THE ECONOMIC CLUB OF WASHINGTON, D.C.

Signature Event

Robin Vince

Speaker

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Moderator

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Washington, D.C.
Tuesday, July 9, 2024

DAVID M. RUBENSTEIN: Our special guest today is Robin Vince, who is the CEO of Bank of New York. And it is the first company that was traded on the New York Stock Exchange. When they created the New York Stock Exchange, the first company traded was Bank of New York. It's also the first company in the S&P 500, among other things. And it's got an illustrious history we're going to go through.

I did tour the facilities last week. Robin gave me a tour of it. And I saw the historic documents from Alexander Hamilton and other people that helped create the bank. And the bank was created by Alexander Hamilton.

ROBIN VINCE: It was. He was our founder.

MR. RUBENSTEIN: So, Mr. J.P. Morgan started a bank, and he named it after himself. Why did Mr. Hamilton not name it after himself? [Laughter.] He would have been more famous by then.

MR. VINCE: I like to say he had a lesser ego, but I'm not sure that's actually true. What he did have was a big faith in New York. He was an immigrant into the United States, of course. He was born in Nevis, in the British West Indies. There's a little bit of a parallel there, I guess. But he came to New York. And he really saw New York as a beacon for him, and a potential financial center. And he believed in that quite passionately. I'd like to think that's probably the reason.

MR. RUBENSTEIN: Well, Alexander Hamilton fought in the Revolutionary War. He was an aide to George Washington. And obviously were fighting against the British. How do you think he would feel if he found out 240 years later that a Brit was running – [laughter] – Bank of New York? What do you think he'd think about that?

MR. VINCE: Well, David, I comfort myself slightly by remembering that he was actually born a Brit. [Laughter.]

MR. RUBENSTEIN: OK.

MR. VINCE: And then he emigrated to the United States. And he became a U.S. citizen. So, there's a parallel there. I've been living here for 25 years. I'm naturalized. And so, I'm kind of following in his footsteps –

MR. RUBENSTEIN: OK. So, you're like him. OK. [Laughter.]

MR. VINCE: – figuratively and literally.

MR. RUBENSTEIN: So, for Bank of New York, many people are not as familiar with it as JPMorgan, or, let's say, Citi, because you're not a bank that does a lot of retail, is that right?

MR. VINCE: That's right. We don't have a retail bank.

MR. RUBENSTEIN: All right. So, your specialty is, what? What are the things that you specialize in?

MR. VINCE: So, we really help to power the world's financial system across all of our different businesses. And so, we manage money. We have a top 10 asset manager, $2 trillion of AUM. We help to enable the movement of money and assets all around the world. We make trillions of dollars of payments every day. We're the world's largest custodian, which means that we look after assets for our clients. And we really power the rails of a lot of different parts of the financial system. We settle most U.S. Treasuries that the trade in the United States every day. So, we sort of hide inside and underneath a lot of parts of the financial system.

MR. RUBENSTEIN: So, for those who aren't that familiar, what does it mean to be a custodian? And how much do you custodian? [Laughter.]

MR. VINCE: The answer to the second bit of your question is $50 trillion. So, we touch about 20 percent of all investable assets in the world. So, every stock, every bond, every Treasury, every loan, every piece of private equity investment – we touch about a fifth of that around the world.

Now, what does custody mean? Ultimately, custody is about trust. It's about safekeeping. We look after and take care of everything that you might own after you've bought it. So, think for a second – imagine you're buying a stock of Microsoft. You buy 100 shares. You buy the shares. You go on your phone. You click. You call your broker, whatever it might be. You kind of then forget about it.

You make an assumption that someone's going to look after those shares. They're going to be there for you when you ultimately want to sell them. You trust that the dividends are actually going to get paid, and that somebody's going to credit your account. And all of that stuff, your trusting – you don't even have to think about it, because institutions like us are the ones that your broker is relying on to make sure that all of that actually happens. So, powering the financial system is ultimately creating that trust that lets all of those other things happen every day.

MR. RUBENSTEIN: OK, so you're big in custodian. You're number one in the world in custodian?

MR. VINCE: We are. We're the world's largest.

MR. RUBENSTEIN: OK. So, you're also big in what's called security clearance – securities clearance. What is that?

MR. RUBENSTEIN: So that's ultimately about helping people settle trades. So, again, you do the trade, you buy something, you sell something, but the money has to be exchanged. All of those life cycle events have to actually occur. It's not just about saying, hey, I want to buy the stock. We take care of those things for you.

MR. RUBENSTEIN: All right. If I want to go borrow some money from you, can I do that? Or you don't – you don't lend money out so much?

MR. VINCE: We do lend money. We largely bank governments, corporations, pension funds, asset managers. So, we're not really in the retail business. We used to be. We used to have a pretty large retail bank, but we sold that a few years ago. So, depends on who you are. Now, you in the form of Carlyle, or you as a wealthy person, we would probably lend you money. [Laughter.] But we're not in the retail business.

MR. RUBENSTEIN: All right. OK. But you also manage money. You bought years ago a company called Dreyfus.

MR. VINCE: We did.

MR. RUBENSTEIN: And you also bought Mellon Bank.

MR. VINCE: We've been around 240 years. We bought a few.

MR. RUBENSTEIN: Right. So, Dreyfus is still a big money manager, is that right?

MR. VINCE: They are. Large money market mutual fund. Jack Dreyfus, in fact, was one of the creators of that product.

MR. RUBENSTEIN: Now, you bought BNY Mellon, was what it was called up until recently. Why did you drop the name Mellon? Now you're BNY. What happened to Mellon? Did he do something wrong or did he not? [Laughter.]

MR. VINCE: So, you know, we're very proud of our Mellon heritage. Bank of New York, founded by Alexander Hamilton, went on to become the first U.S. Treasury secretary. And then Andrew Mellon went on also to become a Treasury secretary. He and his family were the founders of Mellon Financial, based in Pittsburgh. So, we completed that merger a little over 15 years ago. And we've had a history over time when we've made these mergers of adding to the length and complexity of our name. And we've got a bit of a track record of having done this over the course of a couple of centuries. And so, from time to time, we've gone back and we've simplified. BNY, it's a bit more modern, little bit simpler. Back to our roots.

MR. RUBENSTEIN: All right. So usually, I would think bankers on Wall Street, they wear ties. You obviously don't wear a tie. Is that a tradition now at Bank of New York, you don't wear a tie? I'm the only guy wearing a tie still?

MR. VINCE: It's kind of quaint, actually, to see the tie.

MR. RUBENSTEIN: You don't have ties?

MR. VINCE: I should capture a snap of it. [Laughter.]

MR. RUBENSTEIN: OK. All right. OK. So, let's talk about how you became the head of this bank, because you're a naturalized American but I would have thought somebody who born in the United States would be running the oldest bank in the United States. So, let's talk about your background. Where were you born?

MR. VINCE: I was born in England, in the U.K., about 30 miles outside of London.

MR. RUBENSTEIN: OK. And your parents are still alive?

MR. VINCE: They are.

MR. RUBENSTEIN: And your father is 90 –

MR. VINCE: One.

MR. RUBENSTEIN: One. And your mother is?

MR. VINCE: Eight-four. I don't think she'd mind me telling you.

MR. RUBENSTEIN: Oh, OK. [Laughter.] At 84, she might not mind that much. OK. All right. So, and you are married you have three children, right?

MR. VINCE: That's right. Twenty-five – we just had our 25th wedding anniversary a couple of weeks ago.

MR. RUBENSTEIN: And you're on your first wife.

MR. VINCE: True!

MR. RUBENSTEIN: Right? OK. [Laughter, applause.] OK.

MR. VINCE: Thank you.

MR. RUBENSTEIN: That's very good in the financial service world to do that. OK.

MR. VINCE: And she's on her first husband.

MR. RUBENSTEIN: OK. [Laughter.] All right, so you went to university at Nottingham. Now Nottingham was where Robin Hood was from.

MR. VINCE: That's right.

MR. RUBENSTEIN: So –

MR. VINCE: And the Magna Carta law.

MR. RUBENSTEIN: That's right. But did you ever meet Robin Hood? Or are there any stories there about Robin Hood at the University of Nottingham? What do they specialize in?

MR. VINCE: Yeah, well, 800 years ago, so I missed him by a minute. [Laughter.] But, you know, that school specialized in a few different things. They're very well known for their medical school, because Jesse Boot, who was the founder of Boots, he was a – he was a famous clinician, back in the day. So, they're known for their medical school and also for their languages school, which is what I was there –

MR. RUBENSTEIN: So, when you graduated from University of Nottingham did you say, I want to be the head of Bank of New York? Or how did you come about to get in the financial service world?

MR. VINCE: No, in all candor, I needed a job. Like many students who are graduating, became very focused on that in my last year of study. And I applied to a whole bunch of different institutions, including Goldman Sachs where, ultimately, I got an offer. And I went straight from Nottingham to go and work at Goldman Sachs.

MR. RUBENSTEIN: All right. So, you rose up at Goldman Sachs, and you were successively things like the head of operations, chief risk officer, treasurer, and so forth. So, you're minding your own business. You're rising up at Goldman Sachs. Why did you leave?

MR. VINCE: I don't think you get to mind your own business at Goldman Sachs. [Laughter.] But I –

MR. RUBENSTEIN: You don't?

MR. VINCE: But I had – you're right, I had a great career. I started actually as a trader on the trading desk. I had a fun opportunity there. And somebody sort of saw a bit of potential in me, asked me to do that. And then I was asked to do a series of different things. And so, the common thread through all of that was I was put in situations where the company wanted to change something, and where they really wanted to do a bit of a renovation of a particular area, create some change. Maybe they didn't know exactly what it was that they wanted to do, but they wanted somebody to go in and figure it out. So that became what I did, which is one of the reasons why I went through those various different roles.

And I had the opportunity to be in London, but also in New York. I spent several visits to New York – six months, a few years. Met my wife in New York, actually. But then, ultimately, I decided that I would like to do something different. And I had been – somebody had tried to recruit me to be the CEO of a firm while I was still at Goldman. And I decided to leave, take a gap year. But I just figured there was something else that I might want to do.

MR. RUBENSTEIN: So, you met your wife on a blind date?

MR. VINCE: I did.

MR. RUBENSTEIN: And did you pay a finder's fee to the person who arranged that, or something? [Laughter.]

MR. VINCE: You know, so we were introduced by clients of hers who were colleagues of mine. And they set us up. We went out. It was, like, my – I had just moved to New York for six months. My company had asked me to come over, learn the business in New York, so I could go back to London and I could be smarter and more educated about the greatest financial city in the world.

MR. RUBENSTEIN: And she fell for the British accent?

MR. VINCE: She fell for that immediately. [Laughter.] And then I went to Pittsburgh to go ask for her father's permission to get married. We got engaged. And then she moved back to London with me.

MR. RUBENSTEIN: What about if he had said no? What would you do then?

MR. VINCE: That would have been rough. [Laughter.] But thankfully, 25 years later, didn't have to worry about that.

MR. RUBENSTEIN: So as the head of Bank of New York, you are one of the 10 – eight or 10 biggest banks the United States.

MR. VINCE: We're one of the eight globally systemically important banking institutions. So really, the bedrock of the financial system.

MR. RUBENSTEIN: So next Monday, I guess it is, we have Jay Powell coming here. If you had a chance to tell him whether he should lower interest rates or not, what would you tell him?

MR. VINCE: First thing I tell him is I actually think that they've done a terrific job. Over the course of the past four years, if you just think about the world that we've been in with the inflation originally probably generated on the supply side as a result of the pandemic, and then fueled by the labor shortages, and then really going into the sort of boom that the U.S. has enjoyed after the pandemic with the economy, we're in a great position as a country to have this dilemma where inflation – although it's been painful for many – where inflation is really being a sign of the fact that U.S. is doing well, the economy is doing well. And now they're at that point where they just need to tap on the reduction just at the right moment so that hopefully they don't send us into some type of recession.

MR. RUBENSTEIN: Well, a lot of economists – I don't remember if your economists did this – but a lot of economists predicted that we'd be in a recession, so-called hard landing, in '23. Some people said we'd be in hard landing in '24. And doesn't seem to be a hard landing. So, do you think there is a hard landing coming anytime soon?

MR. VINCE: It's not our view that that's imminent. At some point we're going to have recession, because it's just, I think, a little bit unrealistic to think that we can go through this type of prolonged economic growth without having one. But there's no imminent sign that we're going to face one. And that's why I think the Fed ultimately reducing rates a little bit hopefully can cushion our way into it.

But look, you've got to be prepared for these things. I tell clients all the time, we're in the preparedness business as a company. At the end of the day, to operate across four centuries, as we have, you've got to be able to be resilient to problems. You've got to be able to be prepared. So, whether rates are going to go up, very unlikely. Are they going to stay the same for a little bit? Possible. Are they going to go down? More likely. Doesn't matter. You've got to be able to be ready, because none of us can predict exactly how this stuff is going to work out.

MR. RUBENSTEIN: Right. So, the U.S. government has, more or less, $35 trillion of debt, which a lot of people say is a lot of debt. And we actually are paying more on the interest on the debt now than we are spending in our defense budget. So, does that worry you, as a businessman, that sometimes our debt is so high that ultimately the dollar, which is an important part of our currency – of our economy, is going to go down in value? Or you're not worried about the dollar going down?

MR. VINCE: So maybe, first, David, a very quick anecdote on that. Because BNY is inextricably linked with the Treasury market, to the point that we actually have the very first piece of Treasury debt in our historical archives collection because it was actually a loan from the Bank of New York which predates the Constitution to the United States that started that journey. It's kind of the origin story – warrant number one – of the $35 trillion that you mentioned.

But the short answer is, yeah, we have to take that seriously over time. I don't think there's a magic number – $35, $40, $45 trillion. But you hit the key point, which is it is the interest payments that ultimately are going to become the issue. People use Japan as an example quite often of how a country can have a very large – larger than us – percentage of GDP debt outstanding. But they did so at zero interest rates. And so, they weren't having to pay much in the way of interest on that large debt balance.

As we see rates in the U.S. normalize, five-year rates, 10-year rates, 30-year rates coming back and the government having to refinance at those higher levels, as opposed to the zero or close to it that we've been enjoying more recently, that is going to bite. And so that's going to be the issue that we're going to have to get after.

MR. RUBENSTEIN: Now, your native country, England, got out of the EU and now, because of Brexit, is on its own. You think that was a good thing for Britain to do?

MR. VINCE: Look, you know, that was a political choice by the British people. So far be it for me to say that they made the wrong decision. But look, you know, that was a choice. That was a choice about a point of view that they had that they wanted to be able to chart more of their own destiny. But, you know, there are pros and cons to that decision.

MR. RUBENSTEIN: OK. So, in the U.K. now there's a new government that's just been formed. And do you expect it will change the economy of Britain very much? Or it won't make much difference?

MR. VINCE: Well, we actually just took our board – we had a board meeting a couple of weeks ago. We took our board to the U.K. It was planned before the election was announced, but we found ourselves right in the middle of election season. Very interesting to hear the perspective from all of the local kind of politicians, regulators, clients, et cetera. And I think the prevailing view in the U.K. is actually it's not going to be dramatically different. I'm sure the U.K., the new U.K. government, will have its own policies. They do have their own thoughts. But it isn't as dramatic a change as some other government shifts have been in the past. At least, that's the expectation.

MR. RUBENSTEIN: Some of your peers in the banking world are not big fans of cryptocurrency. Do you – do you custodian cryptocurrencies? Or you have no interest in doing anything with cryptocurrencies?

MR. VINCE: Well, we've built the capability to do it because we thought that it would be an interesting challenge. It's a very novel asset. But we're more interested in the technology than we are specifically in the individual coins of bitcoin and eth. What we do believe is that that technology could be pretty revolutionary over the course of time in terms of how assets are recorded and stored. We're a ledger business. We have the original ledgers from our founding just out in our visitor area. You've seen them. Alexander Hamilton's account, President Washington's account, pen, ink, quill. That was the technology of 240 years old ago.

We saw a big change in the '60s and the '70s with the bringing in of computers. And that really transformed how ledges were kept, dematerialization, which was a different way of recording stocks. Could it be that digital asset technology, blockchain, DLTs are the next way of doing that? It could be. And so, we're an innovative firm. We have been able to become old by innovating constantly through our history. So, we've invested in this area because it is possible it could be important.

MR. RUBENSTEIN: So fintech is a big area for banks and so forth. Are there any fintech revolutions coming that you think are going to make us – make it easier to borrow money or to invest money? Or what's the greatest fintech thing you're aware of that's coming along?

MR. VINCE: We've all been enjoying the benefits of an incredible amount of technology coming into the banking industry in the past 20 years. I mean literally, the smartphone, the iPhone is less than 20 years old. Think about all of the applications that now run on those devices. Our ability to do mobile banking. We were really tethered to the branch on Main Street until 20 years ago. It's only in recent times that we've broken out of that.

But I think the one that I'm maybe the most excited about is AI. It really is a very, very powerful technology that will infuse its way into so many different things that we all do. And I think 20 years from now, when we look back – you know, it's something that has to be well managed. There are certainly concerns around doing it incorrectly. But the power of AI is going to be pretty transformational, I think.

MR. RUBENSTEIN: Suppose I wander into one of your banks somewhere, into one of your offices, and say, I want to have some money managed. What kind of rate of return should I be looking for, in this day and age?

MR. VINCE: Well, you know, we're in the money management business through our various different asset management firms. Depends, of course, what your objectives would be. We have all of the various different products – actively managed, passively managed. Mellon is a very big indexing firm, ETFs, cash management through Dreyfus. And we also have a private wealth business, $300 billion of assets that we help to manage for clients. And so, we tailor things to our clients objectives.

MR. RUBENSTEIN: OK. Well, who manages your money?

MR. VINCE: Well, you know, I have advisors as well who help me with that. Like, you know, being a CEO, you don't – you don't always actually try to do it yourself.

MR. RUBENSTEIN: But you have so much inside information about where the world's going. Do you ever –

MR. VINCE: We try not to use that. [Laughter.]

MR. RUBENSTEIN: You can't?

MR. VINCE: The inside information.

MR. RUBENSTEIN: But you have so much inside information, how can you avoid using it, because you know so much? So, you have to tell somebody, you manage the money, but don't tell me what you're doing with it? [Laughter.]

MR. VINCE: So, you know, a couple of – a couple of fun facts on that. Which is, like, staying humble on investing. And you know, you're in the private equity business so you know as much about this as anybody here. But just take the S&P this year, as an example. So, the S&P year to date is up about 15 percent. If you strip out one stock, Nvidia, it's up about 10 percent. If you strip out the other six members of the so-called magnificent seven, it's only up 6 percent. And, by the way, 40 percent of the S&P 500 constituents are negative for the year.

So, if you're going to be a stock picker, you better be really, really good, because if you miss some of those key stocks in the way that you're approaching the world, you're going to suffer. So, asset class and index-based investing, as Warren Buffett often says, you know, you want to be part of the market. That's the most important thing. And after that, you can tinker around the edges, but if you miss the big trends you're going to be in trouble.

MR. RUBENSTEIN: You think that private equity stocks are undervalued? [Laughter.]

MR. VINCE: I think you've built a wonderful company. And I know that you want it to go higher. [Laughter.]

MR. RUBENSTEIN: OK. All right. Great. So, what's the pleasure of being the head of the Bank of New York? I mean, you could have done other things. I mean, do you enjoy this job? And what's benefit of it, in your view? Why do you like it so much?

MR. VINCE: Look, it's a real privilege – to be a CEO is a great job. And it's a real privilege to lead an institution that's as storied as BNY. We've got all of this rich history. We've talked about some of it. We've done important things in the growth of the nation over time. We funded important projects – the Erie Canal, the New York City Subway, things that have really made a difference in the United States. And today we make a difference in people's lives because so many pensioners, investors all around the world, governments, individuals ultimately are clients of ours. And so, it's a real privilege to do that.

And culture is super important to me. So, the opportunity to be part of taking a company and really helping it to unlock its potential, and seeing the people doing that, has really been remarkable. We talk about ownership a lot at BNY, the principle of ownership. Clients first. Be client obsessed. And really make sure that we're bringing all of us along on the journey, so much so that we made everyone at BNY a stockholder about a year ago. We gave shares of BK, which is our stock ticker, to everyone in the company, all 50,000 people. Because the opportunity to have the whole company participate in the real change and acceleration that we're making for our company, serving our clients, has been great. It's very fulfilling to be part of that story and to be part of a leadership team that really believes in it.

MR. RUBENSTEIN: OK. So, for young professionals, why should they want to go into the banking world?

MR. VINCE: Gosh, it's a super interesting place to start a career, also to build a career. But if you just think about what financial markets are, they sit at the very intersection of what's going on in the world, politics, geopolitics, big trends, what's happening in the oil market, what drives the oil market. Gosh, that's related to things going on in the world. How are we going to finance the next chapter of countries' growth? We're going to need tens of trillions of dollars to be able to finance the power generation, the power transmission, the data centers of the next 20 years. And so, to be part of those mega trends and really be part of the system that is fueling growth for the world and the country, it's a pretty exciting place to actually be.

MR. RUBENSTEIN: So as the head of the Bank of New York, have you ever gone to buy something in your credit card is denied? [Laughter.]

MR. VINCE: I have, but it wasn't our credit card. [Laughter.]

MR. RUBENSTEIN: Oh. [Laughter.] Oh. So, you got rid of that credit card company, or you got somebody else, or? [Laughter.] And did you tell them who you are when they say you're denied?

MR. VINCE: It's funny you say it, because this is one of the things that is interesting about being a CEO, is I was actually using a credit card, it did get turned down, and we did in fact change credit card companies. And that was the corporate card. I'm not going to tell you who it was, the front two. [Laughter.]

MR. RUBENSTEIN: OK. Well, I guess it's somebody that you're not using anymore. But OK. All right, so today what do you think the biggest challenge for the banking system is? We had a couple banks fail last year – Silicon Valley Bank and First Republic, among other major banks that failed – or there were a couple that failed. Nothing that major. But of those two banks, do you see any systemic problem that is likely to arise again when interest rates come down? Usually when interest rates go down, bank profitability goes down, as a general rule of thumb. So, do you think when interest rates go down banks are going to be hard pressed to stay solvent? Or do you think the banking system is in good shape?

MR. VINCE: I think the banking system is in good shape, is the short answer. The regulators and policymakers, particularly in the United States but around the world, have done a very good job over the past 15 years, since the financial crisis in '08, of really making sure that the underpinnings of the banking sector are strong. More capital in the system, more liquidity in the system, more efficient ways of creating the sort of infrastructure of the of the firm. Particularly for the GSIB, globally systemically important banks, in the United States, of which we're one.

And I think that work has really borne a lot of fruit. We saw evidence of it last year in the spring, when SVB and First Republic had their issues. It was discussed in the regional banks and the smaller banks, but the biggest banks, the ones that really underpin the financial system, like ours, we were actually able to help as part of the – as part of creating some of the solution. We injected money into those firms in order to try to buy the regulatory community time. And I think that's about preparedness. That's about recognizing that you only get to be old if you are invested in being ready.

MR. RUBENSTEIN: And when we had a crisis in '07-'08, Goldman Sachs was in trouble, like Morgan Stanley, every bank. Where were you when Goldman Sachs had its challenges in '07-'08?

MR. VINCE: So, I was at Goldman Sachs. In fact, for that weekend, the sort of famous Lehman weekend that they've written books about and made plays, I was actually at the Fed over that weekend as part of the team. As all of the banks had representatives that were at the Fed working through the various different issues, thinking about what –

MR. RUBENSTEIN: And did you think Goldman would survive, or?

MR. VINCE: I did. I actually – I did think that. But all banks – I mean, it was a very perilous moment for the country, and it was a perilous moment for the banking system itself. I think it would have been extremely arrogant for any institution to have said, oh, absolutely nothing could happen to us. There wasn't an institution in the country that didn't need to be thoughtful about that peril.

MR. RUBENSTEIN: So, are you in town for the NATO meetings? Are you in town for other things? What brings you here, other than this? But –

MR. VINCE: I think this is a pretty good reason to be in town.

MR. RUBENSTEIN: All right. But –

MR. VINCE: I'm a frequent visitor. I'm here – I'm here every month. I visit clients. I visit policymakers on Capitol Hill. I visit with regulators. I do a mix of all of those things. I was invited to the – to the NATO event this evening, but I'm not able to make it, unfortunately.

MR. RUBENSTEIN: So, who are you more impressed with, the regulators or the policymakers on Capitol Hill?

MR. VINCE: I think it takes two to tango. [Laughter.]

MR. RUBENSTEIN: Well, so you find it uplifting to meet with members of Congress? [Laughter.]

MR. VINCE: You know, I think – and forgive – maybe this is a – maybe this is an immigrant's perspective. But I held the United States on – a little bit on a pedestal before arriving here. The opportunity, when you're – when you aren't born here, and you have the opportunity to move to the United States, to move to the financial capital of the world, New York, to be able to work on Wall Street, I mean, that is – you know, they say, you know, if you make it here, you can make it anyway. There is that sense of it.

And I've always viewed the United States, including D.C., as being a kind of a special place. So, it's a privilege to meet with people. We get to be able to give our perspective. People really want to hear our perspective. Remember, our relevance to the financial system and the world, that 1/5th of all investable assets, policymakers want to hear what we're saying. And engaging with them, I find that we don't bring maybe the same agenda – because we're not a retail bank. We're not an investment bank. We don't maybe bring quite the same agenda to the table. And so, I enjoy the conversations.

MR. RUBENSTEIN: Right. So, you are running the bank that Alexander Hamilton started. He was a very famous, some say the most famous, secretary of the Treasury. So, if a president of the United States said to you, why don't you become secretary of Treasury, what would you say?

MR. VINCE: I love running the Bank of New York. [Laughter.]

MR. RUBENSTEIN: Oh. But do you want to help your adopted country? You wouldn't come in?

MR. VINCE: I find I can help my adopted country by doing an amazing job being the CEO of one of our nation's most important banks and giving my free counsel. Think about that. It's free.

MR. RUBENSTEIN: OK. All right. [Laughter.] So, what is the biggest worry you have about our financial system in the United States today? No worries at all, or you're worried about anything, the debt, the deficit? What are you worried about?

MR. VINCE: We have to pay attention to the deficit. We talked about it earlier. It isn't maybe a – it isn't maybe an urgent problem for this very moment in 2024, but it's a very important problem. I think one of the things that it's easy to get lost, because we've got so many urgent things in front of us at any time, is to lose sight of the importance and taking action related to that – entitlements that need to be considered, questions of revenue, spending. However the policymakers ultimately come to resolution on it, it doesn't need to be tackled in the coming years.

Because it was actually a French – I spent a lot of my youth living in Paris when I was a kid. But it was a French finance minister at the time who went on to become president of France who first described the role of the U.S. dollar as the exorbitant privilege that the United States enjoys. And we really do enjoy that privilege. It is our – it is the supremacy of the dollar, it is the U.S. rules that we follow. A lot of that confers a ton of advantage to our country. And so, taking it seriously not to do things that will ultimately undermine that, I think, is important.

But the other thing, David, is you asked about the challenges of the U.S. financial system and regulators, and advice I would give. There is a straight line that we can draw from what makes America great, powered by a growing economy, strong GDP, which needs great capital markets, inclusivity for all participants and citizens in the country. But to have those things, we need to be able to attract capital. We need to be able to build great companies. And so, we need great capital markets and great institutions – private equity firms and banks to enable it. Making sure that we don't lose sight of that objective, I think, is very important. And we can sometimes forget how the export of financial services is actually a big competitive advantage for the United States.

MR. RUBENSTEIN: So, do you think it's going to make a big difference to the economy if Biden is elected president again or if Trump is elected president again? Do you think it makes a big difference, or not?

MR. VINCE: History suggests that the composition of who's in the White House, who controls the House, who controls the Senate, actually becomes slightly more important in terms of the mix of those things than which actual party is sitting in the – in the White House. That's just the history. And the performance of the stock market sort of suggests that those are the important things.

MR. RUBENSTEIN: So, on weekends, you told me, you're a farmer. You have a farm.

MR. VINCE: Yes. Those two things are not quite the same thing. [Laughter.]

MR. RUBENSTEIN: Oh.

MR. VINCE: Yes. I live on a farm. I'm not quite sure that I could call myself as being a farmer. My wife grows a lot more things than I do.

MR. RUBENSTEIN: But you grow hay.

MR. VINCE: We do. Horses need to eat, too.

MR. RUBENSTEIN: And then you grow it for – who do you sell the hay to?

MR. VINCE: Local farmers who have cows and horses.

MR. RUBENSTEIN: OK. All right. And did you ever think you'd be growing hay as – when you go in – when you're selling your hay, you say, I'm also the head of Bank of New York, or you don't do that? [Laughter.]

MR. VINCE: No. I skip that bit, actually. But I – actually, I sell it to a farmer who then sells it to other people. I'm not sure I'd be as good as hay salesman as I am Bank of New York –

MR. RUBENSTEIN: OK. All right. So today you're happy with what you're doing. So, is there anything you'd rather be doing other than being the head of Bank of New York? You don't want to go into government, it sounds like. Nothing important like private equity. You wouldn't want to join that?

MR. VINCE: Private equity is very important, but I'm very happy to support private equity. In fact, most private equity firms, including you, is a client.

MR. RUBENSTEIN: OK. So, if somebody is watching here and they say, I like this guy. I like his bank. I assume it's a good bank. They want to do something with Bank of New York. What can they actually do? What does the average person do to take advantage of your services? Because you're more of an institutional organization.

MR. VINCE: We are. Well, many people here work for an institution. And so, we can certainly provide – we provide a lot of services to institutions. Payments. Most institutions make payments. We make two-and-a-half trillion dollars of payments every day. So, we're in the business of supporting cash management, payroll, all of those things, foreign exchange. We're the world's largest collateral manager. Most institutions need collateral of some kind. We custody assets. You probably are indirectly a client of ours already, because that's the nature of the business that we're in.

MR. RUBENSTEIN: So, when I did a tour last week, you gave me a tour of, I guess, you call your war room, or maybe your peace room. I don't know. But what do you call that room?

MR. VINCE: We call it our Cyber Technology Operations Command Center. It's kind of like a fusion center where you bring the disciplines of technology, cyber, and operations together.

MR. RUBENSTEIN: So, some people sitting there, can they actually tell if somebody's stealing money or doing something bad? And all of a sudden do they come tell you, or something?

MR. VINCE: So, yeah, the combination of people and machines are surveilling the entire environment. And, yes, of course, we look for anybody who's doing anything bad, like stealing money. But we're also looking for cyber criminals or anybody who's trying to come and penetrate into the financial system. And the combination of the machines – and we have about five-and-a-half trillion different sources of information that feed that particular room that are held – and only a machine can look across that vast amount of data, and then create alerts to say, hey, there's something going on. We need to look at this. So phishing, cyber, all of the things that – all of the bad things that can happen in the world. But also good things. We provide an underpinning of platforms and a bit of a safety blanket that we're wrapping around our clients. Because you asked what custody was earlier on. Custody is ultimately about trust and safekeeping. And so, we're providing that safety net that we invest a lot of time and effort in for the benefit of our clients.

MR. RUBENSTEIN: So, you're not worried about people hacking into the system you have?

MR. VINCE: Always worried about those things. We should all be worried about that stuff. The question is, are we prepared? Are we investing? Are we proactive?

MR. RUBENSTEIN: Who do you think's the best at hacking in? Is it the Koreans, Chinese, the Russians, or somebody else?

MR. VINCE: I think you've listed some of the – some of the prime suspects. [Laughter.]

MR. RUBENSTEIN: OK. All right. So today, should somebody be able to go to sleep at night not worried about our financial system being in reasonably good shape today?

MR. VINCE: I think, I think that's exactly right, particularly with the largest banks in the United States that have put a lot of time and effort into preparing for these types of things. But you've got to stay humble, and you've got to stay vigilant. And I think all of us have to think about – and that's a real partnership. That's policymakers, regulators. It's the private sector that's really about investing in making the U.S. economy the greatest economy in the world. Of course, 40 percent of our revenue comes from outside of the United States. So even though we're a U.S. institution, we're not entirely U.S. focused.

MR. RUBENSTEIN: Did you ever watch the play "Hamilton"? Did you ever go to see that?

MR. VINCE: You know, I had to get my tickets to my kids. I had tickets, and I had to – and I – for the original cast. And then my daughter was studying it at school. And she came to me and said, dad, I'm sorry. I've got bad news. I have to go see the play. [Laughter.]

MR. RUBENSTEIN: So, you went?

MR. VINCE: So, I was a good parent.

MR. RUBENSTEIN: You never saw the play?

MR. VINCE: I haven't seen the play live.

MR. RUBENSTEIN: You're Bank of New York.

MR. VINCE: I've listened to that – I've listened to that. I've listened to that CD in the car 100 times. [Laughter.] I could sing every song. I won't.

MR. RUBENSTEIN: But you should go before it's too late, because you're the head of the Bank of New York, and Mr. Hamilton started it, and you didn't see his play yet.

MR. VINCE: Yes. [Laughter.] Guilty.

MR. RUBENSTEIN: All right. OK. Well, all right. So –

MR. VINCE: And now, when you first heard some songs about it, you loved the play, right?

MR. RUBENSTEIN: Actually, what happened was when I first – I was getting some award named after Alexander Hamilton. And some guy came and wanted to sing some songs about Alexander Hamilton. I said, well, OK. I don't care. And it was Lin Manuel. I thought it was terrible. I didn't think it was going to go anywhere. I said, I'm not going to invest in that play. That was a mistake. [Laughter.] But, OK, I've been wrong before.

OK, look, you've been a good sport. And, you know, if I needed some money management services, other than private equity, I guess I would call your bank, right?

MR. VINCE: Yes, absolutely. And we are happy to provide service to you. And we really do touch most people in the audience's lives, financial lives, in some way, shape or form. But we're growing and we're happy to do more.

MR. VINCE: All right. So, have you ever thought Robin Hood, Robin Vince? You know, there's no connection, because Nottingham? Is that where you got your name from? Your parents named you after Robin Hood, or something?

MR. VINCE: No, they named me after the bird, I think.

MR. RUBENSTEIN: Oh, really?

MR. VINCE: I think so.

MR. RUBENSTEIN: OK. All right. [Laughter.] So, your parents – if your parents are watching this, do you have any message for them? They're in England, and they're watching. Do you have any message for them?

MR. VINCE: We're all the products of our upbringing. So best thing I could do would be to say thank you.

MR. RUBENSTEIN: All right. Thank you very much.

MR. VINCE: Great to be with you, David. [Applause.]

MR. RUBENSTEIN: Thank you

Robin Vince
President and CEO
BNY

Robin Vince is President and Chief Executive Officer of BNY Mellon, a leading global financial institution with a presence in 37 countries that touches around 20% of the world's investable assets.

Founded in 1784 and America's oldest financial institution, today BNY Mellon powers capital markets around the world through comprehensive solutions that help clients manage and service their financial assets throughout the investment life cycle. The firm has been named one of Fortune's World's Most Admired Companies and one of Fast Company's Best Workplaces for Innovators.

Prior to becoming President in March of 2022, Robin was Vice Chair and CEO of Global Market Infrastructure, where he oversaw BNY Mellon's Clearance and Collateral Management, Treasury Services, Markets and Execution Services and Pershing businesses.
Before joining BNY Mellon in October of 2020, Robin was a member of the Management Committee and longtime partner at Goldman Sachs. He started his career there as an analyst in 1994 and held many leadership roles across the firm including Head of Global Money Markets, Chief Risk Officer, Treasurer, Head of Operations, COO of the EMEA region and CEO of Goldman Sachs International Bank, among others.

Robin is a member of the National Geographic Society's Hubbard Council and serves on the Board of Trustees of the Hospital for Special Surgery and as an inaugural member of the Board of Directors for the Perelman Arts Center. He is also a member of the Business Roundtable, the Business Council, the Partnership for New York City, the Financial Services Forum and the International Advisory Board of the Monetary Authority of Singapore's International Advisory Panel.

Robin earned his bachelor's degree from the University of Nottingham in the UK and has lived for many years in London, Paris and New York, where he and his family now live.