



BNY MELLON

BNY Mellon Resolution Plan

Public Section

October 1, 2012

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Section 1: Public Section

Introduction

This Public Section provides an overview of the overall resolution strategy for The Bank of New York Mellon Corporation and its material entities, including its principal bank subsidiary, The Bank of New York Mellon. References to “our,” “we,” “us,” and “BNY Mellon,” refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries, while references to the “Parent” refer solely to The Bank of New York Mellon Corporation, the parent company.

Title I, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and implementing regulations issued by the Federal Deposit Insurance Corporation (the “FDIC”) and the Board of Governors of the Federal Reserve System (the “Federal Reserve”) require bank holding companies with assets of \$50 billion or more, such as the Parent, to submit periodically to the Federal Reserve, the FDIC and the Financial Stability Oversight Council a plan for resolution in the event of material distress or failure of the bank holding company. The FDIC has also issued a final rule that requires insured depository institutions with assets of \$50 billion or more, such as The Bank of New York Mellon, to submit periodically to the FDIC a plan for resolution in the event of failure under the Federal Deposit Insurance Act (the “FDI Act”). Accordingly, we have developed a resolution plan in conformity with both rules (the “Resolution Plan”), including this Public Section which contains the information required by the regulators to be made available publicly.

BNY Mellon supports the regulatory reform efforts implemented since the financial crisis to mitigate systemic risk and improve global financial stability. BNY Mellon believes no firm should be “too big to fail” and that, regardless of size, financial institutions should be able to be resolved without taxpayer or U.S. government support. BNY Mellon endorses the concept of resolution planning as a key element of risk management to protect the soundness of the global financial system.

BNY Mellon has a strong balance sheet in terms of capital, liquidity and asset quality. Our model is primarily fee-based with no substantial exposure to credit risk. Approximately, 78 percent of BNY Mellon’s 2011 revenues were derived from recurring fees. This helps BNY Mellon maintain a strong, highly liquid balance sheet with a solid capital position and strong credit ratings.

As required by supervisory guidance, the Resolution Plan considers strategies for the resolution of BNY Mellon in the event of an idiosyncratic event that would render the Parent and The Bank of New York Mellon insolvent, and assumes that this idiosyncratic event occurs at a time when general macroeconomic conditions are consistent with certain baseline assumptions in which the U.S. and global financial systems are not experiencing a system-wide financial panic or other crisis.

The Resolution Plan sets out a detailed description of the resolution options for the Parent and each of its material entities, including The Bank of New York Mellon, with a focus on ensuring their orderly resolution in a manner that preserves value, ensures continuity of services, and avoids systemic risk to

the U.S. financial system. In each of the resolution strategies, depositors would have timely access to their insured deposits and there would be no cost to the FDIC Deposit Insurance Fund.

In the unlikely event a resolution of BNY Mellon were necessary, there are several factors that contribute to the resolvability of BNY Mellon under the U.S. Bankruptcy Code and other applicable insolvency regimes, including the facts that (i) the bulk of BNY Mellon's core business lines and critical operations are conducted in The Bank of New York Mellon, which would allow the FDIC to use its traditional resolution powers in receivership under the FDI Act to facilitate the orderly disposition or wind down of The Bank of New York Mellon, (ii) the core business lines and critical operations conducted through non-bank entities of BNY Mellon are largely self-contained within separate legal entities, allowing for their rapid divestiture or orderly wind-down, if necessary, under the U.S. Bankruptcy Code, and (iii) our highly liquid balance sheet would allow us to withstand deposit run-off without systemic impact.

While BNY Mellon could similarly be resolved without systemic impact under the Orderly Liquidation Authority of Title II of the Dodd-Frank Act, pursuant to which the FDIC is granted the power and authority to resolve systemically important financial institutions in a manner analogous to the resolution of failed insured depository institutions under the FDI Act, the Dodd-Frank Act implementing regulations specifically require the Resolution Plan to provide a strategic analysis of resolvability under the U.S. Bankruptcy Code and certain other applicable insolvency regimes. Accordingly, the Orderly Liquidation Authority is outside the scope of the Resolution Plan.

The information contained in the Resolution Plan, including this Public Section, has been prepared in accordance with applicable regulatory requirements and guidance. Any differences in the presentation of information concerning our businesses and operations contained herein relative to how BNY Mellon presents such information for other purposes is solely due to our efforts to comply with the rules governing the submission of resolution plans. The information presented herein, including the designation of "material entities" and "core business lines", does not, in any way, reflect changes to our organizational structure, business practices or strategy.

Overview of BNY Mellon

The Bank of New York Mellon Corporation, a Delaware corporation (NYSE symbol: BK), 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.

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

Our two principal banks are:

- The Bank of New York Mellon, a New York state chartered bank, which houses our institutional businesses; and
- BNY Mellon, National Association, a nationally-chartered bank, 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 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.

We divide our businesses into two principal segments, Investment Management and Investment Services.

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. 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.

Our Investment Services business provides global custody and related services, clearance, trust, cash management, trading and lending services. 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.

Additional information related to BNY Mellon is contained in BNY Mellon's reports filed with the Securities and Exchange Commission (the "SEC"), including Annual Report on Form 10-K for the year ended December 31, 2011 (which contains the Annual Report to Shareholders (the "2011 Annual Report") included with the 10-K) (the "2011 Form 10-K"), the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K (each, a "'34 Act Report"). These periodic '34 Act Reports can be viewed, as they become available, on the SEC's website at www.sec.gov and at www.bnymellon.com. Information contained in '34 Act Reports that BNY Mellon makes with the SEC subsequent to the date of the 2011 Form 10-K may modify, update and supersede the information contained in the 2011 Form 10-K and provided in this document.

The information in this document concerning BNY Mellon's assets, liabilities, capital and funding sources has been extracted from the 2011 Annual Report. Such information speaks only as of the date of the 2011 Annual Report.

This document and BNY Mellon's '34 Act Reports referred to above contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "estimate," "forecast," "project," "anticipate," "confident," "target," "expect," "intend," "seek," "believe," "plan," "goal," "could," "should," "may," "will," "strategy," "opportunities," "trends" and words of similar meaning, signify forward-looking statements. These statements are based on the current beliefs and expectations of BNY Mellon's management and are subject to significant risks and uncertainties that are subject to change based on various important factors (some of which are beyond BNY Mellon's control). Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause BNY Mellon's actual results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of the 2011 Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC. All forward-looking statements speak only as of the date on which such statements are made and BNY Mellon does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

A. Names of Material Entities

The following list of BNY Mellon entities includes the covered company and the subsidiaries and foreign offices that are deemed “material entities”¹ for purposes of the Resolution Plan:

- BNY Investment Management Services LLC
- BNY Mellon International Operations (India) Private Limited
- iNautix Technologies India Private Limited
- MBSC Securities Corporation
- Pershing LLC
- Technology Services Group, Inc.
- Tennessee Processing Center LLC
- The Bank of New York Mellon
- The Bank of New York Mellon—Brussels Branch
- The Bank of New York Mellon—London Branch
- The Bank of New York Mellon Corporation
- The Bank of New York Mellon SA/NV
- The Bank of New York Mellon Trust Company, N.A.
- The Dreyfus Corporation

¹ For purposes of resolution plans required under Section 165(d) of the Dodd-Frank Act (“SIFI Plan”), a “material entity” is defined as: “...a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line.” 12 CFR Part 243 (Federal Reserve) or 12 CFR Part 381 (FDIC). For purposes of resolution plans required for insured depository institutions with assets of \$50 billion or more (“IDI Plan”), a “material entity” is defined as: “...a company that is significant to the activities of a critical service or core business line.” 12 CFR Part 360 (FDIC).

B. Description of Core Business Lines

The following businesses are deemed “core business lines”² for purposes of the Resolution Plan:

Global Custody

BNY Mellon offers complete domestic and global custody services. BNY Mellon is the largest custodian for U.S. corporate and public pension plans and services 44% of the top 50 endowments. We are a leading custodian in the UK and service 25% of UK pensions.

Corporate Trust

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.

Clearing Services

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

Asset Management

Our asset management business is comprised of our affiliated investment management boutiques. Our asset 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. 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.

Additional information related to BNY Mellon’s businesses is contained in BNY Mellon’s reports filed with the SEC, including the 2011 Form 10-K, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.

² For purposes of SIFI Plans, “core business lines” are defined as: “...those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit or franchise value.” 12 CFR Part 243 (Federal Reserve) or 12 CFR Part 381 (FDIC). For purposes of IDI Plans, “core business lines” are defined as: “...those business lines of the [covered insured depository institution], including associated operations, services, functions and support, that, in the view of the [covered insured depository institution], upon failure would result in a material loss of revenue, profit or franchise value.” 12 CFR Part 360 (FDIC).

C. Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

The table below provides a consolidated balance sheet for The Bank of New York Mellon Corporation as of December 31, 2011.

<i>(dollar amounts in millions, except per share amounts)</i>	
Assets	
Cash and due from:	
Banks	\$4,175
Interest-bearing deposits with the Federal Reserve and other central banks	90,243
Interest-bearing deposits with banks	36,321
Federal funds sold and securities purchased under resale agreements	4,510
Securities:	
Held-to-maturity (fair value of \$3,540 and \$3,657)	3,521
Available-for-sale	78,467
Total securities	81,988
Trading assets	7,861
Loans	43,979
Allowance for loan losses	(394)
Net loans	43,585
Premises and equipment	1,681
Accrued interest receivable	660
Goodwill	17,904
Intangible assets	5,152
Other assets (includes \$1,848 and \$1,075, at fair value)	19,839
Subtotal assets of operations	313,919
Assets of consolidated investment management funds, at fair value:	
Trading assets	10,751
Other assets	596
Subtotal assets of consolidated investment management funds, at fair value	11,347
Total assets	\$325,266
Liabilities	
Deposits:	
Noninterest-bearing (principally U.S. offices)	\$95,335
Interest-bearing deposits in U.S. offices	41,231
Noninterest-bearing deposits in Non-U.S. offices	82,528
Total deposits	219,094
Federal funds purchased and securities sold under repurchase agreements	6,267
Trading liabilities	8,071
Payables to customers and broker-dealers	12,671
Commercial paper	10
Other borrowed funds	2,174
Accrued taxes and other expenses	6,235
Other liabilities (including allowance for lending-related commitments of \$103 and \$73, also includes \$382 and \$590, at fair value)	6,525
Long-term debt (includes \$326 and \$269, at fair value)	19,933
Subtotal liabilities of operations	280,980
Liabilities of consolidated investment management funds, at fair value:	
Trading liabilities	10,053
Other liabilities	32
Subtotal liabilities of consolidated investment management funds, at fair value	10,085
Total liabilities	291,065

(dollar amounts in millions, except per share amounts)

Temporary equity	
Redeemable noncontrolling interests	114
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
Additional paid-in capital	23,185
Retained earnings	12,812
Accumulated other comprehensive loss, net of tax	(1,627)
Less: Treasury stock of 39,386,698 and 3,078,794 common shares, at cost	(965)
Total The Bank of New York Mellon Corporation shareholders' equity	33,417
Non-redeemable noncontrolling interests of consolidated investment management funds	670
Total permanent equity	34,087
Total liabilities, temporary equity and permanent equity	\$325,266

Source: 2011 Annual Report.

The table below provides a consolidated balance sheet for The Bank of New York Mellon as of December 31, 2011.

(dollar amounts in millions)

Assets	
Cash and due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$3,285
Interest-bearing balances	118,033
Securities:	
Held-to-maturity securities	3,521
Available-for-sale securities	74,417
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	23
Securities purchased under agreements to resell	603
Loans and lease financing receivables:	
Loans and leases held for sale	10
Loans and leases, net of unearned income	27,101
Less: Allowance for loan and lease losses	374
Loans and leases, net of unearned income and allowance	26,727
Trading assets	5,841
Premises and fixed assets (including capitalized leases)	1,208
Other real estate owned	12
Investments in unconsolidated subsidiaries and associated companies	988
Intangible assets:	
Goodwill	6,415
Other intangible assets	1,615
Other assets	13,507
Total assets	\$256,205
Liabilities	
Deposits:	
In domestic offices	
Noninterest-bearing	\$91,500
Interest-bearing	36,480
In foreign offices, Edge and Agreement subsidiaries, and IBFs	
Noninterest-bearing	2,710
Interest-bearing	82,950
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	2,166

<i>(dollar amounts in millions)</i>	
Liabilities – Continued	1,010
Securities sold under agreements to repurchase	
Trading liabilities	7,283
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	1,877
Subordinated notes and debentures	3,505
Other liabilities	8,465
Total liabilities	237,946
Equity Capital	
Common stock	1,135
Surplus (excludes all surplus related to preferred stock)	9,607
Retained earnings	8,450
Accumulated other comprehensive income	(1,283)
Total bank equity capital	17,909
Noncontrolling (minority) interests in consolidated subsidiaries	350
Total equity capital	18,259
Total liabilities and equity capital	\$256,205

Source: FFIEC Call Report, December 2011.

Capital

The table below provides capital ratios for BNY Mellon and The Bank of New York Mellon as of December 31, 2011.

Consolidated and largest bank subsidiary capital ratios	
Consolidated capital ratios:	
Estimated Basel III Tier 1 common equity ratio – Non-GAAP (a)(b)	7.1%
Tangible BNY Mellon shareholders' equity to tangible assets of operations ratio – Non-GAAP (b)	6.4
Determined under Basel I-based guidelines:	
Tier 1 common equity to risk-weighted assets ratio – Non-GAAP (b)	13.4%
Tier 1 capital	15.0
Total capital	17.0
Leverage - guideline	5.2
The Bank of New York Mellon capital ratios:	
Tier 1 capital	14.3%
Total capital	17.7
Leverage	5.3

Source: 2011 Annual Report.

(a) Our estimated Basel III Tier 1 common equity ratio (Non-GAAP) reflects our interpretation of the Basel III rules at December 31, 2011. 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. As of June 30, 2012, based on our current interpretation of the Basel III rules, our estimated Basel III Tier 1 common equity ratio is 8.7%.
(b) See "Supplemental Information" beginning on page 66 of our 2011 Annual Report for a calculation of this ratio.

As of December 31, 2011, 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). At December 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:

<i>(in millions)</i>	BNY Mellon (consolidated)	The Bank of New York Mellon
Tier 1 capital	\$9,254	\$7,241
Total capital	7,208	6,708
Leverage	565	618

Source: 2011 Annual Report.

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 assets. 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.

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 BNY Mellon's Enterprise Risk Architecture Group 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 BNY Mellon to perform Enterprise-wide Stress Testing at regular intervals as part of its Internal Capital Adequacy Assessment Process ("ICAAP"). Additionally, BNY Mellon 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 BNY Mellon'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 BNY Mellon'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.

Funding and Liquidity

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 borrowings, for example, securities sold under repurchase agreements, require the delivery of securities as collateral.

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.

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 cash flow 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-earning 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 December 31, 2011.

We also perform stress tests to verify sufficient funding capacity is accessible after conducting multiple stress scenarios.

Additional information related to BNY Mellon's assets, liabilities, capital and major funding sources is contained in BNY Mellon's reports filed with the SEC, including the 2011 Form 10-K, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.

D. Description of Derivative and Hedging Activities

We use derivatives to manage exposure to market risk, interest rate risk, credit risk and foreign currency risk.

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.

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.

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.

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.

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.

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.

Trading activities (including trading derivatives)

BNY Mellon provides a client-driven market making capability for interest rate and equity 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.

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.

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 information related to BNY Mellon's use of derivative instruments is contained in BNY Mellon's reports filed with the SEC, including the 2011 Form 10-K, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.

E. Memberships in Material Payment, Clearing and Settlement Systems

BNY Mellon utilizes payment, clearing and settlement systems to conduct financial transactions in a global economy. These systems are also known as Financial Market Utilities (“FMUs”). FMUs allow BNY Mellon to provide payment services to customers and clients and facilitate the clearing and settlement of customer security, derivative and cash transactions. The following is a list of BNY Mellon’s memberships in material payment, clearing and settlement systems:

FMU	Type
Clearing House Interbank Payments System (CHIPS)	Payment Processing & Cash Settlement
Clearstream	Clearing & Depositories
CLS Bank	Payment Processing & Cash Settlement
Electronic Payments Network (EPN)	Payment Processing & Cash Settlement
Eurex Clearing AG	Clearing & Depositories
Euroclear Bank (Euroclear)	Clearing & Depositories
Fedwire Funds Service (Fedwire Funds) / Fedwire Security Service (Fedwire Securities)	Payment Processing & Cash Settlement / Clearing & Depositories
Fixed Income Clearing Corporation (FICC)	Clearing & Depositories
LCH.Clearnet Ltd (LCH)	Clearing & Depositories
National Securities Clearing Corporation (NSCC)	Clearing & Depositories
Options Clearing Corporation (OCC)	Clearing & Depositories
SIX Securities Services (SIX SIS)	Clearing & Depositories
TARGET2	Payment Processing & Cash Settlement
The Depository Trust Company (DTC)	Clearing & Depositories
The Society for Worldwide Interbank Financial Telecommunication (SWIFT)	Interbank Financial Telecommunication

F. Description of Foreign 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.

We conduct business through subsidiaries, branches, and representative offices in 36 countries. We have 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 December 31, 2011, we had approximately 9,000 employees in Europe, the Middle East and Africa, approximately 8,000 employees in the Asia-Pacific region and approximately 700 employees in other global locations, primarily Brazil.

Additional information related to BNY Mellon's international operations is contained in BNY Mellon's reports filed with the SEC, including the 2011 Form 10-K, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.

G. Material Supervisory Authorities

BNY Mellon is regulated as a bank holding company and a financial holding company 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. As such, it is subject to the supervision of the Federal Reserve.

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, National Association and The Bank of New York Mellon Trust Company, National Association, are subject to primary regulation, supervision and examination by the Office of the Comptroller of the Currency.

We operate a number of broker-dealers that engage in securities underwriting and other broker-dealer activities. These companies are broker-dealers registered with the SEC and members of Financial Industry Regulatory Authority, Inc., 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 Commodity Futures Trading Commission (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 for certain consumer protection purposes.

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. 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.

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").

Certain of our financial services operations in the United Kingdom are subject to regulation by and supervision of the Financial Services Authority ("FSA"). Certain of BNY Mellon's UK incorporated subsidiaries are authorized to conduct investment business in the United Kingdom pursuant to the UK Financial Services and Markets Act 2000. Their investment management advisory activities and their sale and marketing of retail investment products are regulated by the FSA.

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.

Additional information related to BNY Mellon's supervision and regulation is contained in BNY Mellon's reports filed with the SEC, including the 2011 Form 10-K, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.

H. Principal Officers

Executive Committee and Other Executive Officers:

Officer	Officer
Gerald L. Hassell * Chairman, President and Chief Executive Officer	James P. Palermo * Chief Executive Officer, Global Client Management and Liquidity Services
Curtis Y. Arledge * Chief Executive Officer, Investment Management	John A. Park * Controller
Richard F. Brueckner * Chief of Staff	Karen B. Peetz * Chief Executive Officer, Financial Markets and Treasury Services
Arthur Certosimo * Chief Executive Officer, Global Markets	Lisa B. Peters * Chief Human Resources Officer
Michael Cole-Fontayn Chairman, Europe, the Middle East and Africa	Brian G. Rogan * Chief Risk Officer
Thomas P. (Todd) Gibbons * Chief Financial Officer	Brian T. Shea Chief Executive Officer, Pershing LLC
Mitchell E. Harris President, Investment Management	Jane C. Sherburne * Chief Legal Officer and Secretary
Timothy F. Keaney * Chief Executive Officer, BNY Mellon Asset Servicing	Kurt D. Woetzel * Head of Global Operations and Technology and Chief Administrative Officer
Stephen D. Lackey Chairman, Asia Pacific	

*Designated as an Executive Officer

I. Resolution Planning Corporate Governance Structure and Processes

BNY Mellon has established a robust governance framework to ensure that all aspects of resolution planning receive appropriate attention by designated management committees and the Board of Directors. The governance framework leverages established roles and responsibilities and committee charters for the global management of risk and incorporates enhancements designed to address resolution planning specifically, including the establishment of the Office of Recovery and Resolution Planning (“ORRP”), which is embedded within our Corporate Treasury group and is the day-to-day project manager and functional lead for oversight, development, maintenance, implementation, filing and compliance of recovery and resolution plans.

The Board of Directors has ultimate responsibility for approving our resolution plans and the Audit Committee of the Board is the primary committee designated to oversee resolution planning. The following bodies are integrally involved in our resolution planning processes and together with the ORRP, the Board and the Audit Committee establish the foundation for our resolution planning governance structure:

Executive Committee

In its capacity as the most senior management committee of BNY Mellon, the Executive Committee provides strategic oversight with respect to resolution planning. The Executive Committee consists of the senior leadership of BNY Mellon and, among many other responsibilities, leads BNY Mellon strategically.

Senior Risk Management Committee

As the most senior management body responsible for evaluating emerging risk issues, the Senior Risk Management Committee is responsible for BNY Mellon’s Risk Management Framework and directly oversees the Global Recovery and Resolution Planning Steering Committee, a newly-established committee formed specifically in connection with our recovery and resolution planning efforts.

Global Recovery and Resolution Planning Steering Committee

The Steering Committee has primary responsibility for oversight of recovery and resolution planning at BNY Mellon. Among other responsibilities, it is tasked with establishing the project governance and oversight framework for recovery and resolution plans required by regulators in all jurisdictions where BNY Mellon operates.

Corporate Treasury

The head of our Corporate Treasury group is the senior management official responsible for overseeing the ORRP.

J. Description of Material Management Information Systems

BNY Mellon utilizes Management Information Systems (“MIS”) for risk management, accounting, financial, and regulatory reporting, as well as internal management reporting and analysis. These systems are primarily platform and mainframe technologies with interface applications that are used to collect, maintain, and report information to management and externally for regulatory compliance. The MIS are also used by BNY Mellon and its core business lines and critical operations to perform the functions necessary to run these businesses and operations. BNY Mellon’s MIS generate and distribute several reports on a monthly basis that are utilized by senior management to monitor the financial health, risks, and operation of BNY Mellon and its core business lines and critical operations.

Systems and applications at BNY Mellon are essential to smooth and effective operations and are managed through a best practices Business Continuity approach. The program is built on the guiding principles of geographic diversification, separation of technology from operations, redundant and resilient telecommunications and an extensive testing program. Recovery planning is considered an integral part of BNY Mellon’s approach to risk management and BNY Mellon has established formal policies, procedures, and programs for analyzing, developing, maintaining, and testing recovery plans for all of its lines of business.

The majority of the MIS software used by BNY Mellon has been developed internally and is supplemented with third party vendor developed applications. Governance, control and maintenance of critical applications are critical components of the BNY Mellon technology process, which emphasizes minimal recovery times in the event of material financial distress or disruption.

K. High-Level Description of Resolution Strategy

The Resolution Plan is designed to ensure the orderly resolution of BNY Mellon in a manner that avoids systemic risk to the U.S. financial system and the U.S. economy. The key elements of the Resolution Plan include an evaluation of the core business lines and critical operations of BNY Mellon and the design of resolution options for the entities through which these businesses and operations are conducted that ensure their continuity or orderly liquidation.

The Resolution Plan assumes an idiosyncratic event that would render the Parent and The Bank of New York Mellon insolvent, and that the idiosyncratic event occurs at a time when general macroeconomic conditions are consistent with certain baseline assumptions in which the U.S. and global financial systems are not experiencing a system-wide financial panic or other crisis.

The Resolution Plan contemplates that in the unlikely event a resolution of BNY Mellon were necessary, the Parent would seek protection under Chapter 11 of the U.S. Bankruptcy Code, as doing so would facilitate the orderly disposition or wind down of the businesses and operations of BNY Mellon outside of The Bank of New York Mellon. The material non-bank entities of BNY Mellon would therefore be divested through the applicable procedure under the U.S. Bankruptcy Code, or wound down in a rapid and orderly manner, if necessary, under the U.S. Bankruptcy Code.

The Resolution Plan contemplates that The Bank of New York Mellon, which represents the bulk of the assets and liabilities of BNY Mellon, would enter into an FDIC receivership allowing it to continue to provide the requisite operational support to the rest of BNY Mellon and the FDIC would use its traditional resolution powers in receivership under the FDI Act (including, if necessary, the creation of a newly chartered bridge bank) to facilitate orderly disposition or wind down.

Both in the case of the businesses and operations of BNY Mellon outside of The Bank of New York Mellon and in the case of The Bank of New York Mellon, potential third-party purchasers include a range of sophisticated and diverse financial services firms.

The resolution options proposed are designed to mitigate substantially the risk that the failure of BNY Mellon would have a serious adverse effect on financial stability in the United States. BNY Mellon believes that the Resolution Plan would result in no losses to the FDIC Deposit Insurance Fund, to the United States Department of Treasury or to depositors (domestic or foreign) and should satisfy the least-cost test in Section 13(c)(4) of the FDI Act.