



2013 PILLAR 3 DISCLOSURE

THE BANK OF NEW YORK MELLON SA/NV



BNY MELLON

Pillar 3 Disclosure

Pillar 3 disclosures are published in accordance with the requirements of the National Bank of Belgium (NBB) Title XIV of the own funds regulation published on 15th November 2011.

Policy and Approach

Pillar 3 disclosures are required for a consolidated group and for those parts of the group covered by the Capital Requirement Directive. There is currently no comparable disclosure provided on a consolidated basis by The Bank of New York Mellon SA/NV's parent undertaking (The Bank of New York Mellon Corporation (BNYMC)). As such, these disclosures have been prepared for The Bank of New York Mellon SA/NV (or the Bank) including all its branches and subsidiary.

These disclosures have been approved by The Bank of New York Mellon SA/NV's Board of Directors who has verified that they are consistent with formal policies adopted regarding production and validation.

Information in this report has been prepared solely to meet Pillar 3 disclosure requirements of the entities noted, and to provide certain specified information about capital and other risks and details about the management of those risks, and for no other purpose. These disclosures do not constitute any form of financial statement on the business nor do they constitute any form of contemporary or forward looking record or opinion about the business.

Wherever possible and relevant, the Board will ensure consistency between Pillar 3 disclosures, Pillar 1 reporting and Pillar 2 ICAAP content e.g. disclosure about risk management practices and capital resources at year end. Unless indicated otherwise, information contained within this document has not been subject to external audit.

Disclosure will be made annually based on calendar year end and will be published as soon as possible after publication of the consolidated annual accounts. The company will reassess the need to publish some or all of the disclosures more frequently than annually in light of any significant change to the relevant characteristics of its business including disclosure about capital resources and adequacy, and information about risk exposure and other items prone to rapid change.

Disclosures will be published on The Bank of New York Mellon group website (www.bnymellon.com), see section Investor relations, Financial reports, other regulatory filings on the Company's website.

The Board may omit one or more disclosures if the information provided is not regarded as material. The criterion for materiality used in these disclosures is that the bank will regard as material any information where omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions.

The Board may omit one or more disclosures if the information provided is regarded as confidential. In this circumstance, the Board will state in its disclosures the fact that specific items of information are not disclosed and the reason for non-disclosure, and will publish more general information about the subject matter of the disclosure requirement except where these are to be classified as secret or confidential.

The company undertakes no obligation to revise or to update any forward looking or other statement contained within this paper regardless of whether or not those statements are affected as a result of new information or future events.

This approach to Pillar 3 disclosure will be periodically reassessed and updated in light of market and regulatory developments associated with Pillar 3.

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1 Introduction

The Bank of New York Mellon (BNY Mellon) is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As at December 31 2013, BNY Mellon had \$27.6 trillion in assets under custody and/or administration, and \$1.58 trillion in assets under management.

These 2013 Pillar 3 disclosures relate to The Bank of New York Mellon SA/NV and are published in accordance with the requirements of the National Bank of Belgium (NBB) Title XIV of the own funds regulation published on 15 November 2011. BNYM SA/NV uses the Standardised Approach for calculating credit, market and operational risk.

This disclosure is for The Bank of New York Mellon SA/NV and its subsidiary undertakings (together the 'group') as at 31 December, 2013.

These disclosures were approved for publication by The Bank of New York Mellon SA/NV Board of Directors (hereafter the 'Board') on July 23, 2014.

1.1 Purpose of Pillar 3

Basel II is the international banking accord intended to strengthen the measurement and monitoring of financial institutions' capital. The Basel II framework was implemented in the European Union (EU) through the Capital Requirements Directive (CRD). The Basel II framework establishes a more risk sensitive approach to capital management and is comprised of three pillars:

- **Pillar 1** establishes rules for the calculation of minimum capital for Credit, Market and Operational Risk capital resources requirements.
- **Pillar 2** requires firms and supervisors to take a view on whether a firm needs to hold additional capital against risks not adequately covered in Pillar 1 and to take action accordingly.
- **Pillar 3** complements the other pillars and effects market discipline through public disclosure. Expanded disclosure about capital and risk enables interested parties to gauge the capital adequacy of individual banks.

1.2 Highlights and Key Post Balance Sheet Date Events

The following events took place in 2013 and are considered important events that impacted BNYM SA/NV:

- On 1st February 2013, BNYM SA/NV merged with The Bank of New York Mellon (Ireland) Limited, which became a branch of BNYM SA/NV.
- Several new activities were launched during 2013, among which are the Derivative Clearing activity in Frankfurt in February and the back to back forex trading activity in December.
- In 2014 a Depotbank activity will be launched in the Netherlands.
- BNYM SA/NV is determined by the regulator as a domestic systemically important financial institution (SIFI) and is subject to the ECB Comprehensive Assessment, including an Asset Quality Review (AQR), as part of the Single Supervisory Mechanism.

2 Scope and Application of Directive Requirements

The Bank of New York Mellon SA/NV (BNYM SA/NV) is a wholly owned subsidiary of The Bank of New York Mellon. The Bank of New York Mellon is the main banking entity of The Bank of New York Mellon Corporation (BNYMC).

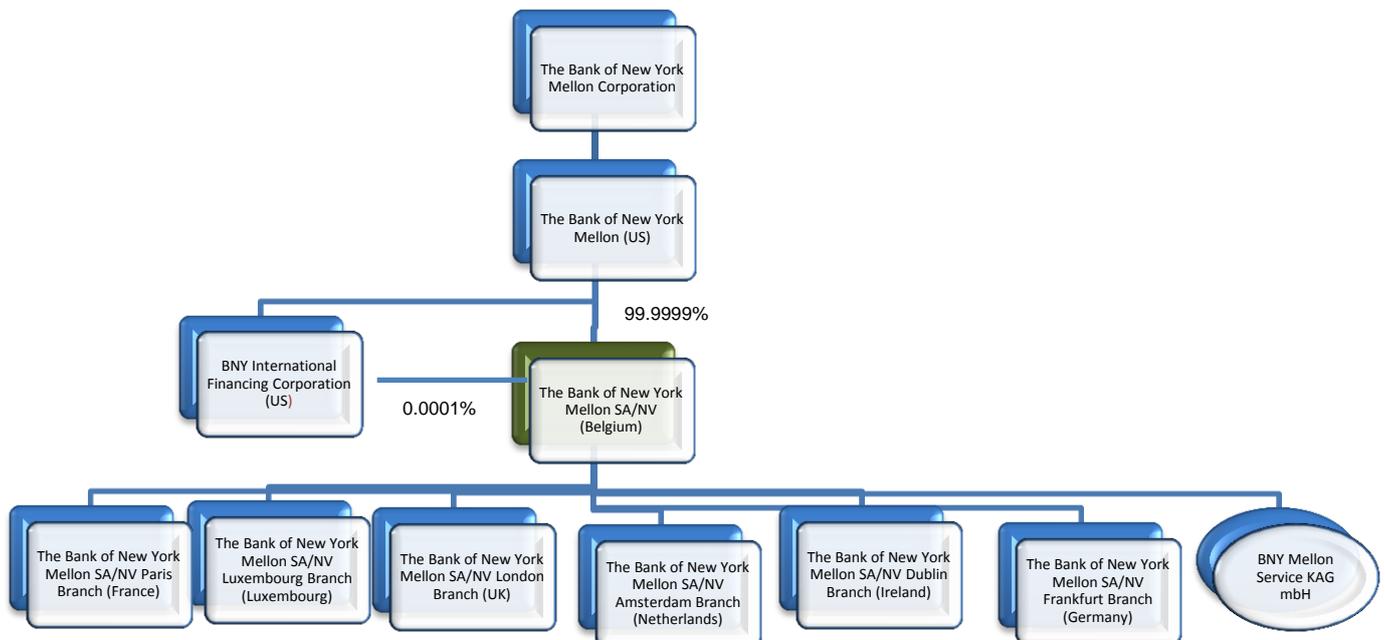
BNYM SA/NV is a Belgian limited liability company established September 30, 2008 under the form of a Société Anonyme/Naamloze Vennootschap. It was granted its banking license by the former CBFA on March 10, 2009. It has its headquarters and main establishment at 46 Rue Montoyerstraat, 1000 Bruxelles/Brussel. It is 99.9999% owned by The Bank of New York Mellon and 0.0001% owned by BNY International Financing Corporation.

BNYM SA/NV was established with the aim of becoming BNY Mellon's main banking subsidiary in Continental Europe. During 2009, the clients, most of the staff and some economic value of the Brussels Branch of The Bank of New York Mellon were merged into BNYM SA/NV. In 2009, BNYM SA/NV merged with BNY Mellon GSS Acquisition Company (Netherlands) BV. It acquired BHF Asset Servicing GmbH and Frankfurter Service KAG mbH in 2010. These subsequently became the Frankfurt branch of BNYM SA/NV and the BNY Mellon Service KAG respectively.

In December 2011 a Paris Branch was established, and on February 1, 2013 BNYM SA/NV merged with The Bank of New York Mellon (Ireland) Limited, with the latter forming the Dublin branch of BNYM SA/NV.

The corporate structure of BNYM SA/NV is illustrated in Figure 1.

Figure 1: BNYM SA/NV corporate structure



BNYM SA/NV provides custody services, fund administration, transfer agency services, depository services to open-ended investment companies as well as corporate trust services.

3 Risk Management Objectives and Policies

3.1 Risk Management Framework

BNYM SA/NV approach to risk management is to ensure that all material risks are defined, understood and effectively managed according to well-designed policies and controls. The firm maintains an appropriate Risk Management Framework that promotes a risk-aware and transparent culture and the identification, assessment, mitigation, measurement and escalation of risk and control issues.

BNYM SA/NV's risk appetite is aligned to the risk appetite of BNYMC which is to maintain a balance sheet that remains strong across market cycles to meet the expectations of its major stakeholders, including clients, shareholders, employees and regulators.

The Board adopts a prudent appetite to all elements of risk to which BNYM SA/NV is exposed. BNYM SA/NV uses a variety of metrics to measure and monitor its risk taking activities relative to its risk appetite. Articulating risk appetite

through such risk metrics aids decision-making in relation to actions such as pursuing new products and enterprises, exiting businesses, and aligning resources to maximise potential gains within acceptable levels of risk.

3.2 Scope and Nature of Risk Reporting Systems

BNYM SA/NV's risk profile is recorded through a number of risk assessment tools. The risk management team prepares and updates the Top Risk Assessment which is reviewed and approved by the BNYM SA/NV Risk Management Committee (RMC) monthly and the Board quarterly.

The BNY Mellon 'Risk Universe' defines the risk types (current or future) applicable to the business. Risk types are organised by categories according to industry standards to support the efficient classification and reporting of risks and risk events as they materialise.

3.2.1 Risk and Control Self-Assessment

The Risk and Control Self-Assessment (RCSA) is used by business lines to identify risks associated with their key business processes and to complete a detailed assessment of risk and associated controls. The BNYM SA/NV Risk appetite includes a metric related to RCSA; this is monitored by the RMC, therefore providing oversight of risk to the business.

3.2.2 Key Risk Indicators

Key Risk Indicators (KRIs) are used by business lines to evaluate control effectiveness and residual risk within a business process. Material risks are monitored by appropriate KRIs. The business lines use the corporate KRI process to monitor changes in the probability of the high risks materialising, and to ensure that appropriate actions are taken. KRIs are reported at a minimum on a monthly basis.

3.2.3 Operational Risk Events

All operational losses and fortuitous gains as well as near misses are recorded in accordance with corporate policy using the Risk Management Platform, and verified through reconciliation to the Finance general ledger for completeness. Risk events are categorised and reported to the RMC monthly.

3.2.4 High Level Assessment

A High Level Assessment (HLA) is carried out by business lines to assess the quality of controls in place to mitigate residual risk. Residual risk is assessed as 'High,' 'Moderate to High,' 'Moderate,' 'Moderate to Low' and 'Low' with direction anticipated.

3.2.5 Top Risks

Top Risks are identified according to the assessment of the inherent risk, quality of controls in place to mitigate risk and likelihood to identify residual risk. Top Risks are rated as 'High,' 'Moderate to High,' 'Moderate,' 'Moderate to Low' and 'Low' with direction anticipated. A Top Risk assessment is reported to the RMC and board meetings. Top Risks are also consolidated into the BNY Mellon Top Risk Reporting process for reporting to regional risk committees.

3.2.6 Stress Testing

Stress testing scenarios are designed using an appropriate range of adverse circumstances of varying nature, severity and duration relevant to the BNYM SA/NV risk profile. Stress testing is also undertaken on an ad hoc basis. Sources of risk information used to assist scenario development include Top Risk Reporting, financial sensitivity analysis, outputs from the risk assessment tools, operational risk trends, macro-economic data, financial news, client management information or general business statistics.

Scenarios are derived from current, emerging, and plausible future risks and strategy, and reviewed, discussed and agreed by BNYM SA/NV's Stress Testing Oversight Committee (STOC) and the Board.

The conclusion of the stress testing process is a statement of the future risk(s) the business faces, control improvements to mitigate the impact should the risk arise and where appropriate, a recommendation for the capital held against each risk type.

3.3 Risk Management Governance

BNYM SA/NV has established risk and stress testing governance structures to periodically review, challenge and approve risk and stress testing processes. The goal of the Bank's approach to risk management is to ensure that all material risks in each business line are defined, understood, and effectively managed using well-designed policies and controls.

BNYM SA/NV's Risk Management framework ensures that Risk Management processes comply with corporate policies on Risk Appetite and Managing Risk Culture centred on the Three Lines of Defence (figure 2). Within the EMEA region, the EMEA Chief Risk Officer (CRO) oversees the management of risk and is supported in this role by Senior Risk Managers operating at business line and/or functional level.

Figure 2: Three Lines of Defence



BNYM SA/NV is fully aligned with the overall Corporate approach to risk management in terms of the 'three lines of defence' model:

- **First line of defence:** Business Acceptance Committee, Executive Committee and Board of Directors.
- **Second line of defence:** Chief Risk Officer, Chief Compliance Officer, the Risk Management Committee (which has representation from Finance, Human Resources and Legal). Each Branch or Subsidiary has a designated local manager who will perform an oversight role in respect of that Branch or Subsidiary.
- **Third line of defence:** Internal Audit involved in the Risk Management Committee, the ICAAP Working Group, and audits of the ICAAP Process.

The RMC is responsible for ensuring that risk and compliance activities undertaken by BNYM SA/NV and its Branches are executed in accordance with internal policies and all relevant regulations. The RMC has oversight of the Branches and underlying businesses of BNYM SA/NV and reports to the Board and the EMEA Investment Services Risk and Compliance Committee. At a corporate level the BNY Mellon Basel Executive Oversight Committee provides senior management oversight of company-wide Basel processes.

At BNYM SA/NV, the Board is responsible for both the management and the oversight of risks together with the quality and effectiveness of internal controls but has delegated risk management oversight to the Risk Committee of the Board. The Board is responsible for reviewing, challenging and approving all risk management processes including risk identification and assessment, stress testing and capital adequacy. The various control functions provide further support for the management of risk within the business.

The Risk Committee of The Bank of New York Mellon SA/NV ("BNYM SA/NV" or the "Company") has been established by the Board of Directors of the Company ("Board") in order to assist the Board in fulfilling its oversight responsibilities with regard to the risk appetite and the risk management of the Company. The Risk Committee is responsible among others for advising the Board on the Company's overall risk appetite, risk tolerance, strategy, and capital adequacy position of the firm. Business Acceptance Committees are responsible for aligning new business to appropriate business lines and subsidiaries, assessing and approving the associated risks.

3.3.1 EMEA Risk Management Framework

As a global organisation BNYMC has established governance structures to monitor and assess risks on an enterprise-wide basis. BNY Mellon is organised on a regional basis, whereby BNYM SA/NV is included within the Europe, Middle East and Africa (EMEA) region. Oversight for EMEA is executed primarily through the following committees:

- EMEA Executive Committee
- EMEA Senior Risk Management Committee
- EMEA Investment Services Risk and Compliance Committee
- EMEA Asset Servicing Executive Committee
- EMEA Asset and Liability Committee
- EMEA AML Oversight Committee
- EMEA Controls Committee
- EMEA Stress Testing Oversight Committee

3.4 Risk Appetite

BNY Mellon defines risk appetite as the maximum level of risk it is willing to accept while maximising the interests of shareholders and other corporate stakeholders including regulators. Risk appetite is linked to the strategic direction set by senior management and is approved by the BNYMC Board of Directors. Risk appetite considers the balance between risk and reward aligning the strategic goals and the overall risk.

The risk appetite is articulated through a comprehensive set of metrics; Thresholds or tolerance limits for each metric are established to measure the performance of the business against its risk appetite.

Risk Appetite Statement for BNYM SA/NV

BNYM SA/NV performs the following activities: Custody, Global Collateral Management, Securities Lending, Depotbank Services, Corporate Trust, Derivative Clearing, Institutional and Fund Accounting, Client Directed trading for KAG Clients and Treasury (performing a balance sheet management function) all of which are core services of the BNY Mellon group.

BNYM SA/NV's risk appetite statement is aligned to the appetite of the Parent which is to commit to maintaining a balance sheet characterised by strong liquidity, superior asset quality, ready access to external funding sources at competitive rates, and a solid capital structure that supports its risk-taking activities and is adequate to absorb potential losses, throughout market cycles to meet the expectations of our major stakeholders, including our clients, shareholder, employees and regulators.

The Board of BNYM SA/NV adopts a principally prudent appetite to all elements of risk to which BNYM group is exposed. Our business activities will continue to be managed and controlled in a manner consistent with the Boards stated tolerances using defined quantitative and qualitative measurements.

It is only with the explicit advance approval of the Board of BNYM SA/NV that any amendments, additions or deletions to this statement or any of our stated tolerances can be undertaken.

3.5 Credit Risk

Credit risk is the risk of default from counterparties or clients for deposits, loans, commitments, securities and other assets where the realisation of the value of the asset is dependent on its ability to perform. Credit risk could also arise from off-balance sheet items including counterparty credit risk and securities lending indemnifications and letters of credit identifying exposures (balance sheet and non-balance sheet).

All counterparties (clients and banks) are assessed and allocated a credit rating in accordance with BNY Mellon's internal rating system. Monitoring & Control is conducted via a number of real-time systems to ensure that approved exposure levels are not exceeded, or are pre-approved by a suitable credit officer in the light of individual circumstances. Post event monitoring is also conducted by both Client Service areas and the Credit function. Issues arising from these are reported to the BNYM SA/NV Risk Management Committee.

The Credit Risk Oversight Committee (CROC) was established in October 2012 as a sub-committee to the RMC to provide guidance, additional oversight and action for individual custody counterparties with aged overdrafts.

The Board of BNYM SA/NV considers credit risk to be one of the material risks for BNYM SA/NV and has put in place policies and metrics for credit risk management. Credit risk is managed and monitored by several teams globally, including officers in Brussels. Risk appetite metrics have been defined for credit risk and these are reported to the Risk Management Committee. The Asset and Liability Committee monitors the balance sheets of each legal entity for the purposes of liquidity management.

BNYM SA/NV is exposed to credit risk through the re-investment of client deposits from the provision of investment services. BNYM SA/NV's assets comprise short-term bank placements provided to credit assessed, high quality counterparties such as sovereigns and highly rated banks; at-call deposits and various receivables from clients. BNYM SA/NV is also exposed to credit risk through the activities of derivative clearing, securities lending, and the investment portfolio.

Credit is approved through the credit risk function of BNY Mellon, within the risk appetite tolerances of BNYM SA/NV. All counterparties (clients and banks) are assessed and allocated a credit rating in accordance with the BNY Mellon internal rating system. Monitoring and control is conducted via a number of real-time systems to ensure that approved exposure levels are not exceeded, or are pre-approved by a suitable credit officer in the light of individual circumstances.

3.5.1 Credit Risk Exposure

Disclosure: This section is based on the prudential information as presented in the COREP, including on-Balance Sheet, off-Balance Sheet and Derivative information, both for 2013 and 2012 figures. Due to the inclusion of additional information this year compared to last year, some figures reported for 2012 in this report do not reconcile with the 2012 Pillar 3 report.

Credit exposure is computed under the Standardised approach. This method for calculating credit risk capital requirement uses supervisory risk weights.

Except where stated, exposure is defined as **Exposure at Default (EAD) pre Credit Risk Mitigation (CRM)** i.e. a regulatory exposure value after the application of Credit Conversion Factors (CCF) for off balance sheet items (including undrawn commitments) and, after netting but before application of Credit Risk Mitigation factors (e.g. property, other physical collateral). The calculation of EAD therefore takes into account both current exposure and potential drawings prior to default over a 12 month time horizon. As such, exposure in this context may differ from statutory GAAP accounting balance sheet carrying values.

The following credit risk exposure tables (1) to (5) summarise the credit exposure for BNYM SA/NV.

i) Standardised gross Credit exposure (EAD pre CRM)

The following table summarises the standardised gross credit exposure by exposure class as at 31 December 2013¹.

Table 1: Standardised gross credit exposure by exposure class

Standardised gross credit exposure by exposure class (€000s)	Exposure at Default (EAD) pre Credit Risk Mitigation		Average EAD pre CRM		Standardised Credit Risk Capital Requirement	
	2013	2012	2013	2012	2013	2012
Central Governments and Central Banks (*)	11,209,957	16,754,514	10,655,170	14,902,346	-	-
Institutions (**)	1,773,008	15,975,493	12,259,021	19,226,497	11,393	32,442
Corporates	2,491	-	623	411,199	199	-
Short term claims on Institutions and Corporates ¹	48,625,696	44,561,205	45,691,625	38,650,248	741,636	600,100
Collective Investment Undertakings	367	9,121	7,121	10,085	29	730
Other	293,309	145,945	318,440	190,491	23,465	11,676
Total	61,904,829	77,446,278	68,932,000	73,390,865	776,722	644,948

(*) Including 'Regional Governments and Local Authorities'

(**) Including Multilateral Development Banks and Covered Bonds

ii) Standardised gross Credit exposure (EAD pre CRM and after CRM) by credit quality step

The following table summarises the standardised gross credit exposure by credit quality step as at 31 December 2013.

¹ In the final 2013 COREP file an extra adjustment of €4.515 was added to the on balance sheet exposure at default (pre Credit Risk Mitigation) - short term claims on institutions and corporates. This adjustment had no influence on the capital requirement.

Table 2: Standardised gross credit exposure by credit quality step (EAD pre CRM)

Standardised Pre-mitigated Credit Exposures by Credit Quality Step (€000s)	Central Governments and Central Banks		Institutions: Maturity <= 3m (*)		Institutions: Maturity > 3m (*)		Corporates (**)		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	1	11,209,957	16,754,514	503,363	15,483,267	1,269,646	492,226	47,134,632	44,128,814	-	-	60,117,597
2	-	-	-	-	-	-	8,762	13,072	-	-	8,762	13,072
3	-	-	-	-	-	-	1,350,161	359,560	-	-	1,350,161	359,560
4	-	-	-	-	-	-	134,924	68,880	-	-	134,924	68,880
5	-	-	-	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	76	0	-	-	76	0
Unrated	-	-	-	-	-	-	-	-	293,309	145,945	293,309	145,945
Total	11,209,957	16,754,514	503,363	15,483,267	1,269,646	492,226	48,628,554	44,570,326	293,309	145,945	61,904,829	77,446,278

(*) Including Multilateral Development Banks and Covered Bonds

(**) Including Collective Investment Undertakings and 'Short term claims on Institutions and Corporates'

Table 3: Standardised gross credit exposure by credit quality step (EAD after CRM)

Standardised Post-mitigated Credit Exposures by Credit Quality Step (€000s)	Central Governments and Central Banks		Institutions: Maturity <= 3m (*)		Institutions: Maturity > 3m (*)		Corporates (**)		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	1	11,209,957	16,754,514	96,103	1,741,525	1,269,646	492,226	40,707,369	35,484,803	-	-	53,283,075
2	-	-	-	-	-	-	8,762	13,072	-	-	8,762	13,072
3	-	-	-	-	-	-	1,252,339	359,560	-	-	1,252,339	359,560
4	-	-	-	-	-	-	134,924	68,880	-	-	134,924	68,880
5	-	-	-	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	76	0	-	-	76	0
Unrated	-	-	-	-	-	-	-	-	293,309	145,945	293,309	145,945
Total	11,209,957	16,754,514	96,103	1,741,525	1,269,646	492,226	42,103,469	35,926,316	293,309	145,945	54,972,484	55,060,526

(*) Including Multilateral Development Banks and Covered Bonds

(**) Including Collective Investment Undertakings and 'Short term claims on Institutions and Corporates'

iii) Standardised gross Credit exposure (EAD pre CRM) by geographical area²

The following table summarises the standardised gross credit exposure by geographic area as at 31 December 2013

Table 4: Standardised gross credit exposure by geographic area

Standardised exposure classes (€000s)	Europe		Americas		Middle East & Africa		Asia Pacific		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	Central Governments and Central Banks	11,023,271	16,753,862	181,723	-	4,963	482	-	171	11,209,957
Institutions (*)	1,773,001	15,975,493	7	-	-	-	-	-	1,773,008	15,975,493
Corporates	-	-	2,491	-	-	-	-	-	2,491	-
Short term claims on Institutions and Corporates	4,097,450	11,396,384	43,419,141	28,375,316	142,547	45,085	966,558	4,744,419	48,625,696	44,561,205
Collective Investment Undertakings	212	87	155	9,034	-	-	-	-	367	9,121
Other	293,309	145,945	-	-	-	-	-	-	293,309	145,945
Total	17,187,243	44,271,771	43,603,518	28,384,351	147,510	45,567	966,558	4,744,590	61,904,829	77,446,278

(*) Including Multilateral Development Banks and Covered Bonds

iv) Standardised gross Credit exposure (EAD pre CRM) by residual maturity

The following table summarises the standardised gross credit exposure by residual maturity as at 31 December 2013

Table 5: Standardised gross credit exposure by residual maturity

Standardised gross credit exposure by residual maturity (€000s)	Less than 3 months		3 months to 1 year		Over 1 year or undefined		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	Central Governments and Central Banks	8,853,052	14,748,350	275,817	-	2,081,087	2,006,164	11,209,957
Institutions (*)	503,363	15,483,267	45,914	80,000	1,223,732	412,226	1,773,008	15,975,493
Corporates	2,491	-	-	-	-	-	2,491	-
Short term claims on Institutions and Corporates	48,602,546	44,561,205	-	-	23,150	-	48,625,696	44,561,205
Collective Investment Undertakings	367	9,121	-	-	-	-	367	9,121
Other	-	-	-	-	293,309	145,945	293,309	145,945
Total	57,961,820	74,801,944	321,731	80,000	3,621,278	2,564,335	61,904,829	77,446,278

(*) Including Multilateral Development Banks and Covered Bonds

² Geographic distribution is based on the country of risk of the borrower or obligor. A breakdown is made for the following areas: Americas, Europe, Middle East & Africa, Asia Pacific.

3.5.2 Capital Resource Requirement

BNYM SA/NV calculates Pillar 1 credit risk capital resource requirement using the Standardised Approach, in line with Title V of NBB circular 2007-1-CPB.

3.5.3 Counterparty Credit Risk

Counterparty credit risk is the risk that a counterparty to a contract recorded in either the trading or banking book defaults before fulfilment of cash-flow obligations.

The counterparty credit risk was calculated on derivative positions. The credit valuation adjustment will be added in the calculation as from 31 June 2014.

3.6 Market Risk

Market risk is the risk to a firm's financial condition arising as a result of adverse movements in the markets, such as foreign currency exchange rates, interest rates and equity and commodity prices.

The Bank is exposed to the following types of market risk:

- a) Currency risk is the risk that a change in foreign exchange rates will create adverse impacts to the financial performance. BNYM SA/NV is naturally exposed to exchange risk as it operates in more than 100 markets and in majority of the world's currencies, which result in long and short currency positions. In order to mitigate this, foreign exchange positions on the balance sheet are closed daily, while those generated by the translation of the profit and loss in EUR are closed monthly. It should be noted that BNYM SA/NV enters into short-dated currency swaps for its treasury management. These do not create market risk issues and the interest risk aspect of the transactions is limited as the deals have short maturities.
- b) Interest rate risk in the banking book is further described in Section 3.14.
- c) In addition the BNYM SA/NV has secondary level Market Risk from the Derivatives Clearing activity which would only materialise in the event of a counterparty failure (client, carry-broker, central counterparty).

3.6.1 Capital Resource Requirement

BNYM SA/NV calculates the Pillar 1 market risk capital resource requirement for FX based on the Standardised approach as defined in Article IX.73 NBB circular 2007-1-CPB.

3.7 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events (including legal risk but excluding strategic and reputation risk). It may arise from errors in transaction processing, breaches of internal control systems and compliance requirements, internal or external fraud, damage to physical assets, and business disruption due to systems failures, execution, delivery and process management or other events. Operational risk can also arise from potential legal or regulatory actions because of non-compliance with regulatory requirements, prudent ethical standards or contractual obligations, these being sub-classified as compliance risk.

The level of BNYM SA/NV's operational risk is managed through rigorous operating policies, procedures and controls set by the Board and implemented by Risk Management.

BNYM SA/NV business managers are responsible for Risk and Control Self Assessments ("RCSA"), which includes identification of the risks associated with key business processes, identifying and measuring the effectiveness of controls in place to manage risk and for remediation of any weakness.

The Board monitors operational risks and the appropriateness of controls through the RMC and independent reporting from risk managers. This requires BNYM SA/NV to update regularly its RCSAs, as well as monthly KRIs and prompt reporting of any significant financial impacts as a result of errors.

Risk Management performs monitoring appropriate to the business and identified risks, which includes KRI reporting, significant event analysis and ad hoc reviews. Risk Management is also required to formally review the ICAAP at least annually, coupled with quarterly ICAAP refresh processing. Moreover, the key elements of the RCSA, internal control environment, monitoring and governance arrangements are routinely reviewed and challenged by the Risk Management Committee.

3.7.1 Capital Resource Requirement

BNYM SA/NV calculates the Pillar 1 operational risk capital resource requirement under the Standardised Approach in accordance with Article IX.73 NBB circular 2007-1-CPB; it has been determined that BNYM SA/NV falls under the Agency Services Basel business line.

3.8 Liquidity Risk

Liquidity Risk is the risk that BNYM SA/NV cannot meet its cash and collateral obligations at a reasonable cost for both expected and unexpected cash flow and collateral needs without adversely affecting daily operations or financial conditions.

Liquidity risks can arise from funding mismatches, market constraints from inability to convert assets to cash, inability to raise cash in the markets, deposit run-off, or contingent liquidity events. Changes in economic conditions or exposure to credit, market, operational, legal, and reputational risks also can affect BNYM SA/NV's liquidity risk profile and are considered in the liquidity risk framework.

Intra-day Liquidity Risk is the risk that BNYM SA/NV cannot fund and /or settle its obligations or clients' securities servicing obligations throughout the day, primarily due to disruptions or failures.

BNYM SA/NV maintains liquidity resources to ensure that there is no significant risk that its liabilities cannot be met in full as they fall due.

3.9 Compliance Risk

Compliance risk covers the impact on earnings or capital from violation, or non-compliance with laws, rules, regulations, prescribed practices or ethical standards which may, in turn, expose BNYM SA/NV and its directors to fines, payment of damages, the voiding of contracts and damaged reputation (with accompanying indirect costs).

BNYM SA/NV establishes processes and procedures to ensure compliance with applicable laws, regulations, policies, procedures and the Code of Conduct. Emerging regulations and changes are monitored by the Compliance and Risk functions. Impact assessments are performed and implementation plans established where necessary to ensure compliance.

The BNYM SA/NV Head of Compliance presents a report on compliance at every Risk Committee of the Board meeting.

Evidence in the Bank's history of losses indicates that this level of risk is very low. BNYM SA/NV has never suffered from a sanction event where the regulator has imposed a fine.

3.10 Business Risk

Business risk is the risk of loss caused by unexpected changes in the macro-economic environment, client behaviour, inappropriate management actions, performance of competitors or events that impact earnings, for example, market contraction, reduced margins from competition, adverse customer selection and business concentration.

The principal business risk for the Bank is within the Asset Servicing and Alternative Investment Services sector where fees are primarily based on the Net Asset Value (NAV) of Assets under Custody. As business risk is difficult to assess, it has been defined as the residual risks that confront the Bank, after taking all the known and quantifiable risks into consideration. A potential emerging risk that may arise through reduced variable compensation is that the firm has a higher fixed cost salary base that is less flexible in relation to changing business performance.

3.11 Outsourcing Risk

Outsourcing risk is the risk that failure in respect of the provision of services by third party provider(s) (either an affiliated entity within a corporate group, a joint venture, a subsidiary, affiliate or an entity that is external to the corporate group) could potentially damage an entity's operations, or if contracts with any of the third party providers are terminated, that the entity may not be able to find alternative providers on a timely basis or on equivalent terms.

BNYM SA/NV has outsourcing activities between the following categories:

- Intra-group outsourcing: is defined as BNYM SA/NV's use of an entity within the BNYM group to perform its core business activities on a continuing basis.
- External outsourcing: is defined as BNYM SA/NV's use of a third party entity, which is external to BNYM Group to perform its core business activities.

While BNYM SA/NV outsources many functions, certain key activities remain in house for the proper control and management of the company.

BNYM SA/NV's Outsourcing Policy details standards that should be adopted when considering or dealing with a service and/or activity that is outsourced to another legal entity, either within the Group or to an external provider and establishes a framework for evaluating and analysing outsourcing projects.

3.12 Concentration Risk

Concentration risk is the risk of loss arising from significant interrelated asset or liability exposures, which in cases of distress associated with markets, sectors, countries, or areas of activity, may threaten the soundness of the institution.

Traditionally analysed in relation to credit activities, concentration risk may arise from exposures within or across different risk types, including intra-risk concentration where exposure concentration exists within a single risk type, and inter-risk concentrations arising from interactions between different risk exposures across different risk categories connected by a common risk factor (e.g. counterparties, vendor, economic sector, geographic region, and/or financial instrument/product type).

BNYM SA/NV manages the following types of concentration risk:

- Credit
- Client
- Operational
- Market
- Liquidity

3.12.1 Credit Concentration Risk

Credit concentration risk results from concentration of exposures to a single counterparty, borrower or group of connected counterparties or borrowers. This includes on and off-balance sheet exposures. BNYM SA/NV manages credit concentration risk through cash placement.

The risk of credit concentration is controlled and managed according to client/counterparty. The largest exposure is to The Bank of New York Mellon and is spread across multiple branches and locations which provide some mitigation in the case of the default or rating downgrade of a related party. The remaining placements are diversified across a number of banks and geographic locations.

3.12.2 Client Concentration Risk

Client concentration risk remains stable compared to last year. The Bank would also be willing to diversify products and activities, increase the number of new client take-ons, review the pricing, possibly cease relationship with unprofitable clients and would be seeking to increase productivity.

3.12.3 Operational Concentration Risk

Concentration risk in operations can arise from a number of operational risk factors, including external suppliers providing key products and services, external market counterparties, and the geographic concentration of operations.

BNYM SA/NV has a number of operational dependencies on the BNY Mellon Group, for instance intra-group outsourcing. BNYM SA/NV incorporates risk associated with concentration in its operation through the operational risk modelling and assessment.

3.12.4 Market Concentration Risk

As BNYM SA/NV does not perform trading activities, sources of market risk are limited to currency risk (long and short foreign exchange positions) due to revenue flows in different currencies. Apart from this there is Interest rate risk in the banking book, where USD and GBP are the 2 most important currencies as BNYM SA/NV's major non-Euro trade is in these currencies.

3.12.5 Liquidity Concentration Risk

The BNYM SA/NV's deposits and placements are concentrated in BNY Mellon Cayman Islands Branch (New York) and BNY Mellon Frankfurt Branch which do not pose any liquidity risk in either normal or stressed situations. Any political or economic event in the country could pose liquidity risk in the form of failure to recover or liquidate the

position at competitive prices. This concentration risk is mitigated through placement of funds matched for maturity (tenor) and currency.

Liquidity stress testing has been developed to assess the impact of group failure or BNYM SA/NV experiencing difficulties raising funds in the market.

3.13 Group Risk

Group risk is the risk that the financial position of BNYM SA/NV may be adversely affected by its relationships (financial and non-financial) with other entities within BNYMC or by risks that may affect the whole of BNYMC.

BNYM SA/NV has group dependencies on BNY Mellon, including business leadership, dependency on certain IT systems and support services provided by central functions. In addition, BNYM SA/NV places substantial deposits with other entities in the BNY Mellon Group and therefore is exposed to credit risk.

3.14 Interest Rate Risk in Banking Book

Interest rate risk (IRR) is the risk associated with changes in interest rates that affect net interest income (NII) from interest-earning assets and interest-paying liabilities. IRR exposure in the banking book arises from on and off-balance sheet assets and liabilities, and changes with movements in domestic and foreign interest rates.

The IRR is monitored by the Market Risk Management.

3.15 Legal Risk

Legal risk is the risk associated with a breach of contract, law, regulation and fiduciary responsibility. BNYM SA/NV reduces its legal risk through strict policies and procedures defined to ensure contractual obligations are fulfilled, and to minimise the risk of legal action; and through dedicated internal counsel and the use of external counsel.

3.16 Model Risk

Model risk is defined as the error in estimation or measurement resulting from the inherent limitations in the financial models used in assessing and managing risk.

BNYM SA/NV uses models in its risk management framework. All models are subject to the BNY Mellon Model Risk Management Policy under the Model Risk Management Group who maintains the model inventory and overseas model review and validation.

3.17 Pension Obligation Risk

Pension Obligation Risk is caused by contractual liabilities or moral obligation to a company's staff pension schemes. BNY Mellon in EMEA operates a number of defined contribution and defined benefits pension arrangements where fixed contributions are paid into separate arrangements, typically to an insurer or trusts.

BNYM SA/NV has defined benefit pension plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary. A full actuarial valuation by a qualified independent actuary is carried out every year. BNYM SA/NV has also some defined contribution pension plans. By definition, these bear no risk.

3.18 Reputation Risk

Reputation risk covers the risk to brand and relationships which do not arise out of any error. It can arise from all aspects of business activities, including but not limited to operational failures in business practices, legal or regulatory sanctions, joint ventures with outside firms, engagements with third-party vendors, or off-balance sheet activities.

BNYMC relies heavily on its reputation and standing in the market place to retain and attract clients. The reputation risk of BNYMC has natural implications to BNYM SA/NV. BNYM SA/NV identifies and assesses the impact of reputation risk through its risk management processes and using scenario analysis.

3.19 Strategic Risk

Strategic risk is defined as the risk of direct or indirect loss arising from the adverse effects or the improper implementation of business decisions. Strategic risk can result from either a misalignment of business line decisions which impact the group, or failure to deliver business value through new strategic initiatives.

BNYM SA/NV relies on robust governance processes to monitor and/or mitigate strategic risk. BNYM SA/NV maintains an integrated Enterprise Risk Management Framework to ensure that risks inherent in its business

activities are identified, measured, managed and monitored and adequate business acceptance controls and mitigation exist.

3.20 Settlement Risk

Settlement risk is the probability of loss arising from the failure of one counterparty to settle its side of a transaction, thus preventing other counterparties from settling their commitments. It arises usually when payments are not exchanged simultaneously. This risk is minor for BNYM SA/NV.

3.21 Continuous improvements

As a professional group, BNYM SA/NV is continuously improving systems, processes and models. All the findings from Internal and External Auditors and from the Supervisory Authority are duly considered.

4 Capital Resources

The following table summarises the capital resources for BNYM SA/NV at consolidated level, as reported to the NBB as at 31 December 2013.

Information about capital terms and conditions are also set out in the Company's Annual Report and Accounts 2013.

Table 6: Capital resources

As at 31 December Capital Resources (€000s)	BNYM SA/NV	
	2013	2012
Tier 1 Capital		
Called up Share Capital	1,552,212	1,433,402
Retained Earnings and other Reserves	630,261	366,578
Other and country specific original own funds	345,500	345,500
Total Tier 1 Capital	2,527,972	2,145,479
Deductions from Tier 1 Capital		
Intangible Assets	(585,430)	(579,245)
Total Tier 1 Capital after deductions	1,942,542	1,566,234
Tier 2 Capital		
Lower Tier 2 Capital		
Dated subordinated debt	-	-
Total Tier 2 Capital	-	-
Deductions from total of tiers 1 and 2 capital		
Connected lending of a capital nature	-	-
Total Deductions from total of tiers 1 and 2 capital	-	-
Total Capital Resources	1,942,542	1,566,234

5 Capital Requirements

The following table details the Pillar 1 capital requirements by exposure class and the associated capital surplus and capital adequacy ratio for BNYM SA/NV as at 31 December 2013.

Table 7: Capital requirements by risk type

As at 31 December Capital Requirements and Adequacy (€000s)	BNYM SA/NV	
	2013	2012
Credit Risk Standardised Approach		
Central Governments and Central Banks	-	-
Institutions (*)	11,393	32,442
Corporates	199	-
Short term claims on Institutions and Corporates	741,636	600,100
Collective Investment Undertakings	29	730
Other	23,465	11,676
Total Credit Risk capital requirement	776,722	644,948
Operational Risk - (Alternative) standardised approach	82,931	72,276
Market Risk		
Foreign currency Position Risk Requirement	12,399	8,619
Total Market Risk capital requirement	12,399	8,619
Total Pillar 1 Capital Requirements	872,052	725,842
Total Capital Resources	1,942,542	1,566,234
Capital surplus	1,070,491	840,392
Total Capital Resources / Total Pillar 1 Capital Requirements *8%	17.8%	17.3%

(*) Including Multilateral Development Banks and Covered Bonds

6 Remuneration Disclosure

6.1 Governance

The Human Resources and Compensation Committee (HRCC) of The Bank of New York Mellon Corporation (BNY Mellon) oversees BNY Mellon's enterprise-wide employee compensation and benefit policies and programs. It reviews and is responsible for other compensation plans, policies and programs in which the executive officers participate and the incentive, retirement, welfare and equity plans in which all employees participate.

The members of the HRCC are non-executive board members, delegated by BNY Mellon's Board of Directors to act on behalf of the Board on remuneration matters.

With respect to employees broadly, the company's compensation plans are also monitored by a management-level compensation oversight committee (COC). The members of the COC are members of BNY Mellon's senior management and include the Chief Human Resources Officer, the Chief Risk Officer, the Chief Financial Officer and the Risk Management and Compliance Chief Administrative Officer. An important responsibility of the COC is to advise the HRCC on any remuneration risk-related issues.

To ensure alignment with local regulations in BNY Mellon's EMEA (Europe, Middle-East and Africa) region, the EMEA Remuneration Governance Committee (ERGC) was set-up as a regional governance committee that reviews and ensures compliance with local regulations affecting BNY Mellon's EMEA businesses, including BNYM SA/NV. Remuneration policy decisions of BNYM SA/NV including its branches and subsidiaries rest with the Board, which meets at least quarterly and also approves the year-end compensation awards of its regulated staff members. The Remuneration Committee of BNYM SA/NV has proposed no changes over the past year to the policy.

6.2 Aligning pay with performance

BNY Mellon's compensation philosophy is to offer a total compensation opportunity that supports our values: client focus, integrity, teamwork and excellence. We pay for performance, both at the individual and corporate level. We value individual and team contributions and reward based on how both contribute to business results. In support of this philosophy, variable compensation is regularly used as a means of recognising performance.

By implementing our compensation philosophy and principles, we align the interests of our employees and shareholders by encouraging actions that contribute to superior financial performance and long-term shareholder value, by rewarding success and by ensuring that our incentive compensation arrangements do not encourage our employees to take unnecessary and excessive risks that threaten the value of BNY Mellon or benefit individual employees at the expense of shareholders or other stakeholders.

6.3 Remuneration components

Fixed remuneration is composed of (i) salary, (ii) any additional amounts paid as a result of contractual obligations or applicable law, or as a result of market practice, and (iii) any benefits in kind which are awarded as a result of the job rather than the performance within the job.

The fixed remuneration of an employee is determined by the job performed, its level of complexity and responsibility, and the remuneration paid in the market for that type of job. It is set, for all staff, at a rate to be at all times sufficient to provide for full flexibility in the variable remuneration, including a zero variable remuneration.

Employees who have accepted to be a director of another of BNY Mellon's legal entities are not remunerated in their capacity as a director. Independent directors of BNY Mellon only receive fixed remuneration, as disclosed in our annual Proxy Statement to shareholders.

6.4 Variable compensation funding and risk adjustment

The criteria for determining variable compensation reflect individual, business line and corporate performance, as applicable, and are determined on the basis of financial and non-financial factors, both currently and over a longer period of time.

The staff of BNYM SA/NV is eligible to be awarded variable compensation. Such variable compensation consists of both cash and deferred components and is determined by the functional hierarchy of the business or business partner service to which the individual staff member belongs, and in accordance with the terms and conditions of the incentive compensation plan that is applicable for the business or business partner service.

The deferred component is intended to align a portion of the variable compensation award with the management of all kinds of longer term business risk. The deferred compensation component is generally awarded in the form of restricted stock units.

Furthermore, BNY Mellon requires employees who receive awards to agree to clawback and/or forfeiture provisions on such awards in the event of fraud or conduct contributing to financial restatement or other irregularities.

6.5 Deferral policy and vesting criteria

The deferred component of the variable compensation award is generally delivered as restricted stock units whose value is tied to The Bank of New York Mellon Corporation, Inc.'s share price. The percentage of the variable compensation award to be deferred depends on the level of the position and the amount of the award. For regulated staff, the variable compensation portion of an award is broken out in four different parts: upfront cash, upfront equity, deferred cash and deferred equity, in order to comply with local regulations. All such deferred awards are subject to terms and conditions that provide for forfeiture or clawback in certain circumstances.

6.6 Variable remuneration of control function staff

The variable compensation awarded to control function staff (e.g. audit, legal and risk) is dependent on performance which is assessed according to the achievement of objectives specific to their functional role which is independent of the activities they oversee. This remuneration is benchmarked against the market level and funded independently of individual business line results and adjusted based on BNY Mellon's overall annual financial performance.

6.7 Quantitative Remuneration Disclosure

The tables below provide details of the aggregate remuneration of Identified Staff for BNYM SA/NV for the year ending 31 December 2013.

The remuneration amounts are presented on a gross basis, regardless of the time spent by BNY Mellon staff in respect of BNYM SA/NV, to reflect the full reporting period.

Table 8: Aggregate remuneration expenditure for Identified Staff in 2013 by business¹

	BNYM SA/NV		
	Investment Services ³ €000s	Other ² €000s	Total €000s
	5,541	4,007	9,548

1. Includes base salary and other cash allowances, plus any cash incentive and the total of any awards made in BNY Mellon shares or options, valued at the date of grant.

2. Includes all support functions and general management positions.

Table 9: Aggregate remuneration expenditure for Identified Staff in 2013 by remuneration type

	BNYM SA/NV		
	Senior Management ²	Other Identified Staff	Total
Number of beneficiaries	7	22	29
Fixed remuneration (€000s) ¹	2,206	3,892	6,098
Variable remuneration (€000s)	1,566	1,884	3,450
Cash (€000s)	470	831	1,301
Up front shares (€000s)	470	388	858
Deferred cash (€000s)	313	259	572
Deferred shares (€000s)	313	406	719
Outstanding, Unvested Deferred Awards			
Options (# Options)	36,457	39,895	76,352
RSUs (# RSUs)	54,195	70,648	124,843
Deferred Cash (€000s)	379	299	678

1. Fixed remuneration includes base salary and any cash allowances.

2. Senior Management defined as Senior Managing Directors.

7 Glossary of Terms

The following terms are used in this document:

- **ALCO:** Asset and Liability Committee
- **AMA Scenarios:** Advanced Measurement Approach under the Basel II Operational risk
- **Basel II:** The June 2006 capital adequacy framework issued by the Basel Committee on Banking Supervision in the form of the 'International Convergence of Capital Measurement and Capital Standards'.
- **BNY Mellon:** The Bank of New York Mellon
- **BNYMC:** The Bank of New York Mellon Corporation
- **CCR:** Counterparty Credit Risk
- **CRD:** Capital Requirements Directive
- **Credit and Operational Risk Management Committee (CORMC):** CORMC approves the credit and operational risk methodologies and assumptions that do not require review by the Risk Quantification Committee.
- **Credit risk mitigation (CRM):** A technique to reduce the credit risk associated with an exposure by application of credit risk mitigants such as collateral, guarantees and credit protection.
- **Compensation Oversight Committee (COC):** monitors the company's compensation plan and advise the HRCC on any remuneration risk-related issues.
- **Derivatives:** A derivative is a financial instrument that derives its value from one or more underlying assets, for example bonds or currencies.
- **EMEA Remuneration Governance Committee (ERGC):** was set-up as a regional governance committee that reviews and ensures compliance with local regulations affecting BNY Mellon's EMEA businesses.
- **Exposure:** A claim, contingent claim or position which carries a risk of financial loss.
- **Exposure at default (EAD):** The amount expected to be outstanding, after any credit risk mitigation, if and when counterparty defaults. EAD reflects drawn balances as well as allowance for undrawn amounts of commitments and contingent exposures.
- **High Level Assessment (HLA):** An assessment of the quality of controls in place to mitigate risk and residual risk. Residual risk is assessed as High, Moderate to High, Moderate, Moderate to Low and Low with direction anticipated.
- **Human Resources and Compensation Committee (HRCC):** oversees BNY Mellon's enterprise-wide employee compensation and benefit policies and programs.
- **Institutions:** Under the Standardised approach, Institutions are classified as credit institutions or investment firms.
- **Internal Capital Adequacy Assessment Process (ICAAP):** The group's own assessment of the levels of capital that it needs to hold through an examination of its risk profile from regulatory and economic capital viewpoints.
- **Key Risk Indicator (KRI):** Key Risk Indicator are used by business lines to evaluate control effectiveness and residual risk within a business process.
- **Residual maturity:** The period outstanding from the reporting date to the maturity or end date of an exposure.
- **Risk appetite:** A definition of the types and quantum of risks to which the firm wishes to be exposed.
- **Risk and Control Self-Assessment (RCSA):** Risk and Control Self-Assessment is used by business lines to identify risks associated with their key business processes and to complete a detailed assessment of the risk and associated controls.
- **Risk Governance Framework:** The BNYM SA/NV risk governance framework has been developed in conjunction with BNYMC requirements. Key elements of the framework are:
 - Formal governance committees, with mandates and attendees defined

- Clearly defined escalation processes, both informally (management lines) and formally (governance committees, board, etc)
- A clear BAU process for identification, management and control of risks
- Regular reporting of risk issues
- **RMC:** Risk Management Committee which meets on a monthly basis to provide governance on risk related items arising from the business of the group
- **SIFI:** A systemically important financial institution is a bank, insurance company, or other financial institution whose failure might trigger a financial crisis.
- **Standardised approach:** In relation to credit risk, a method for calculating credit risk capital requirements using external credit assessment institution ratings and supervisory risk weights. In relation to operational risk, a method of calculating the operational capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines. In relation to market risk, a method calculating 8% of the greater of the net long and net short foreign exchange positions.

Contact

Name : Hedi Ben Mahmoud

Department : Chief Risk Officer for BNYM SA/NV

Phone : +32 2545 4333

2013 PILLAR 3 DISCLOSURE

THE BANK OF NEW YORK MELLON SA/NV

THE BANK OF NEW YORK MELLON SA/NV

46 RUE MONTOYERSTRAAT

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The Bank of New York Mellon SA/NV is a Belgian public limited liability company (société anonyme/naamloze vennootschap), authorised and regulated as a credit institution by the National Bank of Belgium (NBB), and a subsidiary of The Bank of New York Mellon, a banking corporation organised under the laws of the State of New York, with head office at One Wall Street, New York, NY 10286, U.S.A.



BNY MELLON