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

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# FORM 10-Q

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

**For the Quarterly Period Ended September 30, 2024**

or

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

Commission File Number 001-35651

# THE BANK OF NEW YORK MELLON CORPORATION

*(Exact name of registrant as specified in its charter)*

| | |
|---|---|
| **Delaware** | **13-2614959** |
| *(State or other jurisdiction of incorporation or organization)* | *(I.R.S. Employer Identification No.)* |

240 Greenwich Street
New York, New York 10286
*(Address of principal executive offices) (Zip Code)*

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

Not Applicable
*(Former name, former address and former fiscal year, if changed since last report)*

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

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.01 par value | BK | New York Stock Exchange |
| 6.244% Fixed-to-Floating Rate Normal Preferred Capital Securities of Mellon Capital IV (fully and unconditionally guaranteed by The Bank of New York Mellon Corporation) | BK/P | New York Stock Exchange |

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

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

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

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of Sept. 30, 2024, 727,078,320 shares of the registrant's common stock, $0.01 par value per share, were outstanding.

# THE BANK OF NEW YORK MELLON CORPORATION

## Third Quarter 2024 Form 10-Q
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# The Bank of New York Mellon Corporation (and its subsidiaries)

## Consolidated Financial Highlights (unaudited)

| | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| *(dollars in millions, except per share amounts and unless otherwise noted)* | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| **Results applicable to common shareholders of The Bank of New York Mellon Corporation:** | | | | | |
| Net income *(a)* | **$ 1,110** | $ 1,143 | $ 958 | **$ 3,206** | $ 2,905 |
| Basic earnings per share *(a)* | **$ 1.51** | $ 1.53 | $ 1.23 | **$ 4.29** | $ 3.68 |
| Diluted earnings per share *(a)* | **$ 1.50** | $ 1.52 | $ 1.23 | **$ 4.26** | $ 3.66 |
| Fee and other revenue *(a)* | **$ 3,600** | $ 3,567 | $ 3,404 | **$ 10,654** | $ 10,095 |
| Net interest income | **1,048** | 1,030 | 1,016 | **3,118** | 3,244 |
| Total revenue *(a)* | **$ 4,648** | $ 4,597 | $ 4,420 | **$ 13,772** | $ 13,339 |
| Return on common equity *(annualized) (a)* | **12.0%** | 12.7% | 10.6% | **11.8%** | 10.9% |
| Return on tangible common equity *(annualized)* – Non-GAAP *(a)(b)* | **22.8%** | 24.6% | 20.6% | **22.7%** | 21.3% |
| Fee revenue as a percentage of total revenue *(a)* | **73%** | 74% | 73% | **73%** | 72% |
| Non-U.S. revenue as a percentage of total revenue *(a)* | **35%** | 36% | 36% | **35%** | 35% |
| Pre-tax operating margin *(a)* | **33%** | 33% | 30% | **32%** | 30% |
| Net interest margin | **1.16%** | 1.15% | 1.18% | **1.16%** | 1.23% |
| Net interest margin on a fully taxable equivalent (“FTE”) basis – Non-GAAP *(c)* | **1.16%** | 1.15% | 1.18% | **1.16%** | 1.23% |
| Assets under custody and/or administration (“AUC/A”) at period end *(in trillions) (d)* | **$ 52.1** | $ 49.5 | $ 45.7 | **$ 52.1** | $ 45.7 |
| Assets under management (“AUM”) at period end *(in trillions) (e)* | **$ 2.14** | $ 2.05 | $ 1.82 | **$ 2.14** | $ 1.82 |
| **Average common shares and equivalents outstanding** *(in thousands)*: | | | | | |
| Basic | **736,547** | 746,904 | 777,813 | **747,766** | 789,609 |
| Diluted | **742,080** | 751,596 | 781,781 | **752,555** | 793,364 |
| **Selected average balances:** | | | | | |
| Interest-earning assets | **$ 356,934** | $ 353,633 | $ 339,044 | **$ 352,250** | $ 349,789 |
| Total assets *(a)* | **$ 416,397** | $ 412,499 | $ 397,291 | **$ 410,980** | $ 408,473 |
| Interest-bearing deposits | **$ 236,724** | $ 235,878 | $ 209,641 | **$ 233,843** | $ 209,624 |
| Noninterest-bearing deposits | **$ 47,962** | $ 48,965 | $ 52,467 | **$ 48,955** | $ 61,438 |
| Long-term debt | **$ 33,154** | $ 31,506 | $ 31,161 | **$ 31,919** | $ 31,129 |
| Preferred stock | **$ 4,343** | $ 4,343 | $ 4,838 | **$ 4,343** | $ 4,838 |
| Total The Bank of New York Mellon Corporation common shareholders’ equity *(a)* | **$ 36,772** | $ 36,044 | $ 35,873 | **$ 36,242** | $ 35,672 |
| **Other information at period end:** | | | | | |
| Cash dividends per common share | **$ 0.47** | $ 0.42 | $ 0.42 | **$ 1.31** | $ 1.16 |
| Common dividend payout ratio *(a)* | **32%** | 28% | 35% | **31%** | 32% |
| Common dividend yield *(annualized)* | **2.6%** | 2.8% | 3.9% | **2.4%** | 3.6% |
| Closing stock price per common share | **$ 71.86** | $ 59.89 | $ 42.65 | **$ 71.86** | $ 42.65 |
| Market capitalization | **$ 52,248** | $ 44,196 | $ 32,801 | **$ 52,248** | $ 32,801 |
| Book value per common share *(a)* | **$ 51.78** | $ 49.46 | $ 46.84 | **$ 51.78** | $ 46.84 |
| Tangible book value per common share – Non-GAAP *(a)(b)* | **$ 28.01** | $ 26.19 | $ 24.52 | **$ 28.01** | $ 24.52 |
| Full-time employees *(f)* | **52,600** | 52,000 | 53,600 | **52,600** | 53,600 |
| Common shares outstanding *(in thousands)* | **727,078** | 737,957 | 769,073 | **727,078** | 769,073 |

## Consolidated Financial Highlights (unaudited) (continued)

| **Regulatory capital and other ratios** | **Sept. 30, 2024** | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| Average liquidity coverage ratio ("LCR") | **116%** | 115% | 117% |
| Average net stable funding ratio ("NSFR") | **132%** | 132% | 135% |
| | | | |
| **Regulatory capital ratios:** *(g)* | | | |
| **Advanced Approaches:** | | | |
| Common Equity Tier 1 ("CET1") ratio | **12.0%** | 11.5% | 11.5% |
| Tier 1 capital ratio | **14.6** | 14.2 | 14.2 |
| Total capital ratio | **15.6** | 15.0 | 14.9 |
| **Standardized Approach:** | | | |
| CET1 ratio | **11.9%** | 11.4% | 11.9% |
| Tier 1 capital ratio | **14.5** | 14.0 | 14.6 |
| Total capital ratio | **15.6** | 15.0 | 15.6 |
| | | | |
| Tier 1 leverage ratio | **6.0%** | 5.8% | 6.0% |
| Supplementary leverage ratio ("SLR") | **7.0** | 6.8 | 7.3 |
| | | | |
| BNY shareholders' equity to total assets ratio | **9.8%** | 9.5% | 9.9% |
| BNY common shareholders' equity to total assets ratio | **8.8** | 8.5 | 8.9 |

*(a) Results for the quarter ended Sept. 30, 2023 and the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*(b) Return on tangible common equity and tangible book value per common share, Non-GAAP measures, exclude goodwill and intangible assets, net of deferred tax liabilities. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for the reconciliation of Non-GAAP measures.*

*(c) See "Net interest income" on page 9 for a reconciliation of this Non-GAAP measure.*

*(d) Consists of AUC/A primarily from the Asset Servicing line of business and, to a lesser extent, the Clearance and Collateral Management, Issuer Services, Pershing and Wealth Management lines of business. Includes the AUC/A of CIBC Mellon Global Securities Services Company ("CIBC Mellon"), a joint venture with the Canadian Imperial Bank of Commerce, of $1.9 trillion at Sept. 30, 2024, $1.7 trillion at June 30, 2024 and $1.5 trillion at Sept. 30, 2023.*

*(e) Represents assets managed in the Investment and Wealth Management business segment.*

*(f) Beginning March 31, 2024, the number of full-time employees excludes interns.*

*(g) For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches. For additional information on our capital ratios, see "Capital" beginning on page 35.*

## Items 2. and 3. Management's Discussion and Analysis of Financial Condition and Results of Operations; Quantitative and Qualitative Disclosures about Market Risk

### General

In this Quarterly Report on Form 10-Q, references to "our," "we," "us," "BNY," the "Company" and similar terms refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries. The term "Parent" refers to The Bank of New York Mellon Corporation but not its subsidiaries.

Certain business terms used in this report are defined in the Glossary included in our Annual Report on Form 10-K for the year ended Dec. 31, 2023 (the "2023 Annual Report").

The following should be read in conjunction with the Consolidated Financial Statements included in this report. Investors should also read the section titled "Forward-looking Statements."

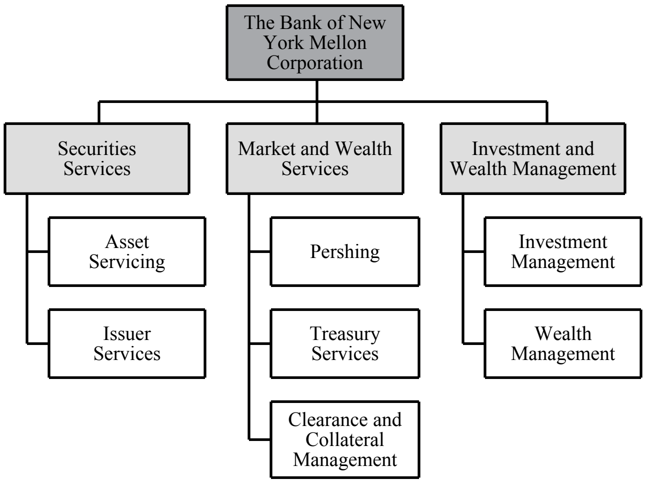
### Overview

BNY is a global financial services company that helps make money work for the world – managing it, moving it and keeping it safe. For 240 years BNY has partnered alongside clients, putting its expertise and platforms to work to help them achieve their ambitions. Today BNY helps over 90% of Fortune 100 companies and nearly all the top 100 banks globally to access the money they need. BNY supports governments in funding local projects and works with over 90% of the top 100 pension plans to safeguard investments for millions of individuals, and so much more. As of Sept. 30, 2024, BNY oversees $52.1 trillion in assets under custody and/or administration and $2.1 trillion in assets under management.

BNY is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Headquartered in New York City, BNY employs over 50,000 people globally and has been named among Fortune's World's Most Admired Companies and Fast Company's Best Workplaces for Innovators. Additional information is available on www.bny.com. Follow on LinkedIn or visit the BNY Newsroom for the latest company news.

BNY has three business segments, Securities Services, Market and Wealth Services and Investment and Wealth Management, which offer a comprehensive set of capabilities and deep expertise across the investment life cycle, enabling the Company to provide solutions to buy-side and sell-side market participants, as well as leading institutional and wealth management clients globally.

The diagram below presents our three business segments and lines of business, with the remaining operations in the Other segment.



### Key third quarter 2024 and subsequent events

*Acquisition of Archer Holdco, LLC ("Archer")*

In September 2024, BNY announced it had entered into a definitive agreement to acquire Archer, a leading technology-enabled service provider of managed account solutions to the asset and wealth management industry. The transaction closed on Nov. 1, 2024.

*Increase in cash dividend on common stock*

In July 2024, our Board of Directors approved a 12% increase in the quarterly cash dividend on our common stock, from $0.42 to $0.47 per share. The increased quarterly cash dividend was paid on Aug. 2, 2024.

## Highlights of third quarter 2024 results

Net income applicable to common shareholders was $1.11 billion, or $1.50 per diluted common share, in the third quarter of 2024, including the impact of notable items. Notable items in the third quarter of 2024 include severance expense, litigation reserves and a reduction in the FDIC special assessment. Excluding notable items, net income applicable to common shareholders was $1.13 billion (Non-GAAP), or $1.52 (Non-GAAP) per diluted common share, in the third quarter of 2024. Net income applicable to common shareholders was $958 million, or $1.23 per diluted common share, in the third quarter of 2023, including the impact of notable items. Notable items in the third quarter of 2023 include severance expense, litigation reserves and a disposal gain. Excluding notable items, net income applicable to common shareholders was $994 million (Non-GAAP), or $1.27 (Non-GAAP) per diluted common share, in the third quarter of 2023.

The highlights below are based on the third quarter of 2024 compared with the third quarter of 2023, unless otherwise noted.

- Total revenue increased 5%, primarily reflecting:
  - Fee revenue increased 5%, primarily reflecting higher market values, net new business and higher foreign exchange revenue. (See "Fee and other revenue" beginning on page 6.)
  - Investment and other revenue increased primarily reflecting a strategic equity investment loss recorded in the third quarter of 2023 and improved results from our seed capital investments. (See "Fee and other revenue" beginning on page 6.)
  - Net interest income increased 3%, primarily reflecting improved investment securities portfolio yields and balance sheet growth, partially offset by changes in deposit mix. (See "Net interest income" on page 9.)
- Provision for credit losses was $23 million, primarily driven by increases in the allowance related to commercial real estate exposure.
- Noninterest expense was flat, reflecting higher investments and employee merit increases, offset by efficiency savings and a reduction in the FDIC special assessment. Excluding notable items, noninterest expense increased 1% (Non-GAAP). (See "Noninterest expense" on page 12.)
- Effective tax rate of 22.0%. (See "Income taxes" on page 12.)
- Return on common equity ("ROE") was 12.0% for the third quarter of 2024.
- Return on tangible common equity ("ROTCE") was 22.8% (Non-GAAP) for the third quarter of 2024. Excluding notable items, the adjusted ROTCE was 23.2% (Non-GAAP) for the third quarter of 2024.

See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for a reconciliation of these Non-GAAP measures.

### Metrics

- AUC/A of $52.1 trillion increased 14%, primarily reflecting higher market values, client inflows and net new business.
- AUM of $2.1 trillion increased 18%, primarily reflecting higher market values and the favorable impact of a weaker U.S. dollar.

### Capital and liquidity

- Our CET1 ratio was 11.9% at Sept. 30, 2024 and 11.4% at June 30, 2024 under the Standardized Approach. The increase reflects capital generated through earnings and improvements in accumulated other comprehensive income, partially offset by capital returned through common stock repurchases and dividends, and higher risk-weighted assets. (See "Capital" beginning on page 35.)
- Tier 1 leverage was 6.0% at Sept. 30, 2024 and 5.8% at June 30, 2024. The increase reflects the increase in capital, partially offset by higher average assets. (See "Capital" beginning on page 35.)
- Returned $1.1 billion to common shareholders, including $725 million of common share repurchases.

## Fee and other revenue

| **Fee and other revenue** | | | | **3Q24 vs.** | | | | **YTD24 vs.** |
|---|---|---|---|---|---|---|---|---|
| *(dollars in millions, unless otherwise noted)* | **3Q24** | 2Q24 | 3Q23 | **2Q24** | **3Q23** | **YTD24** | YTD23 | **YTD23** |
| Investment services fees | **$ 2,344** | $ 2,359 | $ 2,230 | **(1)%** | **5%** | **$ 6,981** | $ 6,601 | **6%** |
| Investment management and performance fees *(a)* | **794** | 761 | 777 | **4** | **2** | **2,331** | 2,315 | **1** |
| Foreign exchange revenue | **175** | 184 | 154 | **(5)** | **14** | **511** | 488 | **5** |
| Financing-related fees | **53** | 53 | 45 | **—** | **18** | **163** | 147 | **11** |
| Distribution and servicing fees | **38** | 41 | 39 | **(7)** | **(3)** | **121** | 107 | **13** |
| Total fee revenue | **3,404** | 3,398 | 3,245 | **—** | **5** | **10,107** | 9,658 | **5** |
| Investment and other revenue *(b)* | **196** | 169 | 159 | **N/M** | **N/M** | **547** | 437 | **N/M** |
| Total fee and other revenue *(b)* | **$ 3,600** | $ 3,567 | $ 3,404 | **1%** | **6%** | **$10,654** | $10,095 | **6%** |
| Fee revenue as a percentage of total revenue | **73%** | 74% | 73% | | | **73%** | 72% | |
| AUC/A at period end *(in trillions) (c)* | **$ 52.1** | $ 49.5 | $ 45.7 | **5%** | **14%** | **$ 52.1** | $ 45.7 | **14%** |
| AUM at period end *(in billions) (d)* | **$ 2,144** | $ 2,045 | $ 1,821 | **5%** | **18%** | **$ 2,144** | $ 1,821 | **18%** |

*(a) Excludes seed capital gains (losses) related to consolidated investment management funds.*

*(b) Results for the quarter ended Sept. 30, 2023 and the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*(c) Consists of AUC/A primarily from the Asset Servicing line of business and, to a lesser extent, the Clearance and Collateral Management, Issuer Services, Pershing and Wealth Management lines of business. Includes the AUC/A of CIBC Mellon of $1.9 trillion at Sept. 30, 2024, $1.7 trillion at June 30, 2024 and $1.5 trillion at Sept. 30, 2023.*

*(d) Represents assets managed in the Investment and Wealth Management business segment.*

*N/M – Not meaningful.*

Fee revenue increased 5% compared with the third quarter of 2023 and was flat compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher investment services fees, foreign exchange revenue and investment management and performance fees. Compared with the second quarter of 2024, higher investment management and performance fees were offset by lower investment services fees and foreign exchange revenue.

Investment and other revenue increased $37 million compared with the third quarter of 2023 and $27 million compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects a strategic equity investment loss recorded in the third quarter of 2023 and improved results from our seed capital investments. The increase compared with the second quarter of 2024 primarily reflects improved seed capital results and higher client activity in our fixed income and equity trading business.

*Investment services fees*

Investment services fees increased 5% compared with the third quarter of 2023 and decreased 1% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher market values, net new business and higher client activity, partially offset by lower Depositary Receipts revenue. The decrease compared with the second quarter of 2024 primarily reflects lower Depositary Receipts revenue, partially offset by higher market values.

AUC/A totaled $52.1 trillion at Sept. 30, 2024, an increase of 14% compared with Sept. 30, 2023, primarily reflecting higher market values, client inflows and net new business. AUC/A consisted of 37% equity securities and 63% fixed income securities at Sept. 30, 2024, and 34% equity securities and 66% fixed income securities at Sept. 30, 2023.

See “Securities Services business segment” and “Market and Wealth Services business segment” in “Review of business segments” for additional details.

*Investment management and performance fees*

Investment management and performance fees increased 2% compared with the third quarter of 2023 and 4% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher market values, partially offset by the mix of AUM flows and lower performance fees. The increase compared with the second quarter of 2024 primarily reflects higher market values and the timing of performance fees. Performance fees were $13 million in the third quarter of 2024, $30 million in the third quarter of 2023 and $8 million in the second quarter of 2024. On a constant currency basis (Non-GAAP), investment management and performance fees increased 2% compared with the third quarter of 2023. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for the reconciliation of Non-GAAP measures.

AUM was $2.1 trillion at Sept. 30, 2024, an increase of 18% compared with Sept. 30, 2023, primarily reflecting higher market values and the favorable impact of a weaker U.S. dollar.

See "Investment and Wealth Management business segment" in "Review of business segments" for additional details regarding the drivers of investment management and performance fees, AUM and AUM flows.

*Foreign exchange revenue*

Foreign exchange revenue is primarily driven by the volume of client transactions and the spread realized on these transactions, both of which are impacted by market volatility, the impact of foreign currency hedging activities and foreign currency remeasurement gain (loss). Foreign exchange revenue increased 14% compared with the third quarter of 2023 and decreased 5% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher volumes. The decrease compared with the second quarter of 2024 primarily reflects lower volumes, partially offset by higher volatility. Foreign exchange revenue is primarily reported in the Securities Services business segment and, to a lesser extent, in the Market and Wealth Services and Investment and Wealth Management business segments and the Other segment.

*Financing-related fees*

Financing-related fees, which are primarily reported in the Market and Wealth Services and Securities Services business segments, include capital market fees, loan commitment fees and credit-related fees. Financing-related fees increased 18% compared with the third quarter of 2023 and were flat compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher underwriting fees.

*Investment and other revenue*

Investment and other revenue includes income or loss from consolidated investment management funds, seed capital gains or losses, other trading revenue or loss, renewable energy investments gains, income from corporate and bank-owned life insurance contracts, other investment gains or losses, gains or losses from disposals, expense reimbursements from our CIBC Mellon joint venture, other income or loss and net securities gains or losses. The income or loss from consolidated investment management funds should be considered together with the net income or loss attributable to noncontrolling interests, which reflects the portion of the consolidated funds for which we do not have an economic interest and is reflected below net income as a separate line item on the consolidated income statement. Other trading revenue or loss primarily includes the impact of market-risk hedging activity related to our seed capital investments in investment management funds, non-foreign currency derivative and fixed income trading, and other hedging activity. Other investment gains or losses includes fair value changes of non-readily marketable strategic equity, private equity and other investments. Expense reimbursements from our CIBC Mellon joint venture relate to expenses incurred by BNY on behalf of the CIBC Mellon joint venture. Other income includes various miscellaneous revenues.

The following table provides the components of investment and other revenue.

| **Investment and other revenue**<br>*(in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|
| Income (loss) from consolidated investment management funds | **$ 28** | $ 8 | $ (11) | **$ 51** | $ 4 |
| Seed capital gains (losses) *(a)* | **3** | — | (4) | **17** | 11 |
| Other trading revenue | **79** | 77 | 86 | **225** | 184 |
| Renewable energy investments gains *(b)* | **6** | 8 | 1 | **20** | 26 |
| Corporate/bank-owned life insurance | **36** | 26 | 29 | **90** | 79 |
| Other investments gains (losses) *(c)* | **12** | 30 | (9) | **59** | (8) |
| Disposal gains | **—** | — | 2 | **—** | — |
| Expense reimbursements from joint venture | **32** | 30 | 29 | **89** | 89 |
| Other income | **17** | 7 | 55 | **31** | 72 |
| Net securities (losses) | **(17)** | (17) | (19) | **(35)** | (20) |
| Total investment and other revenue *(b)* | **$ 196** | $ 169 | $ 159 | **$ 547** | $ 437 |

*(a) Includes gains (losses) on investments in BNY funds which hedge deferred incentive awards.*

*(b) Results for the quarter ended Sept. 30, 2023 and the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*(c) Includes strategic equity, private equity and other investments.*

The increase in total investment and other revenue compared with the third quarter of 2023 primarily reflects a strategic equity investment loss recorded in the third quarter of 2023 and improved results from our seed capital investments. The increase compared with the second quarter of 2024 primarily reflects improved seed capital results and higher client activity in our fixed income and equity trading business.

*Year-to-date 2024 compared with year-to-date 2023*

Fee revenue increased 5% compared with the first nine months of 2023, primarily reflecting higher investment services fees. The 6% increase in investment services fees primarily reflects higher market values, net new business and higher client activity. Investment management and performance fees increased 1%, primarily reflecting higher market values, partially offset by the mix of AUM flows and lower performance fees. The 5% increase in foreign exchange revenue primarily reflects higher volumes, partially offset by lower volatility.

Investment and other revenue increased $110 million compared with the first nine months of 2023, primarily reflecting higher client activity in our fixed income and equity trading business, strategic equity investment losses recorded in the first nine months of 2023 and improved seed capital results, partially offset by higher securities losses.

## Net interest income

| **Net interest income** *(dollars in millions)* | **3Q24** | 2Q24 | 3Q23 | **3Q24 vs. 2Q24** | **3Q24 vs. 3Q23** | **YTD24** | YTD23 | **YTD24 vs. YTD23** |
|---|---|---|---|---|---|---|---|---|
| Net interest income | **$ 1,048** | $ 1,030 | $ 1,016 | **2%** | **3%** | **$ 3,118** | $ 3,244 | **(4)%** |
| Add: Tax equivalent adjustment | **—** | 1 | — | **N/M** | **N/M** | **1** | 1 | **N/M** |
| Net interest income (FTE) – Non-GAAP *(a)* | **$ 1,048** | $ 1,031 | $ 1,016 | **2%** | **3%** | **$ 3,119** | $ 3,245 | **(4)%** |
| Average interest-earning assets | **$356,934** | $353,633 | $339,044 | **1%** | **5%** | **$352,250** | $349,789 | **1%** |
| Net interest margin | **1.16%** | 1.15% | 1.18% | **1 bps** | **(2) bps** | **1.16%** | 1.23% | **(7) bps** |
| Net interest margin (FTE) – Non-GAAP *(a)* | **1.16%** | 1.15% | 1.18% | **1 bps** | **(2) bps** | **1.16%** | 1.23% | **(7) bps** |

*(a) Net interest income (FTE) – Non-GAAP and net interest margin (FTE) – Non-GAAP include the tax equivalent adjustments on tax-exempt income, which allows for comparisons of amounts arising from both taxable and tax-exempt sources and is consistent with industry practice. The adjustment to an FTE basis has no impact on net income.*

*N/M – Not meaningful.*

*bps – basis points.*

Net interest income increased 3% compared with the third quarter of 2023 and 2% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects improved investment securities portfolio yields and balance sheet growth, partially offset by changes in deposit mix. The increase compared with the second quarter of 2024 primarily reflects higher sponsored member cleared repo activity.

Net interest margin decreased 2 basis points compared with the third quarter of 2023 and increased 1 basis point compared with the second quarter of 2024. The changes compared with the third quarter of 2023 and the second quarter of 2024 primarily reflect the factors mentioned above.

Average interest-earning assets increased 5% compared with the third quarter of 2023 and 1% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher securities and loan balances and federal funds sold and securities purchased under resale agreements, partially offset by lower interest-bearing deposits with banks. The increase compared with the second quarter of 2024 primarily reflects higher securities balances and federal funds sold and securities purchased under resale agreements, partially offset by lower interest-bearing deposits with the Federal Reserve and other central banks.

Average non-U.S. dollar deposits comprised approximately 25% of our average total deposits in the third quarter of 2024. Approximately 50% of the average non-U.S. dollar deposits in the third quarter of 2024 were euro-denominated.

*Year-to-date 2024 compared with year-to-date 2023*

Net interest income decreased 4% compared with the first nine months of 2023, primarily driven by changes in balance sheet mix, partially offset by higher interest rates. The decrease in the net interest margin primarily reflects the factors mentioned above.

Average interest-earning assets increased 1% compared with the first nine months of 2023, primarily reflecting higher loan balances and federal funds sold and securities purchased under resale agreements, partially offset by lower interest-bearing deposits with banks.

| **Average balances and interest rates** | Quarter ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | June 30, 2024 | | | Sept. 30, 2023 | | |
| *(dollars in millions; average rates are annualized)* | **Average balance** | **Interest** | **Average rates** | Average balance | Interest | Average rates | Average balance | Interest | Average rates |
| **Assets** | | | | | | | | | |
| Interest-earning assets: | | | | | | | | | |
| Interest-bearing deposits with the Federal Reserve and other central banks | **$ 100,611** | **$ 1,188** | **4.62%** | $ 102,257 | $ 1,201 | 4.65% | $ 98,767 | $ 1,153 | 4.57% |
| Interest-bearing deposits with banks | **10,559** | **109** | **4.15** | 11,210 | 110 | 3.91 | 12,287 | 125 | 4.04 |
| Federal funds sold and securities purchased under resale agreements *(a)* | **31,183** | **2,874** | **36.65** | 29,013 | 2,631 | 36.48 | 26,915 | 2,066 | 30.47 |
| Loans | **69,205** | **1,142** | **6.57** | 68,283 | 1,119 | 6.58 | 63,962 | 1,029 | 6.39 |
| Securities: | | | | | | | | | |
| U.S. government obligations | **28,490** | **266** | **3.71** | 28,347 | 269 | 3.82 | 32,224 | 250 | 3.08 |
| U.S. government agency obligations | **62,572** | **511** | **3.26** | 62,549 | 515 | 3.29 | 59,481 | 426 | 2.87 |
| Other securities | **48,647** | **487** | **4.00** | 46,828 | 472 | 4.04 | 39,874 | 394 | 3.93 |
| Total investment securities | **139,709** | **1,264** | **3.61** | 137,724 | 1,256 | 3.66 | 131,579 | 1,070 | 3.24 |
| Trading securities *(b)* | **5,667** | **75** | **5.33** | 5,146 | 76 | 5.89 | 5,534 | 76 | 5.49 |
| Total securities *(b)* | **145,376** | **1,339** | **3.68** | 142,870 | 1,332 | 3.74 | 137,113 | 1,146 | 3.33 |
| Total interest-earning assets *(b)* | **$ 356,934** | **$ 6,652** | **7.40%** | $ 353,633 | $ 6,393 | 7.24% | $ 339,044 | $ 5,519 | 6.45% |
| Noninterest-earning assets | **59,463** | | | 58,866 | | | 58,247 | | |
| Total assets | **$ 416,397** | | | $ 412,499 | | | $ 397,291 | | |
| **Liabilities and equity** | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Interest-bearing deposits | **$ 236,724** | **$ 2,271** | **3.82%** | $ 235,878 | $ 2,255 | 3.85% | $ 209,641 | $ 1,911 | 3.62% |
| Federal funds purchased and securities sold under repurchase agreements *(a)* | **16,584** | **2,620** | **62.85** | 17,711 | 2,433 | 55.26 | 21,512 | 1,956 | 36.07 |
| Trading liabilities | **1,844** | **22** | **4.83** | 1,689 | 23 | 5.43 | 3,959 | 48 | 4.80 |
| Other borrowed funds | **418** | **3** | **3.15** | 351 | 8 | 8.61 | 540 | 6 | 4.47 |
| Commercial paper | **1,474** | **21** | **5.50** | 954 | 13 | 5.54 | 7 | — | 4.13 |
| Payables to customers and broker-dealers | **12,737** | **170** | **5.29** | 12,066 | 161 | 5.35 | 13,515 | 147 | 4.30 |
| Long-term debt | **33,154** | **497** | **5.93** | 31,506 | 469 | 5.92 | 31,161 | 435 | 5.52 |
| Total interest-bearing liabilities | **$ 302,935** | **$ 5,604** | **7.36%** | $ 300,155 | $ 5,362 | 7.18% | $ 280,335 | $ 4,503 | 6.37% |
| Total noninterest-bearing deposits | **47,962** | | | 48,965 | | | 52,467 | | |
| Other noninterest-bearing liabilities | **24,122** | | | 22,839 | | | 23,699 | | |
| Total liabilities | **375,019** | | | 371,959 | | | 356,501 | | |
| Total The Bank of New York Mellon Corporation shareholders' equity | **41,115** | | | 40,387 | | | 40,711 | | |
| Noncontrolling interests | **263** | | | 153 | | | 79 | | |
| Total liabilities and equity | **$ 416,397** | | | $ 412,499 | | | $ 397,291 | | |
| Net interest income (FTE) – Non-GAAP *(b)(c)* | | **$ 1,048** | | | $ 1,031 | | | $ 1,016 | |
| Net interest margin (FTE) – Non-GAAP *(b)(c)* | | | **1.16%** | | | 1.15% | | | 1.18% |
| Less: Tax equivalent adjustment | | **—** | | | 1 | | | — | |
| Net interest income – GAAP | | **$ 1,048** | | | $ 1,030 | | | $ 1,016 | |
| Net interest margin – GAAP | | | **1.16%** | | | 1.15% | | | 1.18% |

*(a) Includes the average impact of offsetting under enforceable netting agreements of approximately $179 billion for the third quarter of 2024, $163 billion for the second quarter of 2024 and $126 billion for the third quarter of 2023. On a Non-GAAP basis, excluding the impact of offsetting, the yield on federal funds sold and securities purchased under resale agreements would have been 5.43% for the third quarter of 2024, 5.51% for the second quarter of 2024 and 5.36% for the third quarter of 2023. On a Non-GAAP basis, excluding the impact of offsetting, the rate on federal funds purchased and securities sold under repurchase agreements would have been 5.32% for the third quarter of 2024, 5.41% for the second quarter of 2024 and 5.26% for the third quarter of 2023. We believe providing rates excluding the impact of netting is useful to investors as it is more reflective of the actual rates earned and paid.*

*(b) Average rates were calculated on an FTE basis, at tax rates of approximately 21%.*

*(c) See "Net interest income" on page 9 for the reconciliation of this Non-GAAP measure.*

| **Average balances and interest rates** | Year-to-date | | | | | |
|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | Sept. 30, 2023 | | |
| *(dollars in millions; average rates are annualized)* | **Average balance** | **Interest** | **Average rates** | Average balance | Interest | Average rates |
| **Assets** | | | | | | |
| Interest-earning assets: | | | | | | |
| Interest-bearing deposits with the Federal Reserve and other central banks | **$ 101,883** | **$ 3,608** | **4.65%** | $ 102,762 | $ 3,247 | 4.17% |
| Interest-bearing deposits with banks | **11,162** | **340** | **4.07** | 14,129 | 393 | 3.72 |
| Federal funds sold and securities purchased under resale agreements *(a)* | **29,079** | **7,938** | **36.46** | 26,187 | 4,833 | 24.68 |
| Loans | **67,782** | **3,322** | **6.54** | 63,563 | 2,852 | 6.00 |
| Securities: | | | | | | |
| U.S. government obligations | **28,028** | **785** | **3.74** | 35,050 | 776 | 2.95 |
| U.S. government agency obligations | **62,751** | **1,534** | **3.26** | 61,098 | 1,259 | 2.75 |
| Other securities | **46,343** | **1,394** | **4.02** | 41,096 | 1,099 | 3.57 |
| Total investment securities | **137,122** | **3,713** | **3.61** | 137,244 | 3,134 | 3.05 |
| Trading securities *(b)* | **5,222** | **220** | **5.64** | 5,904 | 227 | 5.15 |
| Total securities *(b)* | **142,344** | **3,933** | **3.69** | 143,148 | 3,361 | 3.13 |
| Total interest-earning assets *(b)* | **$ 352,250** | **$ 19,141** | **7.23%** | $ 349,789 | $ 14,686 | 5.59% |
| Noninterest-earning assets | **58,730** | | | 58,684 | | |
| Total assets | **$ 410,980** | | | $ 408,473 | | |
| | | | | | | |
| **Liabilities and equity** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits | **$ 233,843** | **$ 6,713** | **3.83%** | $ 209,624 | $ 5,016 | 3.20% |
| Federal funds purchased and securities sold under repurchase agreements *(a)* | **16,809** | **7,296** | **57.98** | 22,048 | 4,577 | 27.75 |
| Trading liabilities | **1,728** | **66** | **5.11** | 3,629 | 121 | 4.47 |
| Other borrowed funds | **424** | **15** | **4.78** | 1,317 | 41 | 4.08 |
| Commercial paper | **815** | **34** | **5.51** | 4 | — | 4.55 |
| Payables to customers and broker-dealers | **12,409** | **477** | **5.13** | 15,077 | 418 | 3.70 |
| Long-term debt | **31,919** | **1,421** | **5.89** | 31,129 | 1,268 | 5.39 |
| Total interest-bearing liabilities | **$ 297,947** | **$ 16,022** | **7.18%** | $ 282,828 | $ 11,441 | 5.40% |
| Total noninterest-bearing deposits | **48,955** | | | 61,438 | | |
| Other noninterest-bearing liabilities | **23,325** | | | 23,637 | | |
| Total liabilities | **370,227** | | | 367,903 | | |
| Total The Bank of New York Mellon Corporation shareholders' equity | **40,585** | | | 40,510 | | |
| Noncontrolling interests | **168** | | | 60 | | |
| Total liabilities and equity | **$ 410,980** | | | $ 408,473 | | |
| Net interest income (FTE) – Non-GAAP *(b)(c)* | | **$ 3,119** | | | $ 3,245 | |
| Net interest margin (FTE) – Non-GAAP *(b)(c)* | | | **1.16%** | | | 1.23% |
| Less: Tax equivalent adjustment | | **1** | | | 1 | |
| Net interest income – GAAP | | **$ 3,118** | | | $ 3,244 | |
| Net interest margin – GAAP | | | **1.16%** | | | 1.23% |

*(a) Includes the average impact of offsetting under enforceable netting agreements of approximately $165 billion for the first nine months of 2024 and $101 billion for the first nine months of 2023. On a Non-GAAP basis, excluding the impact of offsetting, the yield on federal funds sold and securities purchased under resale agreements would have been 5.47% for the first nine months of 2024 and 5.10% for the first nine months of 2023. On a Non-GAAP basis, excluding the impact of offsetting, the rate on federal funds purchased and securities sold under repurchase agreements would have been 5.37% for the first nine months of 2024 and 4.99% for the first nine months of 2023. We believe providing rates excluding the impact of netting is useful to investors as it is more reflective of the actual rates earned and paid.*

*(b) Average rates were calculated on an FTE basis, at tax rates of approximately 21%.*

*(c) See "Net interest income" on page 9 for the reconciliation of this Non-GAAP measure.*

## Noninterest expense

| **Noninterest expense** | | | | **3Q24 vs.** | | | | **YTD24 vs.** |
|---|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | **3Q24** | 2Q24 | 3Q23 | **2Q24** | **3Q23** | **YTD24** | YTD23 | **YTD23** |
| Staff | **$ 1,736** | $ 1,720 | $ 1,755 | **1%** | **(1)%** | **$ 5,313** | $ 5,264 | **1%** |
| Software and equipment | **491** | 476 | 452 | **3** | **9** | **1,442** | 1,331 | **8** |
| Professional, legal and other purchased services | **370** | 374 | 368 | **(1)** | **1** | **1,093** | 1,121 | **(2)** |
| Net occupancy | **130** | 134 | 140 | **(3)** | **(7)** | **388** | 380 | **2** |
| Sub-custodian and clearing | **117** | 134 | 121 | **(13)** | **(3)** | **370** | 358 | **3** |
| Distribution and servicing | **90** | 88 | 87 | **2** | **3** | **274** | 265 | **3** |
| Business development | **48** | 50 | 36 | **(4)** | **33** | **134** | 122 | **10** |
| Bank assessment charges | **10** | (7) | 37 | **N/M** | **N/M** | **20** | 118 | **N/M** |
| Amortization of intangible assets | **12** | 13 | 15 | **(8)** | **(20)** | **37** | 43 | **(14)** |
| Other | **96** | 88 | 78 | **9** | **23** | **275** | 298 | **(8)** |
| Total noninterest expense | **$ 3,100** | $ 3,070 | $ 3,089 | **1%** | **—%** | **$ 9,346** | $ 9,300 | **—%** |
| Full-time employees at period end *(a)* | **52,600** | 52,000 | 53,600 | **1%** | **(2)%** | **52,600** | 53,600 | **(2)%** |

*(a) Beginning March 31, 2024, the number of full-time employees excludes interns.*
*N/M – Not meaningful.*

Total noninterest expense was flat compared with the third quarter of 2023, reflecting higher investments and employee merit increases, offset by efficiency savings and a reduction in the FDIC special assessment. Excluding notable items, total noninterest expense increased 1% (Non-GAAP) compared with the third quarter of 2023. The investments in growth, infrastructure and efficiency initiatives are primarily included in staff, software and equipment, and professional, legal and other purchased services expenses. Total noninterest expense increased 1% compared with the second quarter of 2024, primarily reflecting higher investments and the impact of the adjustments to the FDIC special assessment recorded in the second and third quarters of 2024. Excluding notable items, total noninterest expense was flat (Non-GAAP) compared with the second quarter of 2024.

See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for the reconciliation of this Non-GAAP measure.

*Year-to-date 2024 compared with year-to-date 2023*

Total noninterest expense was flat compared with the first nine months of 2023, reflecting efficiency savings, reductions in the FDIC special assessment and lower litigation reserves, offset by higher investments, employee merit increases and higher severance and revenue-related expenses. Excluding notable items, total noninterest expense increased 1% (Non-GAAP) compared with the first nine months of 2023.

## Income taxes

BNY recorded an income tax provision of $336 million (22.0% effective tax rate) in the third quarter of 2024. The income tax provision was $285 million (21.5% effective tax rate) in the third quarter of 2023 and $357 million (23.4% effective tax rate) in the second quarter of 2024.

On Jan. 1, 2024, we adopted ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, on a retrospective basis. See Note 2 of the Notes to Consolidated Financial Statements for additional information on the new accounting guidance.

For additional information on income taxes, see Note 11 of the Notes to Consolidated Financial Statements.

## Review of business segments

We have an internal information system that produces performance data along product and service lines for our three principal business segments: Securities Services, Market and Wealth Services and Investment and Wealth Management, and the Other segment.

*Business segment accounting principles*

Our business segment data has been determined on an internal management basis of accounting, rather than the generally accepted accounting principles ("GAAP") used for consolidated financial reporting. These measurement principles are designed so that reported results of the businesses will track their economic performance.

For information on the accounting principles of our business segments, see Note 19 of the Notes to Consolidated Financial Statements. For information on the primary products and services in each line of business, the primary types of revenue by line of business and how our business segments are presented and analyzed, see Note 24 of the Notes to Consolidated Financial Statements in our 2023 Annual Report.

Business segment results are subject to reclassification when organizational changes are made, or for refinements in revenue and expense allocation methodologies. Refinements are typically reflected on a prospective basis. There were no reclassifications or organizational changes in the third quarter of 2024. In the first quarter of 2024, we made certain realignments of similar products and services within our lines of business consistent with the firm's ongoing transition to a platforms operating model uniting related capabilities and enabling streamlining of internal processes to drive growth, efficiency, resiliency, and enhanced risk management. The largest change was the movement of Institutional Solutions from Pershing to Clearance and Collateral Management, both in the Market and Wealth Services business segment. We made other smaller changes that moved activity from Asset Servicing in the Securities Services business segment to Treasury Services in the Market and Wealth Services business segment, and from Wealth Management in the Investment and Wealth Management business segment and Pershing in the Market and Wealth Services business segment to Investment Management in the Investment and Wealth Management business segment. The Other segment was not impacted by the changes. Business segment results for the three and nine months ended Sept. 30, 2023 have been revised to reflect these changes.

The results of our business segments may be influenced by client and other activities that vary by quarter. In the first quarter, staff expense typically increases, reflecting the vesting of long-term stock awards for retirement-eligible employees. The timing of our annual employee merit increases also impacts staff expense. In 2024, the merit increase was effective in March, thus partially impacting the first quarter and second quarter staff expense variances. For 2023, the merit increase was effective at the beginning of the second quarter. In the third quarter, volume-related fees may decline due to reduced client activity. In the fourth quarter, we typically incur higher business development and marketing expenses. In our Investment and Wealth Management business segment, performance fees are typically higher in the fourth and first quarters, as those quarters represent the end of the measurement period for many of the performance fee-eligible relationships.

The results of our business segments may also be impacted by the translation of financial results denominated in foreign currencies to the U.S. dollar. We are primarily impacted by activities denominated in the British pound and the euro. On a consolidated basis and in our Securities Services and Market and Wealth Services business segments, we typically have more foreign currency-denominated expenses than revenues. However, our Investment and Wealth Management business segment typically has more foreign currency-denominated revenues than expenses. Overall, currency fluctuations impact the year-over-year growth rate in the Investment and Wealth Management business segment more than the Securities Services and Market and Wealth Services business segments. However, currency fluctuations, in isolation, are not expected to significantly impact net income on a consolidated basis.

Fee revenue in the Investment and Wealth Management business segment, and, to a lesser extent, the Securities Services and Market and Wealth Services business segments, is impacted by global market fluctuations. At Sept. 30, 2024, we estimated that a 5% change in global equity markets, spread evenly throughout the year, would impact fee revenue by less than 1% and diluted earnings per common share by $0.04 to $0.07.

See Note 19 of the Notes to Consolidated Financial Statements for the consolidating schedules, which show the contribution of our business segments to our overall profitability.

## *Securities Services business segment*

| *(dollars in millions, unless otherwise noted)* | 3Q24 | 2Q24 | 1Q24 | 4Q23 | 3Q23 | 3Q24 vs. | | YTD24 | YTD23 | YTD24 vs. YTD23 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 2Q24 | 3Q23 | | | |
| Revenue: | | | | | | | | | | |
| Investment services fees: | | | | | | | | | | |
| Asset Servicing | $ 1,021 | $ 1,018 | $ 1,013 | $ 975 | $ 976 | —% | 5% | $ 3,052 | $ 2,897 | 5% |
| Issuer Services | 285 | 322 | 261 | 285 | 281 | (11) | 1 | 868 | 836 | 4 |
| Total investment services fees | 1,306 | 1,340 | 1,274 | 1,260 | 1,257 | (3) | 4 | 3,920 | 3,733 | 5 |
| Foreign exchange revenue | 137 | 144 | 124 | 118 | 107 | (5) | 28 | 405 | 370 | 9 |
| Other fees *(a)* | 57 | 56 | 59 | 54 | 52 | 2 | 10 | 172 | 161 | 7 |
| Total fee revenue | 1,500 | 1,540 | 1,457 | 1,432 | 1,416 | (3) | 6 | 4,497 | 4,264 | 5 |
| Investment and other revenue | 105 | 104 | 99 | 112 | 65 | N/M | N/M | 308 | 221 | N/M |
| Total fee and other revenue | 1,605 | 1,644 | 1,556 | 1,544 | 1,481 | (2) | 8 | 4,805 | 4,485 | 7 |
| Net interest income | 609 | 595 | 583 | 635 | 600 | 2 | 2 | 1,787 | 1,934 | (8) |
| Total revenue | 2,214 | 2,239 | 2,139 | 2,179 | 2,081 | (1) | 6 | 6,592 | 6,419 | 3 |
| Provision for credit losses | 15 | (3) | 11 | 64 | 19 | N/M | N/M | 23 | 35 | N/M |
| Noninterest expense (excluding amortization of intangible assets) | 1,550 | 1,547 | 1,530 | 1,645 | 1,590 | — | (3) | 4,627 | 4,682 | (1) |
| Amortization of intangible assets | 7 | 7 | 7 | 8 | 8 | — | (13) | 21 | 23 | (9) |
| Total noninterest expense | 1,557 | 1,554 | 1,537 | 1,653 | 1,598 | — | (3) | 4,648 | 4,705 | (1) |
| Income before income taxes | $ 642 | $ 688 | $ 591 | $ 462 | $ 464 | (7)% | 38% | $ 1,921 | $ 1,679 | 14% |
| Pre-tax operating margin | 29% | 31% | 28% | 21% | 22% | | | 29% | 26% | |
| Securities lending revenue *(b)* | $ 47 | $ 46 | $ 46 | $ 48 | $ 46 | 2% | 2% | $ 139 | $ 141 | (1)% |
| **Total revenue by line of business:** | | | | | | | | | | |
| Asset Servicing | $ 1,720 | $ 1,687 | $ 1,668 | $ 1,675 | $ 1,585 | 2% | 9% | $ 5,075 | $ 4,937 | 3% |
| Issuer Services | 494 | 552 | 471 | 504 | 496 | (11) | — | 1,517 | 1,482 | 2 |
| Total revenue by line of business | $ 2,214 | $ 2,239 | $ 2,139 | $ 2,179 | $ 2,081 | (1)% | 6% | $ 6,592 | $ 6,419 | 3% |
| **Selected average balances:** | | | | | | | | | | |
| Average loans | $ 11,077 | $ 11,103 | $ 11,204 | $ 11,366 | $ 11,236 | —% | (1)% | $ 11,128 | $ 11,154 | —% |
| Average deposits | $180,500 | $178,495 | $174,687 | $171,086 | $162,509 | 1% | 11% | $177,904 | $167,510 | 6% |
| **Selected metrics:** | | | | | | | | | | |
| AUC/A at period end *(in trillions) (c)* | $ 37.5 | $ 35.7 | $ 35.4 | $ 34.2 | $ 32.3 | 5% | 16% | | | |
| Market value of securities on loan at period end *(in billions) (d)* | $ 484 | $ 481 | $ 486 | $ 450 | $ 406 | 1% | 19% | | | |
| Issuer Services: | | | | | | | | | | |
| Total debt serviced at period end *(in trillions)* | $ 14.3 | $ 14.1 | $ 14.0 | $ 14.0 | $ 13.8 | 1% | 4% | | | |
| Number of sponsored Depositary Receipts programs at period end | 507 | 516 | 527 | 543 | 559 | (2)% | (9)% | | | |

*(a) Other fees primarily include financing-related fees.*

*(b) Included in investment services fees reported in the Asset Servicing line of business.*

*(c) Consists of AUC/A primarily from the Asset Servicing line of business and, to a lesser extent, the Issuer Services line of business. Includes the AUC/A of CIBC Mellon of $1.9 trillion at Sept. 30, 2024, $1.7 trillion at June 30, 2024, March 31, 2024 and Dec. 31, 2023, and $1.5 trillion at Sept. 30, 2023.*

*(d) Represents the total amount of securities on loan in our agency securities lending program. Excludes securities for which BNY acts as agent on behalf of CIBC Mellon clients, which totaled $67 billion at Sept. 30, 2024, $66 billion at June 30, 2024, $64 billion at March 31, 2024 and $63 billion at Dec. 31, 2023 and Sept. 30, 2023.*

*N/M – Not meaningful.*

*Business segment description*

The Securities Services business segment consists of two distinct lines of business, Asset Servicing and Issuer Services, which provide business solutions across the transaction life cycle to our global asset owner and asset manager clients. We are one of the leading global investment services providers with $37.5 trillion of AUC/A at Sept. 30, 2024. For information on the drivers of the Securities Services fee revenue, see Note 10 of the Notes to Consolidated Financial Statements in our 2023 Annual Report.

The Asset Servicing business provides a comprehensive suite of solutions. We are one of the largest global custody and front-to-back outsourcing partners. We offer services for the safekeeping of assets in capital markets globally, as well as fund accounting services, exchange-traded funds servicing, transfer agency, trust and depository, front-to-back capabilities as well as data and analytics solutions for our clients. We deliver foreign exchange, securities lending and financing solutions, on both an agency and principal basis. Our agency securities lending program is one of the largest lenders of U.S. and non-U.S. securities, servicing a lendable asset pool of approximately $5 trillion in 34 separate markets. Our market-leading liquidity services portal enables cash investments for institutional clients and includes fund research and analytics.

Our Digital Asset Custody platform offers custody and administration services for Bitcoin and Ether for select U.S. institutional clients. Our Digital Assets Funds Services provides accounting and administration, transfer agency and ETF services to digital asset funds. We expect to continue developing our digital asset capabilities and to work closely with clients to address their evolving digital asset needs. As of and for the quarter ended Sept. 30, 2024, our Digital Asset Custody platform and related initiative had a de minimis impact on our assets, liabilities, revenues and expenses.

The Issuer Services business includes Corporate Trust and Depositary Receipts. Our Corporate Trust business delivers a full range of issuer and related investor services, including trustee, paying agency, fiduciary, escrow and other financial services. We are a leading provider to debt capital markets, providing customized and market-driven solutions to investors, bondholders and lenders. Our Depositary Receipts business drives global investing by providing servicing and value-added solutions that enable, facilitate and enhance cross-border trading, clearing, settlement and ownership. We are one of the largest providers of depositary receipts services in the world, partnering with leading companies from more than 50 countries.

*Review of financial results*

AUC/A of $37.5 trillion increased 16% compared with Sept. 30, 2023, primarily reflecting higher market values, net new business and client inflows.

Total revenue of $2.2 billion increased 6% compared with the third quarter of 2023 and decreased 1% compared with the second quarter of 2024. The drivers of total revenue by line of business are indicated below.

Asset Servicing revenue of $1.7 billion increased 9% compared with the third quarter of 2023 and 2% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher market values and client activity, a strategic equity investment loss recorded in the third quarter of 2023, net new business and higher net interest income. The increase compared with the second quarter of 2024 primarily reflects higher net interest income and market values.

Issuer Services revenue of $494 million was flat compared with the third quarter of 2023 and decreased 11% compared with the second quarter of 2024. Compared with the third quarter of 2023, total revenue reflects higher Corporate Trust fees offset by lower Depositary Receipts revenue. The decrease compared with the second quarter of 2024 primarily reflects lower Depositary Receipts revenue and net interest income.

Market and regulatory trends are driving investable assets toward lower fee asset management products at reduced margins for our clients. These dynamics are also negatively impacting our investment services fees. However, at the same time, these trends are providing additional outsourcing opportunities as clients and other market participants seek to comply with regulations and reduce their operating costs.

Noninterest expense of $1.6 billion decreased 3% compared with the third quarter of 2023 and was flat compared with the second quarter of 2024. The decrease compared with the third quarter of 2023 primarily reflects efficiency savings and lower severance expense, partially offset by higher investments and employee merit increases.

*Year-to-date 2024 compared with year-to-date 2023*

Total revenue of $6.6 billion increased 3% compared with the first nine months of 2023. Asset Servicing revenue of $5.1 billion increased 3% compared with the first nine months of 2023, primarily reflecting higher market values, higher client activity in our fixed income and trading businesses, net new business and a strategic equity investment loss recorded in the first nine months of 2023, partially offset by lower net interest income. Issuer Services revenue of $1.5 billion increased 2%, primarily reflecting higher Corporate Trust fees, partially offset by lower Depositary Receipts revenue.

Noninterest expense of $4.6 billion decreased 1% compared with the first nine months of 2023, primarily reflecting efficiency savings and lower severance expense, partially offset by higher investments and employee merit increases.

## *Market and Wealth Services business segment*

| *(dollars in millions, unless otherwise noted)* | 3Q24 | 2Q24 | 1Q24 | 4Q23 | 3Q23 | 3Q24 vs. | | YTD24 | YTD23 | YTD24 vs. |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 2Q24 | 3Q23 | | | YTD23 |
| Revenue: | | | | | | | | | | |
| Investment services fees: | | | | | | | | | | |
| Pershing | $ 475 | $ 474 | $ 482 | $ 472 | $ 478 | —% | (1)% | $ 1,431 | $ 1,413 | 1% |
| Treasury Services | 200 | 202 | 184 | 179 | 180 | (1) | 11 | 586 | 538 | 9 |
| Clearance and Collateral Management | 354 | 338 | 329 | 322 | 305 | 5 | 16 | 1,021 | 890 | 15 |
| Total investment services fees | 1,029 | 1,014 | 995 | 973 | 963 | 1 | 7 | 3,038 | 2,841 | 7 |
| Foreign exchange revenue | 23 | 23 | 24 | 21 | 21 | — | 10 | 70 | 60 | 17 |
| Other fees *(a)* | 58 | 58 | 58 | 50 | 49 | — | 18 | 174 | 152 | 14 |
| Total fee revenue | 1,110 | 1,095 | 1,077 | 1,044 | 1,033 | 1 | 7 | 3,282 | 3,053 | 8 |
| Investment and other revenue | 20 | 23 | 17 | 16 | 16 | N/M | N/M | 60 | 47 | N/M |
| Total fee and other revenue | 1,130 | 1,118 | 1,094 | 1,060 | 1,049 | 1 | 8 | 3,342 | 3,100 | 8 |
| Net interest income | 415 | 417 | 423 | 436 | 401 | — | 3 | 1,255 | 1,274 | (1) |
| Total revenue | 1,545 | 1,535 | 1,517 | 1,496 | 1,450 | 1 | 7 | 4,597 | 4,374 | 5 |
| Provision for credit losses | 7 | (2) | 5 | 28 | 6 | N/M | N/M | 10 | 13 | N/M |
| Noninterest expense (excluding amortization of intangible assets) | 833 | 832 | 833 | 836 | 790 | — | 5 | 2,498 | 2,363 | 6 |
| Amortization of intangible assets | 1 | 1 | 1 | 1 | 2 | — | (50) | 3 | 5 | (40) |
| Total noninterest expense | 834 | 833 | 834 | 837 | 792 | — | 5 | 2,501 | 2,368 | 6 |
| Income before income taxes | $ 704 | $ 704 | $ 678 | $ 631 | $ 652 | —% | 8% | $ 2,086 | $ 1,993 | 5% |
| Pre-tax operating margin | 46% | 46% | 45% | 42% | 45% | | | 45% | 46% | |
| **Total revenue by line of business**: | | | | | | | | | | |
| Pershing | $ 649 | $ 663 | $ 670 | $ 669 | $ 657 | (2)% | (1)% | $ 1,982 | $ 1,947 | 2% |
| Treasury Services | 424 | 426 | 416 | 408 | 397 | — | 7 | 1,266 | 1,229 | 3 |
| Clearance and Collateral Management | 472 | 446 | 431 | 419 | 396 | 6 | 19 | 1,349 | 1,198 | 13 |
| Total revenue by line of business | $ 1,545 | $ 1,535 | $ 1,517 | $ 1,496 | $ 1,450 | 1% | 7% | $ 4,597 | $ 4,374 | 5% |
| **Selected average balances**: | | | | | | | | | | |
| Average loans | $ 42,730 | $ 41,893 | $ 39,271 | $ 39,200 | $ 37,496 | 2% | 14% | $ 41,303 | $ 36,930 | 12% |
| Average deposits | $ 88,856 | $ 91,371 | $ 89,539 | $ 87,695 | $ 84,000 | (3)% | 6% | $ 89,918 | $ 85,141 | 6% |
| **Selected metrics**: | | | | | | | | | | |
| AUC/A at period end *(in trillions) (b)* | $ 14.3 | $ 13.4 | $ 13.1 | $ 13.3 | $ 13.1 | 7% | 9% | | | |
| Pershing: | | | | | | | | | | |
| AUC/A at period end *(in trillions)* | $ 2.7 | $ 2.6 | $ 2.6 | $ 2.5 | $ 2.4 | 4% | 13% | | | |
| Net new assets (U.S. platform) *(in billions) (c)* | $ (22) | $ (23) | $ (2) | $ (4) | $ 23 | N/M | N/M | | | |
| Daily average revenue trades ("DARTs") (U.S. platform) *(in thousands)* | 251 | 280 | 290 | 229 | 223 | (10)% | 13% | | | |
| Average active clearing accounts *(in thousands)* | 8,085 | 8,057 | 7,991 | 8,012 | 7,979 | —% | 1% | | | |
| Treasury Services: | | | | | | | | | | |
| Average daily U.S. dollar payment volumes | 242,243 | 241,253 | 237,124 | 243,005 | 233,620 | —% | 4% | | | |
| Clearance and Collateral Management: | | | | | | | | | | |
| Average tri-party collateral management balances *(in billions)* | $ 5,511 | $ 5,298 | $ 5,157 | $ 5,248 | $ 5,706 | 4% | (3)% | | | |

*(a) Other fees primarily include financing-related fees.*

*(b) Consists of AUC/A from the Clearance and Collateral Management and Pershing lines of business.*

*(c) Net new assets represent net flows of assets (e.g., net cash deposits and net securities transfers, including dividends and interest) in customer accounts in Pershing LLC, a U.S. broker-dealer.*

*N/M – Not meaningful.*

*Business segment description*

The Market and Wealth Services business segment consists of three distinct lines of business, Pershing, Treasury Services and Clearance and Collateral Management, which provide business services and technology solutions to entities including financial institutions, corporations, foundations and endowments, public funds and government agencies. For information on the drivers of the Market and Wealth Services fee revenue, see Note 10 of the Notes to Consolidated Financial Statements in our 2023 Annual Report.

Pershing provides execution, clearing, custody, business and technology solutions, delivering operational support to broker-dealers, wealth managers and registered investment advisors (“RIAs”) globally.

Our Treasury Services business is a leading provider of global payments, liquidity management and trade finance services for financial institutions, corporations and the public sector.

Our Clearance and Collateral Management business clears and settles equity and fixed income transactions globally and serves as custodian for tri-party repo collateral worldwide. We are the primary provider of U.S. government securities clearance and a provider of non-U.S. government securities clearance. Our collateral services include collateral management, administration and segregation. We offer innovative solutions and industry expertise, which help financial institutions and institutional investors with their financing, risk and balance sheet challenges. We are a leading provider of tri-party collateral management services with an average of $5.5 trillion serviced globally, including approximately $4.3 trillion of the U.S. tri-party repo market at Sept. 30, 2024.

*Review of financial results*

AUC/A of $14.3 trillion increased 9% compared with Sept. 30, 2023, primarily reflecting higher market values and client inflows.

Total revenue of $1.5 billion increased 7% compared with the third quarter of 2023 and 1% compared with the second quarter of 2024. The drivers of total revenue by line of business are indicated below.

Pershing revenue of $649 million decreased 1% compared with the third quarter of 2023 and 2% compared with the second quarter of 2024. The decrease compared with the third quarter of 2023 primarily reflects lost business in the prior year and lower net interest income, partially offset by higher market values. The decrease compared with the second quarter of 2024 primarily reflects an equity investment gain recorded in the second quarter of 2024. Net new assets were $(22) billion in the third quarter of 2024, reflecting the ongoing deconversion of business lost in the prior year.

Treasury Services revenue of $424 million increased 7% compared with the third quarter of 2023 and was flat compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects net new business. Compared with the second quarter of 2024, net new business was offset by lower net interest income.

Clearance and Collateral Management revenue of $472 million increased 19% compared with the third quarter of 2023 and 6% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher collateral management fees, clearance volumes and net interest income. The increase compared with the second quarter of 2024 primarily reflects higher clearance volumes and net interest income.

Noninterest expense of $834 million increased 5% compared with the third quarter of 2023 and was flat compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher investments and employee merit increases, partially offset by efficiency savings.

*Year-to-date 2024 compared with year-to-date 2023*

Total revenue of $4.6 billion increased 5% compared with the first nine months of 2023. Pershing revenue of $2.0 billion increased 2%, primarily reflecting higher market values and client activity, partially offset by lost business in the prior year. Treasury Services revenue of $1.3 billion increased 3%, primarily reflecting net new business and higher client activity, partially offset by lower net interest income. Clearance and Collateral Management revenue of $1.3 billion increased 13%, primarily reflecting higher collateral management fees and clearance volumes.

Noninterest expense of $2.5 billion increased 6% compared with the first nine months of 2023, primarily reflecting higher investments and employee merit increases, partially offset by efficiency savings.

## *Investment and Wealth Management business segment*

| | | | | | | **3Q24 vs.** | | | | **YTD24 vs.** |
|---|---|---|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | **3Q24** | 2Q24 | 1Q24 | 4Q23 | 3Q23 | **2Q24** | **3Q23** | **YTD24** | YTD23 | **YTD23** |
| Revenue: | | | | | | | | | | |
| Investment management fees | **$ 782** | $ 754 | $ 768 | $ 725 | $ 748 | **4%** | **5%** | **$ 2,304** | $ 2,256 | **2%** |
| Performance fees | **13** | 8 | 10 | 19 | 30 | **N/M** | **N/M** | **31** | 62 | **N/M** |
| Investment management and performance fees *(a)* | **795** | 762 | 778 | 744 | 778 | **4** | **2** | **2,335** | 2,318 | **1** |
| Distribution and servicing fees | **68** | 69 | 70 | 66 | 62 | **(1)** | **10** | **207** | 175 | **18** |
| Other fees *(b)* | **(68)** | (64) | (60) | (55) | (50) | **N/M** | **N/M** | **(192)** | (159) | **N/M** |
| Total fee revenue | **795** | 767 | 788 | 755 | 790 | **4** | **1** | **2,350** | 2,334 | **1** |
| Investment and other revenue *(c)* | **9** | 11 | 17 | (121) | 1 | **N/M** | **N/M** | **37** | 19 | **N/M** |
| Total fee and other revenue *(c)* | **804** | 778 | 805 | 634 | 791 | **3** | **2** | **2,387** | 2,353 | **1** |
| Net interest income | **45** | 43 | 41 | 45 | 39 | **5** | **15** | **129** | 123 | **5** |
| Total revenue | **849** | 821 | 846 | 679 | 830 | **3** | **2** | **2,516** | 2,476 | **2** |
| Provision for credit losses | **1** | 4 | (1) | (2) | (9) | **N/M** | **N/M** | **4** | (2) | **N/M** |
| Noninterest expense (excluding amortization of intangible assets) | **668** | 663 | 736 | 680 | 670 | **1** | **—** | **2,067** | 2,076 | **—** |
| Amortization of intangible assets | **4** | 5 | 4 | 5 | 5 | **(20)** | **(20)** | **13** | 15 | **(13)** |
| Total noninterest expense | **672** | 668 | 740 | 685 | 675 | **1** | **—** | **2,080** | 2,091 | **(1)** |
| Income (loss) before income taxes | **$ 176** | $ 149 | $ 107 | $ (4) | $ 164 | **18%** | **7%** | **$ 432** | $ 387 | **12%** |
| Pre-tax operating margin | **21%** | 18% | 13% | (1)% | 20% | | | **17%** | 16% | |
| Adjusted pre-tax operating margin – Non-GAAP *(d)* | **23%** | 20% | 14% | (1)% *(e)* | 22% | | | **19%** | 18% | |
| **Total revenue by line of business:** | | | | | | | | | | |
| Investment Management | **$ 569** | $ 549 | $ 576 | $ 415 | $ 565 | **4%** | **1%** | **$ 1,694** | $ 1,682 | **1%** |
| Wealth Management | **280** | 272 | 270 | 264 | 265 | **3** | **6** | **822** | 794 | **4** |
| Total revenue by line of business | **$ 849** | $ 821 | $ 846 | $ 679 | $ 830 | **3%** | **2%** | **$ 2,516** | $ 2,476 | **2%** |
| **Selected average balances:** | | | | | | | | | | |
| Average loans | **$13,648** | $ 13,520 | $ 13,553 | $ 13,405 | $ 13,519 | **1%** | **1%** | **$13,574** | $ 13,823 | **(2)%** |
| Average deposits | **$10,032** | $ 11,005 | $ 11,364 | $ 12,039 | $ 13,578 | **(9)%** | **(26)%** | **$10,798** | $ 15,035 | **(28)%** |

*(a) On a constant currency basis, investment management and performance fees increased 2% (Non-GAAP) compared with the third quarter of 2023. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for the reconciliation of this Non-GAAP measure.*

*(b) Other fees primarily include investment services fees.*

*(c) Investment and other revenue and total fee and other revenue are net of income (loss) attributable to noncontrolling interests related to consolidated investment management funds.*

*(d) Net of distribution and servicing expense. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for the reconciliation of this Non-GAAP measure.*

*(e) Excluding notable items and net of distribution and servicing expense, the adjusted pre-tax operating margin was 21% (Non-GAAP) in the fourth quarter of 2023. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for the reconciliation of this Non-GAAP measure.*

*N/M – Not meaningful.*

| **AUM trends** | | | | | | **3Q24 vs.** | |
|---|---|---|---|---|---|---|---|
| *(dollars in billions)* | **3Q24** | 2Q24 | 1Q24 | 4Q23 | 3Q23 | **2Q24** | **3Q23** |
| **AUM by product type:** *(a)* | | | | | | | |
| Equity | **$ 173** | $ 167 | $ 168 | $ 145 | $ 133 | **4%** | **30%** |
| Fixed income | **235** | 221 | 219 | 205 | 190 | **6** | **24** |
| Index | **498** | 485 | 474 | 459 | 425 | **3** | **17** |
| Liability-driven investments | **637** | 598 | 573 | 605 | 534 | **7** | **19** |
| Multi-asset and alternative investments | **175** | 173 | 174 | 170 | 156 | **1** | **12** |
| Cash | **426** | 401 | 407 | 390 | 383 | **6** | **11** |
| Total AUM | **$ 2,144** | $ 2,045 | $ 2,015 | $ 1,974 | $ 1,821 | **5%** | **18%** |
| | | | | | | | |
| **Changes in AUM:** *(a)* | | | | | | | |
| Beginning balance of AUM | **$ 2,045** | $ 2,015 | $ 1,974 | $ 1,821 | $ 1,906 | | |
| Net inflows (outflows): | | | | | | | |
| Long-term strategies: | | | | | | | |
| Equity | **(2)** | (4) | (4) | (2) | (3) | | |
| Fixed income | **4** | 4 | 12 | 3 | (7) | | |
| Liability-driven investments | **(4)** | 4 | 13 | 4 | 1 | | |
| Multi-asset and alternative investments | **(6)** | (2) | (5) | (1) | (4) | | |
| Total long-term active strategies (outflows) inflows | **(8)** | 2 | 16 | 4 | (13) | | |
| Index | **(16)** | (4) | (15) | (10) | (2) | | |
| Total long-term strategies (outflows) inflows | **(24)** | (2) | 1 | (6) | (15) | | |
| Short-term strategies: | | | | | | | |
| Cash | **24** | (7) | 16 | 7 | 7 | | |
| Total net (outflows) inflows | **—** | (9) | 17 | 1 | (8) | | |
| Net market impact | **58** | 40 | 16 | 122 | (50) | | |
| Net currency impact | **41** | (1) | (10) | 30 | (27) | | |
| Other | **—** | — | 18 *(b)* | — | — | | |
| **Ending balance of AUM** | **$ 2,144** | $ 2,045 | $ 2,015 | $ 1,974 | $ 1,821 | **5%** | **18%** |
| | | | | | | | |
| **Wealth Management client assets** *(c)* | **$ 333** | $ 308 | $ 309 | $ 312 | $ 292 | **8%** | **14%** |

*(a) Represents assets managed in the Investment and Wealth Management business segment.*

*(b) Reflects the realignment of similar products and services within our lines of business.*

*(c) Includes AUM and AUC/A in the Wealth Management line of business.*

*Business segment description*

Our Investment and Wealth Management business segment consists of two distinct lines of business: Investment Management and Wealth Management. Our investment firms deliver a highly diversified portfolio of investment strategies independently, and through our global distribution network, to institutional and retail clients globally. Wealth Management provides investment management, custody, wealth and estate planning, private banking services, investment servicing and information management. See pages 18 and 19 of our 2023 Annual Report for additional information on our Investment and Wealth Management business segment.

*Review of financial results*

AUM of $2.1 trillion as of Sept. 30, 2024, increased 18% compared with Sept. 30, 2023, primarily reflecting higher market values and the favorable impact of a weaker U.S. dollar.

Net long-term strategy outflows were $24 billion in the third quarter of 2024, driven by index, multi-asset and alternative, liability-driven and equity investments, partially offset by inflows of fixed income investments. Short-term strategy inflows were $24 billion in the third quarter of 2024. Market and regulatory trends have resulted in increased demand for lower fee asset management products and for performance-based fees.

Total revenue of $849 million increased 2% compared with the third quarter of 2023 and 3% compared with the second quarter of 2024. The drivers of total revenue by line of business are indicated below.

Investment Management revenue of $569 million increased 1% compared with the third quarter of 2023 and 4% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher market values and improved seed capital results, partially offset by lower performance fees and the mix of AUM flows. The increase compared with the second quarter of 2024 primarily reflects higher market values, seed capital gains and the timing of performance fees.

Wealth Management revenue of $280 million increased 6% compared with the third quarter of 2023 and 3% compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher market values and net interest income, partially offset by changes in product mix. The increase compared with the second quarter of 2024 primarily reflects higher market values.

Revenue generated in the Investment and Wealth Management business segment included 31% from non-U.S. sources in the third quarter of 2024, compared with 33% in the third quarter of 2023 and 30% in the second quarter of 2024.

Noninterest expense of $672 million was flat compared with the third quarter of 2023 and increased 1% compared with the second quarter of 2024. Compared with the third quarter of 2023, total noninterest expense reflects efficiency savings, offset by employee merit increases and higher investments.

*Year-to-date 2024 compared with year-to-date 2023*

Total revenue of $2.5 billion increased 2% compared with the first nine months of 2023. Investment Management revenue of $1.7 billion increased 1%, primarily reflecting higher market values, partially offset by the mix of AUM flows and lower performance fees. Wealth Management revenue of $822 million increased 4%, primarily reflecting higher market values, partially offset by changes in product mix.

Noninterest expense of $2.1 billion decreased 1% compared with the first nine months of 2023, primarily reflecting efficiency savings, partially offset by employee merit increases and higher investments.

## *Other segment*

| *(in millions)* | **3Q24** | 2Q24 | 1Q24 | 4Q23 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|---|---|
| Fee revenue | **$ (1)** | $ (4) | $ (17) | $ (17) | $ 6 | **$ (22)** | $ 7 |
| Investment and other revenue *(a)* | **55** | 29 | 47 | 38 | 74 | **131** | 146 |
| Total fee and other revenue *(a)* | **54** | 25 | 30 | 21 | 80 | **109** | 153 |
| Net interest (expense) | **(21)** | (25) | (7) | (15) | (24) | **(53)** | (87) |
| Total revenue *(a)* | **33** | — | 23 | 6 | 56 | **56** | 66 |
| Provision for credit losses | **—** | 1 | 12 | (6) | (13) | **13** | (11) |
| Noninterest expense | **37** | 15 | 65 | 820 | 24 | **117** | 136 |
| (Loss) income before income taxes *(a)* | **$ (4)** | $ (16) | $ (54) | $ (808) | $ 45 | **$ (74)** | $ (59) |
| Average loans and leases | **$ 1,750** | $ 1,767 | $ 1,816 | $ 1,706 | $ 1,711 | **$ 1,777** | $ 1,656 |

*(a) Results for the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

See page 20 of our 2023 Annual Report for additional information on the Other segment.

*Review of financial results*

Total revenue includes corporate treasury and other investment activity, including hedging activity, which has an offsetting impact between fee and other revenue and net interest expense.

Total revenue decreased $23 million compared with the third quarter of 2023 and increased $33 million compared with the second quarter of 2024. The decrease compared with the third quarter of 2023 primarily reflects debt extinguishment gains recorded in the third quarter of 2023. The increase compared with the second quarter of 2024 primarily reflects gains on real estate and other investments.

Noninterest expense increased $13 million compared with the third quarter of 2023 and $22 million compared with the second quarter of 2024. The increase compared with the third quarter of 2023 primarily reflects higher staff expense, partially offset by a reduction in the FDIC special assessment. The increase compared with the second quarter of 2024 primarily reflects the impact of the adjustments to the FDIC special assessment recorded in the second and third quarters of 2024.

*Year-to-date 2024 compared with year-to-date 2023*

Loss before income taxes increased $15 million compared with the first nine months of 2023. Total revenue decreased $10 million, primarily reflecting debt extinguishment gains recorded in the third quarter of 2023 and higher net securities losses, partially offset by improved investment results.

Noninterest expense decreased $19 million compared with the first nine months of 2023, primarily reflecting reductions in the FDIC special assessment and lower litigation reserves, partially offset by higher staff expense.

## Critical accounting estimates

Our significant accounting policies are described in Note 1 of the Notes to Consolidated Financial Statements in our 2023 Annual Report. Our critical accounting estimates are those related to the allowance for credit losses, goodwill and other intangibles and litigation and regulatory contingencies, as referenced below.

| Critical accounting estimates | Reference |
|---|---|
| **Allowance for credit losses** | 2023 Annual Report, pages 23-24, and "Allowance for credit losses." |
| **Goodwill and other intangibles** | 2023 Annual Report, pages 24-25. Also see below. |
| **Litigation and regulatory contingencies** | "Legal proceedings" in Note 18 of the Notes to Consolidated Financial Statements. |

*Goodwill and other intangibles*

BNY's business segments include seven reporting units for which goodwill impairment testing is performed on an annual basis. An interim goodwill impairment test is performed when events or circumstances occur that may indicate that it is more likely than not that the fair value of any reporting unit may be less than its carrying value.

In the third quarter of 2024, due to the results of the second quarter 2024 interim test and macroeconomic conditions, we performed an interim goodwill impairment test of the Investment Management reporting unit, which had $6.1 billion of allocated goodwill. The fair value of the Investment Management reporting unit exceeded its carrying value by approximately 5%. We determined the fair value of the Investment Management reporting unit using an income approach based on management's projections as of Sept. 30, 2024. The discount rate applied to these cash flows was 10.5%.

As of Sept. 30, 2024, if the discount rate applied to the estimated cash flows was increased or decreased by 25 basis points, the fair value of the Investment Management reporting unit would decrease or increase by 4%, respectively. Similarly, if the long-term growth rate was increased or decreased by 10 basis points, the fair value of the Investment Management reporting unit would increase or decrease by approximately 1%, respectively.

Determining the fair value of a reporting unit is subject to uncertainty as it is reliant on estimates of cash flows that extend far into the future, and, by their nature, are difficult to estimate over such an extended time frame. In the future, changes in the assumptions or the discount rate could produce a material non-cash goodwill impairment.

## Consolidated balance sheet review

One of our key risk management objectives is to maintain a balance sheet that remains strong throughout market cycles to meet the expectations of our major stakeholders, including our shareholders, clients, creditors and regulators.

We also seek to undertake overall liquidity risk, including intraday liquidity risk, that stays within our risk appetite. The objective of our balance sheet management strategy is to maintain a balance sheet that is characterized by strong liquidity and asset quality, ready access to external funding sources at competitive rates and a strong capital structure that supports our risk-taking activities and is adequate to absorb potential losses. In managing the balance sheet, appropriate consideration is given to balancing the competing needs of maintaining sufficient levels of liquidity and complying with applicable regulations and supervisory expectations while optimizing profitability.

At Sept. 30, 2024, total assets were $427 billion, compared with $410 billion at Dec. 31, 2023. The increase in total assets was primarily driven by higher securities, federal funds sold and securities purchased under resale agreements and loans, partially offset by lower interest-bearing deposits with the Federal Reserve and other central banks. Deposits totaled $296 billion at Sept. 30, 2024, compared with $284 billion at Dec. 31, 2023. The increase reflects higher interest-bearing and noninterest-bearing deposits. Total interest-bearing deposits as a percentage of total interest-earning assets were 64% at Sept. 30, 2024 and 66% at Dec. 31, 2023.

At Sept. 30, 2024, available funds totaled $154 billion and included cash and due from banks, interest-bearing deposits with the Federal Reserve and other central banks, interest-bearing deposits with banks and federal funds sold and securities purchased under resale agreements. This compares with available funds of $158 billion at Dec. 31, 2023. Total available funds as a percentage of total assets was 36% at Sept. 30, 2024 and 38% at Dec. 31, 2023. For additional information on our available funds, see "Liquidity and dividends."

Securities were $142 billion, or 33% of total assets, at Sept. 30, 2024, compared with $126 billion, or 31% of total assets, at Dec. 31, 2023. The increase primarily reflects higher non-U.S. government, U.S. Treasury and agency residential mortgage-backed securities ("RMBS") and unrealized pre-tax gains in the first nine months of 2024, partially offset by lower U.S. government agencies securities. For additional information on our securities portfolio, see "Securities" and Note 4 of the Notes to Consolidated Financial Statements.

Loans were $69 billion, or 16% of total assets, at Sept. 30, 2024, compared with $67 billion, or 16% of total assets, at Dec. 31, 2023. The increase was driven by higher loans in the financial institutions portfolio and capital call financing, partially offset by lower overdrafts and commercial and wealth management loans. For additional information on our loan portfolio, see "Loans" and Note 5 of the Notes to Consolidated Financial Statements.

Long-term debt totaled $33 billion at Sept. 30, 2024 and $31 billion at Dec. 31, 2023. Issuances and an increase in the fair value of hedged long-term debt were partially offset by maturities and redemptions. For additional information on long-term debt, see "Liquidity and dividends."

The Bank of New York Mellon Corporation total shareholders' equity totaled $42 billion at Sept. 30, 2024 and $41 billion at Dec. 31, 2023. For additional information, see "Capital."

### *Country risk exposure*

The following table presents BNY's top 10 exposures by country (excluding the U.S.) as of Sept. 30, 2024, as well as certain countries with higher risk profiles. The exposure is presented on an internal risk management basis and has not been reduced by the allowance for credit losses. We monitor our exposure to these and other countries as part of our internal country risk management process.

The country risk exposure below reflects the Company's risk to an immediate default of the counterparty or obligor based on the country of residence of the entity which incurs the liability. If there is credit risk mitigation, the country of residence of the entity providing the risk mitigation is the country of risk. The country of risk for securities is generally based on the domicile of the issuer of the security.

| **Country risk exposure at Sept. 30, 2024** | Interest-bearing deposits | | | | | |
|---|---|---|---|---|---|---|
| *(in billions)* | Central banks | Banks | Lending *(a)* | Securities *(b)* | Other *(c)* | Total exposure |
| **Top 10 country exposure:** | | | | | | |
| Germany | $ 16.0 | $ 0.3 | $ 0.8 | $ 3.5 | $ 0.2 | $ 20.8 |
| United Kingdom ("UK") | 9.3 | 0.5 | 1.4 | 5.0 | 2.3 | 18.5 |
| Belgium | 8.5 | 0.8 | 0.1 | 1.5 | 0.1 | 11.0 |
| Canada | — | 1.2 | 0.1 | 4.0 | 1.6 | 6.9 |
| Japan | 5.0 | 0.1 | 0.1 | 0.4 | 0.1 | 5.7 |
| Netherlands | 1.8 | — | 0.2 | 1.8 | 0.1 | 3.9 |
| Singapore | — | 1.3 | 0.1 | 1.1 | 0.8 | 3.3 |
| Luxembourg | 0.1 | 0.3 | 1.5 | — | 1.4 | 3.3 |
| South Korea | — | 0.2 | 2.2 | 0.2 | 0.6 | 3.2 |
| France | — | — | — | 2.1 | 0.5 | 2.6 |
| Total Top 10 country exposure | **$ 40.7** | **$ 4.7** | **$ 6.5** | **$ 19.6** | **$ 7.7** | **$ 79.2** *(d)* |
| **Select country exposure:** | | | | | | |
| Brazil | $ — | $ — | $ 1.3 | $ 0.1 | $ 0.2 | $ 1.6 |
| Russia | — | 0.6 *(e)* | — | — | — | 0.6 |

*(a) Lending includes loans, acceptances, issued letters of credit, net of participations, and lending-related commitments.*

*(b) Securities include both the available-for-sale and held-to-maturity portfolios.*

*(c) Other exposures include over-the-counter ("OTC") derivative and securities financing transactions, net of collateral.*

*(d) The top 10 country exposures comprise approximately 65% of our total non-U.S. exposure.*

*(e) Represents cash balances with exposure to Russia.*

Events in recent years have resulted in increased focus on Brazil. The country risk exposure to Brazil is primarily short-term trade finance loans extended to large financial institutions. We also have operations in Brazil providing investment services and investment management services.

The war in Ukraine increased our focus on Russia. The country risk exposure to Russia consists of cash balances related to our securities services businesses and may increase in the future to the extent cash is received for the benefit of our clients that is subject to distribution restrictions. BNY has ceased new banking business in Russia and suspended investment management purchases of Russian securities. At Sept. 30, 2024, less than 0.1% of our AUC/A and less than 0.01% of our AUM consisted of Russian securities. We will continue to work with multinational clients that depend on our custody and recordkeeping services to manage their exposures.

We are monitoring our exposure to Israel as part of our internal country risk management process. At Sept. 30, 2024, our total exposure to Israel was $252 million and primarily consisted of investment grade short-term interest-bearing deposits and OTC derivatives maturing within six months.

### *Securities*

In the discussion of our securities portfolio, we have included certain credit ratings information because the information can indicate the degree of credit risk to which we are exposed. Significant changes in ratings classifications could indicate increased credit risk for us and could be accompanied by an increase in the allowance for credit losses and/or a reduction in the fair value of our securities portfolio.

The following table shows the distribution of our total securities portfolio.

| **Securities portfolio** | June 30, 2024 | 3Q24 | **Sept. 30, 2024** | | | | | Ratings *(c)* | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | Fair value | change in unrealized gain (loss) | Amortized cost *(a)* | Fair value | Fair value as a % of amortized cost *(a)* | Unrealized gain (loss) | % Floating rate *(b)* | AAA/ AA- | A+/ A- | BBB+/ BBB- | BB+ and lower | Not rated |
| Agency RMBS | $ 40,898 | $ 1,310 | **$ 45,706** | **$ 42,779** | 94% | $ (2,927) | 25% | 100% | —% | —% | —% | —% |
| U.S. Treasury | 28,633 | 340 | **30,095** | **29,653** | 99 | (442) | 61 | 100 | — | — | — | — |
| Non-U.S. government *(d)* | 26,866 | 283 | **29,619** | **29,337** | 99 | (282) | 37 | 94 | 3 | 3 | — | — |
| Agency commercial mortgage-backed securities (“MBS”) | 10,983 | 187 | **11,191** | **10,810** | 97 | (381) | 41 | 100 | — | — | — | — |
| CLOs | 7,354 | (2) | **7,808** | **7,822** | 100 | 14 | 100 | 100 | — | — | — | — |
| Foreign covered bonds *(e)* | 7,334 | 92 | **7,745** | **7,687** | 99 | (58) | 47 | 100 | — | — | — | — |
| U.S. government agencies | 6,406 | 133 | **6,528** | **6,248** | 96 | (280) | 29 | 100 | — | — | — | — |
| Non-agency commercial MBS | 2,893 | 54 | **2,918** | **2,769** | 95 | (149) | 48 | 100 | — | — | — | — |
| Non-agency RMBS | 1,670 | 15 | **1,735** | **1,598** | 92 | (137) | 42 | 98 | 2 | — | — | — |
| Other asset-backed securities (“ABS”) | 823 | 30 | **686** | **647** | 94 | (39) | 16 | 100 | — | — | — | — |
| Other | 11 | (1) | **12** | **10** | 89 | (2) | — | — | — | — | — | 100 |
| Total securities | $ 133,871 *(f)* | $ 2,441 | **$ 144,043** | **$ 139,360** *(f)* | 97% | $ (4,683) *(f)(g)* | 43% | 98% | 1% | 1% | —% | —% |

*(a) Amortized cost reflects historical impairments and is net of the allowance for credit losses.*

*(b) Includes the impact of hedges.*

*(c) Represents ratings by Standard & Poor’s (“S&P”) or the equivalent.*

*(d) Includes supranational securities. Primarily consists of exposure to UK, Germany and France.*

*(e) Primarily consists of exposure to Canada, UK, Germany and Australia.*

*(f) Includes net unrealized gains on derivatives hedging securities available-for-sale (including discontinued hedges) of $2,163 million at June 30, 2024 and $1,141 million at Sept. 30, 2024.*

*(g) At Sept. 30, 2024, includes pre-tax net unrealized losses of $1,026 million related to available-for-sale securities, net of hedges, and $3,657 million related to held-to-maturity securities. The after-tax unrealized losses, net of hedges, related to available-for-sale securities is $774 million and the after-tax equivalent related to held-to-maturity securities is $2,789 million.*

The fair value of our securities portfolio, including related hedges, was $139.4 billion at Sept. 30, 2024, compared with $123.3 billion at Dec. 31, 2023. The increase primarily reflects higher non-U.S. government, U.S. Treasury and agency RMBS securities and unrealized pre-tax gains in the first nine months of 2024, partially offset by lower U.S. government agencies securities.

At Sept. 30, 2024, the securities portfolio had a net unrealized loss, including the impact of related hedges, of $4.7 billion, compared with $7.0 billion at Dec. 31, 2023. The improvement in the unrealized loss, including the impact of related hedges, primarily reflects the impact of securities moving closer to maturity and lower market interest rates.

The fair value of the available-for-sale securities totaled $98.1 billion at Sept. 30, 2024, net of hedges, or 70% of the securities portfolio, net of hedges. The fair value of the held-to-maturity securities totaled $41.3 billion at Sept. 30, 2024, or 30% of the securities portfolio, net of hedges.

The unrealized loss (after-tax) on our available-for-sale securities portfolio, net of hedges, included in accumulated other comprehensive income was $774 million at Sept. 30, 2024, compared with $1.6 billion at Dec. 31, 2023. The improvement in the net unrealized loss, including the impact of hedges, primarily reflects the impact of securities moving closer to maturity and lower market interest rates.

At Sept. 30, 2024, 98% of the securities in our portfolio were rated AAA/AA-, compared with 99% at Dec. 31, 2023.

See Note 4 of the Notes to Consolidated Financial Statements for the pre-tax net securities gains (losses) by security type. See Note 15 of the Notes to Consolidated Financial Statements for securities by level in the fair value hierarchy.

The following table presents the amortizable purchase premium (net of discount) and net amortization related to the securities portfolio.

| **Amortizable purchase premium (net of discount) and net amortization of securities** *(a)*<br>*(in millions)* | **3Q24** | 2Q24 | 3Q23 |
|---|---|---|---|
| Amortizable purchase premium, net of discount | **$ 253** | $ 344 | $ 973 |
| Net amortization *(b)* | **$ 5** | $ 9 | $ 45 |

*(a) Amortization of purchase premium decreases net interest income while accretion of discount increases net interest income. Both were recorded on a level yield basis.*

*(b) Accumulated basis adjustments on discontinued hedges of securities of $727 million at Sept. 30, 2024, $371 million at June 30, 2024 and $464 million at Sept. 30, 2023 will also be accreted to net interest income over the remaining life of the security. Including the impact of the accretion of discontinued hedges, there was net accretion of $44 million in the third quarter of 2024, net accretion of $25 million in the second quarter of 2024 and net amortization of $19 million in the third quarter of 2023.*

## *Loans*

| **Total exposure – consolidated** | **Sept. 30, 2024** | | | Dec. 31, 2023 | | |
|---|---|---|---|---|---|---|
| *(in billions)* | Loans | Unfunded commitments | Total exposure | Loans | Unfunded commitments | Total exposure |
| Financial institutions | **$ 12.6** | **$ 33.8** | **$ 46.4** | $ 10.5 | $ 29.2 | $ 39.7 |
| Commercial | **1.6** | **11.8** | **13.4** | 2.1 | 11.4 | 13.5 |
| Wealth management loans | **8.7** | **0.7** | **9.4** | 9.1 | 0.5 | 9.6 |
| Wealth management mortgages | **9.0** | **0.2** | **9.2** | 9.1 | 0.3 | 9.4 |
| Commercial real estate | **7.0** | **3.1** | **10.1** | 6.8 | 3.4 | 10.2 |
| Lease financings | **0.6** | **—** | **0.6** | 0.6 | — | 0.6 |
| Other residential mortgages | **1.1** | **—** | **1.1** | 1.2 | — | 1.2 |
| Overdrafts | **2.5** | **—** | **2.5** | 3.1 | — | 3.1 |
| Capital call financing | **5.0** | **3.1** | **8.1** | 3.7 | 3.6 | 7.3 |
| Other | **2.9** | **—** | **2.9** | 2.7 | — | 2.7 |
| Margin loans | **18.5** | **—** | **18.5** | 18.0 | — | 18.0 |
| Total | **$ 69.5** | **$ 52.7** | **$ 122.2** | $ 66.9 | $ 48.4 | $ 115.3 |

At Sept. 30, 2024, our total lending-related exposure of $122.2 billion increased 6% compared with Dec. 31, 2023, primarily reflecting higher exposure in the financial institutions portfolio.

Our financial institutions and commercial portfolios comprise our largest concentrated risk. These portfolios comprised 49% of our total exposure at Sept. 30, 2024 and 46% at Dec. 31, 2023. Additionally, most of our overdrafts relate to financial institutions.

### *Financial institutions*

The financial institutions portfolio is shown below.

| **Financial institutions portfolio exposure** | **Sept. 30, 2024** | | | | | Dec. 31, 2023 | | |
|---|---|---|---|---|---|---|---|---|
| *(dollars in billions)* | Loans | Unfunded commitments | Total exposure | % Inv. grade | % due <1 yr. | Loans | Unfunded commitments | Total exposure |
| Securities industry | **$ 2.4** | **$ 19.0** | **$ 21.4** | **100%** | **99%** | $ 2.3 | $ 14.8 | $ 17.1 |
| Asset managers | **1.8** | **8.3** | **10.1** | **96** | **77** | 1.4 | 8.0 | 9.4 |
| Banks | **8.2** | **1.5** | **9.7** | **85** | **94** | 6.4 | 1.4 | 7.8 |
| Insurance | **0.1** | **4.0** | **4.1** | **100** | **11** | 0.1 | 3.9 | 4.0 |
| Government | **—** | **0.4** | **0.4** | **100** | **92** | — | 0.2 | 0.2 |
| Other | **0.1** | **0.6** | **0.7** | **99** | **50** | 0.3 | 0.9 | 1.2 |
| Total | **$ 12.6** | **$ 33.8** | **$ 46.4** | **96%** | **85%** | $ 10.5 | $ 29.2 | $ 39.7 |

The financial institutions portfolio exposure was $46.4 billion at Sept. 30, 2024, an increase of 17% compared with Dec. 31, 2023, primarily reflecting higher exposure in the securities industry and banks portfolios.

Financial institution exposures are high quality, with 96% of the exposures meeting the investment grade equivalent criteria of our internal credit rating classification at Sept. 30, 2024. Each customer is assigned an internal credit rating, which is mapped to an equivalent external rating agency grade based upon a number of dimensions, which are continually evaluated and may change over time. For ratings of non-U.S. counterparties, our internal credit rating is generally capped at a rating equivalent to the sovereign rating of the country where the counterparty resides, regardless of the internal credit rating assigned to the counterparty or the underlying collateral.

The exposure to financial institutions is generally short term, with 85% of the exposures expiring within one year. At Sept. 30, 2024, 46% of the exposure to financial institutions had an expiration within 90 days, compared with 19% at Dec. 31, 2023.

In addition, 65% of the financial institutions exposure is secured. For example, securities industry clients and asset managers often borrow against marketable securities held in custody.

At Sept. 30, 2024, the secured intraday credit provided to dealers in connection with their tri-party repo activity totaled $13.5 billion and was included in the securities industry portfolio. Dealers secure the outstanding intraday credit with high-quality liquid collateral having a market value in excess of the amount of the outstanding credit. Secured intraday credit facilities represent approximately 29% of the exposure in the financial institutions portfolio and are reviewed and reapproved annually.

The asset managers portfolio exposure is high quality, with 96% of the exposures meeting our investment grade equivalent ratings criteria as of Sept. 30, 2024. These exposures are generally short-term liquidity facilities, with the majority to regulated mutual funds.

Our banks portfolio exposure primarily relates to global trade finance. These exposures are short term in nature, with 94% due in less than one year. The investment grade percentage of our banks portfolio exposure was 85% at Sept. 30, 2024, compared with 84% at Dec. 31, 2023. Our non-investment grade exposures are primarily trade finance loans in Brazil.

*Commercial*

The commercial portfolio is presented below.

| **Commercial portfolio exposure** | **Sept. 30, 2024** | | | | | Dec. 31, 2023 | | |
|---|---|---|---|---|---|---|---|---|
| *(dollars in billions)* | Loans | Unfunded commitments | Total exposure | % Inv. grade | % due <1 yr. | Loans | Unfunded commitments | Total exposure |
| Services and other | **$ 0.8** | **$ 3.6** | **$ 4.4** | **98%** | **29%** | $ 1.2 | $ 3.4 | $ 4.6 |
| Manufacturing | **0.5** | **3.6** | **4.1** | **100** | **23** | 0.5 | 3.6 | 4.1 |
| Energy and utilities | **0.3** | **3.8** | **4.1** | **95** | **8** | 0.4 | 3.7 | 4.1 |
| Media and telecom | **—** | **0.8** | **0.8** | **81** | **3** | — | 0.7 | 0.7 |
| Total | **$ 1.6** | **$ 11.8** | **$ 13.4** | **97%** | **19%** | $ 2.1 | $ 11.4 | $ 13.5 |

The commercial portfolio exposure was $13.4 billion at Sept. 30, 2024, a decrease of 1% from Dec. 31, 2023, primarily reflecting lower exposure in the services and other portfolio, partially offset by higher exposure in the media and telecom portfolio.

Our credit strategy is to focus on investment grade clients that are active users of our non-credit services. The following table summarizes the percentage of the financial institutions and commercial portfolio exposures that are investment grade.

| **Percentage of the portfolios that are investment grade** | Quarter ended | | | | |
|---|---|---|---|---|---|
| | **Sept. 30, 2024** | June 30, 2024 | March 31, 2024 | Dec. 31, 2023 | Sept. 30, 2023 |
| Financial institutions | **96%** | 97% | 97% | 92% | 94% |
| Commercial | **97%** | 96% | 96% | 94% | 95% |

*Wealth management loans*

Our wealth management loan exposure was $9.4 billion at Sept. 30, 2024, compared with $9.6 billion at Dec. 31, 2023. Wealth management loans primarily consist of loans to high-net-worth individuals, a majority of which are secured by the customers' investment management accounts or custody accounts.

*Wealth management mortgages*

Our wealth management mortgage exposure was $9.2 billion at Sept. 30, 2024, compared with $9.4 billion at Dec. 31, 2023. Wealth management mortgages primarily consist of loans to high-net-worth individuals, which are secured by residential property. Wealth management mortgages are primarily interest-only, adjustable-rate mortgages with a weighted-average loan-to-value ratio of 61% at origination. At Sept. 30, 2024, less than 1% of the mortgages were past due.

At Sept. 30, 2024, the wealth management mortgage portfolio consisted of the following geographic concentrations: California – 21%; New York – 14%; Florida – 11%; Massachusetts – 8%; and other – 46%.

*Commercial real estate*

The composition of the commercial real estate portfolio by asset class, including percentage secured, is presented below.

| **Composition of commercial real estate portfolio by asset class** | **Sept. 30, 2024** | | Dec. 31, 2023 | |
|---|---|---|---|---|
| *(in billions)* | Total exposure | Percentage secured *(a)* | Total exposure | Percentage secured *(a)* |
| Residential | **$ 4.1** | **88%** | $ 4.3 | 88% |
| Office | **2.5** | **74** | 2.6 | 74 |
| Retail | **0.8** | **62** | 0.8 | 63 |
| Mixed use | **0.8** | **32** | 0.8 | 31 |
| Hotels | **0.6** | **42** | 0.6 | 40 |
| Healthcare | **0.7** | **43** | 0.5 | 57 |
| Other | **0.6** | **65** | 0.6 | 71 |
| Total commercial real estate | **$ 10.1** | **71%** | $ 10.2 | 73% |

*(a) Represents the percentage of exposure secured by real estate in each asset class.*

Our commercial real estate exposure totaled $10.1 billion at Sept. 30, 2024 and $10.2 billion at Dec. 31, 2023. Our income-producing commercial real estate facilities are focused on experienced owners and are structured with moderate leverage based on existing cash flows. Our commercial real estate lending activities also include construction and renovation facilities. Our client base consists of experienced developers and long-term holders of real estate assets. Loans are approved on the basis of existing or projected cash flows and supported by appraisals and knowledge of local market conditions. Development loans are structured with moderate leverage and, in many instances, involve some level of recourse to the developer.

At Sept. 30, 2024, the unsecured portfolio consisted of real estate investment trusts ("REITs") and real estate operating companies, which are both primarily investment grade.

At Sept. 30, 2024, our commercial real estate portfolio consisted of the following concentrations: New York metro – 34%; REITs and real estate operating companies – 29%; and other – 37%.

*Lease financings*

The lease financings portfolio exposure totaled $601 million at Sept. 30, 2024 and $599 million at Dec. 31, 2023. At Sept. 30, 2024, nearly all of leasing exposure was investment grade, or investment grade equivalent, and consisted of exposures backed by well-diversified assets, primarily real estate and large-ticket transportation equipment. Assets are both domestic and foreign-based, with primary concentrations in Germany and the U.S.

*Other residential mortgages*

The other residential mortgages portfolio primarily consists of 1-4 family residential mortgage loans and totaled $1.1 billion at Sept. 30, 2024 and $1.2 billion at Dec. 31, 2023.

*Overdrafts*

Overdrafts primarily relate to custody and securities clearance clients and are generally repaid within two business days.

*Capital call financing*

Capital call financing includes loans to private equity funds that are secured by the fund investors' capital commitments and the funds' rights to call capital.

*Other loans*

Other loans primarily include loans to consumers that are fully collateralized with equities, mutual funds and fixed-income securities.

*Margin loans*

Margin loan exposure of $18.5 billion at Sept. 30, 2024 and $18.0 billion at Dec. 31, 2023 was collateralized with marketable securities. Borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. Margin loans included $8 billion at Sept. 30, 2024 and $7 billion at Dec. 31, 2023 related to a term loan program that offers fully collateralized loans to broker-dealers.

### Allowance for credit losses

Our credit strategy is to focus on investment grade clients who are active users of our non-credit services. Our primary exposure to the credit risk of a customer consists of funded loans, unfunded contractual commitments to lend, standby letters of credit and overdrafts associated with our custody and securities clearance businesses.

The following table details changes in our allowance for credit losses.

| **Allowance for credit losses activity**<br>*(dollars in millions)* | **Sept. 30, 2024** | June 30, 2024 | Dec. 31, 2023 | Sept. 30, 2023 |
|---|---|---|---|---|
| Beginning balance of allowance for credit losses | **$ 396** | $ 440 | $ 325 | $ 323 |
| Provision for credit losses | **23** | — | 84 | 3 |
| Net (charge-offs) recoveries: | | | | |
| Loans: | | | | |
| Commercial real estate | **(10)** | (43) | — | — |
| Other | **—** | — | 5 | — |
| Other financial instruments | **(8)** | (1) | — | (1) |
| Net (charge-offs) recoveries | **(18)** | (44) | 5 | (1) |
| Ending balance of allowance for credit losses | **$ 401** | $ 396 | $ 414 | $ 325 |
| Allowance for loan losses | **$ 296** | $ 286 | $ 303 | $ 211 |
| Allowance for lending-related commitments | **75** | 73 | 87 | 85 |
| Allowance for other financial instruments *(a)* | **30** | 37 | 24 | 29 |
| Total allowance for credit losses | **$ 401** | $ 396 | $ 414 | $ 325 |
| Total loans, at period end | **$69,451** | $ 70,642 | $ 66,879 | $ 66,290 |
| Allowance for loan losses as a percentage of total loans | **0.43%** | 0.40% | 0.45% | 0.32% |
| Allowance for loan losses and lending-related commitments as a percentage of total loans | **0.53%** | 0.51% | 0.58% | 0.45% |

(a) *Includes allowance for credit losses on federal funds sold and securities purchased under resale agreements, available-for-sale securities, held-to-maturity securities, accounts receivable, cash and due from banks and interest-bearing deposits with banks.*

Provision for credit losses was $23 million, primarily driven by increases in the allowance related to commercial real estate exposure.

The allowance for loan losses and the allowance for lending-related commitments represent management's estimate of lifetime expected losses in our credit portfolio. This evaluation process is subject to numerous estimates and judgments. To the extent actual results differ from forecasts or management's judgment, the allowance for credit losses may be greater or less than future charge-offs.

Based on an evaluation of the allowance for credit losses as discussed in “Critical accounting estimates” in our 2023 Annual Report, we have allocated our allowance for loans and lending-related commitments as presented below.

| **Allocation of allowance for loan losses and lending-related commitments** *(a)* | **Sept. 30, 2024** | | June 30, 2024 *(b)* | | Dec. 31, 2023 | | Sept. 30, 2023 | |
|---|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | **$** | % | $ | % | $ | % | $ | % |
| Commercial real estate | **$ 308** | **83%** | $ 298 | 83% | $ 325 | 83% | $ 222 | 75% |
| Commercial | **30** | **8** | 27 | 7 | 27 | 7 | 32 | 10 |
| Financial institutions | **21** | **5** | 21 | 6 | 19 | 4 | 22 | 7 |
| Wealth management mortgages | **6** | **1** | 6 | 1 | 9 | 2 | 9 | 3 |
| Capital call financing | **3** | **1** | 3 | 1 | 4 | 1 | 3 | 1 |
| Other residential mortgages | **2** | **1** | 3 | 1 | 4 | 1 | 6 | 2 |
| Wealth management loans | **1** | **1** | 1 | 1 | 1 | 1 | 1 | 1 |
| Lease financings | **—** | **—** | — | — | 1 | 1 | 1 | 1 |
| Total | **$ 371** | **100%** | $ 359 | 100% | $ 390 | 100% | $ 296 | 100% |

*(a) The allowance allocated to margin loans, overdrafts and other loans was insignificant at Sept. 30, 2024, June 30, 2024, Dec. 31, 2023 and Sept. 30, 2023.*

*(b) The methodology used to allocate the qualitative reserves was modified in the second quarter of 2024 to align certain specifically identifiable qualitative reserves with the respective class of financing receivables. For additional information, see Note 5 of the Notes to Consolidated Financial Statements.*

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

Our allowance for credit losses is sensitive to a number of inputs, most notably the macroeconomic forecast assumptions that are incorporated into our estimate of credit losses through the expected life of the loan portfolio, as well as the credit ratings assigned to each borrower. As the macroeconomic environment and related forecasts change, the allowance for credit losses may change materially. The following sensitivity analyses do not represent management’s expectations of the deterioration of our portfolios or the economic environment, but are provided as hypothetical scenarios to assess the sensitivity of the allowance for credit losses to changes in key inputs. If commercial real estate property values were increased 10% and all other credits were rated one grade better, the quantitative allowance would have decreased by $51 million, and if commercial real estate property values were decreased 10% and all other credits were rated one grade worse, the quantitative allowance would have increased by $83 million. Our multi-scenario-based macroeconomic forecast used in determining the Sept. 30, 2024 allowance for credit losses consisted of three scenarios. The baseline scenario reflects positive but slightly declining GDP growth, stable unemployment and slightly declining commercial real estate prices through the end of 2024. The upside scenario reflects higher GDP growth through the fourth quarter 2024 before moderating, declining unemployment through the end of 2024 and stable commercial real estate prices through the end of 2024 compared with the baseline. The downside scenario contemplates negative GDP growth through the fourth quarter of 2024 before moderating, rapidly increasing unemployment through the third quarter of 2025 and sharply lower commercial real estate prices than the baseline. At Sept. 30, 2024, we placed the most weight on our baseline scenario, with the remaining weighting placed on the upside and downside scenarios. From a sensitivity perspective, at Sept. 30, 2024, if we had applied 100% weighting to the downside scenario, the allowance for credit losses would have been approximately $123 million higher.

### *Nonperforming assets*

The table below presents our nonperforming assets.

| **Nonperforming assets**<br>*(dollars in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Nonperforming loans: | | |
| Commercial real estate | **$ 173** | $ 189 |
| Other residential mortgages | **19** | 24 |
| Wealth management mortgages | **19** | 19 |
| Total nonperforming loans | **211** | 232 |
| Other assets owned | **—** | 5 |
| Total nonperforming assets | **$ 211** | $ 237 |
| Nonperforming assets ratio | **0.30%** | 0.35% |
| Allowance for loan losses/ nonperforming loans | **140.3** | 130.6 |
| Allowance for loan losses/ nonperforming assets | **140.3** | 127.8 |
| Allowance for loan losses and lending-related commitments/nonperforming loans | **175.8** | 168.1 |
| Allowance for loan losses and lending-related commitments/nonperforming assets | **175.8** | 164.6 |

### *Deposits*

Total deposits were $296.4 billion at Sept. 30, 2024, an increase of 5%, compared with $283.7 billion at Dec. 31, 2023. The increase reflects higher interest-bearing deposits and noninterest-bearing deposits (principally U.S. offices).

Noninterest-bearing deposits were $61.5 billion at Sept. 30, 2024, compared with $58.3 billion at Dec. 31, 2023. Interest-bearing deposits were primarily demand deposits and totaled $234.9 billion at Sept. 30, 2024, compared with $225.4 billion at Dec. 31, 2023.

### *Short-term borrowings*

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

Federal funds purchased and securities sold under repurchase agreements include repurchase agreement activity with the Fixed Income Clearing Corporation (“FICC”), where we record interest expense on a gross basis, but the ending and average balances reflect the impact of offsetting under enforceable netting agreements. This activity primarily relates to government securities collateralized resale and repurchase agreements executed with clients that are novated to and settle with the FICC.

Payables to customers and broker-dealers represent funds awaiting reinvestment and short sale proceeds payable on demand. Payables to customers and broker-dealers are driven by customer trading activity and market volatility.

The Bank of New York Mellon issues commercial paper that matures within 397 days from the date of issue and is not redeemable prior to maturity or subject to voluntary prepayment.

Other borrowed funds primarily include borrowings from the Federal Home Loan Bank, overdrafts of sub-custodian account balances in our Securities Services businesses, finance lease liabilities and borrowings under lines of credit by our Pershing subsidiaries. Overdrafts typically relate to timing differences for settlements.

## Liquidity and dividends

BNY defines liquidity as the ability of the Parent and its subsidiaries to access funding or convert assets to cash quickly and efficiently, or to roll over or issue new debt, especially during periods of market stress, at a reasonable cost, and in order to meet its short-term (up to one year) obligations. Funding liquidity risk is the risk that BNY cannot meet its cash and collateral obligations at a reasonable cost for both expected and unexpected cash flow and collateral needs without adversely affecting daily operations or our financial condition. Funding liquidity risk can arise from funding mismatches, market constraints from the inability to convert assets into cash, the inability to hold or raise cash, low overnight deposits, deposit run-off or contingent liquidity events.

Changes in economic conditions or exposure to credit, market, operational, legal and reputational risks also can affect BNY’s liquidity risk profile and are considered in our liquidity risk framework. For additional information, see “Risk Management – Liquidity Risk” in our 2023 Annual Report.

The Parent's policy is to have access to sufficient unencumbered cash and cash equivalents at each quarter-end to cover maturities and other forecasted debt redemptions, net interest payments and net tax payments for the following 18-month period, and to provide sufficient collateral to satisfy transactions subject to Section 23A of the Federal Reserve Act.

We monitor and control liquidity exposures and funding needs within and across significant legal entities, branches, currencies and business lines, taking into account, among other factors, any applicable restrictions on the transfer of liquidity among entities.

BNY also manages potential intraday liquidity risks. We monitor and manage intraday liquidity against existing and expected intraday liquid resources (such as cash balances, remaining intraday credit capacity, intraday contingency funding and available collateral) to enable BNY to meet its intraday obligations under normal and reasonably severe stressed conditions.

We define available funds for internal liquidity management purposes as cash and due from banks, interest-bearing deposits with the Federal Reserve and other central banks, interest-bearing deposits with banks and federal funds sold and securities purchased under resale agreements.

The following table presents our total available funds at period end and on an average basis.

| **Available funds** *(dollars in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 | Average **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|---|---|
| Cash and due from banks | **$ 6,234** | $ 4,922 | **$ 5,230** | $ 5,556 | $ 5,183 | **$ 5,421** | $ 5,390 |
| Interest-bearing deposits with the Federal Reserve and other central banks | **102,231** | 111,550 | **100,611** | 102,257 | 98,767 | **101,883** | 102,762 |
| Interest-bearing deposits with banks | **9,354** | 12,139 | **10,559** | 11,210 | 12,287 | **11,162** | 14,129 |
| Federal funds sold and securities purchased under resale agreements | **36,164** | 28,900 | **31,183** | 29,013 | 26,915 | **29,079** | 26,187 |
| Total available funds | **$153,983** | $157,511 | **$147,583** | $148,036 | $143,152 | **$147,545** | $148,468 |
| Total available funds as a percentage of total assets | **36%** | 38% | **35%** | 36% | 36% | **36%** | 36% |

Total available funds were $154.0 billion at Sept. 30, 2024, compared with $157.5 billion at Dec. 31, 2023. The decrease was primarily due to lower interest-bearing deposits with the Federal Reserve and other central banks and interest-bearing deposits with banks, partially offset by higher federal funds sold and securities purchased under resale agreements.

Average non-core sources of funds, such as federal funds purchased and securities sold under repurchase agreements, trading liabilities, commercial paper and other borrowed funds, were $19.8 billion for the first nine months of 2024, compared with $27.0 billion for the first nine months of 2023. The decrease primarily reflects lower federal funds purchased and securities sold under repurchase agreements and lower trading liabilities.

Average interest-bearing domestic deposits were $141.0 billion for the first nine months of 2024, compared with $120.8 billion for the first nine months of 2023. Average interest-bearing foreign deposits, primarily from our European-based businesses included in the Securities Services and Market and Wealth Services segments, were $92.8 billion for the first nine months of 2024, compared with $88.9 billion for the first nine months of 2023. The changes primarily reflect client activity.

Average payables to customers and broker-dealers were $12.4 billion for the first nine months of 2024 and $15.1 billion for the first nine months of 2023. Payables to customers and broker-dealers are driven by customer trading activity and market volatility.

Average long-term debt was $31.9 billion for the first nine months of 2024 and $31.1 billion for the first nine months of 2023.

Average noninterest-bearing deposits decreased to $49.0 billion for the first nine months of 2024 from $61.4 billion for the first nine months of 2023, primarily reflecting client activity.

A significant reduction of client activity in our Securities Services and Market and Wealth Services business segments would reduce our access to deposits. See "Asset/liability management" for additional factors that could impact our deposit balances.

*Sources of liquidity*

The Parent's major sources of liquidity are access to the debt and equity markets, dividends from its subsidiaries, and cash on hand and cash otherwise made available in business-as-usual circumstances to the Parent through a committed credit facility with our intermediate holding company ("IHC").

Our ability to access the capital markets on favorable terms, or at all, is partially dependent on our credit ratings, which are as follows:

| **Credit ratings at Sept. 30, 2024** | Moody's | S&P | Fitch | DBRS |
|---|---|---|---|---|
| **Parent:** | | | | |
| Long-term senior debt | A1 | A | AA- | AA |
| Subordinated debt | A2 | A- | A | AA (low) |
| Preferred stock | Baa1 | BBB | BBB+ | A |
| **Outlook – Parent** | Positive | Stable | Stable | Stable |
| **The Bank of New York Mellon:** | | | | |
| Long-term senior debt | Aa2 | AA- | AA | AA (high) |
| Subordinated debt | NR | A | NR | NR |
| Long-term deposits | Aa1 | AA- | AA+ | AA (high) |
| Short-term deposits | P-1 | A-1+ | F1+ | R-1 (high) |
| Commercial paper | P-1 | A-1+ | F1+ | R-1 (high) |
| **BNY Mellon, N.A.:** | | | | |
| Long-term senior debt | Aa2 *(a)* | AA- | AA *(a)* | AA (high) |
| Long-term deposits | Aa1 | AA- | AA+ | AA (high) |
| Short-term deposits | P-1 | A-1+ | F1+ | R-1 (high) |
| **Outlook – Banks** | Negative (multiple) *(b)* | Stable | Stable | Stable |

*(a) Represents senior debt issuer default rating.*

*(b) Positive outlook on long-term senior debt ratings. Negative outlook on long-term deposits ratings. Positive outlook on senior unsecured rating for The Bank of New York Mellon.*

*NR – Not rated.*

Long-term debt totaled $33.2 billion at Sept. 30, 2024 and $31.3 billion at Dec. 31, 2023. Issuances totaling $5.0 billion and an increase in the fair value of hedged long-term debt were partially offset by maturities and redemptions of $3.5 billion. Long-term debt of $1.7 billion will mature in the remainder of 2024.

The Bank of New York Mellon may issue notes and certificates of deposit ("CDs"). At Sept. 30, 2024 and Dec. 31, 2023, $1.8 billion and $1.3 billion, respectively, of notes were outstanding. At Sept. 30, 2024 and Dec. 31, 2023, $1.3 billion and $397 million, respectively, of CDs were outstanding.

The Bank of New York Mellon also issues commercial paper that matures within 397 days from the date of issue and is not redeemable prior to maturity or subject to voluntary prepayment. There was $301 million of commercial paper outstanding at Sept. 30, 2024. There was no commercial paper outstanding at Dec. 31, 2023. The average commercial paper outstanding was $815 million for the first nine months of 2024 and $4 million for the first nine months of 2023.

Subsequent to Sept. 30, 2024, our U.S. bank subsidiaries could declare dividends to the Parent of approximately $1.3 billion, without the need for a regulatory waiver. In addition, at Sept. 30, 2024, non-bank subsidiaries of the Parent had liquid assets of approximately $4.5 billion. Restrictions on our ability to obtain funds from our subsidiaries are discussed in more detail in "Supervision and Regulation – Capital Planning and Stress Testing – Payment of Dividends, Stock Repurchases and Other Capital Distributions" and in Note 19 of the Notes to Consolidated Financial Statements, both in our 2023 Annual Report.

Pershing LLC has one uncommitted line of credit in place for funding purposes that is guaranteed by the

Parent for $300 million. There were no borrowings under this line in the third quarter of 2024. Pershing Limited, an indirect UK-based subsidiary of BNY, has two separate uncommitted lines of credit amounting to $261 million in aggregate. Average borrowings under these lines were less than $1 million in the third quarter of 2024.

The double leverage ratio is the ratio of our equity investment in subsidiaries divided by our consolidated Parent company equity, which includes our noncumulative perpetual preferred stock. In short, the double leverage ratio measures the extent to which equity in subsidiaries is financed by Parent company debt. As the double leverage ratio increases, this can reflect greater demands on a company's cash flows in order to service interest payments and debt maturities. BNY's double leverage ratio is managed in a range considering the high level of unencumbered available liquid assets held in its principal subsidiaries (such as central bank deposit placements and government securities), the Company's cash generating fee-based business model, with fee revenue representing 73% of total revenue in the third quarter of 2024, and the dividend capacity of our banking subsidiaries. Our double leverage ratio was 120.4% at Sept. 30, 2024 and 120.5% at Dec. 31, 2023, and within the range targeted by management.

*Uses of funds*

The Parent's major uses of funds are repurchases of common stock, payment of dividends, principal and interest payments on its borrowings, acquisitions and additional investments in its subsidiaries.

In July 2024, our Board of Directors approved a 12% increase in the quarterly cash dividend on our common stock, from $0.42 to $0.47 per share. The increased quarterly cash dividend was paid on Aug. 2, 2024. Our common stock dividend payout ratio was 32% for the third quarter of 2024.

In the third quarter of 2024, we repurchased 11.1 million common shares at an average price of $65.10 per common share, for a total cost of $725 million.

*Liquidity coverage ratio ("LCR")*

U.S. regulators have established an LCR that requires certain banking organizations, including BNY, to maintain a minimum amount of unencumbered high-quality liquid assets ("HQLA") sufficient to withstand the net cash outflow under a hypothetical standardized acute liquidity stress scenario for a 30-day time horizon.

The following table presents BNY's consolidated HQLA, and the average HQLA and average LCR.

| **Consolidated HQLA and LCR** *(dollars in billions)* | **Sept. 30, 2024** | June 30, 2024 |
|---|---|---|
| Cash *(a)* | **$ 102** | $ 116 |
| Securities *(b)* | **97** | 90 |
| Total consolidated HQLA *(c)* | **$ 199** | $ 206 |
| Total consolidated HQLA – average *(c)* | **$ 193** | $ 193 |
| Average consolidated LCR | **116%** | 115% |

*(a) Primarily includes cash on deposit with central banks.*

*(b) Primarily includes securities of U.S. government-sponsored enterprises, the U.S. Treasury, sovereigns and U.S. agencies.*

*(c) Consolidated HQLA presented before adjustments. After haircuts and the impact of trapped liquidity, consolidated HQLA totaled $135 billion at Sept. 30, 2024 and $148 billion at June 30, 2024, and averaged $131 billion for the third quarter of 2024 and $137 billion for the second quarter of 2024.*

BNY and each of our affected domestic bank subsidiaries were compliant with the U.S. LCR requirements of at least 100% throughout the third quarter of 2024.

*Net stable funding ratio ("NSFR")*

The NSFR is a liquidity requirement applicable to large U.S. banking organizations, including BNY. The NSFR is expressed as a ratio of the available stable funding to the required stable funding amount over a one-year horizon. Our average consolidated NSFR was 132% for the third quarter of 2024 and second quarter of 2024.

BNY and each of our affected domestic bank subsidiaries were compliant with the NSFR requirement of at least 100% throughout the third quarter of 2024.

*Statement of cash flows*

The following summarizes the activity reflected on the consolidated statement of cash flows. While this information may be helpful to highlight certain macro trends and business strategies, the cash flow analysis may not be as relevant when analyzing changes in our net earnings and net assets. We believe that in addition to the traditional cash flow analysis, the discussion related to liquidity and dividends and asset/liability management herein may provide more useful context in evaluating our liquidity position and related activity.

Net cash used for operating activities was $863 million in the nine months ended Sept. 30, 2024, compared with net cash provided by operating activities of $8.0 billion in the nine months ended Sept. 30, 2023. In the nine months ended Sept. 30, 2024, cash flows used for operations primarily resulted from changes in trading assets and liabilities, partially offset by earnings. In the nine months ended Sept. 30, 2023, cash flows provided by operations primarily resulted from earnings and changes in accruals and other, net.

Net cash used for investing activities was $11.1 billion in the nine months ended Sept. 30, 2024, compared with $4.5 billion in the nine months ended Sept. 30, 2023. In the nine months ended Sept. 30, 2024, net cash used for investing activities primarily resulted from changes in securities, federal funds sold and securities purchased under resale agreements and loans, partially offset by changes in interest-bearing deposits with the Federal Reserve and other central banks. In the nine months ended Sept. 30, 2023, net cash used for investing activities primarily resulted from changes in interest-bearing deposits with the Federal Reserve and other central banks and changes in federal funds sold and securities purchased under resale agreements, partially offset by changes in investment securities.

Net cash provided by financing activities was $11.6 billion in the nine months ended Sept. 30, 2024, compared with net cash used for financing activities of $7.3 billion in the nine months ended Sept. 30, 2023. In the nine months ended Sept. 30, 2024, net cash provided by financing activities primarily resulted from changes in deposits and net proceeds from the issuance of long-term debt, partially offset by repayments, redemptions and repurchases of long-term debt and treasury stock acquired. In the nine months ended Sept. 30, 2023, net cash used for financing activities primarily resulted from changes in payables to customers and broker-dealers and repayments, redemptions and repurchases of long-term debt, partially offset by the net proceeds from the issuance of long-term debt.

## Capital

| **Capital data**<br>*(dollars in millions, except per share amounts; common shares in thousands)* | **Sept. 30, 2024** | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| BNY shareholders' equity to total assets ratio | **9.8%** | 9.5% | 9.9% |
| BNY common shareholders' equity to total assets ratio | **8.8%** | 8.5% | 8.9% |
| Total BNY shareholders' equity | **$ 41,992** | $ 40,843 | $ 40,770 |
| Total BNY common shareholders' equity | **$ 37,649** | $ 36,500 | $ 36,427 |
| BNY tangible common shareholders' equity – Non-GAAP *(a)* | **$ 20,363** | $ 19,325 | $ 19,174 |
| Book value per common share | **$ 51.78** | $ 49.46 | $ 47.97 |
| Tangible book value per common share – Non-GAAP *(a)* | **$ 28.01** | $ 26.19 | $ 25.25 |
| Closing stock price per common share | **$ 71.86** | $ 59.89 | $ 52.05 |
| Market capitalization | **$ 52,248** | $ 44,196 | $ 39,524 |
| Common shares outstanding | **727,078** | 737,957 | 759,344 |
| **Quarterly:** | | | |
| Cash dividends per common share | **$ 0.47** | $ 0.42 | $ 0.42 |
| Common dividend payout ratio | **32%** | 28% | 202% |
| Common dividend yield *(annualized)* | **2.6%** | 2.8% | 3.2% |

*(a) See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 43 for a reconciliation of GAAP to Non-GAAP measures.*

The Bank of New York Mellon Corporation total shareholders' equity was $42.0 billion at Sept. 30, 2024 and $40.8 billion at Dec. 31, 2023, primarily reflecting earnings and improvements in accumulated other comprehensive income, partially offset by common stock repurchases and divided payments.

The unrealized loss (after-tax) on our available-for-sale securities portfolio, net of hedges, included in accumulated other comprehensive income was $774 million at Sept. 30, 2024, compared with $1.6 billion at Dec. 31, 2023. The improvement in the net unrealized loss, including the impact of hedges, primarily reflects the impact of securities moving closer to maturity and lower market interest rates.

In the first nine months of 2024, we repurchased 39.3 million common shares at an average price of $58.92 per common share for a total cost of $2.3 billion.

In January 2023, we announced a share repurchase program approved by our Board of Directors providing for the repurchase of up to $5.0 billion of common shares beginning Jan. 1, 2023. This share repurchase plan replaced all previously authorized share repurchase plans.

In April 2024, we announced a new authorization providing for the repurchase of $6.0 billion of common shares in addition to any remaining capacity under the existing January 2023 authorization.

In July 2024, our Board of Directors approved a 12% increase in the quarterly cash dividend on common stock, from $0.42 to $0.47 per share. The increased quarterly cash dividend was paid on Aug. 2, 2024.

### *Capital adequacy*

Regulators establish certain levels of capital for bank holding companies ("BHCs") and banks, including BNY and our bank subsidiaries, in accordance with established quantitative measurements. For the Parent to maintain its status as a financial holding company, our U.S. bank subsidiaries and BNY must, among other things, qualify as "well capitalized." As of Sept. 30, 2024 and Dec. 31, 2023, BNY and our U.S. bank subsidiaries were "well capitalized." Failure to satisfy regulatory standards, including "well capitalized" status or capital adequacy rules more generally, could result in limitations on our activities and adversely affect our financial condition. See the discussion of these matters in "Supervision and Regulation – Regulated Entities of BNY Mellon and Ancillary Regulatory Requirements" and "Risk Factors – Capital and Liquidity Risk – Failure to satisfy regulatory standards, including "well capitalized" and "well managed" status or capital adequacy and liquidity rules more generally, could result in limitations on our activities and adversely affect our business and financial condition," both of which are in our 2023 Annual Report.

The U.S. banking agencies' capital rules are based on the framework adopted by the Basel Committee on Banking Supervision, as amended from time to time. For additional information on these capital requirements, see "Supervision and Regulation" in our 2023 Annual Report.

The table below presents our consolidated and largest bank subsidiary regulatory capital ratios.

| **Consolidated and largest bank subsidiary regulatory capital ratios** | **Sept. 30, 2024** | | | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|---|---|---|
| | Well capitalized | Minimum required *(a)* | Capital ratios | Capital ratios | Capital ratios |
| **Consolidated regulatory capital ratios:** *(b)* | | | | | |
| **Advanced Approaches:** | | | | | |
| CET1 ratio | N/A *(c)* | 8.5% | **12.0%** | 11.5% | 11.5% |
| Tier 1 capital ratio | 6% | 10 | **14.6** | 14.2 | 14.2 |
| Total capital ratio | 10 | 12 | **15.6** | 15.0 | 14.9 |
| **Standardized Approach:** | | | | | |
| CET1 ratio | N/A *(c)* | 8.5% | **11.9%** | 11.4% | 11.9% |
| Tier 1 capital ratio | 6% | 10 | **14.5** | 14.0 | 14.6 |
| Total capital ratio | 10 | 12 | **15.6** | 15.0 | 15.6 |
| Tier 1 leverage ratio | N/A *(c)* | 4 | **6.0** | 5.8 | 6.0 |
| SLR *(d)* | N/A *(c)* | 5 | **7.0** | 6.8 | 7.3 |
| **The Bank of New York Mellon regulatory capital ratios:** *(b)* | | | | | |
| CET1 ratio | 6.5% | 7% | **16.9%** | 16.1% | 16.2% |
| Tier 1 capital ratio | 8 | 8.5 | **16.9** | 16.1 | 16.2 |
| Total capital ratio | 10 | 10.5 | **17.0** | 16.2 | 16.3 |
| Tier 1 leverage ratio | 5 | 4 | **6.6** | 6.4 | 6.6 |
| SLR *(d)* | 6 | 3 | **8.2** | 7.9 | 8.5 |

*(a) Minimum requirements for Sept. 30, 2024 include minimum thresholds plus currently applicable buffers. The U.S. global systemically important banks ("G-SIB") surcharge of 1.5% is subject to change. The countercyclical capital buffer is currently set to 0%. The stress capital buffer ("SCB") requirement is 2.5%, equal to the regulatory minimum for Standardized Approach capital ratios.*

*(b) For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches. The Tier 1 leverage ratio is based on Tier 1 capital and quarterly average total assets.*

*(c) The Federal Reserve's regulations do not establish well capitalized thresholds for these measures for BHCs.*

*(d) The SLR is based on Tier 1 capital and total leverage exposure, which includes certain off-balance sheet exposures.*

*N/A – Not applicable.*

Our CET1 ratio under the Standardized Approach was 11.9% at Sept. 30, 2024 and 11.5% at Dec. 31, 2023 under the Advanced Approaches. The increase reflects capital generated through earnings and improvements in other comprehensive income, partially offset by capital returned through common stock repurchases and dividends, and higher risk-weighted assets.

The Tier 1 leverage ratio was 6.0% at Sept. 30, 2024 and 6.0% at Dec. 31, 2023. The increase in capital was offset by higher average assets.

Risk-based capital ratios vary depending on the size of the balance sheet at period end and the levels and types of investments in assets, and leverage ratios vary based on the average size of the balance sheet over the quarter. The balance sheet size fluctuates from period to period 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 are higher. In addition, when markets experience significant volatility or stress, our balance sheet size may increase considerably as client deposit levels increase.

Our capital ratios are necessarily subject to, among other things, anticipated compliance with all necessary enhancements to model calibration, approval by regulators of certain models used as part of RWA calculations, other refinements, further implementation guidance from regulators, market practices and standards and any changes BNY may make to its businesses. As a consequence of these factors, our capital ratios may materially change and may be volatile over time and from period to period.

Under the Advanced Approaches, our operational loss risk model is informed by external losses, including fines and penalties levied against institutions in the financial services industry, particularly those that relate to businesses in which we operate, and as a result, external losses have impacted and could in the future impact the amount of capital that we are required to hold.

The following table presents our capital components and RWAs.

| **Capital components and risk-weighted assets** *(in millions)* | **Sept. 30, 2024** | June 30, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| **CET1:** | | | |
| Common shareholders' equity | **$ 37,649** | $ 36,500 | $ 36,427 |
| Adjustments for: | | | |
| Goodwill and intangible assets *(a)* | **(17,286)** | (17,175) | (17,253) |
| Net pension fund assets | **(331)** | (311) | (297) |
| Embedded goodwill | **(268)** | (267) | (275) |
| Deferred tax assets | **(73)** | (66) | (62) |
| Other | **(4)** | (10) | (6) |
| Total CET1 | **19,687** | 18,671 | 18,534 |
| **Other Tier 1 capital:** | | | |
| Preferred stock | **4,343** | 4,343 | 4,343 |
| Other | **(58)** | (8) | (14) |
| Total Tier 1 capital | **$ 23,972** | $ 23,006 | $ 22,863 |
| **Tier 2 capital:** | | | |
| Subordinated debt | **$ 1,498** | $ 1,148 | $ 1,148 |
| Allowance for credit losses | **401** | 390 | 414 |
| Other | **(6)** | (6) | (11) |
| Total Tier 2 capital – Standardized Approach | **1,893** | 1,532 | 1,551 |
| Excess of expected credit losses | **70** | 53 | 85 |
| Less: Allowance for credit losses | **401** | 390 | 414 |
| Total Tier 2 capital – Advanced Approaches | **$ 1,562** | $ 1,195 | $ 1,222 |
| **Total capital:** | | | |
| Standardized Approach | **$ 25,865** | $ 24,538 | $ 24,414 |
| Advanced Approaches | **$ 25,534** | $ 24,201 | $ 24,085 |
| | | | |
| **Risk-weighted assets:** | | | |
| Standardized Approach | **$ 165,652** | $ 164,094 | $ 156,178 |
| Advanced Approaches: | | | |
| Credit Risk | **$ 94,109** | $ 92,837 | $ 87,223 |
| Market Risk | **3,986** | 3,291 | 3,380 |
| Operational Risk | **65,763** | 65,650 | 70,925 |
| Total Advanced Approaches | **$ 163,858** | $ 161,778 | $ 161,528 |
| | | | |
| **Average assets for Tier 1 leverage ratio** | **$ 398,381** | $ 394,672 | $ 383,705 |
| **Total leverage exposure for SLR** | **$ 342,942** | $ 336,971 | $ 313,555 |

*(a) Reduced by deferred tax liabilities associated with intangible assets and tax-deductible goodwill.*

The table below presents the factors that impacted CET1 capital.

| **CET1 generation** *(in millions)* | **3Q24** |
|---|---|
| CET1 – Beginning of period | **$ 18,671** |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation | **1,110** |
| Goodwill and intangible assets, net of related deferred tax liabilities | **(111)** |
| Gross CET1 generated | **999** |
| Capital returned: | |
| Common stock repurchases | **(725)** |
| Common stock dividends *(a)* | **(353)** |
| Total capital returned | **(1,078)** |
| Other comprehensive gain (loss): | |
| Unrealized gain on assets available-for-sale | **751** |
| Foreign currency translation | **285** |
| Unrealized (loss) on cash flow hedges | **(5)** |
| Defined benefit plans | **2** |
| Total other comprehensive gain | **1,033** |
| Additional paid-in capital *(b)* | **91** |
| Other additions (deductions): | |
| Net pension fund assets | **(20)** |
| Embedded goodwill | **(1)** |
| Deferred tax assets | **(7)** |
| Other | **(1)** |
| Total other (deductions) | **(29)** |
| Net CET1 generated | **1,016** |
| CET1 – End of period | **$ 19,687** |

*(a) Includes dividend equivalents on share-based awards.*

*(b) Primarily related to stock awards and stock issued for employee benefit plans.*

The following table shows the impact on the consolidated capital ratios at Sept. 30, 2024 of a $100 million increase or decrease in common equity, or a $1 billion increase or decrease in RWAs, quarterly average assets or total leverage exposure.

| **Sensitivity of consolidated capital ratios at Sept. 30, 2024** | Increase or decrease of | |
|---|---|---|
| *(in basis points)* | $100 million in common equity | $1 billion in RWA, quarterly average assets or total leverage exposure |
| **CET1:** | | |
| Standardized Approach | 6 bps | 7 bps |
| Advanced Approaches | 6 | 7 |
| **Tier 1 capital:** | | |
| Standardized Approach | 6 | 9 |
| Advanced Approaches | 6 | 9 |
| **Total capital:** | | |
| Standardized Approach | 6 | 9 |
| Advanced Approaches | 6 | 10 |
| **Tier 1 leverage** | 3 | 2 |
| **SLR** | 3 | 2 |

*Stress capital buffer*

In July 2023, the Federal Reserve announced that BNY's SCB requirement would remain at 2.5%, equal to the regulatory floor, for the period from Oct. 1, 2023 through Sept. 30, 2024. The SCB replaced the static 2.5% capital conservation buffer for Standardized Approach capital ratios for CCAR BHCs. The SCB does not apply to bank subsidiaries, which remain subject to the static 2.5% capital conservation buffer. In August 2024, the Federal Reserve announced that BNY's SCB requirement would remain at 2.5%, equal to the regulatory floor, for the period from Oct. 1, 2024 through Sept. 30, 2025. See "Supervision and Regulation" in our 2023 Annual Report for additional information.

The SCB final rule generally eliminates the requirement for prior approval of common stock repurchases in excess of the distributions in a firm's capital plan, provided that such distributions are consistent with applicable capital requirements and buffers, including the SCB.

*Total Loss-Absorbing Capacity ("TLAC")*

The following summarizes the minimum requirements for BNY's external TLAC and external long-term debt ("LTD") ratios, plus currently applicable buffers.

|  | **As a % of RWAs** *(a)* | **As a % of total leverage exposure** |
|---|---|---|
| **Eligible external TLAC ratios** | Regulatory minimum of 18% plus a buffer *(b)* equal to the sum of 2.5%, the method 1 G-SIB surcharge (currently 1%), and the countercyclical capital buffer, if any | Regulatory minimum of 7.5% plus a buffer *(c)* equal to 2% |
| **Eligible external LTD ratios** | Regulatory minimum of 6% plus the greater of the method 1 or method 2 G-SIB surcharge (currently 1.5%) | 4.5% |

*(a) RWA is the greater of Standardized Approach and Advanced Approaches.*
*(b) Buffer to be met using only CET1.*
*(c) Buffer to be met using only Tier 1 capital.*

External TLAC consists of the Parent's Tier 1 capital and eligible unsecured LTD issued by it that has a remaining term to maturity of at least one year and satisfies certain other conditions. Eligible LTD consists of the unpaid principal balance of eligible unsecured debt securities, subject to haircuts for amounts due to be paid within two years, that satisfy certain other conditions. Debt issued prior to Dec. 31, 2016 has been permanently grandfathered to the extent these instruments otherwise would be ineligible only due to containing impermissible acceleration rights or being governed by foreign law.

The following table presents our external TLAC and external LTD ratios.

| **TLAC and LTD ratios** | **Sept. 30, 2024** |  |  |
|---|---|---|---|
|  | Minimum required | Minimum ratios with buffers | Ratios |
| Eligible external TLAC: |  |  |  |
| As a percentage of RWA | 18.0% | 21.5% | 30.9% |
| As a percentage of total leverage exposure | 7.5% | 9.5% | 14.9% |
| Eligible external LTD: |  |  |  |
| As a percentage of RWA | 7.5% | N/A | 15.3% |
| As a percentage of total leverage exposure | 4.5% | N/A | 7.4% |

*N/A – Not applicable.*

If BNY maintains risk-based ratio or leverage TLAC measures above the minimum required level, but with a risk-based ratio or leverage below the minimum level with buffers, we will face constraints on dividends, equity repurchases and discretionary executive compensation based on the amount of the shortfall and eligible retained income.

## Trading activities and risk management

Our trading activities are focused on acting as a market-maker for our customers, facilitating customer trades and risk-mitigating hedging in compliance with the Volcker Rule. The risk from market-making activities for customers is managed by our traders and limited in total exposure through a system of position limits, value-at-risk ("VaR") methodology and other market sensitivity measures. VaR is the potential loss in value due to adverse market movements over a defined time horizon with a specified confidence level. The calculation of our VaR used by management and presented below assumes a one-day holding period, utilizes a 99% confidence level and incorporates non-linear product characteristics. VaR facilitates comparisons across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk at the firm-wide level.

VaR represents a key risk management measure, and it is important to note the inherent limitations to VaR, which include:

- VaR does not estimate potential losses over longer time horizons where moves may be extreme;
- VaR does not take into account the potential variability of market liquidity; and
- Previous moves in market risk factors may not produce accurate predictions of all future market moves.

See Note 17 of the Notes to Consolidated Financial Statements for additional information on the VaR methodology.

The following tables indicate the calculated VaR amounts for the trading portfolio for the designated periods using the historical simulation VaR model.

| **VaR** *(a)* | **3Q24** | | | **Sept. 30, 2024** |
|---|---|---|---|---|
| *(in millions)* | **Average** | **Minimum** | **Maximum** | |
| Interest rate | **$ 3.0** | **$ 1.9** | **$ 4.6** | **$ 2.7** |
| Foreign exchange | **2.3** | **1.7** | **2.8** | **2.5** |
| Equity | **0.1** | **0.1** | **0.4** | **0.1** |
| Credit | **1.2** | **0.9** | **1.7** | **1.2** |
| Diversification | **(4.6)** | **N/M** | **N/M** | **(4.5)** |
| Overall portfolio | **2.0** | **1.4** | **3.0** | **2.0** |

| **VaR** *(a)* | 2Q24 | | | June 30, 2024 |
|---|---|---|---|---|
| *(in millions)* | Average | Minimum | Maximum | |
| Interest rate | $ 2.5 | $ 2.0 | $ 3.8 | $ 2.1 |
| Foreign exchange | 2.2 | 1.6 | 2.9 | 1.9 |
| Equity | 0.1 | — | 0.2 | 0.1 |
| Credit | 1.4 | 0.9 | 1.8 | 1.1 |
| Diversification | (4.2) | N/M | N/M | (3.6) |
| Overall portfolio | 2.0 | 1.5 | 2.9 | 1.6 |

| **VaR** *(a)* | 3Q23 | | | Sept. 30, 2023 |
|---|---|---|---|---|
| *(in millions)* | Average | Minimum | Maximum | |
| Interest rate | $ 2.6 | $ 1.9 | $ 4.6 | $ 2.4 |
| Foreign exchange | 2.5 | 2.0 | 3.2 | 2.1 |
| Equity | 0.1 | — | 0.3 | 0.2 |
| Credit | 1.2 | 0.9 | 1.7 | 1.3 |
| Diversification | (4.3) | N/M | N/M | (4.1) |
| Overall portfolio | 2.1 | 1.3 | 3.2 | 1.9 |

| **VaR** *(a)* | **YTD24** | | |
|---|---|---|---|
| *(in millions)* | **Average** | **Minimum** | **Maximum** |
| Interest rate | **$ 2.7** | **$ 1.9** | **$ 4.6** |
| Foreign exchange | **2.2** | **1.6** | **3.0** |
| Equity | **0.1** | **—** | **0.4** |
| Credit | **1.3** | **0.9** | **1.9** |
| Diversification | **(4.4)** | **N/M** | **N/M** |
| Overall portfolio | **1.9** | **1.4** | **3.0** |

| **VaR** *(a)* | YTD23 | | |
|---|---|---|---|
| *(in millions)* | Average | Minimum | Maximum |
| Interest rate | $ 3.2 | $ 1.9 | $ 7.6 |
| Foreign exchange | 3.0 | 2.0 | 5.7 |
| Equity | 0.1 | — | 0.3 |
| Credit | 1.4 | 0.7 | 3.5 |
| Diversification | (4.7) | N/M | N/M |
| Overall portfolio | 3.0 | 1.3 | 8.9 |

*(a) VaR exposure does not include the impact of the Company's consolidated investment management funds and seed capital investments.*

*N/M – Because the minimum and maximum may occur on different days for different risk components, it is not meaningful to compute a minimum and maximum portfolio diversification effect.*

The interest rate component of VaR represents instruments whose values are predominantly driven by interest rate levels. These instruments include, but are not limited to, U.S. Treasury securities, swaps, swaptions, forward rate agreements, exchange-traded futures and options, and other interest rate derivative products.

The foreign exchange component of VaR represents instruments whose values predominantly vary with the level or volatility of currency exchange rates or interest rates. These instruments include, but are not limited to, currency balances, spot and forward transactions, currency options and other currency derivative products.

The equity component of VaR consists of instruments that represent an ownership interest in the form of domestic and foreign common stock or other equity-linked instruments. These instruments include, but are not limited to, common stock, exchange-traded funds, preferred stock, listed equity options (puts and calls), OTC equity options, equity total return swaps, equity index futures and other equity derivative products.

The credit component of VaR represents instruments whose values are predominantly driven by credit spread levels, i.e., idiosyncratic default risk. These instruments include, but are not limited to, single issuer credit default swaps, and securities with exposures from corporate and municipal credit spreads.

The diversification component of VaR is the risk reduction benefit that occurs when combining portfolios and offsetting positions, and from the correlated behavior of risk factor movements.

During the third quarter of 2024, interest rate risk generated 45% of average gross VaR, foreign exchange risk generated 35% of average gross VaR, credit risk generated 18% of average gross VaR and equity risk generated 2% of average gross VaR. During the third quarter of 2024, our daily trading loss did not exceed our calculated VaR amount of the overall portfolio.

The following table of total daily trading revenue or loss illustrates the number of trading days in which our trading revenue or loss fell within particular ranges during the past five quarters. Compared with the quarter ended June 30, 2024, the number of trading days when trading revenue was more than $2.5 million decreased while the number of trading days when trading revenue ranged between $0 and $2.5 million increased, primarily due to lower foreign exchange volumes.

**Distribution of trading revenue (loss)** *(a)*

| | Quarter ended | | | | |
|---|---|---|---|---|---|
| *(dollars in millions)* | **Sept. 30, 2024** | June 30, 2024 | March 31, 2024 | Dec. 31, 2023 | Sept. 30, 2023 |
| **Revenue range:** | Number of days | | | | |
| Less than $(2.5) | **—** | — | — | 2 | — |
| $(2.5) – $0 | **2** | 2 | 1 | 3 | 5 |
| $0 – $2.5 | **18** | 8 | 19 | 18 | 14 |
| $2.5 – $5.0 | **27** | 34 | 30 | 25 | 24 |
| More than $5.0 | **17** | 19 | 12 | 15 | 20 |

(a) *Trading revenue (loss) includes realized and unrealized gains and losses primarily related to spot and forward foreign exchange transactions, derivatives and securities trades for our customers and excludes any associated commissions, underwriting fees and net interest income.*

Trading assets include debt and equity instruments and derivative assets, primarily foreign exchange and interest rate contracts, not designated as hedging instruments. Trading assets were $12.5 billion at Sept. 30, 2024 and $10.1 billion at Dec. 31, 2023.

Trading liabilities include debt and equity instruments and derivative liabilities, primarily foreign exchange and interest rate contracts, not designated as hedging instruments. Trading liabilities were $4.6 billion at Sept. 30, 2024 and $6.2 billion at Dec. 31, 2023.

Under our fair value methodology for derivative contracts, an initial "risk-neutral" valuation is performed on each position assuming time discounting based on a AA credit curve. In addition, we consider credit risk in arriving at the fair value of our derivatives.

We reflect external credit ratings as well as observable credit default swap spreads for both ourselves and our counterparties when measuring the fair value of our derivative positions. Accordingly, the valuation of our derivative positions is sensitive to the current changes in our own credit spreads, as well as those of our counterparties.

At Sept. 30, 2024, our OTC derivative assets, including those in hedging relationships, of $1.5 billion included a credit valuation adjustment ("CVA") deduction of $13 million. Our OTC derivative liabilities, including those in hedging relationships, of $2.9 billion included a debit valuation adjustment ("DVA") of $4 million related to our own credit spread. Net of hedges, the CVA decreased by less than $1 million and the DVA increased by less than $1 million in the third quarter of 2024, which increased investment and other revenue – other trading revenue by $1 million. The net impact of the CVA and DVA, net of hedges, decreased investment and other revenue – other trading revenue by less than $1 million in the second quarter of 2024 and increased investment and other revenue – other trading revenue by less than $1 million in the third quarter of 2023.

The table below summarizes our exposure, net of collateral related to our derivative counterparties, as determined on an internal risk management basis. Significant changes in counterparty credit ratings could alter the level of credit risk faced by BNY.

**Foreign exchange and other trading counterparty risk-rating profile**

| | **Sept. 30, 2024** | | Dec. 31, 2023 | |
|---|---|---|---|---|
| *(dollars in millions)* | Exposure, net of collateral | Percentage of exposure, net of collateral | Exposure, net of collateral | Percentage of exposure, net of collateral |
| Investment grade | **$ 1,320** | **97%** | $ 2,062 | 95% |
| Non-investment grade | **40** | **3%** | 103 | 5% |
| Total | **$ 1,360** | **100%** | $ 2,165 | 100% |

## Asset/liability management

Our diversified business activities include processing securities, accepting deposits, investing in securities, lending, raising money as needed to fund assets and other transactions. The market risks from these activities include interest rate risk and foreign exchange risk. Our primary market risk is exposure to movements in U.S. dollar interest rates and certain foreign currency interest rates. We actively manage interest rate sensitivity and use earnings simulation and discounted cash flow models to identify interest rate exposures.

An earnings simulation model is the primary tool used to assess changes in pre-tax net interest income between a baseline scenario and hypothetical interest rate scenarios. Interest rate sensitivity is quantified by calculating the change in pre-tax net interest income between the scenarios over a 12-month measurement period.

The baseline scenario incorporates the market's forward rate expectations and management's assumptions regarding client deposit rates, credit spreads, changes in the prepayment behavior of loans and securities and the impact of derivative financial instruments used for interest rate risk management purposes as of each respective quarter-end. These assumptions have been developed through a combination of historical analysis and future expected pricing behavior and are inherently uncertain. Actual results may differ materially from projected results due to timing, magnitude and frequency of interest rate changes, and changes in market conditions and management's strategies, among other factors. Client deposit levels and mix are key assumptions impacting net interest income in the baseline as well as the hypothetical interest rate scenarios. The earnings simulation model assumes static deposit levels and mix, and it also assumes that no management actions will be taken to mitigate the effects of interest rate changes. Typically, the baseline scenario uses the average deposit balances of the quarter.

In the table below, we use the earnings simulation model to assess the impact of various hypothetical interest rate scenarios compared to the baseline scenario. In each of the scenarios, all currencies' interest rates are instantaneously shifted higher or lower at the start of the forecast. Long-term interest rates are defined as all tenors equal to or greater than three years and short-term interest rates are defined as all tenors equal to or less than three months. Interim term points are interpolated where applicable. The impact of interest rate shifts may not be linear. The results of this earnings simulation should therefore not be extrapolated for more severe interest rate scenarios than those presented in the table below.

The following table shows net interest income sensitivity for BNY.

| **Estimated changes in net interest income** *(in millions)* | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 |
|---|---|---|---|
| Up 100 bps rate shock vs. baseline | **$ 190** | $ 162 | $ 166 |
| Long-term up 100 bps, short-term unchanged | **130** | 107 | 13 |
| Short-term up 100 bps, long-term unchanged | **60** | 55 | 153 |
| Long-term down 100 bps, short-term unchanged | **(139)** | (109) | (14) |
| Short-term down 100 bps, long-term unchanged | **(124)** | (135) | (214) |
| Down 100 bps rate shock vs. baseline | **(263)** | (244) | (228) |

At Sept. 30, 2024, the changes in the impacts of a 100 basis points upward or downward shift in rates on net interest income compared with June 30, 2024 were primarily driven by an increase in fixed-rate assets and slightly lower deposit rate sensitivities.

While the net interest income sensitivity scenario calculations assume static deposit balances to facilitate consistent period-over-period comparisons, net interest income is impacted by changes in deposit balances and interest rate trajectory. Noninterest-bearing deposits are particularly sensitive to changes in short-term rates.

To illustrate the net interest income sensitivity to noninterest-bearing deposits, we estimate that a $5 billion instantaneous reduction/increase in U.S. dollar-denominated noninterest-bearing deposits would reduce/increase the net interest income sensitivity results in the up 100 basis point rate shock scenario in the table above by approximately $240 million, and in the down 100 basis point rate shock scenario by approximately $140 million. The impact would be smaller if the reduction/increase was assumed to be a mixture of interest-bearing and noninterest-bearing deposits.

Additionally, during periods of low short-term interest rates, money market mutual fund fees and other similar fees are typically waived to protect investors from negative returns.

For a discussion of factors impacting the growth or contraction of deposits, see "Risk Factors – Capital and Liquidity Risk – Our business, financial condition and results of operations could be adversely affected if we do not effectively manage our liquidity" in our 2023 Annual Report.

## Supplemental information – Explanation of GAAP and Non-GAAP financial measures

BNY has included in this Form 10-Q certain Non-GAAP financial measures on a tangible basis as a supplement to GAAP information, which exclude goodwill and intangible assets, net of deferred tax liabilities. We believe that the return on tangible common equity – Non-GAAP is additional useful information for investors because it presents a measure of those assets that can generate income, and the tangible book value per common share – Non-GAAP is additional useful information because it presents the level of tangible assets in relation to shares of common stock outstanding.

BNY has also included revenue measures excluding notable items, including the reduction in the fair value of a contingent consideration receivable related to a prior year divestiture and a disposal gain. Expense measures, excluding notable items, including severance expense, litigation reserves and the FDIC special assessment, are also presented. Litigation reserves represent accruals for loss contingencies that are both probable and reasonably estimable, but exclude standard business-related legal fees. Net income applicable to common shareholders of The Bank of New York Mellon Corporation, diluted earnings per share, return on common equity, return on tangible common equity and pre-tax operating margin, excluding the notable items mentioned above, are also provided. These measures are provided to permit investors to view the financial measures on a basis consistent with how management views the businesses.

The presentation of the growth rates of investment management and performance fees on a constant currency basis permits investors to assess the significance of changes in foreign currency exchange rates. Growth rates on a constant currency basis were determined by applying the current period foreign currency exchange rates to the prior period revenue. We believe that this presentation, as a supplement to GAAP information, gives investors a clearer picture of the related revenue results without the variability caused by fluctuations in foreign currency exchange rates.

BNY has also included the adjusted pre-tax operating margin – Non-GAAP, which is the pre-tax operating margin for the Investment and Wealth Management business segment, net of distribution and servicing expense that was passed to third parties who distribute or service our managed funds. We believe that this measure is useful when evaluating the performance of the Investment and Wealth Management business segment relative to industry competitors.

| **Reconciliation of Non-GAAP measures, excluding notable items** |  |  |  | **3Q24 vs.** |  |  |  | **YTD24 vs.** |
|---|---|---|---|---|---|---|---|---|
| *(dollars in millions, except per share amounts)* | **3Q24** | 2Q24 | 3Q23 | **2Q24** | **3Q23** | **YTD24** | YTD23 | **YTD23** |
| Total revenue – GAAP | **$ 4,648** | $ 4,597 | $ 4,420 | **1%** | **5%** |  |  |  |
| Less: Disposal gain *(a)* | **—** | — | 2 |  |  |  |  |  |
| Adjusted total revenue – Non-GAAP | **$ 4,648** | $ 4,597 | $ 4,418 | **1%** | **5%** |  |  |  |
| Noninterest expense – GAAP | **$ 3,100** | $ 3,070 | $ 3,089 | **1%** | **— %** | **$ 9,346** | $ 9,300 | **—%** |
| Less: Severance expense *(b)* | **40** | 29 | 41 |  |  | **105** | 67 |  |
| Litigation reserves *(b)* | **2** | 2 | 5 |  |  | **6** | 47 |  |
| FDIC special assessment *(b)* | **(17)** | (38) | — |  |  | **(55)** | — |  |
| Adjusted noninterest expense – Non-GAAP | **$ 3,075** | $ 3,077 | $ 3,043 | **—%** | **1%** | **$ 9,290** | $ 9,186 | **1%** |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP | **$ 1,110** | $ 1,143 | $ 958 | **(3)%** | **16%** |  |  |  |
| Less: Disposal gain *(a)* | **—** | — | — |  |  |  |  |  |
| Severance expense *(b)* | **(31)** | (22) | (32) |  |  |  |  |  |
| Litigation reserves *(b)* | **(2)** | — | (4) |  |  |  |  |  |
| FDIC special assessment *(b)* | **13** | 29 | — |  |  |  |  |  |
| Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation – Non-GAAP | **$ 1,130** | $ 1,136 | $ 994 | **(1)%** | **14%** |  |  |  |
| Diluted earnings per common share – GAAP | **$ 1.50** | $ 1.52 | $ 1.23 | **(1)%** | **22%** |  |  |  |
| Less: Disposal gain *(a)* | **—** | — | — |  |  |  |  |  |
| Severance expense *(b)* | **(0.04)** | (0.03) | (0.04) |  |  |  |  |  |
| Litigation reserves *(b)* | **—** | — | (0.01) |  |  |  |  |  |
| FDIC special assessment *(b)* | **0.02** | 0.04 | — |  |  |  |  |  |
| Total diluted earnings per common share impact of notable items | **(0.03)** *(c)* | 0.01 | (0.05) |  |  |  |  |  |
| Adjusted diluted earnings per common share – Non-GAAP | **$ 1.52** *(c)* | $ 1.51 | $ 1.27 *(c)* | **1%** | **20%** |  |  |  |

*(a) Reflected in investment and other revenue.*

*(b) Severance expense is reflected in staff expense, litigation reserves in other expense, and FDIC special assessment in bank assessment charges, respectively*

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

The following table presents the reconciliation of the pre-tax operating margin.

| **Pre-tax operating margin reconciliation** |  |  |  |  |  |
|---|---|---|---|---|---|
| *(dollars in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
| Income before taxes – GAAP | **$ 1,525** | $ 1,527 | $ 1,328 | **$ 4,376** | $ 4,004 |
| Impact of notable items *(a)* | **(25)** | 7 | (44) | **(56)** | (114) |
| Adjusted income before taxes, excluding notable items – Non-GAAP | **$ 1,550** | $ 1,520 | $ 1,372 | **$ 4,432** | $ 4,118 |
| Total revenue – GAAP | **$ 4,648** | $ 4,597 | $ 4,420 | **$ 13,772** | $ 13,339 |
| Impact of notable items *(a)* | **—** | — | 2 | **—** | — |
| Adjusted total revenue, excluding notable items – Non-GAAP | **$ 4,648** | $ 4,597 | $ 4,418 | **$ 13,772** | $ 13,339 |
| Pre-tax operating margin – GAAP *(b)* | **33%** | 33% | 30% | **32%** | 30% |
| Adjusted pre-tax operating margin – Non-GAAP *(b)* | **33%** | 33% | 31% | **32%** | 31% |

*(a) See above for details of notable items and line items impacted.*

*(b) Income before taxes divided by total revenue.*

The following table presents the reconciliation of the return on common equity and tangible common equity.

| **Return on common equity and tangible common equity reconciliation**<br>*(dollars in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP | **$ 1,110** | $ 1,143 | $ 958 | **$ 3,206** | $ 2,905 |
| Add: Amortization of intangible assets | **12** | 13 | 15 | **37** | 43 |
| Less: Tax impact of amortization of intangible assets | **3** | 3 | 3 | **9** | 10 |
| Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets – Non-GAAP | **1,119** | 1,153 | 970 | **$ 3,234** | $ 2,938 |
| Impact of notable items *(a)* | **(20)** | 7 | (36) | **(42)** | (96) |
| Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets and notable items – Non-GAAP | **$ 1,139** | $ 1,146 | $ 1,006 | **$ 3,276** | $ 3,034 |
| Average common shareholders' equity | **$ 36,772** | $ 36,044 | $ 35,873 | **$ 36,242** | $ 35,672 |
| Less: Average goodwill | **16,281** | 16,229 | 16,237 | **16,250** | 16,206 |
| Average intangible assets | **2,827** | 2,834 | 2,875 | **2,836** | 2,887 |
| Add: Deferred tax liability – tax deductible goodwill | **1,220** | 1,213 | 1,197 | **1,220** | 1,197 |
| Deferred tax liability – intangible assets | **656** | 655 | 657 | **656** | 657 |
| Average tangible common shareholders' equity – Non-GAAP | **$ 19,540** | $ 18,849 | $ 18,615 | **$ 19,032** | $ 18,433 |
| Return on common equity – GAAP *(b)* | **12.0%** | 12.7% | 10.6% | **11.8%** | 10.9% |
| Adjusted return on common equity – Non-GAAP *(b)* | **12.2%** | 12.7% | 11.0% | **12.0%** | 11.2% |
| Return on tangible common equity – Non-GAAP *(b)* | **22.8%** | 24.6% | 20.6% | **22.7%** | 21.3% |
| Adjusted return on tangible common equity – Non-GAAP *(b)* | **23.2%** | 24.4% | 21.4% | **23.0%** | 22.0% |

*(a) See page 44 for details of notable items and line items impacted.*

*(b) Returns are annualized.*

The following table presents the reconciliation of book value and tangible book value per common share.

| **Book value and tangible book value per common share reconciliation**<br>*(dollars in millions, except per share amounts and unless otherwise noted)* | **Sept. 30, 2024** | June 30, 2024 | Dec. 31, 2023 | Sept. 30, 2023 |
|---|---|---|---|---|
| The Bank of New York Mellon Corporation shareholders' equity at period end – GAAP | **$ 41,992** | $ 40,843 | $ 40,770 | $ 40,858 |
| Less: Preferred stock | **4,343** | 4,343 | 4,343 | 4,838 |
| The Bank of New York Mellon Corporation common shareholders' equity at period end – GAAP | **37,649** | 36,500 | 36,427 | 36,020 |
| Less: Goodwill | **16,338** | 16,217 | 16,261 | 16,159 |
| Intangible assets | **2,824** | 2,826 | 2,854 | 2,859 |
| Add: Deferred tax liability – tax deductible goodwill | **1,220** | 1,213 | 1,205 | 1,197 |
| Deferred tax liability – intangible assets | **656** | 655 | 657 | 657 |
| The Bank of New York Mellon Corporation tangible common shareholders' equity at period end – Non-GAAP | **$ 20,363** | $ 19,325 | $ 19,174 | $ 18,856 |
| Period-end common shares outstanding *(in thousands)* | **727,078** | 737,957 | 759,344 | 769,073 |
| Book value per common share – GAAP | **$ 51.78** | $ 49.46 | $ 47.97 | $ 46.84 |
| Tangible book value per common share – Non-GAAP | **$ 28.01** | $ 26.19 | $ 25.25 | $ 24.52 |

The following table presents the impact of changes in foreign currency exchange rates on our consolidated investment management and performance fees.

| **Constant currency reconciliation – Consolidated**<br>*(dollars in millions)* | **3Q24** | 3Q23 | **3Q24 vs. 3Q23** |
|---|---|---|---|
| Investment management and performance fees – GAAP | **$ 794** | $ 777 | **2%** |
| Impact of changes in foreign currency exchange rates | — | 5 | |
| Adjusted investment management and performance fees – Non-GAAP | **$ 794** | $ 782 | **2%** |

The following table presents the impact of changes in foreign currency exchange rates on investment management and performance fees reported in the Investment and Wealth Management business segment.

| **Constant currency reconciliation – Investment and Wealth Management business segment** *(dollars in millions)* | **3Q24** | 3Q23 | **3Q24 vs. 3Q23** |
|---|---|---|---|
| Investment management and performance fees – GAAP | **$ 795** | $ 778 | **2%** |
| Impact of changes in foreign currency exchange rates | — | 5 | |
| Adjusted investment management and performance fees – Non-GAAP | **$ 795** | $ 783 | **2%** |

The following table presents the reconciliation of the pre-tax operating margin for the Investment and Wealth Management business segment.

| **Pre-tax operating margin reconciliation – Investment and Wealth Management business segment** *(dollars in millions)* | **3Q24** | 2Q24 | 1Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|---|
| Income before income taxes – GAAP | **$ 176** | $ 149 | $ 107 | $ 164 | **$ 432** | $ 387 |
| Total revenue – GAAP | **$ 849** | $ 821 | $ 846 | $ 830 | **$ 2,516** | $ 2,476 |
| Less: Distribution and servicing expense | **91** | 88 | 96 | 87 | **275** | 266 |
| Adjusted total revenue, net of distribution and servicing expense – Non-GAAP | **$ 758** | $ 733 | $ 750 | $ 743 | **$ 2,241** | $ 2,210 |
| Pre-tax operating margin – GAAP *(a)* | **21%** | 18% | 13% | 20% | **17%** | 16% |
| Adjusted pre-tax operating margin, net of distribution and servicing expense – Non-GAAP *(a)* | **23%** | 20% | 14% | 22% | **19%** | 18% |

*(a) Income before income taxes divided by total revenue.*

The following table presents the reconciliations of income before income taxes, total revenue and the pre-tax operating margin for the Investment and Wealth Management business segment.

| **Pre-tax operating margin reconciliation, excluding notable items – Investment and Wealth Management business segment** *(dollars in millions)* | 4Q23 |
|---|---|
| (Loss) before income taxes – GAAP | $ (4) |
| Less: Reduction in the fair value of a contingent consideration receivable related to a prior year divestiture *(a)* | (144) |
| Severance expense *(b)* | (12) |
| Adjusted income before income taxes – Non-GAAP | $ 152 |
| Total revenue – GAAP | $ 679 |
| Less: Reduction in the fair value of a contingent consideration receivable related to a prior year divestiture *(a)* | (144) |
| Adjusted total revenue – Non-GAAP | $ 823 |
| Less: Distribution and servicing expense | 89 |
| Adjusted total revenue excluding notable items, net of distribution and servicing expense – Non-GAAP | $ 734 |
| Pre-tax operating margin – GAAP *(c)* | (1)% |
| Adjusted pre-tax operating margin, net of distribution and servicing expense – Non-GAAP *(c)* | (1)% |
| Adjusted pre-tax operating margin, net of distribution and servicing expense and excluding notable items – Non-GAAP *(c)* | 21% |

*(a) Reflected in investment and other revenue on the consolidated income statement.*

*(b) Reflected in staff expense on the consolidated income statement.*

*(c) Income before income taxes divided by total revenue.*

## Recent accounting and regulatory developments

### *Recent accounting developments*

The following accounting guidance issued by the Financial Accounting Standards Board ("FASB") has not yet been adopted as of Sept. 30, 2024.

*ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires a public entity to disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss (collectively referred to as the "significant expense principle"). In addition, disclosure will be required of the title and position of CODM, and how the CODM uses the reported measure of segment profit or loss in assessing segment performance and deciding how to allocate resources.

This ASU is effective for annual periods beginning after Dec. 15, 2023 and interim periods beginning in 2025, with early adoption permitted. BNY is currently evaluating this guidance and the impact on the business segment disclosures.

*ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires a company to disclose, on an annual basis, additional disaggregated information related to the existing disclosures for the effective income tax rate reconciliation and income taxes paid.

This ASU is effective on a prospective basis, with a retrospective option, for annual periods beginning after Dec. 15, 2024, and interim periods within fiscal years beginning after Dec. 15, 2025. BNY is currently evaluating this guidance and the impact on the income tax disclosures.

### *Recent regulatory and other developments*

For a summary of additional regulatory matters relevant to our operations, see "Recent regulatory developments" in our Form 10-Q for the quarters ended March 31, 2024 and June 30, 2024, and "Supervision and Regulation" in our 2023 Annual Report. The following discussion summarizes certain regulatory, legislative and other developments that may affect BNY.

*Bank Secrecy Act Extended to Investment Advisers*

On Aug. 28, 2024, the Financial Crimes Enforcement Network ("FinCEN"), a bureau of the U.S. Department of the Treasury, adopted a final rule requiring certain investment advisers to establish anti-money laundering/countering the financing of terrorism ("AML/CFT") programs pursuant to the Bank Secrecy Act ("BSA") and to monitor for, and report, suspicious activity and currency transactions to FinCEN. Investment advisers will be required to apply their AML/CFT programs to all advisory services provided to all customers, except that they will be permitted to exclude mutual funds, certain bank- and trust company-sponsored collective investment funds, and other investment advisers subject to the rule. Among other requirements, the AML/CFT program must (i) be risk-based, (ii) be reasonably designed to prevent the investment adviser from being used for money laundering, terrorist financing, or other illicit finance activities and to achieve compliance with applicable provisions of the BSA and regulations thereunder, (iii) provide for independent compliance testing, and (iv) designate responsible persons and ongoing training. Investment advisers must comply with the Rule by Jan. 1, 2026. BNY is evaluating the final rule.

*EU Artificial Intelligence Act*

On July 12, 2024, the EU's Regulation on Artificial Intelligence ("AI Act") was published in the Official Journal of the EU and came into force on Aug. 1, 2024. The AI Act will apply extraterritorially, impacting both EU and non-EU entities, and will impact BNY. The AI Act creates a pan-EU regulatory framework to manage the risks associated with the use of artificial intelligence, including with respect to financial services. Under the AI Act, AI systems are categorized into four risk levels depending on their potential to harm individuals or society: unacceptable risk, high risk, limited risk, and minimal risk, and imposes obligations depending on the risk categorization, which may include data governance, documentation and recordkeeping, human oversight, testing, cybersecurity, disclosure, regulatory notification or reporting, or training. In addition, the AI Act prohibits AI that pose unacceptable risk that are abusive or contradict EU values, including AI that may be manipulative, exploitive, or discriminatory. The individual provisions of the AI Act apply on a rolling basis from Feb. 2, 2025 to Aug. 2, 2027. BNY has evaluated the impact of the AI Act and has established an implementation program designed to operationalize the regulatory requirements applicable to BNY within required time frames.

## Website information

Our website is www.bny.com. We currently make available the following information under the Investor Relations portion of our website. With respect to filings with the Securities and Exchange Commission ("SEC"), we post such information as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC.

- All of our SEC filings, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports, as well as proxy statements and SEC Forms 3, 4 and 5;
- Our earnings materials and selected management conference calls and presentations;
- Other regulatory disclosures, including: Pillar 3 Disclosures (and Market Risk Disclosure contained therein); Liquidity Coverage Ratio Disclosures; Net Stable Funding Ratio Disclosures; Federal Financial Institutions Examination Council – Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices; Consolidated Financial Statements for Bank Holding Companies; and the Dodd-Frank Act Stress Test Results for BNY and The Bank of New York Mellon; and
- Our Corporate Governance Guidelines, Amended and Restated By-Laws, Directors' Code of Conduct and the Charters of the Audit, Finance, Corporate Governance, Nominating and Social Responsibility, Human Resources and Compensation, Risk and Technology Committees of our Board of Directors.

We may use our website, our X (formerly known as Twitter) account (@BNYGlobal) and other social media channels as additional means of disclosing information to the public. The information disclosed through those channels may be considered to be material. The contents of our website or social media channels referenced herein are not incorporated by reference into this Quarterly Report on Form 10-Q.

# Item 1. Financial Statements
## The Bank of New York Mellon Corporation (and its subsidiaries)

## Consolidated Income Statement (unaudited)

| | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| *(in millions)* | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| **Fee and other revenue** | | | | | |
| Investment services fees | **$ 2,344** | $ 2,359 | $ 2,230 | **$ 6,981** | $ 6,601 |
| Investment management and performance fees | **794** | 761 | 777 | **2,331** | 2,315 |
| Foreign exchange revenue | **175** | 184 | 154 | **511** | 488 |
| Financing-related fees | **53** | 53 | 45 | **163** | 147 |
| Distribution and servicing fees | **38** | 41 | 39 | **121** | 107 |
| Total fee revenue | **3,404** | 3,398 | 3,245 | **10,107** | 9,658 |
| Investment and other revenue *(a)* | **196** | 169 | 159 | **547** | 437 |
| Total fee and other revenue *(a)* | **3,600** | 3,567 | 3,404 | **10,654** | 10,095 |
| **Net interest income** | | | | | |
| Interest income | **6,652** | 6,392 | 5,519 | **19,140** | 14,685 |
| Interest expense | **5,604** | 5,362 | 4,503 | **16,022** | 11,441 |
| Net interest income | **1,048** | 1,030 | 1,016 | **3,118** | 3,244 |
| Total revenue *(a)* | **4,648** | 4,597 | 4,420 | **13,772** | 13,339 |
| **Provision for credit losses** | **23** | — | 3 | **50** | 35 |
| **Noninterest expense** | | | | | |
| Staff | **1,736** | 1,720 | 1,755 | **5,313** | 5,264 |
| Software and equipment | **491** | 476 | 452 | **1,442** | 1,331 |
| Professional, legal and other purchased services | **370** | 374 | 368 | **1,093** | 1,121 |
| Net occupancy | **130** | 134 | 140 | **388** | 380 |
| Sub-custodian and clearing | **117** | 134 | 121 | **370** | 358 |
| Distribution and servicing | **90** | 88 | 87 | **274** | 265 |
| Business development | **48** | 50 | 36 | **134** | 122 |
| Bank assessment charges | **10** | (7) | 37 | **20** | 118 |
| Amortization of intangible assets | **12** | 13 | 15 | **37** | 43 |
| Other | **96** | 88 | 78 | **275** | 298 |
| Total noninterest expense | **3,100** | 3,070 | 3,089 | **9,346** | 9,300 |
| **Income** | | | | | |
| Income before income taxes *(a)* | **1,525** | 1,527 | 1,328 | **4,376** | 4,004 |
| Provision for income taxes *(a)* | **336** | 357 | 285 | **990** | 906 |
| Net income *(a)* | **1,189** | 1,170 | 1,043 | **3,386** | 3,098 |
| Net (income) attributable to noncontrolling interests related to consolidated investment management funds | **(7)** | (2) | (3) | **(11)** | (4) |
| Net income applicable to shareholders of The Bank of New York Mellon Corporation *(a)* | **1,182** | 1,168 | 1,040 | **3,375** | 3,094 |
| Preferred stock dividends | **(72)** | (25) | (82) | **(169)** | (189) |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation *(a)* | **$ 1,110** | $ 1,143 | $ 958 | **$ 3,206** | $ 2,905 |

*(a) Results for the quarter ended Sept. 30, 2023 and the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

## **Consolidated Income Statement** (unaudited) (continued)

| **Net income applicable to common shareholders of The Bank of New York Mellon Corporation used for the earnings per share calculation** *(in millions)* | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation | **$ 1,110** | $ 1,143 | $ 958 | **$ 3,206** | $ 2,905 |
| Less: Earnings allocated to participating securities | **—** | — | — | **—** | — |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation after required adjustment for the calculation of basic and diluted earnings per common share | **$ 1,110** | $ 1,143 | $ 958 | **$ 3,206** | $ 2,905 |

| **Average common shares and equivalents outstanding of The Bank of New York Mellon Corporation** *(in thousands)* | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| Basic | **736,547** | 746,904 | 777,813 | **747,766** | 789,609 |
| Common stock equivalents | **5,533** | 4,692 | 4,058 | **4,789** | 3,848 |
| Less: Participating securities | **—** | — | (90) | **—** | (93) |
| Diluted | **742,080** | 751,596 | 781,781 | **752,555** | 793,364 |
| Anti-dilutive securities *(a)* | **176** | 578 | 1,305 | **173** | 5,559 |

*(a) Represents restricted stock, restricted stock units and participating securities outstanding but not included in the computation of diluted average common shares because their effect would be anti-dilutive.*

| **Earnings per share applicable to common shareholders of The Bank of New York Mellon Corporation** *(a)* *(in dollars)* | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| Basic | **$ 1.51** | $ 1.53 | $ 1.23 | **$ 4.29** | $ 3.68 |
| Diluted | **$ 1.50** | $ 1.52 | $ 1.23 | **$ 4.26** | $ 3.66 |

*(a) Results for the quarter ended Sept. 30, 2023 and the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*See accompanying unaudited Notes to Consolidated Financial Statements.*

## **Consolidated Comprehensive Income Statement** (unaudited)

| | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| *(in millions)* | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| Net income *(a)* | **$ 1,189** | $ 1,170 | $ 1,043 | **$ 3,386** | $ 3,098 |
| Other comprehensive income (loss), net of tax: | | | | | |
| Foreign currency translation adjustments | **290** | (30) | (185) | **169** | 15 |
| Unrealized gain (loss) on assets available-for-sale: | | | | | |
| Unrealized gain (loss) arising during the period | **739** | (11) | (29) | **831** | 131 |
| Reclassification adjustment | **12** | 13 | 14 | **26** | 15 |
| Total unrealized gain (loss) on assets available-for-sale | **751** | 2 | (15) | **857** | 146 |
| Defined benefit plans: | | | | | |
| Amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost | **2** | 3 | (3) | **8** | (8) |
| Total defined benefit plans | **2** | 3 | (3) | **8** | (8) |
| Net unrealized (loss) gain on cash flow hedges | **(5)** | 1 | — | **(3)** | 8 |
| Total other comprehensive income (loss), net of tax *(b)* | **1,038** | (24) | (203) | **1,031** | 161 |
| Total comprehensive income | **2,227** | 1,146 | 840 | **4,417** | 3,259 |
| Net (income) attributable to noncontrolling interests | **(7)** | (2) | (3) | **(11)** | (4) |
| Other comprehensive (income) attributable to noncontrolling interests | **(5)** | — | — | **(5)** | — |
| Comprehensive income applicable to shareholders of The Bank of New York Mellon Corporation | **$ 2,215** | $ 1,144 | $ 837 | **$ 4,401** | $ 3,255 |

*(a) Results for the quarter ended Sept. 30, 2023 and the nine months ended Sept. 30, 2023 were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*(b) Other comprehensive income (loss) attributable to The Bank of New York Mellon Corporation shareholders was $1,033 million for the quarter ended Sept. 30, 2024, $(24) million for the quarter ended June 30, 2024, $(203) million for the quarter ended Sept. 30, 2023, $1,026 million for the nine months ended Sept. 30, 2024 and $161 million for the nine months ended Sept. 30, 2023.*

*See accompanying unaudited Notes to Consolidated Financial Statements.*

## Consolidated Balance Sheet (unaudited)

| *(dollars in millions, except per share amounts)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| **Assets** | | |
| Cash and due from banks, net of allowance for credit losses of $26 and $18 | **$ 6,234** | $ 4,922 |
| Interest-bearing deposits with the Federal Reserve and other central banks | **102,231** | 111,550 |
| Interest-bearing deposits with banks, net of allowance for credit losses of $1 and $2 (includes restricted of $1,609 and $3,420) | **9,354** | 12,139 |
| Federal funds sold and securities purchased under resale agreements | **36,164** | 28,900 |
| Securities: | | |
| Held-to-maturity, at amortized cost, net of allowance for credit losses of less than $1 and $1 (fair value of $41,290 and $44,711) | **44,947** | 49,578 |
| Available-for-sale, at fair value (amortized cost of $99,096 and $80,678, net of allowance for credit losses of $— and less than $1) | **96,929** | 76,817 |
| Total securities | **141,876** | 126,395 |
| Trading assets | **12,459** | 10,058 |
| Loans | **69,451** | 66,879 |
| Allowance for credit losses | **(296)** | (303) |
| Net loans | **69,155** | 66,576 |
| Premises and equipment | **3,380** | 3,163 |
| Accrued interest receivable | **1,319** | 1,150 |
| Goodwill | **16,338** | 16,261 |
| Intangible assets | **2,824** | 2,854 |
| Other assets, net of allowance for credit losses on accounts receivable of $3 and $3 (includes $1,556 and $1,261, at fair value) | **26,127** | 25,909 |
| Total assets | **$ 427,461** | $ 409,877 |
| **Liabilities** | | |
| Deposits: | | |
| Noninterest-bearing deposits (principally U.S. offices) | **$ 61,497** | $ 58,274 |
| Interest-bearing deposits in U.S. offices | **135,359** | 132,616 |
| Interest-bearing deposits in non-U.S. offices | **99,582** | 92,779 |
| Total deposits | **296,438** | 283,669 |
| Federal funds purchased and securities sold under repurchase agreements | **14,574** | 14,507 |
| Trading liabilities | **4,553** | 6,226 |
| Payables to customers and broker-dealers | **19,741** | 18,395 |
| Commercial paper | **301** | — |
| Other borrowed funds | **401** | 479 |
| Accrued taxes and other expenses | **5,138** | 5,411 |
| Other liabilities (including allowance for credit losses on lending-related commitments of $75 and $87, also includes $305 and $195, at fair value) | **10,726** | 9,028 |
| Long-term debt | **33,199** | 31,257 |
| Total liabilities | **385,071** | 368,972 |
| **Temporary equity** | | |
| Redeemable noncontrolling interests | **107** | 85 |
| **Permanent equity** | | |
| Preferred stock – par value $0.01 per share; authorized 100,000,000 shares; issued 43,826 and 43,826 shares | **4,343** | 4,343 |
| Common stock – par value $0.01 per share; authorized 3,500,000,000 shares; issued 1,409,433,699 and 1,402,429,447 shares | **14** | 14 |
| Additional paid-in capital | **29,230** | 28,908 |
| Retained earnings | **41,756** | 39,549 |
| Accumulated other comprehensive loss, net of tax | **(3,867)** | (4,893) |
| Less: Treasury stock of 682,355,379 and 643,085,355 common shares, at cost | **(29,484)** | (27,151) |
| Total The Bank of New York Mellon Corporation shareholders' equity | **41,992** | 40,770 |
| Nonredeemable noncontrolling interests of consolidated investment management funds | **291** | 50 |
| Total permanent equity | **42,283** | 40,820 |
| Total liabilities, temporary equity and permanent equity | **$ 427,461** | $ 409,877 |

*See accompanying unaudited Notes to Consolidated Financial Statements.*

## **Consolidated Statement of Cash Flows** (unaudited)

| | Nine months ended Sept. 30, | |
|---|---|---|
| *(in millions)* | **2024** | 2023 |
| **Operating activities** | | |
| Net income *(a)* | **$ 3,386** | $ 3,098 |
| Net (income) attributable to noncontrolling interests | **(11)** | (4) |
| Net income applicable to shareholders of The Bank of New York Mellon Corporation *(a)* | **3,375** | 3,094 |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities: | | |
| Provision for credit losses | **50** | 35 |
| Pension plan contributions | **(4)** | (4) |
| Depreciation and amortization *(a)* | **1,375** | 1,226 |
| Deferred tax (benefit) *(a)* | **(133)** | (11) |
| Net securities losses | **35** | 20 |
| Change in trading assets and liabilities | **(4,318)** | 1,015 |
| Change in accruals and other, net *(a)* | **(1,243)** | 2,605 |
| Net cash (used for) provided by operating activities | **(863)** | 7,980 |
| **Investing activities** | | |
| Change in interest-bearing deposits with banks | **917** | 453 |
| Change in interest-bearing deposits with the Federal Reserve and other central banks | **9,890** | (16,667) |
| Purchases of securities held-to-maturity | **(461)** | (273) |
| Paydowns of securities held-to-maturity | **3,208** | 3,540 |
| Maturities of securities held-to-maturity | **2,148** | 1,715 |
| Purchases of securities available-for-sale | **(37,043)** | (15,779) |
| Sales of securities available-for-sale | **4,467** | 9,449 |
| Paydowns of securities available-for-sale | **4,831** | 2,794 |
| Maturities of securities available-for-sale | **11,677** | 12,988 |
| Net change in loans | **(2,633)** | (243) |
| Change in federal funds sold and securities purchased under resale agreements | **(7,269)** | (2,002) |
| Net change in seed capital investments | **52** | 18 |
| Purchases of premises and equipment/capitalized software | **(1,056)** | (951) |
| Other, net | **162** | 494 |
| Net cash (used for) investing activities | **(11,110)** | (4,464) |
| **Financing activities** | | |
| Change in deposits | **11,984** | 81 |
| Change in federal funds purchased and securities sold under repurchase agreements | **11** | 2,538 |
| Change in payables to customers and broker-dealers | **1,346** | (5,983) |
| Change in other borrowed funds | **(74)** | 342 |
| Change in commercial paper | **301** | — |
| Net proceeds from the issuance of long-term debt | **4,988** | 4,493 |
| Repayments, redemptions and repurchases of long-term debt | **(3,513)** | (5,466) |
| Issuance of common stock | **13** | 12 |
| Treasury stock acquired | **(2,314)** | (2,154) |
| Common cash dividends paid | **(999)** | (934) |
| Preferred cash dividends paid | **(169)** | (189) |
| Other, net | **22** | — |
| Net cash provided by (used for) financing activities | **11,596** | (7,260) |
| Effect of exchange rate changes on cash | **(122)** | 203 |
| **Change in cash and due from banks and restricted cash** | | |
| Change in cash and due from banks and restricted cash | **(499)** | (3,541) |
| Cash and due from banks and restricted cash at beginning of period | **8,342** | 11,529 |
| Cash and due from banks and restricted cash at end of period | **$ 7,843** | $ 7,988 |
| **Cash and due from banks and restricted cash** | | |
| Cash and due from banks at end of period (unrestricted cash) | **$ 6,234** | $ 4,904 |
| Restricted cash at end of period | **1,609** | 3,084 |
| Cash and due from banks and restricted cash at end of period | **$ 7,843** | $ 7,988 |
| **Supplemental disclosures** | | |
| Interest paid | **$ 15,990** | $ 11,196 |
| Income taxes paid | **920** | 653 |
| Income taxes refunded | **20** | 13 |

(a) *Information for the nine months ended Sept. 30, 2023 was restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*See accompanying unaudited Notes to Consolidated Financial Statements.*

## Consolidated Statement of Changes in Equity (unaudited)

| | The Bank of New York Mellon Corporation shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions, except per share amount)* | Preferred stock | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive (loss) income, net of tax | Treasury stock | Nonredeemable noncontrolling interests of consolidated investment management funds | Total permanent equity | Redeemable non-controlling interests/ temporary equity |
| Balance at June 30, 2024 | $ 4,343 | $ 14 | $ 29,139 | $ 40,999 | $ (4,900) | $(28,752) | $ 186 | $ 41,029 *(a)* | $ 92 |
| Shares issued to shareholders of noncontrolling interests | — | — | — | — | — | — | — | — | **11** |
| Other net changes in noncontrolling interests | — | — | **2** | — | — | — | **98** | **100** | **(1)** |
| Net income | — | — | — | **1,182** | — | — | **7** | **1,189** | — |
| Other comprehensive income | — | — | — | — | **1,033** | — | — | **1,033** | **5** |
| Dividends: | | | | | | | | | |
| Common stock at $0.47 per share *(b)* | — | — | — | **(353)** | — | — | — | **(353)** | — |
| Preferred stock | — | — | — | **(72)** | — | — | — | **(72)** | — |
| Repurchase of common stock | — | — | — | — | — | **(725)** | — | **(725)** | — |
| Common stock issued under employee benefit plans | — | — | **5** | — | — | — | — | **5** | — |
| Stock-based compensation | — | — | **84** | — | — | — | — | **84** | — |
| Excise tax on share repurchases | — | — | — | — | — | **(7)** | — | **(7)** | — |
| **Balance at Sept. 30, 2024** | **$ 4,343** | **$ 14** | **$ 29,230** | **$ 41,756** | **$ (3,867)** | **$(29,484)** | **$ 291** | **$ 42,283** *(a)* | **$ 107** |

*(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $36,500 million at June 30, 2024 and $37,649 million at Sept. 30, 2024.*

*(b) Includes dividend equivalents on share-based awards.*

| | The Bank of New York Mellon Corporation shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions, except per share amount)* | Preferred stock | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive (loss), net of tax | Treasury stock | Nonredeemable noncontrolling interests of consolidated investment management funds | Total permanent equity | Redeemable non-controlling interests/ temporary equity |
| Balance at March 31, 2024 | $ 4,343 | $ 14 | $ 29,055 | $ 40,178 | $ (4,876) | $(28,145) | $ 111 | $ 40,680 *(a)* | $ 82 |
| Shares issued to shareholders of noncontrolling interests | — | — | — | — | — | — | — | — | 12 |
| Redemption of subsidiary shares from noncontrolling interests | — | — | — | — | — | — | — | — | (1) |
| Other net changes in noncontrolling interests | — | — | 2 | — | — | — | 73 | 75 | (2) |
| Net income | — | — | — | 1,168 | — | — | 2 | 1,170 | — |
| Other comprehensive (loss) | — | — | — | — | (24) | — | — | (24) | — |
| Dividends: | | | | | | | | | |
| Common stock at $0.42 per share *(b)* | — | — | — | (322) | — | — | — | (322) | — |
| Preferred stock | — | — | — | (25) | — | — | — | (25) | — |
| Repurchase of common stock | — | — | — | — | — | (601) | — | (601) | — |
| Common stock issued under employee benefit plans | — | — | 5 | — | — | — | — | 5 | — |
| Stock-based compensation | — | — | 77 | — | — | — | — | 77 | — |
| Excise tax on share repurchases | — | — | — | — | — | (6) | — | (6) | — |
| Other | — | — | — | — | — | — | — | — | 1 |
| Balance at June 30, 2024 | $ 4,343 | $ 14 | $ 29,139 | $ 40,999 | $ (4,900) | $(28,752) | $ 186 | $ 41,029 *(a)* | $ 92 |

*(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $36,226 million at March 31, 2024 and $36,500 million at June 30, 2024.*

*(b) Includes dividend equivalents on share-based awards.*

## Consolidated Statement of Changes in Equity (unaudited) (continued)

| | The Bank of New York Mellon Corporation shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions, except per share amount)* | Preferred stock | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive (loss), net of tax | Treasury stock | Nonredeemable noncontrolling interests of consolidated investment management funds | Total permanent equity | Redeemable non-controlling interests/ temporary equity |
| Balance at June 30, 2023 | $ 4,838 | $ 14 | $ 28,726 | $ 39,090 | $ (5,602) | $(26,242) | $ 65 | $ 40,889 *(a)* | $ 104 |
| Shares issued to shareholders of noncontrolling interests | — | — | — | — | — | — | — | — | 10 |
| Other net changes in noncontrolling interests | — | — | 1 | — | — | — | (12) | (11) | (2) |
| Net income *(b)* | — | — | — | 1,040 | — | — | 3 | 1,043 | — |
| Other comprehensive (loss) | — | — | — | — | (203) | — | — | (203) | — |
| Dividends: | | | | | | | | | |
| Common stock at $0.42 per share *(c)* | — | — | — | (333) | — | — | — | (333) | — |
| Preferred stock | — | — | — | (82) | — | — | — | (82) | — |
| Repurchase of common stock | — | — | — | — | — | (450) | — | (450) | — |
| Common stock issued under employee benefit plans | — | — | 5 | — | — | — | — | 5 | — |
| Stock-based compensation | — | — | 61 | — | — | — | — | 61 | — |
| Excise tax on share repurchases | — | — | — | — | — | (4) | — | (4) | — |
| Other | — | — | — | (1) | — | — | — | (1) | (3) |
| Balance at Sept. 30, 2023 *(b)* | $ 4,838 | $ 14 | $ 28,793 | $ 39,714 | $ (5,805) | $(26,696) | $ 56 | $ 40,914 *(a)* | $ 109 |

*(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $35,986 million at June 30, 2023 and $36,020 million at Sept. 30, 2023.*

*(b) Retained earnings and net income were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*(c) Includes dividend equivalents on share-based awards.*

| | The Bank of New York Mellon Corporation shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions, except per share amount)* | Preferred stock | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive (loss) income, net of tax | Treasury stock | Nonredeemable noncontrolling interests of consolidated investment management funds | Total permanent equity | Redeemable non-controlling interests/ temporary equity |
| Balance at Dec. 31, 2023 | $ 4,343 | $ 14 | $ 28,908 | $ 39,549 | $ (4,893) | $(27,151) | $ 50 | $ 40,820 *(a)* | $ 85 |
| Shares issued to shareholders of noncontrolling interests | — | — | — | — | — | — | — | — | **33** |
| Redemption of subsidiary shares from noncontrolling interests | — | — | — | — | — | — | — | — | **(18)** |
| Other net changes in noncontrolling interests | — | — | **(1)** | — | — | — | **230** | **229** | **2** |
| Net income | — | — | — | **3,375** | — | — | **11** | **3,386** | — |
| Other comprehensive income | — | — | — | — | **1,026** | — | — | **1,026** | **5** |
| Dividends: | | | | | | | | | |
| Common stock at $1.31 per share *(b)* | — | — | — | **(999)** | — | — | — | **(999)** | — |
| Preferred stock | — | — | — | **(169)** | — | — | — | **(169)** | — |
| Repurchase of common stock | — | — | — | — | — | **(2,314)** | — | **(2,314)** | — |
| Common stock issued under employee benefit plans | — | — | **17** | — | — | — | — | **17** | — |
| Stock-based compensation | — | — | **329** | — | — | — | — | **329** | — |
| Excise tax on share repurchases | — | — | — | — | — | **(19)** | — | **(19)** | — |
| Other | — | — | **(23)** | — | — | — | — | **(23)** | — |
| **Balance at Sept. 30, 2024** | **$ 4,343** | **$ 14** | **$ 29,230** | **$ 41,756** | **$ (3,867)** | **$(29,484)** | **$ 291** | **$ 42,283** *(a)* | **$ 107** |

*(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $36,427 million at Dec. 31, 2023 and $37,649 million at Sept. 30, 2024.*

*(b) Includes dividend equivalents on share-based awards.*

## **Consolidated Statement of Changes in Equity** (unaudited) (continued)

| | The Bank of New York Mellon Corporation shareholders | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| *(in millions, except per share amount)* | Preferred stock | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive (loss) income, net of tax | Treasury stock | Nonredeemable noncontrolling interests of consolidated investment management funds | Total permanent equity | Redeemable non-controlling interests/ temporary equity |
| Balance at Dec. 31, 2022 | $ 4,838 | $ 14 | $ 28,508 | $ 37,743 | $ (5,966) | $(24,524) | $ 7 | $ 40,620 *(a)* | $ 109 |
| Shares issued to shareholders of noncontrolling interests | — | — | — | — | — | — | — | — | 27 |
| Redemption of subsidiary shares from noncontrolling interests | — | — | — | — | — | — | — | — | (34) |
| Other net changes in noncontrolling interests | — | — | (5) | — | — | — | 45 | 40 | 6 |
| Net income *(b)* | — | — | — | 3,094 | — | — | 4 | 3,098 | — |
| Other comprehensive income | — | — | — | — | 161 | — | — | 161 | — |
| Dividends: | | | | | | | | | |
| Common stock at $1.16 per share *(c)* | — | — | — | (934) | — | — | — | (934) | — |
| Preferred stock | — | — | — | (189) | — | — | — | (189) | — |
| Repurchase of common stock | — | — | — | — | — | (2,154) | — | (2,154) | — |
| Common stock issued under employee benefit plans | — | — | 15 | — | — | — | — | 15 | — |
| Stock-based compensation | — | — | 275 | — | — | — | — | 275 | — |
| Excise tax on share repurchases | — | — | — | — | — | (18) | — | (18) | — |
| Other | — | — | — | — | — | — | — | — | 1 |
| Balance at Sept. 30, 2023 *(b)* | $ 4,838 | $ 14 | $ 28,793 | $ 39,714 | $ (5,805) | $(26,696) | $ 56 | $ 40,914 *(a)* | $ 109 |

*(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $35,775 million at Dec. 31, 2022 and $36,020 million at Sept. 30, 2023.*

*(b) Retained earnings and net income were restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 of the Notes to Consolidated Financial Statements for additional information.*

*(c) Includes dividend equivalents on share-based awards.*

*See accompanying unaudited Notes to Consolidated Financial Statements.*

## Note 1–Basis of presentation

In this Quarterly Report on Form 10-Q, references to "our," "we," "us," "BNY," the "Company" and similar terms refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries. The term "Parent" refers to The Bank of New York Mellon Corporation but not to its subsidiaries.

*Basis of presentation*

The accounting and financial reporting policies of BNY, a global financial services company, conform to U.S. generally accepted accounting principles ("GAAP") and prevailing industry practices. For information on our significant accounting and reporting policies, see Note 1 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended Dec. 31, 2023 (the "2023 Annual Report").

The accompanying consolidated financial statements are unaudited. In the opinion of management, all adjustments necessary, consisting of normal recurring adjustments, for a fair presentation of financial position, results of operations and cash flows for the periods presented have been made. These financial statements should be read in conjunction with our Consolidated Financial Statements included in our 2023 Annual Report.

On Jan. 1, 2024, we adopted Accounting Standards Update ("ASU") 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* on a retrospective basis for our investments in renewable energy projects that have met the eligibility criteria, and restated prior period financial statements. See Note 2 for additional information.

*Use of estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates based upon assumptions about future economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition.

## Note 2–New accounting guidance

The following accounting guidance was adopted on Jan. 1, 2024.

*ASU 2023-02, Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*

In March 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, which permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the income tax credits and other income tax benefits received, and recognizes the net amortization and income tax credits and other income tax benefits in the income statement as a component of the provision for income taxes.

We adopted this guidance on Jan.1, 2024. The impact of adopting this new guidance for our renewable energy investments that met the eligibility criteria was an increase in investment and other revenue and an increase in the provision for income taxes on the consolidated income statement. Renewable energy investments are recorded in other assets on the balance sheet. In the first quarter of 2024, we restated the prior period financial statements to reflect the impact of the retrospective application of the new accounting guidance. The required disclosures are included in Note 7.

The table below presents the impact of the new accounting guidance on our previously reported income statement amounts.

| **Consolidated Income Statement** | Previously reported | | Adjustment | | Restated | |
|---|---|---|---|---|---|---|
| *(in millions)* | 3Q23 | YTD23 | 3Q23 | YTD23 | 3Q23 | YTD23 |
| Investment and other revenue | $ 113 | $ 289 | $ 46 | $ 148 | $ 159 | $ 437 |
| Total fee and other revenue | 3,358 | 9,947 | 46 | 148 | 3,404 | 10,095 |
| Total revenue | 4,374 | 13,191 | 46 | 148 | 4,420 | 13,339 |
| Income before income taxes | 1,282 | 3,856 | 46 | 148 | 1,328 | 4,004 |
| Provision for income taxes | 241 | 771 | 44 | 135 | 285 | 906 |
| Net income | 1,041 | 3,085 | 2 | 13 | 1,043 | 3,098 |
| Net income applicable to shareholders of The Bank of New York Mellon Corporation | 1,038 | 3,081 | 2 | 13 | 1,040 | 3,094 |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation | 956 | 2,892 | 2 | 13 | 958 | 2,905 |

The table below presents the impact of the new accounting guidance on our previously reported earnings per share applicable to common shareholders.

| **Earnings per share applicable to common shareholders of The Bank of New York Mellon Corporation** | Previously reported | | Restated | |
|---|---|---|---|---|
| *(in dollars)* | 3Q23 | YTD23 | 3Q23 | YTD23 |
| Basic | $ 1.23 | $ 3.66 | $ 1.23 | $ 3.68 |
| Diluted | 1.22 | 3.65 | 1.23 | 3.66 |

The table below presents the impact of the new accounting guidance on our previously reported retained earnings.

| **Retained Earnings**<br>*(in millions)* | Previously Reported | Adjustment | Restated |
|---|---|---|---|
| Sept. 30, 2023 | $ 39,822 | $ (108) | $ 39,714 |

See Note 2 of the Notes to Consolidated Financial Statements in our second quarter 2024 Form 10-Q for the impacts to the June 30, 2023 balance sheet, and our first quarter 2024 Form 10-Q for the impacts to the Dec. 31, 2023 balance sheet.

## Note 3–Acquisitions and dispositions

We sometimes structure our acquisitions and divestitures with both an initial payment or receipt and later contingent payments or receipts tied to post-closing revenue or income growth.

At Sept. 30, 2024, we are potentially obligated to pay additional consideration which is recorded at fair value totaling approximately $15 million and, using reasonable assumptions and estimates, could range from $15 million to $20 million over the next year. Contingent payments totaled $5 million in the first nine months of 2024. We recorded a decrease of $1 million to contingent earnout payables reflected in other expense in the first nine months of 2024.

At Sept. 30, 2024, we could potentially receive additional consideration which is recorded at fair value totaling approximately $15 million and, using reasonable assumptions and estimates, could range from $0 million to $25 million over the next four years. Contingent receipts totaled $18 million in the first nine months of 2024.

See Note 3 of the Notes to Consolidated Financial Statements in our 2023 Annual Report for additional information.

## Note 4–Securities

The following tables present the amortized cost, the gross unrealized gains and losses and the fair value of securities at Sept. 30, 2024 and Dec. 31, 2023.

| **Securities at Sept. 30, 2024** | | Gross unrealized | | |
|---|---|---|---|---|
| *(in millions)* | Amortized cost | Gains | Losses | Fair value |
| **Available-for-sale:** | | | | |
| Non-U.S. government *(a)* | $ 28,054 | $ 202 | $ 440 | $ 27,816 |
| U.S. Treasury | 21,937 | 148 | 1,233 | 20,852 |
| Agency residential mortgage-backed securities (“RMBS”) | 18,923 | 225 | 317 | 18,831 |
| Foreign covered bonds | 7,745 | 69 | 104 | 7,710 |
| Agency commercial mortgage-backed securities (“MBS”) | 7,683 | 63 | 363 | 7,383 |
| Collateralized loan obligations (“CLOs”) | 6,799 | 13 | — | 6,812 |
| Non-agency commercial MBS | 2,918 | 1 | 196 | 2,723 |
| U.S. government agencies | 2,632 | 38 | 98 | 2,572 |
| Non-agency RMBS | 1,719 | 2 | 138 | 1,583 |
| Other asset-backed securities (“ABS”) | 686 | — | 39 | 647 |
| Total securities available-for-sale *(b)(c)* | **$ 99,096** | **$ 761** | **$ 2,928** | **$ 96,929** |
| **Held-to-maturity:** | | | | |
| Agency RMBS | $ 26,783 | $ 6 | $ 2,773 | $ 24,016 |
| U.S. Treasury | 8,158 | — | 374 | 7,784 |
| U.S. government agencies | 3,896 | — | 283 | 3,613 |
| Agency commercial MBS | 3,508 | 8 | 204 | 3,312 |
| Non-U.S. government *(a)* | 1,565 | 3 | 38 | 1,530 |
| CLOs | 1,009 | 1 | — | 1,010 |
| Non-agency RMBS | 16 | — | 1 | 15 |
| Other debt securities | 12 | — | 2 | 10 |
| Total securities held-to-maturity *(b)* | **$ 44,947** | **$ 18** | **$ 3,675** | **$ 41,290** |
| Total securities | **$ 144,043** | **$ 779** | **$ 6,603** | **$ 138,219** |

*(a) Includes supranational securities.*

*(b) The amortized cost of available-for-sale and held-to-maturity securities is net of the allowance for credit losses. There was no allowance for credit losses on available-for-sale securities at Sept. 30, 2024. The allowance for credit losses on held-to-maturity securities was less than $1 million at Sept. 30, 2024 and related to other debt securities.*

*(c) Includes gross unrealized gains of $191 million and gross unrealized losses of $122 million recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. The unrealized gains primarily relate to agency RMBS, agency commercial MBS and U.S. Treasury securities. The unrealized losses primarily relate to agency RMBS and U.S. Treasury securities. The unrealized gains and losses will be amortized into net interest income over the contractual lives of the securities.*

| **Securities at Dec. 31, 2023** | | Gross unrealized | | |
|---|---|---|---|---|
| *(in millions)* | Amortized cost | Gains | Losses | Fair value |
| **Available-for-sale:** | | | | |
| Non-U.S. government *(a)* | $ 18,998 | $ 68 | $ 684 | $ 18,382 |
| U.S. Treasury | 18,193 | 63 | 1,652 | 16,604 |
| Agency RMBS | 13,457 | 119 | 465 | 13,111 |
| Agency commercial MBS | 8,191 | 69 | 531 | 7,729 |
| Foreign covered bonds | 6,489 | 25 | 180 | 6,334 |
| CLOs | 6,142 | 5 | 10 | 6,137 |
| Non-agency commercial MBS | 3,245 | 1 | 311 | 2,935 |
| U.S. government agencies | 3,053 | 42 | 194 | 2,901 |
| Non-agency RMBS | 1,883 | 32 | 175 | 1,740 |
| Other ABS | 1,026 | 1 | 84 | 943 |
| Other debt securities | 1 | — | — | 1 |
| Total securities available-for-sale *(b)(c)* | $ 80,678 | $ 425 | $ 4,286 | $ 76,817 |
| **Held-to-maturity:** | | | | |
| Agency RMBS | $ 29,740 | $ 1 | $ 3,493 | $ 26,248 |
| U.S. Treasury | 9,123 | — | 612 | 8,511 |
| U.S. government agencies | 4,146 | — | 401 | 3,745 |
| Agency commercial MBS | 3,411 | 1 | 296 | 3,116 |
| Non-U.S. government *(a)* | 2,137 | 3 | 67 | 2,073 |
| CLOs | 983 | — | 1 | 982 |
| Non-agency RMBS | 26 | 1 | 1 | 26 |
| Other debt securities | 12 | — | 2 | 10 |
| Total securities held-to-maturity | $ 49,578 | $ 6 | $ 4,873 | $ 44,711 |
| Total securities | $ 130,256 | $ 431 | $ 9,159 | $ 121,528 |

*(a) Includes supranational securities.*

*(b) The amortized cost of available-for-sale securities is net of the allowance for credit losses of less than $1 million. The allowance for credit loss primarily relates to non-agency RMBS.*

*(c) Includes gross unrealized gains of $250 million and gross unrealized losses of $146 million recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. The unrealized gains primarily relate to agency RMBS, agency commercial MBS and U.S. Treasury securities. The unrealized losses primarily relate to agency RMBS and U.S. Treasury securities. The unrealized gains and losses will be amortized into net interest income over the contractual lives of the securities.*

The following table presents the realized gains and losses, on a gross basis.

| **Net securities gains (losses)** | | | | | |
|---|---|---|---|---|---|
| *(in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
| Realized gross gains | **$ 27** | $ 6 | $ 1 | **$ 37** | $ 19 |
| Realized gross losses | **(44)** | (23) | (20) | **(72)** | (39) |
| Total net securities (losses) | **$ (17)** | $ (17) | $ (19) | **$ (35)** | $ (20) |

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

| **Net securities gains (losses)**<br>*(in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|
| Non-agency RMBS | **$ 24** | $ — | $ — | **$ 24** | $ 2 |
| U.S. Treasury | **—** | (11) | (19) | **(12)** | (27) |
| Non-U.S. government | **(14)** | — | — | **(13)** | 2 |
| Other ABS | **(13)** | — | — | **(13)** | — |
| Other | **(14)** | (6) | — | **(21)** | 3 |
| Total net securities (losses) | **$ (17)** | $ (17) | $ (19) | **$ (35)** | $ (20) |

*Allowance for credit losses – Securities*

The allowance for credit losses related to securities was less than $1 million at Sept. 30, 2024 and related to other debt securities. The allowance for credit losses related to securities was $1 million at Dec. 31, 2023 and related to non-agency RMBS and other debt securities.

*Credit quality indicators – Securities*

At Sept. 30, 2024, the gross unrealized losses on the securities portfolio were primarily attributable to an increase in interest rates from the date of purchase, and for certain securities that were transferred from available-for-sale to held-to-maturity, an increase in interest rates through the date they were transferred. Specifically, $122 million of the unrealized losses at Sept. 30, 2024 and $146 million at Dec. 31, 2023 reflected in the tables below relate to certain securities that were previously transferred from available-for-sale to held-to-maturity. As the transfers created a new cost basis for the securities, if these securities have experienced unrealized losses since the date of transfer, the corresponding unrealized losses would be reflected in the held-to-maturity securities portfolio in the following tables.

The following tables show the aggregate fair value of available-for-sale securities with a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or more without an allowance for credit losses.

| **Available-for-sale securities in an unrealized loss position without an allowance for credit losses at Sept. 30, 2024**<br>*(in millions)* | Less than 12 months |  | 12 months or more |  | Total |  |
|---|---|---|---|---|---|---|
|  | Fair value | Unrealized losses | Fair value | Unrealized losses | Fair value | Unrealized losses |
| Non-U.S. government *(a)* | $ 1,687 | $ 7 | $ 9,621 | $ 433 | $ 11,308 | $ 440 |
| U.S. Treasury | 606 | 1 | 14,363 | 1,232 | 14,969 | 1,233 |
| Agency RMBS | 593 | 2 | 6,975 | 315 | 7,568 | 317 |
| Agency commercial MBS | 162 | 1 | 6,478 | 362 | 6,640 | 363 |
| Foreign covered bonds | 164 | — | 2,479 | 104 | 2,643 | 104 |
| Non-agency commercial MBS | 71 | — | 2,407 | 196 | 2,478 | 196 |
| U.S. government agencies | 110 | — | 1,443 | 98 | 1,553 | 98 |
| Non-agency RMBS | 93 | — | 1,131 | 138 | 1,224 | 138 |
| Other ABS | 1 | — | 570 | 39 | 571 | 39 |
| Total securities available-for-sale *(b)* | **$ 3,487** | **$ 11** | **$ 45,467** | **$ 2,917** | **$ 48,954** | **$ 2,928** |

*(a) Includes supranational securities.*

*(b) Includes $122 million of gross unrealized losses for 12 months or more recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. There were no gross unrealized losses for less than 12 months. The unrealized losses are primarily related to agency RMBS and U.S. Treasury securities and will be amortized into net interest income over the contractual lives of the securities.*

| **Available-for-sale securities in an unrealized loss position without an allowance for credit losses at Dec. 31, 2023** | Less than 12 months | | 12 months or more | | Total | |
|---|---|---|---|---|---|---|
| *(in millions)* | Fair value | Unrealized losses | Fair value | Unrealized losses | Fair value | Unrealized losses |
| U.S. Treasury | $ 694 | $ 48 | $ 14,862 | $ 1,604 | $ 15,556 | $ 1,652 |
| Non-U.S. government *(a)* | 2,756 | 24 | 11,767 | 660 | 14,523 | 684 |
| Agency RMBS | 2,753 | 27 | 6,793 | 438 | 9,546 | 465 |
| Agency commercial MBS | 328 | 5 | 7,060 | 526 | 7,388 | 531 |
| CLOs | 784 | — | 3,158 | 10 | 3,942 | 10 |
| Foreign covered bonds | 268 | 1 | 3,603 | 179 | 3,871 | 180 |
| Non-agency commercial MBS | 187 | 2 | 2,607 | 309 | 2,794 | 311 |
| U.S. government agencies | 573 | 4 | 1,779 | 190 | 2,352 | 194 |
| Non-agency RMBS | 30 | 1 | 1,300 | 174 | 1,330 | 175 |
| Other ABS | — | — | 832 | 84 | 832 | 84 |
| Total securities available-for-sale *(b)* | $ 8,373 | $ 112 | $ 53,761 | $ 4,174 | $ 62,134 | $ 4,286 |

*(a) Includes supranational securities.*

*(b) Includes $146 million of gross unrealized losses for 12 months or more recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. There were no gross unrealized losses for less than 12 months. The unrealized losses are primarily related to agency RMBS and U.S. Treasury securities and will be amortized into net interest income over the contractual lives of the securities.*

The following tables show the credit quality of the held-to-maturity securities. We have included certain credit ratings information because the information can indicate the degree of credit risk to which we are exposed. Significant changes in ratings classifications could indicate increased credit risk for us and could be accompanied by an increase in the allowance for credit losses and/or a reduction in the fair value of our securities portfolio.

| **Held-to-maturity securities portfolio at Sept. 30, 2024** | | | Ratings *(a)* | | | | |
|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | Amortized cost | Net unrealized gain (loss) | AAA/ AA- | A+/ A- | BBB+/ BBB- | BB+ and lower | Not rated |
| Agency RMBS | $ 26,783 | $ (2,767) | 100% | —% | —% | —% | —% |
| U.S. Treasury | 8,158 | (374) | 100 | — | — | — | — |
| U.S. government agencies | 3,896 | (283) | 100 | — | — | — | — |
| Agency commercial MBS | 3,508 | (196) | 100 | — | — | — | — |
| Non-U.S. government *(b)(c)* | 1,565 | (35) | 100 | — | — | — | — |
| CLOs | 1,009 | 1 | 100 | — | — | — | — |
| Non-agency RMBS | 16 | (1) | 23 | 77 | — | — | — |
| Other debt securities | 12 | (2) | — | — | — | — | 100 |
| Total held-to-maturity securities | **$ 44,947** | **$ (3,657)** | **100%** | **—%** | **—%** | **—%** | **—%** |

*(a) Represents ratings by Standard & Poor's ("S&P") or the equivalent.*

*(b) Includes supranational securities.*

*(c) Primarily consists of exposure to Germany, UK, France and the Netherlands.*

| **Held-to-maturity securities portfolio at Dec. 31, 2023** | | | Ratings *(a)* | | | | |
|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | Amortized cost | Net unrealized gain (loss) | AAA/ AA- | A+/ A- | BBB+/ BBB- | BB+ and lower | Not rated |
| Agency RMBS | $ 29,740 | $ (3,492) | 100% | —% | —% | —% | —% |
| U.S. Treasury | 9,123 | (612) | 100 | — | — | — | — |
| U.S. government agencies | 4,146 | (401) | 100 | — | — | — | — |
| Agency commercial MBS | 3,411 | (295) | 100 | — | — | — | — |
| Non-U.S. government *(b)(c)* | 2,137 | (64) | 100 | — | — | — | — |
| CLOs | 983 | (1) | 100 | — | — | — | — |
| Non-agency RMBS | 26 | — | 25 | 54 | 2 | 17 | 2 |
| Other debt securities | 12 | (2) | — | — | — | — | 100 |
| Total held-to-maturity securities | $ 49,578 | $ (4,867) | 100% | —% | —% | —% | —% |

(a) *Represents ratings by S&P or the equivalent.*
(b) *Includes supranational securities.*
(c) *Primarily consists of exposure to Germany, France, UK and the Netherlands.*

### *Maturity distribution*

The following table shows the maturity distribution by carrying amount and yield (on a tax equivalent basis) of our securities portfolio.

| **Maturity distribution and yields on securities at Sept. 30, 2024** | Within 1 year | | 1-5 years | | 5-10 years | | After 10 years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | Amount | Yield *(a)* | Amount | Yield *(a)* | Amount | Yield *(a)* | Amount | Yield *(a)* | Amount | Yield *(a)* |
| **Available-for-sale:** | | | | | | | | | | |
| U.S. Treasury | $ 1,243 | 1.24% | $ 15,305 | 2.07% | $ 2,257 | 2.84% | $ 2,047 | 2.92% | **$ 20,852** | **2.20%** |
| Non-U.S. government *(b)* | 5,210 | 2.55 | 18,823 | 3.09 | 3,605 | 2.51 | 178 | 3.13 | **27,816** | **2.92** |
| Foreign covered bonds | 1,032 | 3.76 | 6,280 | 3.37 | 398 | 2.57 | — | — | **7,710** | **3.38** |
| U.S. government agencies | 108 | 2.08 | 1,708 | 3.71 | 756 | 2.57 | — | — | **2,572** | **3.28** |
| Mortgage-backed securities: | | | | | | | | | | |
| Agency RMBS | | | | | | | | | **18,831** | **5.12** |
| Non-agency RMBS | | | | | | | | | **1,583** | **3.64** |
| Agency commercial MBS | | | | | | | | | **7,383** | **3.08** |
| Non-agency commercial MBS | | | | | | | | | **2,723** | **3.25** |
| CLOs | | | | | | | | | **6,812** | **6.68** |
| Other ABS | | | | | | | | | **647** | **2.46** |
| Total securities available-for-sale | $ 7,593 | 2.49% | $ 42,116 | 2.78% | $ 7,016 | 2.63% | $ 2,225 | 2.93% | **$ 96,929** | **3.51%** |
| **Held-to-maturity:** | | | | | | | | | | |
| U.S. Treasury | $ 2,288 | 1.32% | $ 5,238 | 1.21% | $ 632 | 0.88% | $ — | —% | **$ 8,158** | **1.22%** |
| U.S. government agencies | 1,155 | 1.46 | 2,052 | 1.48 | 476 | 1.51 | 213 | 1.99 | **3,896** | **1.51** |
| Non-U.S. government *(b)* | 700 | 0.74 | 785 | 1.52 | 80 | 0.59 | — | — | **1,565** | **1.13** |
| Other debt securities | — | — | — | — | 12 | 4.75 | — | — | **12** | **4.75** |
| Mortgage-backed securities: | | | | | | | | | | |
| Agency RMBS | | | | | | | | | **26,783** | **2.34** |
| Non-agency RMBS | | | | | | | | | **16** | **0.32** |
| Agency commercial MBS | | | | | | | | | **3,508** | **2.62** |
| CLOs | | | | | | | | | **1,009** | **6.56** |
| Total securities held-to-maturity | $ 4,143 | 1.26% | $ 8,075 | 1.31% | $ 1,200 | 1.15% | $ 213 | 1.99% | **$ 44,947** | **2.14%** |
| Total securities | $ 11,736 | 2.06% | $ 50,191 | 2.55% | $ 8,216 | 2.42% | $ 2,438 | 2.86% | **$141,876** | **3.08%** |

(a) *Yields are based upon the amortized cost of securities and consider the contractual coupon, amortization of premiums and accretion of discounts, excluding the effect of related hedging derivatives.*
(b) *Includes supranational securities.*

*Pledged assets*

At Sept. 30, 2024, BNY had pledged assets of $146 billion, including $93 billion pledged as collateral for potential borrowings at the Federal Reserve Discount Window and $10 billion pledged as collateral for borrowing at the Federal Home Loan Bank. The components of the assets pledged at Sept. 30, 2024 included $125 billion of securities, $16 billion of loans, $4 billion of trading assets and $1 billion of interest-bearing deposits with banks.

If there has been no borrowing at the Federal Reserve Discount Window, the Federal Reserve generally allows banks to freely move assets in and out of their pledged assets account to sell or repledge the assets for other purposes. BNY regularly moves assets in and out of its pledged assets account at the Federal Reserve as there have been no borrowings.

At Dec. 31, 2023, BNY had pledged assets of $134 billion, including $93 billion pledged as collateral for potential borrowing at the Federal Reserve Discount Window and $9 billion pledged as collateral for borrowing at the Federal Home Loan Bank. The components of the assets pledged at Dec. 31, 2023 included $116 billion of securities, $13 billion of loans, $4 billion of trading assets and $1 billion of interest-bearing deposits with banks.

At Sept. 30, 2024 and Dec. 31, 2023, pledged assets included $25 billion and $24 billion, respectively, for which the recipients were permitted to sell or repledge the assets delivered.

We also obtain securities as collateral, including receipts under resale agreements, securities borrowed, derivative contracts and custody agreements, on terms which permit us to sell or repledge the securities to others. At Sept. 30, 2024 and Dec. 31, 2023, the market value of the securities received that can be sold or repledged was $306 billion and $212 billion, respectively. We routinely sell or repledge these securities through delivery to third parties. As of Sept. 30, 2024 and Dec. 31, 2023, the market value of securities collateral sold or repledged was $278 billion and $180 billion, respectively.

*Restricted cash and securities*

Cash and securities may be segregated under federal and other regulations or requirements. At Sept. 30, 2024 and Dec. 31, 2023, cash segregated under federal and other regulations or requirements was $2 billion and $3 billion, respectively. Restricted cash is primarily included in interest-bearing deposits with banks on the consolidated balance sheet. Securities segregated under federal and other regulations or requirements were $3 billion at Sept. 30, 2024 and $3 billion at Dec. 31, 2023. Restricted securities were sourced from securities purchased under resale agreements and are included in federal funds sold and securities purchased under resale agreements on the consolidated balance sheet.

## Note 5–Loans and asset quality

### Loans

The table below provides the details of our loan portfolio.

| **Loans**<br>*(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Commercial | **$ 1,587** | $ 2,112 |
| Commercial real estate | **6,970** | 6,760 |
| Financial institutions | **12,650** | 10,521 |
| Lease financings | **601** | 599 |
| Wealth management loans | **8,734** | 9,109 |
| Wealth management mortgages | **8,956** | 9,131 |
| Other residential mortgages | **1,102** | 1,166 |
| Capital call financing | **4,991** | 3,700 |
| Other | **2,876** | 2,717 |
| Overdrafts | **2,493** | 3,053 |
| Margin loans | **18,491** | 18,011 |
| Total loans *(a)* | **$ 69,451** | $ 66,879 |

*(a) Net of unearned income of $241 million at Sept. 30, 2024 and $268 million at Dec. 31, 2023 primarily related to lease financings.*

We disclose information related to our loans and asset quality by the class of the financing receivable in the following tables.

### *Allowance for credit losses*

Activity in the allowance for credit losses on loans and lending-related commitments is presented below. This does not include activity in the allowance for credit losses related to other financial instruments, including cash and due from banks, interest-bearing deposits with banks, federal funds sold and securities purchased under resale agreements, available-for-sale securities, held-to-maturity securities and accounts receivable.

**Allowance for credit losses activity for the quarter ended Sept. 30, 2024**

| *(in millions)* | Commercial | Commercial real estate | Financial institutions | Lease financings | Wealth management loans | Wealth management mortgages | Other residential mortgages | Capital call financing | Total |
|---|---|---|---|---|---|---|---|---|---|
| Beginning balance | $ 27 | $ 298 | $ 21 | $ — | $ 1 | $ 6 | $ 3 | $ 3 | $ 359 |
| Charge-offs | — | (10) | — | — | — | — | — | — | (10) |
| Recoveries | — | — | — | — | — | — | — | — | — |
| Net (charge-offs) | — | (10) | — | — | — | — | — | — | (10) |
| Provision *(a)* | 3 | 20 | — | — | — | — | (1) | — | 22 |
| Ending balance | **$ 30** | **$ 308** | **$ 21** | **$ —** | **$ 1** | **$ 6** | **$ 2** | **$ 3** | **$ 371** |
| Allowance for: | | | | | | | | | |
| Loan losses | $ 16 | $ 258 | $ 12 | $ — | $ 1 | $ 5 | $ 2 | $ 2 | $ 296 |
| Lending-related commitments | 14 | 50 | 9 | — | — | 1 | — | 1 | 75 |
| Individually evaluated for impairment: | | | | | | | | | |
| Loan balance *(b)* | $ — | $ 273 | $ — | $ — | $ — | $ 13 | $ — | $ — | $ 286 |
| Allowance for loan losses | — | 64 | — | — | — | — | — | — | 64 |

*(a) Does not include the provision for credit losses related to other financial instruments of $1 million for the quarter ended Sept. 30, 2024.*

*(b) Includes collateral-dependent loans of $286 million with $291 million of collateral value.*

**Allowance for credit losses activity for the quarter ended June 30, 2024**

| *(in millions)* | Commercial | Commercial real estate | Financial institutions | Lease financings | Wealth management loans | Wealth management mortgages | Other residential mortgages | Capital call financing | Total |
|---|---|---|---|---|---|---|---|---|---|
| Beginning balance | $ 24 | $ 347 | $ 17 | $ — | $ 1 | $ 7 | $ 3 | $ 4 | $ 403 |
| Charge-offs | — | (43) | — | — | — | — | — | — | (43) |
| Recoveries | — | — | — | — | — | — | — | — | — |
| Net (charge-offs) | — | (43) | — | — | — | — | — | — | (43) |
| Provision *(a)(b)* | 3 | (6) | 4 | — | — | (1) | — | (1) | (1) |
| Ending balance | $ 27 | $ 298 | $ 21 | $ — | $ 1 | $ 6 | $ 3 | $ 3 | $ 359 |
| Allowance for: | | | | | | | | | |
| Loan losses | $ 16 | $ 247 | $ 12 | $ — | $ 1 | $ 5 | $ 3 | $ 2 | $ 286 |
| Lending-related commitments | 11 | 51 | 9 | — | — | 1 | — | 1 | 73 |
| Individually evaluated for impairment: | | | | | | | | | |
| Loan balance *(c)* | $ — | $ 287 | $ — | $ — | $ — | $ 13 | $ 1 | $ — | $ 301 |
| Allowance for loan losses | — | 73 | — | — | — | — | — | — | 73 |

*(a) Does not include the provision for credit losses related to other financial instruments of $1 million for the quarter ended June 30, 2024.*

*(b) The methodology used to allocate the qualitative reserves was modified in the second quarter of 2024 to align certain specifically identifiable qualitative reserves with the respective class of financing receivables. The methodology change primarily impacted the reserve for commercial real estate portfolio (decreased $10 million) and the reserve for financial institutions (increased $10 million).*

*(c) Includes collateral-dependent loans of $301 million with $265 million of collateral value.*

**Allowance for credit losses activity for the quarter ended Sept. 30, 2023**

| *(in millions)* | Commercial | Commercial real estate | Financial institutions | Lease financings | Wealth management loans | Wealth management mortgages | Other residential mortgages | Capital call financing | Total |
|---|---|---|---|---|---|---|---|---|---|
| Beginning balance | $ 21 | $ 199 | $ 32 | $ 1 | $ 1 | $ 15 | $ 9 | $ 4 | $ 282 |
| Charge-offs | — | — | — | — | — | — | — | — | — |
| Recoveries | — | — | — | — | — | — | — | — | — |
| Net (charge-offs) recoveries | — | — | — | — | — | — | — | — | — |
| Provision *(a)* | 11 | 23 | (10) | — | — | (6) | (3) | (1) | 14 |
| Ending balance | $ 32 | $ 222 | $ 22 | $ 1 | $ 1 | $ 9 | $ 6 | $ 3 | $ 296 |
| Allowance for: | | | | | | | | | |
| Loan losses | $ 17 | $ 166 | $ 10 | $ 1 | $ 1 | $ 8 | $ 6 | $ 2 | $ 211 |
| Lending-related commitments | 15 | 56 | 12 | — | — | 1 | — | 1 | 85 |
| Individually evaluated for impairment: | | | | | | | | | |
| Loan balance *(b)* | $ — | $ 102 | $ — | $ — | $ — | $ 14 | $ 1 | $ — | $ 117 |
| Allowance for loan losses | — | 2 | — | — | — | — | — | — | 2 |

*(a) Does not include the provision for credit losses benefit related to other financial instruments of $11 million for the quarter ended Sept. 30, 2023.*
*(b) Includes collateral-dependent loans of $117 million with $198 million of collateral at fair value.*

**Allowance for credit losses activity for the nine months ended Sept. 30, 2024**

| *(in millions)* | Commercial | Commercial real estate | Financial institutions | Lease financings | Wealth management loans | Wealth management mortgages | Other residential mortgages | Capital call financing | Total |
|---|---|---|---|---|---|---|---|---|---|
| Beginning balance | $ 27 | $ 325 | $ 19 | $ 1 | $ 1 | $ 9 | $ 4 | $ 4 | $ 390 |
| Charge-offs | — | (53) | — | — | — | (1) | — | — | (54) |
| Recoveries | — | — | — | — | — | — | — | — | — |
| Net (charge-offs) | — | (53) | — | — | — | (1) | — | — | (54) |
| Provision *(a)* | 3 | 36 | 2 | (1) | — | (2) | (2) | (1) | 35 |
| Ending balance | **$ 30** | **$ 308** | **$ 21** | **$ —** | $ 1 | $ 6 | **$ 2** | $ 3 | **$ 371** |

*(a) Does not include provision for credit losses related to other financial instruments of $15 million for the nine months ended Sept. 30, 2024.*

**Allowance for credit losses activity for the nine months ended Sept. 30, 2023**

| *(in millions)* | Commercial | Commercial real estate | Financial institutions | Lease financings | Wealth management loans | Wealth management mortgages | Other residential mortgages | Capital call financing | Total |
|---|---|---|---|---|---|---|---|---|---|
| Beginning balance | $ 18 | $ 184 | $ 24 | $ 1 | $ 1 | $ 12 | $ 8 | $ 6 | $ 254 |
| Charge-offs | — | — | — | — | — | — | (3) | — | (3) |
| Recoveries | 1 | — | — | — | — | — | 2 | — | 3 |
| Net recoveries (charge-offs) | 1 | — | — | — | — | — | (1) | — | — |
| Provision *(a)* | 13 | 38 | (2) | — | — | (3) | (1) | (3) | 42 |
| Ending balance | $ 32 | $ 222 | $ 22 | $ 1 | $ 1 | $ 9 | $ 6 | $ 3 | $ 296 |

*(a) Does not include provision for credit losses benefit related to other financial instruments of $7 million for the nine months ended Sept. 30, 2023.*

## *Nonperforming assets*

The table below presents our nonperforming assets.

| **Nonperforming assets** | **Sept. 30, 2024** | | | Dec. 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Recorded investment | | | Recorded investment | | |
| *(in millions)* | With an allowance | Without an allowance | Total | With an allowance | Without an allowance | Total |
| Nonperforming loans: | | | | | | |
| Commercial real estate | **$ 173** | **$ —** | **$ 173** | $ 189 | $ — | $ 189 |
| Other residential mortgages | **19** | **—** | **19** | 23 | 1 | 24 |
| Wealth management mortgages | **6** | **13** | **19** | 7 | 12 | 19 |
| Total nonperforming loans | **198** | **13** | **211** | 219 | 13 | 232 |
| Other assets owned | **—** | **—** | **—** | — | 5 | 5 |
| Total nonperforming assets | **$ 198** | **$ 13** | **$ 211** | $ 219 | $ 18 | $ 237 |

## *Past due loans*

The table below presents our past due loans.

| **Past due loans and still accruing interest** | **Sept. 30, 2024** | | | | Dec. 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Days past due | | | | Days past due | | | |
| *(in millions)* | 30-59 | 60-89 | ≥90 | Total past due | 30-59 | 60-89 | ≥90 | Total past due |
| Wealth management loans | **$ 97** | **$ —** | **$ —** | **$ 97** | $ 52 | $ — | $ — | $ 52 |
| Commercial real estate | **61** | **—** | **—** | **61** | 9 | 3 | — | 12 |
| Other residential mortgages | **8** | **2** | **—** | **10** | 7 | 1 | — | 8 |
| Wealth management mortgages | **—** | **1** | **—** | **1** | 26 | 3 | — | 29 |
| Financial institutions | **—** | **—** | **—** | **—** | 339 *(a)* | — | — | 339 |
| Total past due loans | **$ 166** | **$ 3** | **$ —** | **$ 169** | $ 433 | $ 7 | $ — | $ 440 |

*(a) Past due financial institution loans have been collected since Dec. 31, 2023.*

## *Loan modifications*

Modified loans are evaluated to determine whether a modification or restructuring with a borrower experiencing financial difficulty results in principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension. The modification could result in a new loan or a continuation of the existing loan.

In the third quarter of 2024, we modified one commercial real estate exposure, with a recorded investment of $42 million, by extending the maturity date. We also modified one residential mortgage loan, with a recorded investment of less than $1 million, by providing payment modifications.

At Sept. 30, 2024, other residential mortgage loans that were modified in the previous 12 months and that are now past due by more than 90 days totaled $1 million.

In the second quarter of 2024, we modified one commercial real estate exposure, with a recorded investment of $59 million and an unfunded lending commitment of $1 million, by extending the maturity dates.

In the third quarter of 2023, we modified one residential mortgage loan, with a recorded investment of less than $1 million, by providing payment modifications.

### *Credit quality indicators*

Our credit strategy is to focus on investment-grade clients that are active users of our non-credit services. Each customer is assigned an internal credit rating, which is mapped to an external rating agency grade equivalent, if possible, based upon a number of dimensions, which are continually evaluated and may change over time. The tables below provide information about the credit profile of the loan portfolio by the period of origination.

| **Credit profile of the loan portfolio** | | | | | | | **Sept. 30, 2024** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Revolving loans | | | |
| | Originated, at amortized cost | | | | | | | | | |
| *(in millions)* | **YTD24** | 2023 | 2022 | 2021 | 2020 | Prior to 2020 | Amortized cost | Converted to term loans – Amortized cost | Total *(a)* | Accrued interest receivable |
| Commercial: | | | | | | | | | | |
| Investment grade | **$ 68** | $ 80 | $ 20 | $ 20 | $ — | $ 116 | **$ 1,188** | **$ —** | **$ 1,492** | |
| Non-investment grade | **2** | 32 | — | 22 | — | — | **39** | **—** | **95** | |
| Total commercial | **70** | 112 | 20 | 42 | — | 116 | **1,227** | **—** | **1,587** | **$ 2** |
| Commercial real estate: *(b)* | | | | | | | | | | |
| Investment grade | **301** | 554 | 699 | 443 | 477 | 1,484 | **178** | **—** | **4,136** | |
| Non-investment grade | **264** | 297 | 886 | 442 | 271 | 557 | **96** | **21** | **2,834** | |
| Total commercial real estate | **565** | 851 | 1,585 | 885 | 748 | 2,041 | **274** | **21** | **6,970** | **31** |
| Financial institutions: | | | | | | | | | | |
| Investment grade | **437** | 404 | 30 | 26 | 42 | 8 | **10,019** | **—** | **10,966** | |
| Non-investment grade | **20** | — | 10 | — | — | — | **1,654** | **—** | **1,684** | |
| Total financial institutions | **457** | 404 | 40 | 26 | 42 | 8 | **11,673** | **—** | **12,650** | **138** |
| Wealth management loans: | | | | | | | | | | |
| Investment grade | **10** | 29 | 32 | 105 | 29 | 116 | **8,293** | **100** | **8,714** | |
| Non-investment grade | **—** | — | — | — | — | — | **20** | **—** | **20** | |
| Total wealth management loans | **10** | 29 | 32 | 105 | 29 | 116 | **8,313** | **100** | **8,734** | **66** |
| Wealth management mortgages *(b)* | **339** | 813 | 1,597 | 1,842 | 830 | 3,517 | **18** | **—** | **8,956** | **24** |
| Lease financings | **—** | — | — | 11 | 33 | 557 | **—** | **—** | **601** | **—** |
| Other residential mortgages *(b)* | **—** | 171 | 536 | 196 | 5 | 194 | **—** | **—** | **1,102** | **4** |
| Capital call financing | **41** | 10 | — | — | — | — | **4,940** | **—** | **4,991** | **24** |
| Other loans | **—** | — | — | — | — | — | **2,876** | **—** | **2,876** | **6** |
| Margin loans | **8,227** | — | — | — | — | — | **10,264** | **—** | **18,491** | **36** |
| Total loans | **$ 9,709** | $ 2,390 | $ 3,810 | $ 3,107 | $ 1,687 | $ 6,549 | **$ 39,585** | **$ 121** | **$ 66,958** | **$ 331** |

*(a) Excludes overdrafts of $2,493 million. Overdrafts occur on a daily basis primarily in the custody and securities clearance business and are generally repaid within two business days.*

*(b) In the first nine months of 2024, the gross write-offs related to commercial real estate loans were $53 million, other residential mortgage loans were $1 million and wealth management mortgage loans were less than $1 million.*

| **Credit profile of the loan portfolio** | | | | | | | Dec. 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Revolving loans | | | |
| | Originated, at amortized cost | | | | | | | | | |
| *(in millions)* | 2023 | 2022 | 2021 | 2020 | 2019 | Prior to 2019 | Amortized cost | Converted to term loans – Amortized cost | Total *(a)* | Accrued interest receivable |
| Commercial: | | | | | | | | | | |
| Investment grade | $ 193 | $ 114 | $ 70 | $ — | $ — | $ 45 | $ 1,483 | $ — | $ 1,905 | |
| Non-investment grade | 52 | 18 | — | — | — | — | 137 | — | 207 | |
| Total commercial | 245 | 132 | 70 | — | — | 45 | 1,620 | — | 2,112 | $ 3 |
| Commercial real estate: | | | | | | | | | | |
| Investment grade | 1,518 | 864 | 585 | 152 | 271 | 875 | 136 | 22 | 4,423 | |
| Non-investment grade | 1,172 | 685 | 154 | 43 | 47 | 152 | 84 | — | 2,337 | |
| Total commercial real estate | 2,690 | 1,549 | 739 | 195 | 318 | 1,027 | 220 | 22 | 6,760 | 30 |
| Financial institutions: | | | | | | | | | | |
| Investment grade | 616 | 74 | 57 | — | — | 10 | 6,948 | — | 7,705 | |
| Non-investment grade | 134 | 10 | — | — | — | — | 2,672 | — | 2,816 | |
| Total financial institutions | 750 | 84 | 57 | — | — | 10 | 9,620 | — | 10,521 | 120 |
| Wealth management loans: | | | | | | | | | | |
| Investment grade | 39 | 30 | 110 | 26 | 7 | 167 | 8,542 | 101 | 9,022 | |
| Non-investment grade | — | 2 | — | — | — | — | 85 | — | 87 | |
| Total wealth management loans | 39 | 32 | 110 | 26 | 7 | 167 | 8,627 | 101 | 9,109 | 57 |
| Wealth management mortgages | 850 | 1,689 | 1,909 | 863 | 736 | 3,066 | 18 | — | 9,131 | 22 |
| Lease financings | 230 | — | — | 40 | 7 | 322 | — | — | 599 | — |
| Other residential mortgages *(b)* | 184 | 561 | 200 | 5 | — | 216 | — | — | 1,166 | 5 |
| Capital call financing | 10 | — | — | — | — | — | 3,690 | — | 3,700 | 15 |
| Other loans | — | — | — | — | — | — | 2,717 | — | 2,717 | 7 |
| Margin loans | 7,283 | — | — | — | — | — | 10,728 | — | 18,011 | 41 |
| Total loans | $ 12,281 | $ 4,047 | $ 3,085 | $ 1,129 | $ 1,068 | $ 4,853 | $ 37,240 | $ 123 | $ 63,826 | $ 300 |

(a) *Excludes overdrafts of $3,053 million. Overdrafts occur on a daily basis primarily in the custody and securities clearance business and are generally repaid within two business days.*

(b) *The gross write-offs related to other residential mortgage loans were $3 million in 2023.*

### *Commercial loans*

The commercial loan portfolio is divided into investment grade and non-investment grade categories based on the assigned internal credit ratings, which are generally consistent with those of the public rating agencies. Customers with ratings consistent with BBB- (S&P)/Baa3 (Moody's) or better are considered to be investment grade. Those clients with ratings lower than this threshold are considered to be non-investment grade.

### *Commercial real estate*

Our income-producing commercial real estate facilities are focused on experienced owners and are structured with moderate leverage based on existing cash flows. Our commercial real estate lending activities also include construction and renovation facilities.

### *Financial institutions*

Financial institution exposures are high quality, with 96% of the exposures meeting the investment grade equivalent criteria of our internal credit rating classification at Sept. 30, 2024. In addition, 65% of the financial institutions exposure is secured. For example, securities industry clients and asset managers often borrow against marketable securities held in custody. The exposure to financial institutions is generally short term, with 85% expiring within one year.

### *Wealth management loans*

Wealth management loans are not typically rated by external rating agencies. A majority of the wealth management loans are secured by the customers' investment management accounts or custody accounts. Eligible assets pledged for these loans are typically investment grade fixed-income securities, equities and/or mutual funds. Internal ratings for this portion of the wealth management loan portfolio, therefore, would equate to investment grade external ratings. Wealth management loans are provided to select customers based on the pledge of other types of assets. For the loans collateralized by other assets, the credit quality of the obligor is carefully analyzed, but we do not consider this portion of our wealth management loan portfolio to be investment grade.

*Wealth management mortgages*

Credit quality indicators for wealth management mortgages are not correlated to external ratings. Wealth management mortgages are typically loans to high-net-worth individuals, which are secured primarily by residential property. These loans are primarily interest-only, adjustable-rate mortgages with a weighted-average loan-to-value ratio of 61% at origination. The delinquency rate is a key indicator of credit quality in our wealth management portfolio. At Sept. 30, 2024, less than 1% of the mortgages were past due.

At Sept. 30, 2024, the wealth management mortgage portfolio consisted of the following geographic concentrations: California – 21%; New York – 14%; Florida – 11%; Massachusetts – 8%; and other – 46%.

*Lease financings*

At Sept. 30, 2024, nearly all of the leasing exposure was investment grade, or investment grade equivalent, and consisted of exposures backed by well-diversified assets. The largest components of our lease residual value exposure relate to real estate and large-ticket transportation equipment. Assets are both domestic and foreign-based, with primary concentrations in Germany and the U.S.

*Other residential mortgages*

The other residential mortgages portfolio primarily consists of 1-4 family residential mortgage loans and totaled $1.1 billion at Sept. 30, 2024 and $1.2 billion at Dec. 31, 2023. These loans are not typically correlated to external ratings.

*Capital call financing*

Capital call financing includes loans to private equity funds that are secured by the fund investors' capital commitments and the funds' right to call capital.

*Other loans*

Other loans primarily include loans to consumers that are fully collateralized with equities, mutual funds and fixed-income securities.

*Margin loans*

We had $18.5 billion of secured margin loans at Sept. 30, 2024, compared with $18.0 billion at Dec. 31, 2023. Margin loans are collateralized with marketable securities, and borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. We have rarely suffered a loss on these types of loans.

*Overdrafts*

Overdrafts primarily relate to custody and securities clearance clients and totaled $2.5 billion at Sept. 30, 2024 and $3.1 billion at Dec. 31, 2023. Overdrafts occur on a daily basis and are generally repaid within two business days.

*Reverse repurchase agreements*

Reverse repurchase agreements at Sept. 30, 2024 and Dec. 31, 2023 were fully secured with high-quality collateral. As a result, there was no allowance for credit losses related to these assets at Sept. 30, 2024 and Dec. 31, 2023.

## Note 6–Goodwill and intangible assets

### *Goodwill*

The tables below provide a breakdown of goodwill by business segment.

| **Goodwill by business segment**<br>*(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Consolidated |
|---|---|---|---|---|
| Balance at Dec. 31, 2023 | | | | |
| Goodwill | $ 7,004 | $ 1,429 | $ 8,508 | $ 16,941 |
| Accumulated impairment losses | — | — | (680) | (680) |
| Net goodwill | $ 7,004 | $ 1,429 | $ 7,828 | $ 16,261 |
| Business realignment *(a)* | (51) | 48 | 3 | — |
| Foreign currency translation | 15 | 4 | 58 | 77 |
| **Balance at Sept. 30, 2024** | | | | |
| Goodwill | $ 6,968 | $ 1,481 | $ 8,569 | $ 17,018 |
| Accumulated impairment losses | — | — | (680) | (680) |
| Net goodwill | **$ 6,968** | **$ 1,481** | **$ 7,889** | **$ 16,338** |

*(a) In the first quarter of 2024, we made certain realignments of similar products and services within our lines of business. See Note 19 for additional information.*

| **Goodwill by business segment**<br>*(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Consolidated |
|---|---|---|---|---|
| Balance at Dec. 31, 2022 | | | | |
| Goodwill | $ 6,973 | $ 1,424 | $ 8,433 | $ 16,830 |
| Accumulated impairment losses | — | — | (680) | (680) |
| Net goodwill | $ 6,973 | $ 1,424 | $ 7,753 | $ 16,150 |
| Foreign currency translation | (7) | 1 | 15 | 9 |
| Balance at Sept. 30, 2023 | | | | |
| Goodwill | $ 6,966 | $ 1,425 | $ 8,448 | $ 16,839 |
| Accumulated impairment losses | — | — | (680) | (680) |
| Net goodwill | $ 6,966 | $ 1,425 | $ 7,768 | $ 16,159 |

*Goodwill impairment testing*

The goodwill impairment test is performed at least annually at the reporting unit level. An interim goodwill impairment test is performed when events or circumstances occur that may indicate that it is more likely than not that the fair value of any reporting unit may be less than its carrying value.

In the third quarter of 2024, due to the results of the second quarter 2024 interim goodwill impairment test and macroeconomic conditions, we performed an interim goodwill impairment test of the Investment Management reporting unit, which had $6.1 billion of allocated goodwill. No additional goodwill impairment was recognized.

### *Intangible assets*

The tables below provide a breakdown of intangible assets by business segment.

| **Intangible assets – net carrying amount by business segment** *(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Consolidated |
|---|---|---|---|---|---|
| Balance at Dec. 31, 2023 | $ 164 | $ 378 | $ 1,463 | $ 849 | $ 2,854 |
| Amortization | (21) | (3) | (13) | — | (37) |
| Foreign currency translation | — | — | 7 | — | 7 |
| **Balance at Sept. 30, 2024** | **$ 143** | **$ 375** | **$ 1,457** | **$ 849** | **$ 2,824** |

| **Intangible assets – net carrying amount by business segment** *(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Consolidated |
|---|---|---|---|---|---|
| Balance at Dec. 31, 2022 | $ 193 | $ 384 | $ 1,475 | $ 849 | $ 2,901 |
| Amortization | (23) | (5) | (15) | — | (43) |
| Foreign currency translation | — | — | 1 | — | 1 |
| Balance at Sept. 30, 2023 | $ 170 | $ 379 | $ 1,461 | $ 849 | $ 2,859 |

The table below provides a breakdown of intangible assets by type.

| **Intangible assets** | **Sept. 30, 2024** | | | | Dec. 31, 2023 | | |
|---|---|---|---|---|---|---|---|
| *(dollars in millions)* | Gross carrying amount | Accumulated amortization | Net carrying amount | Remaining weighted-average amortization period | Gross carrying amount | Accumulated amortization | Net carrying amount |
| Subject to amortization: *(a)* | | | | | | | |
| Customer contracts – Securities Services | **$ 731** | **$ (588)** | **$ 143** | **9 years** | $ 731 | $ (567) | $ 164 |
| Customer contracts – Market and Wealth Services | **269** | **(265)** | **4** | **2 years** | 280 | (273) | 7 |
| Customer relationships – Investment and Wealth Management | **553** | **(491)** | **62** | **8 years** | 553 | (479) | 74 |
| Other | **41** | **(14)** | **27** | **12 years** | 41 | (12) | 29 |
| Total subject to amortization | **$ 1,594** | **$ (1,358)** | **$ 236** | **9 years** | $ 1,605 | $ (1,331) | $ 274 |
| Not subject to amortization: *(b)* | | | | | | | |
| Tradenames | **$ 1,294** | **N/A** | **$ 1,294** | **N/A** | $ 1,292 | N/A | $ 1,292 |
| Customer relationships | **1,294** | **N/A** | **1,294** | **N/A** | 1,288 | N/A | 1,288 |
| Total not subject to amortization | **$ 2,588** | **N/A** | **$ 2,588** | **N/A** | $ 2,580 | N/A | $ 2,580 |
| Total intangible assets | **$ 4,182** | **$ (1,358)** | **$ 2,824** | **N/A** | $ 4,185 | $ (1,331) | $ 2,854 |

*(a) Excludes fully amortized intangible assets.*

*(b) Intangible assets not subject to amortization have an indefinite life.*

*N/A – Not applicable.*

Estimated annual amortization expense for current intangibles for the next five years is as follows:

| For the year ended Dec. 31, | Estimated amortization expense *(in millions)* |
|---|---|
| 2024 | **$ 50** |
| 2025 | **43** |
| 2026 | **34** |
| 2027 | **28** |
| 2028 | **24** |

### *Intangible asset impairment testing*

Intangible assets not subject to amortization are tested for impairment annually or more often if events or circumstances indicate they may be impaired.

## Note 7–Other assets

The following table provides the components of other assets presented on the consolidated balance sheet.

| **Other assets**<br>*(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Corporate/bank-owned life insurance | **$ 5,520** | $ 5,480 |
| Accounts receivable *(a)* | **5,158** | 6,567 |
| Software | **2,512** | 2,430 |
| Fails to deliver | **2,462** | 1,514 |
| Prepaid pension assets | **2,128** | 1,818 |
| Tax credit investments | **2,080** | 2,186 |
| Equity method investments | **937** | 873 |
| Assets of consolidated investment management funds | **860** | 526 |
| Prepaid expense | **696** | 737 |
| Other equity investments *(b)* | **680** | 741 |
| Federal Reserve Bank stock | **476** | 480 |
| Cash collateral receivable on derivative transactions | **405** | 621 |
| Income taxes receivable | **342** | 270 |
| Fair value of hedging derivatives | **211** | 236 |
| Seed capital *(c)* | **209** | 232 |
| Other *(d)* | **1,451** | 1,198 |
| Total other assets | **$ 26,127** | $ 25,909 |

*(a) Includes receivables for securities sold or matured that have not yet settled.*

*(b) Includes strategic equity, private equity and other investments.*

*(c) Includes investments in BNY funds that hedge deferred incentive awards.*

*(d) At Sept. 30, 2024 and Dec. 31, 2023, other assets include $57 million and $7 million, respectively, of Federal Home Loan Bank stock, at cost.*

*Non-readily marketable equity securities*

Non-readily marketable equity securities do not have readily determinable fair values. These investments are valued using a measurement alternative where the investments are carried at cost, less any impairment, and plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. The observable price changes are recorded in investment and other revenue on the consolidated income statement. Our non-readily marketable equity securities totaled $410 million at Sept. 30, 2024 and $479 million at Dec. 31, 2023, and are included in other equity investments in the table above.

The following table presents the adjustments on the non-readily marketable equity securities.

| **Adjustments on non-readily marketable equity securities**<br>*(in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 | Life-to-date |
|---|---|---|---|---|---|---|
| Upward adjustments | **$ —** | $ 1 | $ — | **$ 1** | $ 5 | $ 336 |
| Downward adjustments | **—** | — | (21) | **—** | (40) | (53) |
| Net adjustments | **$ —** | $ 1 | $ (21) | **$ 1** | $ (35) | $ 283 |

*Tax credit investments*

Tax credit investments include affordable housing projects and renewable energy investments. We invest in affordable housing projects primarily to satisfy the Company's requirements under the Community Reinvestment Act. On Jan. 1, 2024, we adopted ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* for our renewable energy projects that met the eligibility criteria. See Note 2 for additional information.

Our tax credit investments totaled $2.1 billion at Sept. 30, 2024 and $2.2 billion at Dec. 31, 2023. Commitments to fund future investments totaled $811 million at Sept. 30, 2024 and $780 million at Dec. 31, 2023 and are recorded in other liabilities on the consolidated balance sheet. A summary of the commitments to fund future investments is as follows: remainder of 2024 – $198 million; 2025 – $258 million; 2026 – $113 million; 2027 – $61 million; 2028 – $66 million; and 2029 and thereafter – $115 million.

Tax credits and other tax benefits recognized were $114 million in the third quarter of 2024, $115 million in the second quarter of 2024, $92 million in the third quarter of 2023, $342 million in the first nine months of 2024 and $276 million in the first nine months of 2023.

Amortization expense included in the provision for income taxes was $92 million in the third quarter of 2024, $92 million in the second quarter of 2024, $73 million in the third quarter of 2023, $276 million in the first nine months of 2024 and $219 million in the first nine months of 2023.

### *Investments valued using net asset value ("NAV") per share*

In our Investment and Wealth Management business segment, we make seed capital investments in certain funds we manage. We also hold private equity investments, primarily small business investment companies ("SBICs"), which are compliant with the Volcker Rule, and certain other corporate investments. Seed capital, private equity and other corporate investments are included in other assets on the consolidated balance sheet. The fair value of certain of these investments was estimated using the NAV per share for our ownership interest in the funds.

The table below presents information on our investments valued using NAV.

| **Investments valued using NAV**<br>*(in millions)* | **Sept. 30, 2024** Fair value | **Sept. 30, 2024** Unfunded commitments | Dec. 31, 2023 Fair value | Dec. 31, 2023 Unfunded commitments |
|---|---|---|---|---|
| Seed capital *(a)(b)* | **$ 7** | **$ —** | $ 3 | $ — |
| Private equity investments *(c)* | **148** | **59** | 143 | 42 |
| Other | **8** | **—** | 7 | — |
| Total | **$ 163** | **$ 59** | $ 153 | $ 42 |

*(a) Seed capital investments at Sept. 30, 2024 are generally redeemable on request. Distributions are received as the underlying investments in the funds, which have redemption notice periods of up to seven days, are liquidated.*

*(b) Includes investments in funds that relate to deferred compensation arrangements with employees.*

*(c) Private equity investments primarily include Volcker Rule-compliant investments in SBICs that invest in various sectors of the economy. Private equity investments do not have redemption rights. Distributions from such investments will be received as the underlying investments in the private equity investments, which have a life of 10 years, are liquidated.*

## Note 8–Contract revenue

Fee and other revenue in the Securities Services, Market and Wealth Services and Investment and Wealth Management business segments is primarily variable, based on levels of assets under custody and/or administration, assets under management and the level of client-driven transactions, as specified in the fee schedules. See Note 10 of the Notes to Consolidated Financial Statements in our 2023 Annual Report for information on the nature of our services and revenue recognition. See Note 24 of the Notes to Consolidated Financial Statements in our 2023 Annual Report for additional information on our principal business segments — Securities Services, Market and Wealth Services and Investment and Wealth Management — and the primary services provided.

### *Disaggregation of contract revenue*

Contract revenue is included in fee and other revenue on the consolidated income statement. The following tables present fee and other revenue related to contracts with customers, disaggregated by type of fee revenue, for each business segment. Business segment data has been determined on an internal management basis of accounting, rather than GAAP, which is used for consolidated financial reporting.

**Disaggregation of contract revenue by business segment**

| | Quarter ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | | | Sept. 30, 2023 *(a)* | | | | |
| *(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Total | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Total |
| Fee and other revenue – contract revenue: | | | | | | | | | | |
| Investment services fees | **$ 1,296** | **$ 1,021** | **$ 27** | **$ (17)** | **$ 2,327** | $ 1,251 | $ 960 | $ 27 | $ (19) | $ 2,219 |
| Investment management and performance fees | **—** | **1** | **800** | **(2)** | **799** | — | 2 | 776 | (2) | 776 |
| Financing-related fees | **12** | **5** | **—** | **—** | **17** | 7 | 2 | — | — | 9 |
| Distribution and servicing fees | **1** | **(30)** | **68** | **—** | **39** | 2 | (25) | 62 | — | 39 |
| Investment and other revenue | **65** | **63** | **(95)** | **—** | **33** | 58 | 52 | (81) | — | 29 |
| Total fee and other revenue – contract revenue | **1,374** | **1,060** | **800** | **(19)** | **3,215** | 1,318 | 991 | 784 | (21) | 3,072 |
| Fee and other revenue – not in scope of Accounting Standards Codification (“ASC”) 606 *(b)(c)(d)* | **231** | **70** | **4** | **73** | **378** | 163 | 58 | 7 | 101 | 329 |
| Total fee and other revenue | **$ 1,605** | **$ 1,130** | **$ 804** | **$ 54** | **$ 3,593** | $ 1,481 | $ 1,049 | $ 791 | $ 80 | $ 3,401 |

*(a)* *Results for the quarter ended Sept. 30, 2023 were revised to reflect certain realignments of similar products and services within our lines of business in the first quarter of 2024. See Note 19 for additional information.*

*(b)* *Primarily includes investment services fees, foreign exchange revenue, financing-related fees and investment and other revenue, all of which are accounted for using other accounting guidance.*

*(c)* *The Investment and Wealth Management business segment is net of income attributable to noncontrolling interests related to consolidated investment management funds of $7 million in the third quarter of 2024 and $3 million in the third quarter of 2023.*

*(d)* *Fee and other revenue – not in scope of ASC 606 for the quarter ended Sept. 30, 2023 for the Other segment was restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 for additional information.*

**Disaggregation of contract revenue by business segment**

| | Quarter ended | | | | |
|---|---|---|---|---|---|
| | June 30, 2024 | | | | |
| *(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Total |
| Fee and other revenue – contract revenue: | | | | | |
| Investment services fees | $ 1,327 | $ 1,009 | $ 23 | $ (19) | $ 2,340 |
| Investment management and performance fees | — | 2 | 766 | (3) | 765 |
| Financing-related fees | 12 | 5 | 1 | — | 18 |
| Distribution and servicing fees | — | (30) | 69 | 2 | 41 |
| Investment and other revenue | 62 | 61 | (92) | — | 31 |
| Total fee and other revenue – contract revenue | 1,401 | 1,047 | 767 | (20) | 3,195 |
| Fee and other revenue – not in scope of ASC 606 *(a)(b)* | 243 | 71 | 11 | 45 | 370 |
| Total fee and other revenue | $ 1,644 | $ 1,118 | $ 778 | $ 25 | $ 3,565 |

*(a)* *Primarily includes investment services fees, foreign exchange revenue, financing-related fees and investment and other revenue, all of which are accounted for using other accounting guidance.*

*(b)* *The Investment and Wealth Management business segment is net of income attributable to noncontrolling interests related to consolidated investment management funds of $2 million in the second quarter of 2024.*

**Disaggregation of contract revenue by business segment**

| | Year-to-date | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | | | Sept. 30, 2023 *(a)* | | | | |
| *(in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Total | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Total |
| Fee and other revenue – contract revenue: | | | | | | | | | | |
| Investment services fees | **$ 3,883** | **$ 3,022** | **$ 76** | **$ (52)** | **$ 6,929** | $ 3,708 | $ 2,835 | $ 74 | $ (48) | $ 6,569 |
| Investment management and performance fees | **—** | **5** | **2,340** | **(9)** | **2,336** | — | 6 | 2,323 | (9) | 2,320 |
| Financing-related fees | **39** | **18** | **1** | **—** | **58** | 30 | 11 | — | 1 | 42 |
| Distribution and servicing fees | **2** | **(89)** | **207** | **2** | **122** | 3 | (71) | 175 | — | 107 |
| Investment and other revenue | **184** | **184** | **(277)** | **1** | **92** | 178 | 152 | (240) | 1 | 91 |
| Total fee and other revenue – contract revenue | **4,108** | **3,140** | **2,347** | **(58)** | **9,537** | 3,919 | 2,933 | 2,332 | (55) | 9,129 |
| Fee and other revenue – not in scope of ASC 606 *(b)(c)(d)* | **697** | **202** | **40** | **167** | **1,106** | 566 | 167 | 21 | 208 | 962 |
| Total fee and other revenue | **$ 4,805** | **$ 3,342** | **$ 2,387** | **$ 109** | **$ 10,643** | $ 4,485 | $ 3,100 | $ 2,353 | $ 153 | $ 10,091 |

*(a) Results for the first nine months of 2023 were revised to reflect certain realignments of similar products and services within our lines of business in the first quarter of 2024. See Note 19 for additional information.*

*(b) Primarily includes investment services fees, foreign exchange revenue, financing-related fees and investment and other revenue, all of which are accounted for using other accounting guidance.*

*(c) The Investment and Wealth Management business segment is net of income attributable to noncontrolling interests related to consolidated investment management funds of $11 million in the first nine months of 2024 and $4 million in the first nine months of 2023.*

*(d) Fee and other revenue – not in scope of ASC 606 for the nine months ended Sept. 30, 2023 for the Other segment was restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 for additional information.*

### *Contract balances*

Our clients are billed based on fee schedules that are agreed upon in each customer contract. Receivables from customers were $2.6 billion at Sept. 30, 2024 and Dec. 31, 2023.

Contract assets represent accrued revenues that have not yet been billed to customers due to certain contractual terms other than the passage of time and were $45 million at Sept. 30, 2024 and $27 million at Dec. 31, 2023. Accrued revenues recorded as contract assets are usually billed on an annual basis.

Both receivables from customers and contract assets are included in other assets on the consolidated balance sheet.

Contract liabilities represent payments received in advance of providing services under certain contracts and were $216 million at Sept. 30, 2024 and $172 million at Dec. 31, 2023. Contract liabilities are included in other liabilities on the consolidated balance sheet. Revenue recognized in the first nine months of 2024 relating to contract liabilities as of Dec. 31, 2023 was $106 million. Revenue recognized in the third quarter of 2024 relating to contract liabilities as of June 30, 2024 was $79 million.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

### *Contract costs*

Incremental costs for obtaining contracts that are deemed recoverable are capitalized as contract costs. Such costs result from the payment of sales incentives, primarily in the Wealth Management business, and totaled $47 million at Sept. 30, 2024 and $46 million at Dec. 31, 2023. Capitalized sales incentives are amortized based on the transfer of goods or services to which the assets relate. The amortization of capitalized sales incentives, which is included in staff expense on the consolidated income statement, totaled $4 million in the third quarter of 2024, third quarter of 2023 and second quarter of 2024, $11 million in the first nine months of 2024 and $12 million in the first nine months of 2023.

Costs to fulfill a contract are capitalized when they relate directly to an existing contract or a specific anticipated contract, generate or enhance resources that will be used to fulfill performance obligations, and are recoverable. Such costs generally represent set-up costs, which include any direct cost incurred at the inception of a contract which enables the fulfillment of the performance obligation, and totaled

$100 million at Sept. 30, 2024 and $90 million at Dec. 31, 2023. These capitalized costs are amortized on a straight-line basis over the expected contract period.

*Unsatisfied performance obligations*

We do not have any unsatisfied performance obligations other than those that are subject to a practical expedient election under ASC 606, *Revenue From Contracts With Customers*. The practical expedient election applies to (i) contracts with an original expected length of one year or less, and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

## Note 9–Net interest income

The following table provides the components of net interest income presented on the consolidated income statement.

| **Net interest income** | Quarter ended | | | Year-to-date | |
|---|---|---|---|---|---|
| *(in millions)* | **Sept. 30, 2024** | June 30, 2024 | Sept. 30, 2023 | **Sept. 30, 2024** | Sept. 30, 2023 |
| **Interest income** | | | | | |
| Deposits with the Federal Reserve and other central banks | **$ 1,188** | $ 1,201 | $ 1,153 | **$ 3,608** | $ 3,247 |
| Deposits with banks | **109** | 110 | 125 | **340** | 393 |
| Federal funds sold and securities purchased under resale agreements | **2,874** | 2,631 | 2,066 | **7,938** | 4,833 |
| Loans | **1,142** | 1,119 | 1,029 | **3,322** | 2,852 |
| Securities: | | | | | |
| Taxable | **1,264** | 1,256 | 1,069 | **3,713** | 3,133 |
| Exempt from federal income taxes | **—** | — | 1 | **—** | 1 |
| Total securities | **1,264** | 1,256 | 1,070 | **3,713** | 3,134 |
| Trading securities | **75** | 75 | 76 | **219** | 226 |
| Total interest income | **6,652** | 6,392 | 5,519 | **19,140** | 14,685 |
| **Interest expense** | | | | | |
| Deposits | **2,271** | 2,255 | 1,911 | **6,713** | 5,016 |
| Federal funds purchased and securities sold under repurchase agreements | **2,620** | 2,433 | 1,956 | **7,296** | 4,577 |
| Trading liabilities | **22** | 23 | 48 | **66** | 121 |
| Other borrowed funds | **3** | 8 | 6 | **15** | 41 |
| Commercial paper | **21** | 13 | — | **34** | — |
| Customer payables | **170** | 161 | 147 | **477** | 418 |
| Long-term debt | **497** | 469 | 435 | **1,421** | 1,268 |
| Total interest expense | **5,604** | 5,362 | 4,503 | **16,022** | 11,441 |
| Net interest income | **1,048** | 1,030 | 1,016 | **3,118** | 3,244 |
| Provision for credit losses | **23** | — | 3 | **50** | 35 |
| Net interest income after provision for credit losses | **$ 1,025** | $ 1,030 | $ 1,013 | **$ 3,068** | $ 3,209 |

## Note 10–Employee benefit plans

The components of net periodic benefit (credit) cost are presented below. The service cost component is reflected in staff expense, whereas the remaining components are reflected in other expense.

| **Net periodic benefit (credit) cost** | Quarter ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | June 30, 2024 | | | Sept. 30, 2023 | | |
| *(in millions)* | Domestic pension benefits | Foreign pension benefits | Health care benefits | Domestic pension benefits | Foreign pension benefits | Health care benefits | Domestic pension benefits | Foreign pension benefits | Health care benefits |
| Service cost | **$ —** | **$ 3** | **$ —** | $ — | $ 3 | $ — | $ — | $ 3 | $ — |
| Interest cost | **46** | **10** | **2** | 46 | 9 | 1 | 47 | 9 | 1 |
| Expected return on assets | **(96)** | **(21)** | **(3)** | (95) | (19) | (2) | (95) | (23) | (2) |
| Other | **6** | **(1)** | **(2)** | 6 | (1) | (2) | 2 | (4) | (3) |
| Net periodic benefit (credit) | **$ (44)** | **$ (9)** | **$ (3)** | $ (43) | $ (8) | $ (3) | $ (46) | $ (15) | $ (4) |

| **Net periodic benefit (credit) cost** | Year-to-date | | | | | |
|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | Sept. 30, 2023 | | |
| *(in millions)* | Domestic pension benefits | Foreign pension benefits | Health care benefits | Domestic pension benefits | Foreign pension benefits | Health care benefits |
| Service cost | **$ —** | **$ 9** | **$ —** | $ — | $ 8 | $ — |
| Interest cost | **137** | **29** | **4** | 142 | 26 | 4 |
| Expected return on assets | **(286)** | **(60)** | **(7)** | (285) | (67) | (7) |
| Other | **18** | **(3)** | **(6)** | 7 | (11) | (9) |
| Net periodic benefit (credit) | **$ (131)** | **$ (25)** | **$ (9)** | $ (136) | $ (44) | $ (12) |

## Note 11–Income taxes

BNY recorded an income tax provision of $336 million (22.0% effective tax rate) in the third quarter of 2024, $285 million (21.5% effective tax rate) in the third quarter of 2023 and $357 million (23.4% effective tax rate) in the second quarter of 2024.

In accordance with ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, we elected to account for investments in renewable energy projects that met the eligibility requirement using the proportional amortization method on a retrospective basis. Prior to 2024, we used the hypothetical liquidation at book value ("HLBV") methodology to determine the pre-tax loss that is recognized in each period. This change resulted in an increase in investment and other revenue and an increase in the provision for income taxes on the consolidated income statement beginning in the first quarter of 2024. For additional information, see Note 2 and Note 7.

Our total tax reserves were $109 million at Sept. 30, 2024 and Dec. 31, 2023. If these tax reserves were unnecessary, $109 million would affect the effective tax rate in future periods. We recognize accrued interest and penalties, if applicable, related to income taxes in income tax expense. Included in the balance sheet at Sept. 30, 2024 is accrued interest, where applicable, of $39 million. There was no tax expense related to interest for the nine months ended Sept. 30, 2024, compared with $3 million for the nine months ended Sept. 30, 2023.

It is reasonably possible the total reserve for uncertain tax positions could decrease within the next 12 months by approximately $19 million as a result of adjustments related to tax years that are still subject to examination.

Our federal income tax returns are closed to examination through 2016. Our New York State and New York City income tax returns are closed to examination through 2014. Our UK income tax returns are closed to examination through 2020.

## Note 12–Variable interest entities

We have variable interests in variable interest entities (“VIEs”), which include investments in retail, institutional and alternative investment funds.

We earn management fees from these funds, as well as performance fees in certain funds, and may also provide start-up capital for new funds. The funds are primarily financed by our customers’ investments in the funds’ equity or debt.

Additionally, we invest in qualified affordable housing and renewable energy projects, which are designed to generate a return primarily through the realization of tax credits. The projects, which are structured as limited partnerships and limited liability companies, are also VIEs, but are not consolidated.

The following table presents the incremental assets and liabilities included on the consolidated balance sheet as of Sept. 30, 2024 and Dec. 31, 2023. The net assets of any consolidated VIE are solely available to settle the liabilities of the VIE and to settle any investors’ ownership liquidation requests, including any seed capital we invested in the VIE.

| **Consolidated investment management funds**<br>*(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Trading assets | **$ 832** | $ 510 |
| Other assets | **28** | 16 |
| Total assets *(a)* | **$ 860** | $ 526 |
| Other liabilities | **$ 7** | $ 1 |
| Total liabilities *(b)* | **$ 7** | $ 1 |
| Nonredeemable noncontrolling interests *(c)* | **$ 291** | $ 50 |

*(a) Includes voting model entities (“VMEs”) with assets of $53 million at Sept. 30, 2024 and $91 million at Dec. 31, 2023.*

*(b) Includes VMEs with liabilities of less than $1 million at Sept. 30, 2024 and $1 million at Dec. 31, 2023.*

*(c) Includes VMEs with nonredeemable noncontrolling interests of $3 million at Sept. 30, 2024 and $12 million at Dec. 31, 2023.*

We have not provided financial or other support that was not otherwise contractually required to be provided to our VIEs. Additionally, creditors of any consolidated VIEs do not have any recourse to the general credit of BNY.

*Non-consolidated VIEs*

As of Sept. 30, 2024 and Dec. 31, 2023, assets and liabilities related to the VIEs where we are not the primary beneficiary were included in other assets and other liabilities on the consolidated balance sheet and primarily related to accounting for our investments in qualified affordable housing and renewable energy projects.

The maximum loss exposure indicated in the following table relates solely to our investments in, and unfunded commitments to, the VIEs.

| **Non-consolidated VIEs**<br>*(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Other assets | **$ 2,164** | $ 2,261 |
| Other liabilities | **811** | 780 |
| Maximum loss exposure | **2,975** | 3,041 |

## Note 13–Preferred stock

The Parent has 100 million authorized shares of preferred stock with a par value of $0.01 per share. The following table summarizes the Parent's preferred stock issued and outstanding at Sept. 30, 2024 and Dec. 31, 2023.

| **Preferred stock summary** *(a)* | | Total shares issued and outstanding | | Carrying value *(b)* *(in millions)* | |
|---|---|---|---|---|---|
| | **Per annum dividend rate** *(c)* | **Sept. 30, 2024** | Dec. 31, 2023 | **Sept. 30, 2024** | Dec. 31, 2023 |
| Series A | Greater of (i) SOFR plus 0.565% and (ii) 4.000% | **5,001** | 5,001 | **$ 500** | $ 500 |
| Series F | 4.625% to but excluding Sept. 20, 2026, then SOFR plus 3.131% | **10,000** | 10,000 | **990** | 990 |
| Series G | 4.700% to but excluding Sept. 20, 2025, then a floating rate equal to the five-year treasury rate plus 4.358% | **10,000** | 10,000 | **990** | 990 |
| Series H | 3.700% to but excluding March 20, 2026, then a floating rate equal to the five-year treasury rate plus 3.352% | **5,825** | 5,825 | **576** | 576 |
| Series I | 3.750% to but excluding Dec. 20, 2026, then a floating rate equal to the five-year treasury rate plus 2.630% | **13,000** | 13,000 | **1,287** | 1,287 |
| Total | | **43,826** | 43,826 | **$ 4,343** | $ 4,343 |

*(a) All outstanding preferred stock is noncumulative perpetual preferred stock with a liquidation preference of $100,000 per share.*
*(b) The carrying value of the Series F, Series G, Series H and Series I preferred stock is recorded net of issuance costs.*
*(c) References to SOFR are to a floating rate equal to the three-month CME Term SOFR (plus a spread adjustment of 0.26161% per annum).*

The table below presents the Parent's preferred dividends.

| **Preferred dividends** | | **3Q24** | | 2Q24 | | 3Q23 | | **YTD24** | | YTD23 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *(dollars in millions, except per share amounts)* | Depositary shares per share | Per share | Total dividend | Per share | Total dividend | Per share | Total dividend | Per share | Total dividend | Per share | Total dividend |
| Series A | 100 *(a)* | **$ 1,577.81** | **$ 8** | $ 1,574.00 | $ 8 | $ 1,552.50 | $ 8 | **$ 4,718.27** | **$ 24** | $ 4,292.82 | $ 22 |
| Series D | 100 | **N/A** | **N/A** | N/A | N/A | 2,036.78 | 10 | **N/A** | **N/A** | 4,286.78 | 21 |
| Series F | 100 | **2,312.50** | **23** | — | — | 2,312.50 | 23 | **4,625.00** | **46** | 4,625.00 | 46 |
| Series G | 100 | **2,350.00** | **23** | — | — | 2,350.00 | 23 | **4,700.00** | **47** | 4,700.00 | 47 |
| Series H | 100 | **925.00** | **6** | 925.00 | 5 | 925.00 | 6 | **2,775.00** | **16** | 2,775.00 | 17 |
| Series I | 100 | **937.50** | **12** | 937.50 | 12 | 937.50 | 12 | **2,812.50** | **36** | 2,812.50 | 36 |
| Total | | | **$ 72** | | $ 25 | | $ 82 | | **$ 169** | | $ 189 |

*(a) Represents Normal Preferred Capital Securities.*
*N/A - Not applicable.*

In December 2023, all of the outstanding shares of the Series D preferred stock were redeemed.

All of the outstanding shares of the Series A preferred stock are owned by Mellon Capital IV, a 100% owned finance subsidiary of the Parent, which will pass through any dividend on the Series A preferred stock to the holders of its Normal Preferred Capital Securities. The Parent's obligations under the trust and other agreements relating to Mellon Capital IV have the effect of providing a full and unconditional guarantee, on a subordinated basis, of payments due on the Normal Preferred Capital Securities. No other subsidiary of the Parent guarantees the securities of Mellon Capital IV.

For additional information on our preferred stock, see Note 15 of the Notes to Consolidated Financial Statements in our 2023 Annual Report.

## Note 14–Other comprehensive income (loss)

| **Components of other comprehensive income (loss)** | Quarter ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | June 30, 2024 | | | Sept. 30, 2023 | | |
| *(in millions)* | Pre-tax amount | Tax (expense) benefit | After-tax amount | Pre-tax amount | Tax (expense) benefit | After-tax amount | Pre-tax amount | Tax (expense) benefit | After-tax amount |
| Foreign currency translation: | | | | | | | | | |
| Foreign currency translation adjustments arising during the period *(a)* | **$ 197** | **$ 93** | **$ 290** | $ (9) | $ (21) | $ (30) | $ (106) | $ (79) | $ (185) |
| Total foreign currency translation | **197** | **93** | **290** | (9) | (21) | (30) | (106) | (79) | (185) |
| Unrealized gain (loss) on assets available-for-sale: | | | | | | | | | |
| Unrealized gain (loss) arising during period | **978** | **(239)** | **739** | (13) | 2 | (11) | (38) | 9 | (29) |
| Reclassification adjustment *(b)* | **17** | **(5)** | **12** | 17 | (4) | 13 | 19 | (5) | 14 |
| Net unrealized gain (loss) on assets available-for-sale | **995** | **(244)** | **751** | 4 | (2) | 2 | (19) | 4 | (15) |
| Defined benefit plans: | | | | | | | | | |
| Amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost *(b)* | **3** | **(1)** | **2** | 4 | (1) | 3 | (5) | 2 | (3) |
| Total defined benefit plans | **3** | **(1)** | **2** | 4 | (1) | 3 | (5) | 2 | (3) |
| Unrealized gain (loss) on cash flow hedges: | | | | | | | | | |
| Unrealized hedge (loss) gain arising during period | **(5)** | **1** | **(4)** | 3 | (1) | 2 | (1) | 1 | — |
| Reclassification of net (gain) loss to net income: | | | | | | | | | |
| Foreign exchange (“FX”) contracts – staff expense | **(1)** | **—** | **(1)** | (2) | 1 | (1) | (2) | 1 | (1) |
| FX contracts – investment and other revenue | **—** | **—** | **—** | — | — | — | 2 | (1) | 1 |
| Total reclassifications to net income | **(1)** | **—** | **(1)** | (2) | 1 | (1) | — | — | — |
| Net unrealized (loss) gain on cash flow hedges | **(6)** | **1** | **(5)** | 1 | — | 1 | (1) | 1 | — |
| Total other comprehensive income (loss) | **$ 1,189** | **$ (151)** | **$ 1,038** | $ — | $ (24) | $ (24) | $ (131) | $ (72) | $ (203) |

*(a) Includes the impact of hedges of net investments in foreign subsidiaries. See Note 17 for additional information.*

*(b) The reclassification adjustment related to the unrealized gain (loss) on assets available-for-sale is recorded as net securities gains (losses), which is included in investment and other revenue on the consolidated income statement. The amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost is recorded as other expense on the consolidated income statement.*

| **Components of other comprehensive income (loss)** | Year-to-date | | | | | |
|---|---|---|---|---|---|---|
| | **Sept. 30, 2024** | | | Sept. 30, 2023 | | |
| *(in millions)* | Pre-tax amount | Tax (expense) benefit | After-tax amount | Pre-tax amount | Tax (expense) benefit | After-tax amount |
| Foreign currency translation: | | | | | | |
| Foreign currency translation adjustments arising during the period *(a)* | **$ 144** | **$ 25** | **$ 169** | $ 32 | $ (17) | $ 15 |
| Total foreign currency translation | **144** | **25** | **169** | 32 | (17) | 15 |
| Unrealized gain on assets available-for-sale: | | | | | | |
| Unrealized gain arising during period | **1,102** | **(271)** | **831** | 179 | (48) | 131 |
| Reclassification adjustment *(b)* | **35** | **(9)** | **26** | 20 | (5) | 15 |
| Net unrealized gain on assets available-for-sale | **1,137** | **(280)** | **857** | 199 | (53) | 146 |
| Defined benefit plans: | | | | | | |
| Amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost *(b)* | **10** | **(2)** | **8** | (13) | 5 | (8) |
| Total defined benefit plans | **10** | **(2)** | **8** | (13) | 5 | (8) |
| Unrealized gain (loss) on cash flow hedges: | | | | | | |
| Unrealized hedge gain arising during period | **2** | **(1)** | **1** | 6 | (1) | 5 |
| Reclassification of net (gain) loss to net income: | | | | | | |
| FX contracts – staff expense | **(5)** | **1** | **(4)** | 1 | — | 1 |
| FX contracts – investment and other revenue | **—** | **—** | **—** | 3 | (1) | 2 |
| Total reclassifications to net income | **(5)** | **1** | **(4)** | 4 | (1) | 3 |
| Net unrealized (loss) gain on cash flow hedges | **(3)** | **—** | **(3)** | 10 | (2) | 8 |
| Total other comprehensive income | **$ 1,288** | **$ (257)** | **$ 1,031** | $ 228 | $ (67) | $ 161 |

(a) *Includes the impact of hedges of net investments in foreign subsidiaries. See Note 17 for additional information.*

(b) *The reclassification adjustment related to the unrealized gain (loss) on assets available-for-sale is recorded as net securities gains, which is included in investment and other revenue on the consolidated income statement. The amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost is recorded as other expense on the consolidated income statement.*

## Note 15–Fair value measurement

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A three-level hierarchy for fair value measurements is utilized based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. BNY's own creditworthiness is considered when valuing liabilities. See Note 20 of the Notes to Consolidated Financial Statements in our 2023 Annual Report for information on how we determine fair value and the fair value hierarchy.

The following tables present the financial instruments carried at fair value at Sept. 30, 2024 and Dec. 31, 2023, by caption on the consolidated balance sheet and by the three-level valuation hierarchy. We have included credit ratings information in certain of the tables because the information indicates the degree of credit risk to which we are exposed, and significant changes in ratings classifications could result in increased risk for us.

| **Assets and liabilities measured at fair value on a recurring basis at Sept. 30, 2024**<br>*(dollars in millions)* | Level 1 | Level 2 | Level 3 | Netting *(a)* | Total carrying value |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Available-for-sale securities: | | | | | |
| Non-U.S. government *(b)* | $ 5,344 | $ 22,472 | $ — | $ — | $ 27,816 |
| U.S. Treasury | 20,852 | — | — | — | 20,852 |
| Agency RMBS | — | 18,831 | — | — | 18,831 |
| Foreign covered bonds | — | 7,710 | — | — | 7,710 |
| Agency commercial MBS | — | 7,383 | — | — | 7,383 |
| CLOs | — | 6,812 | — | — | 6,812 |
| Non-agency commercial MBS | — | 2,723 | — | — | 2,723 |
| U.S. government agencies | — | 2,572 | — | — | 2,572 |
| Non-agency RMBS | — | 1,583 | — | — | 1,583 |
| Other ABS | — | 647 | — | — | 647 |
| Total available-for-sale securities | 26,196 | 70,733 | — | — | 96,929 |
| Trading assets: | | | | | |
| Debt instruments | 1,688 | 2,618 | — | — | 4,306 |
| Equity instruments | 6,849 | — | — | — | 6,849 |
| Derivative assets not designated as hedging: | | | | | |
| Interest rate | 5 | 926 | — | (651) | 280 |
| Foreign exchange | — | 6,560 | — | (5,556) | 1,004 |
| Equity and other contracts | — | 23 | — | (3) | 20 |
| Total derivative assets not designated as hedging | 5 | 7,509 | — | (6,210) | 1,304 |
| Total trading assets | 8,542 | 10,127 | — | (6,210) | 12,459 |
| Other assets: | | | | | |
| Derivative assets designated as hedging: | | | | | |
| Interest rate | — | 199 | — | — | 199 |
| Foreign exchange | — | 12 | — | — | 12 |
| Total derivative assets designated as hedging | — | 211 | — | — | 211 |
| Other assets *(c)* | 498 | 684 | — | — | 1,182 |
| Total other assets | 498 | 895 | — | — | 1,393 |
| Assets measured at NAV *(c)* | | | | | 163 |
| **Total assets** | **$ 35,236** | **$ 81,755** | **$ —** | **$ (6,210)** | **$ 110,944** |
| Percentage of total assets prior to netting | 30% | 70% | —% | | |
| **Liabilities:** | | | | | |
| Trading liabilities: | | | | | |
| Debt instruments | $ 1,708 | $ 44 | $ — | $ — | $ 1,752 |
| Equity instruments | 223 | — | — | — | 223 |
| Derivative liabilities not designated as hedging: | | | | | |
| Interest rate | 5 | 1,112 | — | (637) | 480 |
| Foreign exchange | — | 6,505 | — | (4,473) | 2,032 |
| Equity and other contracts | 5 | 217 | — | (156) | 66 |
| Total derivative liabilities not designated as hedging | 10 | 7,834 | — | (5,266) | 2,578 |
| Total trading liabilities | 1,941 | 7,878 | — | (5,266) | 4,553 |
| Other liabilities: | | | | | |
| Derivative liabilities designated as hedging: | | | | | |
| Foreign exchange | — | 282 | — | — | 282 |
| Total derivative liabilities designated as hedging | — | 282 | — | — | 282 |
| Other liabilities | — | 23 | — | — | 23 |
| Total other liabilities | — | 305 | — | — | 305 |
| **Total liabilities** | **$ 1,941** | **$ 8,183** | **$ —** | **$ (5,266)** | **$ 4,858** |
| Percentage of total liabilities prior to netting | 19% | 81% | —% | | |

(a) *ASC 815, Derivatives and Hedging, permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral. Netting is applicable to derivatives not designated as hedging instruments included in trading assets or trading liabilities and derivatives designated as hedging instruments included in other assets or other liabilities. Netting is allocated to the derivative products based on the net fair value of each product.*

(b) *Includes supranational securities.*

(c) *Includes seed capital, private equity investments and other assets.*

| **Assets and liabilities measured at fair value on a recurring basis at Dec. 31, 2023**<br>*(dollars in millions)* | Level 1 | Level 2 | Level 3 | Netting *(a)* | Total carrying value |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Available-for-sale securities: | | | | | |
| Non-U.S. government *(b)* | $ 2,439 | $ 15,943 | $ — | $ — | $ 18,382 |
| U.S. Treasury | 16,604 | — | — | — | 16,604 |
| Agency RMBS | — | 13,111 | — | — | 13,111 |
| Agency commercial MBS | — | 7,729 | — | — | 7,729 |
| Foreign covered bonds | — | 6,334 | — | — | 6,334 |
| CLOs | — | 6,137 | — | — | 6,137 |
| Non-agency commercial MBS | — | 2,935 | — | — | 2,935 |
| U.S. government agencies | — | 2,901 | — | — | 2,901 |
| Non-agency RMBS | — | 1,740 | — | — | 1,740 |
| Other ABS | — | 943 | — | — | 943 |
| Other debt securities | — | 1 | — | — | 1 |
| Total available-for-sale securities | 19,043 | 57,774 | — | — | 76,817 |
| Trading assets: | | | | | |
| Debt instruments | 1,246 | 2,255 | — | — | 3,501 |
| Equity instruments | 4,518 | — | — | — | 4,518 |
| Derivative assets not designated as hedging: | | | | | |
| Interest rate | 7 | 1,053 | — | (751) | 309 |
| Foreign exchange | — | 9,227 | — | (7,498) | 1,729 |
| Equity and other contracts | — | 8 | — | (7) | 1 |
| Total derivative assets not designated as hedging | 7 | 10,288 | — | (8,256) | 2,039 |
| Total trading assets | 5,771 | 12,543 | — | (8,256) | 10,058 |
| Other assets*:* | | | | | |
| Derivative assets designated as hedging: | | | | | |
| Interest rate | — | 214 | — | — | 214 |
| Foreign exchange | — | 22 | — | — | 22 |
| Total derivative assets designated as hedging | — | 236 | — | — | 236 |
| Other assets *(c)* | 486 | 386 | — | — | 872 |
| Total other assets | 486 | 622 | — | — | 1,108 |
| Assets measured at NAV *(c)* | | | | | 153 |
| Total assets | $ 25,300 | $ 70,939 | $ — | $ (8,256) | $ 88,136 |
| Percentage of total assets prior to netting | 26% | 74% | —% | | |
| **Liabilities:** | | | | | |
| Trading liabilities: | | | | | |
| Debt instruments | $ 2,508 | $ 12 | $ — | $ — | $ 2,520 |
| Equity instruments | 23 | — | — | — | 23 |
| Derivative liabilities not designated as hedging: | | | | | |
| Interest rate | 8 | 1,339 | — | (635) | 712 |
| Foreign exchange | — | 9,282 | — | (6,341) | 2,941 |
| Equity and other contracts | 9 | 135 | — | (114) | 30 |
| Total derivative liabilities not designated as hedging | 17 | 10,756 | — | (7,090) | 3,683 |
| Total trading liabilities | 2,548 | 10,768 | — | (7,090) | 6,226 |
| Other liabilities: | | | | | |
| Derivative liabilities designated as hedging: | | | | | |
| Foreign exchange | — | 173 | — | — | 173 |
| Total derivative liabilities designated as hedging | — | 173 | — | — | 173 |
| Other liabilities | — | 22 | — | — | 22 |
| Total other liabilities | — | 195 | — | — | 195 |
| Total liabilities | $ 2,548 | $ 10,963 | $ — | $ (7,090) | $ 6,421 |
| Percentage of total liabilities prior to netting | 19% | 81% | —% | | |

*(a)* *ASC 815, Derivatives and Hedging, permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral. Netting is applicable to derivatives not designated as hedging instruments included in trading assets or trading liabilities and derivatives designated as hedging instruments included in other assets or other liabilities. Netting is allocated to the derivative products based on the net fair value of each product.*

*(b)* *Includes supranational securities.*

*(c)* *Includes seed capital, private equity investments and other assets.*

| **Details of certain available-for-sale securities measured at fair value on a recurring basis** | **Sept. 30, 2024** | | | | | | Dec. 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Ratings *(a)* | | | | | Total | Ratings *(a)* | | | | |
| *(dollars in millions)* | carrying value *(b)* | AAA/ AA- | A+/ A- | BBB+/ BBB- | BB+ and lower | Not rated | carrying value *(b)* | AAA/ AA- | A+/ A- | BBB+/ BBB- | BB+ and lower | Not rated |
| Non-agency RMBS, originated in: | | | | | | | | | | | | |
| 2008-2024 | **$ 1,555** | **100%** | **—%** | **—%** | **—%** | **—%** | $ 1,487 | 100% | —% | —% | —% | —% |
| 2007 and earlier | **28** | **—** | **100** | **—** | **—** | **—** | 253 | 5 | 13 | 1 | 40 | 41 |
| Total non-agency RMBS | **$ 1,583** | **98%** | **2%** | **—%** | **—%** | **—%** | $ 1,740 | 86% | 2% | —% | 6% | 6% |
| Non-agency commercial MBS originated in: | | | | | | | | | | | | |
| 2009-2023 | **$ 2,723** | **100%** | **—%** | **—%** | **—%** | **—%** | $ 2,935 | 100% | —% | —% | —% | —% |
| Foreign covered bonds: | | | | | | | | | | | | |
| Canada | **$ 2,373** | **100%** | **—%** | **—%** | **—%** | **—%** | $ 2,473 | 100% | —% | —% | —% | —% |
| UK | **1,082** | **100** | **—** | **—** | **—** | **—** | 1,035 | 100 | — | — | — | — |
| Germany | **661** | **100** | **—** | **—** | **—** | **—** | 664 | 100 | — | — | — | — |
| Australia | **652** | **100** | **—** | **—** | **—** | **—** | 689 | 100 | — | — | — | — |
| Other | **2,942** | **100** | **—** | **—** | **—** | **—** | 1,473 | 100 | — | — | — | — |
| Total foreign covered bonds | **$ 7,710** | **100%** | **—%** | **—%** | **—%** | **—%** | $ 6,334 | 100% | —% | —% | —% | —% |
| Non-U.S. government: | | | | | | | | | | | | |
| UK | **$ 3,364** | **100%** | **—%** | **—%** | **—%** | **—%** | $ 1,316 | 100% | —% | —% | —% | —% |
| Germany | **2,658** | **100** | **—** | **—** | **—** | **—** | 2,658 | 100 | — | — | — | — |
| France | **1,847** | **100** | **—** | **—** | **—** | **—** | 1,562 | 100 | — | — | — | — |
| Canada | **1,562** | **90** | **10** | **—** | **—** | **—** | 1,336 | 95 | 5 | — | — | — |
| Belgium | **1,047** | **100** | **—** | **—** | **—** | **—** | 511 | 100 | — | — | — | — |
| Spain | **773** | **—** | **1** | **99** | **—** | **—** | 293 | — | 17 | 83 | — | — |
| Netherlands | **770** | **100** | **—** | **—** | **—** | **—** | 334 | 100 | — | — | — | — |
| Finland | **741** | **100** | **—** | **—** | **—** | **—** | 282 | 100 | — | — | — | — |
| Singapore | **486** | **100** | **—** | **—** | **—** | **—** | 302 | 100 | — | — | — | — |
| Austria | **415** | **100** | **—** | **—** | **—** | **—** | 184 | 100 | — | — | — | — |
| Japan | **363** | **—** | **100** | **—** | **—** | **—** | 410 | — | 100 | — | — | — |
| Slovakia | **283** | **—** | **100** | **—** | **—** | **—** | 46 | — | 100 | — | — | — |
| Norway | **282** | **100** | **—** | **—** | **—** | **—** | 374 | 100 | — | — | — | — |
| Other *(c)* | **928** | **76** | **1** | **8** | **15** | **—** | 1,118 | 67 | — | 20 | 13 | — |
| Supranational | **12,297** | **100** | **—** | **—** | **—** | **—** | 7,656 | 100 | — | — | — | — |
| Total non-U.S. government: | **$ 27,816** | **94%** | **3%** | **3%** | **—%** | **—%** | $ 18,382 | 94% | 3% | 2% | 1% | —% |

*(a) Represents ratings by S&P or the equivalent.*

*(b) At Sept. 30, 2024 and Dec. 31, 2023, non-U.S. government securities were included in Level 1 and Level 2 in the valuation hierarchy. All other assets in the table are Level 2 assets in the valuation hierarchy.*

*(c) Includes non-investment grade non-U.S. securities related to Brazil of $141 million at Sept. 30, 2024 and $140 million at Dec. 31, 2023.*

### *Assets and liabilities measured at fair value on a nonrecurring basis*

Under certain circumstances, we make adjustments to the fair value of our assets, liabilities and unfunded lending-related commitments, although they are not measured at fair value on an ongoing basis. The following table presents the carrying value as of Sept. 30, 2024 and Dec. 31, 2023 of financial instruments for which nonrecurring adjustments to fair value have been recorded during 2024 and/or 2023 and all non-readily marketable equity securities carried at cost with upward or downward adjustments by balance sheet caption and level in the fair value hierarchy.

| **Assets measured at fair value on a nonrecurring basis** | **Sept. 30, 2024** | | | | Dec. 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| *(in millions)* | Level 1 | Level 2 | Level 3 | Total carrying value | Level 1 | Level 2 | Level 3 | Total carrying value |
| Loans *(a)* | **$ —** | **$ 25** | **$ —** | **$ 25** | $ — | $ 28 | $ — | $ 28 |
| Other assets *(b)* | **—** | **411** | **—** | **411** | — | 481 | — | 481 |
| Total assets at fair value on a nonrecurring basis | **$ —** | **$ 436** | **$ —** | **$ 436** | $ — | $ 509 | $ — | $ 509 |

*(a) The fair value of these loans decreased less than $1 million in the third quarter of 2024 and was unchanged in the fourth quarter of 2023, based on the fair value of the underlying collateral, as required by guidance in ASC 326, Financial Instruments – Credit Losses, with an offset to the allowance for credit losses.*

*(b) Includes non-readily marketable equity securities carried at cost with upward or downward adjustments and other assets received in satisfaction of debt.*

### *Estimated fair value of financial instruments*

The following tables present the estimated fair value and the carrying amount of financial instruments not carried at fair value on the consolidated balance sheet at Sept. 30, 2024 and Dec. 31, 2023, by caption on the consolidated balance sheet and by the valuation hierarchy.

| **Summary of financial instruments** | **Sept. 30, 2024** | | | | |
|---|---|---|---|---|---|
| *(in millions)* | Level 1 | Level 2 | Level 3 | Total estimated fair value | Carrying amount |
| **Assets:** | | | | | |
| Interest-bearing deposits with the Federal Reserve and other central banks | $ — | $ 102,231 | $ — | $ 102,231 | $ 102,231 |
| Interest-bearing deposits with banks | — | 9,359 | — | 9,359 | 9,354 |
| Federal funds sold and securities purchased under resale agreements | — | 36,164 | — | 36,164 | 36,164 |
| Securities held-to-maturity | 8,334 | 32,956 | — | 41,290 | 44,947 |
| Loans *(a)* | — | 67,710 | — | 67,710 | 68,554 |
| Other financial assets | 6,234 | 2,292 | — | 8,526 | 8,526 |
| Total | **$ 14,568** | **$ 250,712** | **$ —** | **$ 265,280** | **$ 269,776** |
| **Liabilities:** | | | | | |
| Noninterest-bearing deposits | $ — | $ 61,497 | $ — | $ 61,497 | $ 61,497 |
| Interest-bearing deposits | — | 230,485 | — | 230,485 | 234,941 |
| Federal funds purchased and securities sold under repurchase agreements | — | 14,574 | — | 14,574 | 14,574 |
| Payables to customers and broker-dealers | — | 19,741 | — | 19,741 | 19,741 |
| Commercial paper | — | 301 | — | 301 | 301 |
| Borrowings | — | 1,228 | — | 1,228 | 1,228 |
| Long-term debt | — | 33,265 | — | 33,265 | 33,199 |
| Total | **$ —** | **$ 361,091** | **$ —** | **$ 361,091** | **$ 365,481** |

*(a) Does not include the leasing portfolio.*

| **Summary of financial instruments** | Dec. 31, 2023 | | | | |
|---|---|---|---|---|---|
| *(in millions)* | Level 1 | Level 2 | Level 3 | Total estimated fair value | Carrying amount |
| **Assets:** | | | | | |
| Interest-bearing deposits with the Federal Reserve and other central banks | $ — | $ 111,550 | $ — | $ 111,550 | $ 111,550 |
| Interest-bearing deposits with banks | — | 12,134 | — | 12,134 | 12,139 |
| Federal funds sold and securities purchased under resale agreements | — | 28,900 | — | 28,900 | 28,900 |
| Securities held-to-maturity | 9,545 | 35,166 | — | 44,711 | 49,578 |
| Loans *(a)* | — | 65,026 | — | 65,026 | 65,977 |
| Other financial assets | 4,922 | 2,149 | — | 7,071 | 7,071 |
| Total | $ 14,467 | $ 254,925 | $ — | $ 269,392 | $ 275,215 |
| **Liabilities:** | | | | | |
| Noninterest-bearing deposits | $ — | $ 58,274 | $ — | $ 58,274 | $ 58,274 |
| Interest-bearing deposits | — | 221,463 | — | 221,463 | 225,395 |
| Federal funds purchased and securities sold under repurchase agreements | — | 14,507 | — | 14,507 | 14,507 |
| Payables to customers and broker-dealers | — | 18,395 | — | 18,395 | 18,395 |
| Borrowings | — | 1,274 | — | 1,274 | 1,274 |
| Long-term debt | — | 30,596 | — | 30,596 | 31,257 |
| Total | $ — | $ 344,509 | $ — | $ 344,509 | $ 349,102 |

*(a) Does not include the leasing portfolio.*

## Note 16–Fair value option

We elected fair value as an alternative measurement for selected financial assets and liabilities that are not otherwise required to be measured at fair value, including the assets and liabilities of consolidated investment management funds and subordinated notes associated with certain equity investments.

The following table presents the assets and liabilities of consolidated investment management funds, at fair value.

**Assets and liabilities of consolidated investment management funds, at fair value**

| *(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Assets of consolidated investment management funds: | | |
| Trading assets | **$ 832** | $ 510 |
| Other assets | **28** | 16 |
| Total assets of consolidated investment management funds | **$ 860** | $ 526 |
| Liabilities of consolidated investment management funds: | | |
| Other liabilities | **$ 7** | $ 1 |
| Total liabilities of consolidated investment management funds | **$ 7** | $ 1 |

The assets and liabilities of the consolidated investment management funds are included in other assets and other liabilities, respectively, on the consolidated balance sheet. We value the assets and liabilities of consolidated investment management funds using quoted prices for identical assets or liabilities in active markets or observable inputs such as quoted prices for similar assets or liabilities. Quoted prices for either identical or similar assets or liabilities in inactive markets may also be used. Accordingly, fair value best reflects the interests BNY holds in the economic performance of the consolidated investment management funds. Changes in the fair value of the assets and liabilities are recorded as income (loss) from consolidated investment management funds, which is included in investment and other revenue on the consolidated income statement.

We elected the fair value option on subordinated notes associated with certain equity investments. The fair value of these subordinated notes was $17 million at Sept. 30, 2024 and $4 million at Dec. 31, 2023. The subordinated notes were valued using observable market inputs and included in Level 2 of the valuation hierarchy.

## Note 17–Derivative instruments

We use derivatives to manage exposure to market risk, including interest rate risk, equity price risk and foreign currency risk, as well as credit risk. Our trading activities are focused on acting as a market-maker for our customers and facilitating customer trades in compliance with the Volcker Rule.

The notional amounts for derivative financial instruments express the dollar volume of the transactions; however, credit risk is much smaller. We perform credit reviews and enter into netting agreements and collateral arrangements to minimize the credit risk of derivative financial instruments. We enter into offsetting positions to reduce exposure to foreign currency, interest rate and equity price risk.

Use of derivative financial instruments involves reliance on counterparties. Failure of a counterparty to honor its obligation under a derivative contract is a risk we assume whenever we engage in a derivative contract. There were no counterparty default losses recorded in the third quarter of 2024.

*Hedging derivatives*

We utilize interest rate swap agreements, including forward starting swaps, to manage our exposure to interest rate fluctuations. We enter into fair value hedges as an interest rate risk management strategy to reduce fair value variability by converting certain fixed rate interest payments associated with available-for-sale securities, loans and long-term debt to floating interest rates. We also utilize interest rate swaps and forward exchange contracts as cash flow hedges to manage our exposure to interest rate and foreign exchange rate changes. In designating interest rate swaps as hedges, we utilize both partial-term and full-term hedge strategies.

The available-for-sale securities hedged consist of U.S. Treasury, agency and non-agency commercial MBS, non-U.S. government and foreign covered bonds. At Sept. 30, 2024, $40.0 billion par value of available-for-sale securities was hedged with interest rate swaps designated as fair value hedges that had notional values of $40.0 billion.

At Sept. 30, 2024, $1.4 billion of interest rate swaps was designated as portfolio layer method fair value hedges of loans against a closed portfolio of fixed rate loans of $3.2 billion, essentially converting $1.4 billion of such fixed rate loans to a floating rate.

The fixed rate long-term debt instruments hedged generally have original maturities of five to 30 years. In fair value hedging relationships, fixed rate debt is hedged with "receive fixed rate, pay variable rate" swaps. At Sept. 30, 2024, $28.9 billion par value of debt was hedged with interest rate swaps designated as fair value hedges that had notional values of $28.9 billion.

In addition, we utilize forward foreign exchange contracts as hedges to mitigate foreign exchange exposures. We use forward foreign exchange contracts as cash flow hedges to convert certain forecasted non-U.S. dollar revenue and expenses into U.S. dollars. We use forward foreign exchange contracts with maturities of 15 months or less as cash flow hedges to hedge our foreign exchange exposure to currencies such as the Indian rupee, Polish zloty, Hong Kong dollar, Singapore dollar, British pound and euro used in revenue and expense transactions for entities that have the U.S. dollar as their functional currency. As of Sept. 30, 2024, the hedged forecasted foreign currency transactions and designated forward foreign exchange contract hedges were $766 million (notional), with a net pre-tax loss of $1 million recorded in accumulated other comprehensive income ("OCI"). Over the next 12 months, a gain of less than $1 million will be reclassified into earnings.

From time to time, we have utilized forward foreign exchange contracts as fair value hedges of the foreign exchange risk associated with available-for-sale securities. Forward points are designated as an excluded component and amortized into earnings over the hedge period. At Sept. 30, 2024, there were no remaining foreign exchange contracts.

Forward foreign exchange contracts are also used to hedge the value of our net investments in foreign subsidiaries. These forward foreign exchange contracts have maturities of less than one year. The derivatives employed are designated as hedges of changes in the value of our foreign investments due to exchange rates. The change in fair market value of these forward foreign exchange contracts is reported within foreign currency translation adjustments in shareholders' equity, net of tax. At Sept. 30, 2024, forward foreign exchange contracts with notional amounts totaling $12.0 billion were designated as net investment hedges.

From time to time, we also designate non-derivative financial instruments as hedges of our net investments in foreign subsidiaries. At Sept. 30, 2024, there were no non-derivative financial instruments hedging our net investments in foreign subsidiaries.

The following table presents the pre-tax gains (losses) related to our fair value and cash flow hedging activities recognized in the consolidated income statement.

| **Income statement impact of fair value and cash flow hedges** *(in millions)* | Location of gains (losses) | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|---|
| Interest rate fair value hedges of available-for-sale securities | | | | | | |
| Derivative | Interest income | **$ (973)** | $ 79 | $ 439 | **$ (445)** | $ 392 |
| Hedged item | Interest income | **971** | (77) | (438) | **445** | (393) |
| Interest rate fair value hedges of long-term debt | | | | | | |
| Derivative | Interest expense | **643** | 13 | (281) | **435** | (279) |
| Hedged item | Interest expense | **(643)** | (13) | 281 | **(435)** | 280 |
| Interest rate fair value hedges of loans | | | | | | |
| Derivative | Interest income | **(25)** | (14) | — | **(40)** | — |
| Hedged item | Interest income | **25** | 14 | — | **40** | — |
| Cash flow hedges of forecasted FX exposures | | | | | | |
| Gain (loss) reclassified from OCI into income | Staff expense | **1** | 2 | 2 | **5** | (1) |
| (Loss) reclassified from OCI into income | Investment and other revenue | — | — | (2) | — | (3) |
| (Loss) gain recognized in the consolidated income statement due to fair value and cash flow hedging relationships | | **$ (1)** | $ 4 | $ 1 | **$ 5** | $ (4) |

The following table presents the impact of hedging derivatives used in net investment hedging relationships.

**Impact of derivative instruments used in net investment hedging relationships**

*(in millions)*

| Derivatives in net investment hedging relationships | Gain or (loss) recognized in accumulated OCI on derivatives | | | | | Location of gain or (loss) reclassified from accumulated OCI into income | Gain or (loss) reclassified from accumulated OCI into income | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 | | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
| FX contracts | **$ (391)** | $ 87 | $ 333 | **$ (106)** | $ 70 | Net interest income | **$ —** | $ — | $ — | **$ —** | $ — |

The following table presents information on the hedged items in fair value hedging relationships.

| **Hedged items in fair value hedging relationships** | Carrying amount of hedged asset or liability | | Hedge accounting basis adjustment increase (decrease) *(a)* | |
|---|---|---|---|---|
| *(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 | **Sept. 30, 2024** | Dec. 31, 2023 |
| Available-for-sale securities *(b)(c)* | **$ 39,629** | $ 29,941 | **$ (1,141)** | $ (1,767) |
| Loans *(d)* | **$ 1,432** | $ — | **$ 40** | $ — |
| Long-term debt | **$ 28,505** | $ 21,854 | **$ (395)** | $ (846) |

*(a) Includes $727 million and $434 million of basis adjustment decreases on discontinued hedges associated with available-for-sale securities at Sept. 30, 2024 and Dec. 31, 2023, respectively, and $10 million and $26 million of basis adjustment decreases on discontinued hedges associated with long-term debt at Sept. 30, 2024 and Dec. 31, 2023, respectively.*

*(b) Carrying amount represents the amortized cost.*

*(c) At Sept. 30, 2024, the amortized cost of the available-for-sale securities included in closed portfolios subject to portfolio layer method hedging was $7.8 billion, of which $2.3 billion was designated as hedged. The cumulative basis adjustments for active hedging relationships associated with such hedges as of Sept. 30, 2024 was an increase of $43 million.*

*(d) At Sept. 30, 2024, loans included in closed portfolios subject to portfolio layer method hedging were $3.2 billion, of which $1.4 billion was designated as hedged. The cumulative basis adjustment for active hedging relationships associated with such hedges as of Sept. 30, 2024 was an increase of $40 million.*

The following table summarizes the notional amount and carrying values of our total derivative portfolio.

| **Impact of derivative instruments on the balance sheet** | Notional value | | Asset derivatives fair value | | Liability derivatives fair value | |
|---|---|---|---|---|---|---|
| *(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 | **Sept. 30, 2024** | Dec. 31, 2023 | **Sept. 30, 2024** | Dec. 31, 2023 |
| **Derivatives designated as hedging instruments:** *(a)(b)* | | | | | | |
| Interest rate contracts | **$ 70,327** | $ 52,808 | **$ 199** | $ 214 | **$ —** | $ — |
| Foreign exchange contracts | **12,744** | 11,099 | **12** | 22 | **282** | 173 |
| Total derivatives designated as hedging instruments | | | **$ 211** | $ 236 | **$ 282** | $ 173 |
| **Derivatives not designated as hedging instruments:** *(b)(c)* | | | | | | |
| Interest rate contracts | **$ 175,745** | $ 155,535 | **$ 931** | $ 1,060 | **$ 1,117** | $ 1,347 |
| Foreign exchange contracts | **1,036,050** | 944,241 | **6,560** | 9,227 | **6,505** | 9,282 |
| Equity contracts | **5,101** | 3,886 | **23** | 8 | **206** | 138 |
| Credit contracts | **359** | 220 | **—** | — | **16** | 6 |
| Total derivatives not designated as hedging instruments | | | **$ 7,514** | $ 10,295 | **$ 7,844** | $ 10,773 |
| Total derivatives fair value *(d)* | | | **$ 7,725** | $ 10,531 | **$ 8,126** | $ 10,946 |
| Effect of master netting agreements *(e)* | | | **(6,210)** | (8,256) | **(5,266)** | (7,090) |
| Fair value after effect of master netting agreements | | | **$ 1,515** | $ 2,275 | **$ 2,860** | $ 3,856 |

*(a) The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively, on the consolidated balance sheet.*

*(b) For derivative transactions settled at clearing organizations, cash collateral exchanged is deemed a settlement of the derivative each day. The settlement reduces the gross fair value of derivative assets and liabilities and results in a corresponding decrease in the effect of master netting agreements, with no impact to the consolidated balance sheet.*

*(c) The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the consolidated balance sheet.*

*(d) Fair values are on a gross basis, before consideration of master netting agreements, as required by ASC 815, Derivatives and Hedging.*

*(e) Effect of master netting agreements includes cash collateral received and paid of $1,602 million and $658 million, respectively, at Sept. 30, 2024, and $2,353 million and $1,187 million, respectively, at Dec. 31, 2023.*

*Trading activities (including trading derivatives)*

Our trading activities are focused on acting as a market-maker for our customers, facilitating customer trades and risk-mitigating economic hedging in compliance with the Volcker Rule. The change in the fair value of the derivatives utilized in our trading activities is recorded in foreign exchange revenue and investment and other revenue on the consolidated income statement.

The following table presents our foreign exchange revenue and other trading revenue.

**Foreign exchange revenue and other trading revenue**

| *(in millions)* | **3Q24** | 2Q24 | 3Q23 | **YTD24** | YTD23 |
|---|---|---|---|---|---|
| Foreign exchange revenue | **$ 175** | $ 184 | $ 154 | **$ 511** | $ 488 |
| Other trading revenue | **79** | 77 | 86 | **225** | 184 |

Foreign exchange revenue includes income from purchasing and selling foreign currencies, currency forwards, futures and options as well as foreign currency remeasurement. Other trading revenue reflects results from trading in cash instruments, including fixed income and equity securities, and trading and economic hedging activity with non-foreign exchange derivatives.

We also use derivative financial instruments as risk-mitigating economic hedges, which are not formally designated as accounting hedges. This includes hedging the foreign currency, interest rate or market risks inherent in some of our balance sheet exposures, such as seed capital investments and deposits, as well as certain investment management fee revenue streams. We also use total return swaps to economically hedge obligations arising from the Company’s deferred compensation plan whereby the participants defer compensation and earn a return linked to the performance of investments they select. The gains or losses on these total return swaps are recorded in staff expense on the consolidated income statement. We recorded a gain of $11 million in the third quarter of 2024, a loss of $11 million in the third quarter of 2023 and gains of $22 million in the first nine months of 2024 and $4 million in the first nine months of 2023. There was no impact in the second quarter of 2024.

We manage trading risk through a system of position limits, a value-at-risk (“VaR”) methodology based on historical simulation and other market sensitivity measures. Risk is monitored and reported to senior management by a separate unit, independent from trading, 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, utilizes a 99% confidence level and incorporates non-linear product characteristics. The VaR model is one of several statistical models used to develop economic capital results, which are allocated to lines of business for computing risk-adjusted performance.

VaR methodology does not evaluate risk attributable to extraordinary financial, economic or other occurrences. As a result, 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 historical market events are also performed. Stress tests may incorporate the impact of reduced market liquidity and the breakdown of historically observed correlations and extreme scenarios. VaR and other statistical measures, stress testing and sensitivity analysis are incorporated into other risk management materials.

*Counterparty credit risk and collateral*

We assess the 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 are 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 and/or highly liquid government securities. Collateral requirements are monitored and adjusted daily.

Additional disclosures concerning derivative financial instruments are provided in Note 15.

*Disclosure of contingent features in over-the-counter ("OTC") derivative instruments*

Certain OTC derivative contracts and/or collateral agreements contain credit risk-contingent features triggered upon a rating downgrade in which the counterparty has the right to request additional collateral or the right to terminate the contracts in a net liability position.

The following table shows the aggregate fair value of OTC derivative contracts in net liability positions that contained credit risk-contingent features and the value of collateral that has been posted.

| *(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Aggregate fair value of OTC derivatives in net liability positions *(a)* | **$ 681** | $ 1,003 |
| Collateral posted | **$ 1,015** | $ 1,001 |

*(a) Before consideration of cash collateral.*

The aggregate fair value of OTC derivative contracts containing credit risk-contingent features can fluctuate from quarter to quarter due to changes in market conditions, composition of counterparty trades, new business or changes to the contingent features.

The Bank of New York Mellon, our largest banking subsidiary, enters into the substantial majority of our OTC derivative contracts and/or collateral agreements. As such, the contingent features may be triggered if The Bank of New York Mellon's long-term issuer rating were downgraded.

The following table shows the fair value of contracts falling under early termination provisions that were in net liability positions for three key ratings triggers.

**Potential close-out exposures (fair value)** *(a)*

| *(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| If The Bank of New York Mellon's rating changed to: *(b)* | | |
| A3/A- | **$ 28** | $ 115 |
| Baa2/BBB | **$ 487** | $ 792 |
| Ba1/BB+ | **$ 1,247** | $ 1,920 |

*(a) The amounts represent potential total close-out values if The Bank of New York Mellon's long-term issuer rating were to immediately drop to the indicated levels, and do not reflect collateral posted.*

*(b) Represents ratings by Moody's/S&P.*

If The Bank of New York Mellon's debt rating had fallen below investment grade on Sept. 30, 2024 and Dec. 31, 2023, existing collateral arrangements would have required us to post additional collateral of $184 million and $235 million, respectively.

### *Offsetting assets and liabilities*

The following tables present derivative and financial instruments and their related offsets. There were no derivative instruments or financial instruments subject to a legally enforceable netting agreement for which we are not currently netting.

**Offsetting of derivative assets and financial assets at Sept. 30, 2024**

| | | | | Gross amounts not offset in the balance sheet | | |
|---|---|---|---|---|---|---|
| *(in millions)* | Gross assets recognized | Gross amounts offset in the balance sheet *(a)* | Net assets recognized in the balance sheet | Financial instruments | Cash collateral received | Net amount |
| Derivatives subject to netting arrangements: | | | | | | |
| Interest rate contracts | **$ 874** | **$ 651** | **$ 223** | **$ 40** | **$ —** | **$ 183** |
| Foreign exchange contracts | **6,201** | **5,556** | **645** | **70** | **—** | **575** |
| Equity and other contracts | **4** | **3** | **1** | **—** | **—** | **1** |
| Total derivatives subject to netting arrangements | **7,079** | **6,210** | **869** | **110** | **—** | **759** |
| Total derivatives not subject to netting arrangements | **646** | **—** | **646** | **—** | **—** | **646** |
| Total derivatives | **7,725** | **6,210** | **1,515** | **110** | **—** | **1,405** |
| Reverse repurchase agreements | **262,253** | **242,526** *(b)* | **19,727** | **19,271** | **2** | **454** |
| Securities borrowing | **16,437** | **—** | **16,437** | **15,588** | **—** | **849** |
| Total | **$ 286,415** | **$ 248,736** | **$ 37,679** | **$ 34,969** | **$ 2** | **$ 2,708** |

*(a) Includes the effect of netting agreements and net cash collateral received. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.*

*(b) Offsetting of reverse repurchase agreements relates to our involvement in the Fixed Income Clearing Corporation ("FICC"), where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.*

**Offsetting of derivative assets and financial assets at Dec. 31, 2023**

| | | | | | Gross amounts not offset in the balance sheet | | |
|---|---|---|---|---|---|---|---|
| *(in millions)* | Gross assets recognized | Gross amounts offset in the balance sheet | *(a)* | Net assets recognized in the balance sheet | Financial instruments | Cash collateral received | Net amount |
| Derivatives subject to netting arrangements: | | | | | | | |
| Interest rate contracts | $ 979 | $ 751 | | $ 228 | $ 60 | $ — | $ 168 |
| Foreign exchange contracts | 8,552 | 7,498 | | 1,054 | 320 | — | 734 |
| Equity and other contracts | 7 | 7 | | — | — | — | — |
| Total derivatives subject to netting arrangements | 9,538 | 8,256 | | 1,282 | 380 | — | 902 |
| Total derivatives not subject to netting arrangements | 993 | — | | 993 | — | — | 993 |
| Total derivatives | 10,531 | 8,256 | | 2,275 | 380 | — | 1,895 |
| Reverse repurchase agreements | 169,092 | 150,667 | *(b)* | 18,425 | 18,422 | — | 3 |
| Securities borrowing | 10,475 | — | | 10,475 | 10,011 | — | 464 |
| Total | $ 190,098 | $ 158,923 | | $ 31,175 | $ 28,813 | $ — | $ 2,362 |

*(a) Includes the effect of netting agreements and net cash collateral received. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.*

*(b) Offsetting of reverse repurchase agreements relates to our involvement in the FICC, where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.*

**Offsetting of derivative liabilities and financial liabilities at Sept. 30, 2024**

| | | | | | Gross amounts not offset in the balance sheet | | |
|---|---|---|---|---|---|---|---|
| *(in millions)* | Gross liabilities recognized | Gross amounts offset in the balance sheet | *(a)* | Net liabilities recognized in the balance sheet | Financial instruments | Cash collateral pledged | Net amount |
| Derivatives subject to netting arrangements: | | | | | | | |
| Interest rate contracts | **$ 930** | **$ 637** | | **$ 293** | **$ 44** | **$ —** | **$ 249** |
| Foreign exchange contracts | **6,320** | **4,473** | | **1,847** | **54** | **—** | **1,793** |
| Equity and other contracts | **198** | **156** | | **42** | **18** | **—** | **24** |
| Total derivatives subject to netting arrangements | **7,448** | **5,266** | | **2,182** | **116** | **—** | **2,066** |
| Total derivatives not subject to netting arrangements | **678** | **—** | | **678** | **—** | **—** | **678** |
| Total derivatives | **8,126** | **5,266** | | **2,860** | **116** | **—** | **2,744** |
| Repurchase agreements | **254,051** | **242,526** | *(b)* | **11,525** | **11,523** | **—** | **2** |
| Securities lending | **3,049** | **—** | | **3,049** | **2,943** | **—** | **106** |
| Total | **$ 265,226** | **$ 247,792** | | **$ 17,434** | **$ 14,582** | **$ —** | **$ 2,852** |

*(a) Includes the effect of netting agreements and net cash collateral paid. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.*

*(b) Offsetting of repurchase agreements relates to our involvement in the FICC, where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.*

| **Offsetting of derivative liabilities and financial liabilities at Dec. 31, 2023** | | | | | Gross amounts not offset in the balance sheet | | |
|---|---|---|---|---|---|---|---|
| *(in millions)* | Gross liabilities recognized | Gross amounts offset in the balance sheet | *(a)* | Net liabilities recognized in the balance sheet | Financial instruments | Cash collateral pledged | Net amount |
| Derivatives subject to netting arrangements: | | | | | | | |
| Interest rate contracts | $ 1,118 | $ 635 | | $ 483 | $ 78 | $ — | $ 405 |
| Foreign exchange contracts | 8,454 | 6,341 | | 2,113 | 93 | — | 2,020 |
| Equity and other contracts | 128 | 114 | | 14 | — | — | 14 |
| Total derivatives subject to netting arrangements | 9,700 | 7,090 | | 2,610 | 171 | — | 2,439 |
| Total derivatives not subject to netting arrangements | 1,246 | — | | 1,246 | — | — | 1,246 |
| Total derivatives | 10,946 | 7,090 | | 3,856 | 171 | — | 3,685 |
| Repurchase agreements | 162,661 | 150,667 | *(b)* | 11,994 | 11,966 | 28 | — |
| Securities lending | 2,513 | — | | 2,513 | 2,404 | — | 109 |
| Total | $ 176,120 | $ 157,757 | | $ 18,363 | $ 14,541 | $ 28 | $ 3,794 |

(a) *Includes the effect of netting agreements and net cash collateral paid. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.*

(b) *Offsetting of repurchase agreements relates to our involvement in the FICC, where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.*

### *Secured borrowings*

The following table presents the contract value of repurchase agreements and securities lending transactions accounted for as secured borrowings by the type of collateral provided to counterparties.

| **Repurchase agreements and securities lending transactions accounted for as secured borrowings** | **Sept. 30, 2024** | | | | | Dec. 31, 2023 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Remaining contractual maturity | | | | | Remaining contractual maturity | | | | |
| *(in millions)* | Overnight and continuous | Up to 30 days | 30-90 days | Over 90 days | Total | Overnight and continuous | Up to 30 days | 30-90 days | Over 90 days | Total |
| Repurchase agreements: | | | | | | | | | | |
| U.S. Treasury | **$ 208,835** | **$ 5** | **$ 1,113** | **$ 572** | **$210,525** | $ 128,304 | $ 15 | $ 1,409 | $ 510 | $130,238 |
| Agency RMBS | **36,573** | **30** | **395** | **499** | **37,497** | 25,815 | — | 896 | 120 | 26,831 |
| Corporate bonds | **113** | **179** | **1,310** | **686** | **2,288** | 103 | 72 | 1,315 | 590 | 2,080 |
| Sovereign debt/sovereign guaranteed | **82** | **1,502** | **2** | **7** | **1,593** | 1,049 | — | — | — | 1,049 |
| State and political subdivisions | **27** | **20** | **432** | **276** | **755** | 37 | 38 | 449 | 257 | 781 |
| U.S. government agencies | **83** | **—** | **91** | **127** | **301** | 44 | — | 61 | 32 | 137 |
| Other debt securities | **—** | **91** | **72** | **1** | **164** | 4 | 180 | 73 | 24 | 281 |
| Equity securities | **—** | **9** | **560** | **359** | **928** | — | 10 | 1,172 | 82 | 1,264 |
| Total | **$ 245,713** | **$ 1,836** | **$ 3,975** | **$ 2,527** | **$254,051** | $ 155,356 | $ 315 | $ 5,375 | $ 1,615 | $162,661 |
| Securities lending: | | | | | | | | | | |
| Agency RMBS | **$ 53** | **$ —** | **$ —** | **$ —** | **$ 53** | $ 111 | $ — | $ — | $ — | $ 111 |
| Other debt securities | **124** | **—** | **—** | **—** | **124** | 25 | — | — | — | 25 |
| Equity securities | **2,872** | **—** | **—** | **—** | **2,872** | 2,377 | — | — | — | 2,377 |
| Total | **$ 3,049** | **$ —** | **$ —** | **$ —** | **$ 3,049** | $ 2,513 | $ — | $ — | $ — | $ 2,513 |
| Total secured borrowings | **$ 248,762** | **$ 1,836** | **$ 3,975** | **$ 2,527** | **$257,100** | $ 157,869 | $ 315 | $ 5,375 | $ 1,615 | $165,174 |

BNY's repurchase agreements and securities lending transactions primarily encounter risk associated with liquidity. We are required to pledge collateral based on predetermined terms within the agreements. If we were to experience a decline in the fair value of the collateral pledged for these transactions, we could be required to provide additional collateral to the counterparty, therefore decreasing the amount of assets available for other liquidity needs that may arise. BNY also offers tri-party collateral agency services in the tri-party repo market where we are exposed to credit risk. In order to mitigate this risk, we require dealers to fully secure intraday credit.

## Note 18–Commitments and contingent liabilities

*Off-balance sheet arrangements*

In the normal course of business, various commitments and contingent liabilities are outstanding that are not reflected in the accompanying consolidated balance sheets.

Our significant trading and off-balance sheet risks are securities, foreign currency and interest rate risk management products, commercial lending commitments, letters of credit and securities lending indemnifications. We assume these risks to reduce interest rate and foreign currency risks, to provide customers with the ability to meet credit and liquidity needs and to hedge foreign currency and interest rate risks. These items involve, to varying degrees, credit, foreign currency and interest rate risks not recognized on the balance sheet. Our off-balance sheet risks are managed and monitored in manners similar to those used for on-balance sheet risks.

The following table presents a summary of our off-balance sheet credit risks.

| **Off-balance sheet credit risks** *(in millions)* | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Lending commitments | **$ 51,072** | $ 46,518 |
| Standby letters of credit ("SBLC") *(a)* | **1,615** | 1,816 |
| Commercial letters of credit | **25** | 41 |
| Securities lending indemnifications *(b)(c)* | **539,293** | 492,739 |

*(a) Net of participations totaling $195 million at Sept. 30, 2024 and $163 million at Dec. 31, 2023.*

*(b) Excludes the indemnification for securities for which BNY acts as an agent on behalf of CIBC Mellon clients, which totaled $67 billion at Sept. 30, 2024 and $59 billion at Dec. 31, 2023.*

*(c) Includes cash collateral, invested in indemnified repurchase agreements, held by us as securities lending agent of $58 billion at Sept. 30, 2024 and $45 billion at Dec. 31, 2023.*

The total potential loss on undrawn lending commitments, standby and commercial letters of credit and securities lending indemnifications is equal to the total notional amount if drawn upon, which does not consider the value of any collateral.

Since many of the lending commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements. A summary of lending commitment maturities is as follows: $32.0 billion in less than one year, $18.7 billion in one to five years and $352 million over five years.

SBLCs principally support obligations of corporate clients and were collateralized with cash and securities of $180 million at Sept. 30, 2024 and $158 million at Dec. 31, 2023. At Sept. 30, 2024, $1.3 billion of the SBLCs will expire within one year and $357 million in one to five years. No SBLCs expire in over five years.

We must recognize, at the inception of an SBLC and foreign and other guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. The fair value of the liability, which was recorded with a corresponding asset in other assets, was estimated as the present value of contractual customer fees. The estimated liability for losses related to SBLCs and foreign and other guarantees, if any, is included in the allowance for lending-related commitments.

Payment/performance risk of SBLCs is monitored using both historical performance and internal ratings criteria. BNY's historical experience is that SBLCs typically expire without being funded. SBLCs below investment grade are monitored closely for payment/performance risk. The table below shows SBLCs by investment grade:

| **Standby letters of credit** | **Sept. 30, 2024** | Dec. 31, 2023 |
|---|---|---|
| Investment grade | **67%** | 74% |
| Non-investment grade | **33%** | 26% |

A commercial letter of credit is normally a short-term instrument used to finance a commercial contract for the shipment of goods from a seller to a buyer. Although the commercial letter of credit is contingent upon the satisfaction of specified conditions, it represents a credit exposure if the buyer defaults on the underlying transaction. As a result, the total contractual amounts do not necessarily represent future cash requirements. Commercial letters of credit totaled $25 million at Sept. 30, 2024 and $41 million at Dec. 31, 2023.

We expect many of the lending commitments and letters of credit to expire without the need to advance any cash. The revenue associated with guarantees frequently depends on the credit rating of the obligor and the structure of the transaction, including collateral, if any. The allowance for lending-related commitments was $75 million at Sept. 30, 2024 and $87 million at Dec. 31, 2023.

A securities lending transaction is a fully collateralized transaction in which the owner of a security agrees to lend the security (typically through an agent, in our case, The Bank of New York Mellon) to a borrower, usually a broker-dealer or bank, on an open, overnight or term basis, under the terms of a prearranged contract.

We typically lend securities with indemnification against borrower default. We generally require the borrower to provide collateral with a minimum value of 102% of the fair value of the securities borrowed, which is monitored on a daily basis, thus reducing credit risk. Market risk can also arise in securities lending transactions. These risks are controlled through policies limiting the level of risk that can be undertaken. Securities lending transactions are generally entered into only with highly rated counterparties. Securities lending indemnifications were secured by collateral of $568 billion at Sept. 30, 2024 and $518 billion at Dec. 31, 2023.

CIBC Mellon, a joint venture between BNY and the Canadian Imperial Bank of Commerce ("CIBC"), engages in securities lending activities. CIBC Mellon, BNY and CIBC jointly and severally indemnify securities lenders against specific types of borrower default. At Sept. 30, 2024 and Dec. 31, 2023, $67 billion and $59 billion, respectively, of borrowings at CIBC Mellon, for which BNY acts as agent on behalf of CIBC Mellon clients, were secured by collateral of $71 billion and $62 billion, respectively. If, upon a default, a borrower's collateral was not sufficient to cover its related obligations, certain losses related to the indemnification could be covered by the indemnitors.

*Unsettled repurchase and reverse repurchase agreements*

In the normal course of business, we enter into repurchase agreements and reverse repurchase agreements that settle at a future date. In repurchase agreements, BNY receives cash from and provides securities as collateral to a counterparty at settlement. In reverse repurchase agreements, BNY advances cash to and receives securities as collateral from the counterparty at settlement. These transactions are recorded on the consolidated balance sheet on the settlement date. At Sept. 30, 2024, we had no unsettled repurchase agreements and $103.5 billion of unsettled reverse repurchase agreements. At Dec. 31, 2023, we had no unsettled repurchase agreements and $77.9 billion of unsettled reverse repurchase agreements.

*Industry concentrations*

We have significant industry concentrations related to credit exposure at Sept. 30, 2024. The tables below present our credit exposure in the financial institutions and commercial portfolios.

| **Financial institutions portfolio exposure** *(in billions)* | **Sept. 30, 2024** Loans | Unfunded commitments | Total exposure |
|---|---|---|---|
| Securities industry | $ 2.4 | $ 19.0 | $ 21.4 |
| Asset managers | 1.8 | 8.3 | 10.1 |
| Banks | 8.2 | 1.5 | 9.7 |
| Insurance | 0.1 | 4.0 | 4.1 |
| Government | — | 0.4 | 0.4 |
| Other | 0.1 | 0.6 | 0.7 |
| Total | **$ 12.6** | **$ 33.8** | **$ 46.4** |

| **Commercial portfolio exposure** *(in billions)* | **Sept. 30, 2024** Loans | Unfunded commitments | Total exposure |
|---|---|---|---|
| Services and other | $ 0.8 | $ 3.6 | $ 4.4 |
| Manufacturing | 0.5 | 3.6 | 4.1 |
| Energy and utilities | 0.3 | 3.8 | 4.1 |
| Media and telecom | — | 0.8 | 0.8 |
| Total | **$ 1.6** | **$ 11.8** | **$ 13.4** |

Major concentrations in securities lending are primarily to broker-dealers and are generally collateralized with cash and/or securities.

*Sponsored member repo program*

BNY is a sponsoring member in the FICC sponsored member program, where we submit eligible repurchase and reverse repurchase transactions in U.S. Treasury and agency securities ("Sponsored Member Transactions") between BNY and our sponsored member clients for novation and clearing through FICC pursuant to the FICC Government Securities Division rulebook (the "FICC Rules"). We also guarantee to FICC the prompt and full payment and performance of our sponsored member clients' respective obligations under the FICC Rules in connection with such clients' Sponsored Member Transactions. We minimize our credit exposure under this guaranty by obtaining a security interest in our sponsored member clients' collateral and rights under Sponsored Member Transactions. See "Offsetting assets and liabilities" in Note 17 for additional information on our repurchase and reverse repurchase agreements.

*Indemnification arrangements*

We have provided standard representations for underwriting agreements, acquisition and divestiture agreements, sales of loans and commitments, and other similar types of arrangements and customary indemnification for claims and legal proceedings related to providing financial services that are not otherwise included above. Insurance has been purchased to mitigate certain of these risks. Generally, there are no stated or notional amounts included in these indemnifications, and the contingencies triggering the obligation for indemnification are not expected to occur. Furthermore, often counterparties to these transactions provide us with comparable indemnifications. We are unable to develop an estimate of the maximum payout under these indemnifications for several reasons. In addition to the lack of a stated or notional amount in a majority of such indemnifications, we are unable to predict the nature of events that would trigger indemnification or the level of indemnification for a certain event. We believe, however, that the possibility that we will have to make any material payments for these indemnifications is remote. At Sept. 30, 2024 and Dec. 31, 2023, we have not recorded any material liabilities under these arrangements.

*Clearing and settlement exchanges*

We are a noncontrolling equity investor in, and/or member of, several industry clearing or settlement exchanges through which foreign exchange, securities, derivatives or other transactions settle. Certain of these industry clearing and settlement exchanges require their members to guarantee their obligations and liabilities and/or to provide liquidity support in the event other members do not honor their obligations. We believe the likelihood that a clearing or settlement exchange (of which we are a member) would become insolvent is remote. Additionally, certain settlement exchanges have implemented loss allocation policies that enable the exchange to allocate settlement losses to the members of the exchange. It is not possible to quantify such mark-to-market loss until the loss occurs. Any ancillary costs that occur as a result of any mark-to-market loss cannot be quantified. In addition, we also sponsor clients as members on clearing and settlement exchanges and guarantee their obligations. At Sept. 30, 2024 and Dec. 31, 2023, we did not record any material liabilities under these arrangements.

*Legal proceedings*

In the ordinary course of business, The Bank of New York Mellon Corporation and its subsidiaries are routinely named as defendants in or made parties to pending and potential legal actions. We also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal). Claims for significant monetary damages are often asserted in many of these legal actions, while claims for disgorgement, restitution, penalties and/or other remedial actions or sanctions may be sought in governmental and regulatory matters. It is inherently difficult to predict the eventual outcomes of such matters given their complexity and the particular facts and circumstances at issue in each of these matters. However, on the basis of our current knowledge and understanding, we do not believe that judgments, settlements or orders, if any, arising from these matters (either individually or in the aggregate, after giving effect to applicable reserves and insurance coverage) will have a material adverse effect on the consolidated financial position or liquidity of BNY, although they could have a material effect on our results of operations in a given period.

In view of the inherent unpredictability of outcomes in litigation and regulatory matters, particularly where (i) the damages sought are substantial or indeterminate, (ii) the proceedings are in the early stages, or (iii) the matters involve novel legal theories or a large number of parties, as a matter of course there is considerable uncertainty surrounding the timing or ultimate resolution of litigation and regulatory matters, including a possible eventual loss, fine, penalty or business impact, if any, associated with each such matter. In accordance with applicable accounting guidance, we establish accruals for litigation and regulatory matters when those matters proceed to a stage where they present loss contingencies that are both probable and reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. We regularly monitor such matters for developments that could affect the amount of the accrual, and will adjust the accrual amount as appropriate. If the loss contingency in question is not both probable and reasonably estimable, we do not establish an accrual and the matter continues to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. We believe that our accruals for legal proceedings are appropriate and, in the aggregate, are not material to the consolidated financial position of BNY, although future accruals could have a material effect on the results of operations in a given period. In addition, if we have the potential to recover a portion of an estimated loss from a third party, we record a receivable up to the amount of the accrual that is probable of recovery.

For certain of those matters described here for which a loss contingency may, in the future, be reasonably possible (whether in excess of a related accrued liability or where there is no accrued liability), BNY is currently unable to estimate a range of reasonably possible loss. For those matters described here where BNY is able to estimate a reasonably possible loss, the aggregate range of such reasonably possible loss is up to $620 million in excess of the accrued liability (if any) related to those matters. For matters where a reasonably possible loss is denominated in a foreign currency, our estimate is adjusted quarterly based on prevailing exchange rates. We do not consider potential recoveries when estimating reasonably possible losses.

The following describes certain judicial, regulatory and arbitration proceedings involving BNY:

Mortgage-Securitization Trusts Proceedings

BNY has been named as a defendant in a number of legal actions brought by MBS investors alleging that the trustee has expansive duties under the governing agreements, including the duty to investigate and pursue breach of representation and warranty claims against other parties to the MBS transactions. Two actions commenced in December 2015 and February 2017 are pending in New York federal court. In New York state court, five actions are pending: two related cases commenced in September 2021 and October 2022; and three related cases commenced in October 2021, December 2021 and February 2022.

Matters Related to R. Allen Stanford

In late December 2005, Pershing LLC (“Pershing”) became a clearing firm for Stanford Group Co. (“SGC”), a registered broker-dealer that was part of a group of entities ultimately controlled by R. Allen Stanford (“Stanford”). Stanford International Bank, also controlled by Stanford, issued certificates of deposit (“CDs”). Some investors allegedly wired funds from their SGC accounts to purchase CDs. In 2009, the Securities and Exchange Commission charged Stanford with operating a Ponzi scheme in connection with the sale of CDs, and SGC was placed into receivership. Alleged purchasers of CDs have filed two putative class action proceedings against Pershing: one in November 2009 in Texas federal court, and one in May 2016 in New Jersey federal court. On Nov. 5, 2021, the court dismissed the class action filed in New Jersey. Both matters have concluded. Three lawsuits remain against Pershing in Louisiana and New Jersey federal courts, which were filed in January 2010, October 2015 and May 2016. The purchasers allege that Pershing, as SGC’s clearing firm, assisted Stanford in a fraudulent scheme and assert contractual, statutory and common law claims. In March 2019, a group of investors filed a putative class action against The Bank of New York Mellon in New Jersey federal court, making the same allegations as in the prior actions brought against Pershing. On Nov. 12, 2021, the court dismissed the class action against The Bank of New York Mellon; on Dec. 15, 2022, an appeals court reversed the dismissal and returned the case to the trial court for further proceedings. On June 28, 2024, an unincorporated association that claims to represent the interests of Stanford investors filed a lawsuit in New Jersey federal court against The Bank of New York Mellon, making the same allegations as prior cases. All of the cases that have been brought in federal court have been consolidated in Texas federal court for discovery purposes. Various alleged Stanford CD purchasers asserted similar claims in Financial Industry Regulatory Authority, Inc. (“FINRA”) arbitration proceedings.

Brazilian Postalis Litigation

BNY Servicos Financeiros DTVM S.A. (“DTVM”), a subsidiary that provides asset services in Brazil, acts as administrator for certain investment funds in which a public pension fund for postal workers called Postalis-Instituto de Seguridade Social dos Correios e Telégrafos (“Postalis”) invested. On Aug. 22, 2014, Postalis sued DTVM in Rio de Janeiro, Brazil for losses related to a Postalis fund for which DTVM is administrator. Postalis alleges that DTVM failed to properly perform duties, including to conduct due diligence of and exert control over the manager. On

March 12, 2015, Postalis filed a lawsuit in Rio de Janeiro against DTVM and BNY Administração de Ativos Ltda. ("Ativos") alleging failure to properly perform duties relating to another fund of which DTVM is administrator and Ativos is manager. On Dec. 14, 2015, Associacão dos Profissionais dos Correios ("ADCAP"), a Brazilian postal workers association, filed a lawsuit in São Paulo against DTVM and other defendants alleging that DTVM improperly contributed to Postalis investment losses. On March 20, 2017, the lawsuit was dismissed without prejudice, and ADCAP appealed. On Aug. 4, 2021, the appellate court overturned the dismissal and sent the lawsuit to a state lower court. On March 2, 2023, DTVM appealed the August 4 decision to Brazil's Superior Court of Justice. On Dec. 17, 2015, Postalis filed three lawsuits in Rio de Janeiro against DTVM and Ativos alleging failure to properly perform duties with respect to investments in several other funds. On May 20, 2021, the court in one of those lawsuits entered a judgment of approximately $3 million against DTVM and Ativos. On Aug. 23, 2021, DTVM and Ativos filed an appeal of the May 20 decision. On June 7, 2022, the appellate court partially granted and partially denied the appeal, reducing the judgment to approximately $2 million. On July 13, 2023, DTVM and Ativos filed a further appeal to Brazil's Superior Court of Justice, which was denied on Sept. 20, 2024. On Aug. 24, 2022, the court dismissed one of the other lawsuits. On Nov. 24, 2022, Postalis appealed that decision. On Oct. 24, 2023, Postalis's appeal was denied. Postalis further appealed on June 27, 2024. On Feb. 4, 2016, Postalis filed a lawsuit in Brasilia against DTVM, Ativos and BNY Alocação de Patrimônio Ltda. ("Alocação de Patrimônio"), an investment management subsidiary, alleging failure to properly perform duties and liability for losses with respect to investments in various funds of which the defendants were administrator and/or manager. On Jan. 16, 2018, the Brazilian Federal Prosecution Service filed a civil lawsuit in São Paulo against DTVM alleging liability for Postalis losses based on alleged failures to properly perform certain duties as administrator to certain funds in which Postalis invested or as controller of Postalis's own investment portfolio. On April 18, 2018, the court dismissed the lawsuit without prejudice. On Aug. 4, 2021, the appellate court overturned the dismissal and returned the lawsuit to the lower court. On April 11, 2022, DTVM appealed the Aug. 4 decision to Brazil's Superior Court of Justice. On Aug. 21, 2023, DTVM's appeal was denied. In addition, the Tribunal de Contas da União ("TCU"), an administrative tribunal, has initiated proceedings with the purpose of determining liability for losses to four investment funds administered by DTVM in which Postalis was an investor. On Sept. 9, 2020, TCU rendered a decision in one of the proceedings, finding DTVM and two former Postalis directors jointly and severally liable for approximately $50 million. TCU also imposed on DTVM a fine of approximately $2 million. DTVM's administrative appeal of the decision was denied. On Feb. 25, 2022, DTVM filed a lawsuit in Brazil federal court in Brasilia seeking annulment of TCU's decision and an injunction preventing TCU from enforcing the judgment. On Aug. 24, 2022, the Brazilian Federal Attorneys filed an action in Rio de Janeiro court seeking to enforce the fine portion of the judgment. On Nov. 8, 2022, the Brasilia federal court in the annulment action granted DTVM's request for an injunction, suspending the Sept. 9, 2020, TCU decision until the annulment action is decided. On Oct. 4, 2019, Postalis and another pension fund filed a request for arbitration in São Paulo against DTVM and Ativos alleging liability for losses to an investment fund for which DTVM was administrator and Ativos was manager. On March 26, 2021, DTVM and Ativos filed a lawsuit in São Paulo challenging the decision rendered by the Arbitration Court with respect to its jurisdiction over the case. On Feb. 24, 2023, the São Paulo court annulled the Arbitration Court's decision that it had jurisdiction, and Postalis and the other pension fund have appealed. On Sept. 21, 2023, the São Paulo court issued an order suspending the arbitration; the Arbitration Court implemented the suspension on Oct. 6, 2023. On April 8, 2024, the appellate court reversed the São Paulo court's decision and found that the Arbitration Court did have jurisdiction. DTVM and Ativos have appealed. On Oct. 25, 2019, Postalis filed a lawsuit in Rio de Janeiro against DTVM and Alocação de Patrimônio, alleging liability for losses in another fund for which DTVM was administrator and Alocação de Patrimônio and Ativos were managers. On May 9, 2022, the court found DTVM and Alocação de Patrimônio jointly and severally liable for approximately $20 million. On Aug. 12, 2022, DTVM and Alocação de Patrimônio appealed the decision. On April 30, 2024, the appeals court reversed the finding against DTVM and Alocação de Patrimônio. Postalis appealed that reversal and, on Oct. 3, 2024, its appeal was denied. On June 19, 2020, a lawsuit was filed in federal court in Rio de Janeiro against DTVM, Postalis, and various other defendants alleging liability against DTVM for certain Postalis losses in an investment fund of which DTVM was administrator. On Feb. 10, 2021, Postalis and another pension fund served DTVM in a lawsuit filed in Rio de Janeiro, alleging liability for losses in another investment fund for which DTVM was administrator and the other defendant was manager.

Brazilian Silverado Litigation
DTVM acts as administrator for the Fundo de Investimento em Direitos Creditórios Multisetorial Silverado Maximum ("Silverado Maximum Fund"), which invests in commercial credit receivables. On June 2, 2016, the Silverado Maximum Fund sued DTVM in its capacity as administrator, along with Deutsche Bank S.A. - Banco Alemão in its capacity as custodian and Silverado Gestão e Investimentos Ltda. in its capacity as investment manager. The Fund alleges that each of the defendants failed to fulfill its respective duty, and caused losses to the Fund for which the defendants are jointly and severally liable. On March 21, 2024, the São Paulo court issued a decision finding DTVM, Deutsche Bank and Silverado Gestão e Investimentos jointly liable for losses to the Fund in an amount to be determined during a later calculation phase. On Sept. 12, 2024, DTVM filed an appeal.

German Tax Matters
German authorities are investigating past "cum/ex" trading, which involved the purchase of equity securities on or shortly before the dividend date, but settled after that date, potentially resulting in an unwarranted refund of withholding tax. German authorities have taken the view that past cum/ex trading may have resulted in tax avoidance or evasion. European subsidiaries of BNY have been informed by German authorities about investigations into potential cum/ex trading by certain third-party investment funds, where one of the subsidiaries had acquired entities that served as depositary and/or fund manager for those third-party investment funds. We have received information requests from the authorities relating to pre-acquisition activity and are cooperating fully with those requests. In August 2019, the District Court of Bonn ordered that one of these subsidiaries be joined as a secondary party in connection with the prosecution of unrelated individual defendants. Trial commenced in September 2019. In March 2020, the court stated that it would refrain from taking action against the subsidiary in order to expedite the conclusion of the trial. The court convicted the unrelated individual defendants, and determined that the cum/ex trading activities of the relevant third-party investment funds were unlawful. In November and December 2020 and February 2023, we received secondary liability notices from the German tax authorities totaling approximately $150 million (at then-prevailing exchange rates) related to pre-acquisition activity in various funds for which the entities we acquired were depositary and/or fund manager. We have appealed the notices. In connection with the acquisition of the subject entities, we obtained an indemnity for liabilities from the sellers that we intend to pursue as necessary.

Off-Channel Business-Related Communications
The Company has been responding to a request for information from the SEC concerning compliance with recordkeeping obligations relating to business communications transmitted on unapproved electronic communication platforms. SEC staff has stated that it is conducting similar inquiries into recordkeeping practices at other financial institutions. On Aug. 14, 2024, the SEC issued an order under which the Company agreed to pay a $40 million penalty and to certain undertakings to resolve the SEC matter. In April 2023, the Company received a similar request from the Commodity Futures Trading Commission and is cooperating with that inquiry as well.

Pershing Rule 15c3-3 Matter
The Company has been responding to investigative requests for information and records from the SEC concerning Pershing LLC's compliance with its obligations under SEC Rule 15c3-3, among other regulatory rules and statutes. The Company continues to cooperate with the inquiry.

## Note 19–Business segments

We have an internal information system that produces performance data along product and service lines for our three principal business segments and the Other segment. The primary products and services and types of revenue for our principal businesses and a description of the Other segment are presented in Note 24 of the Notes to Consolidated Financial Statements in our 2023 Annual Report.

*Business accounting principles*

Our business data has been determined on an internal management basis of accounting, rather than GAAP, which is used for consolidated financial reporting. These measurement principles are designed so that reported results of the businesses will track their economic performance.

Business segment results are subject to reclassification when organizational changes are made, or for refinements in revenue and expense allocation methodologies. Refinements are typically reflected on a prospective basis. There were no reclassifications or organizational changes in the third quarter of 2024. In the first quarter of 2024, we made certain realignments of similar products and services within our lines of business. The largest change was the movement of Institutional Solutions from Pershing to Clearance and Collateral Management, both in the Market and Wealth Services business segment. We made other smaller changes that moved activity from Asset Servicing in the Securities Services business segment to Treasury Services in the Market and Wealth Services business segment, and from Wealth Management in the Investment and Wealth Management business segment and Pershing in the Market and Wealth Services business segment to Investment Management in the Investment and Wealth Management business segment. The Other segment was not impacted by the changes. Business segment results for the three- and nine-months ended Sept. 30, 2023 have been revised to reflect these changes.

The accounting policies of the businesses are the same as those described in Note 1 of the Notes to Consolidated Financial Statements in our 2023 Annual Report.

The results of our business segments are presented and analyzed on an internal management reporting basis.

- Revenue amounts reflect fee and other revenue generated by each business and include revenue for services provided between the segments that are also provided to third parties. Fee and other revenue transferred between businesses under revenue transfer agreements is included within other fees in each segment.
- Revenues and expenses associated with specific client bases are included in those businesses. For example, foreign exchange activity associated with clients using custody products is included in the Securities Services segment.
- Net interest income is allocated to businesses based on the yields on the assets and liabilities generated by each business. We employ a funds transfer pricing system that matches funds with the specific assets and liabilities of each business based on their interest sensitivity and maturity characteristics.
- The provision for credit losses associated with the respective credit portfolios is reflected in each segment.
- Incentives expense related to restricted stock and restricted stock units is allocated to the segments.
- Support and other indirect expenses, including services provided between segments that are not provided to third parties or not subject to a revenue transfer agreement, are allocated to the businesses based on internally developed methodologies and reflected in noninterest expense.
- Recurring FDIC expense is allocated to the businesses based on average deposits generated within each business.
- Severance expense is recorded in the segments based on the business or function the impacted employees reside, with severance related to corporate staff, technology and operations reflected in the Other segment.
- Litigation expense is generally recorded in the business in which the charge occurs.
- Management of the securities portfolio is a shared service contained in the Other segment. As a result, gains and losses associated with the valuation of the securities portfolio are generally included in the Other segment.
- Client deposits serve as the primary funding source for our securities portfolio. We typically allocate all interest income to the businesses generating the deposits.
- Balance sheet assets and liabilities and their related income or expense are specifically assigned to each business. Segments with a net liability position have been allocated assets.
- Goodwill and intangible assets are reflected within individual businesses.

The following consolidating schedules present the contribution of our segments to our overall profitability.

| **For the quarter ended Sept. 30, 2024**<br>*(dollars in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Consolidated |
|---|---|---|---|---|---|
| Total fee and other revenue | **$ 1,605** | **$ 1,130** | **$ 804** *(a)* | **$ 54** | **$ 3,593** *(a)* |
| Net interest income (expense) | **609** | **415** | **45** | **(21)** | **1,048** |
| Total revenue | **2,214** | **1,545** | **849** *(a)* | **33** | **4,641** *(a)* |
| Provision for credit losses | **15** | **7** | **1** | **—** | **23** |
| Noninterest expense | **1,557** | **834** | **672** | **37** | **3,100** |
| Income (loss) before income taxes | **$ 642** | **$ 704** | **$ 176** *(a)* | **$ (4)** | **$ 1,518** *(a)* |
| Pre-tax operating margin *(b)* | **29%** | **46%** | **21%** | **N/M** | **33%** |
| Average assets | **$ 199,057** | **$ 122,526** | **$ 26,525** | **$ 68,289** | **$ 416,397** |

*(a) Total fee and other revenue, total revenue and income before income taxes are net of income attributable to noncontrolling interests related to consolidated investment management funds of $7 million.*

*(b) Income before income taxes divided by total revenue.*

*N/M – Not meaningful.*

| **For the quarter ended June 30, 2024**<br>*(dollars in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Consolidated |
|---|---|---|---|---|---|
| Total fee and other revenue | $ 1,644 | $ 1,118 | $ 778 *(a)* | $ 25 | $ 3,565 *(a)* |
| Net interest income (expense) | 595 | 417 | 43 | (25) | 1,030 |
| Total revenue | 2,239 | 1,535 | 821 *(a)* | — | 4,595 *(a)* |
| Provision for credit losses | (3) | (2) | 4 | 1 | — |
| Noninterest expense | 1,554 | 833 | 668 | 15 | 3,070 |
| Income (loss) before income taxes | $ 688 | $ 704 | $ 149 *(a)* | $ (16) | $ 1,525 *(a)* |
| Pre-tax operating margin *(b)* | 31% | 46% | 18% | N/M | 33% |
| Average assets | $ 196,015 | $ 124,790 | $ 26,031 | $ 65,663 | $ 412,499 |

*(a) Total fee and other revenue, total revenue and income before income taxes are net of income attributable to noncontrolling interests related to consolidated investment management funds of $2 million.*

*(b) Income before income taxes divided by total revenue.*

*N/M – Not meaningful.*

| **For the quarter ended Sept. 30, 2023**<br>*(dollars in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other *(a)* | Consolidated *(a)* |
|---|---|---|---|---|---|
| Total fee and other revenue | $ 1,481 | $ 1,049 | $ 791 *(b)* | $ 80 | $ 3,401 *(b)* |
| Net interest income (expense) | 600 | 401 | 39 | (24) | 1,016 |
| Total revenue | 2,081 | 1,450 | 830 *(b)* | 56 | 4,417 *(b)* |
| Provision for credit losses | 19 | 6 | (9) | (13) | 3 |
| Noninterest expense | 1,598 | 792 | 675 | 24 | 3,089 |
| Income before income taxes | $ 464 | $ 652 | $ 164 *(b)* | $ 45 | $ 1,325 *(b)* |
| Pre-tax operating margin *(c)* | 22% | 45% | 20% | N/M | 30% |
| Average assets | $ 190,964 | $ 129,665 | $ 26,654 | $ 50,008 | $ 397,291 |

*(a) The prior period was restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 for additional information.*

*(b) Total fee and other revenue, total revenue and income before income taxes are net of income attributable to noncontrolling interests related to consolidated investment management funds of $3 million.*

*(c) Income before income taxes divided by total revenue.*

*N/M – Not meaningful.*

| **For the nine months ended Sept. 30, 2024**<br>*(dollars in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other | Consolidated |
|---|---|---|---|---|---|
| Total fee and other revenue | **$ 4,805** | **$ 3,342** | **$ 2,387** *(a)* | **$ 109** | **$ 10,643** *(a)* |
| Net interest income (expense) | **1,787** | **1,255** | **129** | **(53)** | **3,118** |
| Total revenue | **6,592** | **4,597** | **2,516** *(a)* | **56** | **13,761** *(a)* |
| Provision for credit losses | **23** | **10** | **4** | **13** | **50** |
| Noninterest expense | **4,648** | **2,501** | **2,080** | **117** | **9,346** |
| Income (loss) before income taxes | **$ 1,921** | **$ 2,086** | **$ 432** *(a)* | **$ (74)** | **$ 4,365** *(a)* |
| Pre-tax operating margin *(b)* | **29%** | **45%** | **17%** | **N/M** | **32%** |
| Average assets | **$ 195,552** | **$ 123,619** | **$ 26,277** | **$ 65,532** | **$ 410,980** |

*(a) Total fee and other revenue, total revenue and income before income taxes are net of income attributable to noncontrolling interests related to consolidated investment management funds of $11 million.*

*(b) Income before income taxes divided by total revenue.*

*N/M – Not meaningful.*

| **For the nine months ended Sept. 30, 2023**<br>*(dollars in millions)* | Securities Services | Market and Wealth Services | Investment and Wealth Management | Other *(a)* | Consolidated *(a)* |
|---|---|---|---|---|---|
| Total fee and other revenue | $ 4,485 | $ 3,100 | $ 2,353 *(b)* | $ 153 | $ 10,091 *(b)* |
| Net interest income (expense) | 1,934 | 1,274 | 123 | (87) | 3,244 |
| Total revenue | 6,419 | 4,374 | 2,476 *(b)* | 66 | 13,335 *(b)* |
| Provision for credit losses | 35 | 13 | (2) | (11) | 35 |
| Noninterest expense | 4,705 | 2,368 | 2,091 | 136 | 9,300 |
| Income (loss) before income taxes | $ 1,679 | $ 1,993 | $ 387 *(b)* | $ (59) | $ 4,000 *(b)* |
| Pre-tax operating margin *(c)* | 26% | 46% | 16% | N/M | 30% |
| Average assets | $ 196,556 | $ 131,055 | $ 27,106 | $ 53,756 | $ 408,473 |

*(a) The prior period was restated to reflect the retrospective application of adopting new accounting guidance in the first quarter of 2024 related to our investments in renewable energy projects using the proportional amortization method (ASU 2023-02). See Note 2 for additional information.*

*(b) Total fee and other revenue, total revenue and income before income taxes are net of income attributable to noncontrolling interests related to consolidated investment management funds of $4 million.*

*(c) Income before income taxes divided by total revenue.*

*N/M – Not meaningful.*

## Note 20–Supplemental information to the Consolidated Statement of Cash Flows

Non-cash investing and financing transactions that, appropriately, are not reflected in the consolidated statement of cash flows are listed below.

| **Non-cash investing and financing transactions** | Nine months ended Sept. 30, | |
|---|---|---|
| *(in millions)* | **2024** | 2023 |
| Transfers from loans to other assets for other real estate owned | **$ —** | $ 1 |
| Change in assets of consolidated investment management funds | **334** | 332 |
| Change in liabilities of consolidated investment management funds | **6** | 6 |
| Change in nonredeemable noncontrolling interests of consolidated investment management funds | **241** | 49 |
| Securities purchased not settled | **395** | 234 |
| Securities sold not settled | **85** | — |
| Securities matured not settled | **—** | 455 |
| Premises and equipment/operating lease obligations | **174** | 203 |
| Excise tax on share repurchases | **19** | 18 |

*Disclosure controls and procedures*

Our management, including the Chief Executive Officer and Chief Financial Officer, with participation by the members of the Disclosure Committee, has responsibility for ensuring that there is an adequate and effective process for establishing, maintaining, and evaluating disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in our SEC reports is timely recorded, processed, summarized and reported and that information required to be disclosed by BNY is accumulated and communicated to BNY's management to allow timely decisions regarding the required disclosure. In addition, our ethics hotline can also be used by employees and others for the anonymous communication of concerns about financial controls or reporting matters. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

*Changes in internal control over financial reporting*

In the ordinary course of business, we may routinely modify, upgrade or enhance our internal controls and procedures for financial reporting. There have not been any changes in our internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act during the third quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Some statements in this Quarterly Report are forward-looking. These include statements about the usefulness of Non-GAAP measures, the future results of BNY, our businesses, financial, liquidity and capital condition, results of operations, liquidity, risk and capital management and processes, goals, strategies, outlook, objectives, expectations (including those regarding our performance results, expenses, nonperforming assets, products, impacts of currency fluctuations, impacts of securities portfolio repositioning, impacts of trends on our businesses, regulatory, technology, market, economic or accounting developments and the impacts of such developments on our businesses, legal proceedings and other contingencies), human capital management (including related ambitions, objectives, aims and goals), effective tax rate, net interest income, estimates (including those regarding expenses, losses inherent in our credit portfolios and capital ratios), intentions (including those regarding our capital returns and expenses, including our investments in technology and pension expense), targets, opportunities, potential actions, acquisition and related integration activity, transition to a platforms operating model, growth and initiatives.

In this report, any other report, any press release or any written or oral statement that BNY or its executives may make, words, such as “estimate,” “forecast,” “project,” “anticipate,” “likely,” “target,” “expect,” “intend,” “continue,” “seek,” “believe,” “plan,” “goal,” “could,” “should,” “would,” “may,” “might,” “will,” “strategy,” “synergies,” “opportunities,” “trends,” “momentum,” “ambition,” “aspiration,” “objective,” “aim,” “future,” “potentially,” “outlook” and words of similar meaning, may signify forward-looking statements.

These forward-looking statements, and other forward-looking statements contained in other public disclosures of BNY, are not guarantees of future results or occurrences, are inherently uncertain and are based upon current beliefs and expectations of future events, many of which are, by their nature, difficult to predict, outside of our control and subject to change. By identifying these statements in this manner, we are alerting investors to the possibility that our actual results may differ, possibly materially, from the anticipated results expressed or implied in these forward-looking statements as a result of a number of important factors, including those factors described in “Risk Factors” in our 2023 Annual Report, such as:

- errors or delays in our operational and transaction processing, or those of third parties, may materially adversely affect our business, financial condition, results of operations and reputation;
- our risk management framework, models and processes may not be effective in identifying or mitigating risk and reducing the potential for losses and any inadequacy or lapse in our risk management framework, models and processes could expose us to unexpected losses that could materially adversely affect our results of operations or financial condition;
- a communications or technology disruption or failure within our infrastructure or the infrastructure of third parties that results in a loss of information, delays our ability to access information or impacts our ability to provide services to our clients may materially adversely affect our business, financial condition and results of operations;
- a cybersecurity incident, or a failure in our computer systems, networks and information, or those of third parties, could result in the theft, loss, disclosure, use or alteration of information, unauthorized access to or loss of information, or system or network failures. Any such incident or failure could adversely impact our ability to conduct our businesses, damage our reputation and cause losses;
- we are subject to extensive government rulemaking, policies, regulation and supervision that impact our operations. Changes to and introduction of new rules and regulations have compelled, and in the future may compel, us to change how we manage our businesses, which could have a material adverse effect on our business, financial condition and results of operations;
- regulatory or enforcement actions or litigation could materially adversely affect our results of operations or harm our businesses or reputation;
- our business may be adversely affected if we are unable to attract, retain, develop and motivate employees;
- a failure or circumvention of our controls, policies and procedures could have a material adverse effect on our business, financial condition, results of operations and reputation;

- weakness and volatility in financial markets and the economy generally may materially adversely affect our business, financial condition and results of operations;
- we are dependent on fee-based business for a substantial majority of our revenue and our fee-based revenues could be adversely affected by slowing market activity, weak financial markets, underperformance and/or negative trends in savings rates or in investment preferences;
- levels of and changes in interest rates have impacted, and will in the future continue to impact, our profitability and capital levels, at times adversely;
- we have experienced, and may continue to experience, unrealized or realized losses on securities related to volatile and illiquid market conditions, reducing our capital levels and/or earnings;
- reform of interest rate benchmarks and the use of alternative reference rates by us and our clients could adversely affect our business, financial condition and results of operations;
- the failure or perceived weakness of any of our significant clients or counterparties, many of whom are major financial institutions or sovereign entities, and our assumption of credit, counterparty and concentration risk, could expose us to credit losses and adversely affect our business;
- we could incur losses if our allowance for credit losses, including loan and lending-related commitment reserves, is inadequate or if our expectations of future economic conditions deteriorate;
- our business, financial condition and results of operations could be adversely affected if we do not effectively manage our liquidity;
- failure to satisfy regulatory standards, including “well capitalized” and “well managed” status or capital adequacy and liquidity rules more generally, could result in limitations on our activities and adversely affect our business and financial condition;
- the Parent is a non-operating holding company and, as a result, is dependent on dividends from its subsidiaries and extensions of credit from its IHC to meet its obligations, including with respect to its securities, and to provide funds for share repurchases, payment of income taxes and payment of dividends to its stockholders;
- our ability to return capital to shareholders is subject to the discretion of our Board of Directors and may be limited by U.S. banking laws and regulations, including those governing capital and capital planning, applicable provisions of Delaware law and our failure to pay full and timely dividends on our preferred stock;
- any material reduction in our credit ratings or the credit ratings of our principal bank subsidiaries, The Bank of New York Mellon, BNY Mellon, N.A. or The Bank of New York Mellon SA/NV, could increase the cost of funding and borrowing to us and our rated subsidiaries and have a material adverse effect on our business, financial condition and results of operations and on the value of the securities we issue;
- the application of our Title I preferred resolution strategy or resolution under the Title II orderly liquidation authority could adversely affect the Parent’s liquidity and financial condition and the Parent’s security holders;
- new lines of business, new products and services or transformational or strategic project initiatives subject us to new or additional risks, and the failure to implement these initiatives could affect our results of operations;
- we are subject to competition in all aspects of our business, which could negatively affect our ability to maintain or increase our profitability;
- our strategic transactions present risks and uncertainties and could have an adverse effect on our business, financial condition and results of operations;
- our businesses may be negatively affected by adverse events, publicity, government scrutiny or other reputational harm;
- ESG concerns, including climate change, could adversely affect our business, affect client activity levels, subject us to additional regulatory requirements and damage our reputation;
- impacts from geopolitical events, acts of terrorism, natural disasters, the physical effects of climate change, pandemics and other similar events may have a negative impact on our business and operations;
- tax law changes or challenges to our tax positions with respect to historical transactions may adversely affect our net income, effective tax rate and our overall results of operations and financial condition; and

- changes in accounting standards governing the preparation of our financial statements and future events could have a material impact on our reported financial condition, results of operations, cash flows and other financial data.

Investors should not place undue reliance on any forward-looking statement and should consider all risk factors discussed in the 2023 Annual Report and any subsequent reports filed with the SEC by BNY pursuant to the Exchange Act. All forward-looking statements speak only as of the date on which such statements are made, and BNY undertakes no obligation to update any statement to reflect events or circumstances after the date on which such forward-looking statement is made or to reflect the occurrence of unanticipated events. The contents of BNY's website or any other website referenced herein are not part of this report.

## Item 1. Legal Proceedings.

The information required by this Item is set forth in the "Legal proceedings" section in Note 18 of the Notes to Consolidated Financial Statements, which portion is incorporated herein by reference in response to this item.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) The following table discloses repurchases of our common stock made in the third quarter of 2024. All of the Company's preferred stock outstanding has preference over the Company's common stock with respect to the payment of dividends.

*Issuer purchases of equity securities*

| **Share repurchases – third quarter of 2024**<br>*(dollars in millions, except per share amounts; common shares in thousands)* | Total shares repurchased | Average price per share | Total shares repurchased as part of a publicly announced plan or program | Maximum approximate dollar value of shares that may yet be purchased under the publicly announced plans or programs at Sept. 30, 2024 |
|---|---|---|---|---|
| July 2024 | 3,483 | $ 64.48 | 3,483 | $ 6,583 |
| August 2024 | 5,643 | 64.52 | 5,643 | 6,219 |
| September 2024 | 2,013 | 67.78 | 2,013 | 6,082 |
| **Third quarter of 2024** *(a)* | **11,139** | **$ 65.10** | **11,139** | **$ 6,082** *(b)* |

*(a) Includes 61 thousand shares repurchased at a purchase price of $4 million from employees, primarily in connection with the employees' payment of taxes upon the vesting of restricted stock. The average price per share of open market repurchases was $65.10.*

*(b) Represents the maximum value of the shares to be repurchased under the share repurchase plan and includes shares repurchased in connection with employee benefit plans.*

In January 2023, we announced a share repurchase program approved by our Board of Directors providing for the repurchase of up to $5.0 billion of common shares beginning Jan. 1, 2023. This share repurchase plan replaced all previously authorized share repurchase plans.

In April 2024, we announced a new authorization providing for the repurchase of $6.0 billion of common shares in addition to any remaining capacity under the existing January 2023 authorization.

Share repurchases may be executed through open market repurchases, in privately negotiated transactions or by other means, including through repurchase plans designed to comply with Rule 10b5-1 and other derivative, accelerated share repurchase and other structured transactions. The timing and exact amount of any common stock repurchases will depend on various factors, including market conditions and the common stock trading price; the Company's capital position, liquidity and financial performance; alternative uses of capital; and legal and regulatory limitations and considerations.

## Item 5. Other Information.

(c) Certain of our officers or directors have made elections to participate in, and are participating in, our dividend reinvestment plan, employee stock purchase plan and 401(k) plan, and have made, and may from time to time make, elections to have shares withheld to cover withholding taxes or pay the exercise price of stock awards, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

## Item 6. Exhibits.

The list of exhibits required to be filed as exhibits to this report appears below.

## Index to Exhibits

| Exhibit | Description | Method of Filing |
|---|---|---|
| 3.1 | Restated Certificate of Incorporation of The Bank of New York Mellon Corporation. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 000-52710) as filed with the Securities and Exchange Commission (the "Commission") on July 2, 2007, and incorporated herein by reference. |
| 3.2 | Certificate of Amendment to The Bank of New York Mellon Corporation's Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on April 9, 2019. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on April 10, 2019, and incorporated herein by reference. |
| 3.3 | Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series A Noncumulative Preferred Stock, dated June 15, 2007. | Previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on July 5, 2007, and incorporated herein by reference. |
| 3.4 | Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series F Noncumulative Perpetual Preferred Stock, dated July 29, 2016. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Aug. 1, 2016, and incorporated herein by reference. |
| 3.5 | Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series G Noncumulative Perpetual Preferred Stock, dated May 15, 2020. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on May 19, 2020, and incorporated herein by reference. |
| 3.6 | Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series H Noncumulative Perpetual Preferred Stock, dated Nov. 2, 2020. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Nov. 3, 2020, and incorporated herein by reference. |
| 3.7 | Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series I Noncumulative Perpetual Preferred Stock, dated Nov. 16, 2021. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Nov. 18, 2021, and incorporated herein by reference. |
| 3.8 | Amended and Restated By-Laws of The Bank of New York Mellon Corporation, as amended and restated on Aug. 8, 2023. | Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Aug. 11, 2023, and incorporated herein by reference. |
| 4.1 | None of the instruments defining the rights of holders of long-term debt of the Parent or any of its subsidiaries represented long-term debt in excess of 10% of the total assets of the Company as of Sept. 30, 2024. The Company hereby agrees to furnish to the Commission, upon request, a copy of any such instrument. | N/A |

| Exhibit | Description | Method of Filing |
|---|---|---|
| 22.1 | Subsidiary Issuer of Guaranteed Securities. | Previously filed as Exhibit 22.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35651) for the quarter ended March 31, 2021, and incorporated herein by reference. |
| 31.1 | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | Filed herewith. |
| 31.2 | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | Filed herewith. |
| 32.1 | Certification of the Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | Furnished herewith. |
| 32.2 | Certification of the Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | Furnished herewith. |
| 101.INS | Inline XBRL Instance Document. | The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. | Filed herewith. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. | Filed herewith. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. | Filed herewith. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. | Filed herewith. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. | Filed herewith. |
| 104 | The cover page of The Bank of New York Mellon Corporation's Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2024, formatted in inline XBRL. | The cover page interactive data file is embedded within the inline XBRL document and included in Exhibit 101. |

# SIGNATURE

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

THE BANK OF NEW YORK MELLON CORPORATION
(Registrant)

Date: November 1, 2024

By: /s/ Kurtis R. Kurimsky
Kurtis R. Kurimsky
Corporate Controller
(Duly Authorized Officer and
Principal Accounting Officer of
the Registrant)

**Exhibit 31.1**

# CERTIFICATION

I, Robin Vince, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Bank of New York Mellon Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2024

/s/ Robin Vince

Name: Robin Vince
Title: Chief Executive Officer

**Exhibit 31.2**

# CERTIFICATION

I, Dermot McDonogh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Bank of New York Mellon Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 1, 2024

/s/ Dermot McDonogh
Name: Dermot McDonogh
Title: Chief Financial Officer

**Exhibit 32.1**

# CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Mellon Corporation ("BNY"), hereby certifies, to his knowledge, that BNY's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BNY.

Dated: November 1, 2024

/s/ Robin Vince
Name: Robin Vince
Title: Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**Exhibit 32.2**

# CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Mellon Corporation ("BNY"), hereby certifies, to his knowledge, that BNY's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BNY.

Dated: November 1, 2024

/s/ Dermot McDonogh
Name: Dermot McDonogh
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.