



The Bank of New York Mellon Corporation

# NET STABLE FUNDING RATIO DISCLOSURE

For the Semiannual Period Ended June 30, 2024



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## Introduction

In this Net Stable Funding Ratio (“NSFR”) Disclosure (“Disclosure”), references to “our,” “we,” “us,” “BNY,” the “Company” and similar terms refer to The Bank of New York Mellon Corporation together with its consolidated subsidiaries. References in this Disclosure to “Parent” refer to The Bank of New York Mellon Corporation on a standalone basis. This Disclosure should be read in conjunction with the section titled “Forward-looking Statements” below.

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 we have partnered alongside our clients, putting our expertise and platforms to work to help them achieve their ambitions. Today we help over 90% of Fortune 100 companies and nearly all the top 100 banks globally access the money they need. We support governments in funding local projects and work with over 90% of the top 100 pension plans to safeguard investments for millions of individuals, and so much more. As of June 30, 2024, we oversee \$49.5 trillion in assets under custody and/or administration and \$2.0 trillion in assets under management.

BNY is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). We are headquartered in New York City, employ over 50,000 people globally and have 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](http://www.bny.com). Follow us on LinkedIn or visit our Newsroom for the latest company news.

United States regulators have established an NSFR that requires certain banking organizations, including BNY, to maintain a minimum amount of stable funding to support their assets, commitments, and derivatives exposures over a one-year time horizon. The Available Stable Funding (“ASF”) is the numerator, and the Required Stable Funding (“RSF”) is the denominator of the NSFR. ASF is equal to the carrying values of an institution’s NSFR regulatory capital elements and liabilities, each multiplied by an ASF factor assigned based on the funding tenor, the type of funding, and the type of counterparty. ASF factors have been scaled from zero to 100 percent, with a zero percent weighting representing the lowest relative stability and a 100 percent weighting representing the highest relative stability. RSF is equal to the sum of (i) the carrying values of an institution’s assets and undrawn amounts of its committed facilities, each multiplied by RSF factors assigned based on the following liquidity characteristics: tenor, encumbrance, type of

counterparty, credit quality, and market characteristics; and (ii) its derivatives RSF amount. RSF factors range from zero to 100 percent to reflect the relative need for funding over a one-year time horizon.

The U.S. NSFR rule requires BNY and each of our in scope domestic bank subsidiaries to meet a daily NSFR of at least 100%. The NSFR of BNY and each of our in scope domestic bank subsidiaries was compliant with the U.S. NSFR requirements for the first and second quarters of 2024.

In addition, BNY is subject to the Federal Reserve’s Enhanced Prudential Standards, which include liquidity standards. BNY has taken actions to comply with these standards, including the adoption of various liquidity management standards and maintenance of a liquidity buffer of unencumbered highly liquid assets calibrated to satisfy liquidity needs based on the results of internal liquidity stress testing. United States regulators have also established a Liquidity Coverage Ratio (“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 Federal Reserve’s regulations also require that certain banking organizations, including BNY, publicly disclose certain quantitative liquidity metrics as set forth herein, as well as qualitative factors affecting their NSFR results (the “U.S. NSFR Disclosure rule”). Accordingly, we have developed this Disclosure, which contains the required public disclosures prepared in accordance with the U.S. NSFR Disclosure rule and covering the period beginning on January 1, 2024 and ending on June 30, 2024. The information is based on our current interpretation and understanding of the NSFR Rule and may evolve to the extent we discuss the interpretation and application of these rules with our regulators. This Disclosure will remain publicly available for at least 5 years.

The “Calculation and Components of our NSFR” subsection below includes BNY’s ASF components and RSF components, both “unweighted” and “weighted” when required, as well as ASF amount, RSF amount, and NSFR. The “unweighted” amount generally refers to values of ASF or RSF components prior to applying the assigned ASF or RSF factors, whereas the “weighted” amount generally refers to the amounts resulting after applying the assigned ASF or RSF factors. Averages are calculated as simple averages of daily amounts over the calendar quarter.

Any differences between the presentation of information in this Disclosure and how we present such information for other purposes are solely due to our efforts to comply with applicable regulation. The information presented in this Disclosure does not, in any way, reflect changes to our organizational structure, business plans or practices, or strategy. Additional financial and other information about BNY, its liquidity, and its principal business activities can be found in its Liquidity Coverage Ratio Disclosure (“LCR Disclosure”) as well as its 2023 Annual Report on Form 10-K (“2023 Annual Report”), Quarterly Reports on Form 10-Q (“10-Q”) and other filings, collectively referred to as “SEC Filings”, with the Securities and Exchange Commission, which we make available on the Investor Relations section of our corporate website at [www.bny.com](http://www.bny.com).

## NSFR Disclosure

### *Quarterly Variance in the NSFR*

BNY continues to maintain an average NSFR above the 100% regulatory minimum. For the first and second quarter of 2024, BNY's average NSFR was 135.7% and 132.4%, respectively.

Quarter over quarter, the decrease of average NSFR was primarily attributable to long-term debt decrease, an increase in clearinghouse fund contributions, a change in customer deposits level and composition, as well as fluctuation in business activities. We expect our average NSFR to vary from period to period due to business-as-usual fluctuations in our client activity, business mix and the overall market environment.

### *Main Drivers of the NSFR*

Deposits are the key driver of our NSFR. BNY provides custody, cash management and clearing services to a wide range of clients, including banks, broker dealers, other non-bank financial institutions, corporations, and individuals. These services are primarily operational and generate substantial deposit balances. Client deposits, in addition to regulatory capital and long-term debt, are the main funding sources for BNY and are the main components of ASF to cover RSF in the NSFR. The majority of BNY's ASF and RSF are in the Parent's subsidiaries.

### *First Quarter of 2024*

For the first quarter of 2024, BNY's average NSFR was 135.7%. Please see below for more information regarding the components of our NSFR.

### *Available Stable Funding (ASF)*

For the first quarter of 2024, the average weighted ASF was \$165.4 billion.

Average weighted ASF for capital and securities was \$69.2 billion. Approximately 61.2% was regulatory capital elements, whereas the remaining 38.7% was comprised of long-term debt.

Average weighted ASF for retail funding was \$13.9 billion. 77.7% of weighted retail funding consisted of stable deposits, less stable deposits, sweep deposits and broker-dealer deposits. Broker-dealer customer cash and customer shorts comprised the remaining 22.3%.

Average weighted ASF for wholesale funding was \$96.2 billion. 89.7% was operational deposits, and the remaining 10.3% was other wholesale funding, primarily consisting of non-operational deposits and excess balances in operational accounts, repo contracts, and free credits.

Excess ASF at subsidiaries that could not be transferred accounted for \$13.9 billion.

### *Required Stable Funding (RSF)*

For the first quarter of 2024, the average weighted RSF was \$121.9 billion.

Average weighted RSF for HQLA was \$8.1 billion, mostly due to Level 2A liquid assets. The majority of BNY's unweighted HQLA was composed of Level 1 liquid assets of \$158.9 billion, which included deposits with central banks, U.S. Treasury securities, and securities issued or guaranteed by non-U.S. sovereigns. In addition, BNY held an average unweighted balance of \$54.2 billion of Level 2A HQLA, the majority of which consisted of U.S. agency mortgage-backed securities, and \$8 billion of Level 2B HQLA.

Average weighted RSF for operational deposits placed at financial sector entities was \$4.9 billion.

Average weighted RSF for loans and securities was \$57.7 billion. Approximately 56.5% were loans comprised of secured loans, margin loans extended to broker-dealer customers, outstanding draws on revolving facilities, securities borrowing, reverse repo contracts, and overdrafts, among others. The remaining 43.5% consisted of securities which did not qualify as HQLA.

Average weighted RSF for other assets was \$48.7 billion, which included \$48.1 billion of other assets and \$0.7 billion of RSF related to derivatives.

Committed facilities were associated with the remaining average weighted RSF of \$2.4 billion.

### *Second Quarter of 2024*

For the second quarter of 2024, BNY's average NSFR was 132.4%. Please see below for more information regarding the components of our NSFR.

### *Available Stable Funding (ASF)*

For the second quarter of 2024, the average weighted ASF was \$167.9 billion.

Average weighted ASF for capital and securities was \$68.9 billion. Approximately 61.1% was regulatory capital elements, whereas the remaining 38.9% was comprised of debt funding instruments.

Average weighted ASF for retail funding was \$14.0 billion. 79.6% of weighted retail funding consisted of stable deposits, less stable deposits, sweep deposits and broker-dealer deposits. Broker-dealer customer cash and customer shorts comprised the remaining 20.4%.

Average weighted ASF for wholesale funding was \$101.7 billion. 89.3% was operational deposits, and

the remaining 10.7% was other wholesale funding, primarily consisting of non-operational deposits and excess balances in operational accounts, repo contracts and free credits.

Excess ASF at subsidiaries that could not be transferred accounted for \$16.7 billion.

*Required Stable Funding (RSF)*

For the second quarter of 2024, the average weighted RSF was \$126.8 billion. Average weighted RSF for HQLA was \$8.0 billion, due to Level 2A liquid assets. The majority of BNY's unweighted HQLA was composed of Level 1 liquid assets of \$162.4 billion, which included deposits with central banks, U.S. Treasury securities, and securities issued or guaranteed by non-U.S. sovereigns. In addition, BNY held an average unweighted balance of \$53.6 billion of Level 2 HQLA, the majority of which consisted of U.S. agency mortgage-backed securities.

Average weighted RSF for operational deposits placed at financial sector entities was \$4.5 billion.

Average weighted RSF for loans and securities was \$60.9 billion. Approximately 57.6% were loans comprised of secured loans, margin loans extended to broker-dealer customers, outstanding draws on revolving facilities, securities borrowing, reverse repo contracts and overdrafts, among others. The remaining 42.4% consisted of securities which did not qualify as HQLA.

Average weighted RSF for other assets was \$50.8 billion, which included \$48.8 billion of other assets and \$2.0 billion of RSF related to derivatives.

Committed facilities were associated with the remaining average weighted RSF of \$2.5 billion.

## Calculation and Components of our NSFR

The table below provides information about our calculation and components of the NSFR as required by the U.S. NSFR Disclosure rule.

Net Stable Funding Ratio Quarter ended 03/31/2024 <i>(in millions of U.S. dollars)</i>		Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
<b>ASF ITEM</b>							
1	Capital and securities:	422	1,829	2,760	26,694	41,085	69,159
2	NSFR regulatory capital elements	-	-	-	1,250	41,085	42,335
3	Other capital elements and securities	422	1,829	2,760	25,444	-	26,824
4	Retail funding:	19,722	78	229	847	-	13,863
5	Stable deposits	707	-	-	-	-	672
6	Less stable deposits	3,810	-	-	-	-	3,429
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	9,009	78	229	847	-	6,664
8	Other retail funding	6,196	-	-	-	-	3,098
9	Wholesale funding:	279,571	20,132	920	279	-	96,231
10	Operational deposits	172,618	37	-	-	-	86,328
11	Other wholesale	106,952	20,095	920	279	-	9,903
	Other liabilities:						
12	NSFR derivatives liability amount					222	
13	Total derivatives liability amount					1,574	
14	All other liabilities not included in categories 1 through 13 of this table	6,180	1,306	37	1,264	43	-
15	<b>Total ASF (b)</b>						<b>165,401</b>
<b>RSF ITEM</b>							
16	Total high-quality liquid assets (HQLA)	102,980	4,902	7,164	98,117	2	8,141
17	Level 1 liquid assets	102,980	4,494	5,973	45,464	2	-
18	Level 2A liquid assets	-	407	1,190	52,647	-	8,137
19	Level 2B liquid assets	-	2	-	6	-	4
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	1,309	420	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	8,843	962	-	-	-	4,902
22	Loans and securities:	36,836	34,734	11,183	42,495	4,770	57,743
23	Loans to financial sector entities secured by level 1 liquid assets	3,438	13,505	198	-	-	99
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	21,329	18,547	7,427	3,655	-	13,350
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	12,063	1,856	1,613	6,016	-	12,829
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	-	-	-	254	-	165
27	Retail mortgages	-	-	-	9,690	-	6,358
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	-	-	9,393	-	6,105
29	Securities that do not qualify as HQLA	7	827	1,945	23,134	4,770	25,108
	Other assets:						
30	Commodities					-	-
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					506	430
32	NSFR derivatives asset amount					115	115
33	Total derivatives asset amount					1,467	
34	RSF for potential derivatives portfolio valuation changes					2,836	142
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets	3,960	34	4,300	13,943	26,075	48,058
36	Undrawn commitments					47,563	2,378
37	<b>TOTAL RSF prior to application of required stable funding adjustment percentage</b>						<b>121,909</b>
38	<b>Required stable funding adjustment percentage</b>						<b>100%</b>
39	<b>TOTAL adjusted RSF</b>						<b>121,909</b>
40	<b>Net Stable Funding Ratio (%) (a)</b>						<b>136%</b>

Net Stable Funding Ratio Quarter ended 06/30/2024 <i>(in millions of U.S. dollars)</i>		Average Unweighted Amount					Average Weighted Amount
		Open Maturity	< 6 months	6 months to < 1 year	≥ 1 year	Perpetual	
<b>ASF ITEM</b>							
1	Capital and securities:	191	3,042	3,019	26,505	40,859	68,874
2	NSFR regulatory capital elements	-	-	-	1,250	40,859	42,109
3	Other capital elements and securities	191	3,042	3,019	25,255	-	26,764
4	Retail funding:	19,286	723	390	1,427	-	14,049
5	Stable deposits	680.00	-	-	-	-	646
6	Less stable deposits	3,350.00	-	-	-	-	3,015
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	9,538	721	389	1,427	-	7,528
8	Other retail funding	5,718	2	-	-	-	2,860
9	Wholesale funding:	284,291	22,108	1,111	362	-	101,668
10	Operational deposits	181,601	38	-	-	-	90,819
11	Other wholesale	102,682	22,069	1,111	362	-	10,849
	Other liabilities:						
12	NSFR derivatives liability amount					233	
13	Total derivatives liability amount					1,740	
14	All other liabilities not included in categories 1 through 13 of this table	5,922	1,411	31	481	78	-
15	<b>Total ASF (b)</b>						<b>167,901</b>
<b>RSF ITEM</b>							
16	Total high-quality liquid assets (HQLA)	102,519	7,311	4,965	101,178	-	8,042
17	Level 1 liquid assets	102,519	6,259	4,167	49,425	-	-
18	Level 2A liquid assets	-	1,051	798	51,749	-	8,040
19	Level 2B liquid assets	-	-	-	4	-	2
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	1,280	462	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	7,945	1,126	-	-	-	4,536
22	Loans and securities:	39,034	35,904	12,695	43,561	5,071	60,884
23	Loans to financial sector entities secured by level 1 liquid assets	3,860	13,158	289	-	-	144
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	21,737	19,630	8,888	4,265	-	14,914
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	13,437	2,145	1,329	6,202	-	13,676
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217)	-	-	-	253	-	165
27	Retail mortgages	-	-	-	9,642	-	6,324
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217)	-	-	-	9,358	-	6,082
29	Securities that do not qualify as HQLA	-	972	2,190	23,451	5,071	25,825
	Other assets:						
30	Commodities					-	-
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					1,854	1,576
32	NSFR derivatives asset amount					301	301
33	Total derivatives asset amount					1,808	
34	RSF for potential derivatives portfolio valuation changes					3,219	161
35	All other assets not included in the categories 16-33 of this table, including nonperforming assets	3,962	3	4,901	14,415	25,706	48,750
36	Undrawn commitments					50,901	2,545
37	<b>TOTAL RSF prior to application of required stable funding adjustment percentage</b>						<b>126,794</b>
38	<b>Required stable funding adjustment percentage</b>						<b>100%</b>
39	<b>TOTAL adjusted RSF</b>						<b>126,794</b>
40	<b>Net Stable Funding Ratio (%) (a)</b>						<b>132%</b>

(a) Disclosed Net Stable Funding Ratio (NSFR) is calculated as a simple average of the daily ratios over the calendar quarter, rather than the calculation of the average ASF divided by the net RSF, for the quarter.

(b) Total ASF may not equal the sum of component amounts reported in rows 1-14 due to the exclusion of average weighted ASF held in subsidiaries after accounting for the NSFR Rule's restrictions related to the transferability of ASF across subsidiaries



## Liquidity Management

### *Liquidity Management Practices*

BNY's Corporate Treasury function is responsible for day-to-day liquidity management for the Company, under the supervision of the Corporate Treasurer. Corporate Treasury monitors and manages 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. The Corporate Treasurer has continuous authority, as well as the legal and operational capability, to direct the monetization of any asset in BNY's HQLA.

Our overall approach to liquidity management is to ensure sources of liquidity are sufficient in amount and diversity such that changes in market conditions or in funding requirements at the Parent and at our significant bank and broker-dealer subsidiaries can be accommodated routinely without material adverse impact on earnings, daily operations or our financial condition.

We seek to maintain an adequate liquidity cushion in both normal and stressed environments and diversify funding sources by line of business, counterparty, and market segment. We also seek to maintain liquidity ratios within approved limits and liquidity risk tolerance in accordance with our liquidity policy.

One of our key 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.

Another key 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. BNY seeks to ensure that the overall liquidity risk, including intra-day liquidity risk, stays within our risk appetite.

### *Sources of Funds*

BNY's primary sources of funding are (i) deposits, the majority of which are classified as "operational" for purposes of the NSFR (these are generally generated through BNY's core services, including

custody, clearing and cash management functions), (ii) long-term debt (generally senior and subordinated unsecured debt) primarily issued at the Parent and certain bank subsidiaries, and (iii) stockholders' equity. These sources may be supplemented by short-term borrowings, primarily in the form of secured funding transactions.

In addition, BNY also has borrowing capacity at the Federal Reserve Discount Window and the Federal Home Loan Bank of Pittsburgh. We do not consider these sources of funding to be primary sources of funding.

### *Foreign Currency*

The majority of our ASF and RSF are U.S. dollar-denominated.

To manage foreign exchange risk, foreign currency-denominated assets are mainly funded with liabilities denominated in the same currency.

### *Liquidity Risk Oversight*

Corporate Treasury is supported by an Independent Liquidity Risk function, which provides an on-going review of liquidity risk management that is independent of Corporate Treasury. In addition, Internal Audit assesses the effectiveness of internal controls by providing independent, risk-based assurance reviews designed to identify control risks, risk mitigants, control gaps, and opportunities to improve efficiency.

### *Governance*

Our board of directors oversees the Company's liquidity risk management practices and approves our liquidity risk tolerances. The Asset Liability Committee ("ALCO") is the senior management committee responsible for the oversight of liquidity management. ALCO is responsible for ensuring that board approved strategies, policies and procedures for managing liquidity are appropriately executed. ALCO is also responsible for reviewing liquidity stress tests and various liquidity metrics including the NSFR. Senior management is also responsible for regularly reporting the liquidity position of the Company to the board of directors. The Balance Sheet Risk Committee is the senior management committee providing governance over independent risk oversight of the liquidity risks associated with the Company's assets and liabilities, liquidity risk limits, and the adequacy of related control procedures. The Treasury Risk Committee approves and validates stress test methodologies and assumptions. For further discussion of our liquidity management framework, see "Risk Management – Liquidity risk" in our 2023 Annual Report.

## Forward-looking Statements

Additional financial and other information about the Company and its liquidity can be found in its LCR Disclosure as well as the Company's SEC Filings as such disclosures become available, on the SEC's website at [www.sec.gov](http://www.sec.gov) and at [www.bny.com](http://www.bny.com).

In this Disclosure and the SEC Filings, 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. Some statements in this Disclosure and the SEC Filings may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to, among other things: statements about the Company's funding, financial results, liquidity management and ratios and HQLA.

These forward-looking statements and other forward-looking statements contained in the Company's SEC Filings 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.

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 the 2023 Annual Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") – Risk Factors," 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.

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 Bank of New York Mellon Corporation  
240 Greenwich Street  
New York, NY 10286  
United States  
+1 212 495 1784

[bny.com](http://bny.com)