BNY MELLON

The Bank of New York Mellon S.A./N.V.

Pillar 3 Disclosure

September 30, 2021

Executive summary

Capital

Risk

BNY MELLON

Appendices

Attestation Statement

I confirm that the 30 September 2021 Pillar 3 Disclosure meets the relevant regulatory requirements as described in section one of this report and it has been prepared in accordance with the internal policies and controls in place which have been approved by the Board of Directors (the ‘Board’).

As set out in the Risk section of this report, the Board is responsible for approving policies and procedures as may be required by law or otherwise appropriate and for reviewing the Company's processes for compliance with applicable laws, regulations and the internal policies including the Code of Conduct.

These disclosures were approved by the BNY Mellon SA/NV Executive Committee on 21 December 2021.

Eric Pulinx
Chief Financial Officer
Member of the Executive Committee

1 Article 431 CRR II - Disclosure requirements and policies

These Pillar 3 disclosures are published for The Bank of New York Mellon SA/NV (the 'Company'), in line with the disclosure principles of the National Bank of Belgium[1,2] ('NBB'), the Capital Requirements Directive[3] ('CRD V') and the Capital Requirements Regulation[4] ('CRR II'), complementing the annual disclosures of the financial statements.

These disclosures cover the Company, its subsidiary undertaking and branches as at 30 September 2021.

These disclosures were approved by the Company's Executive Committee ('ExCo') on 21 December 2021.

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1 NBB Circulars 2015_25 and 2017_25: Orientations relatives à la publication d'informations (Pilier III, CRD IV), 3 September 2015 and 2 October 2017.

2 NBB Supervisory Disclosure Rules and Guidance: https://www.nbb.be/en/financial-oversight/prudential-supervision/areas-responsibility/credit-institutions/supervisory-5

3 Directive 2019/878/EU and of the Council of 20 May 2019, amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures.

4 Regulation (EU) No 2019/876 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No 2013/575, 20 May 2019.

Pillar 3 disclosures are required for a consolidated group and for those parts of the group covered by CRD V. When assessing the appropriateness of these disclosures in the application of Article 431(3) of CRR II, the Company has ensured adherence to the following principles of:

Clarity | Meaningfulness | Consistency over time | Comparability across institutions

The Basel Committee on Banking Supervision ('BCBS') requires these disclosures to be published at the highest level of consolidation. The Company has adopted this approach with information presented at a fully consolidated level.

	30-Sep-21	30-Jun-21
Common Equity Tier 1 ratio	52.04%	58.67%
Tier 1 capital ratio	52.04%	58.67%
Total capital ratio	52.04%	58.67%
Basel III leverage ratio[1]	7.03% (10.27%)	7.39% (11.37%)

[1] The percentage in brackets represents the leverage ratio excluding central bank exposures, calculated in accordance with the Regulation EU/2020/873 Article 1(9) 'article 500b'.

CET1 ratio	=	CET1 capital / Pillar 1 RWAs
Tier 1 ratio	=	Tier 1 capital / Pillar 1 RWAs
Total capital ratio	=	Total capital / Pillar 1 RWAs
Leverage ratio	=	Tier 1 capital / Leverage exposure measure

1.1 Purpose of Pillar 3

The aim of the Pillar 3 disclosures is to provide market participants with accurate and comprehensive information regarding the risk profile of the Company, including key information around on the scope of application, capital, risk exposures, risk assessment processes, enabling users to better understand and compare its business, its risks and capital adequacy.

To that end, Pillar 3 principles require disclosure of risk management objectives and policies for each of the following categories alongside relevant quantitative risk assessment disclosures:

Capital requirements | Risk management | Liquidity

This document focuses only on those risk categories required to be disclosed at the reporting point.

Where appropriate, the disclosures also include comparatives for the prior periods and an analysis of the more significant movements to provide greater insight into the risk management practices of the Company and its risk profile.

In addition, Pillar 3 annual disclosures include detailed information on remuneration policies and practices for members of staff whose activities have a material impact on the Company's risk profile.

1.2 Article 432 CRR II - Non-material, proprietary or confidential information

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 Company 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.

Furthermore, the Board may omit one or more disclosures if the information provided is regarded as proprietary or confidential. Information is regarded as proprietary if disclosing it publicly would undermine the Company's competitive position or the competitive position of the BNY Mellon group. It may include information on products or systems which, if shared with competitors, would render investment in the Company or the BNY Mellon group less valuable. In such circumstance, the Board will state in its disclosures the fact that specific items of information are not disclosed and the reason for non-disclosure. In addition, it will publish more general information about the subject matter of the disclosure requirement except where this is classified as proprietary or confidential.

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

1.3 Article 433/434 CRR II - Frequency, scope and means of disclosure

Pillar 3 disclosures for the Company and its only subsidiary, BNY Mellon Service Kapitalanlage-Gesellschaft mbH (‘BNY Mellon KAG’), are published at a fully consolidated level.

Pillar 3 disclosures are approved by the Company's ExCo, which has verified that they are consistent with formal policies adopted regarding production and validation.

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

Disclosure will be made for each calendar quarter and will be published in conjunction with the date of publication of the financial statements where applicable. The Company will reassess the need to publish some or all of the disclosures more frequently 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 are published on The Bank of New York Mellon corporate website which can be accessed using the link below:

BNY Mellon Investor Relations - Pillar 3

See the Additional Country Disclosures section.

Pillar 3 disclosures are prepared solely to meet Pillar 3 disclosure requirements 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.

1.4 Governance: approval and publication

Pursuant to the BNY Mellon EMEA Pillar 3 disclosure standard, these disclosures were approved for publication by the ExCo on 21 December 2021. The ExCo approved the adequacy of the Company's risk management arrangements, providing assurance that the risk management systems put in place are adequate with regard to the Company’s profile and strategy.

1.5 Article 436 CRR II - Scope of application

The Pillar 3 disclosures have been produced for the Company on a consolidated basis, including its branches and (fully) consolidated subsidiary. The Company is a credit institution incorporated in Belgium. It is a subsidiary of The Bank of New York Mellon, a New York banking corporation with trust powers, having its principal office in New York, which is itself a subsidiary of The Bank of New York Mellon Corporation ('BNY Mellon'), the ultimate parent company of the BNY Mellon Group.

BNY Mellon Group ('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 of 30 September 2021, BNY Mellon had $45.3 trillion in assets under custody and/or administration, and $2.3 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Follow us on Twitter @BNYMellon or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

The Company is subject to dual supervision in Belgium: for market conduct matters, supervision is exercised by the Financial Services and Markets Authority (the 'FSMA') while for prudential matters, supervision is exercised by the European Central Bank (the 'ECB') together with the National Bank of Belgium (the 'NBB'), acting as National Competent Authority, as the Company has been identified as a significant bank within the Single Supervisory Mechanism. In addition, the Company's resolution authority is the Single Resolution Board ('SRB'). The Company also qualifies as a Belgian custodian bank and is directly supervised by the NBB in this respect. Its nine branches and consolidated subsidiary ('BNY Mellon KAG') are also subject to local supervision by the following national regulators:

Name	Type	Regulator
Amsterdam Branch	Branch	De Nederlandsche Bank ('DNB')
Dublin Branch	Branch	Central Bank of Ireland ('CBI')
Frankfurt Branch	Branch	Deutsche Bundesbank ('DB') & Federal Financial Supervisory Authority / Bundesanstalt für Finanzdienstleistungsaufsicht ('BaFin')
London Branch	Branch	Prudential Regulatory Authority ('PRA'), Financial Conduct Authority ('FCA')
Luxembourg Branch	Branch	Commission de Surveillance du Secteur Financier ('CSSF')
Copenhagen Branch	Branch	Danish Financial Supervisory Authority ('DFSA')
Paris Branch	Branch	Autorité De Contrôle Prudentiel ('ACPR'), Banque De France ('BD')
Milan Branch	Branch	Banca D'Italia ('BI')
Madrid Branch	Branch	Banco de España ('BDE')
BNY Mellon KAG	Subsidiary	Bundesanstalt für Finanzdienstleistungsaufsicht ('BaFin')

1.6 Organisational structure

The Company is a corporation with a Banking License, recognized as a custodian bank. The Company has its head quarter in Brussels and is a wholly owned subsidiary of The Bank of New York Mellon (99.9999% of share capital) and BNY International Financing Corporation (0.0001% of share capital).

The Company provides services on a passported basis through its headquarters in Brussels and its branches in Amsterdam, Dublin, Frankfurt, London, Luxembourg, Milan, Madrid, Copenhagen and Paris. The Company also has a subsidiary in Frankfurt, BNY Mellon KAG. Pursuant to the EU single market directives, the Company is authorised to provide financial services in the European Economic Area, being the EU 27 countries plus Iceland, Lichtenstein, and Norway. Some of those countries apply restrictions to passporting rights, in accordance with the local transpositions of the EU directives. The Company complies with these restrictions and adapts its operations accordingly.

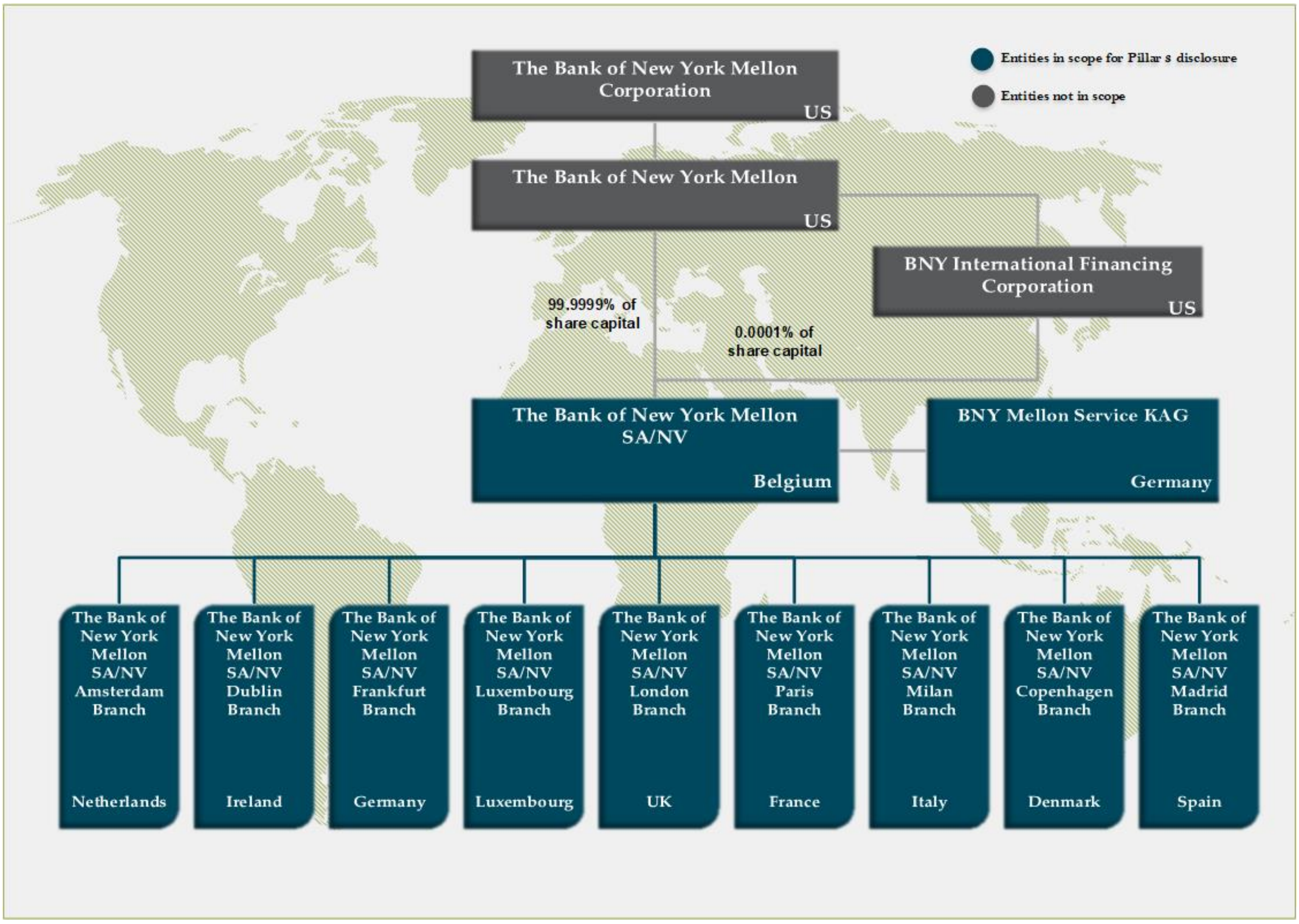
The Company was established in 2008 with the aim of becoming BNY Mellon’s main banking subsidiary in Continental Europe. During 2009, part of the business of the Brussels Branch of BNY Mellon was integrated into the Company, forming the current Brussels Head Office. As part of BNY Mellon’s strategy to consolidate its legal entity structure in Europe, the Company acquired branches in Amsterdam, London, Frankfurt and Luxembourg further to the merger with BNY Mellon GSS Acquisition Co. (Netherlands) BV on October 1, 2009. On June 1, 2011, further to the merger with The Bank of New York Mellon's acquired German subsidiary, BNY Mellon Asset Servicing GmbH, the Company significantly expanded the activities of its Frankfurt branch and Frankfurter Service KapitalverwaltungsGesellschaft mbH became the Company’s fully owned subsidiary under the name of BNY Mellon Service Kapitalanlage-Gesellschaft mbH ('BNY Mellon KAG'). On December 1, 2011, the Company opened a branch in Paris. On February 1, 2013, the Company opened a new branch in Dublin as a result of the cross-border merger with The Bank of New York Mellon (Ireland) Limited. An additional branch in Milan was created on April 1, 2017 as a result of the merger of The Bank of New York Mellon (Luxembourg) S.A. into the Company. On 29 November 2019 the Company merged with BNY Mellon Trust Company (Ireland) Limited. On 1 December 2020 the Copenhagen representative office was converted into the BNY Mellon SA/NV Copenhagen Branch, this was followed by the conversion of the Madrid representative office into the BNY Mellon SA/NV Madrid Branch on 1 February 2021. This provides an enhanced level of service and support to clients in Denmark, Spain and the wider Nordics and Iberian regions, by offering innovative solutions and providing access to BNY Mellon’s global capabilities. Prior to conversion, Copenhagen was a representative office of the Company whilst Madrid was a representative office of BNY Mellon Institutional Bank.

Effective November 4, 2014, the ECB as part of Single Supervisory Mechanism ('SSM') became the principal regulator for the Company along with the NBB. The Company is also supervised by the FSMA which is responsible for the integrity of the financial markets and fair treatment of financial consumers in Belgium pursuant to the Act of 2 August 2002 on the supervision of the financial sector and on financial services.

On November 20, 2015, the Company was designated as a domestic systemically important institution (referred to in the CRD V as an “other systemically important institution” or “O-SII”) in Belgium.

The legal entity structure of the Company is set out in figure 1 on the following page.

Figure 1: The Company's legal entity structure at 30 September 2021



Basis of consolidation

Entity name	Consolidation basis	Services provided
BNY Mellon SA/NV	Fully consolidated	Belgian credit institution, also recognised as a Belgian custodian bank who's services include; Asset servicing, Clearance and Collateral Management, Markets.
BNY Mellon KAG	Fully consolidated	A capital investment company which is an independent provider of fund administration and investment management services.
BNY AIS Nominees Limited	Fully consolidated	Acts as a nominee shareholder on behalf of clients of its parent and sole shareholder the Bank of New York Mellon SA/NV Dublin Branch.

Subsidiaries are consolidated from the date on which control is transferred to the Company until the date the Company ceases to control the subsidiary. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; or,
- the ability to use its power over the investee to affect its returns.

The existence and the effect of potential voting rights that are currently exercisable or convertible are considered when assessing the control of the Company over another entity. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

1.7 Operating model

The Operating Model refers to how BNY Mellon collaborates, organises and manages its business with a focus on optimising the balance sheet, driving efficiencies and enabling growth. It also describes the operations and technology which enables businesses to serve clients. The model has evolved and covers 5 key areas: Banking and other entities (which includes the EMEA Operating Model Programme or Three-Bank-Model), Governance & Accountability, Booking and Solicitation Practices, Resilience - Operations and Technology, and People and Real Estate. Furthermore, regulatory change has been a large component of the change agenda and will continue to be so with a large number of regulatory change initiatives in execution mode as well as on the horizon. Digital and data initiatives are also key to the Company's strategy.

Banking and other Entities (EMEA Operating Model Programme) - This has been a major strategic initiative for BNY Mellon in the EMEA region over the past few years rationalising our legal entity structure to a three bank model, establishing a dual sub-custody network and aligning clients to the appropriate legal entity and network.

Governance & Accountability - In close consultation with the European Central Bank, we have been particularly focused on strengthening the governance and accountability within The Company. Senior leadership has been engaged in a governance and accountability review related to the reporting line structure, aimed at meeting regulatory expectations as well as those of our clients and other stakeholders.

Booking and Solicitation Practices - Booking Principles are BNY Mellon's approach to guide the booking of business to the appropriate legal entity for each client's domicile and product considering local rules, licenses, permissions and product infrastructure. The Company is guided as the main booking entity (where possible) for EU domiciled clients. Any proposed booking for non-EU jurisdictions would be subject to the relevant conditions and restrictions from the applicable third country regime for regulated activity. Booking Principles are maintained by the lines of business and centrally coordinated through a First Line of Defense Controls Framework.

Resilience – Operations and Technology - The Company is documenting its detailed Technology Strategy in a distinct document and this will be developed alongside and in close alignment with the Company's Business Strategy and the Enterprise Technology Strategy.

People and Real Estate - Talent attraction, retention and development are an integral part of the Company growth strategy. Our ability to deliver on growth strategy and plans is largely based on the talent that is acquired, retained and developed. Diverse panels and short lists together with greater familiarity of the talent pipeline is key for the strategy.

FX Trading - "ECB supervisory expectations on booking models" requires that a percentage of the risk generated from the 27 European Union countries (the 'EU27') client FX flow be risk managed within the Company, i.e. The European Bank (the 'EB'); and that the EB can no longer rely on a 100% back to back booking model to the BNYM Institutional Bank (the 'BNYM IB'). Pursuant to this, our Brexit programme agreed with the Joint Supervisory Teams to set up an FX trading desk within The Company's Frankfurt branch and end the reliance on a 100% back to back IB booking model.

The FX trading desk is pricing EU27 clients in collaboration with the established FX Sales desk implemented as part of the Brexit day 1 project. This FX Trading desk is now risk managing the majority of the EU27 client flow within the EB entity.

1.8 Core business lines

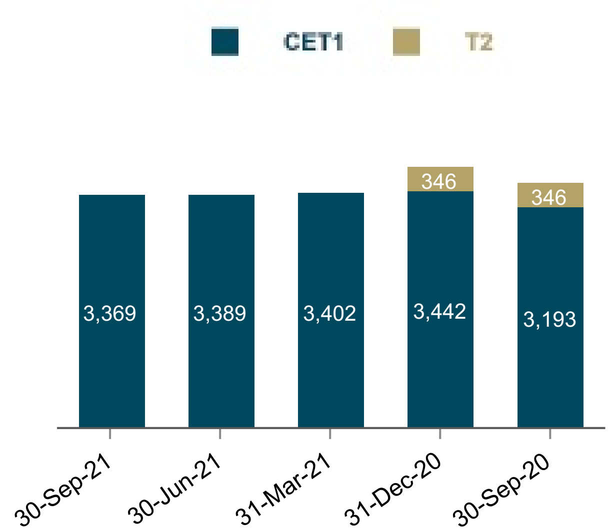
The Company has a number of core business lines including Asset Servicing, Treasury, Corporate Trust, Depository Receipt Services, Foreign Exchange, Collateral Management and Segregation, Liquidity Services and Segregation, Global Clearance and Securities Financing.

Line of business	Description
Asset Servicing ('AS')	Asset Servicing primarily comprises Custody Services but also includes a range of ancillary services. These include Trustee & Depositary Services, Institutional Accounting, Fund Accounting, Transfer Agency Services, Investment Operations, Alternative Investments Services, Global Risk Solutions, and oversight of outsourced Investment Management Services.
Treasury Services	Treasury Services ('TS') market and sell USD, GBP & EUR Correspondent Bank Clearing Services including supplementary products (e.g. FX and Multi-Currency) to eligible European domiciled clients. This is done through TS personnel employed by the EB. The EB acts in an intermediary role in marketing and selling the products as the contract is with the BNYM IB.
Issuer Services	
Corporate Trust ('CT')	BNY Mellon SA/NV offers Corporate Trust Services, acting in a broad range of agency roles including, but not limited to: trustee, registrar, issuing and paying agent, common depository, exchange agent, custodian and collateral / portfolio administration.
Depository Receipt Services	BNY Mellon SA/NV Dublin Branch performs certain operational activities relating to Depository Receipts, predominantly issuance and cancellation. Depository Receipts facilitate cross-border investment solutions for companies and investors. They are negotiable financial securities issued by a bank to represent foreign companies' publicly traded securities, allowing them to have their stocks traded in foreign markets.
Clearance, Markets and Collateral Management	
Foreign Exchange ('FX')	BNY Mellon SA/NV provides Foreign Exchange Services that enable clients to achieve their investment, financing and cross-border objectives.
Collateral Management and Segregation	BNY Mellon SA/NV mainly acts as a servicing entity providing services contracted by BNY Mellon acting as tri-party agent for transactions related to securities lending and repurchase ("repo") agreements, or acting as an administrator, providing Segregation Services for any type of transaction requiring segregation of collateral.
Liquidity Services and Segregation	BNY Mellon SA/NV provides sales and client services enabling clients to view, transact and generate reporting for their daily liquidity activities via an on-line platform.
Global Clearance	Global Clearance provides Settlement and Custody services for fixed- income and equity securities.
Securities Finance	BNY Mellon SA/NV provides Securities Lending Agent Services which include third party lending, cash reinvestment and agency cash investment products.

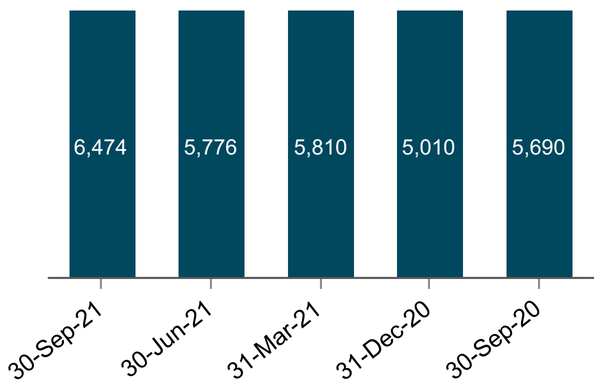
1.9 Article 447 CRR II - Key metrics

The following risk metrics reflect the Company's risk profile:

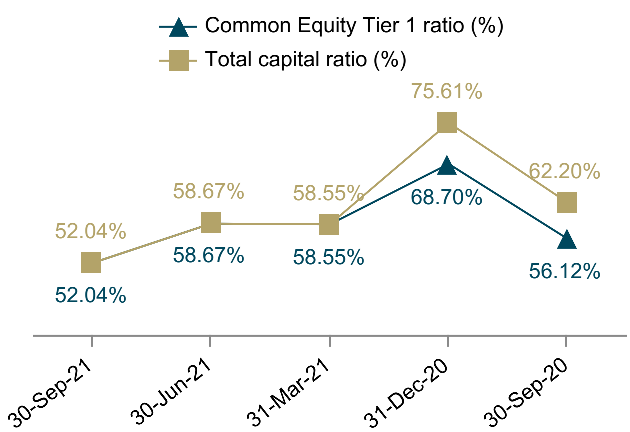
Regulatory capital (€m)



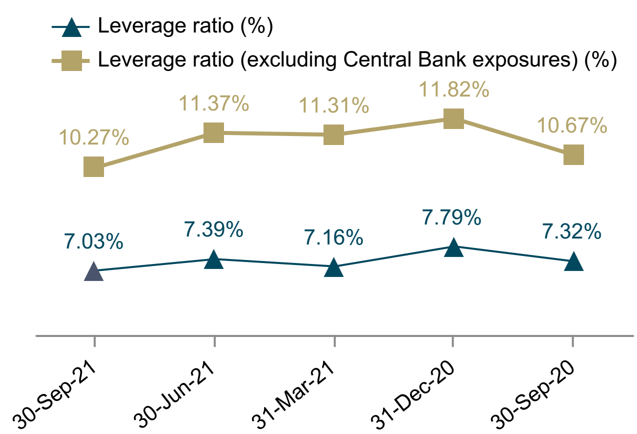
Risk-weighted assets (€m)



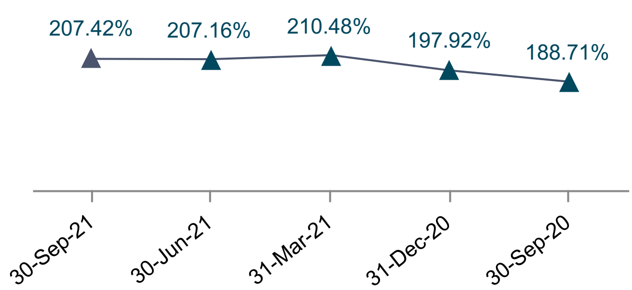
Capital ratios



Leverage ratio



Liquidity coverage ratio



Net stable funding ratios

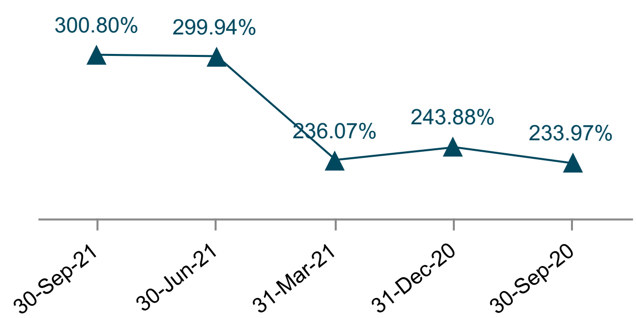


Table 1: EU KM1 Key metrics

(€m)	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20
Available own funds					
Common Equity Tier 1 ('CET1') capital	3,369	3,389	3,402	3,442	3,193
Tier 1 capital	3,369	3,389	3,402	3,442	3,193
Tier 2 capital [1]	—	—	—	346	346
Total capital	3,369	3,389	3,402	3,788	3,539
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	6,474	5,776	5,810	5,010	5,690
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	52.04 %	58.67 %	58.55 %	68.70 %	56.12 %
Tier 1 ratio (%)	52.04 %	58.67 %	58.55 %	68.70 %	56.12 %
Total capital ratio (%)	52.04 %	58.67 %	58.55 %	75.61 %	62.20 %
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
of which: to be made up of CET1 capital (percentage points)	1.13 %	1.13 %	1.13 %	1.13 %	1.13 %
of which: to be made up of Tier 1 capital (percentage points)	1.50 %	1.50 %	1.50 %	1.50 %	1.50 %
Total SREP own funds requirements (%)	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
Institution specific countercyclical capital buffer (%)	0.07 %	0.08 %	0.06 %	0.04 %	0.03 %
Other Systemically Important Institution buffer (%)	0.75 %	0.75 %	0.75 %	0.75 %	0.75 %
Combined buffer requirement (%)	3.32 %	3.33 %	3.31 %	3.29 %	3.28 %
Overall capital requirements (%)	13.32 %	13.33 %	13.31 %	13.29 %	13.28 %
CET1 available after meeting the total SREP own funds requirements (%)	42.04 %	48.67 %			
Leverage ratio [2]					
Total exposure measure	47,913	45,845	47,546	44,193	43,605
Leverage ratio (%)	7.03 %	7.39 %	7.16 %	7.79 %	7.32 %
Total exposure measure (excluding Central Bank exposures)	32,811	29,815	30,086	29,132	29,927
Leverage ratio (excluding Central Bank exposures) (%)	10.27 %	11.37 %	11.31 %	11.82 %	10.67 %
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
Additional own funds requirements to address the risk of excessive leverage (%)	— %	— %			
Total SREP leverage ratio requirements (%)	4.57 %	4.57 %			
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	— %	— %			
Overall leverage ratio requirement (%)	4.57 %	4.57 %			

(€m)	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20
Liquidity Coverage Ratio					
Total high-quality liquid assets (Weighted value - average)	27,155	26,131	24,924	24,162	22,646
Cash outflows - Total weighted value	21,701	21,178	20,218	21,065	20,593
Cash inflows - Total weighted value	8,554	8,509	8,970	9,380	9,058
Total net cash outflows (adjusted value)	13,147	12,669	11,953	12,391	12,240
Liquidity coverage ratio (%)	207.42 %	207.16 %	210.48 %	197.92 %	188.71 %
Net Stable Funding Ratio					
Total available stable funding	15,750	15,315	15,444	13,984	13,947
Total required stable funding	5,236	5,106	6,542	5,734	5,961
NSFR ratio (%)	300.80 %	299.94 %	236.07 %	243.88 %	233.97 %

Note: Capital and leverage ratios include yearly profit at December reporting points.

[1] Following regulatory approval, subordinated debts of €346 million were repaid on 26 February 2021.

[2] Leverage ratios presented in accordance with the Regulation EU/2020/873 Article 1(9) ‘article 500b’.

Pillar 1 CET1 ratio (4.5%) plus Pillar 2 requirement CET1 ratio (1.1%).
Pillar 1 Tier 1 ratio (6%) plus Pillar 2 requirement Tier 1 ratio (1.5%).
TSCR CET1 ratio (5.6%) plus the combined buffer (3.3%).
TSCR Tier 1 ratio (7.5%) plus the combined buffer (3.3%).
OCR CET1 ratio (8.9%) plus Pillar 2 guidance (3.5%).
OCR T1 ratio (10.8%) plus Pillar 2 guidance (3.5%).

Key External Factors Influencing BNY Mellon SA/NV

Below are some of the key highlights of the Company's third quarter results and financial position:

At the end of September 2021 the spot balance sheet of the Company stood at €44 billion representing a €2 billion increase on June 2021 and an overall net increase of €4 billion from December 2020. This net 10% movement was largely the result of higher intercompany and third party deposits of €2.5 billion and €0.9 billion respectively. Repurchase agreements of €0.3 billion, and a new Intercompany long term debt with BNY Mellon Institutional Bank of €0.8 billion were additional contributory factors. These were partially offset by the subordinated debt repayment of €0.3 billion in the first quarter.

The year to date pre-tax income (PTI) of €219.2 million was 8.5% lower than the equivalent period of last year. The main drivers were lower net interest income stemming primarily from USD interest rate movements, down €20.4 million. Net intercompany fees were also affected by comparatively higher intercompany expenses, notably Support Charges and Technology costs, collectively down €5.6 million. Direct expenses were also higher by €5.3 million, mainly influenced by Brexit planning and the new Madrid branch, as were Sub-Custodian fees, up €6.6 million. The overall decline on prior year was partially offset by a €21.6 million increase in fee and commission income largely resulting from higher volumes of assets under custody.

BNY Mellon is well-positioned against competition thanks to BNY Mellon Group’s legal entities rationalization strategy. BNY Mellon has a unique selling proposition that fits the needs of our clients, with the Company positioned as the “European Bank”.

Business Evolution in 2021

On 1 February 2021, the Company launched the BNY Mellon SA/NV - Madrid Branch in order to further support its clients in the Spanish region. Additionally, following regulatory approval, subordinated debts of €346 million were repaid on 26 February 2021. As a mitigation measure, the Company contracted for €800 million of borrowing with a 10 year maturity, which is needed to manage the impact of the €346m subordinated debt repayment on the Company's regulatory metrics. This borrowing will not qualify as capital.

As of 28 June 2021 the CRD V and CRR II regulatory frameworks became binding on the Company. Consequently, disclosures are being prepared in accordance with the requirements of Directive (EU) 2019/878 and Regulation (EU) No 2019/876.

2 Article 437/437a CRR II - Own funds and eligible liabilities

Common Equity Tier 1 capital

€3,369
30-Sep-21

€3,389m
30-Jun-21

Total own funds

€3,369
30-Sep-21

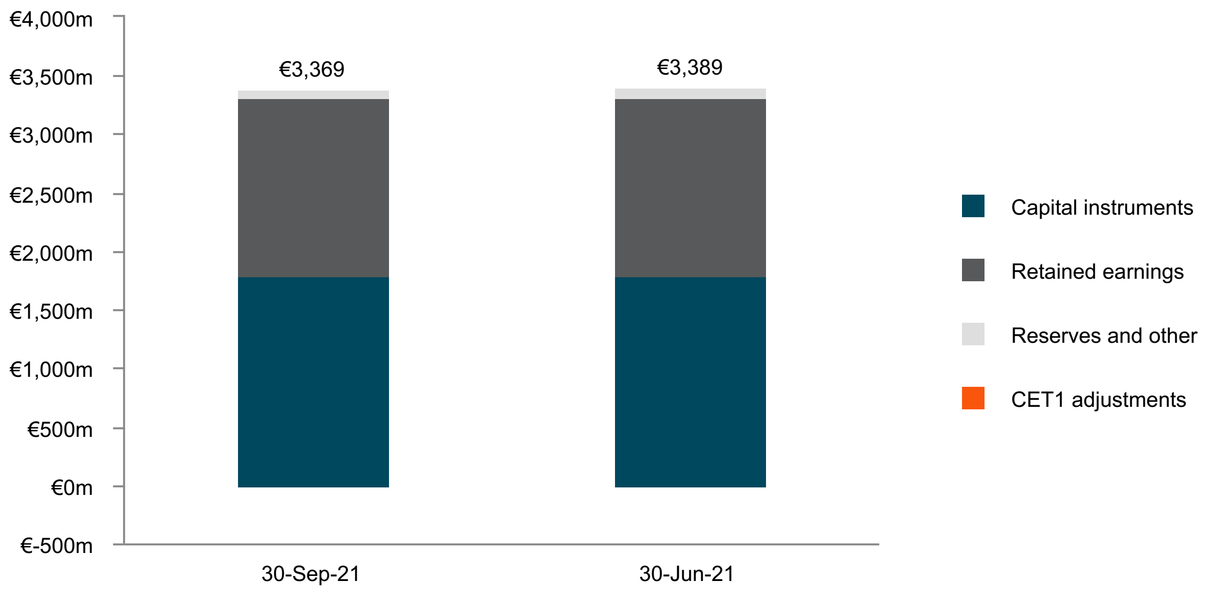
€3,389m
30-Jun-21

CET1 available after meeting requirements

42.04%
30-Sep-21

48.67%
30-Jun-21

Composition of regulatory capital



This section provides an overview of the regulatory balance sheet and composition of the Company's regulatory capital. There are a number of differences between the balance sheet prepared in accordance with International Financial Reporting Standards ('IFRS') and Pillar 3 disclosures published in accordance with prudential requirements.

Own funds comprise tier 1 capital less deductions.

The Company's regulatory capital is defined by CRD V and includes:

- **Common equity tier 1 capital** which is the highest quality form of regulatory capital under Basel III comprising common shares issued and related share premium, retained earnings and other reserves excluding the cash flow hedging reserve, less specified regulatory adjustments
- Following regulatory approval, **tier 2** subordinated debts of €346 million were repaid on 26 February 2021.

Table 2: EU ILAC Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

In accordance with the requirements of Article 92b of Regulation (EU) No 575/2013, this table shows the Company's minimum requirement for eligible liabilities, being a material subsidiary of a non-EU G-SII.

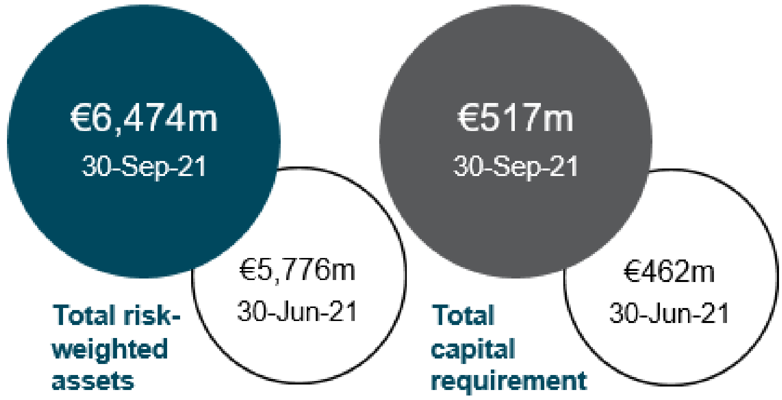
The Company is not classified as a resolution entity and does not have eligible liabilities as defined by Article 45 to 45i of Directive (EU) No 2014/59. The information is presented on a Consolidated basis.

At 30 September 2021 (€m)	Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII Requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application			
Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities?			Y
If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis?			C
Is the entity subject to an internal MREL requirement?			Y
If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis?			C

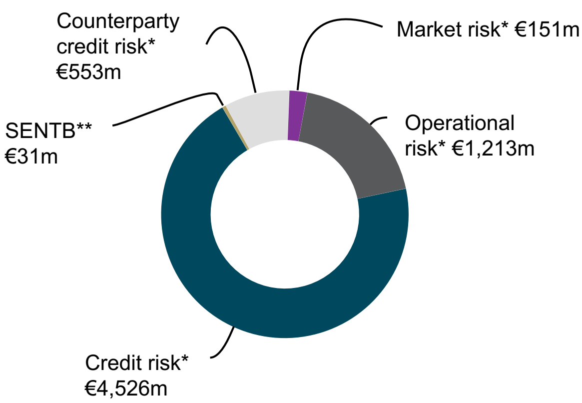
Own funds and eligible liabilities			
Common Equity Tier 1 capital (CET1)	3,369	3,369	
Eligible Additional Tier 1 instruments	—	—	
Eligible Tier 2 instruments	—	—	
Eligible own funds	3,369	3,369	
Eligible liabilities	—	—	
Own funds and eligible liabilities items after adjustments	3,369	3,369	
Total risk exposure amount and total exposure measure			
Total risk exposure amount	6,474	6,474	
Total exposure measure	32,811	32,811	
Ratio of own funds and eligible liabilities			
Own funds and eligible liabilities (as a percentage of TREA)	52.04 %	52.04 %	
of which permitted guarantees	— %		
Own funds and eligible liabilities (as a percentage of leverage exposure)	10.27 %	10.27 %	
of which permitted guarantees	— %		
CET1 (as a percentage of TREA) available after meeting the entity's requirements	29.95 %	29.95 %	
Institution-specific combined buffer requirement		3.32 %	
Requirements			
Requirement expressed as a percentage of the total risk exposure amount	22.10 %	14.40 %	
of which may be met with guarantees	— %		
Internal MREL expressed as percentage of the total exposure measure	5.90 %	5.40 %	
of which may be met with guarantees	— %		
Memorandum items			
Total amount of excluded liabilities referred to in Article 72a(2) CRR		36,753	

Note: Rows which are not applicable to the Company have not been presented in the table.

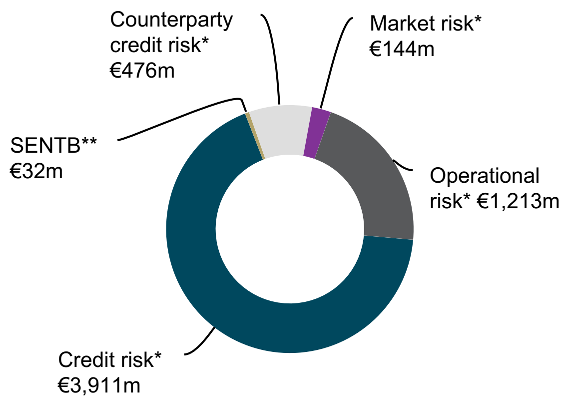
3 Article 438 CRR II - Own funds requirements and risk weighted exposure amounts



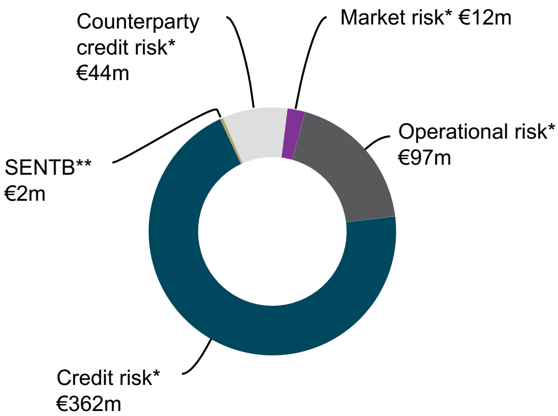
Risk weighted exposure by risk type at 30 September 2021



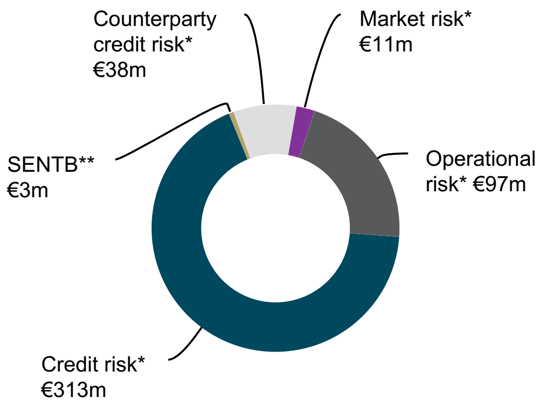
Risk weighted exposure by risk type at 30 June 2021



Capital requirements by risk type at 30 September 2021



Capital requirements by risk type at 30 June 2021



* Standardised approach framework

** SEC-ERBA framework

SENTB: Securitisation exposures in the non-trading book

The Company’s capital plan aims to ensure that it holds an appropriate amount of capital to support its business model, allowing for prudent management of the business, given a range of plausible but severe stress scenarios. Potential capital shortfalls are identified over a three year period and capital plans adjusted accordingly. The plan is reflective of the Company’s risk appetite, which details a commitment to a strong balance sheet characterised by strong liquidity, superior asset quality and a capital structure which supports the risk taking activities and has the ability to absorb losses.

The plan is developed with input from Finance, Risk, Treasury and the business lines. Incorporating the projected earnings based on its business plan, the Company generates a three year forecast, which forms the base foundation for financial modelling and stress testing used as part of the ICAAP process.

The capital plan effectively incorporates a view of the Company’s current business model, the risks associated with that model, and an assessment of how those risks contribute to the amount of capital required, as per internal and external regulatory criteria. The capital plan is subject to Executive Committee ('ExCo') and Board approval (upon recommendation of the Risk Committee of the Board) and the performance metrics are reviewed by the BNYM Asset and Liability Committee (‘ALCO’).

3.1 Calculating capital requirements

CRR II allows for different approaches for calculating capital requirements. The Company applies the standardised approach under Pillar 1 for the majority of risk types, where risk-weights are based on the exposure class to which the exposure is assigned and its credit quality. These risk-weights are used to assess the requirements against credit exposures and are consistent across the industry. The standardised approach is used for calculating the risk-weights assigned to each risk component including credit risk, counterparty credit risk, market risk and operational risk. The Externa-Ratings-Based-Approach ('SEC-ERBA') is used for securitisation exposures.

Table 3: EU OV1 Overview of total risk exposure amounts

This table shows the Company's risk-weighted assets ('RWAs') using the stated approaches and their respective capital requirements. The Company does not have any exposures to central counterparties ('CCP') and has no settlement risk or large exposures in the current or prior reporting periods.

	Risk weighted assets (RWAs)		Total own funds requirements
(€m)	30-Sep-21	30-Jun-21	30-Sep-21
Credit risk (excluding CCR)	**4,526**	**3,911**	**362**
Of which the standardised approach	4,526	3,911	362
Counterparty credit risk - CCR	**553**	**476**	**44**
Of which the standardised approach	449	388	36
Of which credit valuation adjustment - CVA	99	81	8
Of which other CCR	5	7	—
Securitisation exposures in the non-trading book (after the cap)	**31**	**32**	**2**
Of which SEC-ERBA (including IAA)	31	32	2
Position, foreign exchange and commodities risks (Market risk)	**151**	**144**	**12**
Of which the standardised approach	151	144	12
Operational risk	**1,213**	**1,213**	**97**
Of which standardised approach	1,213	1,213	97
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	**6**	**8**	—
Total	**6,474**	**5,776**	**517**

Note: Non-applicable risk approaches have not been disclosed.

The €674 million net increase in RWAs for credit and counterparty credit risk under the standardised approach was largely driven by higher corporate and institutional exposures.

RWAs on corporate exposures were up €360 million mainly represented by an increase in overdrafts of €190 million. Contractual settlements and derivative related exposures were also notably up approximately €80 million and €40 million respectively whilst securities were down approximately €20 million, with the balance spread across other corporate related exposures.

RWAs on institutional exposures were up €410 million mostly driven by placements at third parties and securities and derivative related exposures, collectively up approximately €360 million, €40 million and €10 million respectively.

Collectively, this was partially offset by lower RWAs on other assets down €100 million mainly driven by receivables from brokers, though off-balance sheet guarantees treated as collective investments increased €7 million.

The Credit Valuation Adjustment RWA has risen as a result of a €105 million increase in derivative exposures. Market risk RWAs have remained broadly static, increasing €8 million over the quarter whilst securitisation RWAs also remained static, decreasing €1 million.

The RWA for operational risk has remained unchanged. Generally the RWA for operational risk is re-calculated annually in Q1 once the prior year's profits are recognised following the audit.

The Company exceeds the minimum capital ratios required to maintain a well-capitalised status and to ensure compliance with regulatory requirements at all times. The Company sets the internal capital target levels higher than the minimum regulatory requirements to ensure there is a buffer which reflects balance sheet volatility. These ratios have been determined to be appropriate, sustainable and consistent with the capital objectives, business model, risk appetite and capital plan.

4 Article 435 CRR II - Risk management objectives and policies

Given the critical role that BNY Mellon plays supporting clients and its status as a Global Systemically Important Financial Institution ('G-SIFI'), the financial stability of all of its constituent legal entities, throughout market cycles and especially during periods of market turbulence, is recognised at a BNY Mellon group level as an imperative. Clients and market participants need to have confidence that all of the BNY Mellon's legal entities will remain strong, continue to deliver operational excellence and maintain an uninterrupted service. Therefore, the Company and the BNY Mellon group as a whole are committed to maintaining a strong balance sheet and, as a strategic position, assumes less risk than many financial services companies.

Whilst BNY Mellon assumes less balance sheet risk than most financial services companies, it does assume a significant amount of operational risk as a result of its business model. As a consequence, BNY Mellon has developed an enterprise risk management programme that is designed to ensure that:

- risk limits are in place to govern its risk-taking activities across all businesses and risk types;
- risk appetite principles are incorporated into its strategic decision making processes;
- monitoring and reporting of key risk metrics to senior management and the board takes place; and,
- there is a capital planning process which incorporates both economic capital modelling and a stress testing programme.

Risk statement

In accordance with the Committee for Systemic Risks and System-relevant Financial Institutions ('CSRSFI') circular 2010-1[1] (NBB circular to SIFIs 26 October 2010), the Company has been identified as a Systemically Important Financial Institution ('SIFI') in Belgium, making it a high priority to manage risks appropriately to reflect its significant status.

The Company has adopted a conservative capital risk appetite to maintain a strong capital position and balance sheet throughout all market cycles with strong liquidity, superior asset quality, ready access to external funding sources at competitive rates and a strong capital structure whilst delivering operational excellence to meet stakeholders' expectations. Any changes to the risk profile are typically a result of new business and growth with risks mitigated through the internal governance, controls and risk management practices.

The Company is mainly exposed to credit, market and operational risks from its investment servicing and custodian services as well as its investment portfolio. These risks are managed through a risk management framework, consistent with the BNY Mellon Group framework, through the Company's own risk management function, organization and governance. Any capital requirements allocated for these risks have been assessed through modeling, stress testing and sensitivity analysis or through qualitative assessment.

The Company monitors its capital adequacy in accordance with Basel Framework on the basis of Pillar 1 as well as Pillar 2 (Economic Capital) requirements. Both concepts are subject to risk appetite metrics.

Pillar 1 capital requirement is calculated according to the Basel standardized approach for credit, market, operational risks and for credit value adjustment. The standard formula is based on weighting factors applied to the balance sheet and profit and loss components. Pillar 1 capital requirement is compared to the own funds and in particular the CET1, Tier 1 and Total Capital, and monitored (daily) against regulatory thresholds triggered by the Supervisory Review and Evaluation Process ('SREP') and risk appetite. The Company ensures it maintains sufficient capital to cover Capital requirements and all necessary buffers. The risk appetite establishes a twenty percent buffer on top of the regulatory requirements.

The Economic Capital uses the Company's methodologies (most being BNY Mellon methodologies) which follow an approval process including yearly independent validation by BNY Mellon's Model Risk Management Group ('MRMG'). These methodologies are presented to and approved by The Company Capital and Stress Testing Committee ('CSTC'), a committee assisting the Executive Committee with Economic Capital Adequacy related subjects. The Economic Capital is calculated for all material risks, which are summed (to form the total Economic Capital) and added to the applicable Pillar 1 regulatory buffers.

Materiality is based on both quantitative and qualitative criteria. The qualitative criteria rely on a number of factors and the risk register plays a key role. The risk register is a management tool that provides a high level view of an entity's risk landscape. It is instrumental in forming the risk strategy of the entity and defining risk appetite in the context of the broader organization. Applied to the Company, the risk register enables management to focus on the key risks to which the brand is exposed. The materiality and significance of risks in the Risk Register are based on an assessment of expected frequency and impact magnitude for each risk, both from an inherent (before controls) perspective and from a residual (after controls) perspective. The materiality and significance of risks in the ICAAP on the other hand is based on tail losses.

Given the capital adequacy ratios and capital surplus, the Company concludes that the capital is sufficient at 30 September 2021 to face the risks of the entity. At 30 September 2021 the Pillar 1 capital requirement was €517 million (30 June 2021: €462 million), CET1 was €3,369 million (30 June 2021: €3,389 million); as a result, the CET1 ratio was 52.04% (30 June 2021: 58.67%).

Internal capital adequacy is calculated quarterly, and approximations are applied in order to estimate the capital needs on a monthly basis. The three-year base case financial forecast is then used in order to project the capital requirements. The base case financial forecast includes projections of the balance sheet and profit and loss elements. The evolution of the balances and profitability, combined with a macro-economic assessment of the evolution of the risk profile were used in order to determine the evolution of the capital ratios. The macroeconomic assessment was performed in baseline and stressed conditions, whereby the impact on the accounting elements (balances and profitability) were deducted and combined with the deterioration of the risk profile.

[1] Committee for Systemic Risks and System-relevant Financial Institutions ('NBB'), Circular to SIFIs, CSRFSI, 26 October 2010.

The Company's internal capital assessment covers risks to its current business as well as known planned activities. The strategic initiatives are included in the financial plan, and so, assessed by capital assessment and stress testing.

The Company conducts stress tests and capital planning analysis. This provides an avenue for macroeconomic scenarios, new activities or strategic plans to be assessed. The stress tests results show the resilience of the Company to macro- and micro-economic adverse circumstances. Available mitigant actions were activated to prove the resilience of the Company to severe stress scenarios combining different shocks, including a strategic risk.

The Company's business model ensures that its revenues are mainly driven by the fees and commissions it perceives, and less on the net interest income, and this ensures more stability in case of a macro-economic event. In addition, the Company is usually perceived as a safe haven which will limit the deposits outflow and as such keep the balance sheet liquid. The strategy has a favorable impact on the capital adequacy by its effect on reducing the balance sheet, including the securities portfolio.

4.1 Risk objectives

The identification, measurement, monitoring and management of risk are essential elements for the success of operations undertaken by the Company, specifically:

- the Board recognises that in defining a risk appetite it must consider the views of a number of different stakeholders while accounting for business strategy and risk profile;
- the Board sees embedding risk appetite into the business strategy as essential;
- the Board recognises that it cannot fully mitigate all risks. The risk framework includes standard risk management self-assessment tools that take into account loss history and stress testing to measure and monitor whether or not risk controls in place continue to remain effective; and,
- the Board will seek input from its own and group wide risk committees on a regular basis in its reassessment of appetite and sources of major risks.

The Board adopts a prudent appetite to all elements of risk to which the Company is exposed.

4.2 Risk governance

Risk oversight and management are structured to cover regional level, legal entity and lines of business ('LOB'). A formal governance hierarchy is in place to ensure that all areas of the business can effectively escalate issues through the regional and global structure.

4.2.1 Board of Directors

The Board is composed of a majority of non-executive directors, some of whom are representatives of The Bank of New York Mellon senior management. At least two of the non-executive directors are independent directors (as defined in the Belgian Companies Code). All members of the ExCo also sit on the Board in compliance with Article 24 of the Banking Act. All directors are natural persons.

The Board meets formally once a quarter or more frequently if deemed appropriate. Board meetings can be called whenever the specific needs of the business require it.

The primary responsibilities of the Board are to define the strategy and risk policy of the Company and to supervise the Company's management.

The main duties and responsibilities of the Board of the Company include, but are not limited to:

- defining the general business strategy, objectives and values of the Company in line with those of The Bank of New York Mellon;
- plan and monitor the implementation of the general business strategy, objectives and values within the Company;
- fixing the Company's risk tolerance level and regularly reviewing and approving the strategies and policies relating to the taking, management, follow-up and mitigation of risks;

- supervising the management of the Company's significant risks and ensuring adequate resources are allocated to it;
- approving the capital adequacy position and ensuring changes in the Company consider capital impacts;
- approving the recovery plan;
- approving the liquidity recovery plan;
- supervising effectively the ExCo and the decisions taken by the ExCo;
- drawing up annual and interim reports and accounts;
- assessing regularly (at least once per year) the efficiency of the internal organisation and system of internal control of the Company and its compliance with applicable laws and regulations;
- assessing the proper functioning of the Company's independent control functions (risk, internal audit and compliance); ensuring the integrity of the accounting and financial reporting systems and assessing regularly (at least once per year) the efficiency of the internal control structure, in particular regarding the financial reporting process;
- ensuring that the Company's internal governance - as translated into its Internal Governance Memorandum - is appropriate to its business, size and organization;
- approving the Internal Governance Memorandum and ensuring it is kept up-to-date and submitted to the supervisory authority;
- approving and reviewing regularly (at least once per year) the Company's remuneration policy, and supervising its implementation;
- selecting and evaluating the members of the ExCo and reviewing the process for the selection, evaluation, and development of other key managers (in particular the Chief Risk Officer, Chief Compliance Officer, Chief Internal Auditor);
- ensuring the succession planning for key managers;
- reviewing the Company's processes for protecting the Company's assets and reputation;
- approving policies and procedures as may be required by law or otherwise appropriate;
- reviewing the Company's processes for compliance with applicable laws, regulations and the internal policies including the Code of Conduct; and,
- overseeing the process of external disclosure and communications.

The table on the following page shows the members of the Board and its committees as of 30 September 2021.

Board member	Function at BNY Mellon SA/NV	Name of the other company in which an external function is exercised	Location (country)	Type of activities	Listed company (Y/N)	External mandate (title)	Capital connection with SA/NV (Y/N)
Non-Executive Directors							
Olivier Lefebvre	Independent Chair of the Board, Independent Member of the Audit Committee, Independent Chair of the Nomination and Remuneration Committees	An Other Look To Efficiency SPRL	Belgium	Management company	N	Administrator	N
		Climact SA	Belgium	Environmental consultancy	N	Chairman of the Board	N
		Ginkgo Management II SARL	Luxembourg	Real Estate Fund Management	N	Independent Director	N
		Perma-Project SPRL	Belgium	Support to starters in Permaculture	N	Director	N

Board member	Function at BNY Mellon SA/NV	Name of the other company in which an external function is exercised	Location (country)	Type of activities	Listed company (Y/N)	External mandate (title)	Capital connection with SA/NV (Y/N)
Marie-Hélène Cretu	Independent Chair of the Audit Committee, Independent member of the Remuneration and Risk Committees	CoDiese	France	Management company	N	President	N
		Global Reporting Company	United Kingdom	Finance consultancy	N	Director	N
		PREF-X SAS	France	Finance consultancy	N	Director	N
		Montpensier Finance	France	Assets Management company	N	Independent Director	N
Marcia Cantor-Grable	Independent Chair of the Risk Committee, Independent member of the Audit Committee	Modulr FS Ltd.	United Kingdom	E-money Institution	N	Independent Director	N
		Societe Generale International Ltd.	United Kingdom	Execution only Prime Broker	N	Independent Director	N
		Institute and Faculty of Actuaries	United Kingdom	Professional body regulating actuaries	N	Lay Member Regulatory Board	N
Roderick Munsters	Independent Chair of the Remuneration Committee, Independent member of the Risk and Nomination Committees	Unibail-Rodamco-Westfield SE	France	Real Estate company	N	Independent Director	N
		Moody's Investors Service	UK/ France / Germany	Credit Ratings company	N	Independent Director (UK & FR) Member of the Beirat in Germany	N
		PGGM Asset Management	The Netherlands	Asset management for pensions funds	N	Independent Director	N
Susan Revell	Member of the Audit and Nomination Committees	Sweetwater Training LLP	United Kingdom	Leisure	N	LLP Designated Member	N
Hani Kablawi	Member of the Remuneration and Risk Committees	Arab Bankers Association London, UK	United Kingdom	Financial services	N	Board Member	N
		OMFIF Advisory Council	United Kingdom	Independent financial think tank for central banks and public investment	N	Deputy Chairman	N
Senthilkumar Santhanakrishnan	Member of the Risk Committee						
Executive Directors							
Björn Storim	Chief Executive Officer and Chair of the Executive Committee						
Hedi Ben Mahmoud	Chief Risk Officer and Member of the Executive Committee						
Annik Bosschaerts	Chief Operating Officer and Member of the Executive Committee						

Board member	Function at BNY Mellon SA/NV	Name of the other company in which an external function is exercised	Location (country)	Type of activities	Listed company (Y/N)	External mandate (title)	Capital connection with SA/NV (Y/N)
Eric Pulinx	Chief Financial Officer, Deputy Chief Executive Officer and Member of the Executive Committee	Delen Private Bank	Belgium	Credit Institution	N	Independent Director	N
		Finax	Belgium	Financial Holding	N	Independent Director	N
Marnix Zwartbol	Head of Operations and Member of the Executive Committee						

Leonique van Houwelingen resigned as Executive Director and Chief Executive Officer with effect from 16 July 2021. The transition of Leonique van Howelingen to Non-Executive Director has not been approved by the NBB/ ECB yet. The transition of Leonique van Houwelingen to Non-Executive Director had been acknowledged by the Board and shareholders of BNY Mellon SA/NV in July 2021. As the transition of the mandate was not approved before 30 September 2021, this director is not included in the table above.

Björn Storim was appointed as Executive Director and Chief Executive Officer by the shareholders of BNY Mellon SA/NV on 16 July 2021. The appointment of Björn Storim has been approved by the NBB/ECB in October 2021.

No director has declared a personal conflict of interest that would give rise to the application of article 523 of the Belgian Companies Act.

The Company is committed to diversity and inclusion. This commitment is not only important to the Company's culture and to each director as individuals, it is also critical to the Company's ability to serve its clients and grow its business. The Company recognises the benefits of having individuals with diverse backgrounds, experience and viewpoints on the Board for the different perspective and unique contributions they provide. Board appointments are based on an individual's skill, ability, experience, training, performance, and other valid role-related requirements. The Terms and Reference of the Board state that at least one third of each gender shall be represented on the Board. This target has been achieved by the Company at the reporting date.

The Nomination Committee (the 'NoCo') is responsible for reviewing the structure, size and composition of the Board (including its skills, knowledge, experience and diversity) and making recommendations to the Board with respect to any Board member's appointment. In identifying suitable candidates for a particular appointment, the NoCo considers candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

4.2.2 Legal Entity Risk Management

The ExCo has been established by the Board in accordance with Article 24 of the Banking Act and Article 524bis of the Belgian Companies Code and has been entrusted with the general management of the Company with the exception of (i) the determination of the strategy and general policy of the Company and (ii) the powers reserved to the Board by law or the articles of association. The ExCo meets formally at least once a month, and reports to the Board.

The ExCo is responsible for running the general management of the Company within the strategy and the general policy as defined by the Board and for ensuring that the culture across the Company facilitates the performance of business activities with integrity, efficiency and effectiveness.

The ExCo reviews corporate initiatives including strategic initiatives, financial performance, new business initiatives, policy changes, controls and organisational development. The ExCo has responsibility across all Lines of Business conducted by or impacting the Company, its branches or subsidiary.

As described in detail in the ExCo Terms of Reference, the responsibilities of the ExCo in carrying out the general management of the Company mainly relate to corporate responsibilities, control environment, regulatory, stress testing and ICAAP.

The ExCo reports its activities, advises, and makes recommendations to the Board regularly. At least annually, the ExCo assesses the efficiency of the Company's internal organisation and internal controls together with the measures taken to remediate to any identified deficiencies, and reports the same to the Board, the NBB and the external auditor.

The ExCo has established the following committees to assist it in the performance of its duties:

- The Risk Management Committee ('RMC');
- The BNYM Asset and Liability Committee ('ALCO');
- The Technology Risk Committee ('TRC');
- The Capital and Stress Test Committee ('CSTC'); and,
- The Credit Risk Oversight Committee ('CROC').

The ExCo has established the following committees to assist in the performance of its duties.

Risk Management Committee ('RMC')

The key purpose of the Company's Risk Management Committee is to provide oversight of the risk management process for the underlying businesses, subsidiary and branches, to ensure that risks are identified, monitored and reported and to ensure that appropriate actions and activities are in place to manage the identified risks. The RMC also plays a central role in ensuring that material change that has the potential to affect the Company is identified in a timely manner and managed in an appropriate fashion.

The aim of the RMC is to establish and maintain a capable and effective forward-looking risk organization that is well placed to identify and manage emerging risks for the legal entity including its branches and subsidiary. The RMC provides risk-based challenge to the Business (first line of defense) establishes and maintains a risk culture, advises the ExCo as second line of defense on risk matters. The Committee is responsible for ensuring that risk and compliance activities undertaken by the Company, its underlying branches, subsidiary and businesses are executed in accordance with internal policies and all relevant regulations.

Asset and Liability Committee ('ALCO')

The Company's ALCO is responsible for overseeing the asset and liability management activities on the balance sheet of the Company and its branches and subsidiary, and for ensuring compliance with all liquidity, interest rate risk and capital related regulatory requirements.

Technology Risk Committee ('TRC')

The key purpose of the TRC is to provide oversight of the Technology risks supported by the Company head office and its branches, to ensure that Technology risks are identified, monitored and reported and to ensure that appropriate actions and activities are in place to manage the identified risks. The Committee also plays a central role in ensuring that any material change that has the potential to affect the Company is identified in a timely manner and managed in an appropriate fashion.

The aim of the Committee is to establish and maintain a capable, effective forward looking.

Technology risk organisation that is well placed to identify and manage emerging risks for the Company including its branches. The Committee provides risk-based challenge to the Technology 1st line of defence, establishes and maintains a risk culture, and advises and escalates to the Company's ExCo on risk matters.

The Committee is responsible for ensuring that Technology related risk and compliance activities undertaken by the Company's ExCo including its branches and service providers are executed in accordance with risk appetite, policies and regulations.

Capital and Stress Testing Committee ('CSTC')

The purpose of the CSTC is to ensure adequate governance and understanding of, and ownership for the processes and documentation pertaining to, the Company's capital requirements (economic, regulatory, adequacy and allocation), the risk economic capital model methodologies and stress testing. This is achieved in accordance, where applicable, with the ICAAP governance, the Company Stress Testing policies and framework whilst taking into consideration the Group's over-arching capital, profit and strategic plans.

The CSTC is an empowered decision making body under authority delegated by the Company's ExCo and subject to corporate policy, legislation and external regulation.

Credit Risk Oversight Committee ('CROC')

The key purpose of the CROC is to oversee all forms of credit risk, to oversee controls of credit risk associated with the Company's banking business and to ensure compliance with the Company's credit policies. The activities of the CROC are reported to the ExCo as well as to the RMC where relevant.

Business Acceptance Committee ('BAC')

The BAC is responsible for the acceptance, oversight and guidance of new and existing businesses and clients for each of the following business lines for all BNY Mellon legal entities across EMEA: Asset Servicing and Alternative Investment Strategies, Corporate Trust, Depositary Receipt, Markets, and Broker-Dealer and Advisory Services.

The Company representatives, selected by the ExCo for their expertise, sit at BACs when the Company deals have to be approved.

Councils assisting the ExCo

In addition to the above committees, the ExCo has mandated the Belgium Management Council ('BEMCo'), with the purpose to provide leadership for BNY Mellon employees in Belgium, regardless of legal entity, functional, or business affiliation. The BEMCo is responsible for overseeing, informing, supporting and involving other local bodies, as well as ensuring employee engagement within the Brussels location and the company in Belgium. It shall also decide or escalate matters discussed with the employee relations bodies.

Branch and Subsidiary Management

In each branch, a Branch Manager and a Deputy Branch Manager have been appointed to ensure the proper running of the branch’s activities under the supervision of the ExCo. Each branch has at least a designated local manager who performs an oversight role in respect of that branch, including but not limited to, liaising with local regulators. In order to strengthen the management structure of the local branches, a Branch Management Committee with heads of different functional units of the branches is established and meets at least on a monthly basis. The management of the Company's foreign branches acts under the supervision of the ExCo. Branches regularly report on their activities and provide the minutes of their meetings to the ExCo member(s) who is (are) responsible for the branches.

4.2.3 Business Unit Risk Management

The oversight of risk management within business units at a regional level is governed via five risk management committees, namely:

EMEA Asset Servicing Business Acceptance Committee which is responsible for channeling new/renewal business into lines of business and subsequently legal entities, including the Company, approving all new clients prior to commencing a relationship with them and approving new business arrangements with existing clients. Risk is assessed and reviewed as part of the approval process.

EMEA Asset Servicing Business Risk Committee which is responsible for ensuring that the risk profile of EMEA Asset Servicing is well understood and effectively managed. This is achieved by carrying out the review of current and emerging key risk and control issues and related initiatives, escalation of material risks and issues to the Head of BNY Mellon Asset Servicing and other regional committees and boards as appropriate, approval of new or materially modified products, review of potential off-boarding of non-systemically significant products and review of significant regulatory requirements.

Markets APAC/EMEA Business Acceptance Committee provides governance over new and modified direct business relationships for Markets. The committee is focused on reviewing and approving nonstandard relationships.

Broker-Dealer Services Global Business Acceptance Committee ('BDS Global BAC') is responsible for performing due diligence when accepting, on-boarding, monitoring and off-boarding client relationships and business. BDS Global BAC members will review and approve new and incremental business opportunities. The Company's ExCo has delegated authority for business acceptance to the “BNY Mellon SA/NV Business Acceptance Committee ('BAC') Delegates” (members of the the Company's ExCo and Branch Managers). The Company's BAC delegate must approve each client acceptance and each business opportunity proposal which is to be booked to the Company. A BNY Mellon SA/NV Compliance representative will attend all BDS Global BAC meetings and will be accountable to the Company's Compliance Officer in respect of all BNY Mellon SA/NV business opportunity acceptances.

Broker-Dealer Services Business Risk Committee ('BDSBRC') meetings are the point of review and approval for all new or materially modified products or process changes and services as well as the venue for review and approval of all potential off-boarding of products and services as well as status updates of any major project initiative including touch-points to the Company. The BDSBRC shall consider a variety of issues including: potential or actual conflicts of interest or sensitive business practices, errors and service delivery failures, especially with impact to clients and/or to legal and regulatory obligations; client communications and disclosure; financial losses; unsubstantiated gains; and potential reputation damage. BDSBRC meetings are designed to enhance transparency of the key risk and control issues facing the business and to provide a forum for escalation and discussion of these issues. Impact to the Company will be escalated to its Risk Committee for review and approval, as appropriate.

4.3 Risk management framework

As a global and systemically important financial institution, the Company holds itself to an industry leading standard of risk management. Effective management of risk is at the core of everything the Company does.

From the perspective of the Company, as with other regulated banking entities, a strong risk governance and a robust risk culture are achieved through close and continuous co-operation between business lines, risk and compliance teams and internal audit. Taken together, these enable the Company to effectively identify, assess, manage and report the risks that are inherent to operating its business.

The Company's Risk Management Framework is organized around the three lines of defense and the Company has, in accordance with the Banking Act requirements, put in place the following independent control functions: internal audit, compliance and risk management.

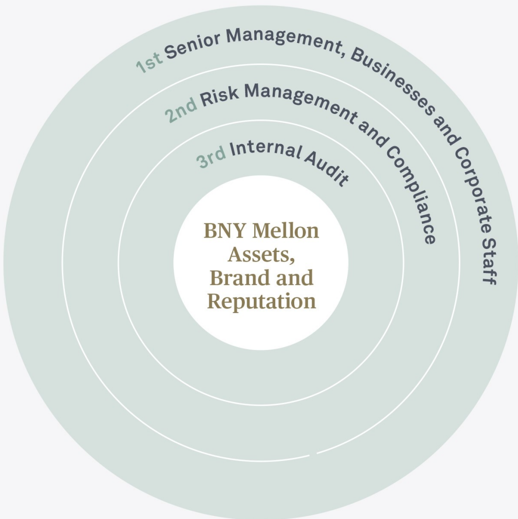
The ExCo is responsible for the implementation of these independent control functions. Annually, it reports to the NBB, the statutory auditor and the Board on the compliance with this requirement and on the measures taken in this respect. These functions are considered as independent as they operate independently from the other business functions.

The Heads of the independent control functions must be fit and proper for carrying out such a role and approved by the NBB.

The Company has adopted a ‘three lines of defense’ model as part of the risk management framework. The First Line of Defense ('1LOD') consists of managers and employees at the business or, in some cases, business partner level. They own the risk associated with the business activities, and they manage the risks and the related control processes and procedures on an operational basis. The Risk Management and Compliance functions are the Second Line of Defense ('2LOD'); and own the enterprise-wide risk management framework and provide independent oversight of the 1LOD. This also includes Corporate Security, Business Continuity, Financial Management and Analysis within finance. The Third Line of Defense ('3LOD') is Internal Audit, which independently provides the Board and senior management with the assurance that the governance structures, risk management and internal controls in place are effective.

Figure 2: Managing Three Lines of Defense

THREE LINES OF DEFENSE



1st Senior Management, Businesses and Corporate Staff

- Execute business activities consistent with the Company's strategy and risk tolerance
- Provide information to senior management regarding the current and future risk profile
- Ensure that the internal control system is designed properly and operating effectively
- Identify, measure and manage current and emerging risks
- Operate within the risk appetite, and escalate appropriately
- Establish policies and procedures that ensure accountability

2nd Risk Management and Compliance

- Maintain an independent risk management function that is appropriate for the size, complexity and risk profile of the Company
- Establish enterprise-wide risk limits consistent with the Company's risk tolerance and monitor adherence to such limits
- Independently challenge and measure the Company's risks, and provide an assessment of the Company's risk profile
- Provide the Board and senior management with risk reports
- Identify a system of internal controls and evaluate their effectiveness

3rd Internal Audit

- Examine, evaluate and perform independent assessments of the Company's risk management and internal controls system
- Report findings to senior management and the Company's Audit Committee

BNY Mellon Risk and Compliance policies and guidelines provide the framework for the Company's internal controls, risk identification, monitoring, reporting and escalation. Risks are managed within specialist risk teams (e.g. credit, liquidity) or via line of business risk teams (e.g. operational, market).

4.4 High-level assessment

The High-level Assessment is a management tool that provides a high-level view of an entity's risk landscape. It is instrumental in forming the risk strategy of the entity and defining risk appetite in the context of the broader organization. Applied to the Company, the High-level Assessment enables management to focus on the key risks to which the Company is exposed. The High-level Assessment, which is governed by the Policy "EMEA Legal Entity HLA Policy", should be read in conjunction with, and be complementary to, the Company's ICAAP and ILAAP ('Internal Liquidity Adequacy Assessment Process'), the business-level risk and control self-assessments ('RCSA's') and other Risk MI including the specific BNY Mellon SA/ NV Risk Dashboard.

The High-level Assessment is coordinated by the business. Key representatives from the Lines of Business will be consulted as part of the assessment process. The assessment is then reviewed by Risk function heads (e.g. credit risk). The High-level Assessment, which is approved by the ExCo, is a living document and will be updated regularly as needed and at least annually.

4.5 Risk appetite

BNY Mellon defines Risk Appetite as “the level of risk it is normally willing to accept while pursuing the interests of our major stakeholders, including our clients, shareholders, employees and regulators”. The Risk Appetite Statement ('RAS') defines metrics and controls to measure and monitor risks relative to the risk appetite. These metrics establish risk thresholds through qualitative and quantitative expressions of risk appetite to monitor risk-taking activities.

The Risk Appetite of the Company constitutes the risk limiting perimeter within which the head office, branches and subsidiary must operate.

The Board owns and defines the RAS, is responsible for annually reviewing it and approves any amendment. The Risk Appetite Metrics Report is actively monitored and managed by the ExCo through a defined governance and set of delegated controls to ensure that the performance of business activities remains within risk appetite levels. The Risk Appetite is reviewed if the risk profile changes or, at least, annually. It is governed by a Group Policy.

The Board adopts a prudent appetite to all elements of risk to which it is exposed. Business activities are managed and controlled in a manner consistent with the Board’s stated tolerances using defined quantitative and qualitative measurements. The Board has sought to establish a clear set of tolerances for its business and has articulated its appetite through a series of statements and metrics.

4.6 Risk assessment methodology and reporting systems

Risk identification and monitoring occurs in the business (operational areas) and within focused risk departments. Several processes are in place in order to ensure that risks are correctly and timely identified and monitored. Monitoring and controlling risk is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept. In addition, the Company’s policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all business areas is examined and processed in order to analyze, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee ('RMC'), the ExCo and the Board.

Risk identification and reporting is made using a series of tools and information systems. Each risk type is assessed and reported by risk experts to the BNY Mellon SA/NV RMC.

The Company benefits from multiple data gathering, risk monitoring and escalation flows. The Company generally does not build its own risk infrastructure, data aggregation or reporting tools. In that sense, all the tools used by the risk experts are corporate tools, of which the building and maintenance is framed by policies and service level agreements. One notable exception is the large exposure tool (Concentration Risk System - CRS). This tool was developed by and is tailored to the needs of the Company.

Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP')

The Company monitors its capital adequacy in accordance with Basel Framework on the basis of Pillar 1 and Pillar 2 (Economic Capital) requirements.

Pillar 1 capital requirement is calculated according to the Basel standardized approach for credit, market and operational risks, and for credit value adjustment. The standard formula is based on weighting factors applied to the balance sheet and profit and loss components. Pillar 2 capital requirement is based on an internal risk assessment of the components of the balance sheet and of the business activities; it uses methodologies (most being BNY Mellon methodologies) which follow an approval process including independent validation by BNY Mellon’s model validation team. These methodologies are approved by the BNY Mellon SA/NV Capital and Stress Testing Committee and by the BNY Mellon SA/NV Board as part of the annual ICAAP approval. The Company also conducts stress tests in order to assess the resilience of the capital base in the future. This provides an avenue for micro- and macro-economic scenarios, new activities or strategic plans to be assessed from a capital perspective.

The ILAAP process reflects a strong liquidity risk management culture and efficient governance regime in place within the firm. Throughout the ILAAP preparation cycle the content, findings and conclusions set out in this process have been reviewed and challenged by the relevant stakeholders and governance committees.

The ILAAP is a living document updated on a regular basis and no less frequently than annually. It includes liquidity stress testing proving the resilience of the firm in case of market or idiosyncratic liquidity events.

New and modified businesses / products assessment process

New or modified products or businesses need to be reviewed and approved by the corresponding Business Acceptance Committee ('BAC'). In addition to the BAC acceptance and in order to ensure full compliance towards Legal Entity specific concerns, the RMC must approve the business or product.

Significant new client process

Significant new clients are reviewed and approved by the corresponding BAC (Line of Business).

The BAC uses a checklist in order to assess the potential impact the new client will have on the Pillar 2 capital requirement. If the impact is deemed potentially material, the Company's BAC delegate will be responsible for contacting Risk Management in order to obtain a Pillar 2 assessment.

Risk and Control Self-Assessment

The Risk and Control Self-Assessment ('RCSA') is a tool used by the business to identify risks associated with their key processes. High or Moderate to high residual risks form part of a regular risk management report to the RMC. This ensures that although the RCSA process is owned by the line of business in conjunction with the business risk managers, the RMC has oversight of the key exception items relating to the Company on an ongoing basis.

Operational risk events

All operational losses and fortuitous gains exceeding US$10k are captured in the Risk Management platform with completeness being verified by reconciliation to the General Ledger. Risk events are categorized by causal category. Operational Loss Events reporting forms part of the standard risk management report to the RMC.

Credit risk monitoring process

All counterparties leading to credit risk exposures are assessed and allocated a borrower rating in accordance with the BNY Mellon's credit 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. Post event monitoring is also conducted by both Client Service areas and the Credit function as well as the Large Exposure function. Issues arising from these are reported to the RMC and the CROC.

Large exposure process

Compliance with the large exposure (including Shadow Banking) regulatory requirements is controlled daily by the Large Exposure function in the Company. Mitigants are applied as needed.

Market risk monitoring process

The FX and FX derivative positions are monitored against a limit discussed at the ALCO.

Interest rate risk monitoring process

The interest rate sensitivities (DV01) are monitored against the risk appetite limit, as well as the compliance with the investment guidelines.

Liquidity risk management process

The Company's overall approach to liquidity management is to ensure that sources of liquidity are sufficient in amount and diversity, such that changes in funding requirements can be accommodated routinely without a material adverse impact on earnings, daily operations, or on the financial condition of the Company. In this context, the Company has set certain practices, metrics, and limits to measure and manage liquidity risk. Through these measures, it seeks to ensure that the overall liquidity risk undertaken stays within its risk tolerance.

Top risk process

The RMC maintains the list of top risks for the Company. The RMC holds monthly meeting to discuss the top risks, which are reviewed on a quarterly basis, and discusses progress to mitigate them.

Risk dashboard

The Company Risk dashboard aims to provide a high-level view on the risk appetite metrics and their evolution over a given period and also a high-level view over a given period on the evolution and status, at consolidated level, of the main risk categories. It is produced on a monthly basis.

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 utilise the corporate-wide KRI process to monitor the extent to which the probability of the high inherent risks materialising is changing and to ensure that appropriate actions are being taken. KRI reporting and monitoring is performed monthly at a minimum using a red/amber/green rating system.

Stress testing

Capital stress testing is undertaken by the Company to monitor and quantify risk exposures and capital requirements to ascertain whether or not there are sufficient capital resources on a forward-looking basis. The process involves developing stressed scenarios that identify an appropriate range of adverse circumstances of varying nature, severity and duration relevant to the Company's risk profile and business activities. The Company's stress testing programme assesses the capital strength and enhances the resilience to external shocks. It also helps senior management understand and mitigate risks, and informs decision about capital levels. The stress testing programme is overseen by the Capital and Stress Testing Group with results reported, where appropriate, to the ExCo and the Board.

4.7 Escalation of risks and issues

A robust framework exists for monitoring and escalation of issues and risks. If a material risk issue occurs, the EMEA Governance Guide for reporting and escalation of material issues and risks is followed. Business management is required to notify senior management, which includes the Company's Board members, soon after determination. Risk management is responsible for supporting the business lines in achieving the following:

- identifying and documenting all material risks, assessing the effectiveness of control design, and ensuring that control gaps are closed;
- developing and implementing standards and policies appropriate for the business that conform to the principles and guidelines established by Risk;
- elevating, reporting and investigating operating errors, losses and near misses, identifying the root causes and implementing corrective actions;
- reviewing key indicators for coverage and effectiveness, identifying root causes for red and amber conditions and ensuring implementation of corrective actions;
- approving the process to accept new business, including 'Request for Proposal' preparation, contract acceptance and compliance, and challenging whether BNY Mellon SA/NV is being compensated appropriately for the assumption of risk;
- reviewing the impact of changes in business processes on inherent risks and controls such as reorganisations, new products or processes, system conversions and acquisitions, etc. and;
- ensuring that processes, risks and controls are continually reassessed for appropriateness and completeness.

Management information is used to monitor the performance of the transaction processing and support services including specific risk exposures (e.g. cash and securities reconciliation breaks) and red/amber/green ratings in respect of the health of the operational functions.

4.8 Recovery and resolution planning

The Company updates its recovery plan annually in accordance with regulatory guidance. The recovery plan is designed to ensure that the BNY Mellon SA/NV group has credible and executable options to meet the challenges that may arise from potential future financial and/or operational crises.

Every two years, BNY Mellon submits its Title I Resolution Plan as prescribed by supervisory policy, which includes the Company as a material entity of BNY Mellon. The 2021 Title I Resolution Plan was submitted to the regulators on 1 July 2021.

The Company is working collaboratively with the resolution authorities in the context of our multi-year resolvability programme to support supervisory efforts in establishing a resolution plan for the Company.

4.9 Environmental, social and governance approach

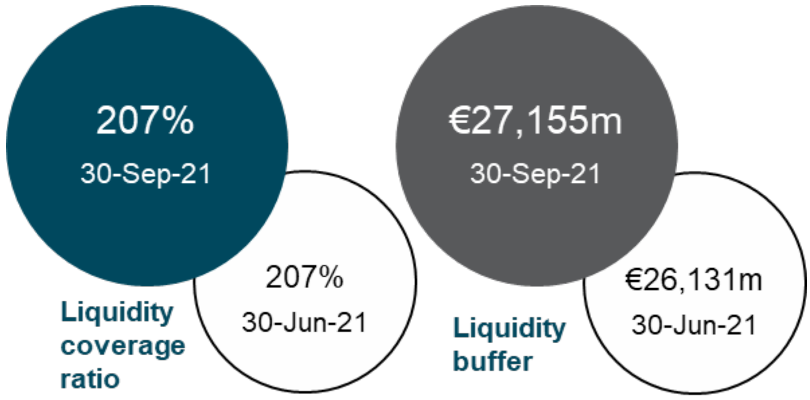
At BNY Mellon, we're committed to putting the *Future First*SM by using our global reach, influence and resources not just to power success today, but to help safeguard the future. Central to our environmental, social and governance ('ESG') approach is to *Consider Everything*SM*,* starting with our own enterprise-wide practices addressing the business impacts of global issues and contributing to opportunities that help communities thrive. We expand our actions by providing leading products and services, which empower our clients to meet their own goals. This way, we accelerate the evolution of ESG – on behalf of clients, investors, communities and all stakeholders – to make a positive impact on people and the planet.

BNY Mellon has a strong policies framework in relation to social, environmental, human rights and anti-corruption matters. BNY Mellon's initiatives flow across the entire group, including the Company, to reinforce its trusted brand, allow clients to work with a group whose values match their own, enable employees to feel good about where they work and improve lives in communities around the world. BNY Mellon publishes annually a report covering corporate social responsibility ('CSR') and ESG topics. The latest report is entitled 2020 Enterprise ESG (formerly the CSR Annual Report). This report is not just about our social and environmental impact, but also how our views and integrates ESG considerations across our operations. This is the 12th report using the Global Reporting Initiative's ('GRI') framework, the world's most widely used sustainability reporting framework. BNY Mellon prepared the report according to GRI Standards Comprehensive option.

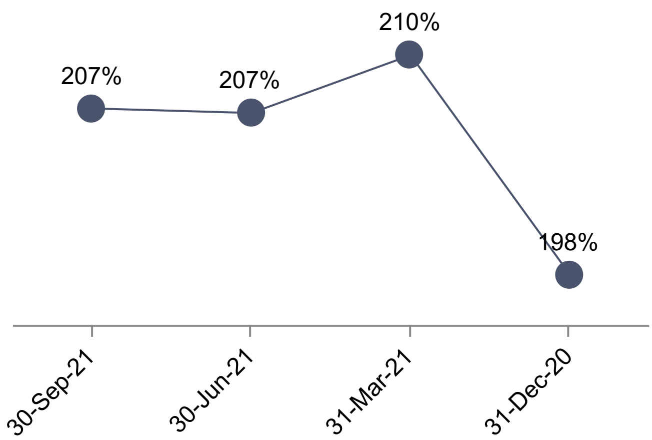
BNY Mellon's polices framework, Enterprise ESG strategy and CSR goals are fully applicable to the Company and its personnel. Detailed information, including the Enterprise ESG Report 2020 is available on www.bnymellon.com.

We draw attention to the fact that the content of the *Enterprise ESG Report* may not entirely disclose information on the results of the policies in place, the main risks associated with the issues and the non-financial key performance indicators for the specific activities in relation to social and personal issues, environmental issues and respect for human rights and the fight against corruption as required by article 3:32, §2 (or 3:6, §4 for the annual report) of the Belgian Code on Companies and Associations ('BCCA'). The Company continues to assess what best actions still need to be taken in the future to meet the requirements set forth by this article.

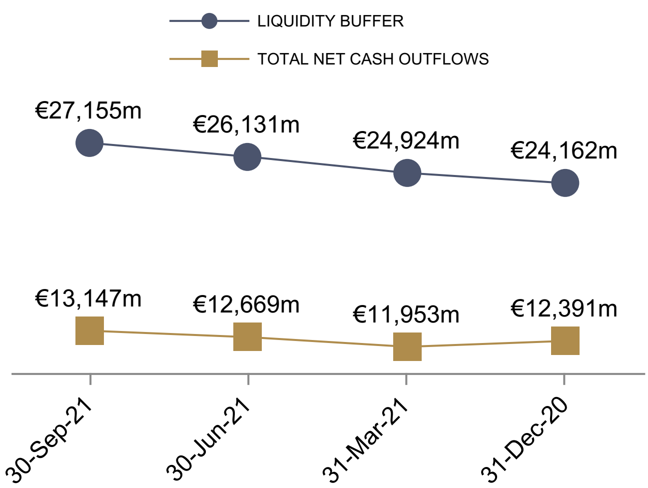
5 Article 451a CRR II - Liquidity



Liquidity coverage ratio



Liquidity metrics



* Using total weighted values (average).

The Company has a governance structure in place commensurate with the range of its activities and its liquidity profile. Liquidity risk is managed and monitored from a legal entity and functional perspective through various committees and forums.

The Liquidity Coverage Ratio ('LCR') is recalculated according to the regulatory formula assessing the liquid assets, weighted according to the regulatory factors, as a fraction of the combination of inflows of assets and outflows of liabilities, each weighted according to regulatory factors. The risk appetite of this ratio is set to 120% at end of September 2021.

The Company's Liquidity Policy provides the framework for identifying, measuring, monitoring, and managing liquidity risk for the Company. This policy has been prepared in accordance with the BNY Mellon Liquidity Policy and regulatory guidelines taking into account the capital structure, risk profile, complexity, activities and size of the Company.

The governance structure includes oversight committees (including the ALCO, ExCo and Board) that are responsible for review and approval of the liquidity management strategy, policies and practices and that ensures that senior management effectively implements and controls these elements.

The Company has an embedded set of processes that cover the identification, measurement, monitoring, control and mitigation of liquidity risk. Processes are supported by IT platforms, management information systems and an organizational structure that includes independent control functions.

The Company has a management reporting and escalation framework in place where risks are communicated to senior management and oversight committees through periodical reporting and circulation of committee meeting minutes, including a defined escalation process in case of exceptions to internal triggers, regulatory breaches or emergency situation.

Regulatory reporting is performed by the Finance function in line with home/host regulatory requirements.

Written and approved policies that define the liquidity risk appetite and tolerance, strategy, principles and includes reporting requirements to appropriate management levels. The Company has the following policies and guidelines for managing liquidity and funding risk in place that are updated at least annually:

- BNY Mellon SA/NV Liquidity Policy (including Contingency Funding Plan);
- BNY Mellon SA/NV Procedures Corporate Treasury policy for FX Swaps; and,
- BNY Mellon SA/NV Guidelines for Investments in Securities.

As per the approval of the BNY Mellon SA/NV ILAAP, management formally declares adequacy of its liquidity risk management framework.

Based on the liquidity risk management self-assessment requirements outlined in the supervisory expectations for ILAAP, the Company believes to be adequately compliant with the key principles defined around liquidity management. The Company therefore considers itself to be compliant with its own and BNY Mellon Group policies and therefore believes that the liquidity management process in place is adequate.

Table 4: EU LIQ1 Quantitative information of LCR (unweighted)

Consolidated (€m)	Total unweighted value (average)			
Quarter ending on	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Number of data points used in the calculation of averages	12	12	12	12
Cash – Outflows				
Unsecured wholesale funding	34,380	33,445	32,119	32,225
Operational deposits (all counterparties) and deposits in networks of cooperative banks	17,149	16,502	16,065	15,121
Non-operational deposits (all counterparties)	17,231	16,943	16,054	17,104
Additional requirements	212	246	260	244
Outflows related to derivative exposures and other collateral requirements	212	246	260	244
Other contractual funding obligations	227	197	184	252
Other contingent funding obligations	1,005	528	303	75
Cash – Inflows				
Secured lending (e.g. reverse repos)	87	98	131	143
Inflows from fully performing exposures	8,364	8,296	8,749	9,172
Other cash inflows	402	478	449	480
Total cash inflows	**8,853**	**8,872**	**9,329**	**9,795**
Inflows subject to 75% cap	8,853	8,872	9,329	9,795

Note: Non-applicable outflow/inflow classes have not been disclosed.

Table 5: EU LIQ1 Quantitative information of LCR (weighted)

Consolidated (€m)	Total weighted value (average)			
Quarter ending on	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
Number of data points used in the calculation of averages	12	12	12	12
High-Quality Liquid Assets				
Total high-quality liquid assets (HQLA)	27,155	26,131	24,924	24,162
Cash – Outflows				
Unsecured wholesale funding	21,220	20,801	19,881	20,744
Operational deposits (all counterparties) and deposits in networks of cooperative banks	4,287	4,126	4,016	3,780
Non-operational deposits (all counterparties)	16,933	16,675	15,865	16,964
Secured wholesale funding	—	—	—	2
Additional requirements	212	246	260	244
Outflows related to derivative exposures and other collateral requirements	212	246	260	244
Other contractual funding obligations	47	23	14	61
Other contingent funding obligations	222	108	63	15
Total cash outflows	**21,701**	**21,178**	**20,218**	**21,065**
Cash – Inflows				
Inflows from fully performing exposures	8,352	8,286	8,749	9,171
Other cash inflows	202	223	221	208
Total cash inflows	**8,554**	**8,509**	**8,970**	**9,380**
Inflows subject to 75% cap	8,554	8,509	8,970	9,380
Total Adjusted Value				
Liquidity buffer	27,155	26,131	24,924	24,162
Total net cash outflows	13,147	12,669	11,953	12,391
Liquidity Coverage Ratio (%)	**207.42 %**	**207.16 %**	**210.48 %**	**197.90 %**

Note: Non-applicable outflow/inflow classes have not been disclosed. Further, the Company's liquidity buffer is primarily composed of Level 1 High Quality Liquid Assets.

Table 6: EU LIQB Qualitative information on LCR which complements EU LIQ1

Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time	The Company's LCR in September 2021 was 207.42% based on an average over 12 monthly reporting periods, being broadly equal to the previous quarter. This substantially exceeded internal and regulatory minimum requirements. The main drivers of the September 2021 LCR, based on an average over 12 months, were higher outflows, rising by 2% over the previous quarter primarily in the form of non-operational deposits. This was partially offset by a marginal increase in inflows from fully performing exposures of 1%. Overall, the relative percentage increase in net outflows was marginally lower than the same in the liquidity buffer which contributed to a static quarter on quarter LCR.
Explanations on the changes in the LCR over time	Please see the graphs on page 36 for a visualisation of the Company's LCR over time, based on an average over 12 months at each reporting date. The Company's LCR has been safely above regulatory minimums and follows a broadly increasing trajectory. It is shaped primarily by proportionally higher central bank placements in the liquidity buffer partly offset by relatively lower increases in averaged net outflows over the year to date.
Explanations on the actual concentration of funding sources	Liquidity and concentration risk is appropriately managed and diversified according to internal policies and regulatory limits. The Company has procedures in place which require both a daily and a monthly analysis of the composition and variation of HQLA, plus the inflows and the outflows. Please see the text on pages 36-37 for more information. As of the reporting date levels of concentration risk were within internal limits with the majority of funding by the top 10 counterparties originating from intragroup counterparties and unsecured wholesale funding from a range of financial customers.
High-level description of the composition of the institution`s liquidity buffer.	The buffer is primarily composed of Level 1 assets. Notably, reserves at central banks represents the substantial majority of the buffer at the reporting date. Diversification in the buffer is achieved through further investments in Level 1 debt instruments such as government and regional/ local bonds, public sector and supranational entities, and also government backed credit institutions with comparatively smaller exposures to Level 2 assets.
Derivative exposures and potential collateral calls	Derivative exposures in the Company's LCR are considered on a net basis with subsequent liquidity outflows and inflows present which are categorised accordingly.
Currency mismatch in the LCR	The Company's significant currencies at the reporting date, and on a year to date basis, shows a consistent surplus between the liquidity buffer and net outflows reflecting the strength of the Company's liquidity risk management policies. On an average basis for the year to date the LCR per significant currency remains above the regulatory minimums.
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	There are no other items in the LCR calculation not captured in the LCR disclosure template at the reporting date.

Appendix 1 - Other risks

Liquidity risk

The Company defines liquidity risk as the risk arising from an inability to access funding, convert assets to cash quickly and efficiently, or to roll over or issue new debt, especially during periods of market stress. Liquidity risk includes the inability to access funding sources or manage fluctuations in funding levels.

The Company's overall approach to liquidity management is to ensure that sources of liquidity are sufficient in amount and diversity such that changes in funding requirements can be accommodated routinely without material adverse impact on earnings, capital, daily operations, or the financial condition of the Company.

The Company seeks to ensure that the overall liquidity risk that it undertakes stays within its risk appetite. 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 the balance sheet. The balance sheet is characterized by strong liquidity, superior 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.

The Company has a strong liquidity risk management culture and liquidity risk management is demonstrably embedded in its policies and processes.

The goal of the Company's liquidity management is to ensure that all liquidity risks are defined, understood, and effectively managed through well-designed policies and controls. In this context, the Company has established a robust liquidity risk management framework that is fully integrated into its risk management processes.

The liquidity risk management framework, is prepared in accordance with the guidelines set forth by the regulators, corporate standards, and encompasses the unique structure and characteristics of the Company.

Restitution risk

Restitution Risk relates to the obligation under regulation (**AIFMD**/**UCITS V**) or under commercial contract to reimburse the client for the value of Financial Instruments held in custody where those assets have been lost at or by a sub-custodian or a CSD (within the BNY Mellon custody network or directed sub custody appointments including prime-brokers where liability has not been discharged).

Restitution risk is the risk that the Company is willing to take because it is directly related to the business it wants to offer to our clients. The risk is governed by limits through exclusion of some sub-custodians. There is room to move beyond this where there is a parental guarantee for the sub-custodian to provide for insolvency at the sub-custodian.

The main impact on the Company is in the role of depositary, and the liability to restitute the value of financial instruments held in custody that are lost by the depositary and/or its delegates. The main source of Restitution Risk for the Company is through the depositary business performed by Asset Servicing for its fund clients. Most typically, Restitution liability would be expected to manifest as result of a combined operational risk and insolvency event. However, the matter is very much a theoretical consideration as no event has manifested in the market place.

Strategic risk

Strategic risk is defined as the risk arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the financial industry and operating environment. Strategic and/ or business risks may also arise from the acceptance of new businesses, the introduction or modification of products, strategic finance and risk management decisions, business process changes, complex transactions, acquisitions/ divestitures/ joint ventures and major capital expenditures/ investments.

The Company has a moderate appetite for Strategic risk. By its nature, our business model creates client concentration within the financial services industry and exposure to capital markets performance, globally. We understand and have an appetite to assume these risks. However, we seek to ensure that our industry concentration and capital markets exposure is prudent and directly relates to supporting our business activity and strategy.

The Board is committed to ensuring that strategic initiatives giving rise to significant change in the business organization or operations must be effectively managed, using corporate standard project management methodology.

Group risk

Group risk is the risk that the financial position of the Company may be adversely affected by its relationships (financial and non-financial) with other entities within BNY Mellon or by risks that may affect the whole of BNY Mellon.

The Company, as a member of the BNY Mellon Group, operates in alignment with the Group´s business interests, while at the same time maintaining its independence, particularly with respect to operating within a governance framework which protects the interests of the entity's clients.

The Company's management has considered several possible scenarios where these services may be affected, these include IT services outage and other business continuity issues. Although these will cause operational issues they are not expected to have a significant cost impact and are therefore not modelled, but are included in the scenarios as part of operational risk assessment and in the liquidity stress testing.

Model risk

Model risk refers to the possibility of unintended business outcomes arising from the design, implementation or use of models. Model risk includes the potential risk that management makes incorrect decisions based either upon incorrect model results, or incorrect understanding and use of model results.

Model risk can result in material financial loss, inaccurate financial or regulatory reporting, misaligned business strategies or damage to the reputation of the Company or BNY Mellon as a whole.

The Company uses models in its risk management framework. All models have been assessed in line with the relevant corporate policies and model risk management framework wherein the individual model is categorised into one of three tiers based on materiality, complexity, and level of reliance. The tiers determine the controls applicable to the model classes. The Enterprise Model Risk Committee oversees model risk management at the enterprise level and approves the overall framework and standards, which are applicable across the organisation. The Model Risk Management Group, based in the US, retain ultimate responsibility for overall model governance.

Model Risk Management Governance has responsibility for the governance of inventory and provides a mechanism to report on models to key stakeholders.

Models that impact the capital assessment process are categorised as Tier 1 models and the execution of the validation of Tier 1 models is done by a designated independent model validation function. Tier 1 models are required to be validated or reviewed, as per the validation standards, at least annually.

BNY Mellon internal audit provides independent reviews of compliance with the corporate model validation policy.

Appendix 2 - Glossary of terms

The following acronyms are a range of terms which may be used in BNY Mellon EMEA Pillar 3 disclosures:

Acronym	Description
ABS	Asset-Backed Securities
ACPR	Autorite de Controle Prudentiel et de Resolution
AFR	Available Financial Resources
AIF	Alternative Investment Fund
ALCO	Asset and Liability Committee
AML	Anti-Money Laundering
AS	Asset Servicing
AT1	Additional Tier 1
AUC	Assets Under Custody
BAC	Business Acceptance Committee
BAU	Business as usual
BaFin	Federal Financial Supervisory Authority / Bundesanstalt fur Finanzdienstleistungsaufsicht
BDAS	Broker-Dealer and Advisory Services
BDF	Banque De France
BEMCO	Belgium Management Council
BI	Banca D'Italia
BNY Mellon	The Bank of New York Mellon Corporation
BNY Mellon SA/NV	The Bank of New York Mellon SA/NV
BNY Mellon TDUKL	BNY Mellon Trust & Depositary (UK) Limited
BNYIFC	BNY International Financing Corporation
BNY Mellon KG	BNY Mellon Service Kapitalanlage-Gesellschaft mbH
BRC	Business Risk Committee
CASS	Client Asset Sourcebook Rules
CBI	Central Bank of Ireland
CCF	Credit Conversion Factor
CEO	Chief Executive Officer
CEF	Critical Economic Function
CET1	Common Equity Tier 1
CGB	CASS Governance Body
CIS	Collective Investment Scheme

Acronym	Description
CMA	Capital Market Authority
COC	Compensation Oversight Committee
COOC	CASS Operational Oversight Committee
COREP	Common Reporting
CQS	Credit Quality Steps
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CROC	Credit Risk Oversight Committee
CRR	Capital Requirements Regulation
CSD	Client Service Delivery
CSRSFI	Committee for Systemic Risks and System-relevant Financial Institutions
CSSF	Commission de Surveillance du Secteur Financier
CSTC	Capital and Stress Testing Committee
CT	Corporate Trust
CTS	Client Technology Solutions
DB	Deutsche Bank
DNB	De Nederlandsche Bank
DVP	Delivery versus Payment
EAD	Exposure at default
EC	European Commission
ECL	Expected Credit Losses
ECAP	Economic Capital
ECB	European Central Bank
ECM	Embedded Control Management
EEC	EMEA Executive Committee
EHQLA	Extremely High Quality Liquid Assets
EMEA	Europe, Middle East and Africa
ERGC	EMEA Remuneration Governance Committee
ESRMC	EMEA Senior Risk Management Committee
EU	European Union
EUR	Euro
EWI	Early Warning Indicators
ExCo	Executive Committee

Acronym	Description
FCA	Financial Conduct Authority
FMUs	Financial market utilities
FRS	Financial Reporting Standard
FSMA	Financial Services and Markets Authority
FX	Foreign Exchange
G-SIFI	Global Systemically Important Financial Institution
GCA	Global Custody Agreement
GSP	Global Securities Processing
HLA	High-level Assessment
HQLA	High Quality Liquid Assets
HRCC	Human Resources Compensation Committee
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICA	Internal Capital Assessment
ICAAP	Internal Capital Adequacy Assessment Process
ICRC	Incentive Compensation Review Committee
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
ILG	Individual Liquidity Guidance
IRRBB	Interest Rate Risk on Banking Book
IMMS	International Money Management System
ISDA	International Swaps and Derivatives Association
ISM	Investment Services and Markets
IT	Information Technology
KRI	Key Risk Indicator
KYC	Know your customer
LCR	Liquidity Coverage Ratio
LERO	Legal Entity Risk Officer
LOB	Line of Business
LOD	Line of Defense
MiFID II	Markets in Financial Instruments Directive II

Acronym	Description
MNA	Master netting agreements
MRMG	Model Risk Management Group
MRT	Material Risk Taker
NAV	Net Asset Value
NBB	National Bank of Belgium
NoCo	Nomination Committee
NSFR	Net Stable Funding Ratio
O-SII	Other systemically important institution
OCI	Other Comprehensive Income
OEICs	Open-ended Investment Companies
ORMF	Operational Risk Management Framework
ORSA	Operational Risk Scenario Analysis
P/L	Profit and Loss
PFE	Potential Future Exposure
PRA	Prudential Regulatory Authority
RCoB	Risk Committee of the Board
RCSA	Risk and Control Self-Assessment
RM	Risk Manager
RMC	Risk Management Committee
RMP	Risk Management Platform
RRP	Recovery and Resolution Planning
RW	Risk-weight
RWA	Risk Weighted Assets
SA	Standardised Approach
SFT	Security Financing Transaction
SLD	Service Level Description
SREP	Supervisory review and evaluation process
SRO	Senior Risk Officer
T&D	Trust & Depositary
T1 / T2	Tier 1 / Tier 2
TCR	Total Capital Requirements
TRC	Technology Risk Committee
TLAC	Total Loss-Absorbing Capacity
UCITS	Undertakings for Collective Investment in Transferable Securities
VaR	Value-at-Risk

The following terms may be used in this document:

Ad valorem: Method for charging fees according to the value of goods and services, instead of by a fixed rate, or by weight or quantity. Latin for [according] to value

Basel III: The capital reforms and introduction of a global liquidity standard proposed by the Basel Committee on Banking Supervision ('BCBS') in 2020

BIPRU: Prudential sourcebook for banks, building societies and investment firms

Brexit: The United Kingdom's referendum decision to leave the EU

CRD V: On 27 June 2013, the European Commission first published, through the Official Journal of the European Union, its legislation for a Capital Requirements Directive ('CRD') and Capital Requirements Regulation ('CRR'), which together form the CRD package. The package implements the Basel III reforms in addition to the inclusion of new proposals on sanctions for non-compliance with prudential rules, corporate governance and remuneration. The latest iteration, CRD V & CRR II, applies from 28 June 2021 onwards, with certain requirements set to be phased in

Capital Requirements Directive ('CRD'): A capital adequacy legislative package issued by the European Commission and adopted by EU member states

Capital Requirements Regulation ('CRR'): Regulation that is directly applicable to anyone in the European Union and is not transposed into national law

Common Equity Tier 1 capital: The highest quality form of regulatory capital under Basel III comprising common shares issued and related share premium, retained earnings and other reserves excluding the cash flow hedging reserve, less specified regulatory adjustments

Core Tier 1 capital: Called-up share capital and eligible reserves plus equity non-controlling interests, less intangible assets and other regulatory deductions

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

Derivatives: A derivative is a financial instrument that derives its value from one or more underlying assets, for example bonds or currencies

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 a counterparty defaults. EAD reflects drawn balances as well as allowance for undrawn amounts of commitments and contingent exposures over a one-year time horizon

Financial Conduct Authority ('FCA'): The Financial Conduct Authority regulates the conduct of financial firms and, for certain firms, prudential standards in the UK. It has a strategic objective to ensure that the relevant markets function well

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

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

ISDA Master Agreement: A document that outlines the terms applied to a derivatives transaction between two parties. Once the two parties have agreed to the standard terms, they do not have to renegotiate each time a new transaction is entered into

Key Risk Indicator ('KRI'): Key Risk Indicators are used by business lines to evaluate control effectiveness and residual risk within a business process

Master Netting Agreement: An agreement between two counterparties that have multiple contracts with each other that provides for the net settlement of all contracts through a single payment in the event of default or termination of any one contract

Pillar 3: The part of Basel III that sets out information banks must disclose about their risks, the amount of capital required to absorb them and their approach to risk management. The aim is to encourage market discipline and improve the information made available to the market

Prudential Regulation Authority ('PRA'): The statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and major investment firms in the UK. The PRA is a subsidiary of the Bank of England

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 risk governance framework has been developed in conjunction with BNY Mellon requirements. Key elements of the framework are:

- Formal governance committees, with mandates and defined attendees
- Clearly defined escalation processes, both informally (management lines) and formally (governance committees, board, etc.)
- A clear business as usual process for identification, management and control of risks
- Regular reporting of risk issues

Risk Management Committee ('RMC'): A committee which meets monthly to provide governance on risk related items arising from the business of the group

Risk-weighted Assets ('RWA'): Assets that are adjusted for their associated risks using weightings established in accordance with CRD V requirements

Standardised Approach ('SA'): Method used to calculate credit risk capital requirements using the Basel III, CRD V, CRR II model supplied by the BCBS. The SA model uses external credit assessment institution ratings and supervisory risk weights supplied by external credit assessment agencies

Tier 2 capital: A component of regulatory capital under Basel III, mainly comprising qualifying subordinated loan capital, related non-controlling interests and eligible collective impairment allowances

Value-at-Risk ('VaR'): A measure of the potential loss at a specified confidence level from adverse market movements in an ordinary market environment

Appendix 3 - CRR II references

CRR II ref.	Requirement summary	Compliance ref. applicable at 30 September 2021	Page ref.
Scope of disclosure requirements			
431 (1)	Institutions shall publish Pillar 3 disclosures.	BNY Mellon SA/NV publishes Pillar 3 disclosures	N/A
431 (2)	Firms with permission to use specific operational risk methodologies must disclose operational risk information.	N/A	N/A
431 (3)	The management body shall adopt formal policies to comply with the disclosure requirements. At least one member of the management body shall attest in writing.	Attestation Statement	3
431 (4)	Quantitative disclosures shall be accompanied by a qualitative narrative that may be necessary in order for the users of that information to understand the quantitative disclosures.	Qualitative narrative included where necessary.	N/A
431 (5)	Explanation of ratings decision upon request.	N/A	N/A
Non-material, proprietary or confidential information			
432 (1)	Institutions may omit disclosures if the information is not regarded as material (except Articles 435(2)(c), 437 and 450).	1.2 Article 432 CRR II - Non-material, proprietary or confidential information	7
432 (2)	Institutions may omit information that is proprietary or confidential if certain conditions are respected (except Articles 437 and 450).		
432 (3)	Where 432(1) and (2) apply this must be stated in the disclosures, and more general information must be disclosed.		
Frequency of disclosure			
433	Institutions shall publish the disclosures required at least on an annual basis, on the same date of the publication of the financial statements. Semi-annual and quarterly disclosures shall be published on the same date as the financial reports for the period where applicable.	1.3 Article 433/434 CRR II - Frequency, scope and means of disclosure	7
433 (a)	Large institutions shall disclose the information outlined in this article on an annual, semi-annual and quarterly basis as applicable.		
433 (b)	Small and non-complex institutions shall disclose the information outlined in this article on an annual and semi-annual basis as applicable.	N/A	N/A
433 (c)	Institutions that are not subject to Article 433(a) or 433(b) shall disclose the information outlined in this article on an annual and semi-annual basis as applicable.	N/A	N/A
Means of disclosure			
434 (1)	Institutions shall disclose all the information required under Titles II and III in electronic format and in a single medium or location.	1.3 Article 433/434 CRR II - Frequency, scope and means of disclosure	7
434 (2)	Institutions shall make available on their website an archive of the information required to be disclosed in accordance with this Part.	https://www.bnymellon.com/us/en/investor-relations/regulatory-filings.html	N/A
Risk management objectives and policies			
435 (1)	Institutions shall disclose their risk management objectives and policies.	4 Article 435 CRR II - Risk management objectives and policies	22
435 (1) (a)	Strategies and processes to manage those categories of risks.	4.1 Risk objectives	24
435 (1) (b)	Structure and organisation of the risk management function.	4.2 Risk governance	24
435 (1) (c)	Scope and nature of risk reporting and measurement systems.	4.1 - 4.8	24
435 (1) (d)	Policies for hedging and mitigating risk.	4.3 - 4.8	30

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435 (1) (e)	Approved declaration on the adequacy of risk management arrangements.	1.4 Governance: approval and publication	7
435 (1) (f)	Approved risk statement describing the overall risk profile associated with business strategy.	Risk statement	22
		N/A	N/A
435 (2) (a)	Number of directorships held by directors.	4.2 Risk governance	24
435 (2) (b)	Recruitment policy of Board members, their experience and expertise.	4.2 Risk governance	24
435 (2) (c)	Policy on diversity of Board membership and results against targets.	4.2 Risk governance	24
435 (2) (d)	Disclosure of whether a dedicated risk committee is in place, and number of meetings in the year.	4.2.1 - 4.2.4	24
435 (2) (e)	Description of information flow on risk to Board.	4.2.1 - 4.2.4	24

Scope of application

436 (a)	The name of the institution to which this Regulation applies.	1 Article 431 CRR II - Disclosure requirements and policies	5
436 (b)	A reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation.	N/A	N/A
436 (c)	A breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation broken down by type of risk.	N/A	N/A
436 (d)	A reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation, and the exposure amount used for regulatory purposes.	N/A	N/A
436 (e)	For exposures from the trading book and the non-trading book adjusted in accordance with Article 34 and Article 105, a breakdown of the constituent elements of an institution's prudent valuation adjustment, by types of risk.	N/A	N/A
436 (f)	Current or expected material impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries.	N/A - No impediment exists.	N/A
436 (g)	Aggregate amount by which the actual own funds are less than required in all subsidiaries not included in the consolidation, and the name or names of those subsidiaries.	All entities in scope of consolidation are appropriately capitalised.	N/A
437 (h)	Where applicable, the circumstance under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9.	N/A	N/A

Own funds

437 (a)	Full reconciliation of Common Equity Tier 1 (CET1) items.	N/A	N/A
437 (b)	Description of the main features of the CET1 and Additional Tier 1 and Tier 2 instruments.	N/A	N/A
437 (c)	Full terms and conditions of all CET1, Additional Tier 1 and Tier 2 instruments.	N/A	N/A
437 (d) (i) 437 (d) (ii) 437 (d) (iii)	Each prudent filter applied. Each deduction made. Items not deducted.	N/A	N/A
437 (e)	Description of all restrictions applied to the calculation of Own Funds.	N/A - No restrictions apply.	N/A
437 (f)	Explanation of the basis of calculating capital ratios using elements of Own Funds.	N/A - Capital ratios are calculated in accordance with CRR II.	N/A

Own funds and eligible liabilities

437a (a)	Institutions that are subject to Article 92a or 92b shall disclose the composition of their own funds and eligible liabilities, their maturity and their main features.	Table 2: EU ILAC Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	17
437a (b)	The ranking of eligible liabilities in the creditor hierarchy.	N/A - Only applicable at individual disclosure level.	N/A
437a (c)	The total amount of each issuance of eligible liabilities instruments.	Table 2: EU ILAC Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	17
437a (d)	The total amount of excluded liabilities.		

Own funds requirements and risk weighted exposure amounts

438 (a)	Summary of institution's approach to assessing adequacy of capital levels.	3 Article 438 CRR II - Own funds requirements and risk weighted exposure amounts	19
438 (b)	The amount of the additional own funds requirements based on the supervisory review process.	Table 1: EU KM1 Key metrics	14
438 (c)	Result of ICAAP on demand from authorities.	N/A	N/A
438 (d)	The total risk-weighted exposure amount and the corresponding total own funds requirement.	Table 3: EU OV1 Overview of total risk exposure amounts	20
438 (e)	The on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending.	N/A	N/A
438 (f)	The exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds.	N/A	N/A
438 (g)	The supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate.	N/A	N/A
438 (h)	The variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations.	N/A	N/A

Exposure to counterparty credit risk (CCR)

439 (a)	Description of process to assign internal capital and credit limits to CCR exposures.	N/A	N/A
439 (b)	Discussion of process to secure collateral and establishing reserves.	N/A	N/A
439 (c)	Discussion of management of wrong-way exposures.	N/A	N/A
439 (d)	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade.	N/A - A credit ratings downgrade is managed at the BNY Mellon Corp level.	N/A
439 (e)	The amount of segregated and unsegregated collateral received and posted.	N/A	N/A
439 (f)	Exposure values before and after the effect of the credit risk mitigation of derivative transactions.	N/A	N/A
439 (g)	Exposure values before and after the effect of the credit risk mitigation of securities financing transactions.		
439 (h)	The exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge.	N/A	N/A
439 (i)	Exposure value to central counterparties and the associated risk exposures.	N/A	N/A

439 (j)	The notional amount and fair value of credit derivative transactions.	N/A	N/A
439 (k)	Estimate of alpha, if applicable.	N/A	N/A
439 (l)	Separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452.	N/A	N/A
439 (m)	For institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business	N/A	N/A
Countercyclical capital buffers			
440 (a)	Geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposure	N/A	N/A
440 (b)	Amount of the institution specific countercyclical capital buffer.	N/A	N/A
Indicators of global systemic importance			
441	Disclosure of the indicators of global systemic importance.	N/A	N/A
Credit risk adjustments			
442 (a)	Disclosure of bank's scope and definitions of past due and impaired.	N/A	N/A
442 (b)	Approaches for calculating specific and general credit risk adjustments.	N/A	N/A
442 (c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures.	N/A	N/A
442 (d)	An ageing analysis of accounting past due exposures.	N/A	N/A
442 (e)	The gross carrying amounts of both defaulted and non-defaulted exposures.	N/A	N/A
442 (f)	Changes in the gross amount of defaulted on- and off-balance-sheet exposures.	N/A	N/A
442 (g)	The breakdown of loans and debt securities by residual maturity.	N/A	N/A
Unencumbered assets			
443	Institutions shall disclose information concerning their encumbered and unencumbered assets.	N/A	N/A
Use of ECAIs			
444 (a)	Names of the ECAIs used in the calculation of Standardised Approach RWAs, and reasons for any changes.	N/A	N/A
444 (b)	Exposure classes associated with each ECAI.	N/A	N/A
444 (c)	Explanation of the process for translating external ratings into credit quality steps.	N/A	N/A
444 (d)	Mapping of external rating to credit quality steps.	N/A	N/A
444 (e)	Exposure value pre and post-credit risk mitigation, by credit quality step.	N/A	N/A
Exposure to market risk			
445	Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk.	N/A	N/A

Operational risk management

446 (a)	The approaches for the assessment of own funds requirements for operation risk that the institution qualifies for.	N/A	N/A
446 (b)	A description of the methodology set out in Article 312(2), including a discussion of the relevant internal and external factors considered in the institution's advanced measurement approach.	N/A	N/A
446 (c)	In the case of partial use, the scope and coverage of the different methodologies used.	N/A	N/A

Key metrics

447 (a)	Composition of own funds and own funds requirements.	Table 1: EU KM1 Key metrics	14
447 (b)	The total risk exposure amount.		
447 (c)	Amount and composition of additional own funds.		
447 (d)	Combined buffer requirement which the institutions are required to hold.		
447 (e)	Leverage ratio and the total exposure measure.		
447 (f) (i)	Twelve months averages of the liquidity coverage ratio for each quarter.		
447 (f) (ii)	Twelve months averages of total liquid assets for each quarter.		
447 (f) (iii)	Twelve months averages of the liquidity outflows, inflows and net liquidity outflows for each quarter.		
447 (g) (i)	The net stable funding ratio at the end of each quarter		
447 (g) (ii)	The available stable funding at the end of each quarter		
447 (g) (iii)	The required stable funding at the end of each quarter		
447 (h)	Own funds and eligible liabilities ratios and their components, numerator and denominator	Table 2: EU ILAC Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	17

Exposure to interest rate risk on positions not included in the trading book

448 (1) (a)	The changes in the economic value of equity calculated under supervisory shock scenarios.	N/A	N/A
448 (1) (b)	The changes in the net interest income calculated under supervisory shock scenarios.		
448 (1) (c)	A description of key modelling and parametric assumptions.	N/A	N/A
448 (1) (d)	An explanation of the significance of the risk measures.	N/A	N/A
448 (1) (e) (i)	A description of the specific risk measures that are used to evaluate changes economic value of equity and net interest income.	N/A	N/A
448 (1) (e) (ii)	A description of the key modelling and parametric assumptions used where they differ from the provisions of Article 448(1)(c).	N/A	N/A
448 (1) (e) (iii)	A description of the interest rate shock scenarios used to estimate the interest rate risk	N/A	N/A
448 (1) (e) (iv)	The effect of hedges against interest rate risks.	N/A	N/A
448 (1) (e) (v)	An outline of how often the evaluation of the interest rate risk occurs.	N/A	N/A

448 (1) (f)	The description of the overall risk management and mitigation strategies.	N/A	N/A
448 (1) (g)	Average and longest repricing maturity assigned to non-maturity deposits.		
448 (2)	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e)(iv) of paragraph 1 shall not apply to institutions that use the standardised methodology or the simplified standardised methodology.	N/A	N/A

Exposures to securitisation positions

449 (a)	A description of the institution's securitisation and re-securitisation activities including risk management and investment objectives, their role and whether the institution uses STS, and the extent of credit risk transfers to third parties	N/A	N/A
449 (b)	The type of risks they are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions providing a distinction between STS and non-STS positions	N/A	N/A
449 (b) (i)	The risk retained in own-originated transactions	N/A	N/A
449 (b) (ii)	The risk incurred in relation to transactions originated by third parties	N/A	N/A
449 (c)	Their approaches for calculating the risk-weighted exposure amounts that they apply to their securitisation activities.	N/A	N/A
449 (d)	A list of SSPEs, with a description of their types of exposures to those SSPEs, including derivative contracts:	N/A	N/A
449 (d) (i)	SSPEs which acquire exposures originated by the institutions.	N/A	N/A
449 (d) (ii)	SSPEs sponsored by the institutions.	N/A	N/A
449 (d) (iii)	SSPEs and other legal entities for which the institutions provide securitisation-related services	N/A	N/A
449 (d) (iv)	SSPEs included in the institutions' regulatory scope of consolidation;	N/A	N/A
449 (e)	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three	N/A	N/A
449 (f)	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions.	N/A	N/A
449 (g)	A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions.	N/A	N/A
449 (h)	The names of the ECAIs used for securitisations and the types of exposure for which each agency is used.	N/A	N/A
449 (i)	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three.	N/A	N/A
449 (j)	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures.	N/A	N/A
449 (k) (i)	For the non-trading book activities, the aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches.	N/A	N/A
449 (k) (ii)	The aggregate amount of securitisation positions where institutions act as investor and the associated riskweighted assets and capital requirements by regulatory approaches.	N/A	N/A

449 (l)	For exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type.	N/A	N/A

Environmental, social and governance risks (ESG risks)

449a	Large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, shall disclose information on ESG risks, including physical risks and transition risks.	N/A	N/A

Remuneration policy

450 (1) (a)	Information concerning the decision-making process used for determining the remuneration policy.	N/A	N/A
450 (1) (b)	Information about the link between pay of the staff and their performance.	N/A	N/A
450 (1) (c)	Important design characteristics of the remuneration system.	N/A	N/A
450 (1) (d)	The ratios between fixed and variable remuneration.	N/A	N/A
450 (1) (e)	Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based.	N/A	N/A
450 (1) (f)	Main parameters and rationale for any variable component scheme and any other non-cash benefits.	N/A	N/A
450 (1) (g)	Aggregate quantitative information on remuneration by business area.	N/A	N/A
450 (1) (h) 450 (1) (h) (i) 450 (1) (h) (ii) 450 (1) (h) (iii) 450 (1) (h) (iv) 450 (1) (h) (v) 450 (1) (h) (vi) 450 (1) (h) (vii)	Aggregate quantitative information on remuneration, broken down by senior staff management and members of staff whose actions have a material impact on the risk profile	N/A	N/A
450 (1) (i)	Number of individuals that have been remunerated EUR 1 million or more per financial year.	N/A	N/A
450 (1) (j)	Upon demand from the relevant Member State or competent authority, the total remuneration for each member of management or senior management.	N/A	N/A
450 (1) (k)	Information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU.	N/A	N/A
450 (2)	For large institutions, quantitative information on the remuneration of the collective management body shall be made available to the public, differentiating between executive and non-executive members.	N/A	N/A

Leverage ratio

451 (1) (a)	Leverage ratio.	N/A	N/A
451 (1) (b)	Breakdown of total exposure measure.	N/A	N/A
451 (1) (c)	Where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7);	N/A	N/A
451 (1) (d)	Description of the process used to manage the risk of excessive leverage.	N/A	N/A
451 (1) (e)	Description of the factors that had an impact on the leverage ratio.	N/A	N/A
451 (2)	Public development credit institutions shall disclose the leverage ratio without the adjustment to the total exposure measure.	N/A	N/A

451 (3)	Large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7).	N/A	N/A

Liquidity requirements

451a (1)	Disclose information on liquidity coverage ratio, net stable funding ratio and liquidity risk management.	5 Article 451a CRR II - Liquidity	36
451a (2) (a)	The average of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period.	Table 4: EU LIQ1 Quantitative information of LCR (unweighted)	37
451a (2) (b)	The average of total liquid assets based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer.		
451a (2) (c)	The averages of liquidity outflows, inflows and net liquidity outflows, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.		
451a (3) (a)	Quarter-end figures of the net stable funding ratio for each quarter of the relevant disclosure period.	N/A	N/A
451a (3) (b)	An overview of the amount of available stable funding.		
451a (3) (c)	An overview of the amount of required stable funding.		
451a (4)	Disclosure of the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor liquidity risk.	5 Article 451a CRR II - Liquidity	36

Use of the IRB approach to credit risk

452 (a)	The competent authority's permission of the approach.	N/A	N/A
452 (b)	The mechanisms for rating systems at the different stages of development, controls and change.	N/A	N/A
452 (c)	For each exposure class referred to in Article 147, the percentage of the total exposure value subject to the Standardised Approach or to the IRB approach.	N/A	N/A
452 (d)	The role of the functions involved in the development, approval and subsequent changes of the credit risk models.	N/A	N/A
452 (e)	The scope and main content of the reporting related to credit risk models.	N/A	N/A
452 (f)	A description of the internal ratings process by exposure class, including the number of key models used and a brief discussion of the main differences between the models.	N/A	N/A
452 (g)	As applicable, information relating to each exposure class referred to in Article 147.	N/A	N/A
452 (h)	Institutions' estimates of PDs against the actual default rate for each class over a longer period.	N/A	N/A

Use of credit risk mitigation techniques

453 (a)	Use of on- and off-balance sheet netting.	N/A	N/A
453 (b)	How collateral valuation is managed.	N/A	N/A
453 (c)	Description of types of collateral used.	N/A	N/A
453 (d)	Types of guarantor and credit derivative counterparty, and their creditworthiness.	N/A - BNY Mellon’s EMEA entities do not enter into credit derivative transactions	N/A

453 (e)	Disclosure of market or credit risk concentrations within risk mitigation exposures.	N/A	N/A
453 (f)	Under either the Standardised or IRB approach, disclose the exposure value not covered by any eligible credit protection and the total exposure valued covered by eligible credit protection.	N/A	N/A
453 (g)	Conversion factors and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect.	N/A	N/A
453 (h)	Under the Standardised approach, the on- and off-balance-sheet exposure value by exposure class before and after conversion factors and any associated credit risk mitigation.		
453 (i)	Under the Standardised approach, the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying conversion factors and credit risk mitigation, for each exposure class.		
453 (j)	For risk-weighted exposure amounts under the IRB approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives.	N/A	N/A
Use of the Advanced Measurement Approaches to operational risk			
454	Description of the use of insurance or other risk transfer mechanisms to mitigate operational risk.	N/A Pillar 1 : standardised approach Pillar 2 : self-assessment approach	N/A
Use of internal market risk models			
455	Institutions calculating their capital requirements using internal market risk models.	N/A	N/A
Commission Implementing Regulation (EU) No 1423/2013			
Article 1	Specifies uniform templates for the purposes of disclosure.	N/A	N/A
Article 2	Full reconciliation of own funds items to audited financial statements.	2 Article 437/437a CRR II - Own funds and eligible liabilities	16
Article 3	Description of the main features of CET1, AT1 and Tier 2 instruments issued (Annex II and III).	N/A	N/A
Article 4	Disclosure of nature and amounts of specific items on own funds (Annex IV and V).	N/A	N/A
Article 5	Disclosure of nature and amounts of specific items on own funds during transitional period (Annex VI and VII).		
Article 6	Entry into force from 31 March 2014.	N/A	N/A

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