BNY MELLON

The Bank of New York Mellon Corporation

LIQUIDITY COVERAGE RATIO DISCLOSURE

For the Quarterly Period Ended June 30, 2023

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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, BNY Mellon is America's oldest bank and the first company listed on the New York Stock Exchange (NYSE: BK). Today, BNY Mellon powers capital markets around the world through comprehensive solutions that help clients manage and service their financial assets throughout the investment life cycle. BNY Mellon has been named among Fortune's World's Most Admired Companies and Fast Company's Best Workplaces for Innovators. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation.

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 cumulative 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 in scope domestic bank subsidiaries to meet a daily LCR of at least 100%. The LCR of BNY Mellon and each of our in scope domestic bank subsidiaries was compliant with the U.S. LCR requirements for the second quarter of 2023.

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 calibrated to satisfy liquidity needs based on the results of internal liquidity stress testing. United States regulators have also established a Net Stable Funding Ratio ("NSFR") that requires certain banking organizations, including BNY Mellon, to maintain a minimum amount of stable funding to support their assets, commitments, and derivatives exposures over a one-year time horizon.

The Federal Reserve's regulations also require 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 (the "U.S. LCR Disclosure rule"). 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, 2023 and ending on June 30, 2023. The information is based on our current interpretation and understanding of the LCR 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 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, its liquidity, and its principal business activities can be found in its Net Stable Funding Ratio Disclosure ("NSFR Disclosure") as well as its 2022 Annual Report on Form 10-K ("2022 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 2023, BNY Mellon's average Consolidated LCR was 120%, with average weighted HQLA holdings of $141.2 billion and an average weighted net cash outflow of $117.9 billion. The second quarter of 2023 average LCR increased approximately 2% compared to the first quarter 2023 average LCR, primarily attributable to long-term debt issuance, as well as fluctuation in business activities. 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.

HQLA

For the second quarter of 2023, BNY Mellon's total eligible average weighted HQLA was $141.2 billion, and primarily made up of Level 1 HQLA, composed of deposits with central banks, U.S. Treasury securities, and securities issued or guaranteed by non-U.S. sovereigns.

Cash Outflow Amounts

For the second quarter of 2023, the average weighted cash outflow was $159.1 billion.

Average weighted retail funding outflow was $5.4 billion, approximately 59% 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 approximate 41% of retail funding outflow.

Average weighted unsecured wholesale funding outflow was $126.1 billion. Approximately 66% of average unweighted unsecured wholesale funding outflow was operational deposits with low outflow rates; 34% 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 $10.7 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 $10.0 billion, most of which were from committed credit facilities.

The remaining average weighted outflow of $6.5 billion was mainly related to derivative exposures and other collateral requirements.

Cash Inflow Amounts

For the second quarter of 2023, the average weighted cash inflow was $42.8 billion .

Average weighted secured lending transaction inflow was $21.2 billion , the majority of which was from maturing reverse repurchase agreements and margin loans collateralized with non-HQLA assets in our broker-dealer subsidiaries.

Average weighted unsecured wholesale cash inflow was $12.0 billion, mainly from commercial loans. The remaining average weighted inflow of $9.6 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, 2023 to June 30, 2023** *(in millions)*		**Average Unweighted Amount**	**Average Weighted Amount**
High-Quality Liquid Assets *(b)*			
1	Total eligible high-quality liquid assets (HQLA), of which:	141,231	141,230
2	Eligible Level 1 liquid assets	141,229	141,229
3	Eligible Level 2A liquid assets	2	1
4	Eligible Level 2B liquid assets	-	-
Cash Outflow Amounts			
5	Deposit outflow from retail customers and counterparties, of which:	24,198	5,405
6	Stable retail deposit outflow	1,142	34
7	Other retail funding outflow	12,882	3,179
8	Brokered deposit outflow	10,174	2,192
9	Unsecured wholesale funding outflow, of which:	269,137	126,095
10	Operational deposit outflow	177,160	44,164
11	Non-operational funding outflow	91,005	80,959
12	Unsecured debt outflow	972	972
13	Secured wholesale funding and asset exchange outflow	28,660	10,665
14	Additional outflow requirements, of which:	39,188	16,474
15	Outflow related to derivative exposures and other collateral requirements	6,559	6,494
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	32,629	9,980
17	Other contractual funding obligation outflow	469	469
18	Other contingent funding obligations outflow	-	-
19	**Total Cash Outflow**	**361,652**	**159,108**
Cash Inflow Amounts			
20	Secured lending and asset exchange cash inflow	45,497	21,220
21	Retail cash inflow	15	7
22	Unsecured wholesale cash inflow	12,258	11,992
23	Other cash inflows, of which:	9,582	9,582
24	Net derivative cash inflow	827	827
25	Securities cash inflow	369	369
26	Broker-dealer segregated account inflow	8,386	8,386
27	Other cash inflow	-	-
28	**Total Cash Inflow**	**67,352**	**42,801**

		Average Amount *(a)*
29	HQLA Amount *(b)*	141,230
30	Total Net Cash Outflow Amount Excluding the Maturity Mismatch Add-on	116,307
31	Maturity Mismatch Add-on	1,678
32	Total Unadjusted Net Cash Outflow Amount	117,985
33	Outflow Adjustment Percentage	100%
34	Total Net Cash Outflow Amount	117,985
35	**Liquidity Coverage Ratio (%) (c)**	**120%**

(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 and the total inflow cap.

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

(c) Disclosed Liquidity Coverage Ratio (LCR) is calculated as a simple average of the daily ratios over the calendar quarter, rather than the calculation of the average HQLA divided by the net cash outflow, for the quarter.

Liquidity Management

Liquidity Management Practices

BNY Mellon'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 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 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 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 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 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, 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 2022 Annual Report.

Forward-looking Statements

Additional financial and other information about the Company and its liquidity can be found in its NSFR Disclosure as well as the Company's SEC Filings as such disclosures become available on the SEC's website at www.sec.gov and at www.bnymellon.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," "ambition," "objective," "aim," "future," "potentially," "outlook" and words of similar meaning, may signify forward looking statements. Some statements in this Disclosure and the SEC Filings are forward-looking. 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 based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond BNY Mellon's control), including those factors described in our 2022 Annual Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") - Risk Factors".

Actual results may differ materially from those expressed or implied as a result of a number of factors, including those discussed in "Risk Factors" in our 2022 Annual Report, such as errors or delays in our operational and transaction processing, or those of third parties, which may materially adversely affect our business, financial condition, results of operations and reputation; failure of our risk management framework, models and processes to be effective in mitigating risk and reducing the potential for losses; extensive government rulemaking, policies, regulation and supervision, which impact our operations; changes to and introduction of new rules and regulations, 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; 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; 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; our dependence on fee-based business for a substantial majority of our revenue, which could be adversely affected by slowing in market activity, weak financial markets, underperformance and/or negative trends in savings rates or in investment preferences; weakness and volatility in financial markets and the economy generally, which may materially adversely affect our business, financial condition and results of operations; levels of and changes in interest rates, which have impacted, and will in the future continue to impact, our profitability and capital levels, at times adversely; volatile and illiquid market conditions, related to which we have experienced, and may continue to experience, unrealized or realized losses on securities, reducing our capital levels and/or earnings; 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; 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, which could expose us to loss and adversely affect our business; the incurrence of losses if our allowance for credit losses, including loan and lending-related commitments reserves, is inadequate or if our expectations of future economic conditions deteriorate; potential adverse effects on our business, financial condition and results of operations of not effectively managing our liquidity; the fact that the Parent is a non-operating holding company, which 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 and payment of dividends to its stockholders; our ability to return capital to shareholders, which 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 or BNY Mellon, N.A., which 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, which could adversely affect our liquidity, financial condition and security holders; changes in accounting standards governing the preparation of our financial statements and future events, which could have a material impact on our reported financial condition, results of operations, cash flows and other financial data; and risks relating to FDIC special deposit insurance assessments.

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.

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