BNY MELLON

The Bank of New York Mellon Corporation

# Net Stable Funding Ratio Disclosure

For the Semiannual Period Ended June 30, 2023

# Table of Contents

## Introduction

In this Net Stable Funding Ratio (“NSFR”) Disclosure (“Disclosure”), references to “our,” “we,” “us,” “BNY Mellon,” 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.

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 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 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 Mellon and each of our in scope domestic bank subsidiaries to meet a daily NSFR of at least 100%. The NSFR of BNY Mellon and each of our in scope domestic bank subsidiaries was compliant with the U.S. NSFR requirements for the first and second quarters 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 Liquidity Coverage Ratio (“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 Federal Reserve’s regulations also require that certain banking organizations, including BNY Mellon, 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, 2023 and ending on June 30, 2023. 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 Mellon’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 Mellon, its liquidity, and its principal business activities can be found in its Liquidity Coverage Ratio Disclosure ("LCR 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.

## NSFR Disclosure

*Quarterly Variance in the NSFR*

BNY Mellon continues to maintain an average NSFR above the 100% regulatory minimum.
For the first quarter and second quarter of 2023, BNY Mellon's average NSFR was 132% and 136%, respectively.

Quarter over quarter, the increase of average NSFR was primarily attributable to long-term debt issuance, 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 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, in addition to regulatory capital and long-term debt, are the main funding sources for BNY Mellon and are the main components of ASF to cover RSF in the NSFR. The majority of BNY Mellon's ASF and RSF are in the Parent's subsidiaries.

*First Quarter of 2023*

For the first quarter of 2023, BNY Mellon's average NSFR was 132%. Please see below for more information regarding the components of our NSFR.

*Available Stable Funding (ASF)*

For the first quarter of 2023, the average weighted ASF was $163.6 billion.

Average weighted ASF for capital and securities was $68.0 billion. Approximately 62% was regulatory capital elements, whereas the remaining 38% was comprised of long-term debt.

Average weighted ASF for retail funding was $15.9 billion. 79% 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 21%.

Average weighted ASF for wholesale funding was $99.5 billon. 92% was operational deposits, and the remaining 8% was other wholesale funding, primarily consisting of non-operational deposits and excess balances in operational accounts and repo contracts.

Excess ASF at subsidiaries that could not be transferred accounted for $19.8 billion.

*Required Stable Funding (RSF)*

For the first quarter of 2023, the average weighted RSF was $123.5 billion.

Average weighted RSF for HQLA was $8.7 billion, due to Level 2A liquid assets. The majority of BNY Mellon's unweighted HQLA was composed of Level 1 liquid assets of $160.3 billion, which included deposits with central banks, U.S. Treasury securities, and securities issued or guaranteed by non-U.S. sovereigns. In addition, BNY Mellon held an average unweighted balance of $57.9 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 $8.2 billion.

Average weighted RSF for loans and securities was $54.5 billion. Approximately 59% were loans comprised of secured loans, margin loans extended to broker-dealer customers, outstanding draws on revolving facilities, securities borrowing, and overdrafts, among others. The remaining 41% consisted of securities which did not qualify as HQLA.

Average weighted RSF for other assets was $49.4 billion, which included $48.3 billion of other assets and $1.0 billion of RSF related to derivatives.

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

*Second Quarter of 2023*

For the second quarter of 2023, BNY Mellon's average NSFR was 136%. Please see below for more information regarding the components of our NSFR.

*Available Stable Funding (ASF)*

For the second quarter of 2023, the average weighted ASF was $168.5 billion.

Average weighted ASF for capital and securities was $69.6 billion. Approximately 61% was regulatory capital elements, whereas the remaining 39% was comprised of long-term debt.

Average weighted ASF for retail funding was $16.2 billion. 81% 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 19%.

Average weighted ASF for wholesale funding was $100.5 billon. 88% was operational deposits, and the remaining 12% was other wholesale funding, primarily consisting of non-operational deposits and excess balances in operational accounts, repo contracts, and Federal Home Loan Bank advances.

Excess ASF at subsidiaries that could not be transferred accounted for $17.7 billion.

*Required Stable Funding (RSF)*

For the second quarter of 2023, the average weighted RSF was $124.3 billion.

Average weighted RSF for HQLA was $8.5 billion, mostly due to Level 2A liquid assets. The majority of BNY Mellon's unweighted HQLA was composed of Level 1 liquid assets of $176.8 billion, which included deposits with central banks, U.S. Treasury securities, and securities issued or guaranteed by non-U.S. sovereigns. In addition, BNY Mellon held an average unweighted balance of $55.6 billion of Level 2A HQLA, the majority of which consisted of U.S. agency mortgage-backed securities, and $0.2 billion of Level 2B HQLA.

Average weighted RSF for operational deposits placed at financial sector entities was $6.2 billion.

Average weighted RSF for loans and securities was $55.6 billion. Approximately 59% were loans comprised of secured loans, margin loans extended to broker-dealer customers, outstanding draws on revolving facilities, securities borrowing, and overdrafts, among others. The remaining 41% consisted of securities which did not qualify as HQLA.

Average weighted RSF for other assets was $51.3 billion, which included $50.6 billion of other assets and $0.8 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<br>Quarter ended 03/31/2023<br>*(in millions of U.S. dollars)* | | Average Unweighted Amount<br>Open Maturity | < 6 months | 6 months to < 1 year | ≥ 1 year | Perpetual | Average Weighted Amount |
|---|---|---|---|---|---|---|---|
| **ASF ITEM** | | | | | | | |
| 1 | Capital and securities: | 438 | 2,180 | 2,137 | 25,865 | 41,021 | 67,954 |
| 2 | NSFR regulatory capital elements | - | - | - | 1,157 | 41,021 | 42,177 |
| 3 | Other capital elements and securities | 438 | 2,180 | 2,137 | 24,708 | - | 25,777 |
| 4 | Retail funding: | 23,579 | 88 | - | 141 | - | 15,886 |
| 5 | Stable deposits | 1,792 | - | - | - | - | 1,703 |
| 6 | Less stable deposits | 5,894 | - | - | - | - | 5,305 |
| 7 | Sweep deposits, brokered reciprocal deposits, and brokered deposits | 9,319 | 88 | - | 141 | - | 5,591 |
| 8 | Other retail funding | 6,574 | - | - | - | - | 3,287 |
| 9 | Wholesale funding: | 278,569 | 33,498 | 931 | 274 | - | 99,508 |
| 10 | Operational deposits | 182,842 | 36 | - | - | - | 91,439 |
| 11 | Other wholesale | 95,727 | 33,462 | 931 | 274 | - | 8,069 |
| | Other liabilities: | | | | | | |
| 12 | NSFR derivatives liability amount | | | | | - | |
| 13 | Total derivatives liability amount | | | | | 1,933 | |
| 14 | All other liabilities not included in categories 1 through 13 of this table | 8,717 | 327 | 33 | 780 | 22 | - |
| **15** | **Total ASF** | | | | | | **163,567** |
| **RSF ITEM** | | | | | | | |
| 16 | Total high-quality liquid assets (HQLA) | 96,758 | 9,123 | 8,880 | 103,416 | - | 8,690 |
| 17 | Level 1 liquid assets | 96,758 | 8,674 | 8,413 | 46,408 | - | - |
| 18 | Level 2A liquid assets | - | 449 | 467 | 57,008 | - | 8,690 |
| 19 | Level 2B liquid assets | - | - | - | - | - | - |
| 20 | Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries | 1,432 | - | - | - | - | - |
| 21 | Operational deposits placed at financial sector entities | 16,359 | 129 | - | - | - | 8,244 |
| 22 | Loans and securities: | 37,667 | 30,706 | 6,837 | 40,122 | 3,420 | 54,517 |
| 23 | Loans to financial sector entities secured by level 1 liquid assets | 2,921 | 13,936 | 4,881 | - | - | 2,440 |
| 24 | Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities | 20,348 | 13,989 | - | 2,503 | - | 7,654 |
| 25 | Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties | 14,396 | 1,419 | 855 | 7,100 | - | 14,337 |
| 26 | Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217) | - | - | - | 164 | - | 107 |
| 27 | Retail mortgages | - | - | - | 8,944 | - | 7,603 |
| 28 | Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217) | - | - | - | - | - | - |
| 29 | Securities that do not qualify as HQLA | 2 | 1,362 | 1,101 | 21,575 | 3,420 | 22,483 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Other assets: | | | | | | |
| 30 | Commodities | | | | | - | - |
| 31 | Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements | | | | | 755 | 642 |
| 32 | NSFR derivatives asset amount | | | | | 178 | 178 |
| 33 | Total derivatives asset amount | | | | | 2,111 | |
| 34 | RSF for potential derivatives portfolio valuation changes | | | | | 3,820 | 191 |
| 35 | All other assets not included in the categories 16-33 of this table, including nonperforming assets | 3,239 | 136 | 5,103 | 14,975 | 25,193 | 48,349 |
| 36 | Undrawn commitments | | | | | 50,667 | 2,533 |
| **37** | **TOTAL RSF prior to application of required stable funding adjustment percentage** | | | | | | **123,525** |
| **38** | **Required stable funding adjustment percentage** | | | | | | **100%** |
| **39** | **TOTAL adjusted RSF** | | | | | | **123,525** |
| **40** | **Net Stable Funding Ratio (%) (a)** | | | | | | **132%** |

*(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.*

| Net Stable Funding Ratio<br>Quarter ended 06/30/2023<br>*(in millions of U.S. dollars)* | | Average Unweighted Amount | | | | | Average Weighted Amount |
|---|---|---|---|---|---|---|---|
| | | Open Maturity | < 6 months | 6 months to < 1 year | ≥ 1 year | Perpetual | |
| **ASF ITEM** | | | | | | | |
| 1 | Capital and securities: | 681 | 2,409 | 2,211 | 27,431 | 41,047 | 69,584 |
| 2 | NSFR regulatory capital elements | - | - | - | 1,181 | 41,047 | 42,229 |
| 3 | Other capital elements and securities | 681 | 2,409 | 2,211 | 26,250 | - | 27,355 |
| 4 | Retail funding: | 22,980 | 305 | - | 483 | - | 16,170 |
| 5 | Stable deposits | 1,404 | - | - | - | - | 1,334 |
| 6 | Less stable deposits | 6,580 | - | - | - | - | 5,922 |
| 7 | Sweep deposits, brokered reciprocal deposits, and brokered deposits | 9,001 | 304 | - | 483 | - | 5,916 |
| 8 | Other retail funding | 5,995 | 1 | - | - | - | 2,998 |
| 9 | Wholesale funding: | 280,789 | 38,587 | 873 | 1,697 | - | 100,495 |
| 10 | Operational deposits | 177,190 | 37 | - | - | - | 88,613 |
| 11 | Other wholesale | 103,599 | 38,550 | 873 | 1,697 | - | 11,882 |
| | Other Liabilities: | | | | | | |
| 12 | NSFR derivatives liability amount | | | | | 35 | |
| 13 | Total derivatives liability amount | | | | | 2,026 | |
| 14 | All other liabilities not included in categories 1 through 13 of this table | 8,695 | 1,120 | 30 | 332 | 25 | - |
| **15** | **Total ASF** | | | | | | **168,537** |
| **RSF ITEM** | | | | | | | |
| 16 | Total high-quality liquid assets (HQLA) | 115,566 | 9,423 | 7,037 | 100,510 | - | 8,451 |
| 17 | Level 1 liquid assets | 115,566 | 8,798 | 6,759 | 45,632 | - | - |
| 18 | Level 2A liquid assets | - | 595 | 238 | 54,722 | - | 8,338 |
| 19 | Level 2B liquid assets | - | 30 | 40 | 156 | - | 113 |
| 20 | Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries | 1,293 | 318 | - | - | - | - |
| 21 | Operational deposits placed at financial sector entities | 11,086 | 1,374 | - | - | - | 6,230 |
| 22 | Loans and securities: | 38,260 | 33,495 | 7,802 | 40,121 | 3,469 | 55,568 |
| 23 | Loans to financial sector entities secured by level 1 liquid assets | 3,015 | 15,708 | 5,825 | - | - | 2,913 |
| 24 | Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities | 19,613 | 15,472 | - | 2,561 | - | 7,823 |
| 25 | Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties | 15,630 | 1,421 | 1,033 | 7,222 | - | 15,131 |
| 26 | Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217) | - | - | - | 249 | - | 162 |
| 27 | Retail mortgages | - | - | - | 8,052 | - | 6,845 |
| 28 | Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 217) | - | - | - | - | - | - |
| 29 | Securities that do not qualify as HQLA | 2 | 894 | 944 | 22,286 | 3,469 | 22,856 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Other assets: | | | | | | |
| 30 | Commodities | | | | | - | - |
| 31 | Assets provided as initial margin for derivative transactions and contributions to CCPs’ mutualized loss-sharing arrangements | | | | | 665 | 565 |
| 32 | NSFR derivatives asset amount | | | | | - | - |
| 33 | Total derivatives asset amount | | | | | 1,991 | |
| 34 | RSF for potential derivatives portfolio valuation changes | | | | | 3,712 | 186 |
| 35 | All other assets not included in the categories 16-33 of this table, including nonperforming assets | 3,560 | 25 | 4,748 | 17,326 | 25,140 | 50,558 |
| 36 | Undrawn commitments | | | | | 49,852 | 2,493 |
| **37** | **TOTAL RSF prior to application of required stable funding adjustment percentage** | | | | | | **124,284** |
| **38** | **Required stable funding adjustment percentage** | | | | | | **100%** |
| **39** | **TOTAL adjusted RSF** | | | | | | **124,284** |
| **40** | **Net Stable Funding Ratio (%) (a)** | | | | | | **136%** |

*(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.*

## 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" for purposes of the NSFR (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 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 2022 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 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.

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

bnymellon.com