. 31, 2011	**$ 128**	**$ 121**	**$ 249**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ 2	$ 8	$ 10

Fair value measurements using significant unobservable inputs—foreign plans—for the year ended Dec. 31, 2011			
(in millions)	Corporate debt funds	Venture capital and partnership interests	Total plan assets at fair value
Fair value at Dec. 31, 2010	$ 14	$ 41	$ 55
Total gains or (losses) included in earnings (or changes in net assets)	-	1	1
Purchases, issuances, sales and settlements:			
Purchases	-	4	4
Sales	-	(6)	(6)
Fair value at Dec. 31, 2011	**$ 14**	**$ 40**	**$ 54**
The amount of total gains or (losses) included in earnings (or changes in net assets) attributable to the changes in unrealized gains or losses	$ -	$ 1	$ 1

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Fair value measurements using significant unobservable inputs—domestic plans—for the year ended Dec. 31, 2010

(in millions)	Fair value at Dec. 31, 2009	Total realized/ unrealized gains (losses)	Purchases, issuances and settlements, net	Transfers in/out-of Level 3	Fair value at Dec. 31, 2010	Changes in unrealized gains and (losses) related to plan assets held at Dec. 31, 2010
Venture capital and partnership interests	$ 110	$ 8	$ (3)	$ -	$ 115	$ 2
Funds of funds	121	5	8	-	134	2
Total plan assets at fair value	$ 231	$ 13	$ 5	$ -	$ 249	$ 4

Fair value measurements using significant unobservable inputs—foreign plans—for the year ended Dec. 31, 2010

(in millions)	Fair value at Dec. 31, 2009	Total realized/ unrealized gains (losses)	Purchases, issuances and settlements, net	Transfers in/out-of Level 3	Fair value at Dec. 31, 2010	Change in unrealized gains and (losses) related to plan assets held at Dec. 31, 2010
Venture capital and partnership interests	$ 36	$ 5	$ -	$ -	$ 41	$ 5
Corporate debt funds	13	1	-	-	14	1
Total plan assets at fair value	$ 49	$ 6	$ -	$ -	$ 55	$ 6

Venture capital and partnership interests and funds of funds valued using net asset value per share

At Dec. 31, 2011, BNY Mellon had pension and post-retirement plan assets invested in venture capital and partnership interests and funds of funds valued using net asset value. The fund of funds investments are redeemable at net asset value under agreements with the fund of funds managers.

Venture capital and partnership interests and funds of funds valued using NAV—Dec. 31, 2011

(dollar amounts in millions)	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Venture capital and partnership interests *(a)*	$161	$ 36	N/A	N/A
Funds of funds *(b)*	128	-	Monthly	30-45 days
Total	**$289**	**$ 36**		

(a) *Venture capital and partnership interests do not have redemption rights. Distributions from such funds will be received as the underlying investments are liquidated.*

(b) *Funds of funds include multi-strategy hedge funds that utilize investment strategies that invest over both long-term investment and short-term investment horizons.*

Defined contribution plans

We have an Employee Stock Ownership Plan ("ESOP") covering certain domestic full-time employees with more than one year of service. The ESOP works in conjunction with the defined benefit pension plan. Employees are entitled to the higher of their benefit under the ESOP or such defined benefit pension plan at retirement. Benefits payable under the defined benefit pension plan are offset by the equivalent value of benefits earned under the ESOP.

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Contributions are made equal to required principal and interest payments on borrowings by the ESOP. At Dec. 31, 2011 and Dec. 31, 2010, the ESOP owned 7.1 million and 7.4 million shares of our stock, respectively. The fair value of total ESOP assets was $146 million and $228 million at Dec. 31, 2011 and Dec. 31, 2010, respectively. There were no contributions and no ESOP related expense in 2011, 2010 or 2009.

We have defined contribution plans, excluding the ESOP, for which we recognized a cost of $182 million in 2011, $163 million in 2010 and $163 million in 2009.

The Benefits Investment Committee appointed Fiduciary Counselors, Inc. to serve as the independent fiduciary to (i) make certain fiduciary decisions related to the continued prudence of offering the common stock of BNY Mellon or its affiliates as an investment option under the plans other than with respect to plan sponsor decisions, and (ii) select and monitor any internally managed investments (active or passive, including mutual funds) of BNY Mellon or its affiliates to be offered to participants as investment options under the Plan.

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Financial Statement Items Related to Non-Consolidated VIEs Provided Credit Support Agreements (Detail) (USD $) In Millions, unless otherwise specified	Dec. 31, 2011	Dec. 31, 2010
Variable Interest Entity [Line Items]		
Assets	$ 42	$ 58
Liabilities		
Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Assets	41	34
Liabilities		
Variable Interest Entity, Not Primary Beneficiary		
Variable Interest Entity [Line Items]		
Maximum loss exposure	42	58
Variable Interest Entity, Not Primary Beneficiary | Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Maximum loss exposure	41	34
Credit Supported | Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Assets		
Liabilities		
Credit Supported | Variable Interest Entity, Not Primary Beneficiary | Other Assets and Liabilities, Net		
Variable Interest Entity [Line Items]		
Maximum loss exposure		$ 13

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Fair Value Option - Changes in Fair Value Included in Foreign Exchange and Other Trading Activities (Detail) (Long-term Debt, USD $) In Millions, unless otherwise specified	12 Months Ended	
	Dec. 31, 2011	Dec. 31, 2010
Long-term Debt		
Fair Value, Option, Quantitative Disclosures [Line Items]		
Changes in fair value under the fair value option election	$ (57) [1]	$ (29) [1]

[1] The change in fair value of the long-term debt is approximately offset by an economic hedge included in trading.

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Summary of Stock Option Activity (Detail) (USD $)	12 Months Ended Dec. 31, 2011 Year
Shares subject to option	
Balance at Dec. 31, 2010	92,540,471
Granted	8,739,395
Exercised	(809,287)
Canceled	(13,667,087)
Balance at Dec. 31, 2011	86,803,492
Vested and expected to vest at Dec. 31, 2011	86,150,188
Exercisable at Dec. 31, 2011	60,158,853
Weighted-average exercise price	
Balance at Dec. 31, 2010	$ 35.21
Granted	$ 29.98
Exercised	$ 21.11
Canceled	$ 44.73
Balance at Dec. 31, 2011	$ 33.32
Vested and expected to vest at Dec. 31, 2011	$ 33.35
Exercisable at Dec. 31, 2011	$ 35.21
Weighted-average remaining contractual term (in years)	
Balance at Dec. 31, 2011	5.2
Vested and expected to vest at Dec. 31, 2011	5.2
Exercisable at Dec. 31, 2011	4.0

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Accumulated Other Comprehensive Income (Loss) (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended								12 Months Ended					12 Months Ended					12 Months Ended							12 Months Ended					12 Months Ended						
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2011 Foreign Currency Translation	Dec. 31, 2010 Foreign Currency Translation	Dec. 31, 2009 Foreign Currency Translation	Dec. 31, 2009 Foreign Currency Translation Scenario, Previously Reported	Dec. 31, 2008 Foreign Currency Translation Scenario, Previously Reported	Dec. 31, 2011 ASC 820 Adjustments Pensions	Dec. 31, 2010 ASC 820 Adjustments Pensions	Dec. 31, 2009 ASC 820 Adjustments Pensions	Dec. 31, 2009 ASC 820 Adjustments Pensions Scenario, Previously Reported	Dec. 31, 2008 ASC 820 Adjustments Pensions Scenario, Previously Reported	Dec. 31, 2011 Health Care Benefits	Dec. 31, 2010 Health Care Benefits	Dec. 31, 2009 Health Care Benefits	Dec. 31, 2009 Health Care Benefits Scenario, Previously Reported	Dec. 31, 2008 Health Care Benefits Scenario, Previously Reported	Dec. 31, 2011 Unrealized Gain (Loss) On Assets Available For Sale	Dec. 31, 2010 Unrealized Gain (Loss) On Assets Available For Sale	Dec. 31, 2009 Unrealized Gain (Loss) On Assets Available For Sale	Dec. 31, 2009 Unrealized Gain (Loss) On Assets Available For Sale Scenario, Previously Reported	Dec. 31, 2008 Unrealized Gain (Loss) On Assets Available For Sale Scenario, Previously Reported	Dec. 31, 2008 Unrealized Gain (Loss) On Assets Available For Sale Restatement Adjustment ASC 320	Dec. 31, 2009 Unrealized Gain (Loss) On Assets Available For Sale Restatement Adjustment ASC 810	Dec. 31, 2011 Unrealized Gain (Loss) On Cash Flow Hedges	Dec. 31, 2010 Unrealized Gain (Loss) On Cash Flow Hedges	Dec. 31, 2009 Unrealized Gain (Loss) On Cash Flow Hedges	Dec. 31, 2009 Unrealized Gain (Loss) On Cash Flow Hedges Scenario, Previously Reported	Dec. 31, 2008 Unrealized Gain (Loss) On Cash Flow Hedges Scenario, Previously Reported	Dec. 31, 2011 Accumulated Other Comprehensive Income	Dec. 31, 2010 Accumulated Other Comprehensive Income	Dec. 31, 2009 Accumulated Other Comprehensive Income	Dec. 31, 2009 Accumulated Other Comprehensive Income Scenario, Previously Reported	Dec. 31, 2008 Accumulated Other Comprehensive Income Scenario, Previously Reported	Dec. 31, 2008 Accumulated Other Comprehensive Income Restatement Adjustment ASC 320	Dec. 31, 2009 Accumulated Other Comprehensive Income Restatement Adjustment ASC 810
Beginning Balance	$ (1,355)			$ (473)	$ (136)	$ (363)	$ (136)	$ (363)	$ (993)	$ (1,002)	$ (956)	$ (1,002)	$ (956)	$ (55)	$ (67)	$ (66)	$ (67)	$ (66)	$ 170	$ (595)	$ (4,729)	$ (619)	$ (4,053)	$ (676)	$ 24	$ (4) [1]	$ (11) [1]	$ 37 [1]	$ (11) [1]	$ 37 [1]	$ (1,355)	$ (1,811)	$ (6,077)	$ (1,835)	$ (5,401)	$ (676)	$ 24
Other comprehensive income, net of tax	(262)	417	930	(178)	(319)	227			(336)	9	(46)			(41)	12	(1)			306	747	762					3 [1]	12 [1]	(16) [1]			(246)	461	926				
Reclassification adjustment	(26) [2]	(19) [3]	3,316 [4]		(18) [5]														(26)	18 [5]	3,348						(5) [1]	(32) [1]			(26) [2]	(5) [3]	3,316				
Total comprehensive income	2,278 [6]	2,975 [7]	3,163 [8]	(178)	(337)	227			(336)	9	(46)			(41)	12	(1)			280	765	4,110					3 [1]	7 [1]	(48) [1]			(272)	456	4,242				
Ending Balance	$ (1,627)	$ (1,355)		$ (651)	$ (473)	$ (136)	$ (136)	$ (363)	$ (1,329)	$ (993)	$ (1,002)	$ (1,002)	$ (956)	$ (96)	$ (55)	$ (67)	$ (67)	$ (66)	$ 450	$ 170	$ (595)	$ (619)	$ (4,053)	$ (676)	$ 24	$ (1) [1]	$ (4) [1]	$ (11) [1]	$ (11) [1]	$ 37 [1]	$ (1,627)	$ (1,355)	$ (1,811)	$ (1,835)	$ (5,401)	$ (676)	$ 24

[1] Includes unrealized gain (loss) on foreign currency cash flow hedges of $1 million, $- million and, $(1) million at Dec. 31, 2011, Dec. 31, 2010 and Dec. 31, 2009, respectively.
[2] Includes $(26) million (after tax) related to net securities gains (losses).
[3] Includes $(15) million (after tax) related to OTTI, and a $14 million reclassification to retained earnings from other comprehensive income.
[4] Includes $3,348 million (after tax) related to OTTI that was reclassified to net securities gains (losses) on the income statement.
[5] Includes a net reclassification adjustment of $14 million to retained earnings from other comprehensive income.
[6] Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $2,244 million for the year ended Dec. 31, 2011.
[7] Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $2,960 million for the year ended Dec. 31, 2010.
[8] Comprehensive income attributable to The Bank of New York Mellon Corporation shareholders totaled $3,158 million for the year ended Dec. 31, 2009.

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Projected Weighted-Average Default Rates and Loss Severities (Detail) (Recent Vintage)	Dec. 31, 2011	Dec. 31, 2010
Alt-A		
Gain (Loss) on Investments [Line Items]		
Default Rate	44.00%	42.00%
Severity	57.00%	49.00%
Subprime RMBS		
Gain (Loss) on Investments [Line Items]		
Default Rate	63.00%	68.00%
Severity	73.00%	65.00%
Prime RMBS		
Gain (Loss) on Investments [Line Items]		
Default Rate	25.00%	20.00%
Severity	43.00%	42.00%

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Fair value measurement - Additional Information (Detail)	Dec. 31, 2011 Entity
Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]	
Number of inter-dealer brokers providing pricing quotes for actively traded agency RMBS	3
Percentage of our securities valued by pricing sources with reasonable levels of price transparency	99.00%
Maximum	
Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]	
Percentage of our securities priced based on economic models and non-binding dealer quotes	1.00%
Percentage of interest rate swaps where pricing using standard pricing models is adjusted based on additional analysis and judgment	1.00%

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Summary of significant accounting and reporting policies (Tables)	12 Months Ended Dec. 31, 2011
Equity Method Investments	Our most significant equity method investments are:

Equity method investments at Dec. 31, 2011

(dollars in millions)	Percentage Ownership		Book Value
CIBC Mellon	**50.0**	**%**	**$ 577**
Wing Hang	**20.4**	**%**	**$ 399**
Siguler Guff	**20.0**	**%**	**$ 267**
ConvergEx	**33.2**	**%**	**$ 152**
West LB Joint Venture	**50.0**	**%**	**$ 91**

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Restructuring charges

Restructuring charges

12 Months Ended
Dec. 31, 2011

Note 12—Restructuring charges

Operational efficiency initiatives

In 2011, we announced our operational efficiency initiatives which include an expense reduction initiative impacting approximately 1,500 positions or approximately 3% of our global workforce, as well as additional initiatives to transform operations, technology and corporate services that will increase productivity and reduce the growth rate of expenses. We recorded a pre-tax restructuring charge of $107 million related to the global efficiency initiatives in 2011. The aggregate restructuring charge is recorded as a separate line on the income statement. This charge was comprised of $78 million of severance costs and $29 million primarily for operating lease-related items and consulting costs. The following table presents the activity in the restructuring reserve related to the operational efficiency initiatives through Dec. 31, 2011.

Operational efficiency initiatives 2011 – restructuring charge reserve activity

(in millions)	Severance	Other	Total
Original restructuring charge	$ 78	$ 29	$107
Utilization	(4)	(29)	(33)
Balance at Dec. 31, 2011	$ 74	$ -	$74

This restructuring charge was recorded in the Other segment as it is a corporate initiative and not directly related to the operating performance of the businesses. The table below presents the restructuring charge if it had been allocated by business.

Operational efficiency initiatives 2011 – restructuring charge by business

(in millions)	**2011**
Investment Management	**$17**
Investment Services	**41**
Other segment (including Business Partners)	**49**
Total restructuring charge	**$107**

Global location strategy

BNY Mellon continues to execute its global location strategy. This strategy includes migrating positions to our global growth centers and is expected to result in moving and/or eliminating approximately 2,400 positions. In 2009, we recorded a pre-tax restructuring charge of $139 million related to this strategy. This charge was comprised of $102 million for severance costs and $37 million primarily for asset write-offs and expense related to the closing of offices. In 2011, we recorded a recovery of $15 million associated with the global location strategy.

Severance payments related to these positions are primarily paid over the salary continuance period in accordance with the separation plan.

The following table presents the activity in the restructuring reserve related to the global location strategy through Dec. 31, 2011.

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Global location strategy 2009 – restructuring charge reserve activity

(in millions)	Severance	Asset write-offs/ other	Total
Original restructuring charge	$ 102	$ 37	$139
Utilization	-	(23)	(23)
Balance at Dec. 31, 2009	102	14	116
Additional charges	29	6	35
Utilization	(50)	(1)	(51)
Balance at Dec. 31, 2010	$ 81	$ 19	$100
Additional (recovery)	(15)	-	(15)
Utilization	(39)	(8)	(47)
Balance at Dec. 31, 2011	$ 27	$ 11	$38

This restructuring charge was recorded in the Other segment as it is a corporate initiative and not directly related to the operating performance of the businesses. The table below presents the restructuring charge if it had been allocated by business.

Global location strategy 2009 – restructuring charge (recovery) by business

(in millions)	**2011**	2010	2009	Total charges since inception
Investment Management	**$-**	$ 15	$40	$ 55
Investment Services	**(18)**	26	68	76
Other segment (including Business Partners)	**3**	(6)	31	28
Total restructuring charge	**$(15)**	$ 35	$139	$ 159

Workforce reduction program

In the fourth quarter of 2008, we announced that, due to weakness in the global economy, we would reduce our workforce by an estimated 1,800 positions, and as a result, recorded a pre-tax restructuring charge of $181 million. In 2011, we recorded a recovery of $3 million associated with this workforce reduction program.

We completed this program in 2010. At Dec. 31, 2011, severance payments related to positions covered by this program were substantially completed.

The following table presents the activity in the restructuring reserve related to the workforce reduction program through Dec. 31, 2011.

Workforce reduction program 2008 – restructuring charge reserve activity

(in millions)	Severance	Other	Total
Original restructuring charge	$ 166	$ 15	$181
Additional charges	4	7	11
Utilization	(105)	(22)	(127)

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Balance at Dec. 31, 2009	$ 65	$ -	$65
Additional (recovery)	(7)	-	(7)
Utilization	(42)	-	(42)
Balance at Dec. 31, 2010	$ 16	$ -	$16
Additional (recovery)	(3)	-	(3)
Utilization	(13)	-	(13)
Balance at Dec. 31, 2011	**$ -**	**$ -**	**$-**

This restructuring charge was recorded in the Other segment as it is a corporate initiative and not directly related to the operating performance of the businesses. The table below presents the restructuring charge if it had been allocated by business.

Workforce reduction program 2008 – restructuring charge (recovery) by business

(in millions)	**2011**	2010	2009	Total charges since inception
Investment Management	**$ (1)**	$ (5)	$ 9	$ 80
Investment Services	**(2)**	(2)	(2)	54
Other (including Business Partners)	**-**	-	4	48
Total restructuring charge	**$ (3)**	$ (7)	$ 11	$ 182

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Other Noninterest Expense (Detail) (USD $) In Millions, unless otherwise specified	12 Months Ended		
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Litigation	$ 210	$ 217	$ 34
Communications	173	140	115
Clearing	135	127	117
Other	629	576	688
Total other	$ 1,147	$ 1,060 [1]	$ 954 [1]

[1] In 2011, BNY Mellon realigned its internal reporting structure. See Note 26 of the Notes to Consolidated Financial Statements for additional information.

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