The Bank of New York Mellon Corporation

Liquidity Coverage Ratio Disclosure

For the Quarterly Period Ended June 30, 2020

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Introduction

In this Liquidity Coverage Ratio ("LCR") Disclosure ("Disclosure"), references to "our," "we," "us," "BNY Mellon," the "Company" and similar terms refer to The Bank of New York Mellon Corporation and 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.

Established in 1784 by Alexander Hamilton, we were the first company listed on the New York Stock Exchange (NYSE: BK). With a more than 230-year history, BNY Mellon is a global company that manages and services assets for financial institutions, corporations and individual investors in 35 countries.

United States regulators have established an LCR that requires certain banking organizations, including BNY Mellon, 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 eligible HQLA amount is the numerator and the total net cash outflow amount is the denominator of the LCR. The LCR caps cash inflows at 75% of cash outflows and requires an add-on calculation based on the difference between the net cumulative outflow amounts on the peak day and the last day of the 30-day period to address potential maturity mismatches between outflows and inflows. The U.S. regulators have affirmed the principle that HQLA is expected to be available for use to address liquidity needs in a time of stress.

The U.S. LCR rule requires BNY Mellon and each of our affected domestic bank subsidiaries to meet an LCR of at least 100%. The LCR of BNY Mellon and each of our affected domestic bank subsidiaries was compliant with the U.S. LCR requirements for the second quarter of 2020.

In addition, BNY Mellon is subject to the Federal Reserve's Enhanced Prudential Standards, which include liquidity standards. BNY Mellon 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 based on the results of internal liquidity stress testing.

In December 2016, the Federal Reserve Board issued a final rule (the "U.S. LCR Disclosure rule") requiring that large banking organizations, including BNY Mellon, publicly disclose certain quantitative liquidity metrics as set forth herein, as well as qualitative factors affecting their LCR results. Accordingly, we have developed this Disclosure, which contains the required public disclosures prepared in accordance with the U.S. LCR Disclosure rule and covering the period beginning on April 1, 2020 and ending on June 30, 2020. This Disclosure will remain publicly available for at least 5 years. The U.S. LCR Disclosure rule requires us to present certain components of HQLA, cash inflows, and cash outflows on both a weighted and an unweighted basis. With respect to HQLA, weighted basis refers to the application of haircuts and caps applicable to otherwise eligible HQLA; unweighted basis refers to HQLA before application of such haircuts and caps. With respect to cash inflows and outflows, weighted basis refers to the application of specified inflow and outflow rates applicable to certain types of cash inflows and outflows; unweighted basis refers to inflows and outflows before the application of such rates. 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 Mellon and its principal business activities can be found in its 2019 Annual Report on Form 10-K ("2019 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.bnymellon.com.

LCR Disclosure

Quarterly Variance in the LCR

For the second quarter of 2020, BNY Mellon's average LCR was 112%, with average weighted HQLA holdings of $155.6 billion and an average weighted net cash outflow of $139.4 billion. The second quarter of 2020 average LCR decreased from the first quarter of 2020 average LCR of 115% primarily driven by elevated deposit levels due to "flight to quality" that negatively impacted the ratio, partially offset by an increase in cash from long term debt and preferred stock issuances. We expect our average LCR to vary from period to period due to business-as-usual fluctuations in our client activity, business mix and the overall market environment. Please see below for more information regarding the components of our LCR.

Drivers of the LCR

Deposits are the key driver of our LCR. BNY Mellon 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 are the main funding source for BNY Mellon and are the main component of weighted outflow in the LCR. The HQLA BNY Mellon holds is adequate to cover assumed deposit outflows, as well as other cash outflows, under the hypothetical LCR liquidity stress. Pursuant to its liquidity management practices described below, BNY Mellon has also established internal limits to monitor depositor concentration risk.

HQLA

For the second quarter of 2020, BNY Mellon's total eligible average weighted HQLA was $155.6 billion. BNY Mellon held an average weighted balance of eligible level 1 HQLA of $136.5 billion, which was mainly composed of deposits with central banks, U.S. Treasury securities, and securities issued or guaranteed by non-U.S. sovereigns. BNY Mellon held an average weighted balance of $19.1 billion of eligible level 2 HQLA, the majority of which consisted of U.S. agency mortgage-backed securities.

Cash Outflow Amounts

For the second quarter of 2020, the average weighted cash outflow was $177.2 billion.

Average weighted retail funding outflow was $5.4 billion, 63% of which consisted of other retail funding outflow, which included less stable retail deposits and broker-dealer retail customer cash. Stable retail deposit outflow and brokered deposit outflow comprised the remaining 37% of retail funding outflow.

Average weighted unsecured wholesale funding outflow was $148.0 billon. Approximately 56% of average unweighted unsecured wholesale funding outflow was operational deposits with low outflow rates; 44% was non-operational funding outflow, with high outflow rates, primarily consisting of non-operational deposits, broker-dealer wholesale customer cash and Fed funds purchased. Operational deposit outflow and non-operational funding outflow comprised approximately 100% of average weighted unsecured wholesale funding outflows.

Average weighted secured wholesale funding outflow was $9.0 billion, the majority of which was from repurchase agreements and customer shorts in our broker-dealer subsidiaries.

Average weighted outflow from credit and liquidity facilities was $7.5 billion, most of which were from committed credit facilities.

The remaining average weighted outflow of $7.3 billion was mainly related to derivative exposures and other collateral requirements.

Cash Inflow Amounts

For the second quarter of 2020, the average weighted cash inflow was $42.2 billion.

Average weighted secured lending transaction inflow was $21.7 billion, the majority of which was from reverse repurchase agreements and margin loans collateralized with non-HQLA assets in our broker-dealer subsidiaries.

Average weighted unsecured wholesale cash inflow was $11.3 billion, mainly from commercial loans. The remaining average weighted inflow of $9.2 billion consisted primarily of broker-dealer segregated account inflows.

Calculation and Components of our LCR

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

Liquidity Coverage Ratio **April 1, 2020 to June 30, 2020** *(in millions)*		**Average Unweighted Amount**	**Average Weighted Amount**
High-Quality Liquid Assets *(b)*			
1	Total eligible high-quality liquid assets (HQLA), of which:	$159,011	$155,639
2	Eligible level 1 liquid assets	136,527	136,527
3	Eligible level 2A liquid assets	22,484	19,112
4	Eligible level 2B liquid assets	—	—
Cash Outflow Amounts			
5	Deposit outflow from retail customers and counterparties, of which:	23,975	5,410
6	Stable retail deposit outflow	1,659	50
7	Other retail funding outflow	14,200	3,397
8	Brokered deposit outflow	8,116	1,963
9	Unsecured wholesale funding outflow, of which:	274,554	147,976
10	Operational deposit outflow	154,163	38,468
11	Non-operational funding outflow	119,903	109,020
12	Unsecured debt outflow	488	488
13	Secured wholesale funding and asset exchange outflow	26,742	9,023
14	Additional outflow requirements, of which:	33,773	14,099
15	Outflow related to derivative exposures and other collateral requirements	7,656	6,562
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	26,117	7,537
17	Other contractual funding obligation outflow	724	724
18	Other contingent funding obligations outflow	—	—
19	**Total Cash Outflow**	**$359,768**	**$177,232**
Cash Inflow Amounts			
20	Secured lending and asset exchange cash inflow	38,463	21,745
21	Retail cash inflow	17	9
22	Unsecured wholesale cash inflow	11,493	11,303
23	Other cash inflows, of which:	9,192	9,192
24	Net derivative cash inflow	70	70
25	Securities cash inflow	80	80
26	Broker-dealer segregated account inflow	9,042	9,042
27	Other cash inflow	—	—
28	**Total Cash Inflow**	**$59,165**	**$42,249**

		Average Amount *(a)*
29	HQLA Amount *(b)*	$155,639
30	Total Net Cash Outflow Amount Excluding the Maturity Mismatch Add-on	134,983
31	Maturity Mismatch Add-on	4,383
32	Total Net Cash Outflow Amount	139,366
33	**Liquidity Coverage Ratio (%)**	**112%**

(a) *The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1 – 28 due to technical factors such as the application of the level 2 liquid asset caps, the total inflow cap, and for depository institution holding companies subject to subpart G of the U.S. LCR rule, the application of the modification to total net cash outflows.*

(b) *HQLA excludes excess liquidity held at certain subsidiaries that is not transferable within the Company.*

Liquidity Management

Liquidity Management Practices

BNY Mellon's Asset Liability Management ("ALM") function is responsible for day-to-day liquidity management for the Company. ALM is under the joint supervision of the Global Treasurer and the head of the Balance Sheet Strategy function. It 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 Global Treasurer has continuous authority, as well as the legal and operational capability, to monetize any asset in BNY Mellon's HQLA.

Our overall approach to liquidity management is to ensure sources of liquidity are sufficient in amount and diversity such that changes 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, customer 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 Mellon seeks to ensure that the overall liquidity risk, including intra-day liquidity risk, stays within our risk appetite.

Sources of Funds

BNY Mellon's primary sources of funding are (i) deposits, the majority of which are classified as "operational" according to the U.S. LCR rules (these are generally generated through BNY Mellon'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 Mellon also has borrowing capacity at the Federal Reserve Discount Window and various Federal Home Loan Banks ("FHLBs"). We do not consider these sources of funding to be primary sources of funding.

Foreign Currency

The majority of our HQLA and net cash outflows 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 LCR. 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 calibration, 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 2019 Annual Report.

Forward-looking Statements

Additional information related to the Company is contained in the Company's SEC Filings as they become available, on the SEC's website at www.sec.gov and at www.bnymellon.com. Information contained in SEC Filings that the Company makes with the SEC subsequent to the date of this Disclosure may modify, update and supersede the information contained in this Disclosure.

This Disclosure and the Company's SEC Filings referred to above contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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," "future" and words of similar meaning, may signify forward looking statements. These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to, among other things statements about the Company's funding, financial results, liquidity management and ratios and HQLA, including the potential effect of the coronavirus pandemic on any of the foregoing. These statements are based on the Company's current beliefs and expectations and actual outcomes may differ materially from those expressed or implied as a result of a number of factors (some of which are beyond the Company's control), including those factors described in our 2019 Annual Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") - Risk Factors" and risk factors included in any subsequent '34 Act Report, including our Form 10-Q for the period ending on June 30, 2020.

Actual results may differ materially from those expressed or implied as a result of a number of factors, including those discussed in the "Risk Factors" section of our 2019 Annual Report and Form 10-Q, such as the coronavirus pandemic, which is adversely affecting us, creates significant risks and uncertainties for our business and the ultimate impact of which on us will depend on future developments that are highly uncertain and cannot be predicted; extensive government rulemaking, policies, regulation and supervision, which have, 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; the application of our Title I preferred resolution strategy or resolution under the Title II orderly liquidation authority, which could adversely affect our liquidity, financial condition and security holders; regulatory or enforcement actions or litigation, which could materially adversely affect our results of operations or harm our businesses or reputation; failure to satisfy regulatory standards, including "well capitalized" and "well managed" status or capital adequacy and liquidity rules more generally, which could result in limitations on our activities, or adversely affect our business and financial condition; operational risk, which may materially adversely affect our business; changes in interest rates and yield curves, which could have a materially adverse effect on our profitability; transitions away from and the anticipated replacement of the London Interbank Offered Rate ("LIBOR") and other Interbank Offered Rates ("IBORs"), which could adversely impact our business and results of operations; any adverse effect on our business, financial condition and results of operations of not effectively managing our liquidity; and the failure or circumvention of our controls and procedures, which could have a material adverse effect on our business, reputation, results of operations and financial condition.

All forward-looking statements speak only as of the date on which such statements are made, and BNY Mellon undertakes no obligation to update any statement to reflect events or circumstances after the date on which such forward-looking statement is made or to reflect the occurrence of unanticipated events. The contents of BNY Mellon's website or any other websites referenced herein are not part of this Disclosure.

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