UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2021

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 001-35651

THE BANK OF NEW YORK MELLON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**13-2614959**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

240 Greenwich Street
New York, New York 10286
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code – (212) 495-1784

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	BK	New York Stock Exchange
6.244% Fixed-to-Floating Rate Normal Preferred Capital Securities of Mellon Capital IV (fully and unconditionally guaranteed by The Bank of New York Mellon Corporation)	BK/P	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2021, 863,173,678 shares of the registrant's common stock, $0.01 par value per share, were outstanding.

THE BANK OF NEW YORK MELLON CORPORATION

Second Quarter 2021 Form 10-Q
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The Bank of New York Mellon Corporation (and its subsidiaries)

Consolidated Financial Highlights (unaudited)

(dollars in millions, except per share amounts and unless otherwise noted)	Quarter ended			Year-to-date	
	June 30, 2021	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Results applicable to common shareholders of The Bank of New York Mellon Corporation:					
Net income	**$ 991**	$ 858	$ 901	**$ 1,849**	$ 1,845
Basic earnings per share	**$ 1.14**	$ 0.97	$ 1.01	**$ 2.11**	$ 2.06
Diluted earnings per share	**$ 1.13**	$ 0.97	$ 1.01	**$ 2.10**	$ 2.06
Fee and other revenue	**$ 3,315**	$ 3,266	$ 3,230 *(a)*	**$ 6,581**	$ 6,524 *(a)*
Net interest revenue	**645**	655	780	**1,300**	1,594
Total revenue	**$ 3,960**	$ 3,921	$ 4,010	**$ 7,881**	$ 8,118
Return on common equity *(annualized)*	**9.8 %**	8.5 %	9.4 %	**9.2 %**	9.7 %
Return on tangible common equity *(annualized)* – Non-GAAP *(b)*	**18.6 %**	16.1 %	18.5 %	**17.3 %**	19.4 %
Return on average assets *(annualized)*	**0.88 %**	0.76 %	0.87 %	**0.82 %**	0.93 %
Fee revenue as a percentage of total revenue	**81 %**	83 %	77 % *(a)*	**82 %**	78 % *(a)*
Non-U.S. revenue as a percentage of total revenue	**38 %**	37 %	36 %	**38 %**	36 %
Pre-tax operating margin	**32 %**	29 %	29 %	**31 %**	30 %
Net interest margin	**0.67 %**	0.66 %	0.88 %	**0.67 %**	0.94 %
Net interest margin on a fully taxable equivalent ("FTE") basis – Non-GAAP *(c)*	**0.67 %**	0.67 %	0.88 %	**0.67 %**	0.94 %
Assets under custody and/or administration ("AUC/A") at period end *(in trillions) (d)*	**$ 45.0**	$ 41.7	$ 37.3	**$ 45.0**	$ 37.3
Assets under management ("AUM") at period end *(in billions) (e)*	**$ 2,320**	$ 2,214	$ 1,961	**$ 2,320**	$ 1,961
Market value of securities on loan at period end *(in billions) (f)*	**$ 456**	$ 445	$ 384	**$ 456**	$ 384
Average common shares and equivalents outstanding *(in thousands)*:					
Basic	**869,460**	882,558	889,020	**876,006**	891,642
Diluted	**873,475**	885,655	890,561	**879,409**	893,603
Selected average balances:					
Interest-earning assets	**$ 388,285**	$ 397,297	$ 357,562	**$ 392,766**	$ 340,749
Total assets	**$ 452,329**	$ 460,379	$ 415,359	**$ 456,332**	$ 400,318
Interest-bearing deposits	**$ 239,466**	$ 245,115	$ 210,643	**$ 242,275**	$ 204,138
Noninterest-bearing deposits	**$ 85,802**	$ 83,429	$ 72,411	**$ 84,622**	$ 66,494
Long-term debt	**$ 25,275**	$ 26,199	$ 28,122	**$ 25,734**	$ 27,677
Preferred stock	**$ 4,541**	$ 4,541	$ 4,010	**$ 4,541**	$ 3,776
Total The Bank of New York Mellon Corporation common shareholders' equity	**$ 40,393**	$ 40,720	$ 38,476	**$ 40,556**	$ 38,070
Other information at period end:					
Cash dividends per common share	**$ 0.31**	$ 0.31	$ 0.31	**$ 0.62**	$ 0.62
Common dividend payout ratio	**27 %**	32 %	31 %	**30 %**	30 %
Common dividend yield *(annualized)*	**2.4 %**	2.7 %	3.2 %	**2.4 %**	3.2 %
Closing stock price per common share	**$ 51.23**	$ 47.29	$ 38.65	**$ 51.23**	$ 38.65
Market capitalization	**$ 44,220**	$ 41,401	$ 34,239	**$ 44,220**	$ 34,239
Book value per common share	**$ 47.20**	$ 46.16	$ 44.21	**$ 47.20**	$ 44.21
Tangible book value per common share – Non-GAAP *(b)*	**$ 25.64**	$ 24.88	$ 23.31	**$ 25.64**	$ 23.31
Full-time employees	**48,800**	48,000	48,300	**48,800**	48,300
Common shares outstanding *(in thousands)*	**863,174**	875,481	885,862	**863,174**	885,862

Consolidated Financial Highlights (unaudited) (continued)

Regulatory capital and other ratios	June 30, 2021	March 31, 2021	Dec. 31, 2020
Average liquidity coverage ratio ("LCR")	**110 %**	110 %	110 %
Regulatory capital ratios: *(g)*			
Advanced:			
Common Equity Tier 1 ("CET1") ratio	**12.7 %**	12.6 %	13.1 %
Tier 1 capital ratio	**15.3**	15.3	15.8
Total capital ratio	**16.0**	16.1	16.7
Standardized:			
CET1 ratio	**12.6 %**	12.6 %	13.4 %
Tier 1 capital ratio	**15.2**	15.2	16.1
Total capital ratio	**16.2**	16.2	17.1
Tier 1 leverage ratio	**6.0 %**	5.8 %	6.3 %
Supplementary leverage ratio ("SLR") *(h)*	**7.5**	8.1	8.6
BNY Mellon shareholders' equity to total assets ratio	**9.7 %**	9.7 %	9.8 %
BNY Mellon common shareholders' equity to total assets ratio	**8.7**	8.7	8.8

(a) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with current period presentation. See Note 1 of the Notes to Consolidated Financial Statements for additional information.

(b) Return on tangible common equity and tangible book value per common share, Non-GAAP measures, exclude goodwill and intangible assets, net of deferred tax liabilities. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 47 for the reconciliation of Non-GAAP measures.

(c) See "Net interest revenue" on page 11 for a reconciliation of this Non-GAAP measure.

(d) Consists of AUC/A primarily from the Asset Servicing business and, to a lesser extent, the Clearance and Collateral Management, Issuer Services, Pershing and Wealth Management businesses. Includes the AUC/A of CIBC Mellon Global Securities Services Company ("CIBC Mellon"), a joint venture with the Canadian Imperial Bank of Commerce, of $1.7 trillion at June 30, 2021, $1.6 trillion at March 31, 2021 and $1.3 trillion at June 30, 2020.

(e) Excludes securities lending cash management assets and assets managed in the Investment Services business.

(f) Represents the total amount of securities on loan in our agency securities lending program managed by the Investment Services business. Excludes securities for which BNY Mellon acts as an agent on behalf of CIBC Mellon clients, which totaled $63 billion at June 30, 2021, $64 billion at March 31, 2021 and $62 billion at June 30, 2020.

(g) For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches. For additional information on our capital ratios, see "Capital" beginning on page 38.

(h) The SLR at March 31, 2021 and Dec. 31, 2020 reflect the temporary exclusion of U.S. Treasury securities from the leverage exposure, which increased our SLR by 68 basis points and 72 basis points, respectively. The temporary exclusion ceased to apply beginning April 1, 2021. See "Capital" beginning on page 38 for additional information.

Items 2. and 3. Management's Discussion and Analysis of Financial Condition and Results of Operations; Quantitative and Qualitative Disclosures about Market Risk

General

In this Quarterly Report on Form 10-Q, references to "our," "we," "us," "BNY Mellon," the "Company" and similar terms refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries. The term "Parent" refers to The Bank of New York Mellon Corporation but not its subsidiaries.

Certain business terms used in this report are defined in the Glossary included in our Annual Report on Form 10-K for the year ended Dec. 31, 2020 ("2020 Annual Report").

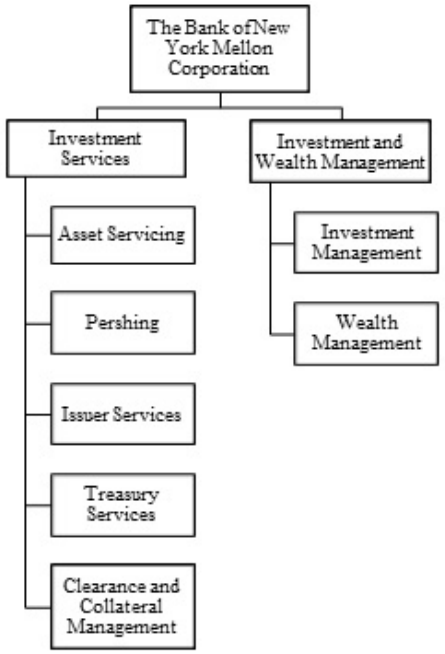
The following should be read in conjunction with the Consolidated Financial Statements included in this report. Investors should also read the section titled "Forward-looking Statements."

Overview

Established in 1784 by Alexander Hamilton, we were the first company listed on the New York Stock Exchange (NYSE: BK). With a history of more than 235 years, BNY Mellon is a global company that manages and services assets for financial institutions, corporations and individual investors in 35 countries.

BNY Mellon has two business segments, Investment Services and Investment and Wealth Management, which offer a comprehensive set of capabilities and deep expertise across the investment lifecycle, enabling the Company to provide solutions to buy-side and sell-side market participants, as well as leading institutional and wealth management clients globally.

The diagram below presents our two business segments and lines of business, with the remaining operations in the Other segment.



Key second quarter 2021 and subsequent events

Share repurchase program and increase in cash dividend on common stock

In June 2021, our Board of Directors approved the repurchase of up to $6.0 billion of common stock starting in the third quarter of 2021 and continuing through the fourth quarter of 2022.

Additionally, in July, our Board of Directors approved a 10% increase in the quarterly cash dividend on common stock, from $0.31 to $0.34 per share. This increased quarterly cash dividend will be paid on Aug. 9, 2021.

Highlights of second quarter 2021 results

Net income applicable to common shareholders was $991 million, or $1.13 per diluted common share, in the second quarter of 2021. Net income applicable to common shareholders was $901 million, or $1.01 per diluted common share, in the second quarter of 2020. The highlights below are based on the second quarter of 2021 compared with the second quarter of 2020, unless otherwise noted.

- Total revenue of $4.0 billion decreased 1%, primarily reflecting:
  - Fee revenue increased 4%, primarily reflecting the positive impact of higher markets, the favorable impact of a weaker U.S. dollar and higher client volumes, partially offset by money market fee waivers. (See "Fee and other revenue" beginning on page 7.)
  - Other revenue decreased primarily reflecting lower gains related to seed capital investments. (See "Fee and other revenue" beginning on page 7.)
  - Net interest revenue decreased 17%, primarily reflecting lower interest rates on interest-earning assets. This was partially offset by the benefit of lower funding and deposit rates, lower debt balances, a larger securities portfolio and higher deposit balances. (See "Net interest revenue" on page 11.)
- Provision for credit losses was a benefit of $86 million primarily driven by an improvement in the macroeconomic forecast. (See "Consolidated balance sheet review – Allowance for credit losses" beginning on page 31.)
- Noninterest expense increased 3%, primarily reflecting the unfavorable impact of a weaker U.S. dollar, investments in efficiency and growth initiatives and higher revenue-related expenses. (See "Noninterest expense" on page 14.)
- Effective tax rate of 19.0%. (See "Income taxes" on page 14.)

Capital and liquidity

- CET1 ratio was 12.6% at June 30, 2021, unchanged compared with March 31, 2021. Capital generated through earnings was offset by capital deployed through common stock repurchases and dividends, and higher risk-weighted assets. (See "Capital" beginning on page 38.)
- Tier 1 leverage was 6.0% at June 30, 2021, compared with 5.8% at March 31, 2021. The increase reflects capital generation and lower average assets. (See "Capital" beginning on page 38.)
- Repurchased 12.8 million common shares for $618 million.

Highlights of our principal businesses

Investment Services

- Total revenue decreased 4%.
- Income before income taxes increased 3%.
- AUC/A of $45.0 trillion increased 21%, primarily reflecting higher market values, net new business and the favorable impact of a weaker U.S. dollar.

Investment and Wealth Management

- Total revenue increased 13%.
- Income before income taxes increased 48%.
- AUM of $2.3 trillion increased 18%, primarily reflecting higher market values, the favorable impact of a weaker U.S. dollar (principally versus the British pound) and net inflows.

See "Review of businesses" and Note 18 of the Notes to Consolidated Financial Statements for additional information on our businesses.

Impact of coronavirus pandemic on our business

See "Impact of coronavirus pandemic on our business" in our 2020 Annual Report for the areas of our business that have been impacted and could continue to be impacted by the coronavirus pandemic and its effect on the global macroeconomic environment. The following updates those disclosures.

Short-term interest rates have remained low through the second quarter of 2021, which has continued to result in lower net interest revenue and higher money market fee waivers. This has been partially offset by higher average deposit balances and higher money market balances compared with 2020.

Equity market levels have continued to improve in the first six months of 2021, resulting in increased asset-based fees in Investment Services and Investment and Wealth Management.

The macroeconomic outlook continued to improve through the first and second quarters of 2021, resulting in decreases in the allowance for credit losses and benefits to the provision for credit losses.

The restrictions on common stock dividends and share repurchases ended on June 30, 2021.

It is difficult to forecast the impact of the coronavirus, together with related public health measures, on our results with certainty because so much depends on how the health crisis evolves and its impact on the global economy, as well as actions taken by central banks and governments to support the economy and the availability, use and effectiveness of vaccines.

The current macroeconomic environment has also resulted in responses by governmental and regulatory bodies. See "Supervision and Regulation – Pandemic-Related Measures" in our 2020 Annual Report for additional information on legislative and regulatory developments in response to the coronavirus pandemic.

For further discussion of the current and potential impact of the coronavirus pandemic, see "Risk Factors – The coronavirus pandemic is adversely affecting us and creates significant risks and uncertainties for our business, and the ultimate impact of the pandemic on us will depend on future developments, which are highly uncertain and cannot be predicted," in our 2020 Annual Report.

Fee and other revenue

Fee and other revenue *(dollars in millions, unless otherwise noted)*	2Q21	1Q21	2Q20		2Q21 vs. 1Q21	2Q21 vs. 2Q20	YTD21	YTD20		YTD21 vs. YTD20
Investment services fees:										
Asset servicing fees *(a)*	**$ 1,200**	$ 1,199	$ 1,173		**— %**	**2 %**	**$ 2,399**	$ 2,332		**3 %**
Clearing services fees *(b)*	**435**	455	431		**(4)**	**1**	**890**	901		**(1)**
Issuer services fees	**281**	245	277		**15**	**1**	**526**	540		**(3)**
Treasury services fees	**160**	157	144		**2**	**11**	**317**	293		**8**
Total investment services fees	**2,076**	2,056	2,025		**1**	**3**	**4,132**	4,066		**2**
Investment management and performance fees	**889**	890	786		**—**	**13**	**1,779**	1,648		**8**
Foreign exchange revenue	**184**	231	193	*(c)*	**(20)**	**(5)**	**415**	438	*(c)*	**(5)**
Financing-related fees	**48**	51	58		**(6)**	**(17)**	**99**	117		**(15)**
Distribution and servicing	**27**	29	27		**(7)**	**—**	**56**	58		**(3)**
Total fee revenue	**3,224**	3,257	3,089	*(c)*	**(1)**	**4**	**6,481**	6,327	*(c)*	**2**
Investment and other income	**89**	9	132	*(c)*	**N/M**	**N/M**	**98**	179	*(c)*	**N/M**
Net securities gains	**2**	—	9		**N/M**	**N/M**	**2**	18		**N/M**
Total other revenue	**91**	9	141		**N/M**	**N/M**	**100**	197		**N/M**
Total fee and other revenue	**$ 3,315**	$ 3,266	$ 3,230		**2 %**	**3 %**	**$ 6,581**	$ 6,524		**1 %**
Fee revenue as a percentage of total revenue	**81 %**	83 %	77 %	*(c)*			**82 %**	78 %	*(c)*	
AUC/A at period end *(in trillions) (d)*	**$ 45.0**	$ 41.7	$ 37.3		**8 %**	**21 %**	**$ 45.0**	$ 37.3		**21 %**
AUM at period end *(in billions) (e)*	**$ 2,320**	$ 2,214	$ 1,961		**5 %**	**18 %**	**$ 2,320**	$ 1,961		**18 %**

(a) Asset servicing fees include the fees from the Clearance and Collateral Management business and also include securities lending revenue of $45 million in the second quarter of 2021, $45 million in the first quarter of 2021, $56 million in the second quarter of 2020, $90 million in the first six months of 2021 and $107 million in the first six months of 2020.

(b) Clearing services fees are almost entirely earned by our Pershing business.

(c) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with the current period presentation. See Note 1 of the Notes to Consolidated Financial Statements for additional information.

(d) Consists of AUC/A primarily from the Asset Servicing business and, to a lesser extent, the Clearance and Collateral Management, Issuer Services, Pershing and Wealth Management businesses. Includes the AUC/A of CIBC Mellon of $1.7 trillion at June 30, 2021, $1.6 trillion at March 31, 2021 and $1.3 trillion at June 30, 2020.

(e) Excludes securities lending cash management assets and assets managed in the Investment Services business.

N/M – Not meaningful.

Fee revenue increased 4% compared with the second quarter of 2020 and decreased 1% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects higher investment management and performance fees, asset servicing fees and treasury services fees, partially offset by lower financing-related fees and foreign exchange revenue. The decrease compared with the first quarter of 2021 primarily reflects lower foreign exchange revenue and clearing services fees, partially offset by higher issuer services fees.

Other revenue decreased $50 million compared with the second quarter of 2020 and increased $82 million compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects lower gains related to seed capital investments. The increase compared with the first quarter of 2021 primarily reflects a $39 million impairment related to a renewable energy investment recorded in the first quarter of 2021, gains from other investments and disposals, and higher other income.

Money market fee waivers

Given the continued low short-term interest rates, money market mutual fund fees and other similar fees are being waived to protect investors from negative returns. The fee waivers have primarily impacted fee revenues in Pershing and Investment Management, but also resulted in lower distribution and servicing expense. The fee waivers also began to impact fee revenues in our other businesses in the second half of 2020. Money market fee waivers are highly sensitive to changes in short-term interest rates and are difficult to predict. Assuming no change in money market

balances, we expect to recover over 50% of the pre-tax income related to fee waivers with a 25 basis point increase in the Fed Funds rate and we expect to recover nearly 100% of the pre-tax income related to fee waivers when the Fed Funds rate increases 100 basis points.

The following table presents the impact of money market fee waivers on our consolidated fee revenue, net of distribution and servicing expense. In the second quarter of 2021, the net impact of money market fee waivers was $252 million, up from $188 million in the first quarter of 2021, driven by lower short-term interest rates and higher money market balances.

Money market fee waivers *(in millions)*		**2Q21**	1Q21	2Q20		**YTD21**	YTD20
Investment services fees:							
Asset servicing fees	**$**	**(42)** $	(22) $	—	**$**	**(64)** $	—
Clearing services fees		**(88)**	(74)	(50)		**(162)**	(59)
Issuer services fees		**(15)**	(10)	(1)		**(25)**	(1)
Treasury services fees		**(3)**	(3)	(2)		**(6)**	(2)
Total investment services fees		**(148)**	(109)	(53)		**(257)**	(62)
Investment management and performance fees		**(115)**	(89)	(30)		**(204)**	(44)
Distribution and servicing revenue		**(13)**	(13)	(3)		**(26)**	(3)
Total fee revenue		**(276)**	(211)	(86)		**(487)**	(109)
Less: Distribution and servicing expense		**24**	23	7		**47**	7
Net impact of money market fee waivers	**$**	**(252)** $	(188) $	(79)	**$**	**(440)** $	(102)
Impact to revenue by line of business *(a)*:							
Asset Servicing	**$**	**(50)** $	(29) $	(1)	**$**	**(79)** $	(1)
Pershing		**(99)**	(94)	(60)		**(193)**	(69)
Issuer Services		**(22)**	(15)	(1)		**(37)**	(1)
Treasury Services		**(16)**	(9)	—		**(25)**	—
Investment Management		**(85)**	(61)	(24)		**(146)**	(38)
Wealth Management		**(4)**	(3)	—		**(7)**	—
Total impact to revenue by line of business	**$**	**(276)** $	(211) $	(86)	**$**	**(487)** $	(109)

(a) The line of business revenue for management reporting purposes reflects the impact of revenue transferred between the businesses.

We expect the impact from money market fee waivers, net of distribution and servicing expense, to approximate $225 million in the third quarter of 2021, based on implied forward rates and money market balances as of the end of the second quarter of 2021. Fee waivers in subsequent periods will continue to be dependent on short-term interest rates and the level of money market balances.

Investment services fees

Investment services fees increased 3% compared with the second quarter of 2020 and 1% compared with the first quarter of 2021, reflecting the following:

- Asset servicing fees increased 2% compared with the second quarter of 2020 and was up slightly compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects higher client activity, market values and tri-party collateral management balances, partially offset by higher money market fee waivers, and lower intraday credit fees and clearance volumes. The slight increase compared with the first quarter of 2021 primarily reflects higher tri-party collateral management balances, partially offset by higher money market fee waivers and lower clearance volumes.
- Clearing services fees increased 1% compared with the second quarter of 2020 and decreased 4% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects higher market values, client activity and balances, partially offset by higher money market fee waivers. The decrease compared with the first quarter of 2021 primarily reflects lower clearance volumes, partially offset by higher market values.
- Issuer services fees increased 1% compared with the second quarter of 2020 and 15% compared with the first quarter of 2021. Both increases

primarily reflect higher Depositary Receipts revenue, partially offset by money market fee waivers in Corporate Trust. The increase compared with the second quarter of 2020 also reflects higher Corporate Trust revenue.

- Treasury services fees increased 11% compared with the second quarter of 2020 and 2% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects higher payment volumes. The increase compared with first quarter of 2021 primarily reflects net new business.

See "Investment Services business" in "Review of businesses" for additional details.

Investment management and performance fees

Investment management and performance fees increased 13% compared with the second quarter of 2020 and decreased slightly compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects the impact of higher market values, the favorable impact of a weaker U.S. dollar, higher performance fees and net inflows, partially offset by higher money market fee waivers. The decrease compared with the first quarter of 2021 primarily reflects the timing of performance fees and higher money market fee waivers, offset by the impact of higher market values, equity investment gains and net inflows. Performance fees were $14 million in the second quarter of 2021, $5 million in the second quarter of 2020 and $40 million in the first quarter of 2021. On a constant currency basis (Non-GAAP), investment management and performance fees increased 9% compared with the second quarter of 2020.

AUM was $2.3 trillion at June 30, 2021, an increase of 18% compared with June 30, 2020, primarily reflecting higher market values, the favorable impact of a weaker U.S. dollar (principally versus the British pound) and net inflows.

See "Investment and Wealth Management business" in "Review of businesses" for additional details regarding the drivers of investment management and performance fees, AUM and AUM flows.

Foreign exchange revenue

Foreign exchange revenue is primarily driven by the volume of client transactions and the spread realized on these transactions, both of which are impacted by market volatility, the impact of foreign currency hedging activities and foreign currency remeasurement gain (loss). In the second quarter of 2021, foreign exchange revenue totaled $184 million, decreases of 5% compared with the second quarter of 2020 and 20% compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects lower volatility, partially offset by higher volumes. The decrease compared with the first quarter of 2021 primarily reflects lower volumes and volatility. Foreign exchange revenue is primarily reported in the Investment Services business and, to a lesser extent, the Investment and Wealth Management business and the Other segment.

Financing-related fees

Financing-related fees, which are primarily reported in the Investment Services business, include capital market fees, loan commitment fees and credit-related fees. Financing-related fees totaled $48 million in the second quarter of 2021, $58 million in the second quarter of 2020 and $51 million in the first quarter of 2021. Both decreases primarily reflect lower underwriting fees.

Investment and other income

Investment and other income includes income or loss from consolidated investment management funds, seed capital gains or losses, other trading revenue or loss, renewable energy investments losses, corporate and bank-owned life insurance contracts, other investment gains or losses, gains or losses from disposals, expense reimbursements from our CIBC Mellon joint venture and other income or loss. The income or loss from consolidated investment management funds should be considered together with the net income or loss attributable to noncontrolling interests, which reflects the portion of the consolidated funds for which we do not have an economic interest and is reflected below net income as a separate line item on the consolidated income statement. Other trading revenue or loss primarily includes the impact of market-risk hedging activity related to our seed capital investments in investment management funds, non-foreign currency derivative

and fixed income trading, and other hedging activity. Investments in renewable energy generate losses in other income that are more than offset by benefits and credits recorded to the provision for income taxes. Other investment gains or losses includes fair value changes of non-readily marketable equity securities, private equity and other investments. Expense reimbursements from our CIBC Mellon joint venture relate to expenses incurred by BNY Mellon on behalf of the CIBC Mellon joint venture. Other income or loss includes various miscellaneous revenues.

The following table provides the components of investment and other income.

Investment and other income *(in millions)*	**2Q21**	1Q21	2Q20 *(a)*	**YTD21**	YTD20 *(a)*
Income from consolidated investment management funds	**$ 13**	$ 17	$ 54	**$ 30**	$ 16
Seed capital gains (losses) *(b)*	**18**	3	23	**21**	(8)
Other trading (loss) revenue	**(1)**	(7)	(8)	**(8)**	58
Renewable energy investment (losses)	**(41)**	(81)	(34)	**(122)**	(68)
Corporate/bank-owned life insurance	**29**	33	36	**62**	72
Other investments gains *(c)*	**23**	11	13	**34**	6
Disposal gains	**6**	—	—	**6**	—
Expense reimbursements from joint venture	**25**	23	19	**48**	40
Other income	**17**	10	29	**27**	63
Total investment and other income	**$ 89**	$ 9	$ 132	**$ 98**	$ 179

(a) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with the current period presentation. See Note 1 of the Notes to Consolidated Financial Statements for additional information.

(b) Includes gains (losses) on investments in BNY Mellon funds which hedge deferred incentive awards.

(c) Includes strategic equity, private equity and other investments.

Investment and other income was $89 million in the second quarter of 2021 compared with $132 million in the second quarter of 2020 and $9 million in the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects lower gains related to seed capital investments reflected in the income from consolidated investment management funds and seed capital gains (losses) line items. The increase compared with the first quarter of 2021 primarily reflects the $39 million impairment related to a renewable energy investment recorded in the first quarter of 2021, gains from other investments and disposals and higher other income.

Year-to-date 2021 compared with year-to-date 2020

Fee revenue increased 2% compared with the first six months of 2020, primarily reflecting higher investment management and performance fees and asset servicing fees, partially offset by lower foreign exchange revenue and financing-related fees. The 8% increase in investment management and performance fees primarily reflects higher market values, the favorable impact of a weaker U.S. dollar, equity investment gains and net inflows, partially offset by higher money market fee waivers. The 3% increase in asset servicing fees primarily reflects higher client activity, market values and the favorable impact of a weaker U.S. dollar, partially offset by money market fee waivers.

The decrease in other revenue primarily reflects one-time fees in the Asset Servicing and Pershing businesses recorded in the first six months of 2020, an impairment related to a renewable energy investment recorded in the first quarter of 2021 and lower derivative and fixed income trading results, partially offset by higher gains related to seed capital.

Net interest revenue

Net interest revenue									YTD21
				2Q21 vs.					vs.
(dollars in millions)	**2Q21**	1Q21	2Q20	**1Q21**	**2Q20**	**YTD21**	YTD20	**YTD20**
Net interest revenue – GAAP	**$ 645**	$ 655	$ 780	**(2)%**	**(17)%**	**$ 1,300**	$ 1,594	**(18)%**
Add: Tax equivalent adjustment	**3**	3	2	**N/M**	**N/M**	**6**	4	**N/M**
Net interest revenue (FTE) – Non-GAAP *(a)*	**$ 648**	$ 658	$ 782	**(2)%**	**(17)%**	**$ 1,306**	$ 1,598	**(18)%**
Average interest-earning assets	**$ 388,285**	$ 397,297	$ 357,562	**(2)%**	**9 %**	**$ 392,766**	$ 340,749	**15 %**
Net interest margin – GAAP	**0.67 %**	0.66 %	0.88 %	**1 bps**	**(21) bps**	**0.67 %**	0.94 %	**(27) bps**
Net interest margin (FTE) – Non-GAAP *(a)*	**0.67 %**	0.67 %	0.88 %	**— bps**	**(21) bps**	**0.67 %**	0.94 %	**(27) bps**

(a) Net interest revenue (FTE) – Non-GAAP and net interest margin (FTE) – Non-GAAP include the tax equivalent adjustments on tax-exempt income which allows for comparisons of amounts arising from both taxable and tax-exempt sources and is consistent with industry practice. The adjustment to an FTE basis has no impact on net income.

N/M – Not meaningful.

bps – basis points.

Net interest revenue decreased 17% compared with the second quarter of 2020 and 2% compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects lower interest rates on interest-earning assets, partially offset by the benefit of lower funding and deposit rates, lower debt balances, a larger securities portfolio and higher deposit balances. The decrease compared with the first quarter of 2021 was primarily driven by lower interest rates on interest-earning assets, partially offset by the benefit of lower funding and deposit rates.

Net interest margin decreased 21 basis points compared with the second quarter of 2020 and increased 1 basis point compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects the factors mentioned above.

Average interest-earning assets increased 9% compared with the second quarter of 2020 and decreased 2% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects higher interest-bearing deposits with the Federal Reserve and other central banks, a larger securities portfolio and higher loan balances. The decrease compared with the first quarter of 2021 primarily reflects lower interest-bearing deposits with the Federal Reserve and other central banks, partially offset by higher loan balances.

Average non-U.S. dollar deposits comprised approximately 25% of our average total deposits in the second quarter of 2021. Approximately 40% of the average non-U.S. dollar deposits in the second quarter of 2021 were euro denominated.

Net interest revenue in future periods will depend on the level and mix of client deposits and deposit rates, as well as the level and shape of the yield curve, which may result in lower yields on interest-earning assets.

Due to lower interest rates, net interest revenue has been trending lower and we expect net interest revenue to decrease in 2021 compared with 2020.

Year-to-date 2021 compared with year-to-date 2020

Net interest revenue decreased 18% compared with the first six months of 2020, primarily driven by lower interest rates on interest-earning assets, partially offset by the benefit of lower deposit and funding rates, a larger securities portfolio, higher deposit balances and lower debt balances. The decrease in the net interest margin primarily reflects the factors mentioned above.

Average interest-earning assets increased 15% compared with the first six months of 2020. The increase primarily reflects higher interest-bearing deposits with the Federal Reserve and other central banks and a larger securities portfolio.

Average balances and interest rates	Quarter ended								
	June 30, 2021			March 31, 2021			June 30, 2020		
(dollars in millions; average rates annualized)	Average balance	Interest	Average rates	Average balance	Interest	Average rates	Average balance	Interest	Average rates
Assets									
Interest-earning assets:									
Interest-bearing deposits with the Federal Reserve and other central banks	**$ 114,564**	**$ (25)**	**(0.09)%**	$ 125,930	$ (16)	(0.05)%	$ 94,229	$ (7)	(0.03)%
Interest-bearing deposits with banks (primarily foreign banks)	**22,465**	**11**	**0.20**	21,313	14	0.27	21,093	40	0.76
Federal funds sold and securities purchased under resale agreements *(a)*	**27,857**	**25**	**0.36**	29,186	32	0.44	30,265	61	0.82
Margin loans	**18,995**	**49**	**1.04**	15,891	45	1.14	12,791	40	1.28
Non-margin loans:									
Domestic offices	**36,455**	**173**	**1.90**	31,218	157	2.02	31,185	172	2.21
Foreign offices	**5,070**	**15**	**1.14**	9,680	28	1.18	12,743	58	1.84
Total non-margin loans	**41,525**	**188**	**1.81**	40,898	185	1.82	43,928	230	2.10
Securities:									
U.S. government obligations *(b)*	**33,212**	**59**	**0.71**	28,759	63	0.90	27,901	75	1.08
U.S. government agency obligations *(b)*	**72,809**	**244**	**1.34**	77,623	271	1.40	74,583	341	1.83
State and political subdivisions *(b)(c)*	**2,768**	**14**	**1.94**	2,526	12	1.92	1,025	7	2.98
Other securities *(b)(c)*	**47,451**	**112**	**0.95**	47,030	116	0.99	45,511	140	1.23
Total investment securities *(c)*	**156,240**	**429**	**1.10**	155,938	462	1.19	149,020	563	1.51
Trading securities *(c)*	**6,639**	**11**	**0.72**	8,141	19	0.95	6,236	18	1.13
Total securities *(c)*	**162,879**	**440**	**1.08**	164,079	481	1.18	155,256	581	1.50
Total interest-earning assets *(c)*	**$ 388,285**	**$ 688**	**0.71 %**	$ 397,297	$ 741	0.75 %	$ 357,562	$ 945	1.06 %
Noninterest-earning assets	**64,044**			63,082			57,797		
Total assets	**$ 452,329**			$ 460,379			$ 415,359		
Liabilities									
Interest-bearing liabilities:									
Interest-bearing deposits:									
Domestic offices	**$ 126,953**	**$ (8)**	**(0.02)%**	$ 128,543	$ (7)	(0.02)%	$ 102,135	$ 15	0.06 %
Foreign offices	**112,513**	**(41)**	**(0.15)**	116,572	(30)	(0.10)	108,508	(32)	(0.12)
Total interest-bearing deposits	**239,466**	**(49)**	**(0.08)**	245,115	(37)	(0.06)	210,643	(17)	(0.03)
Federal funds purchased and securities sold under repurchase agreements *(a)*	**13,773**	**(5)**	**(0.17)**	15,288	(3)	(0.07)	14,209	1	0.03
Trading liabilities	**2,282**	**2**	**0.38**	2,227	3	0.53	1,974	2	0.39
Other borrowed funds	**298**	**1**	**2.21**	331	2	2.01	2,272	7	1.30
Commercial paper	**—**	**—**	**—**	—	—	—	191	1	1.02
Payables to customers and broker-dealers	**16,811**	**—**	**(0.01)**	17,691	(1)	(0.01)	18,742	(1)	(0.01)
Long-term debt	**25,275**	**91**	**1.43**	26,199	119	1.81	28,122	170	2.42
Total interest-bearing liabilities	**$ 297,905**	**$ 40**	**0.05 %**	$ 306,851	$ 83	0.11 %	$ 276,153	$ 163	0.24 %
Total noninterest-bearing deposits	**85,802**			83,429			72,411		
Other noninterest-bearing liabilities	**23,317**			24,556			24,121		
Total liabilities	**407,024**			414,836			372,685		
Temporary equity									
Redeemable noncontrolling interests	**57**			85			74		
Permanent equity									
Total The Bank of New York Mellon Corporation shareholders' equity	**44,934**			45,261			42,486		
Noncontrolling interests	**314**			197			114		
Total permanent equity	**45,248**			45,458			42,600		
Total liabilities, temporary equity and permanent equity	**$ 452,329**			$ 460,379			$ 415,359		
Net interest revenue (FTE) – Non-GAAP *(d)*		**$ 648**			$ 658			$ 782	
Net interest margin (FTE) – Non-GAAP *(c)(d)*			**0.67 %**			0.67 %			0.88 %
Less: Tax equivalent adjustment		**3**			3			2	
Net interest revenue – GAAP		**$ 645**			$ 655			$ 780	
Net interest margin – GAAP			**0.67 %**			0.66 %			0.88 %

(a) Includes the average impact of offsetting under enforceable netting agreements of approximately $41 billion for the second quarter of 2021, $37 billion for the first quarter of 2021 and $67 billion for the second quarter of 2020. On a Non-GAAP basis, excluding the impact of offsetting, the yield on federal funds sold and securities purchased under resale agreements would have been 0.15% for the second quarter of 2021, 0.19% for the first quarter of 2021 and 0.26% for the second quarter of 2020. On a Non-GAAP basis, excluding the impact of offsetting, the rate on federal funds purchased and securities sold under repurchase agreements would have been (0.04)% for the second quarter of 2021, (0.02)% for the first quarter of 2021 and 0.00% for the second quarter of 2020. We believe providing the rates excluding the impact of netting is useful to investors as it is more reflective of the actual rates earned and paid.

(b) In the second quarter of 2021, we reclassified the impact of hedging within the categories comprising total investment securities to align the impact of hedging with the securities being hedged and reclassified prior periods to be comparable. The change reduced the income and average rates previously reported for U.S. government obligations and U.S. government agency obligations and increased the income and average rates for Other securities.

(c) Average rates were calculated on an FTE basis, at tax rates of approximately 21%.

(d) See "Net interest revenue" on page 11 for the reconciliation of this Non-GAAP measure.

Average balances and interest rates	Year-to-date					
	June 30, 2021			June 30, 2020		
(dollars in millions; average rates annualized)	Average balance	Interest	Average rates	Average balance	Interest	Average rates
Assets						
Interest-earning assets:						
Interest-bearing deposits with the Federal Reserve and other central banks	**$ 120,216**	**$ (41)**	**(0.07)%**	$ 87,316	$ 73	0.16 %
Interest-bearing deposits with banks (primarily foreign banks)	**21,892**	**25**	**0.24**	19,087	98	1.03
Federal funds sold and securities purchased under resale agreements *(a)*	**28,518**	**57**	**0.40**	32,187	457	2.86
Margin loans	**17,452**	**94**	**1.09**	12,887	127	1.99
Non-margin loans:						
Domestic offices	**33,851**	**330**	**1.96**	31,453	410	2.62
Foreign offices	**7,362**	**43**	**1.17**	11,956	129	2.17
Total non-margin loans	**41,213**	**373**	**1.82**	43,409	539	2.49
Securities:						
U.S. government obligations *(b)*	**30,998**	**122**	**0.80**	25,538	139	1.10
U.S. government agency obligations *(b)*	**75,202**	**515**	**1.37**	71,815	728	2.03
State and political subdivisions *(b)(c)*	**2,648**	**26**	**1.93**	1,029	15	3.02
Other securities *(b)(c)*	**47,242**	**228**	**0.97**	40,943	283	1.38
Total investment securities *(c)*	**156,090**	**891**	**1.14**	139,325	1,165	1.67
Trading securities *(c)*	**7,385**	**30**	**0.85**	6,538	58	1.77
Total securities *(c)*	**163,475**	**921**	**1.13**	145,863	1,223	1.68
Total interest-earning assets *(c)*	**$ 392,766**	**$ 1,429**	**0.73 %**	$ 340,749	$ 2,517	1.48 %
Noninterest-earning assets	**63,566**			59,569		
Total assets	**$ 456,332**			$ 400,318		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposits:						
Domestic offices	**$ 127,744**	**$ (15)**	**(0.02)%**	$ 101,025	$ 185	0.37 %
Foreign offices	**114,531**	**(71)**	**(0.13)**	103,113	38	0.07
Total interest-bearing deposits	**242,275**	**(86)**	**(0.07)**	204,138	223	0.22
Federal funds purchased and securities sold under repurchase agreements *(a)*	**14,526**	**(8)**	**(0.12)**	14,064	276	3.95
Trading liabilities	**2,255**	**5**	**0.45**	1,800	9	0.94
Other borrowed funds	**314**	**3**	**2.11**	1,495	11	1.53
Commercial paper	**—**	**—**	**—**	886	7	1.50
Payables to customers and broker-dealers	**17,249**	**(1)**	**(0.01)**	17,564	29	0.33
Long-term debt	**25,734**	**210**	**1.63**	27,677	364	2.62
Total interest-bearing liabilities	**$ 302,353**	**$ 123**	**0.08 %**	$ 267,624	$ 919	0.69 %
Total noninterest-bearing deposits	**84,622**			66,494		
Other noninterest-bearing liabilities	**23,933**			24,174		
Total liabilities	**410,908**			358,292		
Temporary equity						
Redeemable noncontrolling interests	**71**			70		
Permanent equity						
Total The Bank of New York Mellon Corporation shareholders' equity	**45,097**			41,846		
Noncontrolling interests	**256**			110		
Total permanent equity	**45,353**			41,956		
Total liabilities, temporary equity and permanent equity	**$ 456,332**			$ 400,318		
Net interest revenue (FTE) – Non-GAAP *(d)*		**$ 1,306**			$ 1,598	
Net interest margin (FTE) – Non-GAAP *(c)(d)*			**0.67 %**			0.94 %
Less: Tax equivalent adjustment		**6**			4	
Net interest revenue – GAAP		**$ 1,300**			$ 1,594	
Net interest margin – GAAP			**0.67 %**			0.94 %

(a) Includes the average impact of offsetting under enforceable netting agreements of approximately $39 billion for the first six months of 2021 and $73 billion for the first six months of 2020. On a Non-GAAP basis, excluding the impact of offsetting, the yield on federal funds sold and securities purchased under resale agreements would have been 0.17% for the first six months of 2021 and 0.87% for the first six months of 2020. On a Non-GAAP basis, excluding the impact of offsetting, the rate on federal funds purchased and securities sold under repurchase agreements would have been (0.03)% for the first six months of 2021 and 0.64% for the first six months of 2020. We believe providing the rates excluding the impact of netting is useful to investors as it is more reflective of the actual rates earned and paid.

(b) In the second quarter of 2021, we reclassified the impact of hedging within the categories comprising total investment securities to align the impact of hedging with the securities being hedged and reclassified prior periods to be comparable. The change reduced the income and average rates previously reported for U.S. government obligations and U.S. government agency obligations and increased the income and average rates for Other securities.

(c) Average rates were calculated on an FTE basis, at tax rates of approximately 21%.

(d) See "Net interest revenue" on page 11 for the reconciliation of this Non-GAAP measure.

Noninterest expense

Noninterest expense									
				2Q21 vs.					YTD21 vs.
(dollars in millions)	**2Q21**	1Q21	2Q20	**1Q21**	**2Q20**	**YTD21**	YTD20	**YTD20**
Staff	**$ 1,518**	$ 1,602	$ 1,464	**(5)%**	**4 %**	**$ 3,120**	$ 2,946	**6 %**
Software and equipment	**365**	362	345	**1**	**6**	**727**	671	**8**
Professional, legal and other purchased services	**363**	343	337	**6**	**8**	**706**	667	**6**
Sub-custodian and clearing	**132**	124	120	**6**	**10**	**256**	225	**14**
Net occupancy	**122**	123	137	**(1)**	**(11)**	**245**	272	**(10)**
Distribution and servicing	**73**	74	85	**(1)**	**(14)**	**147**	176	**(16)**
Bank assessment charges	**35**	34	35	**3**	**—**	**69**	70	**(1)**
Amortization of intangible assets	**20**	24	26	**(17)**	**(23)**	**44**	52	**(15)**
Business development	**22**	19	20	**16**	**10**	**41**	62	**(34)**
Other	**128**	146	117	**(12)**	**9**	**274**	257	**7**
Total noninterest expense	**$ 2,778**	$ 2,851	$ 2,686	**(3)%**	**3 %**	**$ 5,629**	$ 5,398	**4 %**
Full-time employees at period end	**48,800**	48,000	48,300	**2 %**	**1 %**	**48,800**	48,300	**1 %**

Total noninterest expense increased 3% compared with the second quarter of 2020 and decreased 3% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects the unfavorable impact of a weaker U.S. dollar, investments in efficiency and growth initiatives and higher revenue-related expenses. The investments in efficiency and growth initiatives are primarily included in staff, software and equipment, and professional, legal and other purchased services expenses. The decrease compared with the first quarter of 2021 primarily reflects lower staff expense driven by increased expense for awards to retirement eligible employees recorded in the first quarter of 2021.

We expect total reported noninterest expense to increase approximately 3% for the full-year 2021 compared to 2020. This is driven by an unfavorable impact of foreign exchange rates, incremental investments in growth and efficiency opportunities and higher volume- and revenue-related expenses, partially offset by the impact of 2020 notable items, which were litigation expense, severance and real estate charges. Notable items comprised 1% of total noninterest expense in 2020. Noninterest expense could be impacted if foreign exchange rates change from June 30, 2021 levels, volume- and revenue-related expenses increase or there are unexpected charges or expenses.

Year-to-date 2021 compared with year-to-date 2020

Noninterest expense increased 4% compared with the first six months of 2020, primarily reflecting investments in efficiency and growth initiatives, the unfavorable impact of a weaker U.S. dollar and higher revenue-related expenses, partially offset by lower distribution and servicing, net occupancy and business development (travel and marketing) expenses.

Income taxes

BNY Mellon recorded an income tax provision of $241 million (19.0% effective tax rate) in the second quarter of 2021, $216 million (18.3% effective tax rate) in the second quarter of 2020 and $221 million (19.2% effective tax rate) in the first quarter of 2021. For additional information, see Note 10 of the Notes to Consolidated Financial Statements.

Review of businesses

We have an internal information system that produces performance data along product and service lines for our two principal businesses, Investment Services and Investment and Wealth Management, and the Other segment.

Business accounting principles

Our business data has been determined on an internal management basis of accounting, rather than the generally accepted accounting principles ("GAAP") used for consolidated financial reporting. These measurement principles are designed so that reported results of the businesses will track their economic performance.

For information on the accounting principles of our businesses, see Note 18 of the Notes to Consolidated Financial Statements. For information on the primary products and services in each line of business, the primary types of revenue by business and how our businesses are presented and analyzed, see Note 24 of the Notes to Consolidated Financial Statements in our 2020 Annual Report.

Business results are subject to reclassification when organizational changes are made, or for refinements in revenue and expense allocation methodologies. Refinements are typically reflected on a prospective basis. There were no reclassification or organizational changes in the second quarter of 2021.

The results of our businesses may be influenced by client and other activities that vary by quarter. In the first quarter, staff expense typically increases reflecting the vesting of long-term stock awards for retirement-eligible employees. In the third quarter, Depositary Receipts revenue is typically higher due to an increased level of client dividend payments. Also in the third quarter, volume-related fees may decline due to reduced client activity, and staff expense typically increases reflecting the annual employee merit increase. In the fourth quarter, we typically incur higher business development and marketing expenses; however, 2020 was an exception given the impact of the coronavirus pandemic. In our Investment and Wealth Management business, performance fees are typically higher in the fourth and first quarters, as those quarters represent the end of the measurement period for many of the performance fee-eligible relationships.

The results of our businesses may also be impacted by the translation of financial results denominated in foreign currencies to the U.S. dollar. We are primarily impacted by activities denominated in the British pound and the euro. On a consolidated basis and in our Investment Services business, we typically have more foreign currency-denominated expenses than revenues. However, our Investment and Wealth Management business typically has more foreign currency-denominated revenues than expenses. Overall, currency fluctuations impact the year-over-year growth rate in the Investment and Wealth Management business more than the Investment Services business. However, currency fluctuations, in isolation, are not expected to significantly impact net income on a consolidated basis.

Fee revenue in Investment and Wealth Management, and to a lesser extent in Investment Services, is impacted by the value of market indices. At June 30, 2021, we estimated that a 5% change in global equity markets, spread evenly throughout the year, would impact fee revenue by less than 1% and diluted earnings per common share by $0.04 to $0.07.

See Note 18 of the Notes to Consolidated Financial Statements for the consolidating schedules which show the contribution of our businesses to our overall profitability.

Investment Services business

(dollars in millions)	2Q21	1Q21	4Q20	3Q20	2Q20	2Q21 vs. 1Q21	2Q21 vs. 2Q20	YTD21	YTD20		YTD21 vs. YTD20
Revenue:											
Investment services fees:											
Asset servicing fees *(a)*	**$ 1,192**	$ 1,191	$ 1,130	$ 1,156	$ 1,164	**— %**	**2 %**	**$ 2,383**	$ 2,311		**3 %**
Clearing services fees *(b)*	**435**	455	418	397	431	**(4)**	**1**	**890**	901		**(1)**
Issuer services fees	**281**	245	257	295	277	**15**	**1**	**526**	540		**(3)**
Treasury services fees	**160**	157	156	152	144	**2**	**11**	**317**	293		**8**
Total investment services fees	**2,068**	2,048	1,961	2,000	2,016	**1**	**3**	**4,116**	4,045		**2**
Foreign exchange revenue	**152**	193	163	126	164	**(21)**	**(7)**	**345**	392	*(c)*	**(12)**
Other *(d)*	**116**	104	111	120	159	**12**	**(27)**	**220**	338	*(c)*	**(35)**
Total fee and other revenue	**2,336**	2,345	2,235	2,246	2,339	**—**	**—**	**4,681**	4,775		**(2)**
Net interest revenue	**643**	645	670	681	768	**—**	**(16)**	**1,288**	1,574		**(18)**
Total revenue	**2,979**	2,990	2,905	2,927	3,107	**—**	**(4)**	**5,969**	6,349		**(6)**
Provision for credit losses	**(77)**	(79)	31	(10)	145	**N/M**	**N/M**	**(156)**	294		**N/M**
Noninterest expense (excluding amortization of intangible assets)	**2,040**	2,084	2,157	2,002	1,971	**(2)**	**4**	**4,124**	3,940		**5**
Amortization of intangible assets	**12**	17	17	18	18	**(29)**	**(33)**	**29**	36		**(19)**
Total noninterest expense	**2,052**	2,101	2,174	2,020	1,989	**(2)**	**3**	**4,153**	3,976		**4**
Income before income taxes	**$ 1,004**	$ 968	$ 700	$ 917	$ 973	**4 %**	**3 %**	**$ 1,972**	$ 2,079		**(5)%**
Pre-tax operating margin	**34 %**	32 %	24 %	31 %	31 %			**33 %**	33 %		
Securities lending revenue	**$ 42**	$ 41	$ 36	$ 37	$ 51	**2 %**	**(18)%**	**$ 83**	$ 97		**(14)%**
Total revenue by line of business:											
Asset Servicing	**$ 1,382**	$ 1,424	$ 1,357	$ 1,354	$ 1,463	**(3)%**	**(6)%**	**$ 2,806**	$ 2,994		**(6)%**
Pershing	**590**	605	563	538	578	**(2)**	**2**	**1,195**	1,231		**(3)**
Issuer Services	**405**	363	385	435	431	**12**	**(6)**	**768**	850		**(10)**
Treasury Services	**319**	317	325	323	340	**1**	**(6)**	**636**	679		**(6)**
Clearance and Collateral Management	**283**	281	275	277	295	**1**	**(4)**	**564**	595		**(5)**
Total revenue by line of business	**$ 2,979**	$ 2,990	$ 2,905	$ 2,927	$ 3,107	**— %**	**(4)%**	**$ 5,969**	$ 6,349		**(6)%**
Average balances:											
Average loans	**$ 46,845**	$ 43,468	$ 41,437	$ 40,308	$ 43,113	**8 %**	**9 %**	**$ 45,166**	$ 42,451		**6 %**
Average deposits	**$ 313,923**	$ 315,088	$ 292,631	$ 263,621	$ 268,467	**— %**	**17 %**	**$ 314,502**	$ 255,327		**23 %**

(a) Asset servicing fees include the fees from the Clearance and Collateral Management business.
(b) Clearing services fees are almost entirely earned by our Pershing business.
(c) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with the current period presentation. See Note 1 of the Notes to Consolidated Financial Statements for additional information.
(d) Other revenue includes investment management and performance fees, financing-related fees, distribution and servicing revenue, securities gains and losses and investment and other income.
N/M – Not meaningful.

Investment Services business metrics						2Q21 vs.	
(dollars in millions, unless otherwise noted)	**2Q21**	1Q21	4Q20	3Q20	2Q20	**1Q21**	**2Q20**
AUC/A at period end *(in trillions) (a)*	**$ 45.0**	$ 41.7	$ 41.1	$ 38.6	$ 37.3	**8 %**	**21 %**
Market value of securities on loan at period end *(in billions) (b)*	**$ 456**	$ 445	$ 435	$ 378	$ 384	**2 %**	**19 %**
Pershing:							
Net new assets (U.S. platform) *(in billions) (c)*	**$ 40**	$ 28	$ 28	$ 12	$ 11	**N/M**	**N/M**
Average active clearing accounts (U.S. platform) *(in thousands)*	**6,889**	6,757	6,635	6,556	6,507	**2 %**	**6 %**
Average long-term mutual fund assets (U.S. platform)	**$ 730,954**	$ 678,556	$ 630,086	$ 597,312	$ 547,579	**8 %**	**33 %**
Average investor margin loans (U.S. platform)	**$ 12,097**	$ 10,937	$ 10,097	$ 9,350	$ 9,235	**11 %**	**31 %**
Clearance and Collateral Management:							
Average tri-party collateral management balances *(in billions)*	**$ 3,898**	$ 3,638	$ 3,555	$ 3,417	$ 3,573	**7 %**	**9 %**

(a) Consists of AUC/A primarily from the Asset Servicing business and, to a lesser extent, the Clearance and Collateral Management, Issuer Services, Pershing and Wealth Management businesses. Includes the AUC/A of CIBC Mellon of $1.7 trillion at June 30, 2021, $1.6 trillion at March 31, 2021, $1.5 trillion at Dec. 31, 2020, $1.4 trillion at Sept. 30, 2020 and $1.3 trillion at June 30, 2020.

(b) Represents the total amount of securities on loan in our agency securities lending program managed by the Investment Services business. Excludes securities for which BNY Mellon acts as agent on behalf of CIBC Mellon clients, which totaled $63 billion at June 30, 2021, $64 billion at March 31, 2021, $68 billion at Dec. 31, 2020 and $62 billion at Sept. 30, 2020 and June 30, 2020.

(c) Net new assets represent net flows of assets excluding dividends and interest (e.g., net cash deposits and net securities transfers) in customer accounts in Pershing LLC, a U.S. broker-dealer.

N/M – Not meaningful.

Business description

BNY Mellon Investment Services provides business services and technology solutions to entities including financial institutions, corporations, foundations and endowments, public funds and government agencies. Our lines of business include: Asset Servicing, Pershing, Issuer Services, Treasury Services and Clearance and Collateral Management. For information on the drivers of the Investment Services fee revenue, see Note 10 of the Notes to Consolidated Financial Statements in our 2020 Annual Report.

We are one of the leading global investment services providers with $45.0 trillion of AUC/A at June 30, 2021.

The Asset Servicing business provides a comprehensive suite of solutions. As one of the largest global custody and fund accounting providers and a trusted partner, we offer services for the safekeeping of assets in capital markets globally as well as alternative investment and structured product strategies. We provide custody and foreign exchange services, support exchange-traded funds and unit investment trusts and provide our clients outsourcing capabilities. Our robust digital and data offerings enable us to provide fully integrated technology solutions for our clients. We deliver securities lending and financing solutions on both an agency and principal basis. Our agency securities lending program is one of the largest lenders of U.S. and non-U.S. securities, servicing a lendable asset pool of approximately $5.0 trillion in 34 separate markets. Our market-leading liquidity services portal enables cash investments for institutional clients and includes fund research and analytics.

Pershing provides execution, clearing, custody, business and technology solutions, delivering dependable operational support to broker-dealers, wealth managers and registered investment advisors (“RIAs”) globally.

The Issuer Services business includes Corporate Trust and Depositary Receipts. Our Corporate Trust business delivers a full range of issuer and related investor services, including trustee, paying agency, fiduciary, escrow and other financial services. We are a leading provider to the debt capital markets, providing customized and market-driven solutions to investors, bondholders and lenders. Our Depositary Receipts business drives global investing by providing servicing and value-added solutions that enable, facilitate and enhance cross-border trading, clearing, settlement and ownership. We are one of the largest providers of depositary receipts services in the world, partnering with leading companies from more than 50 countries.

Our Treasury Services business is a leading provider of payments, liquidity management and trade finance services for financial institutions, corporations and the public sector.

Our Clearance and Collateral Management business clears and settles equity and fixed-income transactions globally and serves as custodian for tri-party repo collateral worldwide. We are the primary provider of U.S. government securities clearance and a provider of non-U.S. government securities clearance. Our collateral services include collateral management, administration and segregation. We offer innovative solutions and industry expertise which help financial institutions and institutional investors with their liquidity, financing, risk and balance sheet challenges. We are a leading provider of tri-party collateral management services with an average of $3.9 trillion serviced globally, including approximately $2.7 trillion of the U.S. tri-party repo market at June 30, 2021.

Review of financial results

AUC/A of $45.0 trillion increased 21% compared with June 30, 2020, primarily reflecting higher market values, net new business and the favorable impact of a weaker U.S. dollar. AUC/A consisted of 38% equity securities and 62% fixed-income securities at June 30, 2021 and 33% equity securities and 67% fixed-income securities at June 30, 2020.

Total revenue of $3.0 billion decreased 4% compared with the second quarter of 2020 and decreased slightly compared with the first quarter of 2021. The drivers of total revenue by line of business are indicated below.

Asset Servicing revenue of $1.4 billion decreased 6% compared with the second quarter of 2020 and 3% compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 includes lower net interest revenue, higher money market fee waivers and lower foreign exchange revenue, partially offset by higher client activity and market values. The decrease compared with the first quarter of 2021 primarily reflects lower foreign exchange revenue and higher money market fee waivers.

Pershing revenue of $590 million increased 2% compared with the second quarter of 2020 and decreased 2% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects higher market values, client activity and balances, partially offset by higher money market fee waivers. The decrease compared with the first quarter of 2021 primarily reflects lower clearance volumes, partially offset by higher market values.

Issuer Services revenue of $405 million decreased 6% compared with the second quarter of 2020 and increased 12% compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects higher money market fee waivers and lower net interest revenue in Corporate Trust, partially offset by higher Depositary Receipts revenue. The increase compared with the first quarter of 2021 primarily reflects higher Depositary Receipts revenue, partially offset by higher money market fee waivers in Corporate Trust.

Treasury Services revenue of $319 million decreased 6% compared with the second quarter of 2020 and increased 1% compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects lower interest rates and higher money market fee waivers, partially offset by higher payment volumes and deposits. The increase compared with the first quarter of 2021 primarily reflects higher net interest revenue and net new business, partially offset by higher money market fee waivers.

Clearance and Collateral Management revenue of $283 million decreased 4% compared with the second quarter of 2020 and increased 1% compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 primarily reflects lower net interest revenue, intraday credit fees and clearance volumes, partially offset by higher tri-party collateral management balances. The increase compared with the first quarter of 2021 primarily reflects higher tri-party collateral management balances, partially offset by lower clearance volumes.

Market and regulatory trends are driving investable assets toward lower fee asset management products at reduced margins for our clients. These dynamics are also negatively impacting our investment services fees. However, at the same time, these trends are providing additional outsourcing opportunities as clients and other market participants seek to comply with regulations and reduce their operating costs.

Noninterest expense of $2.1 billion increased 3% compared with the second quarter of 2020 and decreased 2% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects the unfavorable impact of a weaker U.S. dollar, investments in efficiency and

growth initiatives and higher revenue-related expenses. The decrease compared with the first quarter of 2021 primarily reflects lower staff and litigation expenses, partially offset by higher revenue-related expenses.

Year-to-date 2021 compared with year-to-date 2020

Total revenue of $6.0 billion decreased 6% compared with the first six months of 2020. Asset Servicing revenue of $2.8 billion decreased 6%, primarily reflecting lower net interest revenue, higher money market fee waivers and lower foreign exchange revenue, partially offset by higher client activity and market values. Pershing revenue of $1.2 billion decreased 3%, primarily reflecting higher money market fee waivers, partially offset by higher market values and client volumes. Issuer Services revenue of $768 million decreased 10%, primarily reflecting lower net interest revenue and higher money market fee waivers in Corporate Trust. Treasury Services revenue of $636 million decreased 6%, primarily reflecting lower interest rates and higher money market fee waivers, partially offset by higher payment volumes and deposits. Clearance and Collateral Management revenue of $564 million decreased 5%, primarily reflecting lower net interest revenue, intra-day credit fees and clearance volumes.

Noninterest expense of $4.2 billion increased 4% compared with the first six months of 2020 primarily reflects investments in efficiency and growth initiatives, the unfavorable impact of a weaker U.S. dollar, higher revenue-related expenses and litigation expense.

Investment and Wealth Management business

(dollars in millions)	2Q21	1Q21	4Q20	3Q20	2Q20	2Q21 vs. 1Q21	2Q21 vs. 2Q20	YTD21	YTD20	YTD21 vs. YTD20
Revenue:										
Investment management fees *(a)*	**$ 876**	$ 850	$ 839	$ 828	$ 782	**3 %**	**12 %**	**$ 1,726**	$ 1,594	**8 %**
Performance fees	**14**	40	45	7	5	**N/M**	**180**	**54**	55	**(2)**
Investment management and performance fees *(b)*	**890**	890	884	835	787	**—**	**13**	**1,780**	1,649	**8**
Distribution and servicing	**28**	28	29	31	34	**—**	**(18)**	**56**	77	**(27)**
Other *(a)*	**34**	25	27	5	17	**N/M**	**N/M**	**59**	(42)	**N/M**
Total fee and other revenue *(a)*	**952**	943	940	871	838	**1**	**14**	**1,895**	1,684	**13**
Net interest revenue	**47**	48	50	47	48	**(2)**	**(2)**	**95**	100	**(5)**
Total revenue	**999**	991	990	918	886	**1**	**13**	**1,990**	1,784	**12**
Provision for credit losses	**(4)**	4	(8)	12	7	**N/M**	**N/M**	**—**	16	**N/M**
Noninterest expense (excluding amortization of intangible assets)	**669**	702	678	653	650	**(5)**	**3**	**1,371**	1,337	**3**
Amortization of intangible assets	**8**	7	9	8	8	**14**	**—**	**15**	16	**(6)**
Total noninterest expense	**677**	709	687	661	658	**(5)**	**3**	**1,386**	1,353	**2**
Income before income taxes	**$ 326**	$ 278	$ 311	$ 245	$ 221	**17 %**	**48 %**	**$ 604**	$ 415	**46 %**
Pre-tax operating margin	**33 %**	28 %	32 %	27 %	25 %			**30 %**	23 %	
Adjusted pre-tax operating margin – Non-GAAP *(c)*	**35 %**	30 %	34 %	29 %	28 %			**33 %**	26 %	
Total revenue by line of business:										
Investment Management	**$ 700**	$ 698	$ 714	$ 641	$ 621	**— %**	**13 %**	**$ 1,398**	$ 1,241	**13 %**
Wealth Management	**299**	293	276	277	265	**2**	**13**	**592**	543	**9**
Total revenue by line of business	**$ 999**	$ 991	$ 990	$ 918	$ 886	**1 %**	**13 %**	**$ 1,990**	$ 1,784	**12 %**
Average balances:										
Average loans	**$ 11,871**	$ 11,610	$ 11,497	$ 11,503	$ 11,791	**2 %**	**1 %**	**$ 11,742**	$ 11,958	**(2)%**
Average deposits	**$ 17,466**	$ 19,177	$ 18,144	$ 17,570	$ 17,491	**(9)%**	**— %**	**$ 18,317**	$ 16,817	**9 %**

(a) Total fee and other revenue includes the impact of the consolidated investment management funds, net of noncontrolling interests. Additionally, other revenue includes asset servicing fees, treasury services fees, foreign exchange revenue and investment and other income.

(b) On a constant currency basis, investment management and performance fees increased 9% (Non-GAAP) compared with the second quarter of 2020. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 47 for the reconciliation of this Non-GAAP measure.

(c) Net of distribution and servicing expense. See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 47.

N/M – Not meaningful.

AUM trends						2Q21 vs.	
(dollars in billions)	**2Q21**	1Q21	4Q20	3Q20	2Q20	**1Q21**	**2Q20**
AUM at period end, by product type: *(a)*							
Equity	**$ 187**	$ 173	$ 170	$ 149	$ 141	**8 %**	**33 %**
Fixed income	**272**	261	259	241	224	**4**	**21**
Index	**440**	419	393	350	333	**5**	**32**
Liability-driven investments	**841**	802	855	788	752	**5**	**12**
Multi-asset and alternative investments	**222**	214	209	193	185	**4**	**20**
Cash	**358**	345	325	320	326	**4**	**10**
Total AUM by product type	**$ 2,320**	$ 2,214	$ 2,211	$ 2,041	$ 1,961	**5 %**	**18 %**
Changes in AUM: *(a)*							
Beginning balance of AUM	**$ 2,214**	$ 2,211	$ 2,041	$ 1,961	$ 1,796		
Net inflows (outflows):							
Long-term strategies:							
Equity	**(3)**	—	(2)	(4)	(2)		
Fixed income	**8**	8	5	1	4		
Liability-driven investments	**11**	8	15	14	(2)		
Multi-asset and alternative investments	**1**	(2)	—	(3)	—		
Total long-term active strategies inflows	**17**	14	18	8	—		
Index	**(5)**	3	(3)	(3)	9		
Total long-term strategies inflows	**12**	17	15	5	9		
Short-term strategies:							
Cash	**13**	19	5	(10)	11		
Total net inflows (outflows)	**25**	36	20	(5)	20		
Net market impact	**79**	(36)	93	41	143		
Net currency impact	**2**	3	57	44	2		
Ending balance of AUM	**$ 2,320**	$ 2,214	$ 2,211	$ 2,041	$ 1,961	**5 %**	**18 %**
Wealth Management client assets *(b)*	**$ 305**	$ 292	$ 286	$ 265	$ 254	**4 %**	**20 %**

(a) Excludes securities lending cash management assets and assets managed in the Investment Services business.
(b) Includes AUM and AUC/A in the Wealth Management business.

Business description

Our Investment and Wealth Management business consists of two distinct lines of business, Investment Management and Wealth Management. Our investment firms deliver a highly diversified portfolio of investment strategies independently, and through our global distribution network, to institutional and retail clients globally. BNY Mellon Wealth Management provides investment management, custody, wealth and estate planning, private banking services, investment servicing and information management. See pages 19 and 20 of our 2020 Annual Report for additional information on our Investment and Wealth Management business.

Review of financial results

AUM increased 18% compared with June 30, 2020 primarily reflecting higher market values, the favorable impact of a weaker U.S. dollar (principally versus the British pound) and net inflows.

Net long-term strategy inflows were $12 billion in the second quarter of 2021, driven by inflows of liability-driven and fixed income investments, partially offset by outflows of index and equity funds. Short-term strategy inflows were $13 billion in the second quarter of 2021. Market and regulatory trends have resulted in increased demand for lower fee asset management products and for performance-based fees.

Total revenue of $999 million increased 13% compared with the second quarter of 2020 and 1% compared with the first quarter of 2021.

Investment Management revenue of $700 million increased 13% compared with the second quarter of 2020 and increased slightly compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects the impact of higher market values, the favorable impact of a weaker U.S. dollar, higher performance fees and net inflows, partially offset by the impact of money market fee waivers. The slight increase compared

with the first quarter of 2021 primarily reflects the impact of higher market values, equity investment gains (net of hedges), including seed capital, and net inflows, partially offset by the timing of performance fees and higher money market fee waivers.

Wealth Management revenue of $299 million increased 13% compared with the second quarter of 2020 and 2% compared with the first quarter of 2021. Both increases primarily reflect the impact of higher market values.

Revenue generated in the Investment and Wealth Management business included 38% from non-U.S. sources in the second quarter of 2021, compared with 40% in the second quarter of 2020 and 38% in the first quarter of 2021.

Noninterest expense of $677 million increased 3% compared with the second quarter of 2020 and decreased 5% compared with the first quarter of 2021. The increase compared with the second quarter of 2020 primarily reflects the unfavorable impact of a weaker U.S. dollar and higher staff expense, partially offset by lower distribution and servicing expense. The decrease compared with the first quarter of 2021 primarily reflects lower staff expense.

Year-to-date 2021 compared with year-to-date 2020

Total revenue of $2.0 billion increased 12% compared with the first six months of 2020. Investment Management revenue of $1.4 billion increased 13% primarily reflecting higher market values, the favorable impact of a weaker U.S. dollar, and equity investment gains (net of hedges), including seed capital, partially offset by higher money market fee waivers. Wealth Management revenue of $592 million increased 9%, primarily reflecting higher market values.

Noninterest expense of $1.4 billion increased 2% compared with the first six months of 2020, primarily reflecting the unfavorable impact of a weaker U.S. dollar and higher staff expense, partially offset by lower distribution and servicing expense.

Other segment

(in millions)	**2Q21**	1Q21	4Q20	3Q20	2Q20	**YTD21**	YTD20
Fee revenue	**$ 13**	$ 9	$ 11	$ 7	$ 10	**$ 22**	$ 16 *(a)*
Other revenue	**9**	(36)	(28)	13	28	**(27)**	52 *(a)*
Total fee and other revenue	**22**	(27)	(17)	20	38	**(5)**	68
Net interest (expense)	**(45)**	(38)	(40)	(25)	(36)	**(83)**	(80)
Total revenue	**(23)**	(65)	(57)	(5)	2	**(88)**	(12)
Provision for credit losses	**(5)**	(8)	(8)	7	(9)	**(13)**	2
Noninterest expense	**49**	41	64	—	39	**90**	69
(Loss) before income taxes	**$ (67)**	$ (98)	$ (113)	$ (12)	$ (28)	**$ (165)**	$ (83)
Average loans and leases	**$ 1,804**	$ 1,711	$ 1,794	$ 1,805	$ 1,815	**$ 1,757**	$ 1,887

(a) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with the current period presentation. See Note 1 of the Notes to Consolidated Financial Statements for additional information.

See page 21 of our 2020 Annual Report for additional information on the Other segment.

Review of financial results

Total revenue includes corporate treasury and other investment activity, including hedging activity which has an offsetting impact in fee and other revenue and net interest expense.

Fee and other revenue decreased $16 million compared with the second quarter of 2020 and increased $49 million compared with the first quarter of 2021. The decrease compared with the second quarter of 2020 was impacted by lower net securities gains. The increase compared with the first quarter of 2021 primarily reflects an impairment of a renewable energy investment recorded in the first quarter of 2021.

Noninterest expense increased $10 million compared with the second quarter of 2020 and $8 million compared with the first quarter of 2021. Both increases primarily reflect higher staff expense.

Year-to-date 2021 compared with year-to-date 2020

(Loss) before income taxes increased $82 million compared with the first six months of 2020. Total fee and other revenue decreased $73 million, primarily reflecting an impairment of a renewable energy investment recorded in the first quarter of 2021 and lower net securities gains. Noninterest expense increased $21 million compared with the first six months of 2020, primarily reflecting higher staff expense.

Critical accounting estimates

Our significant accounting policies are described in Note 1 of the Notes to Consolidated Financial Statements in our 2020 Annual Report. Our critical accounting estimates are those related to the allowance for credit losses, fair value of financial instruments and derivatives, goodwill and other intangibles and litigation and regulatory contingencies, as referenced below.

Critical accounting estimates	Reference
Allowance for credit losses	2020 Annual Report, pages 24-26, and "Allowance for credit losses."
Fair value of financial instruments and derivatives	2020 Annual Report, pages 26-28.
Goodwill and other intangibles	2020 Annual Report, pages 28-29. Also see below.
Litigation and regulatory contingencies	"Legal proceedings" in Note 17 of the Notes to Consolidated Financial Statements.

Goodwill and other intangible assets

BNY Mellon's business segments include six reporting units for which goodwill impairment testing is performed on an annual basis. The Investment Services segment is comprised of four reporting units and the Investment and Wealth Management segment is comprised of two reporting units.

In the second quarter of 2021, we performed our annual goodwill impairment test on all six reporting units using an income approach to estimate fair values of each reporting unit. Estimated cash flows used in the income approach were based on management's projections as of March 31, 2021. The discount rate applied to these cash flows was 10% and incorporated a 6% market equity risk premium. Estimated cash flows extend far into the future, and, by their nature, are difficult to estimate over such an extended time frame.

As a result of the annual goodwill impairment test of the six reporting units, no goodwill impairment was recognized. The fair values of all six of the Company's reporting units were substantially in excess of the respective reporting units' carrying value. The Investment Management reporting unit, with $7.3 billion of allocated goodwill, which is one of the two reporting units in the Investment and Wealth Management segment, exceeded its carrying value by approximately 25%. For the Investment Management reporting unit, in the future, small changes in the assumptions, such as changes in the level of AUM and operating margin, could produce a non-cash goodwill impairment. See "Critical accounting estimates" in our 2020 Annual Report for additional information on the annual goodwill impairment test.

Consolidated balance sheet review

One of our key risk management objectives is to maintain a balance sheet that remains strong throughout market cycles to meet the expectations of our major stakeholders, including our shareholders, clients, creditors and regulators.

We also seek to undertake overall liquidity risk, including intraday liquidity risk, that stays within our risk appetite. The objective of our balance sheet management strategy is to maintain a balance sheet that is characterized by strong liquidity and asset quality, ready access to external funding sources at competitive rates and a strong capital structure that supports our risk-taking activities and is adequate to absorb potential losses. In managing the balance sheet, appropriate consideration is given to balancing the competing needs of maintaining sufficient levels of liquidity and complying with applicable regulations and supervisory expectations while optimizing profitability.

At June 30, 2021, total assets were $467 billion, compared with $470 billion at Dec. 31, 2020. The decrease in total assets was primarily driven by lower

interest-bearing deposits with the Federal Reserve and other central banks, partially offset by higher loans. Deposits totaled $339 billion at June 30, 2021, compared with $342 billion at Dec. 31, 2020. The decrease reflects lower interest-bearing deposits in both non-U.S. and U.S. offices, partially offset by higher noninterest-bearing deposits (principally U.S. offices). Total interest-bearing deposits as a percentage of total interest-earning assets were 61% at June 30, 2021 and 63% at Dec. 31, 2020.

At June 30, 2021, available funds totaled $183 billion, which include cash and due from banks, interest-bearing deposits with the Federal Reserve and other central banks, interest-bearing deposits with banks and federal funds sold and securities purchased under resale agreements. This compares with available funds of $196 billion at Dec. 31, 2020. Total available funds as a percentage of total assets were 39% at June 30, 2021 and 42% at Dec. 31, 2020. For additional information on our available funds, see "Liquidity and dividends."

Securities were $155.9 billion, or 33% of total assets, at June 30, 2021, compared with $156.4 billion, or 33% of total assets, at Dec. 31, 2020. The decrease primarily reflects lower agency residential mortgage-backed securities ("RMBS") and a decrease in unrealized pre-tax gain, partially offset by an increase in U.S. Treasury securities. For additional information on our securities portfolio, see "Securities" and Note 3 of the Notes to Consolidated Financial Statements.

Loans were $63.5 billion, or 14% of total assets, at June 30, 2021, compared with $56.5 billion, or 12% of total assets, at Dec. 31, 2020. The increase was primarily driven by higher margin loans and overdrafts. For additional information on our loan portfolio, see "Loans" and Note 4 of the Notes to Consolidated Financial Statements.

Long-term debt totaled $25.6 billion at June 30, 2021 and $26.0 billion at Dec. 31, 2020. Redemptions, a maturity and a decrease in the fair value of hedged long-term debt were partially offset by issuances. For additional information on long-term debt, see "Liquidity and dividends."

The Bank of New York Mellon Corporation total shareholders' equity decreased to $45.3 billion at June 30, 2021 from $45.8 billion at Dec. 31, 2020. For additional information, see "Capital."

Country risk exposure

The following table presents BNY Mellon's top 10 exposures by country (excluding the U.S.) as of June 30, 2021, as well as certain countries with higher risk profiles, and is presented on an internal risk management basis. We monitor our exposure to these and other countries as part of our internal country risk management process.

The country risk exposure below reflects the Company's risk to an immediate default of the counterparty or obligor based on the country of residence of the entity which incurs the liability. If there is credit risk mitigation, the country of residence of the entity providing the risk mitigation is the country of risk. The country of risk for securities is generally based on the domicile of the issuer of the security.

Country risk exposure at June 30, 2021 *(in billions)*	Interest-bearing deposits					Total exposure	
	Central banks	Banks	Lending *(a)*	Securities *(b)*	Other *(c)*		
Top 10 country exposure:							
United Kingdom ("UK")	$ 19.6	$ 0.4	$ 1.6	$ 3.4	$ 3.8	$ 28.8	
Germany	22.2	0.6	0.6	4.3	0.5	28.2	
Japan	18.2	0.9	—	0.5	0.2	19.8	
Belgium	8.6	0.7	0.1	0.2	—	9.6	
Canada	—	3.9	0.3	3.7	1.2	9.1	
Netherlands	4.3	—	0.3	2.0	0.1	6.7	
Luxembourg	1.4	0.1	0.2	0.1	2.8	4.6	
China	—	2.5	1.3	—	0.1	3.9	
Ireland	0.7	0.2	0.4	0.2	2.3	3.8	
France	—	0.4	—	2.8	0.3	3.5	
Total Top 10 country exposure	**$ 75.0**	**$ 9.7**	**$ 4.8**	**$ 17.2**	**$ 11.3**	**$ 118.0**	*(d)*
Select country exposure:							
Italy	$ 0.1	$ —	$ —	$ 1.7	$ —	$ 1.8	
Brazil	—	—	0.9	0.1	0.4	1.4	
Total select country exposure	**$ 0.1**	**$ —**	**$ 0.9**	**$ 1.8**	**$ 0.4**	**$ 3.2**	

(a) Lending includes loans, acceptances, issued letters of credit, net of participations, and lending-related commitments.
(b) Securities include both the available-for-sale and held-to-maturity portfolios.
(c) Other exposures include over-the-counter ("OTC") derivative and securities financing transactions, net of collateral.
(d) The top 10 country exposures comprise approximately 75% of our total non-U.S. exposure.

Events in recent years have resulted in increased focus on Italy and Brazil. The country risk exposure to Italy primarily consists of investment grade sovereign debt. The country risk exposure to Brazil is primarily short-term trade finance loans extended to large financial institutions. We also have operations in Brazil providing investment services and investment management services.

Securities

In the discussion of our securities portfolio, we have included certain credit ratings information because the information can indicate the degree of credit risk to which we are exposed. Significant changes in ratings classifications could indicate increased credit risk for us and could be accompanied by an increase in the allowance for credit losses and/or a reduction in the fair value of our securities portfolio.

The following table shows the distribution of our total securities portfolio.

Securities portfolio (dollars in millions)	March 31, 2021 Fair value	2Q21 change in unrealized gain (loss)	June 30, 2021 Amortized cost (a)	June 30, 2021 Fair value	Fair value as a % of amortized cost (a)	Unrealized gain (loss)	% Floating rate (b)	Ratings (c) AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	A1+/A2 & SP-1	Not rated
Agency RMBS	$ 58,831	$ 66	**$ 53,154**	**$ 53,944**	101 %	$ 790	14 %	100 %	— %	— %	— %	— %	— %
U.S. Treasury	30,595	(28)	**34,112**	**34,267**	100	155	53	100	—	—	—	—	—
Sovereign debt/sovereign guaranteed (d)	14,571	(6)	**14,098**	**14,209**	101	111	16	75	5	19	1	—	—
Agency commercial mortgage-backed securities ("MBS")	11,730	72	**11,360**	**11,678**	103	318	30	100	—	—	—	—	—
Supranational	7,505	—	**8,121**	**8,157**	100	36	56	100	—	—	—	—	—
Foreign covered bonds (e)	6,542	(10)	**6,752**	**6,793**	101	41	35	100	—	—	—	—	—
U.S. government agencies	5,469	43	**5,446**	**5,460**	100	14	25	100	—	—	—	—	—
Collateralized loan obligations ("CLOs")	4,754	(1)	**5,137**	**5,139**	100	2	100	99	—	—	—	—	1
Non-agency commercial MBS	2,948	41	**3,181**	**3,263**	103	82	24	99	1	—	—	—	—
Foreign government agencies (f)	2,697	(4)	**2,693**	**2,708**	101	15	13	92	8	—	—	—	—
State and political subdivisions	2,649	27	**2,610**	**2,621**	100	11	—	83	10	—	—	6	1
Non-agency RMBS (g)	2,509	(5)	**2,391**	**2,530**	106	139	50	74	4	—	11	—	11
Other asset-backed securities ("ABS")	2,628	(1)	**2,446**	**2,456**	100	10	19	100	—	—	—	—	—
Corporate bonds	2,238	50	**2,348**	**2,347**	100	(1)	—	16	68	16	—	—	—
Other	1	—	**1**	**1**	100	—	—	—	—	—	—	—	100
Total securities	$ 155,667 (h)	$ 244	**$ 153,850**	**$ 155,573** (h)	101 %	$ 1,723 (h)(i)	31 %	96 %	2 %	2 %	— %	— %	— %

(a) Amortized cost reflects historical impairments, and is net of the allowance for credit losses.
(b) Includes the impact of hedges.
(c) Represents ratings by Standard & Poor's ("S&P") or the equivalent.
(d) Primarily consists of exposure to Germany, France, Italy, UK, Singapore and Spain.
(e) Primarily consists of exposure to Canada, UK, Australia and Norway.
(f) Primarily consists of exposure to the Netherlands, Canada, France and Sweden.
(g) Includes RMBS that were included in the former Grantor Trust of $451 million at March 31, 2021 and $416 million at June 30, 2021.
(h) Includes net unrealized losses on derivatives hedging securities available-for-sale (including terminated hedges) of $634 million at March 31, 2021 and $927 million at June 30, 2021.
(i) Includes unrealized gains of $1,129 million at June 30, 2021 related to available-for-sale securities, net of hedges, and $594 million related to held-to-maturity securities.

The fair value of our securities portfolio, including related hedges, was $155.6 billion at June 30, 2021, compared with $156.3 billion at Dec. 31, 2020. The decrease primarily reflects lower agency RMBS and a decrease in unrealized pre-tax gain, partially offset by an increase in U.S. Treasury securities.

At June 30, 2021, the securities portfolio had a net unrealized gain, including the impact of related hedges, of $1.7 billion, compared with $3.2 billion at Dec. 31, 2020. The decrease in the net unrealized gain, including the impact of hedges, was primarily driven by higher market interest rates.

The fair value of the available-for-sale securities totaled $102.7 billion at June 30, 2021, net of hedges, or 66% of the securities portfolio, net of hedges. The fair value of the held-to-maturity securities totaled $52.9 billion at June 30, 2021, or 34% of the securities portfolio, net of hedges.

The unrealized gain (after-tax) on our available-for-sale securities portfolio, net of hedges, included in accumulated other comprehensive income was $854 million at June 30, 2021, compared with $1.5 billion at Dec. 31, 2020. The decrease in the unrealized gain, net of tax, was primarily driven by higher market interest rates.

At June 30, 2021, 96% of the securities in our portfolio were rated AAA/AA-, compared with 95% at Dec. 31, 2020.

See Note 3 of the Notes to Consolidated Financial Statements for the pre-tax net securities gains (losses) by security type. See Note 14 of the Notes to Consolidated Financial Statements for securities by level in the fair value hierarchy.

The following table presents the amortizable purchase premium (net of discount) related to the securities portfolio and accretable discount related to the 2009 restructuring of the securities portfolio.

Net premium amortization and discount accretion of securities *(a)* *(dollars in millions)*	**2Q21**	1Q21	4Q20	3Q20	2Q20
Amortizable purchase premium (net of discount) relating to securities:					
Balance at period-end	**$ 2,067**	$ 2,195	$ 2,283	$ 2,050	$ 1,693
Estimated average life remaining at period-end *(in years)*	**4.4**	4.3	3.9	3.8	3.7
Amortization	**$ 183**	$ 189	$ 181	$ 161	$ 125
Accretable discount related to the prior restructuring of the securities portfolio:					
Balance at period-end	**$ 118**	$ 121	$ 130	$ 133	$ 145
Estimated average life remaining at period-end *(in years)*	**6.1**	5.9	5.6	5.7	5.8
Accretion	**$ 9**	$ 12	$ 8	$ 9	$ 10

(a) Amortization of purchase premium decreases net interest revenue while accretion of discount increases net interest revenue. Both were recorded on a level yield basis.

Loans

Total exposure – consolidated	**June 30, 2021**			Dec. 31, 2020		
(in billions)	Loans	Unfunded commitments	Total exposure	Loans	Unfunded commitments	Total exposure
Non-margin loans:						
Financial institutions	**$ 10.7**	**$ 32.4**	**$ 43.1**	$ 11.2	$ 32.8	$ 44.0
Commercial	**1.7**	**12.3**	**14.0**	1.4	12.7	14.1
Subtotal institutional	**12.4**	**44.7**	**57.1**	12.6	45.5	58.1
Wealth management loans and mortgages	**17.5**	**1.1**	**18.6**	16.4	1.1	17.5
Commercial real estate	**6.1**	**3.5**	**9.6**	6.1	3.2	9.3
Lease financings	**0.9**	**—**	**0.9**	1.0	—	1.0
Other residential mortgages	**0.3**	**—**	**0.3**	0.4	—	0.4
Overdrafts	**4.3**	**—**	**4.3**	2.7	—	2.7
Other	**2.1**	**—**	**2.1**	1.9	—	1.9
Subtotal non-margin loans	**43.6**	**49.3**	**92.9**	41.1	49.8	90.9
Margin loans	**19.9**	**0.1**	**20.0**	15.4	0.1	15.5
Total	**$ 63.5**	**$ 49.4**	**$ 112.9**	$ 56.5	$ 49.9	$ 106.4

At June 30, 2021, total lending-related exposure of $112.9 billion increased 6% compared with Dec. 31, 2020, primarily reflecting higher margin loans, overdrafts and wealth management loans and mortgages, partially offset by lower financial institutions exposure.

Our financial institutions and commercial portfolios comprise our largest concentrated risk. These portfolios comprised 51% of our total exposure at June 30, 2021 and 55% at Dec. 31, 2020. Additionally, most of our overdrafts relate to financial institutions.

Financial institutions

The financial institutions portfolio is shown below.

Financial institutions portfolio exposure *(dollars in billions)*	**June 30, 2021**					Dec. 31, 2020		
	Loans	Unfunded commitments	Total exposure	% Inv. grade	% due <1 yr.	Loans	Unfunded commitments	Total exposure
Securities industry	**$ 2.4**	**$ 20.2**	**$ 22.6**	**97 %**	**99 %**	$ 2.3	$ 21.6	$ 23.9
Asset managers	**1.5**	**6.9**	**8.4**	**98**	**81**	1.4	6.4	7.8
Banks	**6.0**	**1.1**	**7.1**	**85**	**95**	6.7	1.1	7.8
Insurance	**0.2**	**3.0**	**3.2**	**100**	**22**	0.1	2.8	2.9
Government	**0.1**	**0.2**	**0.3**	**100**	**44**	0.1	0.2	0.3
Other	**0.5**	**1.0**	**1.5**	**96**	**44**	0.6	0.7	1.3
Total	**$ 10.7**	**$ 32.4**	**$ 43.1**	**96 %**	**87 %**	$ 11.2	$ 32.8	$ 44.0

The financial institutions portfolio exposure was $43.1 billion at June 30, 2021, a decrease of 2% compared with Dec. 31, 2020, primarily reflecting lower exposure to the securities industry and banks portfolios, partially offset by higher exposure to the asset managers portfolio.

Financial institution exposures are high-quality, with 96% of the exposures meeting the investment grade equivalent criteria of our internal credit rating classification at June 30, 2021. Each customer is assigned an internal credit rating, which is mapped to an equivalent external rating agency grade based upon a number of dimensions, which are continually evaluated and may change over time. For ratings of non-U.S. counterparties, our internal credit rating is generally capped at a rating equivalent to the sovereign rating of the country where the counterparty resides, regardless of the internal credit rating assigned to the counterparty or the underlying collateral.

The exposure to financial institutions is generally short-term, with 87% of the exposures expiring within one year. At June 30, 2021, 16% of the exposure to financial institutions had an expiration within 90 days, compared with 18% at Dec. 31, 2020.

In addition, 71% of the financial institutions exposure is secured. For example, securities industry clients and asset managers often borrow against marketable securities held in custody.

At June 30, 2021, the secured intra-day credit provided to dealers in connection with their tri-party repo activity totaled $17.2 billion and was included in the securities industry portfolio. Dealers secure the outstanding intraday credit with high-quality liquid collateral having a market value in excess of the amount of the outstanding credit.

The asset managers portfolio exposure is high-quality, with 98% of the exposures meeting our investment grade equivalent ratings criteria as of June 30, 2021. These exposures are generally short-term liquidity facilities, with the majority to regulated mutual funds.

Our banks exposure primarily relates to our global trade finance. These exposures are short-term in nature, with 95% due in less than one year. The investment grade percentage of our banks exposure was 85% at both June 30, 2021 and Dec. 31, 2020. Our non-investment grade exposures are primarily trade finance loans in Brazil.

Commercial

The commercial portfolio is presented below.

Commercial portfolio exposure	**June 30, 2021**					Dec. 31, 2020		
(dollars in billions)	Loans	Unfunded commitments	Total exposure	% Inv. grade	% due <1 yr.	Loans	Unfunded commitments	Total exposure
Manufacturing	**$ 0.6**	**$ 3.9**	**$ 4.5**	**96 %**	**18 %**	$ 0.5	$ 4.1	$ 4.6
Energy and utilities	**0.3**	**4.0**	**4.3**	**89**	**5**	0.3	3.9	4.2
Services and other	**0.7**	**3.5**	**4.2**	**95**	**40**	0.6	3.8	4.4
Media and telecom	**0.1**	**0.9**	**1.0**	**93**	**11**	—	0.9	0.9
Total	**$ 1.7**	**$ 12.3**	**$ 14.0**	**93 %**	**20 %**	$ 1.4	$ 12.7	$ 14.1

The commercial portfolio exposure was $14.0 billion at June 30, 2021, a decrease of 1% from Dec. 31, 2020, primarily driven by lower exposure to the services and other portfolio.

We have $676 million of total direct exposure to the oil and gas industry at June 30, 2021, most of which is reflected in the energy and utilities portfolio in the table above. This exposure is to exploration and production, refining and integrated companies and was 65% investment grade at June 30, 2021 and 66% at Dec. 31, 2020.

Our credit strategy is to focus on investment grade clients that are active users of our non-credit services. The following table summarizes the percentage of the financial institutions and commercial portfolio exposures that are investment grade.

Percentage of the portfolios that are investment grade	Quarter ended				
	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020
Financial institutions	**96 %**	96 %	95 %	95 %	95 %
Commercial	**93 %**	92 %	92 %	93 %	92 %

Wealth management loans and mortgages

Our wealth management exposure was $18.6 billion at June 30, 2021, compared with $17.5 billion at Dec. 31, 2020. Wealth management loans and mortgages primarily consist of loans to high-net-worth individuals, which are secured by marketable securities and/or residential property. Wealth management mortgages are primarily interest-only, adjustable-rate mortgages with a weighted-average loan-to-value ratio of 62% at origination. Less than 1% of the mortgages were past due at June 30, 2021.

At June 30, 2021, the wealth management mortgage portfolio consisted of the following geographic concentrations: California – 22%; New York – 16%; Massachusetts – 9%; Florida – 9%; and other – 44%.

Commercial real estate

The composition of the commercial real estate portfolio by asset class, including percentage secured, is presented below.

Composition of commercial real estate portfolio by asset class	**June 30, 2021**		Dec. 31, 2020	
(in billions)	Total exposure	Percentage secured *(a)*	Total exposure	Percentage secured *(a)*
Residential	**$ 3.4**	**82 %**	$ 3.3	86 %
Office	**2.6**	**77**	2.8	75
Retail	**0.9**	**57**	1.0	52
Mixed-use	**0.7**	**21**	0.7	22
Hotels	**0.6**	**20**	0.6	20
Healthcare	**0.4**	**22**	0.4	25
Other	**1.0**	**11**	0.5	23
Total commercial real estate	**$ 9.6**	**60 %**	$ 9.3	64 %

(a) Represents the amount of secured exposure in each asset class.

Our commercial real estate exposure totaled $9.6 billion at June 30, 2021 and $9.3 billion at Dec. 31, 2020. Our income-producing commercial real estate facilities are focused on experienced owners and are structured with moderate leverage based on existing cash flows. Our commercial real estate lending activities also include construction and renovation facilities. Our client base consists of experienced developers and long-term holders of real estate assets. Loans are approved on the basis of existing or projected cash flows and supported by appraisals and knowledge of local market conditions. Development loans are structured with moderate leverage, and in many instances, involve some level of recourse to the developer.

At June 30, 2021, the unsecured portfolio consisted of real estate investment trusts ("REITs") and real estate operating companies, which are both primarily investment grade.

At June 30, 2021, our commercial real estate portfolio consisted of the following concentrations: New York metro – 35%; REITs and real estate operating companies – 40%; and other – 25%.

Lease financings

The lease financings portfolio exposure totaled $0.9 billion at June 30, 2021 and $1.0 billion at Dec. 31, 2020. At June 30, 2021, approximately 98% of leasing exposure was investment grade, or investment grade equivalent and consisted of exposures backed by well-diversified assets, primarily real estate and large-ticket transportation equipment. The largest component of our lease residual value exposure is freight-related rail cars. Assets are both domestic and foreign-based, with primary concentrations in the Germany and the U.S.

Other residential mortgages

The other residential mortgages portfolio primarily consists of 1-4 family residential mortgage loans and totaled $339 million at June 30, 2021 and $389 million at Dec. 31, 2020. Included in this portfolio at June 30, 2021 were $59 million of mortgage loans purchased in 2005, 2006 and the first quarter of 2007.

Overdrafts

Overdrafts primarily relate to custody and securities clearance clients and are generally repaid within two business days.

Other loans

Other loans primarily include loans to consumers that are fully collateralized with equities, mutual funds and fixed-income securities.

Margin loans

Margin loan exposure of $20.0 billion at June 30, 2021 and $15.5 billion at Dec. 31, 2020 was collateralized with marketable securities. Borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. Margin loans included $7.3 billion at June 30, 2021 and $4.6 billion at Dec. 31, 2020 related to a term loan program that offers fully collateralized loans to broker-dealers.

Allowance for credit losses

Our credit strategy is to focus on investment grade clients who are active users of our non-credit services. Our primary exposure to the credit risk of a customer consists of funded loans, unfunded contractual commitments to lend, standby letters of credit and overdrafts associated with our custody and securities clearance businesses.

The following table details changes in our allowance for credit losses.

Allowance for credit losses activity *(dollars in millions)*	**June 30, 2021**	March 31, 2021	Dec. 31, 2020	June 30, 2020
Beginning balance of allowance for credit losses	**$ 419**	$ 501	$ 486	$ 329
Provision for credit losses	**(86)**	(83)	15	143
Net recoveries (charge-offs):				
Loans:				
Financial institutions	**2**	—	—	—
Other residential mortgages	**—**	2	—	3
Wealth management loans and mortgages	**—**	(1)	—	—
Other financial instruments	**—**	—	—	—
Net recoveries	**2**	1	—	3
Ending balance of allowance for credit losses	**$ 335**	$ 419	$ 501	$ 475
Allowance for loan losses	**$ 269**	$ 327	$ 358	$ 302
Allowance for lending-related commitments	**50**	73	121	152
Allowance for financial instruments *(a)*	**16**	19	22	21
Total allowance for credit losses	**$ 335**	$ 419	$ 501	$ 475
Non-margin loans	**$ 43,624**	$ 42,839	$ 41,053	$ 42,488
Margin loans	**19,923**	17,893	15,416	12,909
Total loans	**$ 63,547**	$ 60,732	$ 56,469	$ 55,397
Allowance for loan losses as a percentage of total loans	**0.42 %**	0.54 %	0.63 %	0.55 %
Allowance for loan losses as a percentage of non-margin loans	**0.62**	0.76	0.87	0.71
Allowance for loan losses and lending-related commitments as a percentage of total loans	**0.50**	0.66	0.85	0.82
Allowance for loan losses and lending-related commitments as a percentage of non-margin loans	**0.73**	0.93	1.17	1.07

(a) Includes allowance for credit losses on federal funds sold and securities purchased under resale agreements, available-for-sale securities, held-to-maturity securities, accounts receivable, cash and due from banks and interest-bearing deposits with banks.

The provision for credit losses was a benefit of $86 million in the second quarter of 2021, primarily driven by an improved macroeconomic forecast.

We had $19.9 billion of secured margin loans on our balance sheet at June 30, 2021 compared with $15.4 billion at Dec. 31, 2020. We have rarely suffered a loss on these types of loans. As a result, we believe that the ratio of allowance for loan losses and lending-related commitments as a percentage of non-margin loans is a more appropriate metric to measure the adequacy of the reserve.

The allowance for loan losses and allowance for lending-related commitments represent management's estimate of lifetime expected losses in our credit portfolio. This evaluation process is subject to numerous estimates and judgments. To the extent actual results differ from forecasts or management's judgment, the allowance for credit losses may be greater or less than future charge-offs.

Based on an evaluation of the allowance for credit losses as discussed in "Critical accounting estimates," in our 2020 Annual Report, we have allocated our allowance for loans and lending-related commitments as presented below.

Allocation of allowance for loan losses and lending-related commitments

	June 30, 2021	March 31, 2021	Dec. 31, 2020	June 30, 2020
Commercial real estate	**90 %**	91 %	89 %	81 %
Commercial	**3**	2	3	9
Financial institutions	**2**	2	2	4
Other residential mortgages	**3**	2	3	3
Wealth management *(a)*	**1**	2	2	2
Lease financings	**1**	1	1	1
Total	**100 %**	100 %	100 %	100 %

(a) Includes the allowance for credit losses on wealth management mortgages.

The allocation of the allowance for credit losses is inherently judgmental, and the entire allowance for credit losses is available to absorb credit losses regardless of the nature of the losses.

Our allowance for credit losses is sensitive to a number of inputs, most notably the credit ratings assigned to each borrower, as well as macroeconomic forecast assumptions that are incorporated in our estimate of credit losses through the expected life of the loan portfolio. Thus, as the macroeconomic environment and related forecasts change, the allowance for credit losses may change materially. The following sensitivity analyses do not represent management's expectations of the deterioration of our portfolios or the economic environment, but are provided as hypothetical scenarios to assess the sensitivity of the allowance for credit losses to changes in key inputs. If each credit were rated one grade better, the quantitative allowance would have decreased by $84 million, and if each credit were rated one grade worse, the quantitative allowance would have increased by $112 million. Our multi-scenario based macroeconomic forecast used in determining the June 30, 2021 allowance for credit losses consisted of three scenarios. The baseline scenario reflects moderate and flat GDP growth and unemployment recovery but with declining commercial real estate prices that begin to recover later in 2021. The upside scenario reflects faster GDP growth and unemployment recovery and less severe commercial real estate declines than the baseline. The downside scenario contemplates negative GDP growth and increasing unemployment throughout 2021 and steeper declines in commercial real estate prices than the baseline. Consistent with the first quarter of 2021, we placed the most weight on our baseline scenario, with the remaining weighting resulting in slightly more weight placed on the downside scenario than the upside scenario. From a sensitivity perspective, at June 30, 2021, if we had applied 100% weighting to the downside scenario, the quantitative allowance for credit losses would have been approximately $150 million higher.

Nonperforming assets

The table below presents our nonperforming assets.

Nonperforming assets

(dollars in millions)	June 30, 2021	Dec. 31, 2020
Nonperforming loans:		
Other residential mortgages	**$ 39**	$ 57
Wealth management loans and mortgages	**24**	30
Commercial real estate	**26**	1
Total nonperforming loans	**89**	88
Other assets owned	**1**	1
Total nonperforming assets	**$ 90**	$ 89
Nonperforming assets ratio	**0.14 %**	0.16 %
Nonperforming assets ratio, excluding margin loans	**0.21**	0.22
Allowance for loan losses/nonperforming loans	**302.2**	406.8
Allowance for loan losses/nonperforming assets	**298.9**	402.2
Total allowance for credit losses/nonperforming loans	**358.4**	544.3
Total allowance for credit losses/nonperforming assets	**354.4**	538.2

Nonperforming assets increased slightly compared with Dec. 31, 2020, reflecting higher commercial real estate loans, offset by lower other residential mortgages and wealth management loans and mortgages.

Lost interest

Interest revenue would have increased by $1 million in the second quarter of 2021, first quarter of 2021, second quarter of 2020, $2 million in the first six months of 2021 and $3 million in the first six months of 2020, if nonperforming loans at period-end had been performing for the entire respective periods.

Loan modifications

Due to the coronavirus pandemic, there have been two forms of relief provided for classifying loans as troubled debt restructurings ("TDRs"): The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the relevant provisions of which were extended by the Consolidated Appropriations Act, 2021, and the Interagency Guidance. See Note 1

of the Notes to Consolidated Financial Statements of our 2020 Annual Report for additional details on this guidance. Financial institutions may account for eligible loan modifications either under the CARES Act or the Interagency Guidance and we have elected to apply both, as applicable, in providing borrowers with loan modification relief in response to the coronavirus pandemic. We modified loans of $3 million in the second quarter of 2021, $282 million in the second quarter of 2020 and $6 million in the first quarter of 2021. Nearly all of the modifications were short-term loan payment forbearances or modified principal and/or interest payments. These loans were primarily residential mortgage and commercial real estate loans. We did not identify any of the modifications as TDRs. At June 30, 2021, the unpaid principal balance of the loans modified under the CARES Act or Interagency Guidance was $77 million.

Deposits

Total deposits were $338.7 billion at June 30, 2021, a decrease of 1%, compared with $341.5 billion at Dec. 31, 2020. The decrease reflects lower interest-bearing deposits in both non-U.S. and U.S. offices, partially offset by higher noninterest-bearing deposits (principally U.S. offices).

Noninterest-bearing deposits were $94.1 billion at June 30, 2021 compared with $83.8 billion at Dec. 31, 2020. Interest-bearing deposits were $244.6 billion at June 30, 2021, compared with $257.7 billion at Dec. 31, 2020.

Short-term borrowings

We fund ourselves primarily through deposits and, to a lesser extent, other short-term borrowings and long-term debt. Short-term borrowings consist of federal funds purchased and securities sold under repurchase agreements, payables to customers and broker-dealers, commercial paper and other borrowed funds. Certain short-term borrowings, for example, securities sold under repurchase agreements, require the delivery of securities as collateral.

Information related to federal funds purchased and securities sold under repurchase agreements is presented below.

Federal funds purchased and securities sold under repurchase agreements

	Quarter ended		
(dollars in millions)	**June 30, 2021**	March 31, 2021	June 30, 2020
Maximum month-end balance during the quarter	**$ 14,071**	$ 15,863	$ 14,512
Average daily balance *(a)*	**$ 13,773**	$ 15,288	$ 14,209
Weighted-average rate during the quarter *(a)*	**(0.17)%**	(0.07)%	0.03 %
Ending balance *(b)*	**$ 12,425**	$ 15,150	$ 14,512
Weighted-average rate at period end *(b)*	**(0.25)%**	(0.12)%	0.00 %

(a) Includes the average impact of offsetting under enforceable netting agreements of $41,173 million in the second quarter of 2021, $37,377 million in the first quarter of 2021 and $66,606 million in the second quarter of 2020. On a Non-GAAP basis, excluding the impact of offsetting, the weighted-average rates would have been (0.04)% for the second quarter of 2021, (0.02)% for the first quarter of 2021 and 0.00% for the second quarter of 2020. We believe providing the rates excluding the impact of netting is useful to investors as it is more reflective of the actual rates paid.

(b) Includes the impact of offsetting under enforceable netting agreements of $41,122 million at June 30, 2021, $33,544 million at March 31, 2021 and $48,615 million at June 30, 2020.

Fluctuations of federal funds purchased and securities sold under repurchase agreements reflect changes in overnight borrowing opportunities. The decrease of the weighted-average rates compared with June 30, 2020 primarily reflects lower interest rates and repurchase agreement activity with the Fixed Income Clearing Corporation (the "FICC"), where we record interest expense gross, but the ending and average balances reflect the impact of offsetting under enforceable netting agreements. This activity primarily relates to government securities collateralized resale and repurchase agreements executed with clients that are novated to and settle with the FICC.

Information related to payables to customers and broker-dealers is presented below.

Payables to customers and broker-dealers	Quarter ended		
(dollars in millions)	**June 30, 2021**	March 31, 2021	June 30, 2020
Maximum month-end balance during the quarter	**$ 23,704**	$ 25,124	$ 25,012
Average daily balance *(a)*	**$ 23,760**	$ 24,772	$ 23,944
Weighted-average rate during the quarter *(a)*	**(0.01)%**	(0.01)%	(0.01)%
Ending balance	**$ 23,704**	$ 23,827	$ 25,012
Weighted-average rate at period end	**(0.01)%**	(0.01)%	(0.01)%

(a) The weighted-average rate is calculated based on, and is applied to, the average interest-bearing payables to customers and broker-dealers, which were $16,811 million in the second quarter of 2021, $17,691 million in the first quarter of 2021 and $18,742 million in the second quarter of 2020.

Payables to customers and broker-dealers represent funds awaiting reinvestment and short sale proceeds payable on demand. Payables to customers and broker-dealers are driven by customer trading activity and market volatility.

Information related to commercial paper is presented below.

Commercial paper	Quarter ended		
(dollars in millions)	**June 30, 2021**	March 31, 2021	June 30, 2020
Maximum month-end balance during the quarter	**$ —**	$ —	$ 665
Average daily balance	**$ —**	$ —	$ 191
Weighted-average rate during the quarter	**— %**	— %	1.02 %
Ending balance	**$ —**	$ —	$ 665
Weighted-average rate at period end	**— %**	— %	0.02 %

The Bank of New York Mellon is authorized to issue commercial paper that matures within 397 days from the date of issue and is not redeemable prior to maturity or subject to voluntary prepayment. The decrease in the commercial paper compared with June 30, 2020 primarily reflects the continuation of elevated deposit levels.

Information related to other borrowed funds is presented below.

Other borrowed funds	Quarter ended		
(dollars in millions)	**June 30, 2021**	March 31, 2021	June 30, 2020
Maximum month-end balance during the quarter	**$ 451**	$ 348	$ 2,451
Average daily balance	**$ 298**	$ 331	$ 2,272
Weighted-average rate during the quarter	**2.21 %**	2.01 %	1.30 %
Ending balance	**$ 451**	$ 348	$ 1,628
Weighted-average rate at period end	**2.51 %**	2.05 %	1.37 %

Other borrowed funds primarily include overdrafts of sub-custodian account balances in our Investment Services businesses, finance lease liabilities and borrowings under lines of credit by our Pershing subsidiaries. Borrowings from the Federal Reserve Bank of Boston under the Money Market Mutual Fund Liquidity Facility (the "MMLF") program are also included in other borrowed funds at June 30, 2020. Overdrafts typically relate to timing differences for settlements. The decrease in other borrowed funds compared with June 30, 2020 reflects a decline in borrowings from the Federal Reserve Bank of Boston under the MMLF program. The increase in other borrowed funds compared with March 31, 2021 reflects higher overdrafts of sub-custodian account balances in our Investment Services businesses.

Liquidity and dividends

BNY Mellon defines liquidity as the ability of the Parent and its subsidiaries to access funding or convert assets to cash quickly and efficiently, or to roll over or issue new debt, especially during periods of market stress, at a reasonable cost, and in order to meet its short-term (up to one year) obligations. Funding liquidity risk is the risk that BNY Mellon cannot meet its cash and collateral obligations at a reasonable cost for both expected and unexpected cash flow and collateral needs without adversely affecting daily operations or our financial condition. Funding liquidity risk can arise from funding mismatches, market constraints from the inability to convert assets into cash, the inability to hold or raise cash, low overnight deposits, deposit run-off or contingent liquidity events.

Changes in economic conditions or exposure to credit, market, operational, legal and reputational

risks also can affect BNY Mellon's liquidity risk profile and are considered in our liquidity risk framework. For additional information, see "Risk Management – Liquidity Risk" in our 2020 Annual Report.

The Parent's policy is to have access to sufficient unencumbered cash and cash equivalents at each quarter-end to cover maturities and other forecasted debt redemptions, net interest payments and net tax payments for the following 18-month period, and to provide sufficient collateral to satisfy transactions subject to Section 23A of the Federal Reserve Act. As of June 30, 2021, the Parent was in compliance with this policy.

We monitor and control liquidity exposures and funding needs within and across significant legal entities, branches, currencies and business lines, taking into account, among other factors, any applicable restrictions on the transfer of liquidity among entities.

BNY Mellon also manages potential intraday liquidity risks. We monitor and manage intraday liquidity against existing and expected intraday liquid resources (such as cash balances, remaining intraday credit capacity, intraday contingency funding and available collateral) to enable BNY Mellon to meet its intraday obligations under normal and reasonably severe stressed conditions.

We define available funds for internal liquidity management purposes as cash and due from banks, interest-bearing deposits with the Federal Reserve and other central banks, interest-bearing deposits with banks and federal funds sold and securities purchased under resale agreements. The following table presents our total available funds at period end and on an average basis.

Available funds			Average				
(dollars in millions)	**June 30, 2021**	Dec. 31, 2020	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Cash and due from banks	**$ 5,154**	$ 6,252	**$ 5,938**	$ 5,720	$ 4,102	**$ 5,830**	$ 4,348
Interest-bearing deposits with the Federal Reserve and other central banks	**126,355**	141,775	**114,564**	125,930	94,229	**120,216**	87,316
Interest-bearing deposits with banks	**21,270**	17,300	**22,465**	21,313	21,093	**21,892**	19,087
Federal funds sold and securities purchased under resale agreements	**29,762**	30,907	**27,857**	29,186	30,265	**28,518**	32,187
Total available funds	**$ 182,541**	$ 196,234	**$ 170,824**	$ 182,149	$ 149,689	**$ 176,456**	$ 142,938
Total available funds as a percentage of total assets	**39 %**	42 %	**38 %**	40 %	36 %	**39 %**	36 %

Total available funds were $182.5 billion at June 30, 2021, compared with $196.2 billion at Dec. 31, 2020. The decrease was primarily due to lower interest-bearing deposits with the Federal Reserve and other central banks, partially offset by higher interest-bearing deposits with banks.

Average non-core sources of funds, such as federal funds purchased and securities sold under repurchase agreements, trading liabilities, other borrowed funds and commercial paper were $17.1 billion for the first six months of 2021 and $18.2 billion the first six months of 2020. The decrease primarily reflects lower other borrowed funds and commercial paper, partially offset by higher federal funds purchased and securities sold under repurchase agreements and trading liabilities.

Average foreign deposits, primarily from our European-based Investment Services business, were $114.5 billion for the first six months of 2021, compared with $103.1 billion for the first six months of 2020. Average interest-bearing domestic deposits were $127.7 billion for the first six months of 2021 and $101.0 billion for the first six months of 2020. The increase primarily reflects increased client activity.

Average payables to customers and broker-dealers were $17.2 billion for the first six months of 2021 and $17.6 billion for the first six months of 2020. Payables to customers and broker-dealers are driven by customer trading activity and market volatility.

Average long-term debt was $25.7 billion for the first six months of 2021 and $27.7 billion for the first six months of 2020.

Average noninterest-bearing deposits increased to $84.6 billion for the first six months of 2021 from $66.5 billion for the first six months of 2020, primarily reflecting client activity.

A significant reduction in our Investment Services business would reduce our access to deposits. See "Asset/liability management" for additional factors that could impact our deposit balances.

Sources of liquidity

The Parent's major sources of liquidity are access to the debt and equity markets, dividends from its subsidiaries, and cash on hand and cash otherwise made available in business-as-usual circumstances to the Parent through a committed credit facility with our intermediate holding company ("IHC").

Our ability to access the capital markets on favorable terms, or at all, is partially dependent on our credit ratings, which are as follows:

Credit ratings at June 30, 2021

	Moody's	S&P	Fitch	DBRS
Parent:				
Long-term senior debt	A1	A	AA-	AA
Subordinated debt	A2	A-	A	AA (low)
Preferred stock	Baa1	BBB	BBB+	A
Outlook – Parent	Stable	Stable	Stable	Stable
The Bank of New York Mellon:				
Long-term senior debt	Aa2	AA-	AA	AA (high)
Subordinated debt	NR	A	NR	NR
Long-term deposits	Aa1	AA-	AA+	AA (high)
Short-term deposits	P1	A-1+	F1+	R-1 (high)
Commercial paper	P1	A-1+	F1+	R-1 (high)
BNY Mellon, N.A.:				
Long-term senior debt	Aa2 *(a)*	AA-	AA *(a)*	AA (high)
Long-term deposits	Aa1	AA-	AA+	AA (high)
Short-term deposits	P1	A-1+	F1+	R-1 (high)
Outlook – Banks	Stable	Stable	Stable	Stable

(a) Represents senior debt issuer default rating.
NR – Not rated.

Long-term debt totaled $25.6 billion at June 30, 2021 and $26.0 billion at Dec. 31, 2020. Redemptions of $2.3 billion, a maturity of $500 million and a decrease in the fair value of hedged long-term debt were partially offset by issuances of $2.7 billion. The Parent has $1.5 billion of long-term debt that will mature in the remainder of 2021.

In July 2021, the Parent issued $500 million of fixed rate senior notes maturing in 2026 at an annual interest rate of 1.05% and $500 million of fixed rate senior notes maturing in 2031 at an annual interest rate of 1.80%.

The Bank of New York Mellon may issue notes and CDs. At June 30, 2021 and Dec. 31, 2020, $30 million of notes were outstanding. There were no CDs outstanding at June 30, 2021 and $100 million was outstanding at Dec. 31, 2020.

The Bank of New York Mellon also issues commercial paper that matures within 397 days from the date of issue and is not redeemable prior to maturity or subject to voluntary prepayment. There was no commercial paper outstanding at June 30, 2021 and Dec. 31, 2020. The average commercial paper outstanding was $886 million for the first six months of 2020.

Subsequent to June 30, 2021, our U.S. bank subsidiaries could declare dividends to the Parent of approximately $1.6 billion, without the need for a regulatory waiver. In addition, at June 30, 2021, non-bank subsidiaries of the Parent had liquid assets of approximately $3.3 billion. Restrictions on our ability to obtain funds from our subsidiaries are discussed in more detail in "Supervision and Regulation – Capital Planning and Stress Testing – Payment of Dividends, Stock Repurchases and Other Capital Distributions" and in Note 19 of the Notes to

Consolidated Financial Statements, both in our 2020 Annual Report.

Pershing LLC has uncommitted lines of credit in place for liquidity purposes which are guaranteed by the Parent. Pershing LLC has two separate uncommitted lines of credit amounting to $350 million in aggregate. There were no borrowings under these lines in the second quarter of 2021. Pershing Limited, an indirect UK-based subsidiary of BNY Mellon, has two separate uncommitted lines of credit amounting to $269 million in aggregate. Average borrowings under these lines were $14 million, in aggregate, in the second quarter of 2021.

The double leverage ratio is the ratio of our equity investment in subsidiaries divided by our consolidated Parent company equity, which includes our noncumulative perpetual preferred stock. In short, the double leverage ratio measures the extent to which equity in subsidiaries is financed by Parent company debt. As the double leverage ratio increases, this can reflect greater demands on a company's cash flows in order to service interest payments and debt maturities. BNY Mellon's double leverage ratio is managed in a range considering the high level of unencumbered available liquid assets held in its principal subsidiaries (such as central bank deposit placements and government securities), the Company's cash generating fee-based business model, with fee revenue representing 81% of total revenue in the second quarter of 2021, and the dividend capacity of our banking subsidiaries. Our double leverage ratio was 114.4% at June 30, 2021 and 114.3% at Dec. 31, 2020, and within the range targeted by management.

Uses of funds

The Parent's major uses of funds are repurchases of common stock, payment of dividends, principal and interest payments on its borrowings, acquisitions and additional investments in its subsidiaries.

In May 2021, a quarterly dividend of $0.31 per common share was paid to common shareholders. Our common stock dividend payout ratio was 27% for the second quarter of 2021.

In July 2021, our Board of Directors approved a 10% increase in the quarterly cash dividend on common stock, from $0.31 to $0.34 per share. This increased quarterly cash dividend will be paid on Aug. 9, 2021.

In the second quarter of 2021, we repurchased 12.8 million common shares at an average price of $48.17 per common share, for a total cost of $618 million.

In June 2021, our Board of Directors approved the repurchase of up to $6.0 billion of common stock starting in the third quarter of 2021 and continuing through the fourth quarter of 2022.

See "Recent regulatory developments" for additional information on the 2021 CCAR. Also see "Supervision and Regulation – Capital Planning and Stress Testing – Payment of Dividends, Stock Repurchases and Other Capital Distributions" in our 2020 Annual Report for additional information related to the 2020 CCAR.

Liquidity coverage ratio ("LCR")

U.S. regulators have established an LCR that requires certain banking organizations, including BNY Mellon, to maintain a minimum amount of unencumbered high-quality liquid assets ("HQLA") sufficient to withstand the net cash outflow under a hypothetical standardized acute liquidity stress scenario for a 30-day time horizon.

The following table presents BNY Mellon's consolidated HQLA at June 30, 2021, and the average HQLA and average LCR for the second quarter of 2021.

Consolidated HQLA and LCR *(dollars in billions)*		**June 30, 2021**
Securities *(a)*	**$**	**121**
Cash *(b)*		**126**
Total consolidated HQLA *(c)*	**$**	**247**
Total consolidated HQLA – average *(c)*	**$**	**236**
Average LCR		**110 %**

(a) Primarily includes securities of U.S. government-sponsored enterprises, U.S. Treasury, sovereign securities, U.S. agency and investment-grade corporate debt.

(b) Primarily includes cash on deposit with central banks.

(c) Consolidated HQLA presented before adjustments. After haircuts and the impact of trapped liquidity, consolidated HQLA totaled $170 billion at June 30, 2021 and averaged $160 billion for the second quarter of 2021.

BNY Mellon and each of our affected domestic bank subsidiaries were compliant with the U.S. LCR requirements of at least 100% throughout the second quarter of 2021.

Statement of cash flows

The following summarizes the activity reflected on the consolidated statement of cash flows. While this information may be helpful to highlight certain macro trends and business strategies, the cash flow analysis may not be as relevant when analyzing changes in our net earnings and net assets. We believe that in addition to the traditional cash flow analysis, the discussion related to liquidity and dividends and asset/liability management herein may provide more useful context in evaluating our liquidity position and related activity.

Net cash used for operating activities was $345 million in the six months ended June 30, 2021, compared with net cash provided by operations of $5.1 billion in the six months ended June 30, 2020. In the six months ended June 30, 2021 cash flows used for operations primarily resulted from changes in accruals, partially offset by earnings. In the six months ended June 30, 2020, cash flows provided by operations primarily resulted from earnings and changes in accruals.

Net cash provided by investing activities was $3.9 billion in the six months ended June 30, 2021, compared with net cash used for investing activities of $58.7 billion in the six months ended June 30, 2020. In the six months ended June 30, 2021, net cash provided by investing activities primarily reflects change in interest-bearing deposits with the Federal Reserve and other central banks, partially offset by net changes in loans and changes in interest-bearing deposits with banks. In the six months ended June 30, 2020, net cash used for investing activities primarily reflects net changes in securities, change in interest-bearing deposits with the Federal Reserve and other central banks and changes in federal funds sold and securities purchased under resale agreements.

Net cash used for financing activities was $3.5 billion in the six months ended June 30, 2021, compared with net cash provided by financing activities of $53.4 billion in the six months ended June 30, 2020. In the six months ended June 30, 2021, net cash used for financing activities primarily reflects repayments of long-term debt, changes in deposits, changes in payables to customers and broker-dealers and treasury stock acquired, partially offset by net proceeds from the issuance of long-term debt and change in federal funds purchased and securities sold under repurchase agreements. In the six months ended June 30, 2020, net cash provided by financing activities primarily reflects changes in deposits and payables to customers and broker-dealers, partially offset by changes in commercial paper.

Capital

Capital data *(dollars in millions, except per share amounts; common shares in thousands)*	**June 30, 2021**	March 31, 2021	Dec. 31, 2020
Average common equity to average assets	**8.9 %**	8.8 %	9.3 %
At period end:			
BNY Mellon shareholders' equity to total assets ratio	**9.7 %**	9.7 %	9.8 %
BNY Mellon common shareholders' equity to total assets ratio	**8.7 %**	8.7 %	8.8 %
Total BNY Mellon shareholders' equity	**$ 45,281**	$ 44,954	$ 45,801
Total BNY Mellon common shareholders' equity	**$ 40,740**	$ 40,413	$ 41,260
BNY Mellon tangible common shareholders' equity – Non-GAAP *(a)*	**$ 22,127**	$ 21,779	$ 22,563
Book value per common share	**$ 47.20**	$ 46.16	$ 46.53
Tangible book value per common share – Non-GAAP *(a)*	**$ 25.64**	$ 24.88	$ 25.44
Closing stock price per common share	**$ 51.23**	$ 47.29	$ 42.44
Market capitalization	**$ 44,220**	$ 41,401	$ 37,634
Common shares outstanding	**863,174**	875,481	886,764
Cash dividends per common share	**$ 0.31**	$ 0.31	$ 0.31
Common dividend payout ratio	**27 %**	32 %	39 %
Common dividend yield	**2.4 %**	2.7 %	2.9 %

(a) See "Supplemental information – Explanation of GAAP and Non-GAAP financial measures" beginning on page 47 for a reconciliation of GAAP to Non-GAAP.

The Bank of New York Mellon Corporation total shareholders' equity decreased to $45.3 billion at June 30, 2021 from $45.8 billion at Dec. 31, 2020. The decrease primarily reflects common stock repurchases, dividend payments and unrealized losses on securities available-for-sale, partially offset by earnings.

The unrealized gain (after-tax) on our available-for-sale securities portfolio, net of hedges, included in accumulated other comprehensive income was $854 million at June 30, 2021, compared with $1.5 billion at Dec. 31, 2020. The decrease in the unrealized gain, net of tax, was primarily driven by higher market interest rates.

In the first six months of 2021, we repurchased 29.6 million common shares at an average price of $44.49 per common share for a total of $1.3 billion under the share repurchase program that was in place through the second quarter of 2021.

In December 2020, the Federal Reserve released the results of the second round of CCAR stress tests during 2020 and extended the restriction on common stock dividends and open market common stock repurchases applicable to participating CCAR BHCs, including us, to the first quarter of 2021, with certain modifications. In March 2021, the Federal Reserve extended these restrictions through the second quarter of 2021. The temporary restrictions on dividends and share repurchases ended for BNY Mellon after June 30, 2021. Starting in the third quarter of 2021, BNY Mellon will continue to be subject to the normal constraints under the stress capital buffer ("SCB") framework.

In June 2021, the Federal Reserve released the results of its stress tests for 2021. Our Board of Directors subsequently authorized the repurchase of up to $6.0 billion of common shares over the six quarters beginning in the third quarter of 2021 and continuing through the fourth quarter of 2022. This new share repurchase plan replaces all previously authorized share repurchase plans. See "Recent regulatory developments" for additional information on the 2021 CCAR results.

Capital adequacy

Regulators establish certain levels of capital for BHCs and banks, including BNY Mellon and our bank subsidiaries, in accordance with established quantitative measurements. For the Parent to maintain its status as a financial holding company ("FHC"), our U.S. bank subsidiaries and BNY Mellon must, among other things, qualify as "well capitalized." As of June 30, 2021 and Dec. 31, 2020, BNY Mellon and our U.S. bank subsidiaries were "well capitalized." Failure to satisfy regulatory standards, including "well capitalized" status or capital adequacy rules more generally, could result in limitations on our activities and adversely affect our financial condition. See the discussion of these matters in "Supervision and Regulation – Regulated Entities of BNY Mellon and Ancillary Regulatory Requirements" and "Risk Factors – Operational Risk – Failure to satisfy regulatory standards, including "well capitalized" and "well managed" status or capital adequacy and liquidity rules more generally, could result in limitations on our activities and adversely affect our business and financial condition," both of which are in our 2020 Annual Report.

The U.S. banking agencies' capital rules are based on the framework adopted by the Basel Committee on Banking Supervision ("BCBS"), as amended from time to time. For additional information on these capital requirements, see "Supervision and Regulation" in our 2020 Annual Report.

The table below presents our consolidated and largest bank subsidiary regulatory capital ratios.

Consolidated and largest bank subsidiary regulatory capital ratios	June 30, 2021			March 31, 2021	Dec. 31, 2020
	Well capitalized	Minimum required *(a)*	Capital ratios	Capital ratios	Capital ratios
Consolidated regulatory capital ratios: *(b)*					
Advanced Approaches:					
CET1 ratio	N/A *(c)*	8.5 %	**12.7 %**	12.6 %	13.1 %
Tier 1 capital ratio	6 %	10	**15.3**	15.3	15.8
Total capital ratio	10	12	**16.0**	16.1	16.7
Standardized Approach:					
CET1 ratio	N/A *(c)*	8.5 %	**12.6 %**	12.6 %	13.4 %
Tier 1 capital ratio	6 %	10	**15.2**	15.2	16.1
Total capital ratio	10	12	**16.2**	16.2	17.1
Tier 1 leverage ratio	N/A *(c)*	4	**6.0**	5.8	6.3
SLR *(d)(e)*	N/A *(c)*	5	**7.5**	8.1	8.6
The Bank of New York Mellon regulatory capital ratios: *(b)*					
Advanced Approaches:					
CET1 ratio	6.5 %	7 %	**16.7 %**	16.8 %	17.1 %
Tier 1 capital ratio	8	8.5	**16.7**	16.8	17.1
Total capital ratio	10	10.5	**16.8**	17.0	17.3
Tier 1 leverage ratio	5	4	**6.1**	6.1	6.4
SLR *(d)*	6	3	**8.0**	8.2	8.5

(a) Minimum requirements for June 30, 2021 include minimum thresholds plus currently applicable buffers. The U.S. global systemically important banks ("G-SIB") surcharge of 1.5% is subject to change. The countercyclical capital buffer is currently set to 0%. The stress capital buffer ("SCB") requirement is 2.5%, equal to the regulatory minimum for Standardized Approach capital ratios.

(b) For our CET1, Tier 1 capital and Total capital ratios, our effective capital ratios under U.S. capital rules are the lower of the ratios as calculated under the Standardized and Advanced Approaches. The Tier 1 leverage ratio is based on Tier 1 capital and quarterly average total assets.

(c) The Federal Reserve's regulations do not establish well capitalized thresholds for these measures for BHCs.

(d) The SLR is based on Tier 1 capital and total leverage exposure, which includes certain off-balance sheet exposures.

(e) The consolidated SLR at March 31, 2021 and Dec. 31, 2020 reflects the temporary exclusion of U.S. Treasury securities from total leverage exposure which increased our consolidated SLR by 68 basis points and 72 basis points, respectively. The temporary exclusion ceased to apply beginning April 1, 2021.

Our CET1 ratio under the Standardized Approach was 12.6% at June 30, 2021 and was 13.1% at Dec. 31, 2020 under the Advanced Approaches. The decrease was primarily driven by common stock repurchases, unrealized losses on securities available-for-sale, dividend payments and an increase in RWAs, partially offset by capital generated through earnings.

Capital ratios vary depending on the size of the balance sheet at period-end and the levels and types of investments in assets. The balance sheet size fluctuates from period to period based on levels of customer and market activity. In general, when servicing clients are more actively trading securities, deposit balances and the balance sheet as a whole are higher. In addition, when markets experience significant volatility or stress, our balance sheet size may increase considerably as client deposit levels increase.

Our capital ratios are necessarily subject to, among other things, anticipated compliance with all necessary enhancements to model calibration, approval by regulators of certain models used as part of RWA calculations, other refinements, further implementation guidance from regulators, market practices and standards and any changes BNY Mellon may make to its businesses. As a consequence of these factors, our capital ratios may materially change, and may be volatile over time and from period to period.

Under the Advanced Approaches, our operational loss risk model is informed by external losses, including fines and penalties levied against institutions in the financial services industry, particularly those that relate to businesses in which we operate, and as a result external losses have impacted and could in the future impact the amount of capital that we are required to hold.

The following table presents our capital components and RWAs.

Capital components and risk-weighted assets *(in millions)*	June 30, 2021	March 31, 2021	Dec. 31, 2020
CET1:			
Common shareholders' equity	**$ 40,740**	$ 40,413	$ 41,260
Adjustments for:			
Goodwill and intangible assets *(a)*	**(18,613)**	(18,634)	(18,697)
Net pension fund assets	**(308)**	(321)	(319)
Equity method investments	**(305)**	(307)	(306)
Deferred tax assets	**(55)**	(53)	(54)
Other	**(3)**	(8)	(9)
Total CET1	**21,456**	21,090	21,875
Other Tier 1 capital:			
Preferred stock	**4,541**	4,541	4,541
Other	**(101)**	(97)	(106)
Total Tier 1 capital	**$ 25,896**	$ 25,534	$ 26,310
Tier 2 capital:			
Subordinated debt	**$ 1,248**	$ 1,248	$ 1,248
Allowance for credit losses	**326**	409	490
Other	**(6)**	(1)	(10)
Total Tier 2 capital – Standardized Approach	**1,568**	1,656	1,728
Excess of expected credit losses	**45**	127	247
Less: Allowance for credit losses	**326**	409	490
Total Tier 2 capital – Advanced Approaches	**$ 1,287**	$ 1,374	$ 1,485
Total capital:			
Standardized Approach	**$ 27,464**	$ 27,190	$ 28,038
Advanced Approaches	**$ 27,183**	$ 26,908	$ 27,795
Risk-weighted assets:			
Standardized Approach	**$ 169,885**	$ 167,510	$ 163,848
Advanced Approaches:			
Credit Risk	**$ 101,282**	$ 99,398	$ 98,262
Market Risk	**3,010**	3,599	4,226
Operational Risk	**65,088**	64,038	63,938
Total Advanced Approaches	**$ 169,380**	$ 167,035	$ 166,426
Average assets for Tier 1 leverage ratio	**$ 432,954**	$ 440,968	$ 417,982
Total leverage exposure for SLR	**$ 346,455**	$ 314,334	$ 304,823

(a) Reduced by deferred tax liabilities associated with intangible assets and tax-deductible goodwill.

The table below presents the factors that impacted CET1 capital.

CET1 generation *(in millions)*	**2Q21**
CET1 – Beginning of period	**$ 21,090**
Net income applicable to common shareholders of The Bank of New York Mellon Corporation	**991**
Goodwill and intangible assets, net of related deferred tax liabilities	**21**
Gross CET1 generated	**1,012**
Capital deployed:	
Common stock dividends *(a)*	**(273)**
Common stock repurchases	**(618)**
Total capital deployed	**(891)**
Other comprehensive income:	
Unrealized gain on assets available-for-sale	**76**
Foreign currency translation	**51**
Unrealized loss on cash flow hedges	**(3)**
Defined benefit plans	**25**
Total other comprehensive income	**149**
Additional paid-in capital *(b)*	**78**
Other additions (deductions):	
Net pension fund assets	**13**
Embedded goodwill	**2**
Deferred tax assets	**(2)**
Other	**5**
Total other additions	**18**
Net CET1 generated	**366**
CET1 – End of period	**$ 21,456**

(a) Includes dividend-equivalents on share-based awards.
(b) Primarily related to stock awards, the exercise of stock options and stock issued for employee benefit plans.

The following table shows the impact on the consolidated capital ratios at June 30, 2021 of a $100 million increase or decrease in common equity, or a $1 billion increase or decrease in RWAs, quarterly average assets or total leverage exposure.

Sensitivity of consolidated capital ratios at June 30, 2021	Increase or decrease of	
(in basis points)	$100 million in common equity	$1 billion in RWA, quarterly average assets or total leverage exposure
CET1:		
Standardized Approach	6 bps	7 bps
Advanced Approaches	6	8
Tier 1 capital:		
Standardized Approach	6	9
Advanced Approaches	6	9
Total capital:		
Standardized Approach	6	10
Advanced Approaches	6	10
Tier 1 leverage	2	1
SLR	3	2

From April 1, 2020 through March 31, 2021, BHCs were permitted to temporarily exclude U.S. Treasury securities from total leverage exposure used in the SLR calculation. This temporary exclusion increased our consolidated SLR by 68 basis points at March 31, 2021 and 72 basis points at Dec. 31, 2020. The temporary exclusion also impacted the TLAC and LTD calculations. BNY Mellon and The Bank of New York Mellon, as custody banks, will continue to be able to exclude certain central bank placements from the total leverage exposure used in the SLR calculation, consistent with the amendments to the SLR finalized by the U.S. banking agencies in 2019 pursuant to the Economic Growth, Regulatory Relief, and Consumer Protection Act.

Stress capital buffer

In August 2020, the Federal Reserve announced that BNY Mellon's SCB requirement would be 2.5%, equal to the regulatory floor, effective as of Oct. 1, 2020. The SCB replaces the current 2.5% capital conservation buffer for Standardized Approach capital ratios for CCAR BHCs. The SCB does not apply to bank subsidiaries, which remain subject to the static 2.5% capital conservation buffer. See "Recent regulatory developments" for additional information on the SCB.

The SCB final rule generally eliminates the requirement for prior approval of common stock repurchases in excess of the distributions in a firm's capital plan, provided that such distributions are consistent with applicable capital requirements and buffers, including the SCB. In conjunction with the release of the 2020 CCAR results, the Federal Reserve imposed restrictions on capital distributions as described earlier in "Capital."

Total Loss-Absorbing Capacity ("TLAC")

The final TLAC rule establishing external TLAC, external long-term debt ("LTD") and related requirements for U.S. G-SIBs, including BNY Mellon, at the top-tier holding company level became effective on Jan. 1, 2019. The following summarizes the minimum requirements for BNY Mellon's external TLAC and external LTD ratios, plus currently applicable buffers.

	As a % of RWAs *(a)*	**As a % of total leverage exposure**
Eligible external TLAC ratios	Regulatory minimum of 18% plus a buffer *(b)* equal to the sum of 2.5%, the method 1 G-SIB surcharge (currently 1%), and the countercyclical capital buffer, if any	Regulatory minimum of 7.5% plus a buffer *(c)* equal to 2%
Eligible external LTD ratios	Regulatory minimum of 6% plus the greater of the method 1 or method 2 G-SIB surcharge (currently 1.5%)	4.5%

(a) RWA is the greater of Standardized and Advanced Approaches.
(b) Buffer to be met using only CET1.
(c) Buffer to be met using only Tier 1 capital.

External TLAC consists of the Parent's Tier 1 capital and eligible unsecured LTD issued by it that has a remaining term to maturity of at least one year and satisfies certain other conditions. Eligible LTD consists of the unpaid principal balance of eligible unsecured debt securities, subject to haircuts for amounts due to be paid within two years, that satisfy certain other conditions. Debt issued prior to Dec. 31, 2016 has been permanently grandfathered to the extent these instruments otherwise would be ineligible only due to containing impermissible acceleration rights or being governed by foreign law.

The following table presents our external TLAC and external LTD ratios.

TLAC and LTD ratios	**June 30, 2021**		
	Minimum required	Minimum ratios with buffers	Ratios
Eligible external TLAC:			
As a percentage of RWA	18.0 %	21.5 %	28.2 %
As a percentage of total leverage exposure	7.5 %	9.5 %	13.8 %
Eligible external LTD:			
As a percentage of RWA	7.5 %	N/A	11.6 %
As a percentage of total leverage exposure	4.5 %	N/A	5.7 %

N/A – Not applicable.

If BNY Mellon maintains risk-based ratio or leverage TLAC measures above the minimum required level, but with a risk-based ratio or leverage below the minimum level with buffers, we will face constraints on dividends, equity repurchases and discretionary executive compensation based on the amount of the shortfall and eligible retained income.

Trading activities and risk management

Our trading activities are focused on acting as a market-maker for our customers, facilitating customer trades and risk-mitigating hedging in compliance with the Volcker Rule. The risk from market-making activities for customers is managed by our traders and limited in total exposure through a system of position limits, value-at-risk ("VaR") methodology and other market sensitivity measures. VaR is the potential loss in value due to adverse market movements over a defined time horizon with a specified confidence level. The calculation of our VaR used by management and presented below assumes a one-day holding period, utilizes a 99% confidence level and incorporates non-linear product characteristics. VaR facilitates comparisons across portfolios of different risk characteristics. VaR also captures the diversification of aggregated risk at the firm-wide level.

VaR represents a key risk management measure and it is important to note the inherent limitations to VaR, which include:

- VaR does not estimate potential losses over longer time horizons where moves may be extreme;
- VaR does not take account of potential variability of market liquidity; and
- Previous moves in market risk factors may not produce accurate predictions of all future market moves.

See Note 16 of the Notes to Consolidated Financial Statements for additional information on the VaR methodology.

The following tables indicate the calculated VaR amounts for the trading portfolio for the designated periods using the historical simulation VaR model.

VaR *(a)*	**2Q21**			**June 30, 2021**
(in millions)	**Average**	**Minimum**	**Maximum**	
Interest rate	**$ 2.2**	**$ 1.6**	**$ 2.7**	**$ 1.9**
Foreign exchange	**2.6**	**1.9**	**3.7**	**2.3**
Equity	**0.1**	**—**	**0.3**	**0.2**
Credit	**1.8**	**1.4**	**2.6**	**2.0**
Diversification	**(3.7)**	**N/M**	**N/M**	**(3.5)**
Overall portfolio	**3.0**	**2.5**	**4.5**	**2.9**

VaR *(a)*	1Q21			March 31, 2021
(in millions)	Average	Minimum	Maximum	
Interest rate	$ 2.1	$ 1.6	$ 2.7	$ 2.5
Foreign exchange	2.7	2.2	3.9	3.0
Equity	0.1	0.1	0.9	0.1
Credit	1.8	1.3	2.8	2.2
Diversification	(3.5)	N/M	N/M	(4.3)
Overall portfolio	3.2	2.5	4.9	3.5

VaR *(a)*	2Q20			June 30, 2020
(in millions)	Average	Minimum	Maximum	
Interest rate	$ 3.0	$ 2.1	$ 4.9	$ 2.2
Foreign exchange	3.4	2.2	5.9	2.4
Equity	0.5	0.4	1.4	0.4
Credit	3.5	1.8	10.2	2.8
Diversification	(5.7)	N/M	N/M	(4.0)
Overall portfolio	4.7	3.1	11.4	3.8

VaR *(a)*	**YTD21**		
(in millions)	**Average**	**Minimum**	**Maximum**
Interest rate	**$ 2.1**	**$ 1.6**	**$ 2.7**
Foreign exchange	**2.7**	**1.9**	**3.9**
Equity	**0.1**	**—**	**0.9**
Credit	**1.8**	**1.3**	**2.8**
Diversification	**(3.6)**	**N/M**	**N/M**
Overall portfolio	**3.1**	**2.5**	**4.9**

VaR *(a)*	YTD20		
(in millions)	Average	Minimum	Maximum
Interest rate	$ 4.0	$ 2.1	$ 11.3
Foreign exchange	3.2	1.7	6.3
Equity	0.9	0.4	2.3
Credit	3.5	1.2	12.1
Diversification	(6.1)	N/M	N/M
Overall portfolio	5.5	3.1	14.3

(a) VaR exposure does not include the impact of the Company's consolidated investment management funds and seed capital investments.

N/M – Because the minimum and maximum may occur on different days for different risk components, it is not meaningful to compute a minimum and maximum portfolio diversification effect.

The interest rate component of VaR represents instruments whose values are predominantly driven by interest rate levels. These instruments include, but are not limited to, U.S. Treasury securities, swaps, swaptions, forward rate agreements, exchange-traded futures and options, and other interest rate derivative products.

The foreign exchange component of VaR represents instruments whose values predominantly vary with the level or volatility of currency exchange rates or interest rates. These instruments include, but are not limited to, currency balances, spot and forward transactions, currency options and other currency derivative products.

The equity component of VaR consists of instruments that represent an ownership interest in the form of domestic and foreign common stock or other equity-linked instruments. These instruments include, but are not limited to, common stock, exchange-traded funds, preferred stock, listed equity options (puts and calls), OTC equity options, equity total return swaps, equity index futures and other equity derivative products.

The credit component of VaR represents instruments whose values are predominantly driven by credit spread levels, i.e., idiosyncratic default risk. These instruments include, but are not limited to, securities with exposures from corporate and municipal credit spreads.

The diversification component of VaR is the risk reduction benefit that occurs when combining portfolios and offsetting positions, and from the correlated behavior of risk factor movements.

During the second quarter of 2021, interest rate risk generated 33% of average gross VaR, foreign exchange risk generated 39% of average gross VaR, equity risk generated 1% of average gross VaR and credit risk generated 27% of average gross VaR. During the second quarter of 2021, our daily trading loss exceeded our calculated VaR amount of the overall portfolio on one occasion.

The following table of total daily trading revenue or loss illustrates the number of trading days in which our trading revenue or loss fell within particular ranges during the past five quarters.

Distribution of trading revenue (loss) *(a)*

	Quarter ended				
(dollars in millions)	**June 30, 2021**	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020
Revenue range:	Number of days				
Less than $(2.5)	—	—	2	4	6
$(2.5) – $0	**7**	6	12	10	12
$0 – $2.5	**22**	17	11	23	17
$2.5 – $5.0	**25**	21	26	16	15
More than $5.0	**10**	17	11	12	14

(a) Trading revenue (loss) includes realized and unrealized gains and losses primarily related to spot and forward foreign exchange transactions, derivatives and securities trades for our customers and excludes any associated commissions, underwriting fees and net interest revenue.

Trading assets include debt and equity instruments and derivative assets, primarily interest rate and foreign exchange contracts, not designated as hedging instruments. Trading assets were $15.5 billion at June 30, 2021 and $15.3 billion at Dec. 31, 2020.

Trading liabilities include debt and equity instruments and derivative liabilities, primarily interest rate and foreign exchange contracts, not designated as hedging instruments. Trading liabilities were $6.5 billion at June 30, 2021 and $6.0 billion at Dec. 31, 2020.

Under our fair value methodology for derivative contracts, an initial “risk-neutral” valuation is performed on each position assuming time-discounting based on a AA credit curve. In addition, we consider credit risk in arriving at the fair value of our derivatives.

We reflect external credit ratings as well as observable credit default swap spreads for both ourselves and our counterparties when measuring the fair value of our derivative positions. Accordingly, the valuation of our derivative positions is sensitive to the current changes in our own credit spreads, as well as those of our counterparties.

At June 30, 2021, our OTC derivative assets, including those in hedging relationships, of $4.8 billion included a credit valuation adjustment (“CVA”) deduction of $28 million. Our OTC derivative liabilities, including those in hedging relationships, of $3.3 billion included a debit valuation adjustment (“DVA”) of $1 million related to our own credit spread. Net of hedges, the CVA decreased $1 million and the DVA increased by less than $1 million in the second quarter of 2021, which increased other trading revenue by $1 million. The net impact decreased other trading revenue by $1

million in the first quarter of 2021 and $2 million in the second quarter of 2020.

The table below summarizes the distribution of credit ratings for our foreign exchange and interest rate derivative counterparties over the past five quarters, which indicates the level of counterparty credit associated with these trading activities. Significant changes in counterparty credit ratings could alter the level of credit risk faced by BNY Mellon.

Foreign exchange and other trading counterparty risk rating profile *(a)*

	Quarter ended				
	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020
Rating:					
AAA to AA-	**52 %**	45 %	46 %	54 %	56 %
A+ to A-	**19**	26	28	20	18
BBB+ to BBB-	**24**	22	18	17	18
BB+ and lower *(b)*	**5**	7	8	9	8
Total	**100 %**	100 %	100 %	100 %	100 %

(a) Represents credit rating agency equivalent of internal credit ratings.
(b) Non-investment grade.

Asset/liability management

Our diversified business activities include processing securities, accepting deposits, investing in securities, lending, raising money as needed to fund assets and other transactions. The market risks from these activities include interest rate risk and foreign exchange risk. Our primary market risk is exposure to movements in U.S. dollar interest rates and certain foreign currency interest rates. We actively manage interest rate sensitivity and use earnings simulation and discounted cash flow models to identify interest rate exposures.

An earnings simulation model is the primary tool used to assess changes in pre-tax net interest revenue. The model incorporates management's assumptions regarding interest rates, market spreads, changes in the prepayment behavior of loans and securities and the impact of derivative financial instruments used for interest rate risk management purposes. These assumptions have been developed through a combination of historical analysis and future expected pricing behavior and are inherently uncertain. Actual results may differ materially from projected results due to timing, magnitude and frequency of interest rate changes, and changes in market conditions and management's strategies, among other factors.

In the table below, we use the earnings simulation model to run various interest rate ramp scenarios from a baseline scenario. The interest rate ramp scenarios examine the impact of large interest rate movements. In each scenario, all currencies' interest rates are shifted higher or lower. Typically, the baseline scenario uses the average deposit balances of the last month of the quarter. The 100 basis point ramp scenario assumes rates change 25 basis points above or below the yield curve in each of the next four quarters and the 200 basis point ramp scenario assumes a 50 basis point per quarter change. Interest rate sensitivity is quantified by calculating the change in pre-tax net interest revenue between the scenarios over a 12-month measurement period. The net interest revenue sensitivity methodology assumes static deposit levels and also assumes that no management actions will be taken to mitigate the effects of interest rate changes.

The following table shows net interest revenue sensitivity for BNY Mellon.

Estimated changes in net interest revenue *(in millions)*	**June 30, 2021**	March 31, 2021	June 30, 2020
Up 200 bps parallel rate ramp vs. baseline *(a)*	**$ 890**	$ 1,024	$ 591
Up 100 bps parallel rate ramp vs. baseline *(a)*	**477**	551	349
Down 100 bps parallel rate ramp vs. baseline *(a)*	**430**	384	315
Long-term up 50 bps, short-term unchanged *(b)*	**123**	120	153
Long-term down 50 bps, short-term unchanged *(b)*	**(132)**	(116)	(173)

(a) In the parallel rate ramp, both short-term and long-term rates move in four equal quarterly increments.
(b) Long-term is equal to or greater than one year.

The decreases in the ramp up sensitivities compared with March 31, 2021 are primarily driven by a decrease in deposit levels and the impact of hedging long-term debt.

While the net interest revenue sensitivity scenarios calculations assume static deposit balances to facilitate consistent period-over-period comparisons, it is likely that a portion of the recent monetary policy-driven deposit inflows would run-off in rising rate environments, such as the up 100 bps and up 200 bps parallel ramps. Noninterest-bearing deposits are particularly sensitive to changes in short-term rates.

To illustrate the net interest revenue sensitivity to deposit runoff, we note that a $5 billion instantaneous reduction of U.S. dollar denominated noninterest-bearing deposits would reduce the net interest revenue sensitivity results in the ramp up 100 basis point and 200 basis point scenarios in the table above by approximately $30 million and approximately $65 million, respectively. The impact would be smaller if the runoff was assumed to be a mixture of interest-bearing and noninterest-bearing deposits.

For a discussion of factors impacting the growth or contraction of deposits, see "Risk Factors – Our business, financial condition and results of operations could be adversely affected if we do not effectively manage our liquidity," in our 2020 Annual Report.

Supplemental information – Explanation of GAAP and Non-GAAP financial measures

BNY Mellon has included in this Form 10-Q certain Non-GAAP financial measures on a tangible basis as a supplement to GAAP information, which exclude goodwill and intangible assets, net of deferred tax liabilities. We believe that the return on tangible common equity – Non-GAAP is additional useful information for investors because it presents a measure of those assets that can generate income, and the tangible book value per common share – Non-GAAP is additional useful information because it presents the level of tangible assets in relation to shares of common stock outstanding.

The presentation of the growth rates of investment management and performance fees on a constant currency basis permits investors to assess the significance of changes in foreign currency exchange rates. Growth rates on a constant currency basis were determined by applying the current period foreign currency exchange rates to the prior period revenue. We believe that this presentation, as a supplement to GAAP information, gives investors a clearer picture of the related revenue results without the variability caused by fluctuations in foreign currency exchange rates.

BNY Mellon has also included the adjusted pre-tax operating margin – Non-GAAP, which is the pre-tax operating margin for the Investment and Wealth Management business, net of distribution and servicing expense that was passed to third parties who distribute or service our managed funds. We believe that this measure is useful when evaluating the performance of the Investment and Wealth Management business relative to industry competitors.

The following table presents the reconciliation of the return on common equity and tangible common equity.

Return on common equity and tangible common equity reconciliation *(dollars in millions)*	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Net income applicable to common shareholders of The Bank of New York Mellon Corporation – GAAP	**$ 991**	$ 858	$ 901	**$ 1,849**	$ 1,845
Add: Amortization of intangible assets	**20**	24	26	**44**	52
Less: Tax impact of amortization of intangible assets	**5**	6	6	**11**	12
Adjusted net income applicable to common shareholders of The Bank of New York Mellon Corporation, excluding amortization of intangible assets – Non-GAAP	**$ 1,006**	$ 876	$ 921	**$ 1,882**	$ 1,885
Average common shareholders' equity	**$ 40,393**	$ 40,720	$ 38,476	**$ 40,556**	$ 38,070
Less: Average goodwill	**17,517**	17,494	17,243	**17,506**	17,277
Average intangible assets	**2,975**	3,000	3,058	**2,987**	3,073
Add: Deferred tax liability – tax deductible goodwill	**1,163**	1,153	1,119	**1,163**	1,119
Deferred tax liability – intangible assets	**675**	665	664	**675**	664
Average tangible common shareholders' equity – Non-GAAP	**$ 21,739**	$ 22,044	$ 19,958	**$ 21,901**	$ 19,503
Return on common shareholders' equity – GAAP	**9.8 %**	8.5 %	9.4 %	**9.2 %**	9.7 %
Return on tangible common shareholders' equity – Non-GAAP	**18.6 %**	16.1 %	18.5 %	**17.3 %**	19.4 %

The following table presents the reconciliation of book value and tangible book value per common share.

Book value and tangible book value per common share reconciliation *(dollars in millions, except per share amounts and unless otherwise noted)*	**June 30, 2021**	March 31, 2021	Dec. 31, 2020	June 30, 2020
BNY Mellon shareholders' equity at period end – GAAP	**$ 45,281**	$ 44,954	$ 45,801	$ 43,697
Less: Preferred stock	**4,541**	4,541	4,541	4,532
BNY Mellon common shareholders' equity at period end – GAAP	**40,740**	40,413	41,260	39,165
Less: Goodwill	**17,487**	17,469	17,496	17,253
Intangible assets	**2,964**	2,983	3,012	3,045
Add: Deferred tax liability – tax deductible goodwill	**1,163**	1,153	1,144	1,119
Deferred tax liability – intangible assets	**675**	665	667	664
BNY Mellon tangible common shareholders' equity at period end – Non-GAAP	**$ 22,127**	$ 21,779	$ 22,563	$ 20,650
Period-end common shares outstanding *(in thousands)*	**863,174**	875,481	886,764	885,862
Book value per common share – GAAP	**$ 47.20**	$ 46.16	$ 46.53	$ 44.21
Tangible book value per common share – Non-GAAP	**$ 25.64**	$ 24.88	$ 25.44	$ 23.31

The following table presents the impact of changes in foreign currency exchange rates on our consolidated investment management and performance fees.

Constant currency reconciliation – Consolidated *(dollars in millions)*	**2Q21**	2Q20	**2Q21 vs. 2Q20**
Investment management and performance fees – GAAP	**$ 889**	$ 786	**13 %**
Impact of changes in foreign currency exchange rates	**—**	31	
Adjusted investment management and performance fees – Non-GAAP	**$ 889**	$ 817	**9 %**

The following table presents the impact of changes in foreign currency exchange rates on investment management and performance fees reported in the Investment and Wealth Management business.

Constant currency reconciliation – Investment and Wealth Management business *(dollars in millions)*	**2Q21**	2Q20	**2Q21 vs. 2Q20**
Investment management and performance fees – GAAP	**$ 890**	$ 787	**13 %**
Impact of changes in foreign currency exchange rates	**—**	31	
Adjusted investment management and performance fees – Non-GAAP	**$ 890**	$ 818	**9 %**

The following table presents the reconciliation of the pre-tax operating margin for the Investment and Wealth Management business.

Pre-tax operating margin reconciliation – Investment and Wealth Management business *(dollars in millions)*	**2Q21**	1Q21	4Q20	3Q20	2Q20	**YTD21**	YTD20
Income before income taxes – GAAP	**$ 326**	$ 278	$ 311	$ 245	$ 221	**$ 604**	$ 415
Total revenue – GAAP	**$ 999**	$ 991	$ 990	$ 918	$ 886	**$ 1,990**	$ 1,784
Less: Distribution and servicing expense	**74**	75	76	85	86	**149**	177
Adjusted total revenue, net of distribution and servicing expense – Non-GAAP	**$ 925**	$ 916	$ 914	$ 833	$ 800	**$ 1,841**	$ 1,607
Pre-tax operating margin – GAAP *(a)*	**33 %**	28 %	32 %	27 %	25 %	**30 %**	23 %
Adjusted pre-tax operating margin, net of distribution and servicing expense – Non-GAAP *(a)*	**35 %**	30 %	34 %	29 %	28 %	**33 %**	26 %

(a) Income before taxes divided by total revenue.

Recent regulatory developments

For a summary of additional regulatory matters relevant to our operations, see "Recent regulatory developments" in our Form 10-Q for the quarter ended March 31, 2021 and "Supervision and Regulation" in our 2020 Annual Report. The following discussions summarize certain regulatory, legislative and other developments that may affect BNY Mellon.

CCAR 2021 Results

On June 24, 2021, the Federal Reserve released the results of its stress tests for 2021. The Federal Reserve also notified BNY Mellon that its indicative SCB requirement for the present stress test cycle will be 2.5%, which equals the regulatory floor. BNY Mellon expects that its final SCB will be confirmed later in 2021. The SCB will be effective on Oct. 1, 2021.

The temporary restrictions on dividends and share repurchases imposed as a result of the coronavirus pandemic ended for BNY Mellon after June 30, 2021. Starting in the third quarter of 2021, BNY Mellon will continue to be subject to the normal constraints under the SCB framework. For additional information regarding the SCB, see "Supervision and Regulation – Capital Planning and Stress Testing" in our 2020 Annual Report.

Consistent with the SCB framework, BNY Mellon increased its quarterly common stock dividend to $0.34 per share in the third quarter of 2021 and our Board has authorized the repurchase of up to $6.0 billion of common shares over the six quarters beginning in the third quarter of 2021 and continuing through the fourth quarter of 2022. This new share repurchase plan replaces all previously authorized share repurchase plans.

NSFR Compliance Date

The final NSFR rule became effective on July 1, 2021. Under the final rule, the NSFR is expressed as a ratio of available stable funding to the required stable funding amount. BNY Mellon is required to maintain an NSFR of 1.0 and is in compliance with the NSFR. NSFR disclosure requirements will be effective in 2023.

EU/UK Trade and Cooperation Agreement

The EU-UK Trade and Cooperation Agreement ("EU-UK Agreement") entered into force and became provisionally effective on Jan. 1, 2021. The EU-UK Agreement was ratified by the European Parliament in April 2021 and became fully effective. Under the EU-UK Agreement, the EU and UK have agreed to make their best endeavors to ensure that internationally agreed standards in the financial services sector for regulation and supervision are implemented and applied in their territory and establish a framework for structured regulatory cooperation on financial services. For more information regarding the impact of Brexit on the UK regulatory framework and related developments, see "Supervision and Regulation – Effects of 'Brexit' on UK Regulatory Framework" in the 2020 Annual Report.

Financial Services Act 2021 (UK)

The Financial Services Act 2021 (previously the Financial Services Bill 2020) received royal assent and entered into force in April 2021. The Financial Services Act 2021 makes several changes to the UK financial services regulatory framework. This includes providing the framework for implementation of the elements of the EU Capital Requirements Regulation 2 ("CRR2") that do not already form part of EU retained law in the UK, and the framework for implementation of the EU Investment Firms Directive / Regulation ("IFD/IFR") in the UK (modified for the UK environment as "UK IFPR").

The Financial Services Act 2021 grants rulemaking powers to the Prudential Regulatory Authority ("PRA") with respect to UK capital requirements directive/regulation matters, and the Financial Conduct Authority ("FCA"), with respect to UK IFPR matters. The Financial Services Act 2021 also enables Her Majesty's Treasury to set commencement dates for various UK CRR2/UK IFPR provisions. Pursuant to this authority, Her Majesty's Treasury has confirmed that the UK's version of the CRR2 ("UK CRR2") and the UK IFPR will come into effect on Jan. 1, 2022. For more information regarding the CRR2 and the UK IFPR, see "Supervision and Regulation – Operations and Regulations Outside the United States" and "Supervision and Regulation – Effects of 'Brexit' on UK Regulatory Framework" in the 2020 Annual Report.

EU Leverage Ratio

On June 28, 2021, the CRR2 leverage ratio became a binding requirement for EU credit institutions, such as The Bank of New York Mellon SA/NV. The European Central Bank ("ECB") granted an optional exclusion for central bank deposits from the leverage ratio calculation that came into effect on the same date and will expire on March 31, 2022. It replaces the central bank deposits exclusion granted by the ECB in April 2020 in relation to the leverage ratio reporting requirements. The Bank of New York Mellon SA/NV is planning to use the exclusion.

Other matters

On March 5, 2021, the administrator of LIBOR announced that it would cease the publication of non-U.S. dollar London Interbank Offered Rate ("LIBOR") settings and one-week and two-month U.S. dollar LIBOR settings on Dec. 31, 2021 and would cease the publication of the other U.S. dollar LIBOR settings on June 30, 2023. On the same day, the UK Financial Conduct Authority ("FCA") made a related announcement regarding when LIBOR settings will cease to be provided by any administrator or no longer be representative. The International Swaps and Derivatives Association ("ISDA") also announced that the FCA's announcement was an index cessation event under its fallbacks protocol for all LIBOR settings and that consequently, the fallback spread adjustment was fixed as of the date of the announcement.

In April 2021, New York state adopted legislation that provides a statutory fallback mechanism to replace LIBOR with a benchmark rate based on SOFR for New York-law governed contracts that reference U.S. dollar LIBOR and either have no fallback provisions or provisions that are based on LIBOR. The New York legislation also has a safe harbor regarding the selection and use of that SOFR-based benchmark rate.

The U.S. bank regulators have issued guidance strongly encouraging banking organizations to cease using U.S. dollar LIBOR as a reference rate in new contracts as soon as practicable and in any event by Dec. 31, 2021. We are continuing to work to facilitate an orderly transition from interbank offered rates, including LIBOR, to alternative reference rates for us and our clients.

Website information

Our website is www.bnymellon.com. We currently make available the following information under the Investor Relations portion of our website. With respect to filings with the SEC, we post such information as soon as reasonably practicable after we electronically file such materials with, or furnish them to, the SEC.

- All of our SEC filings, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports, as well as proxy statements and SEC Forms 3, 4 and 5;
- Our earnings materials and selected management conference calls and presentations;
- Other regulatory disclosures, including: Pillar 3 Disclosures (and Market Risk Disclosure contained therein); Liquidity Coverage Ratio Disclosures; Federal Financial Institutions Examination Council – Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices; Consolidated Financial Statements for Bank Holding Companies; and the Dodd-Frank Act Stress Test Results for BNY Mellon and The Bank of New York Mellon; and
- Our Corporate Governance Guidelines, Amended and Restated By-laws, Directors' Code of Conduct and the Charters of the Audit, Finance, Corporate Governance, Nominating and Social Responsibility, Human Resources and Compensation, Risk and Technology Committees of our Board of Directors.

We may use our website, our Twitter account (@BNYMellon) and other social media channels as additional means of disclosing information to the public. The information disclosed through those channels may be considered to be material. The contents of our website or social media channels referenced herein are not incorporated by reference into this Quarterly Report on Form 10-Q.

Consolidated Income Statement (unaudited)

(in millions)	Quarter ended			Year-to-date	
	June 30, 2021	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Fee and other revenue					
Investment services fees:					
Asset servicing fees	**$ 1,200**	$ 1,199	$ 1,173	**$ 2,399**	$ 2,332
Clearing services fees	**435**	455	431	**890**	901
Issuer services fees	**281**	245	277	**526**	540
Treasury services fees	**160**	157	144	**317**	293
Total investment services fees	**2,076**	2,056	2,025	**4,132**	4,066
Investment management and performance fees	**889**	890	786	**1,779**	1,648
Foreign exchange revenue	**184**	231	193 *(a)*	**415**	438 *(a)*
Financing-related fees	**48**	51	58	**99**	117
Distribution and servicing	**27**	29	27	**56**	58
Total fee revenue	**3,224**	3,257	3,089 *(a)*	**6,481**	6,327 *(a)*
Investment and other income	**89**	9	132 *(a)*	**98**	179 *(a)*
Net securities gains	**2**	—	9	**2**	18
Total other revenue	**91**	9	141 *(a)*	**100**	197 *(a)*
Total fee and other revenue	**3,315**	3,266	3,230	**6,581**	6,524
Net interest revenue					
Interest revenue	**685**	738	943	**1,423**	2,513
Interest expense	**40**	83	163	**123**	919
Net interest revenue	**645**	655	780	**1,300**	1,594
Total revenue	**3,960**	3,921	4,010	**7,881**	8,118
Provision for credit losses	**(86)**	(83)	143	**(169)**	312
Noninterest expense					
Staff	**1,518**	1,602	1,464	**3,120**	2,946
Software and equipment	**365**	362	345	**727**	671
Professional, legal and other purchased services	**363**	343	337	**706**	667
Sub-custodian and clearing	**132**	124	120	**256**	225
Net occupancy	**122**	123	137	**245**	272
Distribution and servicing	**73**	74	85	**147**	176
Bank assessment charges	**35**	34	35	**69**	70
Amortization of intangible assets	**20**	24	26	**44**	52
Business development	**22**	19	20	**41**	62
Other	**128**	146	117	**274**	257
Total noninterest expense	**2,778**	2,851	2,686	**5,629**	5,398
Income					
Income before income taxes	**1,268**	1,153	1,181	**2,421**	2,408
Provision for income taxes	**241**	221	216	**462**	481
Net income	**1,027**	932	965	**1,959**	1,927
Net (income) loss attributable to noncontrolling interests related to consolidated investment management funds	**(5)**	(5)	(15)	**(10)**	3
Net income applicable to shareholders of The Bank of New York Mellon Corporation	**1,022**	927	950	**1,949**	1,930
Preferred stock dividends	**(31)**	(69)	(49)	**(100)**	(85)
Net income applicable to common shareholders of The Bank of New York Mellon Corporation	**$ 991**	$ 858	$ 901	**$ 1,849**	$ 1,845

(a) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with the current period presentation. See Note 1 of the Notes to Consolidated Financial Statements for additional information.

Consolidated Income Statement (unaudited) (continued)

Net income applicable to common shareholders of The Bank of New York Mellon Corporation used for the earnings per share calculation *(in millions)*	Quarter ended			Year-to-date	
	June 30, 2021	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Net income applicable to common shareholders of The Bank of New York Mellon Corporation	**$ 991**	$ 858	$ 901	**$ 1,849**	$ 1,845
Less: Earnings allocated to participating securities	**1**	1	1	**2**	4
Net income applicable to common shareholders of The Bank of New York Mellon Corporation after required adjustment for the calculation of basic and diluted earnings per common share	**$ 990**	$ 857	$ 900	**$ 1,847**	$ 1,841

Average common shares and equivalents outstanding of The Bank of New York Mellon Corporation *(in thousands)*	Quarter ended			Year-to-date	
	June 30, 2021	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Basic	**869,460**	882,558	889,020	**876,006**	891,642
Common stock equivalents	**4,315**	3,824	2,044	**3,904**	2,866
Less: Participating securities	**(300)**	(727)	(503)	**(501)**	(905)
Diluted	**873,475**	885,655	890,561	**879,409**	893,603
Anti-dilutive securities *(a)*	**547**	4,133	1,578	**807**	2,052

(a) Represents stock options, restricted stock, restricted stock units and participating securities outstanding but not included in the computation of diluted average common shares because their effect would be anti-dilutive.

Earnings per share applicable to common shareholders of The Bank of New York Mellon Corporation *(in dollars)*	Quarter ended			Year-to-date	
	June 30, 2021	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Basic	**$ 1.14**	$ 0.97	$ 1.01	**$ 2.11**	$ 2.06
Diluted	**$ 1.13**	$ 0.97	$ 1.01	**$ 2.10**	$ 2.06

See accompanying unaudited Notes to Consolidated Financial Statements.

Consolidated Comprehensive Income Statement (unaudited)

	Quarter ended			Year-to-date	
(in millions)	**June 30, 2021**	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Net income	**$ 1,027**	$ 932	$ 965	$ 1,959	$ 1,927
Other comprehensive income (loss), net of tax:					
Foreign currency translation adjustments	**51**	(150)	115	(99)	(254)
Unrealized gain (loss) on assets available-for-sale:					
Unrealized (loss) gain arising during the period	**77**	(703)	753	(626)	936
Reclassification adjustment	**(1)**	—	(7)	(1)	(14)
Total unrealized gain (loss) on assets available-for-sale	**76**	(703)	746	(627)	922
Defined benefit plans:					
Amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost	**25**	22	19	47	37
Total defined benefit plans	**25**	22	19	47	37
Net unrealized (loss) gain on cash flow hedges	**(3)**	(3)	4	(6)	(7)
Total other comprehensive income (loss), net of tax *(a)*	**149**	(834)	884	(685)	698
Total comprehensive income	**1,176**	98	1,849	1,274	2,625
Net (income) loss attributable to noncontrolling interests	**(5)**	(5)	(15)	(10)	3
Other comprehensive loss attributable to noncontrolling interests	**—**	—	—	—	2
Comprehensive income applicable to shareholders of The Bank of New York Mellon Corporation	**$ 1,171**	$ 93	$ 1,834	$ 1,264	$ 2,630

(a) Other comprehensive (loss) income attributable to The Bank of New York Mellon Corporation shareholders was $149 million for the quarter ended June 30, 2021, $(834) million for the quarter ended March 31, 2021, $884 million for the quarter ended June 30, 2020, $(685) million for the six months ended June 30, 2021 and $700 million for the six months ended June 30, 2020.

See accompanying unaudited Notes to Consolidated Financial Statements.

Consolidated Balance Sheet (unaudited)

(dollars in millions, except per share amounts)		**June 30, 2021**		Dec. 31, 2020
Assets				
Cash and due from banks, net of allowance for credit losses of $2 and $4	**$**	**5,154**	$	6,252
Interest-bearing deposits with the Federal Reserve and other central banks		**126,355**		141,775
Interest-bearing deposits with banks, net of allowance for credit losses of $1 and $3 (includes restricted of $4,317 and $3,167)		**21,270**		17,300
Federal funds sold and securities purchased under resale agreements		**29,762**		30,907
Securities:				
Held-to-maturity, at amortized cost, net of allowance for credit losses of less than $1 and less than $1 (fair value of $52,919 and $49,224)		**52,325**		47,946
Available-for-sale, at fair value (amortized cost of $101,525 and $105,141, net of allowance for credit losses of $9 and $11)		**103,581**		108,495
Total securities		**155,906**		156,441
Trading assets		**15,520**		15,272
Loans		**63,547**		56,469
Allowance for credit losses		**(269)**		(358)
Net loans		**63,278**		56,111
Premises and equipment		**3,442**		3,602
Accrued interest receivable		**492**		510
Goodwill		**17,487**		17,496
Intangible assets		**2,964**		3,012
Other assets, net of allowance for credit losses on accounts receivable of $4 and $4 (includes $1,222 and $1,009, at fair value)		**25,333**		20,955
Total assets	**$**	**466,963**	$	469,633
Liabilities				
Deposits:				
Noninterest-bearing (principally U.S. offices)	**$**	**94,081**	$	83,854
Interest-bearing deposits in U.S. offices		**130,344**		133,479
Interest-bearing deposits in non-U.S. offices		**114,245**		124,212
Total deposits		**338,670**		341,545
Federal funds purchased and securities sold under repurchase agreements		**12,425**		11,305
Trading liabilities		**6,451**		6,031
Payables to customers and broker-dealers		**23,704**		25,085
Other borrowed funds		**451**		350
Accrued taxes and other expenses		**5,213**		5,696
Other liabilities (including allowance for credit losses on lending-related commitments of $50 and $121, also includes $582 and $1,110, at fair value) *(a)*		**8,626**		7,517
Long-term debt (includes $400 and $400, at fair value)		**25,629**		25,984
Total liabilities		**421,169**		423,513
Temporary equity				
Redeemable noncontrolling interests		**169**		176
Permanent equity				
Preferred stock – par value $0.01 per share; authorized 100,000,000 shares; issued 45,826 and 45,826 shares		**4,541**		4,541
Common stock – par value $0.01 per share; authorized 3,500,000,000 shares; issued 1,388,316,851 and 1,382,306,327 shares		**14**		14
Additional paid-in capital		**28,006**		27,823
Retained earnings		**35,540**		34,241
Accumulated other comprehensive loss, net of tax		**(1,670)**		(985)
Less: Treasury stock of 525,143,173 and 495,542,796 common shares, at cost		**(21,150)**		(19,833)
Total The Bank of New York Mellon Corporation shareholders' equity		**45,281**		45,801
Nonredeemable noncontrolling interests of consolidated investment management funds		**344**		143
Total permanent equity		**45,625**		45,944
Total liabilities, temporary equity and permanent equity	**$**	**466,963**	$	469,633

See accompanying unaudited Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flows (unaudited)

(in millions)	Six months ended June 30, 2021	2020
Operating activities		
Net income	**$ 1,959**	$ 1,927
Net (income) loss attributable to noncontrolling interests	**(10)**	3
Net income applicable to shareholders of The Bank of New York Mellon Corporation	**1,949**	1,930
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Provision for credit losses *(a)*	**(169)**	312
Pension plan contributions	**(16)**	(12)
Depreciation and amortization	**938**	744
Deferred tax (benefit)	**274**	(363)
Net securities (gains)	**(2)**	(18)
Change in trading assets and liabilities	**176**	171
Change in accruals and other, net	**(3,495)**	2,361
Net cash (used for) provided by operating activities	**(345)**	5,125
Investing activities		
Change in interest-bearing deposits with banks	**(2,924)**	(3,710)
Change in interest-bearing deposits with the Federal Reserve and other central banks	**13,409**	(18,117)
Purchases of securities held-to-maturity	**(5,449)**	(14,499)
Paydowns of securities held-to-maturity	**5,869**	3,541
Maturities of securities held-to-maturity	**834**	1,836
Purchases of securities available-for-sale	**(25,820)**	(44,865)
Sales of securities available-for-sale	**7,624**	8,414
Paydowns of securities available-for-sale	**7,081**	4,416
Maturities of securities available-for-sale	**8,999**	12,241
Net change in loans	**(7,017)**	(610)
Sales of loans and other real estate	**1**	2
Change in federal funds sold and securities purchased under resale agreements	**1,129**	(6,516)
Net change in seed capital investments	**(55)**	19
Purchases of premises and equipment/capitalized software	**(465)**	(623)
Proceeds from the sale of premises and equipment	**27**	—
Dispositions, net of cash	**8**	—
Other, net	**648**	(275)
Net cash provided by (used for) investing activities	**3,899**	(58,746)
Financing activities		
Change in deposits	**(1,428)**	47,576
Change in federal funds purchased and securities sold under repurchase agreements	**1,214**	3,155
Change in payables to customers and broker-dealers	**(1,360)**	6,260
Change in other borrowed funds	**107**	1,036
Change in commercial paper	**—**	(3,294)
Net proceeds from the issuance of long-term debt	**2,691**	2,246
Repayments of long-term debt	**(2,750)**	(3,000)
Proceeds from the exercise of stock options	**32**	33
Issuance of common stock	**6**	6
Issuance of preferred stock	**—**	990
Treasury stock acquired	**(1,317)**	(988)
Common cash dividends paid	**(550)**	(560)
Preferred cash dividends paid	**(100)**	(85)
Other, net	**(6)**	15
Net cash (used for) provided by financing activities	**(3,461)**	53,390
Effect of exchange rate changes on cash	**(41)**	(50)
Change in cash and due from banks and restricted cash		
Change in cash and due from banks and restricted cash	**52**	(281)
Cash and due from banks and restricted cash at beginning of period	**9,419**	7,267
Cash and due from banks and restricted cash at end of period	**$ 9,471**	$ 6,986
Cash and due from banks and restricted cash		
Cash and due from banks at end of period (unrestricted cash)	**$ 5,154**	$ 4,776
Restricted cash at end of period	**4,317**	2,210
Cash and due from banks and restricted cash at end of period	**$ 9,471**	$ 6,986
Supplemental disclosures		
Interest paid	**$ 145**	$ 1,013
Income taxes paid	**266**	756
Income taxes refunded	**10**	11

See accompanying unaudited Notes to Consolidated Financial Statements.

Consolidated Statement of Changes in Equity (unaudited)

(in millions, except per share amount)	The Bank of New York Mellon Corporation shareholders						Nonredeemable noncontrolling interests of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
	Preferred stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss), net of tax	Treasury stock			
Balance at March 31, 2021	$ 4,541	$ 14	$ 27,928	$ 34,822	$ (1,819)	$ (20,532)	$ 262	$ 45,216 *(a)*	$ 187
Shares issued to shareholders of noncontrolling interests	—	—	—	—	—	—	—	—	**6**
Redemption of subsidiary shares from noncontrolling interests	—	—	—	—	—	—	—	—	**(22)**
Other net changes in noncontrolling interests	—	—	**9**	—	—	—	**77**	**86**	**(2)**
Net income	—	—	—	**1,022**	—	—	**5**	**1,027**	—
Other comprehensive income	—	—	—	—	**149**	—	—	**149**	—
Dividends:									
Common stock at $0.31 per share *(b)*	—	—	—	**(273)**	—	—	—	**(273)**	—
Preferred stock	—	—	—	**(31)**	—	—	—	**(31)**	—
Repurchase of common stock	—	—	—	—	—	**(618)**	—	**(618)**	—
Common stock issued under employee benefit plans	—	—	**5**	—	—	—	—	**5**	—
Stock awards and options exercised	—	—	**64**	—	—	—	—	**64**	—
Balance at June 30, 2021	**$ 4,541**	**$ 14**	**$ 28,006**	**$ 35,540**	**$ (1,670)**	**$ (21,150)**	**$ 344**	**$ 45,625** *(a)*	**$ 169**

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $40,413 million at March 31, 2021 and $40,740 million at June 30, 2021.
(b) Includes dividend-equivalents on share-based awards.

(in millions, except per share amount)	The Bank of New York Mellon Corporation shareholders						Nonredeemable noncontrolling interests of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
	Preferred stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss), net of tax	Treasury stock			
Balance at Dec. 31, 2020	$ 4,541	$ 14	$ 27,823	$ 34,241	$ (985)	$ (19,833)	$ 143	$ 45,944 *(a)*	$ 176
Shares issued to shareholders of noncontrolling interests	—	—	—	—	—	—	—	—	23
Redemption of subsidiary shares from noncontrolling interests	—	—	—	—	—	—	—	—	(30)
Other net changes in noncontrolling interests	—	—	(33)	—	—	—	114	81	18
Net income	—	—	—	927	—	—	5	932	—
Other comprehensive (loss)	—	—	—	—	(834)	—	—	(834)	—
Dividends:									
Common stock at $0.31 per share *(b)*	—	—	—	(277)	—	—	—	(277)	—
Preferred stock	—	—	—	(69)	—	—	—	(69)	—
Repurchase of common stock	—	—	—	—	—	(699)	—	(699)	—
Common stock issued under employee benefit plans	—	—	5	—	—	—	—	5	—
Stock awards and options exercised	—	—	133	—	—	—	—	133	—
Balance at March 31, 2021	$ 4,541	$ 14	$ 27,928	$ 34,822	$ (1,819)	$ (20,532)	$ 262	$ 45,216 *(a)*	$ 187

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $41,260 million at Dec. 31, 2020 and $40,413 million at March 31, 2021.
(b) Includes dividend-equivalents on share-based awards.

(in millions, except per share amount)	The Bank of New York Mellon Corporation shareholders						Nonredeemable noncontrolling interests of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
	Preferred stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss), net of tax	Treasury stock			
Balance at March 31, 2020	$ 3,542	$ 14	$ 27,644	$ 32,601	$ (2,827)	$ (19,829)	$ 94	$ 41,239 *(a)*	$ 140
Shares issued to shareholders of noncontrolling interests	—	—	—	—	—	—	—	—	17
Other net changes in noncontrolling interests	—	—	—	—	—	—	3	3	—
Net income	—	—	—	950	—	—	15	965	—
Other comprehensive income	—	—	—	—	884	—	—	884	—
Dividends:									
Common stock at $0.31 per share	—	—	—	(278)	—	—	—	(278)	—
Preferred stock	—	—	—	(49)	—	—	—	(49)	—
Repurchase of common stock	—	—	—	—	—	(3)	—	(3)	—
Common stock issued under employee benefit plans	—	—	6	—	—	—	—	6	—
Preferred stock issued	990	—	—	—	—		—	990	—
Stock awards and options exercised	—	—	52	—	—	—	—	52	—
Balance at June 30, 2020	$ 4,532	$ 14	$ 27,702	$ 33,224	$ (1,943)	$ (19,832)	$ 112	$ 43,809 *(a)*	$ 157

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $37,603 million at March 31, 2020 and $39,165 million at June 30, 2020.

(in millions, except per share amount)	The Bank of New York Mellon Corporation shareholders						Nonredeemable noncontrolling interests of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
	Preferred stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss), net of tax	Treasury stock			
Balance at Dec. 31, 2020	$ 4,541	$ 14	$ 27,823	$ 34,241	$ (985)	$ (19,833)	$ 143	$ 45,944 *(a)*	$ 176
Shares issued to shareholders of noncontrolling interests	—	—	—	—	—	—	—	—	**29**
Redemption of subsidiary shares from noncontrolling interests	—	—	—	—	—	—	—	—	**(52)**
Other net changes in noncontrolling interests	—	—	**(24)**	—	—	—	**191**	**167**	**16**
Net income	—	—	—	**1,949**	—	—	**10**	**1,959**	—
Other comprehensive (loss)	—	—	—	—	**(685)**	—	—	**(685)**	—
Dividends:									
Common stock at $0.62 per share *(b)*	—	—	—	**(550)**	—	—	—	**(550)**	—
Preferred stock	—	—	—	**(100)**	—	—	—	**(100)**	—
Repurchase of common stock	—	—	—	—	—	**(1,317)**	—	**(1,317)**	—
Common stock issued under employee benefit plans	—	—	**10**	—	—	—	—	**10**	—
Stock awards and options exercised	—	—	**197**	—	—	—	—	**197**	—
Balance at June 30, 2021	**$ 4,541**	**$ 14**	**$ 28,006**	**$ 35,540**	**$ (1,670)**	**$ (21,150)**	**$ 344**	**$ 45,625** *(a)*	**$ 169**

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $41,260 million at Dec. 31, 2020 and $40,740 million at June 30, 2021.
(b) Includes dividend-equivalents on share-based awards.

(in millions, except per share amount)	The Bank of New York Mellon Corporation shareholders						Nonredeemable noncontrolling interests of consolidated investment management funds	Total permanent equity	Redeemable non-controlling interests/ temporary equity
	Preferred stock	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss), net of tax	Treasury stock			
Balance at Dec. 31, 2019	$ 3,542	$ 14	$ 27,515	$ 31,894	$ (2,638)	$ (18,844)	$ 102	$ 41,585 *(a)*	$ 143
Impact of adopting ASU 2016-13, *Financial Instruments – Credit Losses*	—	—	—	45	(5)	—	—	40	—
Adjusted balance at Jan. 1, 2020	3,542	14	27,515	31,939	(2,643)	(18,844)	102	41,625	143
Shares issued to shareholders of noncontrolling interests	—	—	—	—	—	—	—	—	34
Redemption of subsidiary shares from noncontrolling interests	—	—	—	—	—	—	—	—	(16)
Other net changes in noncontrolling interests	—	—	(5)	—	—	—	13	8	(2)
Net income (loss)	—	—	—	1,930	—	—	(3)	1,927	—
Other comprehensive income (loss)	—	—	—	—	700	—	—	700	(2)
Dividends:									
Common stock at $0.62 per share	—	—	—	(560)	—	—	—	(560)	—
Preferred stock	—	—	—	(85)	—	—	—	(85)	—
Repurchase of common stock	—	—	—	—	—	(988)	—	(988)	—
Common stock issued under employee benefit plans	—	—	15	—	—	—	—	15	—
Preferred stock issued	990	—	—	—	—	—	—	990	—
Stock awards and options exercised	—	—	177	—	—	—	—	177	—
Balance at June 30, 2020	$ 4,532	$ 14	$ 27,702	$ 33,224	$ (1,943)	$ (19,832)	$ 112	$ 43,809 *(a)*	$ 157

(a) Includes total The Bank of New York Mellon Corporation common shareholders' equity of $37,941 million at Dec. 31, 2019 and $39,165 million at June 30, 2020.

See accompanying unaudited Notes to Consolidated Financial Statements.

Note 1–Basis of presentation

In this Quarterly Report on Form 10-Q, references to "our," "we," "us," "BNY Mellon," the "Company" and similar terms refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries. The term "Parent" refers to The Bank of New York Mellon Corporation but not to its subsidiaries.

Basis of presentation

The accounting and financial reporting policies of BNY Mellon, a global financial services company, conform to U.S. generally accepted accounting principles ("GAAP") and prevailing industry practices. For information on our significant accounting and reporting policies, see Note 1 in our 2020 Annual Report.

The accompanying consolidated financial statements are unaudited. In the opinion of management, all adjustments necessary, consisting of normal recurring adjustments, for a fair presentation of financial position, results of operations and cash flows for the periods presented have been made. These financial statements should be read in conjunction with our 2020 Annual Report.

In order to combine items of a similar nature within total revenue and to simplify our income statement presentation, in the first quarter of 2021, we made the following reporting changes. The reclassifications had no impact on consolidated total revenue or total revenue for the business segments. Prior periods were reclassified to be comparable with the current period presentation.

- Other trading revenue was reclassified from foreign exchange and other trading revenue to investment and other income.
- Foreign exchange and other trading revenue was renamed foreign exchange revenue.
- The impact of foreign currency remeasurement was reclassified from investment and other income to foreign exchange revenue.
- Income (loss) from consolidated investment management funds was reclassified to investment and other income.
- Investment and other income was reclassified from fee revenue to other revenue. Other revenue includes investment and other income and net securities gains (losses).

In addition, the assets and liabilities of consolidated investment management funds were reclassified to other assets and other liabilities, respectively, on the consolidated balance sheet. The reclassifications had no impact on total assets or total liabilities. Prior periods were reclassified to be comparable with the current period presentation.

The table below summarizes the effects of the reclassifications on the consolidated income statement.

Consolidated income statement reclassifications	Quarter ended	Year-to-date
(in millions)	June 30, 2020	June 30, 2020
Before reclassifications		
Foreign exchange and other trading revenue	$ 166	$ 485
Total fee revenue	$ 3,167	$ 6,490
Investment and other income	$ 105	$ 116
Income from consolidated investment management funds	$ 54	$ 16
After reclassifications		
Foreign exchange revenue	$ 193	$ 438
Total fee revenue	$ 3,089	$ 6,327
Investment and other income	$ 132	$ 179

The table below summarizes the effects of the reclassifications on the business segments.

Business segment reclassifications	
(in millions)	YTD20
Investment Services business	
Before reclassifications	
Foreign exchange and other trading revenue	$ 439
Other revenue	$ 291
After reclassifications	
Foreign exchange revenue	$ 392
Other revenue	$ 338
Other segment	
Before reclassifications	
Fee revenue	$ 50
Net securities gains	$ 18
After reclassifications	
Fee revenue	$ 16
Other revenue	$ 52

Certain additional immaterial reclassifications have been made to prior periods to place them on a basis comparable with the current period presentation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates based upon assumptions about future economic and market conditions which affect reported amounts and related disclosures in our financial statements. Although our current estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition.

Note 2–Acquisitions and dispositions

In the fourth quarter of 2020, BNY Mellon entered into agreements to sell two legal entities, with one of the sales closing in the first quarter of 2021 and the other closing in July 2021. BNY Mellon recorded a total after-tax loss of $34 million on these transactions in the fourth quarter of 2020.

Note 3–Securities

The following tables present the amortized cost, the gross unrealized gains and losses and the fair value of securities at June 30, 2021 and Dec. 31, 2020.

Securities at June 30, 2021		Gross unrealized		
(in millions)	Amortized cost	Gains	Losses	Fair value
Available-for-sale:				
U.S. Treasury	$ 24,731	$ 881	$ 175	$ 25,437
Agency residential mortgage-backed securities ("RMBS")	17,522	366	45	17,843
Sovereign debt/sovereign guaranteed	13,093	128	26	13,195
Supranational	8,066	44	15	8,095
Agency commercial mortgage-backed securities ("MBS")	7,377	483	6	7,854
Foreign covered bonds	6,752	46	5	6,793
Collateralized loan obligations ("CLOs")	5,137	6	4	5,139
U.S. government agencies	3,242	118	10	3,350
Non-agency commercial MBS	3,181	110	11	3,280
Foreign government agencies	2,693	20	5	2,708
State and political subdivisions	2,595	24	13	2,606
Non-agency RMBS *(a)*	2,341	149	13	2,477
Other asset-backed securities ("ABS")	2,446	17	7	2,456
Corporate bonds	2,348	35	36	2,347
Other debt securities	1	—	—	1
Total securities available-for-sale *(b)(c)*	**$ 101,525**	**$ 2,427**	**$ 371**	**$ 103,581**
Held-to-maturity:				
Agency RMBS	$ 35,632	$ 673	$ 201	$ 36,104
U.S. Treasury	9,381	72	9	9,444
Agency commercial MBS	3,983	77	15	4,045
U.S. government agencies	2,204	2	34	2,172
Sovereign debt/sovereign guaranteed	1,005	28	2	1,031
Supranational	55	—	—	55
Non-agency RMBS	50	3	—	53
State and political subdivisions	15	—	—	15
Total securities held-to-maturity	**$ 52,325**	**$ 855**	**$ 261**	**$ 52,919**
Total securities	**$ 153,850**	**$ 3,282**	**$ 632**	**$ 156,500**

(a) Includes $416 million that was included in the former Grantor Trust.

(b) The amortized cost of available-for-sale securities is net of the allowance for credit loss of $9 million. The allowance for credit loss primarily relates to CLOs.

(c) Includes gross unrealized gains of $225 million and gross unrealized losses of $85 million recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. The unrealized gains are primarily related to agency commercial MBS and losses are primarily related to U.S. Treasury securities and agency RMBS and will be amortized into net interest revenue over the contractual lives of the securities.

Securities at Dec. 31, 2020 *(in millions)*	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value
Available-for-sale:				
U.S. Treasury	$ 23,557	$ 1,358	$ 21	$ 24,894
Agency RMBS	21,919	479	51	22,347
Sovereign debt/sovereign guaranteed	12,202	190	1	12,391
Agency commercial MBS	8,605	625	2	9,228
Supranational	7,086	75	1	7,160
Foreign covered bonds	6,658	68	1	6,725
CLOs	4,706	7	10	4,703
Foreign government agencies	4,086	49	—	4,135
U.S. government agencies	3,680	174	1	3,853
Other ABS	3,135	32	3	3,164
Non-agency commercial MBS	2,864	159	6	3,017
Non-agency RMBS *(a)*	2,178	157	9	2,326
State and political subdivisions	2,270	39	1	2,308
Corporate bonds	1,945	50	1	1,994
Commercial paper/certificates of deposit ("CDs")	249	—	—	249
Other debt securities	1	—	—	1
Total securities available-for-sale *(b)(c)*	$ 105,141	$ 3,462	$ 108	$ 108,495
Held-to-maturity:				
Agency RMBS	$ 38,355	$ 1,055	$ 14	$ 39,396
U.S. Treasury	2,938	90	—	3,028
U.S. government agencies	2,816	4	6	2,814
Agency commercial MBS	2,659	105	2	2,762
Sovereign debt/sovereign guaranteed	1,050	42	—	1,092
Non-agency RMBS	58	3	—	61
Supranational	55	—	—	55
State and political subdivisions	15	1	—	16
Total securities held-to-maturity	$ 47,946	$ 1,300	$ 22	$ 49,224
Total securities	$ 153,087	$ 4,762	$ 130	$ 157,719

(a) Includes $487 million that was included in the former Grantor Trust.

(b) The amortized cost of available-for-sale securities is net of the allowance for credit loss of $11 million. The allowance for credit loss primarily relates to CLOs.

(c) Includes gross unrealized gains of $75 million and gross unrealized losses of $44 million recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. The unrealized gains are primarily related to agency commercial MBS and losses are primarily related to agency RMBS and will be amortized into net interest revenue over the contractual lives of the securities.

The following table presents the realized gains and losses, on a gross basis.

Net securities gains (losses) *(in millions)*	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Realized gross gains	**$ 6**	$ 12	$ 16	**$ 18**	$ 28
Realized gross losses	**(4)**	(12)	(7)	**(16)**	(10)
Total net securities gains	**$ 2**	$ —	$ 9	**$ 2**	$ 18

The following table presents pre-tax net securities gains (losses) by type.

Net securities gains (losses) *(in millions)*	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Supranational	**$ —**	$ —	$ 6	$ —	$ 6
U.S. Treasury	**—**	(4)	1	**(4)**	6
Other	**2**	4	2	**6**	6
Total net securities gains	**$ 2**	$ —	$ 9	**$ 2**	$ 18

In the second quarter of 2021, U.S. Treasury securities and agency commercial MBS with an aggregate amortized cost of $5.95 billion and fair value of $5.96 billion were transferred from available-for-sale securities to held-to-maturity securities to reduce the impact of changes in interest rates on accumulated other comprehensive income.

Allowance for credit losses – Securities

The allowance for credit losses related to securities was $10 million at June 30, 2021 and $11 million at Dec. 31, 2020, and primarily relates to the available-for-sale CLO portfolio.

Credit quality indicators – Securities

At June 30, 2021, the gross unrealized losses on the securities portfolio were primarily attributable to an increase in credit spreads from the date of purchase, and for certain securities that were transferred from available-for-sale to held-to-maturity, an increase in interest rates through the date they were transferred. Specifically, $85 million of the unrealized losses at June 30, 2021 and $44 million at Dec. 31, 2020 reflected in the available-for-sale sections of the tables below relate to certain securities (primarily U.S. Treasury securities and agency RMBS) that were transferred in the second quarter of 2021 and prior periods from available-for-sale to held-to-maturity. The unrealized losses will be amortized into net

interest revenue over the contractual lives of the securities. The transfer created a new cost basis for the securities. As a result, if these securities have experienced unrealized losses since the date of transfer, the corresponding fair value and unrealized losses would be reflected in the held-to-maturity securities portfolio in the following tables. We do not intend to sell these securities, and it is not more likely than not that we will have to sell these securities.

The following tables show the aggregate fair value of available-for-sale securities with a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 months or more without an allowance for credit losses.

Available-for-sale securities in an unrealized loss position without an allowance for credit losses at June 30, 2021 *(a)*	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Agency RMBS	$ 1,303	$ 10	$ 520	$ 35	$ 1,823	$ 45
U.S. Treasury	5,451	175	—	—	5,451	175
Sovereign debt/sovereign guaranteed	2,988	26	120	—	3,108	26
Agency commercial MBS	917	5	292	1	1,209	6
Foreign covered bonds	1,196	5	14	—	1,210	5
Supranational	1,603	15	133	—	1,736	15
CLOs	741	1	402	3	1,143	4
Foreign government agencies	793	5	—	—	793	5
U.S. government agencies	1,155	10	—	—	1,155	10
Other ABS	962	6	158	1	1,120	7
Non-agency commercial MBS	651	11	101	—	752	11
Non-agency RMBS *(b)*	1,102	9	242	4	1,344	13
State and political subdivisions	1,043	13	15	—	1,058	13
Corporate bonds	1,403	36	—	—	1,403	36
Total securities available-for-sale *(c)*	**$ 21,308**	**$ 327**	**$ 1,997**	**$ 44**	**$ 23,305**	**$ 371**

(a) Includes $6.0 billion of securities with an unrealized loss of greater than $1 million.

(b) Includes $1 million of securities with an unrealized loss of less than $1 million for less than 12 months and $7 million of securities with an unrealized loss of less than $1 million for 12 months or more that were included in the former Grantor Trust.

(c) Includes $50 million gross unrealized losses for less than 12 months and gross unrealized losses of $35 million for 12 months or more recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. The unrealized losses are primarily related to U.S. Treasury securities and agency RMBS and will be amortized into net interest revenue over the contractual lives of the securities.

Available-for-sale securities in an unrealized loss position without an allowance for credit losses at Dec. 31, 2020 *(a)*	Less than 12 months		12 months or more		Total	
(in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Available-for-sale:						
Agency RMBS	$ 850	$ 4	$ 1,965	$ 47	$ 2,815	$ 51
U.S. Treasury	4,253	21	—	—	4,253	21
Sovereign debt/sovereign guaranteed	1,349	1	135	—	1,484	1
Agency commercial MBS	440	1	266	1	706	2
Foreign covered bonds	468	1	90	—	558	1
Supranational	1,041	1	132	—	1,173	1
CLOs	1,849	6	579	4	2,428	10
U.S. government agencies	160	1	—	—	160	1
Other ABS	449	2	226	1	675	3
Non-agency commercial MBS	468	4	170	2	638	6
Non-agency RMBS *(b)*	973	3	103	6	1,076	9
State and political subdivisions	273	1	2	—	275	1
Corporate bonds	282	1	—	—	282	1
Total securities available-for-sale *(c)*	$ 12,855	$ 47	$ 3,668	$ 61	$ 16,523	$ 108

(a) Includes $1.6 billion of securities with an unrealized loss of greater than $1 million.

(b) Includes $16 million of securities with an unrealized loss of less than $1 million for less than 12 months and $2 million of securities with an unrealized loss of less than $1 million for 12 months or more that were included in the former Grantor Trust.

(c) Includes gross unrealized losses of $44 million for 12 months or more recorded in accumulated other comprehensive income related to securities that were transferred from available-for-sale to held-to-maturity. The unrealized losses are primarily related to agency RMBS and will be amortized into net interest revenue over the contractual lives of the securities. There were no gross unrealized losses for less than 12 months.

The following tables show the credit quality of the held-to-maturity securities. We have included certain credit ratings information because the information can indicate the degree of credit risk to which we are exposed. Significant changes in ratings classifications could indicate increased credit risk for us and could be accompanied by an increase in the allowance for credit losses and/or a reduction in the fair value of our securities portfolio.

Held-to-maturity securities portfolio at June 30, 2021			Ratings *(a)*					
(dollars in millions)	Amortized cost	Net unrealized gain (loss)	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	A1+/A2/SP-1	Not rated
Agency RMBS	$ 35,632	$ 472	100 %	— %	— %	— %	— %	— %
U.S. Treasury	9,381	63	100	—	—	—	—	—
U.S. government agencies	2,204	(32)	100	—	—	—	—	—
Agency commercial MBS	3,983	62	100	—	—	—	—	—
Sovereign debt/sovereign guaranteed *(b)*	1,005	26	100	—	—	—	—	—
Non-agency RMBS	50	3	24	59	1	15	—	1
Supranational	55	—	100	—	—	—	—	—
State and political subdivisions	15	—	5	2	5	—	—	88
Total held-to-maturity securities	**$ 52,325**	**$ 594**	**100 %**	**— %**	**— %**	**— %**	**— %**	**— %**

(a) Represents ratings by Standard & Poor's ("S&P") or the equivalent.

(b) Primarily consists of exposure to France, UK and Germany.

Held-to-maturity securities portfolio at Dec. 31, 2020			Ratings *(a)*					
(dollars in millions)	Amortized cost	Net unrealized gain (loss)	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	A1+/A2/SP-1	Not rated
Agency RMBS	$ 38,355	$ 1,041	100 %	— %	— %	— %	— %	— %
U.S. Treasury	2,938	90	100	—	—	—	—	—
U.S. government agencies	2,816	(2)	100	—	—	—	—	—
Agency commercial MBS	2,659	103	100	—	—	—	—	—
Sovereign debt/sovereign guaranteed *(b)*	1,050	42	98	—	—	—	2	—
Non-agency RMBS	58	3	28	55	2	14	—	1
Supranational	55	—	100	—	—	—	—	—
State and political subdivisions	15	1	6	2	6	—	—	86
Total held-to-maturity securities	$ 47,946	$ 1,278	100 %	— %	— %	— %	— %	— %

(a) Represents ratings by Standard & Poor's ("S&P") or the equivalent.
(b) Primarily consists of exposure to France, UK and Germany.

Maturity distribution

The following table shows the maturity distribution by carrying amount and yield (on a tax equivalent basis) of our securities portfolio.

Maturity distribution and yields on securities at June 30, 2021	U.S. Treasury		U.S. government agencies		State and political subdivisions		Other bonds, notes and debentures		Mortgage/ asset-backed		
(dollars in millions)	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Amount	Yield *(a)*	Total
Securities available-for-sale:											
One year or less	$ 2,881	1.57 %	$ 45	0.20 %	$ 382	1.90 %	$ 8,424	0.49 %	$ —	— %	**$ 11,732**
Over 1 through 5 years	8,494	1.25	1,808	0.88	540	2.64	18,877	0.52	—	—	**29,719**
Over 5 through 10 years	11,183	1.28	1,358	2.39	1,378	1.53	5,667	0.79	—	—	**19,586**
Over 10 years	2,879	3.11	139	1.98	306	2.28	171	0.54	—	—	**3,495**
Mortgage-backed securities	—	—	—	—	—	—	—	—	31,454	2.24	**31,454**
Asset-backed securities	—	—	—	—	—	—	—	—	7,595	1.44	**7,595**
Total	$ 25,437	1.51 %	$ 3,350	1.53 %	$ 2,606	1.91 %	$ 33,139	0.56 %	$ 39,049	2.09 %	**$ 103,581**
Securities held-to-maturity:											
One year or less	$ 1,379	1.91 %	$ —	— %	$ 1	5.54 %	$ 48	0.24 %	$ —	— %	**$ 1,428**
Over 1 through 5 years	4,831	0.97	408	0.66	1	5.69	930	0.69	—	—	**6,170**
Over 5 through 10 years	3,171	1.18	1,513	1.08	—	—	82	0.60	—	—	**4,766**
Over 10 years	—	—	283	2.16	13	4.75	—	—	—	—	**296**
Mortgage-backed securities	—	—	—	—	—	—	—	—	39,665	2.32	**39,665**
Total	$ 9,381	1.18 %	$ 2,204	1.14 %	$ 15	4.89 %	$ 1,060	0.66 %	$ 39,665	2.32 %	**$ 52,325**

(a) Yields are based upon the amortized cost of securities and do not reflect the impact of hedging.

Pledged assets

At June 30, 2021, BNY Mellon had pledged assets of $141 billion, including $111 billion pledged as collateral for potential borrowings at the Federal Reserve Discount Window and $7 billion pledged as collateral for borrowing at the Federal Home Loan Bank. The components of the assets pledged at June 30, 2021 included $123 billion of securities, $13 billion of loans, $5 billion of trading assets and less than $1 billion of interest-bearing deposits with banks.

If there has been no borrowing at the Federal Reserve Discount Window, the Federal Reserve generally allows banks to freely move assets in and out of their pledged assets account to sell or repledge the assets for other purposes. BNY Mellon regularly moves assets in and out of its pledged assets account at the Federal Reserve.

At Dec. 31, 2020, BNY Mellon had pledged assets of $141 billion, including $113 billion pledged as collateral for potential borrowing at the Federal Reserve Discount Window and $5 billion pledged as collateral for borrowing at the Federal Home Loan Bank. The components of the assets pledged at Dec. 31, 2020 included $124 billion of securities, $11 billion of loans, $6 billion of trading assets and less

than $1 billion of interest-bearing deposits with banks.

At June 30, 2021 and Dec. 31, 2020, pledged assets included $22 billion and $18 billion, respectively, for which the recipients were permitted to sell or repledge the assets delivered.

We also obtain securities as collateral, including receipts under resale agreements, securities borrowed, derivative contracts and custody agreements, on terms which permit us to sell or repledge the securities to others. At June 30, 2021 and Dec. 31, 2020, the market value of the securities received that can be sold or repledged was $111 billion and $121 billion, respectively. We routinely sell or repledge these securities through delivery to third parties. As of June 30, 2021 and Dec. 31, 2020, the market value of securities collateral sold or repledged was $65 billion and $84 billion, respectively.

Restricted cash and securities

Cash and securities may be segregated under federal and other regulations or requirements. At June 30, 2021 and Dec. 31, 2020, cash segregated under federal and other regulations or requirements was $4 billion and $3 billion, respectively. Restricted cash is included in interest-bearing deposits with banks on the consolidated balance sheet. Securities segregated under federal and other regulations or requirements were $2 billion at June 30, 2021 and $6 billion at Dec. 31, 2020. Restricted securities were sourced from securities purchased under resale agreements and are included in federal funds sold and securities purchased under resale agreements on the consolidated balance sheet.

Note 4–Loans and asset quality

Loans

The table below provides the details of our loan portfolio.

Loans *(in millions)*	**June 30, 2021**	Dec. 31, 2020
Domestic:		
Commercial	**$ 1,653**	$ 1,356
Commercial real estate	**5,888**	6,056
Financial institutions	**4,544**	4,495
Lease financings	**356**	431
Wealth management loans and mortgages	**17,358**	16,211
Other residential mortgages	**339**	389
Overdrafts	**1,409**	651
Other	**2,009**	1,823
Margin loans	**17,022**	13,141
Total domestic	**50,578**	44,553
Foreign:		
Commercial	**16**	73
Commercial real estate	**161**	—
Financial institutions	**6,188**	6,750
Lease financings	**567**	559
Wealth management loans and mortgages	**174**	146
Other (primarily overdrafts)	**2,962**	2,113
Margin loans	**2,901**	2,275
Total foreign	**12,969**	11,916
Total loans *(a)*	**$ 63,547**	$ 56,469

(a) Net of unearned income of $255 million at June 30, 2021 and $274 million at Dec. 31, 2020 primarily related to domestic and foreign lease financings.

Our loan portfolio consists of three portfolio segments: commercial, lease financings and mortgages. We manage our portfolio at the class level, which consists of six classes of financing receivables: commercial, commercial real estate, financial institutions, lease financings, wealth management loans and mortgages and other residential mortgages.

The following tables are presented for each class of financing receivables and provide additional information about our credit risks.

Allowance for credit losses

Activity in the allowance for credit losses on loans and lending-related commitments is presented below. This does not include activity in the allowance for credit losses related to other financial instruments, including cash and due from banks, interest-bearing deposits with banks, federal funds sold and securities purchased under resale agreements, held-to-maturity securities, available-for-sale securities and accounts receivable.

Allowance for credit losses activity for the quarter ended June 30, 2021 *(in millions)*	Commercial	Commercial real estate	Financial institutions	Lease financings	Wealth management loans and mortgages	Other residential mortgages	Total
Beginning balance	$ 11	$ 365	$ 7	$ 2	$ 6	$ 9	$ 400
Charge-offs	—	—	—	—	—	(1)	(1)
Recoveries	—	—	2	—	—	1	3
Net recoveries	—	—	2	—	—	—	2
Provision *(a)*	(3)	(76)	(2)	—	(1)	(1)	(83)
Ending balance *(b)*	**$ 8**	**$ 289**	**$ 7**	**$ 2**	**$ 5**	**$ 8**	**$ 319**
Allowance for:							
Loan losses	$ 3	$ 248	$ 4	$ 2	$ 4	$ 8	$ 269
Lending-related commitments	5	41	3	—	1	—	50
Individually evaluated for impairment:							
Loan balance *(c)*	$ —	$ 26	$ —	$ —	$ 17	$ 1	$ 44
Allowance for loan losses	—	3	—	—	—	—	3

(a) Does not include the provision for credit losses benefit related to other financial instruments of $3 million for the second quarter 2021.
(b) Includes $4 million of allowance for credit losses related to foreign loans, primarily financial institutions.
(c) Includes collateral-dependent loans of $44 million with $50 million of collateral at fair value.

Allowance for credit losses activity for the quarter ended March 31, 2021 *(in millions)*	Commercial	Commercial real estate	Financial institutions	Lease financings	Wealth management loans and mortgages	Other residential mortgages	Total
Beginning balance	$ 16	$ 430	$ 10	$ 2	$ 8	$ 13	$ 479
Charge-offs	—	—	—	—	(1)	—	(1)
Recoveries	—	—	—	—	—	2	2
Net (charge-offs) recoveries	—	—	—	—	(1)	2	1
Provision *(a)*	(5)	(65)	(3)	—	(1)	(6)	(80)
Ending balance *(b)*	$ 11	$ 365	$ 7	$ 2	$ 6	$ 9	$ 400
Allowance for:							
Loan losses	$ 4	$ 303	$ 4	$ 2	$ 5	$ 9	$ 327
Lending-related commitments	7	62	3	—	1	—	73
Individually evaluated for impairment:							
Loan balance *(c)*	$ —	$ 26	$ —	$ —	$ 18	$ 1	$ 45
Allowance for loan losses	—	5	—	—	—	—	5

(a) Does not include the provision for credit losses benefit related to other financial instruments of $3 million for the first quarter 2021.
(b) Includes $3 million of allowance for credit losses related to foreign loans, primarily financial institutions.
(c) Includes collateral-dependent loans of $45 million with $59 million of collateral at fair value.

Allowance for credit losses activity for the quarter ended June 30, 2020

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financings	Wealth management loans and mortgages	Other residential mortgages	Total
Beginning balance	$ 26	$ 208	$ 18	$ 13	$ 9	$ 14	$ 288
Charge-offs	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	3	3
Net recoveries	—	—	—	—	—	3	3
Provision *(a)*	14	164	(2)	(10)	2	(5)	163
Ending balance *(b)*	$ 40	$ 372	$ 16	$ 3	$ 11	$ 12	$ 454
Allowance for:							
Loan losses	$ 23	$ 244	$ 11	$ 3	$ 9	$ 12	$ 302
Lending-related commitments	17	128	5	—	2	—	152
Individually evaluated for impairment:							
Loan balance *(c)*	$ —	$ —	$ —	$ —	$ 18	$ —	$ 18
Allowance for loan losses	—	—	—	—	—	—	—

(a) Does not include the provision for credit losses benefit related to other financial instruments of $20 million for the second quarter 2020.
(b) Includes $11 million of allowance for credit losses related to foreign loans, primarily financial institutions.
(c) Includes collateral-dependent loans of $18 million with $26 million of collateral at fair value.

Allowance for credit losses activity for the six months ended June 30, 2021

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financings	Wealth management loans and mortgages	Other residential mortgages	Total
Beginning balance	$ 16	$ 430	$ 10	$ 2	$ 8	$ 13	$ 479
Charge-offs	—	—	—	—	(1)	(1)	(2)
Recoveries	—	—	2	—	—	3	5
Net recoveries (charge-offs)	—	—	2	—	(1)	2	3
Provision *(a)*	(8)	(141)	(5)	—	(2)	(7)	(163)
Ending balance	**$ 8**	**$ 289**	**$ 7**	**$ 2**	**$ 5**	**$ 8**	**$ 319**

(a) Does not include provision for credit losses benefit related to other financial instruments of $6 million for the six months ended June 30, 2021.

Allowance for credit losses activity for the six months ended June 30, 2020

(in millions)	Commercial	Commercial real estate	Financial institutions	Lease financings	Wealth management loans and mortgages	Other residential mortgages	Foreign	Total
Balance at Dec. 31, 2019	$ 60	$ 76	$ 20	$ 3	$ 20	$ 13	$ 24	$ 216
Impact of adopting ASU 2016-13	(43)	14	(6)	—	(12)	2	(24)	(69)
Balance at Jan. 1, 2020	17	90	14	3	8	15	—	147
Charge-offs	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	—	3	—	3
Net recoveries	—	—	—	—	—	3	—	3
Provision *(a)*	23	282	2	—	3	(6)	—	304
Ending balance	$ 40	$ 372	$ 16	$ 3	$ 11	$ 12	$ —	$ 454

(a) Does not include provision for credit losses related to other financial instruments of $8 million for the six months ended June 30, 2020.

Nonperforming assets

The table below presents our nonperforming assets.

Nonperforming assets	**June 30, 2021**			Dec. 31, 2020		
	Recorded investment			Recorded investment		
(in millions)	With an allowance	Without an allowance	Total	With an allowance	Without an allowance	Total
Nonperforming loans:						
Other residential mortgages	**$ 38**	**$ 1**	**$ 39**	$ 57	$ —	$ 57
Wealth management loans and mortgages	**6**	**18**	**24**	10	20	30
Commercial real estate	**26**	**—**	**26**	1	—	1
Total nonperforming loans	**70**	**19**	**89**	68	20	88
Other assets owned	**—**	**1**	**1**	—	1	1
Total nonperforming assets	**$ 70**	**$ 20**	**$ 90**	$ 68	$ 21	$ 89

At June 30, 2021, undrawn commitments to borrowers whose loans were classified as nonaccrual or reduced rate were not material.

Past due loans

The table below presents our past due loans.

Past due loans and still accruing interest	**June 30, 2021**				Dec. 31, 2020			
	Days past due			Total	Days past due			Total
(in millions)	30-59	60-89	≥90	past due	30-59	60-89	≥90	past due
Wealth management loans and mortgages	**$ 27**	**$ 1**	**$ —**	**$ 28**	$ 54	$ 1	$ —	$ 55
Commercial real estate	**21**	**—**	**—**	**21**	19	16	—	35
Other residential mortgages	**3**	**—**	**—**	**3**	3	1	—	4
Financial institutions	**—**	**—**	**—**	**—**	11	—	—	11
Total past due loans	**$ 51**	**$ 1**	**$ —**	**$ 52**	$ 87	$ 18	$ —	$ 105

Loan modifications

Due to the coronavirus pandemic, there have been two forms of relief provided for classifying loans as TDRs: The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the relevant provisions of which were extended by the Consolidated Appropriations Act, 2021, and the Interagency Guidance. See Note 1 of the Notes to Consolidated Financial Statements in our 2020 Annual Report for additional details on the CARES Act, Consolidated Appropriations Act, 2021, and Interagency Guidance. Financial institutions may account for eligible loan modifications either under the CARES Act or the Interagency Guidance. The Company has elected to apply both the CARES Act and the Interagency Guidance, as applicable, in providing borrowers with loan modification relief in response to the coronavirus pandemic. We modified loans of $3 million in the second quarter of 2021, $282 million in the second quarter of 2020 and $6 million in the first quarter of 2021. Nearly all of the modifications were short-term loan payment forbearances or modified principal and/or interest payments. These loans were primarily residential mortgage and commercial real estate loans. We did not identify any of the modifications as TDRs. At June 30, 2021, the unpaid principal balance of the loans modified under the CARES Act or Interagency Guidance was $77 million.

Credit quality indicators

Our credit strategy is to focus on investment-grade clients that are active users of our non-credit services. Each customer is assigned an internal credit rating, which is mapped to an external rating agency grade equivalent, if possible, based upon a number of dimensions, which are continually evaluated and may change over time.

The tables below provide information about the credit profile of the loan portfolio by the period of origination.

Credit profile of the loan portfolio							**June 30, 2021**			
							Revolving loans			
	Originated, at amortized cost									
(in millions)	**YTD21**	2020	2019	2018	2017	Prior to 2017	Amortized cost	Converted to term loans – Amortized cost	Total *(a)*	Accrued interest receivable
Commercial:										
Investment grade	**$ 583**	$ 20	$ —	$ —	$ 207	$ 57	**$ 635**	**$ —**	**$ 1,502**	
Non-investment grade	**94**	23	—	—	—	—	**50**	**—**	**167**	
Total commercial	**677**	43	—	—	207	57	**685**	**—**	**1,669**	**$ 1**
Commercial real estate:										
Investment grade	**1,161**	450	818	116	279	556	**378**	**—**	**3,758**	
Non-investment grade	**652**	153	605	402	76	222	**155**	**26**	**2,291**	
Total commercial real estate	**1,813**	603	1,423	518	355	778	**533**	**26**	**6,049**	**7**
Financial institutions:										
Investment grade	**514**	101	—	—	—	82	**8,233**	**—**	**8,930**	
Non-investment grade	**37**	—	—	—	—	—	**1,765**	**—**	**1,802**	
Total financial institutions	**551**	101	—	—	—	82	**9,998**	**—**	**10,732**	**13**
Wealth management loans and mortgages:										
Investment grade	**58**	16	75	5	153	144	**9,063**	**—**	**9,514**	
Non-investment grade	**2**	—	—	—	—	—	**38**	**—**	**40**	
Wealth management mortgages	**988**	1,063	929	583	1,012	3,374	**29**	**—**	**7,978**	
Total wealth management loans and mortgages	**1,048**	1,079	1,004	588	1,165	3,518	**9,130**	**—**	**17,532**	**27**
Lease financings	**17**	92	16	11	6	781	**—**	**—**	**923**	**—**
Other residential mortgages	**—**	—	—	—	—	339	**—**	**—**	**339**	**1**
Other loans	**—**	—	—	—	—	—	**2,064**	**—**	**2,064**	**1**
Margin loans	**5,408**	1,900	—	—	—	—	**12,615**	**—**	**19,923**	**8**
Total loans	**$ 9,514**	$ 3,818	$ 2,443	$ 1,117	$ 1,733	$ 5,555	**$ 35,025**	**$ 26**	**$ 59,231**	**$ 58**

(a) Excludes overdrafts of $4,316 million. Overdrafts occur on a daily basis primarily in the custody and securities clearance business and are generally repaid within two business days.

Credit profile of the loan portfolio	Dec. 31, 2020									
							Revolving loans			
	Originated, at amortized cost									
(in millions)	2020	2019	2018	2017	2016	Prior to 2016	Amortized cost	Converted to term loans – Amortized cost	Total *(a)*	Accrued interest receivable
Commercial:										
Investment grade	$ 128	$ 18	$ 71	$ 420	$ 57	$ —	$ 493	$ —	$ 1,187	
Non-investment grade	142	—	6	—	—	—	94	—	242	
Total commercial	270	18	77	420	57	—	587	—	1,429	$ 2
Commercial real estate:										
Investment grade	778	1,010	458	543	312	346	127	—	3,574	
Non-investment grade	285	619	643	159	376	144	229	27	2,482	
Total commercial real estate	1,063	1,629	1,101	702	688	490	356	27	6,056	8
Financial institutions:										
Investment grade	132	146	47	125	13	156	8,760	—	9,379	
Non-investment grade	84	36	—	—	—	—	1,746	—	1,866	
Total financial institutions	216	182	47	125	13	156	10,506	—	11,245	12
Wealth management loans and mortgages:										
Investment grade	18	85	11	147	59	112	7,786	—	8,218	
Non-investment grade	—	—	—	—	—	—	54	—	54	
Wealth management mortgages	1,117	1,044	637	1,188	1,515	2,546	38	—	8,085	
Total wealth management loans and mortgages	1,135	1,129	648	1,335	1,574	2,658	7,878	—	16,357	27
Lease financings	116	18	14	9	20	813	—	—	990	—
Other residential mortgages	—	—	—	—	—	389	—	—	389	1
Other loans	—	—	—	—	—	—	1,904	—	1,904	1
Margin loans	4,614	—	—	—	—	—	10,802	—	15,416	8
Total loans	$ 7,414	$ 2,976	$ 1,887	$ 2,591	$ 2,352	$ 4,506	$ 32,033	$ 27	$ 53,786	$ 59

(a) Excludes overdrafts of $2,683 million. Overdrafts occur on a daily basis primarily in the custody and securities clearance business and are generally repaid within two business days.

Commercial

The commercial loan portfolio is divided into investment grade and non-investment grade categories based on the assigned internal credit ratings, which are generally consistent with those of the public rating agencies. Customers with ratings consistent with BBB- (S&P)/Baa3 (Moody's) or better are considered to be investment grade. Those clients with ratings lower than this threshold are considered to be non-investment grade.

Commercial real estate

Our income-producing commercial real estate facilities are focused on experienced owners and are structured with moderate leverage based on existing cash flows. Our commercial real estate lending activities also include construction and renovation facilities.

Financial institutions

Financial institution exposures are high quality, with 96% of the exposures meeting the investment grade equivalent criteria of our internal credit rating classification at June 30, 2021. In addition, 71% of the financial institutions exposure is secured. For example, securities industry clients and asset managers often borrow against marketable securities held in custody. The exposure to financial institutions is generally short-term, with 87% expiring within one year.

Wealth management loans and mortgages

Wealth management non-mortgage loans are not typically rated by external rating agencies. A majority of the wealth management loans are secured by the customers' investment management accounts or custody accounts. Eligible assets pledged for these loans are typically investment grade fixed-income securities, equities and/or mutual funds. Internal ratings for this portion of the wealth management portfolio, therefore, would equate to investment grade

external ratings. Wealth management loans are provided to select customers based on the pledge of other types of assets, including business assets, fixed assets or a modest amount of commercial real estate. For the loans collateralized by other assets, the credit quality of the obligor is carefully analyzed, but we do not consider this portfolio of loans to be investment grade.

Credit quality indicators for wealth management mortgages are not correlated to external ratings. Wealth management mortgages are typically loans to high-net-worth individuals, which are secured primarily by residential property. These loans are primarily interest-only, adjustable rate mortgages with a weighted-average loan-to-value ratio of 62% at origination. Delinquency rate is a key indicator of credit quality in the wealth management portfolio. At June 30, 2021, less than 1% of the mortgages were past due.

At June 30, 2021, the wealth management mortgage portfolio consisted of the following geographic concentrations: California – 22%; New York – 16%; Massachusetts – 9%; Florida – 9%; and other – 44%.

Lease financings

At June 30, 2021, the lease financings portfolio consisted of exposures backed by well-diversified assets, primarily real estate and large-ticket transportation equipment. The largest component of our lease residual value exposure is freight-related rail cars. Assets are both domestic and foreign-based, with primary concentrations in Germany and the U.S.

Other residential mortgages

The other residential mortgages portfolio primarily consists of 1-4 family residential mortgage loans and totaled $339 million at June 30, 2021 and $389 million at Dec. 31, 2020. These loans are not typically correlated to external ratings. Included in this portfolio at June 30, 2021 were $59 million of mortgage loans purchased in 2005, 2006 and the first quarter of 2007.

Overdrafts

Overdrafts primarily relate to custody and securities clearance clients and totaled $4.3 billion at June 30, 2021 and $2.7 billion at Dec. 31, 2020. Overdrafts occur on a daily basis and are generally repaid within two business days.

Other loans

Other loans primarily include loans to consumers that are fully collateralized with equities, mutual funds and fixed-income securities.

Margin loans

We had $19.9 billion of secured margin loans at June 30, 2021, compared with $15.4 billion at Dec. 31, 2020. Margin loans are collateralized with marketable securities, and borrowers are required to maintain a daily collateral margin in excess of 100% of the value of the loan. We have rarely suffered a loss on these types of loans.

Reverse repurchase agreements

Reverse repurchase agreements at June 30, 2021 were fully secured with high quality collateral. As a result, there was no allowance for credit losses related to these assets at June 30, 2021.

Note 5–Goodwill and intangible assets

Goodwill

The tables below provide a breakdown of goodwill by business.

Goodwill by business *(in millions)*	Investment Services	Investment and Wealth Management	Other	Consolidated
Balance at Dec. 31, 2020	$ 8,456	$ 9,040	$ —	$ 17,496
Dispositions	—	(5)	—	(5)
Foreign currency translation	(21)	17	—	(4)
Balance at June 30, 2021	**$ 8,435**	**$ 9,052**	**$ —**	**$ 17,487**

Goodwill by business *(in millions)*	Investment Services	Investment and Wealth Management	Other	Consolidated
Balance at Dec. 31, 2019	$ 8,332	$ 9,007	$ 47	$ 17,386
Foreign currency translation	(24)	(109)	—	(133)
Other *(a)*	47	—	(47)	—
Balance at June 30, 2020	$ 8,355	$ 8,898	$ —	$ 17,253

(a) Reflects the transfer of goodwill associated with Capital Markets business.

Intangible assets

The tables below provide a breakdown of intangible assets by business.

Intangible assets – net carrying amount by business *(in millions)*	Investment Services	Investment and Wealth Management	Other	Consolidated
Balance at Dec. 31, 2020	$ 608	$ 1,555	$ 849	$ 3,012
Disposition	—	(6)	—	(6)
Amortization	(29)	(15)	—	(44)
Foreign currency translation	—	2	—	2
Balance at June 30, 2021	**$ 579**	**$ 1,536**	**$ 849**	**$ 2,964**

Intangible assets – net carrying amount by business *(in millions)*	Investment Services	Investment and Wealth Management	Other	Consolidated
Balance at Dec. 31, 2019	$ 678	$ 1,580	$ 849	$ 3,107
Amortization	(36)	(16)	—	(52)
Foreign currency translation	—	(10)	—	(10)
Balance at June 30, 2020	$ 642	$ 1,554	$ 849	$ 3,045

The table below provides a breakdown of intangible assets by type.

Intangible assets	**June 30, 2021**				Dec. 31, 2020		
(in millions)	Gross carrying amount	Accumulated amortization	Net carrying amount	Remaining weighted-average amortization period	Gross carrying amount	Accumulated amortization	Net carrying amount
Subject to amortization: *(a)*							
Customer contracts—Investment Services	**$ 1,060**	**$ (853)**	**$ 207**	**10 years**	$ 1,435	$ (1,199)	$ 236
Customer relationships—Investment and Wealth Management	**697**	**(573)**	**124**	**9 years**	705	(564)	141
Other	**58**	**(18)**	**40**	**14 years**	59	(15)	44
Total subject to amortization	**1,815**	**(1,444)**	**371**	**10 years**	2,199	(1,778)	421
Not subject to amortization: *(b)*							
Tradename	**1,295**	**N/A**	**1,295**	**N/A**	1,295	N/A	1,295
Customer relationships	**1,298**	**N/A**	**1,298**	**N/A**	1,296	N/A	1,296
Total not subject to amortization	**2,593**	**N/A**	**2,593**	**N/A**	2,591	N/A	2,591
Total intangible assets	**$ 4,408**	**$ (1,444)**	**$ 2,964**	**N/A**	$ 4,790	$ (1,778)	$ 3,012

(a) Excludes fully amortized intangible assets.
(b) Intangible assets not subject to amortization have an indefinite life.
N/A – Not applicable.

Estimated annual amortization expense for current intangibles for the next five years is as follows:

For the year ended Dec. 31,	Estimated amortization expense *(in millions)*
2021	**$ 81**
2022	**63**
2023	**53**
2024	**45**
2025	**38**

Impairment testing

The goodwill impairment test is performed at least annually at the reporting unit level. Intangible assets not subject to amortization are tested for impairment annually or more often if events or circumstances indicate they may be impaired.

BNY Mellon's three business segments include six reporting units for which goodwill impairment testing is performed on an annual basis. The Investment Services segment is comprised of four reporting units and the Investment and Wealth Management segment is comprised of two reporting units. As a result of the annual goodwill impairment test of the six reporting units conducted in the second quarter of 2021, no goodwill impairment was recognized.

Note 6–Other assets

The following table provides the components of other assets presented on the consolidated balance sheet.

Other assets *(in millions)*	**June 30, 2021**	Dec. 31, 2020
Corporate/bank-owned life insurance	**$ 5,327**	$ 5,301
Accounts receivable	**4,693**	3,619
Fails to deliver	**3,911**	1,371
Software	**1,944**	1,884
Prepaid pension assets	**1,646**	1,556
Equity in a joint venture and other investments	**1,331**	1,259
Qualified affordable housing project investments	**1,096**	1,145
Renewable energy investments	**1,090**	1,206
Income taxes receivable	**738**	599
Assets of consolidated investment management funds	**561**	487
Prepaid expense	**561**	477
Federal Reserve Bank stock	**475**	479
Seed capital	**271**	215
Fair value of hedging derivatives	**77**	19
Other *(a)*	**1,612**	1,338
Total other assets	**$ 25,333**	$ 20,955

(a) At June 30, 2021 and Dec. 31, 2020, other assets include $7 million and $7 million, respectively, of Federal Home Loan Bank stock, at cost.

Non-readily marketable equity securities

Non-readily marketable equity securities do not have readily determinable fair values. These investments are valued using a measurement alternative where the

investments are carried at cost, less any impairment, and plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. The observable price changes are recorded in investment and other income on the consolidated income statement. Our non-readily marketable equity securities totaled $144 million at June 30, 2021 and $129 million at Dec. 31, 2020 and are included in equity in a joint venture and other investments in the table above.

The following table presents the adjustments on the non-readily marketable equity securities.

Adjustments on non-readily marketable equity securities

(in millions)	**2Q21**	1Q21	2Q20	**YTD21**	YTD20	Life-to-date
Upward adjustments	**$ 6**	$ —	$ 2	**$ 6**	$ 6	$ 59
Downward adjustments	**—**	—	—	**—**	—	(4)
Net adjustments	**$ 6**	$ —	$ 2	**$ 6**	$ 6	$ 55

Qualified affordable housing project investments

We invest in affordable housing projects primarily to satisfy the Company's requirements under the Community Reinvestment Act. Our total investment in qualified affordable housing projects totaled $1.1 billion at June 30, 2021 and Dec. 31, 2020. Commitments to fund future investments in qualified affordable housing projects totaled $450 million at June 30, 2021 and $514 million at Dec. 31, 2020 and are recorded in other liabilities on the consolidated balance sheet. A summary of the commitments to fund future investments is as follows: 2021 – $132 million; 2022 – $110 million; 2023 – $151 million; 2024 – $36 million; 2025 – $1 million; and 2026 and thereafter – $20 million.

Tax credits and other tax benefits recognized were $38 million in the second quarter of 2021, $38 million in the first quarter of 2021, $38 million in the second quarter of 2020, $76 million in the first six months of 2021 and $76 million in the first six months of 2020.

Amortization expense included in the provision for income taxes was $32 million in the second quarter of 2021, $32 million in the first quarter of 2021, $31 million in the second quarter of 2020, $64 million in the first six months of 2021 and $62 million in the first six months of 2020.

Investments valued using net asset value ("NAV") per share

In our Investment and Wealth Management business, we make seed capital investments in certain funds we manage. We also hold private equity investments, specifically small business investment companies ("SBICs"), which are compliant with the Volcker Rule, and certain other corporate investments. Seed capital, private equity and other corporate investments are included in other assets on the consolidated balance sheet. The fair value of certain of these investments was estimated using the NAV per share for our ownership interest in the funds.

The table below presents information on our investments valued using NAV.

Investments valued using NAV	**June 30, 2021**		Dec. 31, 2020	
(in millions)	Fair value	Unfunded commitments	Fair value	Unfunded commitments
Seed capital *(a)*	**$ 57**	**$ 17**	$ 52	$ 22
Private equity investments (SBICs) *(b)*	**110**	**57**	102	52
Other *(c)*	**46**	**—**	47	—
Total	**$ 213**	**$ 74**	$ 201	$ 74

(a) Primarily includes leveraged loans and structured credit funds, which are generally not redeemable. Distributions from such investments will be received as the underlying investments in the funds, which have lives of three to 11 years at both June 30, 2021 and Dec. 31, 2020, are liquidated.

(b) Private equity investments include Volcker Rule-compliant investments in SBICs that invest in various sectors of the economy. Private equity investments do not have redemption rights. Distributions from such investments will be received as the underlying investments in the private equity investments, which have a life of 10 years, are liquidated.

(c) Primarily includes investments in funds that relate to deferred compensation arrangements with employees. Investments in funds can be redeemed on a monthly to quarterly basis with redemption notice periods of up to 95 days.

Note 7–Contract revenue

Fee and other revenue in Investment Services and Investment and Wealth Management is primarily variable, based on levels of assets under custody and/or administration, assets under management and the level of client-driven transactions, as specified in fee schedules. See Note 10 of the Notes to Consolidated Financial Statements in our 2020 Annual Report for information on the nature of our services and revenue recognition. See Note 24 of the Notes to Consolidated Financial Statements in our 2020 Annual Report for additional information on our principal businesses, Investment Services and Investment and Wealth Management, and the primary services provided.

Disaggregation of contract revenue

Contract revenue is included in fee and other revenue on the consolidated income statement. The following table presents fee and other revenue, disaggregated by type, related to contracts with customers for each business segment. Business segment data has been determined on an internal management basis of accounting, rather than GAAP, which is used for consolidated financial reporting.

Disaggregation of contract revenue by business segment

	Quarter ended											
	June 30, 2021				March 31, 2021				June 30, 2020			
(in millions)	IS	IWM	Other	Total	IS	IWM	Other	Total	IS	IWM	Other	Total
Fee and other revenue – contract revenue:												
Investment services fees:												
Asset servicing fees	**$ 1,175**	**$ 24**	**$ (16)**	**$ 1,183**	$ 1,175	$ 25	$ (18)	$ 1,182	$ 1,147	$ 25	$ (15)	$ 1,157
Clearing services fees	**435**	**—**	**—**	**435**	455	—	—	455	431	—	—	431
Issuer services fees	**281**	**—**	**—**	**281**	245	—	—	245	277	—	—	277
Treasury services fees	**164**	**—**	**(1)**	**163**	159	—	1	160	144	—	1	145
Total investment services fees	**2,055**	**24**	**(17)**	**2,062**	2,034	25	(17)	2,042	1,999	25	(14)	2,010
Investment management and performance fees	**4**	**870**	**(4)**	**870**	4	883	(5)	882	4	792	(5)	791
Financing-related fees	**16**	**—**	**—**	**16**	20	—	—	20	23	1	—	24
Distribution and servicing	**—**	**28**	**(1)**	**27**	1	28	—	29	(7)	34	—	27
Investment and other income	**32**	**(7)**	**—**	**25**	36	(11)	—	25	62	(41)	3	24
Total fee and other revenue – contract revenue	**2,107**	**915**	**(22)**	**3,000**	2,095	925	(22)	2,998	2,081	811	(16)	2,876
Fee and other revenue – not in scope of Accounting Standards Codification ("ASC") 606 *(a)(b)*	**229**	**37**	**44**	**310**	250	18	(5)	263	258	27	54	339
Total fee and other revenue	**$ 2,336**	**$ 952**	**$ 22**	**$ 3,310**	$ 2,345	$ 943	$ (27)	$ 3,261	$ 2,339	$ 838	$ 38	$ 3,215

(a) Primarily includes asset servicing fees, foreign exchange revenue, financing-related fees, investment and other income (loss) and net securities gains (losses), all of which are accounted for using other accounting guidance.

(b) The revenue in the Investment and Wealth Management business segment is net of income (loss) attributable to noncontrolling interests related to consolidated investment management funds of $5 million in the second quarter of 2021 and first quarter of 2021 and $15 million in the second quarter of 2020.

IS – Investment Services business segment.

IWM – Investment and Wealth Management business segment.

Disaggregation of contract revenue by business segment

	Year-to-date							
	June 30, 2021				June 30, 2020			
(in millions)	IS	IWM	Other	Total	IS	IWM	Other	Total
Fee and other revenue – contract revenue:								
Investment services fees:								
Asset servicing fees	**$ 2,350**	**$ 49**	**$ (34)**	**$ 2,365**	$ 2,274	$ 48	$ (26)	$ 2,296
Clearing services fees	**890**	**—**	**—**	**890**	901	—	—	901
Issuer services fees	**526**	**—**	**—**	**526**	540	—	—	540
Treasury services fees	**323**	**—**	**—**	**323**	293	—	1	294
Total investment services fees	**4,089**	**49**	**(34)**	**4,104**	4,008	48	(25)	4,031
Investment management and performance fees	**8**	**1,753**	**(9)**	**1,752**	9	1,654	(9)	1,654
Financing-related fees	**36**	**—**	**—**	**36**	51	1	—	52
Distribution and servicing	**1**	**56**	**(1)**	**56**	(19)	77	—	58
Investment and other income	**68**	**(18)**	**—**	**50**	134	(91)	3	46
Total fee and other revenue – contract revenue	**4,202**	**1,840**	**(44)**	**5,998**	4,183	1,689	(31)	5,841
Fee and other revenue – not in scope of ASC 606 *(a)(b)*	**479**	**55**	**39**	**573**	592	(5)	99	686
Total fee and other revenue	**$ 4,681**	**$ 1,895**	**$ (5)**	**$ 6,571**	$ 4,775	$ 1,684	$ 68	$ 6,527

(a) Primarily includes asset servicing fees, foreign exchange revenue, financing-related fees, investment and other income (loss) and net securities gains (losses), all of which are accounted for using other accounting guidance.

(b) The revenue in the Investment and Wealth Management business segment is net of income (loss) attributable to noncontrolling interests related to consolidated investment management funds of $10 million in the first six months of 2021 and $(3) million in the first six months of 2020.

IS – Investment Services business segment.

IWM – Investment and Wealth Management business segment.

Contract balances

Our clients are billed based on fee schedules that are agreed upon in each customer contract. Receivables from customers were $2.7 billion at June 30, 2021 and $2.4 billion at Dec. 31, 2020.

Contract assets represent accrued revenues that have not yet been billed to the customers due to certain contractual terms other than the passage of time and were $113 million at June 30, 2021 and $32 million at Dec. 31, 2020. Accrued revenues recorded as contract assets are usually billed on an annual basis.

Both receivables from customers and contract assets are included in other assets on the consolidated balance sheet.

Contract liabilities represent payments received in advance of providing services under certain contracts and were $189 million at June 30, 2021 and $167 million at Dec. 31, 2020. Contract liabilities are included in other liabilities on the consolidated balance sheet. Revenue recognized in the second quarter of 2021 relating to contract liabilities as of March 31, 2021 was $67 million. Revenue recognized in the first six months of 2021 relating to contract liabilities as of Dec. 31, 2020 was $83 million.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

Contract costs

Incremental costs for obtaining contracts that are deemed recoverable are capitalized as contract costs. Such costs result from the payment of sales incentives, primarily in the Wealth Management business, and totaled $67 million at June 30, 2021 and $73 million at Dec. 31, 2020. Capitalized sales incentives are amortized based on the transfer of goods or services to which the assets relate and typically average nine years. The amortization of capitalized sales incentives, which is primarily included in staff expense on the consolidated income statement, totaled $5 million in the second quarter of 2021, second quarter of 2020 and first quarter of 2021 and $10 million in the first six months of 2021 and first six months of 2020.

Costs to fulfill a contract are capitalized when they relate directly to an existing contract or a specific anticipated contract, generate or enhance resources that will be used to fulfill performance obligations, and are recoverable. Such costs generally represent set-up costs, which include any direct cost incurred at the inception of a contract which enables the

fulfillment of the performance obligation, and totaled $18 million at June 30, 2021 and $15 million at Dec. 31, 2020. These capitalized costs are amortized on a straight-line basis over the expected contract period, which generally ranges from seven to nine years. The amortization is included in professional, legal and other purchased services and other expenses on the consolidated income statement and totaled less than $1 million in the second quarter of 2021, $2 million in the second quarter of 2020, less than $1 million in the first quarter of 2021, $1 million in the first six months of 2021 and $3 million in the first six months of 2020.

Unsatisfied performance obligations

We do not have any unsatisfied performance obligations other than those that are subject to a practical expedient election under ASC 606, *Revenue From Contracts With Customers*. The practical expedient election applies to (i) contracts with an original expected length of one year or less, and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Note 8–Net interest revenue

The following table provides the components of net interest revenue presented on the consolidated income statement.

Net interest revenue	Quarter ended			Year-to-date	
(in millions)	**June 30, 2021**	March 31, 2021	June 30, 2020	**June 30, 2021**	June 30, 2020
Interest revenue					
Deposits with the Federal Reserve and other central banks	**$ (25)**	$ (16)	$ (7)	**$ (41)**	$ 73
Deposits with banks	**11**	14	40	**25**	98
Federal funds sold and securities purchased under resale agreements	**25**	32	61	**57**	457
Margin loans	**49**	45	40	**94**	127
Non-margin loans	**188**	185	230	**373**	539
Securities:					
Taxable	**415**	450	556	**865**	1,150
Exempt from federal income taxes	**11**	9	6	**20**	12
Total securities	**426**	459	562	**885**	1,162
Trading securities	**11**	19	17	**30**	57
Total interest revenue	**685**	738	943	**1,423**	2,513
Interest expense					
Deposits	**(49)**	(37)	(17)	**(86)**	223
Federal funds purchased and securities sold under repurchase agreements	**(5)**	(3)	1	**(8)**	276
Trading liabilities	**2**	3	2	**5**	9
Other borrowed funds	**1**	2	7	**3**	11
Commercial paper	**—**	—	1	**—**	7
Customer payables	**—**	(1)	(1)	**(1)**	29
Long-term debt	**91**	119	170	**210**	364
Total interest expense	**40**	83	163	**123**	919
Net interest revenue	**645**	655	780	**1,300**	1,594
Provision for credit losses	**(86)**	(83)	143	**(169)**	312
Net interest revenue after provision for credit losses	**$ 731**	$ 738	$ 637	**$ 1,469**	$ 1,282

Note 9–Employee benefit plans

The components of net periodic benefit (credit) cost are presented below. The service cost component is reflected in staff expense, whereas the remaining components are reflected in other expense.

Net periodic benefit (credit) cost	Quarter ended								
	June 30, 2021			March 31, 2021			June 30, 2020		
(in millions)	Domestic pension benefits	Foreign pension benefits	Health care benefits	Domestic pension benefits	Foreign pension benefits	Health care benefits	Domestic pension benefits	Foreign pension benefits	Health care benefits
Service cost	**$ —**	**$ 3**	**$ —**	$ —	$ 4	$ —	$ —	$ 3	$ —
Interest cost	**34**	**7**	**1**	34	6	1	39	6	1
Expected return on assets	**(75)**	**(8)**	**(1)**	(75)	(9)	(2)	(79)	(9)	(2)
Other	**24**	**3**	**—**	25	4	—	21	3	—
Net periodic benefit (credit) cost	**$ (17)**	**$ 5**	**$ —**	$ (16)	$ 5	$ (1)	$ (19)	$ 3	$ (1)

Net periodic benefit (credit) cost	Year-to-date					
	June 30, 2021			June 30, 2020		
(in millions)	Domestic pension benefits	Foreign pension benefits	Health care benefits	Domestic pension benefits	Foreign pension benefits	Health care benefits
Service cost	**$ —**	**$ 7**	**$ —**	$ —	$ 6	$ —
Interest cost	**68**	**13**	**2**	78	13	2
Expected return on assets	**(150)**	**(17)**	**(3)**	(159)	(19)	(3)
Other	**49**	**7**	**—**	43	6	(1)
Net periodic benefit (credit) cost	**$ (33)**	**$ 10**	**$ (1)**	$ (38)	$ 6	$ (2)

Note 10–Income taxes

BNY Mellon recorded an income tax provision of $241 million (19.0% effective tax rate) in the second quarter of 2021, $216 million (18.3% effective tax rate) in the second quarter of 2020 and $221 million (19.2% effective tax rate) in the first quarter of 2021.

Our total tax reserves as of June 30, 2021 were $117 million compared with $119 million at Dec. 31, 2020. If these tax reserves were unnecessary, $117 million would affect the effective tax rate in future periods. We recognize accrued interest and penalties, if applicable, related to income taxes in income tax expense. Included in the balance sheet at June 30, 2021 is accrued interest, where applicable, of $31 million. The additional tax expense related to interest for the six months ended June 30, 2021 was $4 million, compared with $3 million for the six months ended June 30, 2020.

It is reasonably possible the total reserve for uncertain tax positions could decrease within the next 12 months by approximately $1 million as a result of adjustments related to tax years that are still subject to examination.

Our federal income tax returns are closed to examination through 2016. Our New York State income tax returns are closed to examination through 2014. Our New York City income tax returns are closed to examination through 2012. Our UK income tax returns are closed to examination through 2018.

Note 11–Variable interest entities and securitization

We have variable interests in variable interest entities (“VIEs”), which include investments in retail, institutional and alternative investment funds, including CLO structures in which we provide asset management services, some of which are consolidated.

We earn management fees from these funds as well as performance fees in certain funds and may also provide start-up capital for new funds. The funds are primarily financed by our customers’ investments in the funds’ equity or debt.

Additionally, we invest in qualified affordable housing and renewable energy projects, which are designed to generate a return primarily through the

realization of tax credits. The projects, which are structured as limited partnerships and limited liability companies, are also VIEs, but are not consolidated.

The following table presents the incremental assets and liabilities included in the consolidated balance sheet as of June 30, 2021 and Dec. 31, 2020. The net assets of any consolidated VIE are solely available to settle the liabilities of the VIE and to settle any investors' ownership liquidation requests, including any seed capital we invested in the VIE.

Consolidated investments	**June 30, 2021**			Dec. 31, 2020		
(in millions)	Investment Management funds	Securitization	Total consolidated investments	Investment Management funds	Securitization	Total consolidated investments
Trading assets	**$ 544**	**$ 400**	**$ 944**	$ 482	$ 400	$ 882
Other assets	**17**	**—**	**17**	5	—	5
Total assets	**$ 561** *(a)*	**$ 400**	**$ 961**	$ 487 *(b)*	$ 400	$ 887
Other liabilities	**$ 7**	**$ 400**	**$ 407**	$ 3	$ 400	$ 403
Total liabilities	**$ 7** *(a)*	**$ 400**	**$ 407**	$ 3 *(b)*	$ 400	$ 403
Nonredeemable noncontrolling interests	**$ 344** *(a)*	**$ —**	**$ 344**	$ 143 *(b)*	$ —	$ 143

(a) Includes voting model entities ("VMEs") with assets of $160 million, liabilities of $2 million and nonredeemable noncontrolling interests of $40 million.
(b) Includes VMEs with assets of $314 million, liabilities of $3 million and nonredeemable noncontrolling interests of $76 million.

We have not provided financial or other support that was not otherwise contractually required to be provided to our VIEs. Additionally, creditors of any consolidated VIEs do not have any recourse to the general credit of BNY Mellon.

Non-consolidated VIEs

As of June 30, 2021 and Dec. 31, 2020, the following assets and liabilities related to the VIEs where we are not the primary beneficiary were included in our consolidated balance sheets and primarily related to accounting for our investments in qualified affordable housing and renewable energy projects.

The maximum loss exposure indicated in the following table relates solely to our investments in, and unfunded commitments to, the VIEs.

Non-consolidated VIEs	**June 30, 2021**			Dec. 31, 2020		
(in millions)	Assets	Liabilities	Maximum loss exposure	Assets	Liabilities	Maximum loss exposure
Securities – Available-for-sale *(a)*	**$ 212**	**$ —**	**$ 212**	$ 217	$ —	$ 217
Other	**2,400**	**450**	**2,865**	2,565	514	3,096

(a) Includes investments in the Company's sponsored CLOs.

Note 12–Preferred stock

The Parent has 100 million authorized shares of preferred stock with a par value of $0.01 per share. The following table summarizes the Parent's preferred stock issued and outstanding at June 30, 2021 and Dec. 31, 2020.

Preferred stock summary *(a)*		Total shares issued and outstanding		Carrying value *(b)* *(in millions)*	
	Per annum dividend rate	**June 30, 2021**	Dec. 31, 2020	**June 30, 2021**	Dec. 31, 2020
Series A	Greater of (i) three-month LIBOR plus 0.565% for the related distribution period or (ii) 4.000%	**5,001**	5,001	**$ 500**	$ 500
Series D	4.500% to but excluding June 20, 2023, then a floating rate equal to the three-month LIBOR plus 2.46%	**5,000**	5,000	**494**	494
Series E	4.950% to but excluding June 20, 2020, then a floating rate equal to the three-month LIBOR plus 3.42%	**10,000**	10,000	**990**	990
Series F	4.625% to but excluding Sept. 20, 2026, then a floating rate equal to the three-month LIBOR plus 3.131%	**10,000**	10,000	**990**	990
Series G	4.700% to but excluding Sept. 20, 2025, then a floating rate equal to the five-year treasury rate plus 4.358%	**10,000**	10,000	**990**	990
Series H	3.700% to but excluding March 20, 2026, then a floating rate equal to the five-year treasury rate plus 3.352%	**5,825**	5,825	**577**	577
Total		**45,826**	45,826	**$ 4,541**	$ 4,541

(a) All outstanding preferred stock is noncumulative perpetual preferred stock with a liquidation preference of $100,000 per share.
(b) The carrying value of the Series D, Series E, Series F, Series G and Series H preferred stock is recorded net of issuance costs.

The table below presents the dividends paid on the Parent's preferred stock.

Preferred dividends paid											
(dollars in millions, except per share amounts)	Depositary shares per share	**2Q21**		1Q21		2Q20		**YTD21**		YTD20	
		Per share	Total dividend	Per share	Total dividend	Per share	Total dividend	Per share	Total dividend	Per share	Total dividend
Series A	100 *(a)*	**$ 1,011.11**	**$ 5**	$ 1,011.11	$ 5	$ 1,022.22	$ 5	**$ 2,022.22**	**$ 10**	$ 2,033.33	$ 10
Series C	4,000	**N/A**	**N/A**	N/A	N/A	1,300.00	8	**N/A**	**N/A**	2,600.00	16
Series D	100	**2,250.00**	**11**	N/A	—	2,250.00	11	**2,250.00**	**11**	2,250.00	11
Series E	100	**911.68**	**9**	924.82	9	2,475.00	25	**1,836.50**	**18**	2,475.00	25
Series F	100	**N/A**	**—**	2,315.50	23	N/A	—	**2,315.50**	**23**	2,312.50	23
Series G	100	**N/A**	**—**	2,350.00	24	N/A	—	**2,350.00**	**24**	N/A	—
Series H	100	**925.00**	**6**	1,408.06	8	N/A	N/A	**2,333.06**	**14**	N/A	N/A
Total			**$ 31**		$ 69		$ 49		**$ 100**		$ 85

(a) Represents Normal Preferred Capital Securities.
N/A – Not applicable.

In December 2020, all of the outstanding shares of the Series C preferred stock were redeemed.

All of the outstanding shares of the Series A preferred stock are owned by Mellon Capital IV, a 100% owned finance subsidiary of the Parent, which will pass through any dividend on the Series A preferred stock to the holders of its Normal Preferred Capital Securities. The Parent's obligations under the trust and other agreements relating to Mellon Capital IV have the effect of providing a full and unconditional guarantee, on a subordinated basis, of payments due on the Normal Preferred Capital Securities. No other subsidiary of the Parent guarantees the securities of Mellon Capital IV.

For additional information on the preferred stock, see Note 15 of the Notes to Consolidated Financial Statements in our 2020 Annual Report.

Note 13–Other comprehensive income (loss)

Components of other comprehensive income (loss)	Quarter ended								
	June 30, 2021			March 31, 2021			June 30, 2020		
(in millions)	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Foreign currency translation:									
Foreign currency translation adjustments arising during the period *(a)*	**$ 38**	**$ 13**	**$ 51**	$ (127)	$ (23)	$ (150)	$ 104	$ 11	$ 115
Total foreign currency translation	**38**	**13**	**51**	(127)	(23)	(150)	104	11	115
Unrealized gain (loss) on assets available-for-sale:									
Unrealized gain (loss) arising during period	**106**	**(29)**	**77**	(926)	223	(703)	989	(236)	753
Reclassification adjustment *(b)*	**(2)**	**1**	**(1)**	—	—	—	(9)	2	(7)
Net unrealized gain (loss) on assets available-for-sale	**104**	**(28)**	**76**	(926)	223	(703)	980	(234)	746
Defined benefit plans:									
Amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost *(b)*	**27**	**(2)**	**25**	28	(6)	22	24	(5)	19
Total defined benefit plans	**27**	**(2)**	**25**	28	(6)	22	24	(5)	19
Unrealized (loss) gain on cash flow hedges:									
Unrealized hedge gain arising during period	**—**	**—**	**—**	1	—	1	3	(1)	2
Reclassification of net loss (gain) to net income:									
FX contracts – staff expense	**(4)**	**1**	**(3)**	(5)	1	(4)	3	(1)	2
Total reclassifications to net income	**(4)**	**1**	**(3)**	(5)	1	(4)	3	(1)	2
Net unrealized (loss) gain on cash flow hedges	**(4)**	**1**	**(3)**	(4)	1	(3)	6	(2)	4
Total other comprehensive income (loss)	**$ 165**	**$ (16)**	**$ 149**	$ (1,029)	$ 195	$ (834)	$ 1,114	$ (230)	$ 884

(a) Includes the impact of hedges of net investments in foreign subsidiaries. See Note 16 for additional information.

(b) The reclassification adjustment related to the unrealized gain (loss) on assets available-for-sale is recorded as net securities gains on the consolidated income statement. The amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost is recorded as other expense on the consolidated income statement.

Components of other comprehensive income (loss)	Year-to-date					
	June 30, 2021			June 30, 2020		
(in millions)	Pre-tax amount	Tax (expense) benefit	After-tax amount	Pre-tax amount	Tax (expense) benefit	After-tax amount
Foreign currency translation:						
Foreign currency translation adjustments arising during the period *(a)*	**$ (89)**	**$ (10)**	**$ (99)**	$ (161)	$ (93)	$ (254)
Total foreign currency translation	**(89)**	**(10)**	**(99)**	(161)	(93)	(254)
Unrealized (loss) gain on assets available-for-sale:						
Unrealized (loss) gain arising during period	**(820)**	**194**	**(626)**	1,232	(296)	936
Reclassification adjustment *(b)*	**(2)**	**1**	**(1)**	(18)	4	(14)
Net unrealized (loss) gain on assets available-for-sale	**(822)**	**195**	**(627)**	1,214	(292)	922
Defined benefit plans:						
Amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost *(b)*	**55**	**(8)**	**47**	48	(11)	37
Total defined benefit plans	**55**	**(8)**	**47**	48	(11)	37
Unrealized gain (loss) on cash flow hedges:						
Unrealized hedge gain (loss) arising during period	**1**	**—**	**1**	(10)	2	(8)
Reclassification of net (gains) losses to net income:						
FX contracts – staff expense	**(9)**	**2**	**(7)**	2	(1)	1
Total reclassifications to net income	**(9)**	**2**	**(7)**	2	(1)	1
Net unrealized (loss) on cash flow hedges	**(8)**	**2**	**(6)**	(8)	1	(7)
Total other comprehensive (loss) income	**$ (864)**	**$ 179**	**$ (685)**	$ 1,093	$ (395)	$ 698

(a) Includes the impact of hedges of net investments in foreign subsidiaries. See Note 16 for additional information.

(b) The reclassification adjustment related to the unrealized gain (loss) on assets available-for-sale is recorded as net securities gains on the consolidated income statement. The amortization of prior service credit, net loss and initial obligation included in net periodic benefit cost is recorded as other expense on the consolidated income statement.

Note 14–Fair value measurement

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A three-level hierarchy for fair value measurements is utilized based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. BNY Mellon's own creditworthiness is considered when valuing liabilities. See Note 20 of the Notes to Consolidated Financial Statements in our 2020 Annual Report for information on how we determine fair value and the fair value hierarchy.

The following tables present the financial instruments carried at fair value at June 30, 2021 and Dec. 31, 2020, by caption on the consolidated balance sheet and by the three-level valuation hierarchy. We have included credit ratings information in certain of the tables because the information indicates the degree of credit risk to which we are exposed, and significant changes in ratings classifications could result in increased risk for us.

Assets measured at fair value on a recurring basis at June 30, 2021 *(dollars in millions)*	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Assets:					
Available-for-sale securities:					
U.S. Treasury	$ 25,437	$ —	$ —	$ —	$ 25,437
Agency RMBS	—	17,843	—	—	17,843
Sovereign debt/sovereign guaranteed	5,734	7,461	—	—	13,195
Supranational	—	8,095	—	—	8,095
Agency commercial MBS	—	7,854	—	—	7,854
Foreign covered bonds	—	6,793	—	—	6,793
CLOs	—	5,139	—	—	5,139
U.S. government agencies	—	3,350	—	—	3,350
Non-agency commercial MBS	—	3,280	—	—	3,280
Foreign government agencies	—	2,708	—	—	2,708
State and political subdivisions	—	2,606	—	—	2,606
Non-agency RMBS *(b)*	—	2,477	—	—	2,477
Other ABS	—	2,456	—	—	2,456
Corporate bonds	—	2,347	—	—	2,347
Other debt securities	—	1	—	—	1
Total available-for-sale securities	31,171	72,410	—	—	103,581
Trading assets:					
Debt instruments	1,752	1,449	—	—	3,201
Equity instruments *(c)*	7,542	—	—	—	7,542
Derivative assets not designated as hedging:					
Interest rate	4	3,670	—	(1,601)	2,073
Foreign exchange	—	6,774	—	(4,073)	2,701
Equity and other contracts	1	5	—	(3)	3
Total derivative assets not designated as hedging	5	10,449	—	(5,677)	4,777
Total trading assets	9,299	11,898	—	(5,677)	15,520
Other assets:					
Derivative assets designated as hedging:					
Foreign exchange	—	77	—	—	77
Total derivative assets designated as hedging	—	77	—	—	77
Other assets *(d)*	494	438	—	—	932
Total other assets	494	515	—	—	1,009
Assets measured at NAV *(d)*					213
Total assets	**$ 40,964**	**$ 84,823**	**$ —**	**$ (5,677)**	**$ 120,323**
Percentage of total assets prior to netting	33 %	67 %	— %		

Liabilities measured at fair value on a recurring basis at June 30, 2021 *(dollars in millions)*	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Liabilities:					
Trading liabilities:					
Debt instruments	$ 3,536	$ 39	$ —	$ —	$ 3,575
Equity instruments	121	—	—	—	121
Derivative liabilities not designated as hedging:					
Interest rate	2	3,162	—	(2,063)	1,101
Foreign exchange	—	6,175	—	(4,531)	1,644
Equity and other contracts	3	94	—	(87)	10
Total derivative liabilities not designated as hedging	5	9,431	—	(6,681)	2,755
Total trading liabilities	3,662	9,470	—	(6,681)	6,451
Long-term debt *(c)*	—	400	—	—	400
Other liabilities:					
Derivative liabilities designated as hedging:					
Interest rate	—	469	—	—	469
Foreign exchange	—	106	—	—	106
Total derivative liabilities designated as hedging	—	575	—	—	575
Other liabilities	1	6	—	—	7
Total other liabilities	1	581	—	—	582
Total liabilities	**$ 3,663**	**$ 10,451**	**$ —**	**$ (6,681)**	**$ 7,433**
Percentage of total liabilities prior to netting	26 %	74 %	— %		

(a) ASC 815, Derivatives and Hedging, permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral. Netting is applicable to derivatives not designated as hedging instruments included in trading assets or trading liabilities and derivatives designated as hedging instruments included in other assets or other liabilities. Netting is allocated to the derivative products based on the net fair value of each product.

(b) Includes $416 million in Level 2 that was included in the former Grantor Trust.

(c) Includes certain interests in securitizations.

(d) Includes seed capital, private equity investments and other assets.

Assets measured at fair value on a recurring basis at Dec. 31, 2020 *(dollars in millions)*	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Assets:					
Available-for-sale securities:					
U.S. Treasury	$ 24,894	$ —	$ —	$ —	$ 24,894
Agency RMBS	—	22,347	—	—	22,347
Sovereign debt/sovereign guaranteed	5,909	6,482	—	—	12,391
Agency commercial MBS	—	9,228	—	—	9,228
Supranational	—	7,160	—	—	7,160
Foreign covered bonds	—	6,725	—	—	6,725
CLOs	—	4,703	—	—	4,703
Foreign government agencies	—	4,135	—	—	4,135
U.S. government agencies	—	3,853	—	—	3,853
Other ABS	—	3,164	—	—	3,164
Non-agency commercial MBS	—	3,017	—	—	3,017
Non-agency RMBS *(b)*	—	2,326	—	—	2,326
State and political subdivisions	—	2,308	—	—	2,308
Corporate bonds	—	1,994	—	—	1,994
Commercial paper/CDs	—	249	—	—	249
Other debt securities	—	1	—	—	1
Total available-for-sale securities	30,803	77,692	—	—	108,495
Trading assets:					
Debt instruments	1,803	3,868	—	—	5,671
Equity instruments *(c)*	5,775	—	—	—	5,775
Derivative assets not designated as hedging:					
Interest rate	5	4,477	—	(1,952)	2,530
Foreign exchange	—	7,688	—	(6,392)	1,296
Equity and other contracts	—	2	—	(2)	—
Total derivative assets not designated as hedging	5	12,167	—	(8,346)	3,826
Total trading assets	7,583	16,035	—	(8,346)	15,272
Other assets:					
Derivative assets designated as hedging:					
Foreign exchange	—	19	—	—	19
Total derivative assets designated as hedging	—	19	—	—	19
Other assets *(d)*	504	285	—	—	789
Total other assets	504	304	—	—	808
Assets measured at NAV *(d)*					201
Total assets	$ 38,890	$ 94,031	$ —	$ (8,346)	$ 124,776
Percentage of total assets prior to netting	29 %	71 %	— %		

Liabilities measured at fair value on a recurring basis at Dec. 31, 2020 *(dollars in millions)*	Level 1	Level 2	Level 3	Netting *(a)*	Total carrying value
Liabilities:					
Trading liabilities:					
Debt instruments	$ 2,287	$ 35	$ —	$ —	$ 2,322
Equity instruments	11	—	—	—	11
Derivative liabilities not designated as hedging:					
Interest rate	2	3,878	—	(2,348)	1,532
Foreign exchange	—	7,622	—	(5,484)	2,138
Equity and other contracts	7	34	—	(13)	28
Total derivative liabilities not designated as hedging	9	11,534	—	(7,845)	3,698
Total trading liabilities	2,307	11,569	—	(7,845)	6,031
Long-term debt *(c)*	—	400	—	—	400
Other liabilities:					
Derivative liabilities designated as hedging:					
Interest rate	—	666	—	—	666
Foreign exchange	—	441	—	—	441
Total derivative liabilities designated as hedging	—	1,107	—	—	1,107
Other liabilities	1	2	—	—	3
Total other liabilities	1	1,109	—	—	1,110
Total liabilities	$ 2,308	$ 13,078	$ —	$ (7,845)	$ 7,541
Percentage of total liabilities prior to netting	15 %	85 %	— %		

(a) ASC 815, Derivatives and Hedging, permits the netting of derivative receivables and derivative payables under legally enforceable master netting agreements and permits the netting of cash collateral. Netting is applicable to derivatives not designated as hedging instruments included in trading assets or trading liabilities and derivatives designated as hedging instruments included in other assets or other liabilities. Netting is allocated to the derivative products based on the net fair value of each product.

(b) Includes $487 million in Level 2 that was included in the former Grantor Trust.

(c) Includes certain interests in securitizations.

(d) Includes seed capital, private equity investments and other assets.

Details of certain available-for-sale securities measured at fair value on a recurring basis	June 30, 2021					Dec. 31, 2020				
		Ratings *(a)*					Ratings *(a)*			
(dollars in millions)	Total carrying value *(b)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower	Total carrying value *(b)*	AAA/ AA-	A+/ A-	BBB+/ BBB-	BB+ and lower
Non-agency RMBS *(c)*, originated in:										
2008-2021	**$ 1,828**	**100 %**	**— %**	**— %**	**— %**	$ 1,548	100 %	— %	— %	— %
2007	**135**	**—**	**4**	**—**	**96**	179	12	3	—	85
2006	**207**	**—**	**24**	**—**	**76**	237	—	23	—	77
2005	**193**	**3**	**6**	**1**	**90**	227	3	—	7	90
2004 and earlier	**114**	**18**	**9**	**5**	**68**	135	19	10	11	60
Total non-agency RMBS	**$ 2,477**	**75 %**	**3 %**	**— %**	**22 %**	$ 2,326	69 %	3 %	1 %	27 %
Non-agency commercial MBS originated in:										
2009-2021	**$ 3,280**	**99 %**	**1 %**	**— %**	**— %**	$ 3,017	99 %	1 %	— %	— %
Foreign covered bonds:										
Canada	**$ 2,294**	**100 %**	**— %**	**— %**	**— %**	$ 2,552	100 %	— %	— %	— %
UK	**1,313**	**100**	**—**	**—**	**—**	1,259	100	—	—	—
Australia	**866**	**100**	**—**	**—**	**—**	951	100	—	—	—
Norway	**719**	**100**	**—**	**—**	**—**	703	100	—	—	—
Germany	**625**	**100**	**—**	**—**	**—**	494	100	—	—	—
Other	**976**	**100**	**—**	**—**	**—**	766	100	—	—	—
Total foreign covered bonds	**$ 6,793**	**100 %**	**— %**	**— %**	**— %**	$ 6,725	100 %	— %	— %	— %
Sovereign debt/sovereign guaranteed:										
Germany	**$ 3,429**	**100 %**	**— %**	**— %**	**— %**	$ 2,222	100 %	— %	— %	— %
France	**1,898**	**100**	**—**	**—**	**—**	1,697	100	—	—	—
Italy	**1,724**	**—**	**—**	**100**	**—**	2,010	—	—	100	—
Singapore	**1,209**	**100**	**—**	**—**	**—**	984	100	—	—	—
Spain	**1,081**	**—**	**9**	**91**	**—**	1,920	—	5	95	—
UK	**1,041**	**100**	**—**	**—**	**—**	1,089	100	—	—	—
Canada	**662**	**100**	**—**	**—**	**—**	572	100	—	—	—
Hong Kong	**472**	**100**	**—**	**—**	**—**	29	100	—	—	—
Japan	**399**	**—**	**100**	**—**	**—**	408	—	100	—	—
Netherlands	**350**	**100**	**—**	**—**	**—**	491	100	—	—	—
Austria	**293**	**100**	**—**	**—**	**—**	256	100	—	—	—
Ireland	**241**	**—**	**100**	**—**	**—**	252	—	100	—	—
Other *(d)*	**396**	**67**	**—**	**—**	**33**	461	73	—	—	27
Total sovereign debt/sovereign guaranteed	**$ 13,195**	**73 %**	**6 %**	**20 %**	**1 %**	$ 12,391	62 %	6 %	31 %	1 %
Foreign government agencies:										
Netherlands	**$ 916**	**100 %**	**— %**	**— %**	**— %**	$ 847	100 %	— %	— %	— %
Canada	**543**	**77**	**23**	**—**	**—**	511	75	25	—	—
France	**283**	**100**	**—**	**—**	**—**	305	100	—	—	—
Sweden	**276**	**100**	**—**	**—**	**—**	281	100	—	—	—
Norway	**251**	**100**	**—**	**—**	**—**	273	100	—	—	—
Finland	**196**	**100**	**—**	**—**	**—**	225	100	—	—	—
Germany	**30**	**100**	**—**	**—**	**—**	1,473	100	—	—	—
Other	**213**	**54**	**46**	**—**	**—**	220	55	45	—	—
Total foreign government agencies	**$ 2,708**	**92 %**	**8 %**	**— %**	**— %**	$ 4,135	95 %	5 %	— %	— %

(a) Represents ratings by S&P or the equivalent.

(b) At June 30, 2021 and Dec. 31, 2020, sovereign debt/sovereign guaranteed securities were included in Level 1 and Level 2 in the valuation hierarchy. All other assets in the table are Level 2 assets in the valuation hierarchy.

(c) Includes $416 million at June 30, 2021 and $487 million at Dec. 31, 2020 that were included in the former Grantor Trust.

(d) Includes non-investment grade sovereign debt/sovereign guaranteed securities related to Brazil of $129 million at June 30, 2021 and $125 million at Dec. 31, 2020.

Assets and liabilities measured at fair value on a nonrecurring basis

Under certain circumstances, we make adjustments to the fair value of our assets, liabilities and unfunded lending-related commitments, although they are not measured at fair value on an ongoing basis. Examples would be the recording of an impairment of an asset and non-readily marketable equity securities carried at cost with upward or downward adjustments.

The following table presents the financial instruments carried on the consolidated balance sheet by caption and level in the fair value hierarchy as of June 30, 2021 and Dec. 31, 2020.

Assets measured at fair value on a nonrecurring basis	**June 30, 2021**				Dec. 31, 2020			
(in millions)	Level 1	Level 2	Level 3	Total carrying value	Level 1	Level 2	Level 3	Total carrying value
Loans *(a)*	**$ — $**	**45 $**	**— $**	**45**	$ — $	48 $	— $	48
Other assets *(b)*	**—**	**145**	**—**	**145**	—	131	—	131
Total assets at fair value on a nonrecurring basis	**$ — $**	**190 $**	**— $**	**190**	$ — $	179 $	— $	179

(a) The fair value of these loans decreased less than $1 million in both the second quarter of 2021 and the fourth quarter of 2020, based on the fair value of the underlying collateral, as required by guidance in ASC 326, Financial Instruments – Credit Losses, with an offset to the allowance for credit losses.
(b) Includes non-readily marketable equity securities carried at cost with upward or downward adjustments and other assets received in satisfaction of debt.

Estimated fair value of financial instruments

The following tables present the estimated fair value and the carrying amount of financial instruments not carried at fair value on the consolidated balance sheet at June 30, 2021 and Dec. 31, 2020, by caption on the consolidated balance sheet and by the valuation hierarchy.

Summary of financial instruments	**June 30, 2021**				
(in millions)	Level 1	Level 2	Level 3	Total estimated fair value	Carrying amount
Assets:					
Interest-bearing deposits with the Federal Reserve and other central banks	$ — $	126,355 $	— $	126,355 $	126,355
Interest-bearing deposits with banks	—	21,275	—	21,275	21,270
Federal funds sold and securities purchased under resale agreements	—	29,762	—	29,762	29,762
Securities held-to-maturity	10,475	42,444	—	52,919	52,325
Loans *(a)*	—	62,517	—	62,517	62,355
Other financial assets	5,154	1,149	—	6,303	6,303
Total	**$ 15,629 $**	**283,502 $**	**— $**	**299,131 $**	**298,370**
Liabilities:					
Noninterest-bearing deposits	$ — $	94,081 $	— $	94,081 $	94,081
Interest-bearing deposits	—	243,703	—	243,703	244,589
Federal funds purchased and securities sold under repurchase agreements	—	12,425	—	12,425	12,425
Payables to customers and broker-dealers	—	23,704	—	23,704	23,704
Borrowings	—	642	—	642	642
Long-term debt	—	26,463	—	26,463	25,229
Total	**$ — $**	**401,018 $**	**— $**	**401,018 $**	**400,670**

(a) Does not include the leasing portfolio.

Summary of financial instruments	Dec. 31, 2020				
(in millions)	Level 1	Level 2	Level 3	Total estimated fair value	Carrying amount
Assets:					
Interest-bearing deposits with the Federal Reserve and other central banks	$ —	$ 141,775	$ —	$ 141,775	$ 141,775
Interest-bearing deposits with banks	—	17,310	—	17,310	17,300
Federal funds sold and securities purchased under resale agreements	—	30,907	—	30,907	30,907
Securities held-to-maturity	4,120	45,104	—	49,224	47,946
Loans *(a)*	—	53,586	—	53,586	55,121
Other financial assets	6,252	1,160	—	7,412	7,412
Total	$ 10,372	$ 289,842	$ —	$ 300,214	$ 300,461
Liabilities:					
Noninterest-bearing deposits	$ —	$ 83,854	$ —	$ 83,854	$ 83,854
Interest-bearing deposits	—	257,287	—	257,287	257,691
Federal funds purchased and securities sold under repurchase agreements	—	11,305	—	11,305	11,305
Payables to customers and broker-dealers	—	25,085	—	25,085	25,085
Borrowings	—	563	—	563	563
Long-term debt	—	27,306	—	27,306	25,584
Total	$ —	$ 405,400	$ —	$ 405,400	$ 404,082

(a) Does not include the leasing portfolio.

Note 15–Fair value option

We elected fair value as an alternative measurement for selected financial assets and liabilities that are not otherwise required to be measured at fair value, including the assets and liabilities of consolidated investment management funds and certain long-term debt. The following table presents the assets and liabilities of consolidated investment management funds, at fair value.

Assets and liabilities of consolidated investment management funds, at fair value		
(in millions)	**June 30, 2021**	Dec. 31, 2020
Assets of consolidated investment management funds:		
Trading assets	**$ 544**	$ 482
Other assets	**17**	5
Total assets of consolidated investment management funds	**$ 561**	$ 487
Liabilities of consolidated investment management funds:		
Other liabilities	**7**	3
Total liabilities of consolidated investment management funds	**$ 7**	$ 3

BNY Mellon values the assets and liabilities of its consolidated investment management funds using quoted prices for identical assets or liabilities in active markets or observable inputs such as quoted prices for similar assets or liabilities. Quoted prices for either identical or similar assets or liabilities in inactive markets may also be used. Accordingly, fair value best reflects the interests BNY Mellon holds in the economic performance of the consolidated investment management funds. Changes in the value of the assets and liabilities are recorded as income (loss) from consolidated investment management funds, which is included in investment and other income in the consolidated income statement.

We have elected the fair value option on $240 million of long-term debt. The fair value of this long-term debt was $400 million at June 30, 2021 and $400 million at Dec. 31, 2020. The long-term debt is valued using observable market inputs and is included in Level 2 of the valuation hierarchy.

The following table presents the changes in fair value of long-term debt recorded in other trading revenue which is included in investment and other income in the consolidated income statement.

Change in fair value of long-term debt *(a)*					
(in millions)	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Investment and other income – other trading revenue	**$ —**	$ —	$ (2)	**$ —**	$ (12)

(a) The changes in fair value are approximately offset by an economic hedge included in other trading revenue.

Note 16–Derivative instruments

We use derivatives to manage exposure to market risk, including interest rate risk, equity price risk and foreign currency risk, as well as credit risk. Our trading activities are focused on acting as a market-maker for our customers and facilitating customer trades in compliance with the Volcker Rule.

The notional amounts for derivative financial instruments express the dollar volume of the transactions; however, credit risk is much smaller. We perform credit reviews and enter into netting agreements and collateral arrangements to minimize the credit risk of derivative financial instruments. We enter into offsetting positions to reduce exposure to foreign currency, interest rate and equity price risk.

Use of derivative financial instruments involves reliance on counterparties. Failure of a counterparty to honor its obligation under a derivative contract is a risk we assume whenever we engage in a derivative contract. There were no counterparty default losses recorded in the second quarter of 2021.

Hedging derivatives

We utilize interest rate swap agreements to manage our exposure to interest rate fluctuations. We enter into fair value hedges as an interest rate risk management strategy to reduce fair value variability by converting certain fixed rate interest payments associated with available-for-sale securities and long-term debt to floating interest rates. We also utilize interest rate swaps and forward exchange contracts as cash flow hedges to manage our exposure to interest rate and foreign exchange rate changes.

The available-for-sale securities hedged consist of U.S. Treasury, agency and non-agency commercial MBS, sovereign debt/sovereign guaranteed, corporate bonds and foreign covered bonds. At June 30, 2021, $24.4 billion par value of available-for-sale securities were hedged with interest rate swaps designated as fair value hedges that had notional values of $24.4 billion.

The fixed rate long-term debt instruments hedged generally have original maturities of five to 30 years. In fair value hedging relationships, fixed rate debt is hedged with “receive fixed rate, pay variable rate” swaps. At June 30, 2021, $22.6 billion par value of debt was hedged with interest rate swaps designated as fair value hedges that had notional values of $22.6 billion.

In addition, we utilize forward foreign exchange contracts as hedges to mitigate foreign exchange exposures. We use forward foreign exchange contracts as cash flow hedges to convert certain forecasted non-U.S. dollar revenue and expenses into U.S. dollars. We use forward foreign exchange contracts with maturities of 15 months or less as cash flow hedges to hedge our foreign exchange exposure to currencies such as Indian rupee, British pound, Hong Kong dollar, Polish zloty, Singapore dollar and euro used in revenue and expense transactions for entities that have the U.S. dollar as their functional currency. As of June 30, 2021, the hedged forecasted foreign currency transactions and designated forward foreign exchange contract hedges were $360 million (notional), with a net pre-tax gain of $2 million recorded in accumulated OCI. Over the next 12 months, a gain of $3 million will be reclassified to earnings.

We also utilize forward foreign exchange contracts as fair value hedges of the foreign exchange risk associated with available-for-sale securities. Forward points are designated as an excluded component and amortized into earnings over the hedge period. The unamortized derivative value associated with the excluded component is recognized in accumulated OCI. At June 30, 2021, $147 million par value of available-for-sale securities was hedged with foreign currency forward contracts that had a notional value of $147 million.

Forward foreign exchange contracts are also used to hedge the value of our net investments in foreign subsidiaries. These forward foreign exchange contracts have maturities of less than one year. The derivatives employed are designated as hedges of changes in value of our foreign investments due to exchange rates. The change in fair market value of these forward foreign exchange contracts is reported within foreign currency translation adjustments in shareholders’ equity, net of tax. At June 30, 2021, forward foreign exchange contracts with notional amounts totaling $8.4 billion were designated as net investment hedges.

In addition to forward foreign exchange contracts, we also designate non-derivative financial instruments as hedges of our net investments in foreign subsidiaries. Those non-derivative financial instruments

designated as hedges of our net investments in foreign subsidiaries were all long-term liabilities of BNY Mellon and, at June 30, 2021, had a combined U.S. dollar equivalent carrying value of $181 million.

The following table presents the pre-tax gains (losses) related to our fair value and cash flow hedging activities recognized in the consolidated income statement.

Income statement impact of fair value and cash flow hedges						
(in millions)	Location of gains (losses)	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Interest rate fair value hedges of available-for-sale securities						
Derivative	Interest revenue	**$ (325)**	$ 791	$ 19	**$ 466**	$ (1,014)
Hedged item	Interest revenue	**322**	(785)	(15)	**(463)**	996
Interest rate fair value hedges of long-term debt						
Derivative	Interest expense	**22**	(353)	47	**(331)**	761
Hedged item	Interest expense	**(21)**	351	(49)	**330**	(757)
Foreign exchange fair value hedges of available-for-sale securities						
Derivative *(a)*	Foreign exchange revenue	**(1)**	8	(5)	**7**	(12)
Hedged item	Foreign exchange revenue	**1**	(7)	5	**(6)**	12
Cash flow hedges of forecasted FX exposures						
Gain (loss) reclassified from OCI into income	Staff expense	**4**	5	(3)	**9**	(2)
Gain (loss) recognized in the consolidated income statement due to fair value and cash flow hedging relationships		**$ 2**	$ 10	$ (1)	**$ 12**	$ (16)

(a) Includes gains of less than $1 million in the second quarter of 2021, first quarter of 2021, second quarter of 2020, first six months of 2021 and first six months of 2020 associated with the amortization of the excluded component. At June 30, 2021 and Dec. 31, 2020, the remaining accumulated OCI balance associated with the excluded component was de minimis.

The following table presents the impact of hedging derivatives used in net investment hedging relationships.

Impact of derivative instruments used in net investment hedging relationships												
(in millions)												
	Gain or (loss) recognized in accumulated OCI on derivatives							Gain or (loss) reclassified from accumulated OCI into income				
Derivatives in net investment hedging relationships	**2Q21**	1Q21	2Q20	**YTD21**	YTD20	Location of gain or (loss) reclassified from accumulated OCI into income	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
FX contracts	**$ (62)**	$ 82	$ (45)	**$ 20**	$ 392	Net interest revenue	**$ —**	$ —	$ —	**$ —**	$ —

The following table presents information on the hedged items in fair value hedging relationships.

Hedged items in fair value hedging relationships	Carrying amount of hedged asset or liability		Hedge accounting basis adjustment increase (decrease) *(a)*	
(in millions)	**June 30, 2021**	Dec. 31, 2020	**June 30, 2021**	Dec. 31, 2020
Available-for-sale securities *(b)(c)*	**$ 24,330**	$ 17,536	**$ 927**	$ 1,428
Long-term debt	**$ 23,159**	$ 14,784	**$ 482**	$ 783

(a) Includes $159 million and $177 million of basis adjustment increases on discontinued hedges associated with available-for-sale securities at June 30, 2021 and Dec. 31, 2020, respectively, and $89 million and $118 million of basis adjustment decreases on discontinued hedges associated with long-term debt at June 30, 2021 and Dec. 31, 2020, respectively.

(b) Excludes hedged items where only foreign currency risk is the designated hedged risk, as the basis adjustments related to foreign currency hedges will not reverse through the consolidated income statement in future periods. The carrying amount excluded for available-for-sale securities was $147 million at June 30, 2021 and $148 million at Dec. 31, 2020.

(c) Carrying amount represents the amortized cost.

The following table summarizes the notional amount and carrying values of our total derivative portfolio.

Impact of derivative instruments on the balance sheet	Notional value		Asset derivatives fair value		Liability derivatives fair value	
(in millions)	**June 30, 2021**	Dec. 31, 2020	**June 30, 2021**	Dec. 31, 2020	**June 30, 2021**	Dec. 31, 2020
Derivatives designated as hedging instruments: *(a)(b)*						
Interest rate contracts	**$ 46,961**	$ 31,360	**$ —**	$ —	**$ 469**	$ 666
Foreign exchange contracts	**8,916**	8,706	**77**	19	**106**	441
Total derivatives designated as hedging instruments			**$ 77**	$ 19	**$ 575**	$ 1,107
Derivatives not designated as hedging instruments: *(b)(c)*						
Interest rate contracts	**$ 231,744**	$ 198,865	**$ 3,674**	$ 4,482	**$ 3,164**	$ 3,880
Foreign exchange contracts	**852,013**	813,003	**6,774**	7,688	**6,175**	7,622
Equity contracts	**6,998**	5,142	**6**	2	**93**	37
Credit contracts	**165**	165	**—**	—	**4**	4
Total derivatives not designated as hedging instruments			**$ 10,454**	$ 12,172	**$ 9,436**	$ 11,543
Total derivatives fair value *(d)*			**$ 10,531**	$ 12,191	**$ 10,011**	$ 12,650
Effect of master netting agreements *(e)*			**(5,677)**	(8,346)	**(6,681)**	(7,845)
Fair value after effect of master netting agreements			**$ 4,854**	$ 3,845	**$ 3,330**	$ 4,805

(a) The fair value of asset derivatives and liability derivatives designated as hedging instruments is recorded as other assets and other liabilities, respectively, on the consolidated balance sheet.

(b) For derivative transactions settled at clearing organizations, cash collateral exchanged is deemed a settlement of the derivative each day. The settlement reduces the gross fair value of derivative assets and liabilities and results in a corresponding decrease in the effect of master netting agreements, with no impact to the consolidated balance sheet.

(c) The fair value of asset derivatives and liability derivatives not designated as hedging instruments is recorded as trading assets and trading liabilities, respectively, on the consolidated balance sheet.

(d) Fair values are on a gross basis, before consideration of master netting agreements, as required by ASC 815, Derivatives and Hedging.

(e) Effect of master netting agreements includes cash collateral received and paid of $1,022 million and $2,026 million, respectively, at June 30, 2021, and $1,552 million and $1,051 million, respectively, at Dec. 31, 2020.

Trading activities (including trading derivatives)

Our trading activities are focused on acting as a market-maker for our customers, facilitating customer trades and risk-mitigating economic hedging in compliance with the Volcker Rule. The change in the fair value of the derivatives utilized in our trading activities is recorded in foreign exchange revenue and investment and other income on the consolidated income statement.

The following table presents our foreign exchange revenue and other trading revenue.

Foreign exchange revenue and other trading revenue *(in millions)*	**2Q21**	1Q21	2Q20	**YTD21**	YTD20
Foreign exchange revenue	**$ 184**	$ 231	$ 193 *(a)*	**$ 415**	$ 438 *(a)*
Other trading (loss) revenue	**(1)**	(7)	(8) *(a)*	**(8)**	58 *(a)*

(a) In the first quarter of 2021, we reclassified certain items within total revenue on the consolidated income statement and reclassified prior periods to be comparable with the current period presentation. See Note 1 for additional information.

Foreign exchange revenue includes income from purchasing and selling foreign currencies, currency forwards, futures and options as well as foreign currency remeasurement. Other trading revenue reflects results from trading in cash instruments, including fixed income and equity securities, and trading and economic hedging activity with non-foreign exchange derivatives.

We also use derivative financial instruments as risk-mitigating economic hedges, which are not formally designated as accounting hedges. This includes hedging the foreign currency, interest rate or market risks inherent in some of our balance sheet exposures, such as seed capital investments and deposits, as well as certain investment management fee revenue streams. We also use total return swaps to economically hedge obligations arising from the Company's deferred compensation plan whereby the participants defer compensation and earn a return linked to the performance of investments they select. The gains or losses on these total return swaps are recorded in staff expense on the consolidated income statement and were gains of $13 million in the second quarter of 2021, $28 million in the second quarter of 2020, $10 million in the first quarter of 2021 and $23

million in the first six months of 2021 and a loss of $13 million in the first six months of 2020.

We manage trading risk through a system of position limits, a value-at-risk ("VaR") methodology based on historical simulation and other market sensitivity measures. Risk is monitored and reported to senior management by a separate unit, independent from trading, on a daily basis. Based on certain assumptions, the VaR methodology is designed to capture the potential overnight pre-tax dollar loss from adverse changes in fair values of all trading positions. The calculation assumes a one-day holding period, utilizes a 99% confidence level and incorporates non-linear product characteristics. The VaR model is one of several statistical models used to develop economic capital results, which are allocated to lines of business for computing risk-adjusted performance.

VaR methodology does not evaluate risk attributable to extraordinary financial, economic or other occurrences. As a result, the risk assessment process includes a number of stress scenarios based upon the risk factors in the portfolio and management's assessment of market conditions. Additional stress scenarios based upon historical market events are also performed. Stress tests may incorporate the impact of reduced market liquidity and the breakdown of historically observed correlations and extreme scenarios. VaR and other statistical measures, stress testing and sensitivity analysis are incorporated into other risk management materials.

Counterparty credit risk and collateral

We assess the credit risk of our counterparties through regular examination of their financial statements, confidential communication with the management of those counterparties and regular monitoring of publicly available credit rating information. This and other information is used to develop proprietary credit rating metrics used to assess credit quality.

Collateral requirements are determined after a comprehensive review of the credit quality of each counterparty. Collateral is generally held or pledged in the form of cash and/or highly liquid government securities. Collateral requirements are monitored and adjusted daily.

Additional disclosures concerning derivative financial instruments are provided in Note 14.

Disclosure of contingent features in over-the-counter ("OTC") derivative instruments

Certain OTC derivative contracts and/or collateral agreements contain credit risk-contingent features triggered upon a rating downgrade in which the counterparty has the right to request additional collateral or the right to terminate the contracts in a net liability position.

The following table shows the aggregate fair value of OTC derivative contracts in net liability positions that contained credit risk-contingent features and the value of collateral that has been posted.

(in millions)	**June 30, 2021**	Dec. 31, 2020
Aggregate fair value of OTC derivatives in net liability positions *(a)*	**$ 5,244**	$ 5,235
Collateral posted	**$ 5,711**	$ 5,568

(a) Before consideration of cash collateral.

The aggregate fair value of OTC derivative contracts containing credit risk-contingent features can fluctuate from quarter to quarter due to changes in market conditions, composition of counterparty trades, new business or changes to the contingent features.

The Bank of New York Mellon, our largest banking subsidiary, enters into the substantial majority of our OTC derivative contracts and/or collateral agreements. As such, the contingent features may be triggered if The Bank of New York Mellon's long-term issuer rating were downgraded.

The following table shows the fair value of contracts falling under early termination provisions that were in net liability positions for three key ratings triggers.

Potential close-out exposures (fair value) *(a)*

(in millions)	**June 30, 2021**	Dec. 31, 2020
If The Bank of New York Mellon's rating changed to: *(b)*		
A3/A-	**$ 56**	$ 79
Baa2/BBB	**$ 507**	$ 813
Ba1/BB+	**$ 3,102**	$ 2,859

(a) The amounts represent potential total close-out values if The Bank of New York Mellon's long-term issuer rating were to immediately drop to the indicated levels, and do not reflect collateral posted.

(b) Represents ratings by Moody's/S&P.

If The Bank of New York Mellon's debt rating had fallen below investment grade on June 30, 2021 and Dec. 31, 2020, existing collateral arrangements would have required us to post additional collateral of $43 million and $41 million, respectively.

Offsetting assets and liabilities

The following tables present derivative and financial instruments and their related offsets. There were no derivative instruments or financial instruments subject to a legally enforceable netting agreement for which we are not currently netting.

Offsetting of derivative assets and financial assets at June 30, 2021

(in millions)	Gross assets recognized	Gross amounts offset in the balance sheet	*(a)*	Net assets recognized in the balance sheet	Gross amounts not offset in the balance sheet: Financial instruments	Gross amounts not offset in the balance sheet: Cash collateral received	Net amount
Derivatives subject to netting arrangements:							
Interest rate contracts	$ 2,412	$ 1,601		$ 811	$ 239	$ —	$ 572
Foreign exchange contracts	6,186	4,073		2,113	107	—	2,006
Equity and other contracts	7	3		4	—	—	4
Total derivatives subject to netting arrangements	8,605	5,677		2,928	346	—	2,582
Total derivatives not subject to netting arrangements	1,926	—		1,926	—	—	1,926
Total derivatives	10,531	5,677		4,854	346	—	4,508
Reverse repurchase agreements	59,689	41,122	*(b)*	18,567	18,555	—	12
Securities borrowing	11,195	—		11,195	10,344	—	851
Total	**$ 81,415**	**$ 46,799**		**$ 34,616**	**$ 29,245**	**$ —**	**$ 5,371**

(a) Includes the effect of netting agreements and net cash collateral received. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.

(b) Offsetting of reverse repurchase agreements relates to our involvement in the Fixed Income Clearing Corporation ("FICC"), where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.

Offsetting of derivative assets and financial assets at Dec. 31, 2020

(in millions)	Gross assets recognized	Gross amounts offset in the balance sheet	*(a)*	Net assets recognized in the balance sheet	Gross amounts not offset in the balance sheet: Financial instruments	Gross amounts not offset in the balance sheet: Cash collateral received	Net amount
Derivatives subject to netting arrangements:							
Interest rate contracts	$ 2,972	$ 1,952		$ 1,020	$ 311	$ —	$ 709
Foreign exchange contracts	7,128	6,392		736	146	—	590
Equity and other contracts	2	2		—	—	—	—
Total derivatives subject to netting arrangements	10,102	8,346		1,756	457	—	1,299
Total derivatives not subject to netting arrangements	2,089	—		2,089	—	—	2,089
Total derivatives	12,191	8,346		3,845	457	—	3,388
Reverse repurchase agreements	78,828	59,561	*(b)*	19,267	19,252	—	15
Securities borrowing	11,640	—		11,640	11,166	—	474
Total	$ 102,659	$ 67,907		$ 34,752	$ 30,875	$ —	$ 3,877

(a) Includes the effect of netting agreements and net cash collateral received. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.

(b) Offsetting of reverse repurchase agreements relates to our involvement in the FICC, where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.

Offsetting of derivative liabilities and financial liabilities at June 30, 2021

(in millions)	Gross liabilities recognized	Gross amounts offset in the balance sheet	*(a)*	Net liabilities recognized in the balance sheet	Gross amounts not offset in the balance sheet: Financial instruments	Gross amounts not offset in the balance sheet: Cash collateral pledged	Net amount
Derivatives subject to netting arrangements:							
Interest rate contracts	$ 3,619	$ 2,063		$ 1,556	$ 1,486	$ —	$ 70
Foreign exchange contracts	5,793	4,531		1,262	497	—	765
Equity and other contracts	93	87		6	—	—	6
Total derivatives subject to netting arrangements	9,505	6,681		2,824	1,983	—	841
Total derivatives not subject to netting arrangements	506	—		506	—	—	506
Total derivatives	10,011	6,681		3,330	1,983	—	1,347
Repurchase agreements	52,216	41,122	*(b)*	11,094	11,093	1	—
Securities lending	1,331	—		1,331	1,253	—	78
Total	**$ 63,558**	**$ 47,803**		**$ 15,755**	**$ 14,329**	**$ 1**	**$ 1,425**

(a) Includes the effect of netting agreements and net cash collateral paid. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.

(b) Offsetting of repurchase agreements relates to our involvement in the FICC, where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.

Offsetting of derivative liabilities and financial liabilities at Dec. 31, 2020

(in millions)	Gross liabilities recognized	Gross amounts offset in the balance sheet	*(a)*	Net liabilities recognized in the balance sheet	Gross amounts not offset in the balance sheet: Financial instruments	Gross amounts not offset in the balance sheet: Cash collateral pledged	Net amount
Derivatives subject to netting arrangements:							
Interest rate contracts	$ 4,533	$ 2,348		$ 2,185	$ 2,115	$ —	$ 70
Foreign exchange contracts	7,280	5,484		1,796	143	—	1,653
Equity and other contracts	37	13		24	7	—	17
Total derivatives subject to netting arrangements	11,850	7,845		4,005	2,265	—	1,740
Total derivatives not subject to netting arrangements	800	—		800	—	—	800
Total derivatives	12,650	7,845		4,805	2,265	—	2,540
Repurchase agreements	69,831	59,561	*(b)*	10,270	10,270	—	—
Securities lending	1,035	—		1,035	983	—	52
Total	$ 83,516	$ 67,406		$ 16,110	$ 13,518	$ —	$ 2,592

(a) Includes the effect of netting agreements and net cash collateral paid. The offset related to the OTC derivatives was allocated to the various types of derivatives based on the net positions.

(b) Offsetting of repurchase agreements relates to our involvement in the FICC, where we settle government securities transactions on a net basis for payment and delivery through the Fedwire system.

Secured borrowings

The following table presents the contract value of repurchase agreements and securities lending transactions accounted for as secured borrowings by the type of collateral provided to counterparties.

Repurchase agreements and securities lending transactions accounted for as secured borrowings

	June 30, 2021				Dec. 31, 2020			
	Remaining contractual maturity				Remaining contractual maturity			
(in millions)	Overnight and continuous	Up to 30 days	30 days or more	Total	Overnight and continuous	Up to 30 days	30 days or more	Total
Repurchase agreements:								
U.S. Treasury	**$ 44,545**	**$ 47**	**$ —**	**$ 44,592**	$ 62,381	$ —	$ —	$ 62,381
Corporate bonds	**243**	**184**	**1,480**	**1,907**	190	218	1,436	1,844
Sovereign debt/sovereign guaranteed	**433**	**—**	**1,244**	**1,677**	—	—	—	—
Agency RMBS	**1,239**	**—**	**—**	**1,239**	3,117	—	80	3,197
State and political subdivisions	**31**	**27**	**749**	**807**	66	40	864	970
U.S. government agencies	**726**	**—**	**—**	**726**	425	—	—	425
Other debt securities	**63**	**14**	**115**	**192**	7	21	138	166
Equity securities	**—**	**75**	**1,001**	**1,076**	—	21	827	848
Total	**$ 47,280**	**$ 347**	**$ 4,589**	**$ 52,216**	$ 66,186	$ 300	$ 3,345	$ 69,831
Securities lending:								
Agency RMBS	**$ 167**	**$ —**	**$ —**	**$ 167**	$ 161	$ —	$ —	$ 161
Other debt securities	**86**	**—**	**—**	**86**	52	—	—	52
Equity securities	**1,078**	**—**	**—**	**1,078**	822	—	—	822
Total	**$ 1,331**	**$ —**	**$ —**	**$ 1,331**	$ 1,035	$ —	$ —	$ 1,035
Total secured borrowings	**$ 48,611**	**$ 347**	**$ 4,589**	**$ 53,547**	$ 67,221	$ 300	$ 3,345	$ 70,866

BNY Mellon's repurchase agreements and securities lending transactions primarily encounter risk associated with liquidity. We are required to pledge collateral based on predetermined terms within the agreements. If we were to experience a decline in the fair value of the collateral pledged for these transactions, we could be required to provide additional collateral to the counterparty, therefore decreasing the amount of assets available for other liquidity needs that may arise. BNY Mellon also offers tri-party collateral agency services in the tri-party repo market where we are exposed to credit risk. In order to mitigate this risk, we require dealers to fully secure intraday credit.

Note 17–Commitments and contingent liabilities

Off-balance sheet arrangements

In the normal course of business, various commitments and contingent liabilities are outstanding that are not reflected in the accompanying consolidated balance sheets.

Our significant trading and off-balance sheet risks are securities, foreign currency and interest rate risk management products, commercial lending commitments, letters of credit and securities lending indemnifications. We assume these risks to reduce interest rate and foreign currency risks, to provide customers with the ability to meet credit and liquidity needs and to hedge foreign currency and interest rate risks. These items involve, to varying degrees, credit, foreign currency and interest rate risks not recognized on the balance sheet. Our off-balance sheet risks are managed and monitored in manners similar to those used for on-balance sheet risks.

The following table presents a summary of our off-balance sheet credit risks.

Off-balance sheet credit risks *(in millions)*	**June 30, 2021**	Dec. 31, 2020
Lending commitments	**$ 47,098**	$ 47,577
Standby letters of credit ("SBLC") *(a)*	**2,182**	2,265
Commercial letters of credit	**98**	60
Securities lending indemnifications *(b)(c)*	**495,340**	469,121

(a) Net of participations totaling $129 million at June 30, 2021 and $154 million at Dec. 31, 2020.

(b) Excludes the indemnification for securities for which BNY Mellon acts as an agent on behalf of CIBC Mellon clients, which totaled $61 billion at June 30, 2021 and $62 billion at Dec. 31, 2020.

(c) Includes cash collateral, invested in indemnified repurchase agreements, held by us as securities lending agent of $47 billion at June 30, 2021 and $41 billion at Dec. 31, 2020.

The total potential loss on undrawn lending commitments, standby and commercial letters of credit, and securities lending indemnifications is equal to the total notional amount if drawn upon, which does not consider the value of any collateral.

Since many of the lending commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements. A summary of lending commitment maturities is as follows: $29.5 billion in less than one year, $17.0 billion in one to five years and $638 million over five years.

SBLCs principally support obligations of corporate clients and were collateralized with cash and securities of $131 million at June 30, 2021 and $194 million at Dec. 31, 2020. At June 30, 2021, $1.5 billion of the SBLCs will expire within one year, $702 million in one to five years and none over five years.

We must recognize, at the inception of an SBLC and foreign and other guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. The fair value of the liability, which was recorded with a corresponding asset in other assets, was estimated as the present value of contractual customer fees. The estimated liability for losses related to SBLCs and foreign and other guarantees, if any, is included in the allowance for lending-related commitments.

Payment/performance risk of SBLCs is monitored using both historical performance and internal ratings criteria. BNY Mellon's historical experience is that SBLCs typically expire without being funded. SBLCs below investment grade are monitored closely for payment/performance risk. The table below shows SBLCs by investment grade:

Standby letters of credit	**June 30, 2021**	Dec. 31, 2020
Investment grade	**86 %**	82 %
Non-investment grade	**14 %**	18 %

A commercial letter of credit is normally a short-term instrument used to finance a commercial contract for the shipment of goods from a seller to a buyer. Although the commercial letter of credit is contingent upon the satisfaction of specified conditions, it represents a credit exposure if the buyer defaults on the underlying transaction. As a result, the total contractual amounts do not necessarily represent future cash requirements. Commercial letters of credit totaled $98 million at June 30, 2021 and $60 million at Dec. 31, 2020.

We expect many of the lending commitments and letters of credit to expire without the need to advance any cash. The revenue associated with guarantees frequently depends on the credit rating of the obligor and the structure of the transaction, including collateral, if any. The allowance for lending-related commitments was $50 million at June 30, 2021 and $121 million at Dec. 31, 2020.

A securities lending transaction is a fully collateralized transaction in which the owner of a security agrees to lend the security (typically through an agent, in our case, The Bank of New York Mellon) to a borrower, usually a broker-dealer or bank, on an open, overnight or term basis, under the terms of a prearranged contract.

We typically lend securities with indemnification against borrower default. We generally require the borrower to provide collateral with a minimum value of 102% of the fair value of the securities borrowed, which is monitored on a daily basis, thus reducing credit risk. Market risk can also arise in securities lending transactions. These risks are controlled through policies limiting the level of risk that can be undertaken. Securities lending transactions are generally entered into only with highly rated

counterparties. Securities lending indemnifications were secured by collateral of $522 billion at June 30, 2021 and $493 billion at Dec. 31, 2020.

CIBC Mellon, a joint venture between BNY Mellon and the Canadian Imperial Bank of Commerce ("CIBC"), engages in securities lending activities. CIBC Mellon, BNY Mellon and CIBC jointly and severally indemnify securities lenders against specific types of borrower default. At June 30, 2021 and Dec. 31, 2020, $61 billion and $62 billion, respectively, of borrowings at CIBC Mellon, for which BNY Mellon acts as agent on behalf of CIBC Mellon clients, were secured by collateral of $64 billion and $66 billion, respectively. If, upon a default, a borrower's collateral was not sufficient to cover its related obligations, certain losses related to the indemnification could be covered by the indemnitors.

Unsettled repurchase and reverse repurchase agreements

In the normal course of business, we enter into repurchase agreements and reverse repurchase agreements that settle at a future date. In repurchase agreements, BNY Mellon receives cash from and provides securities as collateral to a counterparty at settlement. In reverse repurchase agreements, BNY Mellon advances cash to and receives securities as collateral from the counterparty at settlement. These transactions are recorded on the consolidated balance sheet on the settlement date. At June 30, 2021, we had $2.6 billion of unsettled repurchase agreements and $6.4 billion of unsettled reverse repurchase agreements.

Industry concentrations

We have significant industry concentrations related to credit exposure at June 30, 2021. The tables below present our credit exposure in the financial institutions and commercial portfolios.

Financial institutions portfolio exposure *(in billions)*	**June 30, 2021**		
	Loans	Unfunded commitments	Total exposure
Securities industry	$ 2.4	$ 20.2	$ 22.6
Asset managers	1.5	6.9	8.4
Banks	6.0	1.1	7.1
Insurance	0.2	3.0	3.2
Government	0.1	0.2	0.3
Other	0.5	1.0	1.5
Total	**$ 10.7**	**$ 32.4**	**$ 43.1**

Commercial portfolio exposure *(in billions)*	**June 30, 2021**		
	Loans	Unfunded commitments	Total exposure
Manufacturing	$ 0.6	$ 3.9	$ 4.5
Energy and utilities	0.3	4.0	4.3
Services and other	0.7	3.5	4.2
Media and telecom	0.1	0.9	1.0
Total	**$ 1.7**	**$ 12.3**	**$ 14.0**

Major concentrations in securities lending are primarily to broker-dealers and are generally collateralized with cash and/or securities.

Sponsored member repo program

BNY Mellon is a sponsoring member in the FICC sponsored member program, where we submit eligible overnight repurchase and reverse repurchase transactions in U.S. Treasury securities ("Sponsored Member Transactions") between BNY Mellon and our sponsored member clients for novation and clearing through FICC pursuant to the FICC Government Securities Division rulebook (the "FICC Rules"). We also guarantee to FICC the prompt and full payment and performance of our sponsored member clients' respective obligations under the FICC Rules in connection with such clients' Sponsored Member Transactions. We minimize our credit exposure under this guaranty by obtaining a security interest in our sponsored member clients' collateral and rights under Sponsored Member Transactions. See "Offsetting assets and liabilities" in Note 16 for additional information on our repurchase and reverse repurchase agreements.

Indemnification arrangements

We have provided standard representations for underwriting agreements, acquisition and divestiture agreements, sales of loans and commitments, and other similar types of arrangements and customary indemnification for claims and legal proceedings related to providing financial services that are not otherwise included above. Insurance has been purchased to mitigate certain of these risks. Generally, there are no stated or notional amounts included in these indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. Furthermore, often counterparties to these transactions provide us with comparable indemnifications. We are unable to develop an estimate of the maximum payout under these indemnifications for several reasons. In addition to

the lack of a stated or notional amount in a majority of such indemnifications, we are unable to predict the nature of events that would trigger indemnification or the level of indemnification for a certain event. We believe, however, that the possibility that we will have to make any material payments for these indemnifications is remote. At June 30, 2021 and Dec. 31, 2020, we have not recorded any material liabilities under these arrangements.

Clearing and settlement exchanges

We are a noncontrolling equity investor in, and/or member of, several industry clearing or settlement exchanges through which foreign exchange, securities, derivatives or other transactions settle. Certain of these industry clearing and settlement exchanges require their members to guarantee their obligations and liabilities and/or to provide liquidity support in the event other members do not honor their obligations. We believe the likelihood that a clearing or settlement exchange (of which we are a member) would become insolvent is remote. Additionally, certain settlement exchanges have implemented loss allocation policies that enable the exchange to allocate settlement losses to the members of the exchange. It is not possible to quantify such mark-to-market loss until the loss occurs. Any ancillary costs that occur as a result of any mark-to-market loss cannot be quantified. In addition, we also sponsor clients as members on clearing and settlement exchanges and guarantee their obligations. At June 30, 2021 and Dec. 31, 2020, we did not record any material liabilities under these arrangements.

Legal proceedings

In the ordinary course of business, The Bank of New York Mellon Corporation and its subsidiaries are routinely named as defendants in or made parties to pending and potential legal actions. We also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal). Claims for significant monetary damages are often asserted in many of these legal actions, while claims for disgorgement, restitution, penalties and/or other remedial actions or sanctions may be sought in governmental and regulatory matters. It is inherently difficult to predict the eventual outcomes of such matters given their complexity and the particular facts and circumstances at issue in each of these matters. However, on the basis of our current knowledge and understanding, we do not believe that judgments, settlements or orders, if any, arising from these matters (either individually or in the aggregate, after giving effect to applicable reserves and insurance coverage) will have a material adverse effect on the consolidated financial position or liquidity of BNY Mellon, although they could have a material effect on our results of operations in a given period.

In view of the inherent unpredictability of outcomes in litigation and regulatory matters, particularly where (i) the damages sought are substantial or indeterminate, (ii) the proceedings are in the early stages, or (iii) the matters involve novel legal theories or a large number of parties, as a matter of course there is considerable uncertainty surrounding the timing or ultimate resolution of litigation and regulatory matters, including a possible eventual loss, fine, penalty or business impact, if any, associated with each such matter. In accordance with applicable accounting guidance, we establish accruals for litigation and regulatory matters when those matters proceed to a stage where they present loss contingencies that are both probable and reasonably estimable. In such cases, there may be a possible exposure to loss in excess of any amounts accrued. We regularly monitor such matters for developments that could affect the amount of the accrual, and will adjust the accrual amount as appropriate. If the loss contingency in question is not both probable and reasonably estimable, we do not establish an accrual and the matter continues to be monitored for any developments that would make the loss contingency both probable and reasonably estimable. We believe that our accruals for legal proceedings are appropriate and, in the aggregate, are not material to the consolidated financial position of BNY Mellon, although future accruals could have a material effect on the results of operations in a given period. In addition, if we have the potential to recover a portion of an estimated loss from a third party, we record a receivable up to the amount of the accrual that is probable of recovery.

For certain of those matters described here for which a loss contingency may, in the future, be reasonably possible (whether in excess of a related accrued liability or where there is no accrued liability), BNY Mellon is currently unable to estimate a range of reasonably possible loss. For those matters described here where BNY Mellon is able to estimate a reasonably possible loss, the aggregate range of such reasonably possible loss is up to $735 million in

excess of the accrued liability (if any) related to those matters. For matters where a reasonably possible loss is denominated in a foreign currency, our estimate is adjusted quarterly based on prevailing exchange rates. We do not consider potential recoveries when estimating reasonably possible losses.

The following describes certain judicial, regulatory and arbitration proceedings involving BNY Mellon:

Mortgage-Securitization Trusts Proceedings

The Bank of New York Mellon has been named as a defendant in a number of legal actions brought by MBS investors alleging that the trustee has expansive duties under the governing agreements, including the duty to investigate and pursue breach of representation and warranty claims against other parties to the MBS transactions. Three actions commenced in December 2014, December 2015 and February 2017 are pending in New York federal court; and one action commenced in May 2016 is pending in New York state court.

Matters Related to R. Allen Stanford

In late December 2005, Pershing LLC ("Pershing") became a clearing firm for Stanford Group Co. ("SGC"), a registered broker-dealer that was part of a group of entities ultimately controlled by R. Allen Stanford ("Stanford"). Stanford International Bank, also controlled by Stanford, issued certificates of deposit ("CDs"). Some investors allegedly wired funds from their SGC accounts to purchase CDs. In 2009, the Securities and Exchange Commission charged Stanford with operating a Ponzi scheme in connection with the sale of CDs, and SGC was placed into receivership. Alleged purchasers of CDs have filed two putative class action proceedings against Pershing: one in November 2009 in Texas federal court, and one in May 2016 in New Jersey federal court. After dismissals, three lawsuits remain against Pershing in Louisiana and New Jersey federal courts, which were filed in January 2010, October 2015 and May 2016. The purchasers allege that Pershing, as SGC's clearing firm, assisted Stanford in a fraudulent scheme and assert contractual, statutory and common law claims. In March 2019, a group of investors filed a putative class action against The Bank of New York Mellon in New Jersey federal court, making the same allegations as in the prior actions brought against Pershing. All the cases that have been brought in federal court against Pershing and the case brought against The Bank of New York Mellon have been consolidated in Texas federal court for discovery purposes. In July 2020, after being enjoined from pursuing claims before the Financial Industry Regulatory Authority, Inc. ("FINRA"), an investment firm filed an action against Pershing in Texas federal court. This action has been resolved. Various alleged Stanford CD purchasers asserted similar claims in FINRA arbitration proceedings, all of which have been settled or decided.

Brazilian Postalis Litigation

BNY Mellon Servicos Financeiros DTVM S.A. ("DTVM"), a subsidiary that provides asset services in Brazil, acts as administrator for certain investment funds in which a public pension fund for postal workers called Postalis-Instituto de Seguridade Social dos Correios e Telégrafos ("Postalis") invested. On Aug. 22, 2014, Postalis sued DTVM in Rio de Janeiro, Brazil for losses related to a Postalis fund for which DTVM is administrator. Postalis alleges that DTVM failed to properly perform duties, including to conduct due diligence of and exert control over the manager. On March 12, 2015, Postalis filed a lawsuit in Rio de Janeiro against DTVM and BNY Mellon Administração de Ativos Ltda. ("Ativos") alleging failure to properly perform duties relating to another fund of which DTVM is administrator and Ativos is manager. On Dec. 14, 2015, Associacão dos Profissionais dos Correios ("ADCAP"), a Brazilian postal workers association, filed a lawsuit in São Paulo against DTVM and other defendants alleging that DTVM improperly contributed to Postalis investment losses. On March 20, 2017, the lawsuit was dismissed without prejudice, and ADCAP has appealed that decision. On Dec. 17, 2015, Postalis filed three lawsuits in Rio de Janeiro against DTVM and Ativos alleging failure to properly perform duties with respect to investments in several other funds. On May 20, 2021, the court in one of those lawsuits entered a $3 million judgment against DTVM and Ativos, which DTVM and Ativos intend to appeal. On Feb. 4, 2016, Postalis filed a lawsuit in Brasilia against DTVM, Ativos and BNY Mellon Alocação de Patrimônio Ltda. ("Alocação de Patrimônio"), an investment management subsidiary, alleging failure to properly perform duties and liability for losses with respect to investments in various funds of which the defendants were administrator and/or manager. On Jan. 16, 2018, the Brazilian Federal Prosecution Service ("MPF") filed a civil lawsuit in São Paulo against DTVM alleging liability for Postalis losses based on alleged failures to properly perform certain duties as administrator to certain funds in which Postalis invested or as controller of Postalis's own

investment portfolio. On April 18, 2018, the court dismissed the lawsuit without prejudice, and the MPF has appealed that decision. In addition, the Tribunal de Contas da União ("TCU"), an administrative tribunal, has initiated two proceedings with the purpose of determining liability for losses to two investment funds administered by DTVM in which Postalis was the exclusive investor. On Sept. 9, 2020, TCU rendered a decision in one of the proceedings, finding DTVM and two former Postalis directors jointly and severally liable for approximately $45 million. TCU also imposed on DTVM a fine of approximately $2 million. DTVM has filed an administrative appeal of the decision. On Oct. 4, 2019, Postalis and another pension fund filed a request for arbitration in São Paulo against DTVM and Ativos alleging liability for losses to an investment fund for which DTVM was administrator and Ativos was manager. On March 26, 2021, DTVM and Ativos filed a lawsuit challenging the decision rendered by the Arbitration Court with respect to its jurisdiction over the case. On Oct. 25, 2019, Postalis filed a lawsuit in Rio de Janeiro against DTVM and Alocação de Patrimônio, alleging liability for losses in another fund for which DTVM was administrator and Alocação de Patrimônio and Ativos were managers. On June 19, 2020, a lawsuit was filed in federal court in Rio de Janeiro against DTVM, Postalis, and various other defendants alleging liability against DTVM for certain Postalis losses in an investment fund of which DTVM was administrator. On Feb. 10, 2021, Postalis and another pension fund served DTVM in a lawsuit filed in Rio de Janeiro, alleging liability for losses in another investment fund for which DTVM was administrator and the other defendant was manager.

Brazilian Silverado Litigation

DTVM acts as administrator for the Fundo de Investimento em Direitos Creditórios Multisetorial Silverado Maximum ("Silverado Maximum Fund"), which invests in commercial credit receivables. On June 2, 2016, the Silverado Maximum Fund sued DTVM in its capacity as administrator, along with Deutsche Bank S.A. - Banco Alemão in its capacity as custodian and Silverado Gestão e Investimentos Ltda. in its capacity as investment manager. The Fund alleges that each of the defendants failed to fulfill its respective duty, and caused losses to the Fund for which the defendants are jointly and severally liable.

German Tax Matters

German authorities are investigating past "cum/ex" trading, which involved the purchase of equity securities on or shortly before the dividend date, but settled after that date, potentially resulting in an unwarranted refund of withholding tax. German authorities have taken the view that past cum/ex trading may have resulted in tax avoidance or evasion. European subsidiaries of BNY Mellon have been informed by German authorities about investigations into potential cum/ex trading by certain third-party investment funds, where one of the subsidiaries had acquired entities that served as depositary and/or fund manager for those third-party investment funds. We have received information requests from the authorities relating to pre-acquisition activity and are cooperating fully with those requests. In August 2019, the District Court of Bonn ordered that one of these subsidiaries be joined as a secondary party in connection with the prosecution of unrelated individual defendants. Trial commenced in September 2019. In March 2020, the court stated that it would refrain from taking action against the subsidiary in order to expedite the conclusion of the trial. The court convicted the unrelated individual defendants, and determined that the cum/ex trading activities of the relevant third-party investment funds were unlawful. In November and December 2020, we received secondary liability notices from the German tax authorities totaling approximately $150 million related to pre-acquisition activity in various funds for which the entities we acquired were depositary and/or fund manager. We have appealed the notices. In connection with the acquisition of the subject entities, we obtained an indemnity for liabilities from the sellers that we intend to pursue as necessary.

Note 18–Lines of business

We have an internal information system that produces performance data along product and service lines for our two principal businesses and the Other segment. The primary products and services and types of revenue for our principal businesses and a description of the Other segment are presented in Note 24 of the Notes to Consolidated Financial Statements in our 2020 Annual Report.

Business accounting principles

Our business data has been determined on an internal management basis of accounting, rather than GAAP which is used for consolidated financial reporting. These measurement principles are designed so that reported results of the businesses will track their economic performance.

Business results are subject to reclassification when organizational changes are made, or for refinements in revenue and expense allocation methodologies. Refinements are typically reflected on a prospective basis. There were no reclassification or organization changes in the second quarter of 2021.

The accounting policies of the businesses are the same as those described in Note 1 of the Notes to Consolidated Financial Statements in our 2020 Annual Report.

The results of our businesses are presented and analyzed on an internal management reporting basis.

- Revenue amounts reflect fee and other revenue generated by each business and include revenue for services provided between the segments that are also provided to third parties. Fee and other revenue transferred between businesses under revenue transfer agreements is included within other revenue in each business.
- Revenues and expenses associated with specific client bases are included in those businesses. For example, foreign exchange activity associated with clients using custody products is included in Investment Services.
- Net interest revenue is allocated to businesses based on the yields on the assets and liabilities generated by each business. We employ a funds transfer pricing system that matches funds with the specific assets and liabilities of each business based on their interest sensitivity and maturity characteristics.
- The provision for credit losses associated with the respective credit portfolios is reflected in each business segment.
- Incentives expense related to restricted stock and RSUs is allocated to the businesses.
- Support and other indirect expenses, including services provided between segments that are not provided to third parties or not subject to a revenue transfer agreement, are allocated to businesses based on internally developed methodologies and reflected in noninterest expense.
- Recurring FDIC expense is allocated to the businesses based on average deposits generated within each business.
- Litigation expense is generally recorded in the business in which the charge occurs.
- Management of the securities portfolio is a shared service contained in the Other segment. As a result, gains and losses associated with the valuation of the securities portfolio are generally included in the Other segment.
- Client deposits serve as the primary funding source for our securities portfolio. We typically allocate all interest revenue to the businesses generating the deposits. Accordingly, accretion related to the portion of the securities portfolio restructured in 2009 has been included in the results of the businesses.
- Balance sheet assets and liabilities and their related income or expense are specifically assigned to each business. Businesses with a net liability position have been allocated assets.
- Goodwill and intangible assets are reflected within individual businesses.

The following consolidating schedules present the contribution of our businesses to our overall profitability.

For the quarter ended June 30, 2021 *(dollars in millions)*	**Investment Services**	**Investment and Wealth Management**		**Other**	**Consolidated**	
Total fee and other revenue	**$ 2,336**	**$ 952**	*(a)*	**$ 22**	**$ 3,310**	*(a)*
Net interest revenue (expense)	**643**	**47**		**(45)**	**645**	
Total revenue (loss)	**2,979**	**999**	*(a)*	**(23)**	**3,955**	*(a)*
Provision for credit losses	**(77)**	**(4)**		**(5)**	**(86)**	
Noninterest expense	**2,052**	**677**		**49**	**2,778**	
Income (loss) before income taxes	**$ 1,004**	**$ 326**	*(a)*	**$ (67)**	**$ 1,263**	*(a)*
Pre-tax operating margin *(b)*	**34 %**	**33 %**		**N/M**	**32 %**	
Average assets	**$ 383,330**	**$ 30,370**		**$ 38,629**	**$ 452,329**	

(a) Total fee and other revenue, total revenue and income before income taxes are net of noncontrolling interests of $5 million.
(b) Income before income taxes divided by total revenue.
N/M – Not meaningful.

For the quarter ended March 31, 2021 *(dollars in millions)*	Investment Services	Investment and Wealth Management		Other	Consolidated	
Total fee and other revenue (loss)	$ 2,345	$ 943	*(a)*	$ (27)	$ 3,261	*(a)*
Net interest revenue (expense)	645	48		(38)	655	
Total revenue (loss)	2,990	991	*(a)*	(65)	3,916	*(a)*
Provision for credit losses	(79)	4		(8)	(83)	
Noninterest expense	2,101	709		41	2,851	
Income (loss) before income taxes	$ 968	$ 278	*(a)*	$ (98)	$ 1,148	*(a)*
Pre-tax operating margin *(b)*	32 %	28 %		N/M	29 %	
Average assets	$ 385,054	$ 32,066		$ 43,259	$ 460,379	

(a) Total fee and other revenue, total revenue and income before income taxes are net of noncontrolling interests of $5 million.
(b) Income before income taxes divided by total revenue.
N/M – Not meaningful.

For the quarter ended June 30, 2020 *(dollars in millions)*	Investment Services	Investment and Wealth Management		Other	Consolidated	
Total fee and other revenue	$ 2,339	$ 838	*(a)*	$ 38	$ 3,215	*(a)*
Net interest revenue (expense)	768	48		(36)	780	
Total revenue	3,107	886	*(a)*	2	3,995	*(a)*
Provision for credit losses	145	7		(9)	143	
Noninterest expense	1,989	658		39	2,686	
Income (loss) before income taxes	$ 973	$ 221	*(a)*	$ (28)	$ 1,166	*(a)*
Pre-tax operating margin *(b)*	31 %	25 %		N/M	29 %	
Average assets	$ 335,288	$ 30,327		$ 49,744	$ 415,359	

(a) Total fee and other revenue, total revenue and income before income taxes are net of noncontrolling interests of $15 million.
(b) Income before income taxes divided by total revenue.
N/M – Not meaningful.

For the six months ended June 30, 2021 *(dollars in millions)*	Investment Services	Investment and Wealth Management		Other	Consolidated	
Total fee and other revenue (loss)	**$ 4,681**	**$ 1,895**	*(a)*	**$ (5)**	**$ 6,571**	*(a)*
Net interest revenue (expense)	**1,288**	**95**		**(83)**	**1,300**	
Total revenue (loss)	**5,969**	**1,990**	*(a)*	**(88)**	**7,871**	*(a)*
Provision for credit losses	**(156)**	**—**		**(13)**	**(169)**	
Noninterest expense	**4,153**	**1,386**		**90**	**5,629**	
Income (loss) before income taxes	**$ 1,972**	**$ 604**	*(a)*	**$ (165)**	**$ 2,411**	*(a)*
Pre-tax operating margin *(b)*	**33 %**	**30 %**		**N/M**	**31 %**	
Average assets	**$ 384,187**	**$ 31,213**		**$ 40,932**	**$ 456,332**	

(a) Total fee and other revenue, total revenue and income before income taxes are net of noncontrolling interests of $10 million.
(b) Income before income taxes divided by total revenue.
N/M – Not meaningful.

For the six months ended June 30, 2020 *(dollars in millions)*	Investment Services	Investment and Wealth Management		Other	Consolidated	
Total fee and other revenue	$ 4,775	$ 1,684	*(a)*	$ 68	$ 6,527	*(a)*
Net interest revenue (expense)	1,574	100		(80)	1,594	
Total revenue (loss)	6,349	1,784	*(a)*	(12)	8,121	*(a)*
Provision for credit losses	294	16		2	312	
Noninterest expense	3,976	1,353		69	5,398	
Income (loss) before income taxes	$ 2,079	$ 415	*(a)*	$ (83)	$ 2,411	*(a)*
Pre-tax operating margin *(b)*	33 %	23 %		N/M	30 %	
Average assets	$ 319,689	$ 30,435		$ 50,194	$ 400,318	

(a) Total fee and other revenue, total revenue and income before income taxes are net of noncontrolling interests of $(3) million.
(b) Income before income taxes divided by total revenue.
N/M – Not meaningful.

Note 19–Supplemental information to the Consolidated Statement of Cash Flows

Non-cash investing and financing transactions that, appropriately, are not reflected in the consolidated statement of cash flows are listed below.

Non-cash investing and financing transactions *(in millions)*	Six months ended June 30, **2021**	2020
Transfers from loans to other assets for other real estate owned	**$ 1**	$ —
Change in assets of consolidated investment management funds	**74**	215
Change in liabilities of consolidated investment management funds	**4**	3
Change in nonredeemable noncontrolling interests of consolidated investment management funds	**201**	10
Securities purchased not settled	**866**	1,730
Securities sold not settled	**100**	—
Available-for-sale securities transferred to held-to-maturity	**5,945**	—
Premises and equipment/operating lease obligations	**56**	66

Disclosure controls and procedures

Our management, including the Chief Executive Officer and Chief Financial Officer, with participation by the members of the Disclosure Committee, has responsibility for ensuring that there is an adequate and effective process for establishing, maintaining, and evaluating disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in our SEC reports is timely recorded, processed, summarized and reported and that information required to be disclosed by BNY Mellon is accumulated and communicated to BNY Mellon's management to allow timely decisions regarding the required disclosure. In addition, our ethics hotline can also be used by employees and others for the anonymous communication of concerns about financial controls or reporting matters. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in internal control over financial reporting

In the ordinary course of business, we may routinely modify, upgrade or enhance our internal controls and procedures for financial reporting. There have not been any changes in our internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act during the second quarter of 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Some statements in this Quarterly Report are forward-looking. These include statements about the usefulness of Non-GAAP measures, the future results of BNY Mellon, our businesses, financial, liquidity and capital condition, results of operations, liquidity, risk and capital management and processes, goals, strategies, outlook, objectives, expectations (including those regarding our performance results, expenses, nonperforming assets, products, impacts of currency fluctuations, impacts of money market fee waivers, deposits, impacts of trends on our businesses, regulatory, technology, market, economic or accounting developments and the impacts of such developments on our businesses, legal proceedings and other contingencies), human capital management (including related ambitions, objectives, aims and goals), effective tax rate, net interest revenue, estimates (including those regarding expenses, losses inherent in our credit portfolios and capital ratios), intentions (including those regarding our capital returns and expenses, including our investments in technology and pension expense), targets, opportunities, potential actions, growth and initiatives, including the potential effects of the coronavirus pandemic on any of the foregoing.

In this report, any other report, any press release or any written or oral statement that BNY Mellon or its executives may make, words, such as "estimate," "forecast," "project," "anticipate," "likely," "target," "expect," "intend," "continue," "seek," "believe," "plan," "goal," "could," "should," "would," "may," "might," "will," "strategy," "synergies," "opportunities," "trends," "ambition," "objective," "aim," "future," "potentially," "outlook" and words of similar meaning, may signify forward-looking statements.

Actual results may differ materially from those expressed or implied as a result of a number of factors, including those discussed in "Risk Factors" in our 2020 Annual Report, such as:

- errors or delays in our operational and transaction processing may materially adversely affect our business, financial condition, results of operations and reputation;
- our risk management framework, models and processes may not be effective in mitigating risk and reducing the potential for losses;
- the coronavirus pandemic is adversely affecting us and creates significant risks and uncertainties for our business, and the ultimate impact of the pandemic on us will depend on future developments, which are highly uncertain and cannot be predicted;
- a communications or technology disruption or failure within our infrastructure or the infrastructure of third parties that results in a loss of information, delays our ability to access information or impacts our ability to provide services to our clients may materially adversely affect our business, financial condition and results of operations;
- a cybersecurity incident, or a failure to protect our computer systems, networks and information and our clients' information against cybersecurity threats, could result in the theft, loss, unauthorized access to, disclosure, use or alteration of information, system or network failures, or loss of access to information. Any such incident or failure could adversely impact our ability to conduct our businesses, damage our reputation and cause losses;
- we are subject to extensive government rulemaking, policies, regulation and supervision that impact our operations. Changes to and introduction of new rules and regulations have, and in the future may, compel us to change how we manage our businesses, which could have a material adverse effect on our business, financial condition and results of operations;
- regulatory or enforcement actions or litigation could materially adversely affect our results of operations or harm our businesses or reputation;
- failure to satisfy regulatory standards, including "well capitalized" and "well managed" status or capital adequacy and liquidity rules more generally, could result in limitations on our activities and adversely affect our business and financial condition;
- a failure or circumvention of our controls and procedures could have a material adverse effect on our business, financial condition, results of operations and reputation;
- we are dependent on fee-based business for a substantial majority of our revenue and our fee-based revenues could be adversely affected by slowing in market activity, weak financial markets, underperformance and/or negative trends in savings rates or in investment preferences;
- weakness and volatility in financial markets and the economy generally may materially adversely affect our business, financial condition and results of operations;

- changes in interest rates and yield curves have had, and may in the future continue to have, a material adverse effect on our profitability;
- we may experience losses on securities related to volatile and illiquid market conditions, reducing our earnings and impacting our financial condition;
- transitions away from and the replacement of LIBOR and other interbank offered rates could adversely impact our business, financial condition and results of operations;
- following the end of the transition period, the UK and the EU have not agreed to alternatives to the "passporting rights," which may result in negative effects on global economic conditions, global financial markets, and our business, financial condition and results of operations;
- the failure or perceived weakness of any of our significant clients or counterparties, many of whom are major financial institutions or sovereign entities, and our assumption of credit and counterparty risk, could expose us to loss and adversely affect our business;
- we could incur losses if our allowance for credit losses, including loan and lending-related commitment reserves, is inadequate or if our expectations of future economic conditions deteriorate;
- our business, financial condition and results of operations could be adversely affected if we do not effectively manage our liquidity;
- the Parent is a non-operating holding company, and as a result, is dependent on dividends from its subsidiaries and extensions of credit from its IHC to meet its obligations, including with respect to its securities, and to provide funds for share repurchases and payment of dividends to its stockholders;
- our ability to return capital to shareholders is subject to the discretion of our Board of Directors and may be limited by U.S. banking laws and regulations, including those governing capital and capital planning, applicable provisions of Delaware law and our failure to pay full and timely dividends on our preferred stock;
- any material reduction in our credit ratings or the credit ratings of our principal bank subsidiaries, The Bank of New York Mellon or BNY Mellon, N.A., could increase the cost of funding and borrowing to us and our rated subsidiaries and have a material adverse effect on our business, financial condition and results of operations and on the value of the securities we issue;
- the application of our Title I preferred resolution strategy or resolution under the Title II orderly liquidation authority could adversely affect the Parent's liquidity and financial condition and the Parent's security holders;
- new lines of business, new products and services or transformational or strategic project initiatives may subject us to additional risks, and the failure to implement these initiatives could affect our results of operations;
- we are subject to competition in all aspects of our business, which could negatively affect our ability to maintain or increase our profitability;
- our business may be adversely affected if we are unable to attract, retain and motivate employees;
- our strategic transactions present risks and uncertainties and could have an adverse effect on our business, financial condition and results of operations;
- our businesses may be negatively affected by adverse events, publicity, government scrutiny or other reputational harm;
- climate change concerns could adversely affect our business, affect client activity levels and damage our reputation;
- impacts from natural disasters, climate change, acts of terrorism, pandemics, global conflicts and other geopolitical events may have a negative impact on our business and operations;
- tax law changes or challenges to our tax positions with respect to historical transactions may adversely affect our net income, effective tax rate and our overall results of operations and financial condition; and
- changes in accounting standards governing the preparation of our financial statements and future events could have a material impact on our reported financial condition, results of operations, cash flows and other financial data.

Investors should consider all risk factors discussed in our 2020 Annual Report and any subsequent reports filed with the SEC by BNY Mellon pursuant to the Exchange Act. All forward-looking statements speak only as of the date on which such statements are made, and BNY Mellon undertakes no obligation to update any statement to reflect events or circumstances after the date on which such forward-looking statement is made or to reflect the occurrence of unanticipated events. The contents of BNY Mellon's website or any other website referenced herein are not part of this report.

Item 1. Legal Proceedings.

The information required by this Item is set forth in the "Legal proceedings" section in Note 17 of the Notes to Consolidated Financial Statements, which portion is incorporated herein by reference in response to this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) The following table discloses repurchases of our common stock made in the second quarter of 2021. All of the Company's preferred stock outstanding has preference over the Company's common stock with respect to the payment of dividends.

Issuer purchases of equity securities

Share repurchases – second quarter of 2021 *(dollars in millions, except per share amounts; common shares in thousands)*	Total shares repurchased	Average price per share	Total shares repurchased as part of a publicly announced plan or program	Maximum approximate dollar value of shares that may yet be purchased under the publicly announced plans or programs at June 30, 2021
April 2021	12,063	$ 48.01	12,063	$ 3,171
May 2021	507	50.07	507	3,146
June 2021	264	51.94	264	3,132
Second quarter of 2021 ***(a)***	**12,834**	**$ 48.17**	**12,834**	**$ 6,000** ***(b)***

(a) Includes 70 thousand shares repurchased at a purchase price of $3 million from employees, primarily in connection with the employees' payment of taxes upon the vesting of restricted stock. The average price per share of open market repurchases was $48.20.

(b) Represents the maximum value of the shares to be repurchased through the fourth quarter of 2022 under the share repurchase plan announced in June 2021 and includes shares repurchased in connection with employee benefit plans.

In December 2020, in connection with the Federal Reserve's release of the second round of CCAR stress tests during 2020, we announced a share repurchase plan approved by our Board of Directors. This program provided for the repurchase of up to $4.451 billion from the third quarter of 2020 through the third quarter of 2021. Any repurchases during that period were made in a manner consistent with any applicable distribution limitations imposed by the Federal Reserve.

In June 2021, in connection with the Federal Reserve's release of the 2021 CCAR stress tests, we announced a share repurchase program approved by our Board of Directors providing for the repurchase of up to $6.0 billion of common stock beginning in the third quarter of 2021 and continuing through the fourth quarter of 2022. This new share repurchase plan replaced all previously authorized share repurchase plans.

Share repurchases may be executed through open market repurchases, in privately negotiated transactions or by other means, including through repurchase plans designed to comply with Rule 10b5-1 and other derivative, accelerated share repurchase and other structured transactions. The timing and exact amount of any common stock repurchases will depend on various factors, including market conditions and the common stock trading price; the Company's capital position, liquidity and financial performance; alternative uses of capital; and legal and regulatory limitations and considerations.

Item 6. Exhibits.

The list of exhibits required to be filed as exhibits to this report appears below.

Exhibit No.	Description	Method of Filing
3.1	Restated Certificate of Incorporation of The Bank of New York Mellon Corporation.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 000-52710) as filed with the Securities and Exchange Commission (the "Commission") on July 2, 2007, and incorporated herein by reference.
3.2	Certificate of Amendment to the The Bank of New York Mellon Corporation's Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on April 9, 2019.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on April 10, 2019, and incorporated herein by reference.
3.3	Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series A Noncumulative Preferred Stock, dated June 15, 2007.	Previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 000-52710) as filed with the Commission on July 5, 2007, and incorporated herein by reference.
3.4	Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series D Noncumulative Perpetual Preferred Stock, dated May 16, 2013.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on May 16, 2013, and incorporated herein by reference.
3.5	Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series E Noncumulative Perpetual Preferred Stock, dated April 27, 2015.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on April 28, 2015, and incorporated herein by reference.
3.6	Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series F Noncumulative Perpetual Preferred Stock, dated July 29, 2016.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Aug. 1, 2016, and incorporated herein by reference.
3.7	Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series G Noncumulative Perpetual Preferred Stock, dated May 15, 2020.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on May 19, 2020, and incorporated herein by reference.
3.8	Certificate of Designations of The Bank of New York Mellon Corporation with respect to the Series H Noncumulative Perpetual Preferred Stock, dated Nov. 2, 2020.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Nov. 3, 2020, and incorporated herein by reference.
3.9	Amended and Restated By-Laws of The Bank of New York Mellon Corporation, as amended and restated on Feb. 12, 2018.	Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-35651) as filed with the Commission on Feb. 13, 2018, and incorporated herein by reference.

Exhibit No.	Description	Method of Filing
4.1	None of the instruments defining the rights of holders of long-term debt of the Parent or any of its subsidiaries represented long-term debt in excess of 10% of the total assets of the Company as of June 30, 2021. The Company hereby agrees to furnish to the Commission, upon request, a copy of any such instrument.	N/A
10.1	2021 Form of Restricted Stock Unit Agreement.	Filed herewith.
10.2	2021 Form of Performance Share Agreement.	Filed herewith.
22.1	Subsidiary Issuer of Guaranteed Securities.	Previously filed as Exhibit 22.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-35651) as filed with the Commission on May 6, 2021, and incorporated herein by reference.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
101.INS	Inline XBRL Instance Document.	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	Filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	Filed herewith.
104	The cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in inline XBRL.	The cover page interactive data file is embedded within the inline XBRL document and included in Exhibit 101.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE BANK OF NEW YORK MELLON CORPORATION
(Registrant)

Date: August 5, 2021

By: /s/ Kurtis R. Kurimsky
Kurtis R. Kurimsky
Corporate Controller
(Duly Authorized Officer and
Principal Accounting Officer of
the Registrant)

Exhibit 10.1

FORM OF RESTRICTED STOCK UNIT AGREEMENT

THE BANK OF NEW YORK MELLON CORPORATION
2019 LONG-TERM INCENTIVE PLAN
FORM OF NOTICE OF AWARD - RESTRICTED STOCK UNITS – EXECUTIVE COMMITTEE GENERAL

Subject to the terms and conditions of The Bank of New York Mellon Corporation 2019 Long-Term Incentive Plan (the "Plan"), this Notice of Award - Restricted Stock Units – Executive Committee General (the "Award Notice"), and the Terms and Conditions of Restricted Stock Units – Executive Committee General (the "Terms and Conditions"), The Bank of New York Mellon Corporation (the "Corporation") grants you restricted stock units ("RSUs") as reflected below and on the Corporation's equity award website (the "Equity Website"). Each RSU represents the opportunity to receive one (1) share of the Corporation's common stock, par value $.01 ("Common Stock"), upon satisfaction of the terms and conditions as set forth in the Award Notice and the Terms and Conditions (collectively, the "Award Agreement"), subject to the terms of the Plan.

Participant	[PARTICIPANT NAME]
Grant Date	[GRANT DATE]
Number of RSUs	[NUMBER OF SHARES GRANTED]
Vesting Schedule – Please refer to Appendix A Vesting Date may be delayed if and to the extent the Risk Adjustment Process set forth in Exhibit A is not completed by such date subject to Section 4.1 of the Terms and Conditions.	
Risk Adjustment Process - Unvested RSUs (and accrued dividends) are subject to forfeiture based upon the Risk Adjustment Process set forth in Exhibit A.	

THE CORPORATION'S GRANT OF RSUs AS REFLECTED HEREIN IS CONTINGENT UPON YOUR ACKNOWLEDGEMENT AND ACCEPTANCE OF THE AWARD AGREEMENT AND THE PLAN ELECTRONICALLY ON THE EQUITY WEBSITE ON OR BEFORE [GRANT ACCEPT BY DATE] (THE "ACCEPTANCE DEADLINE"). IF YOU FAIL TO DO SO, THE CORPORATION'S GRANT OF RSUs AS REFLECTED HEREIN SHALL BE NULL AND VOID, AND SHALL NOT BE RE-INSTATED.

BY ELECTRONICALLY ACKNOWLEDGING AND ACCEPTING THE CORPORATION'S GRANT OF RSUS, YOU AFFIRMATIVELY AND EXPRESSLY AGREE:

(1) SUCH ACKNOWLEDGEMENT AND ACCEPTANCE CONSTITUTES YOUR ELECTRONIC SIGNATURE IN EXECUTION OF THE AWARD AGREEMENT

(2) TO BE BOUND BY THE PROVISIONS OF THE AWARD AGREEMENT AND THE PLAN

(3) YOU HAVE REVIEWED THE AWARD AGREEMENT AND THE PLAN IN THEIR ENTIRETY, HAVE HAD AN OPPORTUNITY TO OBTAIN PROFESSIONAL LEGAL/TAX/INVESTMENT ADVICE PRIOR TO ACCEPTING THE RSUs AND FULLY UNDERSTAND ALL OF THE PROVISIONS OF THE AWARD AGREEMENT AND THE PLAN

(4) YOU HAVE BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE PLAN AND THE U.S. PROSPECTUS FOR THE PLAN

(5) TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE CORPORATION UPON ANY QUESTIONS ARISING UNDER THE AWARD AGREEMENT AND THE PLAN

PARTICIPANT ACCEPTANCE DATE: [ACCEPTANCE DATE]

****

[EXHIBIT A
Risk Adjustment/Forfeiture Decision Process

For any performance year in which you remain a covered employee, your risk performance will be assessed via a Risk Culture Summary Scorecard ("RCSS") Score or a Performance Management Platform ("PMP") Risk Goal Rating. If, in any year, you receive an RCSS Score of 4 or worse, or a PMP Risk Goal Rating of "Below Expectations" or "Unsatisfactory," your unvested RSUs (including any accrued dividend equivalents) will be subject to review by the Incentive Compensation Review Committee ("ICRC") for consideration of forfeiture. If you are no longer a covered employee or have left the Corporation, any unvested portion of the RSUs (including any accrued dividend equivalents) will also be subject to a risk review by the ICRC. The ICRC is generally comprised of senior managers and senior control managers.

In that event, as part of its review, ICRC will ask –

- Did your score/rating reflect poor risk behavior by you in a prior year?
- Did you receive an award in that year?

If the answer to both questions is yes, ICRC asks the following questions with respect to each of the designated prior years:

- Financial Impact: How much did/will the issue cost the Company?
- Reputational Impact: How much of a regulatory impact did/will it have on the Company?

ICRC selects the impact answer that falls into the highest category below to determine the impact forfeiture percentage.

Criteria	Metric	None	Low	Medium	High
Financial Impact					
Reputational Impact					

As used in this Exhibit A, the term "Company" shall mean the Corporation and its Affiliates.

Then the ICRC asks how much, if any, control/responsibility you had regarding the situation. The answer to the last question determines the modifier to be applied to the impact forfeiture percentage.

Criteria	None	Indirect	Direct
Your role & responsibility			

Example: *[Insert Example]*

The ICRC will submit its recommendations to the Human Resources and Compensation Committee of the Corporation's Board of Directors for final action and approval.]

THE BANK OF NEW YORK MELLON CORPORATION

FORM OF TERMS AND CONDITIONS
OF RESTRICTED STOCK UNITS – EXECUTIVE COMMITTEE GENERAL

The Restricted Stock Units ("RSUs") with respect to Common Stock of The Bank of New York Mellon Corporation (the "Corporation") granted to you on the Grant Date are subject to the Notice of Award - Restricted Stock Units – Executive Committee General (the "Award Notice"), these Terms and Conditions of Restricted Stock Units – Executive Committee General (the "Terms and Conditions") and all of the terms and conditions of The Bank of New York Mellon Corporation 2019 Long-Term Incentive Plan (the "Plan"), which is incorporated herein by reference. In the case of a conflict between the Award Notice, these Terms and Conditions and the terms of the Plan, the provisions of the Plan shall govern. Capitalized terms used but not defined herein shall have the same meaning as provided or reflected in the Award Notice or the Plan, as applicable. For purposes of these Terms and Conditions, "Employer" means the Corporation or any Affiliate that employs you on the applicable date.

SECTION 1: Restricted Stock Unit Award

1.1 Grant of Award. Subject to these Terms and Conditions and the terms of the Plan, the Corporation grants you the number of RSUs as reflected in the Award Notice. The RSUs shall vest in accordance with the Vesting Schedule and shall be subject to the Risk Adjustment Process as reflected in the Award Notice.

1.2 Dividend Equivalents. Upon the payment of any dividend on the Common Stock occurring during the period preceding the settlement of your RSUs pursuant to these Terms and Conditions, your Employer will accrue an amount in cash equal to the value of the dividends you otherwise would have received had you actually been the shareholder of record of the number of shares of Common Stock underlying your RSUs, which dividend equivalents will be subject to the Risk Adjustment Process as reflected in the Award Notice. Your Employer will pay you such dividend equivalents in cash without interest pursuant to Section 4 of these Terms and Conditions if and to the extent that the underlying RSUs become vested as provided in the Award Agreement.

1.3 No Voting Rights. Prior to the settlement of your RSUs pursuant to these Terms and Conditions, you shall not be entitled to vote the shares of Common Stock underlying the RSUs.

1.4 Nontransferable. The RSUs shall be transferable only by will or the laws of descent and distribution. If you purport to make any transfer of the RSUs, except as described herein, the RSUs and all rights thereunder immediately shall terminate and be forfeited.

SECTION 2: Vesting, Forfeiture, Termination of Employment and Disability

2.1 Vesting and Forfeiture.

(a) *Vesting*. Subject to Sections 3 and 5.4 of these Terms and Conditions, if you remain continuously employed with your Employer through the close of business on the applicable Vesting Date reflected in the Award Notice, the number of RSUs corresponding to such Vesting Date will vest and the Corporation will issue you the underlying shares of Common Stock in accordance with Section 4 of these Terms and Conditions. Notwithstanding anything to the contrary contained in the Award Agreement and in accordance with Section 4.1, a vesting may be delayed if, on the Vesting Date, you are the subject of ongoing disciplinary or performance management investigations or proceedings concerning the circumstances under which forfeiture or clawback of this award could apply. In such cases, the applicable portion of the award, if any, will vest following the completion of such investigations and proceedings to the extent the Corporation determines that forfeiture and/or clawback does not apply.

(b) *Forfeiture upon Termination of Employment*. Subject to Sections 2.2 and 2.3 of these Terms and Conditions, if you cease to be continuously employed with your Employer prior to the date that your RSUs become

fully vested, you shall cease vesting in your RSUs as of your Termination Date and any unvested RSUs, including any dividend equivalent rights, immediately shall terminate and be forfeited, **except** in situations where vesting would have occurred but for the fact that a determination has not yet been made as to whether a risk adjustment pursuant to Exhibit A is required, in which case vesting shall occur in accordance with the terms of the Award Agreement provided that the Committee determines the effect, if any of a risk adjustment. As used herein, "Termination Date" shall mean the last day on which you are an employee of your Employer.

(c) *Forfeiture upon Termination of Employment for Cause*. Notwithstanding anything to the contrary contained in these Terms and Conditions, if your Employer terminates your employment for Cause, your RSUs, whether vested (but unsettled) or unvested, and including any dividend equivalent rights, immediately shall terminate and be forfeited. For purposes of these Terms and Conditions, "Cause" shall mean:

(i) you have been convicted of, or have entered into a pretrial diversion or entered a plea of guilty or nolo contendere (plea of no contest) to a crime or offense constituting a felony (or its equivalent under applicable laws outside of the United States), or to any other crime or offense involving moral turpitude, dishonesty, fraud, breach of trust, money laundering, or any other offense that may preclude you from being employed with a financial institution;

(ii) you are grossly negligent in the performance of your duties or have failed to perform the duties of your employment, including, without limitation, failure to comply with any lawful directive from your Employer or the Corporation, other than by reason of incapacity due to disability or from any permitted leave of absence required by law;

(iii) you have violated the Corporation's Code of Conduct or any of the policies of the Corporation or your Employer governing the conduct of business or your employment, including without limitation, those relating to discrimination and retaliation;

(iv) you have engaged in any misconduct which has the effect or potential of being injurious to the Corporation, any Affiliate or your Employer, including, but not limited to, its reputation;

(v) you have engaged in an act of fraud or dishonesty, including, but not limited to, taking or failing to take actions intending to result in personal gain; or

(vi) if you are employed outside the United States, any other circumstances (beyond those listed above) that permit the immediate termination of your employment without notice or payment in accordance with the terms of your employment agreement or Applicable Laws (as defined in Section 5.2).

The determination of whether your actions will be considered Cause for purposes of these Terms and Conditions will be determined by the Corporation or any of its Affiliates, at its or their sole discretion, as applicable. Any determinations of Cause will be considered conclusive and binding on you.

2.2 Specified Terminations of Employment.

(a) *Death*. If you cease to be continuously employed with your Employer by reason of your death prior to the date that your RSUs become fully vested (or if your death occurs following termination of employment during a period in which you have outstanding RSUs), your estate will become fully vested in your RSUs, including any dividend equivalent rights, as of your date of death and the Corporation will issue your legal representative or your estate the underlying shares of Common Stock in accordance with Section 4.

[(b) *Specified Age & Years of Service Rule.* If you cease to be continuously employed with your Employer (i) on or after your attainment of age 60 and (ii) the combination of your age and years of credited employment with your Employer (in both instances, full and partial years) on your Termination Date equals or exceeds 65 (satisfaction of (i) and (ii) being a "Retirement-Eligible Event"), you will continue to vest in your RSUs,

including any dividend equivalent rights, in accordance with the Vesting Schedule set forth in the Award Notice so long as you fully comply with the applicable covenants provided in Section 3 hereof and provided that, if requested by your Employer (to the extent not prohibited by Applicable Laws), you execute and do not revoke a Transition/Separation Agreement and Release acceptable to your Employer. For purposes of the foregoing, partial years shall be determined based upon the number of days since your prior birthday or the number of days of credited employment since your prior employment anniversary, as the case may be. Notwithstanding the foregoing, in the case of continued vesting following a Retirement-Eligible Event, if you commence employment with a new employer that grants you a new award that replaces all or any portion of this award, any portion of this award that has been replaced by your new employer will be forfeited and will no longer vest and, where relevant, will be promptly repaid by you if the award or any portion of this award has already vested.*]*

(c) *Termination Providing Transition/Separation Pay.* Provided that you execute and do not revoke a Transition/Separation Agreement and Release acceptable to your Employer, if you cease to be continuously employed with your Employer by reason of a termination by your Employer and in connection with such termination you receive transition/separation pay from the Corporation or your Employer, you will continue to vest in your RSUs, including any dividend equivalent rights, in accordance with the Vesting Schedule set forth in the Award Notice so long as you fully comply with the applicable covenants provided in Section 3 hereof. For purposes of the foregoing, "transition/separation pay" means any severance, redundancy or ex-gratia compensation payment to you from the Corporation or your Employer in connection with your termination of employment that is in excess of the amount payable to you on account of any notice period to which you are entitled pursuant to the terms of your contract of employment or otherwise (or payment in lieu of such notice).

(d) *Sale of Business*. If you cease to be continuously employed with your Employer due to a sale of a business unit or your Employer and you are not otherwise entitled to transition/separation pay, you will continue to vest in your RSUs, including any dividend equivalent rights, in accordance with the Vesting Schedule set forth in the Award Notice so long as you fully comply with the applicable covenants provided in Section 3 hereof.

(e) *Change in Control*. If your employment is terminated by your Employer without Cause within two (2) years after a Change in Control occurring after the Grant Date, you will continue to vest in your RSUs, including any dividend equivalent rights, in accordance with the Vesting Schedule set forth in the Award Notice so long as you fully comply with the applicable covenants provided in Section 3 hereof.

[(f) Additional Vesting Provisions, if any.]

2.3 Disability. If you receive current benefits under a long-term disability plan maintained by the Corporation or your Employer while any portion of your RSUs remains unvested, you will continue to vest in your RSUs during the period you are eligible to receive such benefits, including any dividend equivalent rights, in accordance with the Vesting Schedule set forth in the Award Notice so long as you fully comply with the applicable covenants provided in Section 3 hereof.

SECTION 3: Notice of Resignation, Non-Solicitation, Non-Competition, Confidential Information, Non-Disparagement and Cooperation

3.1 Notice of Resignation. As consideration for this award, you will provide your Employer with 90 days' advance written notice of any voluntary termination of your employment with your Employer.

3.2 Non-Solicitation of Clients and Employees. You agree that until one (1) year from the Termination Date or, if later, the final vesting date set forth in the Award Notice, you will not directly or indirectly solicit or attempt to solicit or induce, directly or indirectly, (i) any current or prospective client of the Corporation or an Affiliate known to you, to initiate or continue a client relationship with you other than with the Corporation or Affiliate or to terminate or reduce its client relationship with the Corporation or Affiliate, or (ii) any employee of the Corporation or an Affiliate, to terminate such employee's employment relationship with the Corporation or Affiliate in order to enter into a similar relationship with you, or any other person or any other entity. You expressly agree to

(i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

3.3 Non-Competition. In the case of (i) a Retirement-Eligible Event or (ii) a termination providing transition/separation pay, as specified in Sections 2.2(b) and 2.2(c) respectively, you agree that until one (1) year from the Termination Date or, if later, the final vesting date set forth in the Award Notice, you will not, directly or indirectly (without the prior written consent of the Corporation), (i) associate (including as a director, officer, employee, partner, consultant, agent or advisor) with a Competitive Enterprise, or (ii) transact business on behalf of a Competitive Enterprise. For purposes of the Award Agreement, "Competitive Enterprise" means any business enterprise that either (A) is a member of the Corporation's competitive peer group as disclosed in the Corporation's proxy statement that was most recently filed with the Securities and Exchange Commission preceding the Termination Date; or (B) is any other business enterprise for whom you would be performing services similar to those performed at the Corporation or any Affiliate within the twelve (12) months preceding the Termination Date. For the sake of clarity, the foregoing non-compete restriction does not prohibit you from being employed by the government or a not-for profit organization (i.e. an organization exempt from local and national tax laws). In view of the limited scope of the non-compete obligation assumed under this Section, which does not prevent you from working in other entities that are not affected by it, you hereby acknowledge that the continued vesting in your RSUs, including any dividend equivalent rights, following a Retirement-Eligible Event or termination providing transition/separation pay is appropriate consideration for the non-compete obligation agreed to herein. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

3.4 Confidential Information.

(a) Except as may be permitted in accordance with Section 3.7 below, during the course of your employment with the Corporation or any Affiliate and continuing thereafter, you will not, either directly or indirectly, at any time, while an employee of the Corporation or any Affiliate or thereafter, make known, divulge, reveal, furnish, make available, or use (except for use in the regular course of your duties for the Corporation or its Affiliates) any Confidential Information (as defined below) without the written consent of the Corporation. You also agree that this obligation is in addition to, and not in limitation or preemption of, all other obligations of confidentiality that you may have to the Corporation or its Affiliates under the Code of Conduct, Securities Trading Policy or other rules or policies governing the conduct of their respective businesses, or general or specific legal or equitable principles.

(b) As used herein, "Confidential Information" means the information you have been given or to which you have access or become informed of which the Corporation or its Affiliates possess or have access and which relates to the Corporation or its Affiliates, is not generally known to the public or in the trade or is a competitive asset and/or otherwise constitutes a "trade secret," as that term is defined by Applicable Laws (as defined below), of the Corporation or its Affiliates, including without limitation, non- public: (i) planning data and marketing strategies; (ii) terms of any new products and investment strategies; (iii) information relating to other officers and employees of the Corporation or its Affiliates; (iv) financial results and information about the business condition of the Corporation or its Affiliates; (v) terms of any investment, management or advisory agreement or other material contract; (vi) proprietary software and related documents; (vii) customer and potential customer information (for example, client lists, prospecting lists, information about client accounts, pricing strategies, and current or proposed transactions and contact persons at such customers and customer prospects); and (viii) material information or internal analyses concerning customers or customer prospects of the Corporation or its Affiliates or their respective operations, condition (financial or otherwise) or plans.

3.5 Non-Disparagement. Subject to Section 3.7 below, during the course of your employment with the Corporation or any Affiliate and continuing thereafter, you will not, directly or indirectly make, issue, authorize or publish any comments or statements (orally or in writing) to the media, including without limitation traditional vehicles and social media, to any individual or entity with whom or which the Corporation, or any of its Affiliates,

has a business relationship, or to any other individual or entity, which disparages, criticizes or otherwise reflects adversely upon the Corporation, any of its Affiliates or any of their respective employees, officers or directors.

3.6 Cooperation. Upon the termination of your employment for any reason or no reason, including but not limited to resignation of employment, you will fully cooperate with the Corporation and its Affiliates upon reasonable notice and at reasonable times, in the prosecution and defense of complaints, investigations, litigation, arbitration and mediation of any complaints, claims or actions now in existence or that may be threatened or brought in the future relating to events or occurrences that transpired while employed by the Corporation or any Affiliate.

3.7 Governmental Authorities. Nothing in the Award Agreement prohibits or interferes with your right to disclose any relevant and necessary information in any action or proceeding relating to the Award Agreement or as otherwise required by law or legal process. In addition, nothing in the Award Agreement prohibits or interferes with your or your attorney's right: (a) to initiate communications directly with or report or disclose possible violations of law or regulation to, any governmental agency or entity, legislative body, or any self-regulatory organization, including but not limited to the U.S. Department of Justice ("DOJ"), the U.S. Securities and Exchange Commission ("SEC"), the U.S. Financial Industry Regulatory Authority ("FINRA"), the U.S. Equal Employment Opportunity Commission ("EEOC"), or U.S. Congress, and such reports or disclosures do not require prior notice to, or authorization from, the Corporation; (b) to participate, cooperate, or testify in any action, investigation or proceeding with, provide information to, or respond to any inquiry from any governmental agency or legislative body, any self-regulatory organization, including but not limited to the IRS, SEC, FINRA, the EEOC, DOJ, U.S. Congress ("Governmental Authorities"), or the Corporation's Legal or Compliance Departments and such communications do not require prior notice to, or authorization from the Corporation. However, with respect to such communications, reports, participation, cooperation or testimony to the Governmental Authorities, as set forth above in clauses (a) and (b) of this Section, you may not disclose privileged communications with the Corporation's counsel. To the extent permitted by law, upon receipt of a subpoena, court order or other legal process compelling the disclosure of any information, you will give prompt written notice to the Corporation so as to provide the Corporation ample opportunity to protect its interests in confidentiality to the fullest extent possible unless the subpoena, court order or other legal process pertains to an action described above in clauses (a) or (b) of this Section, in which event no such notice is required. Notwithstanding any confidentiality and non-disclosure obligations you may have, you are hereby advised as follows pursuant to the U.S. Federal Defend Trade Secrets Act of 2016: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

3.8 Existing Obligations. The terms of the Award Agreement shall not in any way (a) limit your obligations pursuant to any other agreements with the Corporation or any of its Affiliates or other corporate plans or policies applicable to you; or (b) limit the Corporation's or your Employer's rights to exercise any remedies it may have under Applicable Laws or under the terms of such other agreements, plans or policies.

3.9 Failure to Comply with Covenants. If you fail to comply with any of the foregoing applicable covenants, the RSUs shall be immediately forfeited and may be subject to repayment as provided in Section 5.4 of these Terms and Conditions.

SECTION 4: Settlement

4.1 Time of Settlement. Vested RSUs shall be settled as soon as administratively practicable following each Vesting Date as reflected in the Award Notice and in all events no later than two and one-half (2 ½) months

following the end of the calendar year in which the RSUs vest; *provided,* if you are a "specified employee" under Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), upon separation from service and if such settlement is deferred compensation conditioned upon a separation from service and not compensation you could receive without separating from service, then settlement shall not be made until the first day following the six (6) month anniversary of your separation from service (or upon your death, if earlier).

4.2 Form of Settlement. Vested RSUs shall be settled in the form of Common Stock delivered in book-entry form. Notwithstanding the foregoing, the Corporation may, in its sole discretion, settle any vested RSUs in the form of a cash payment to the extent settlement of the RSUs in shares of Common Stock is prohibited under local law or would require you, your Employer, the Corporation or any Affiliate to obtain the approval of any governmental and/or regulatory body in your country of residence (or country of employment, if different). Alternatively, the Corporation may, in its sole discretion, settle the vested RSUs in the form of Common Stock but require an immediate sale of such shares of Common Stock (in which case, these Terms and Conditions shall give the Corporation the authority to issue sales instructions on your behalf). Accrued dividend equivalents corresponding to vested RSUs, if any, shall be settled in the form of cash, payable without interest, on the next administratively practicable pay date following vesting of such RSUs.

SECTION 5: Other Terms and Conditions

5.1 No Right to Employment. Neither the award of RSUs nor anything else contained in these Terms and Conditions nor the Plan shall be deemed to limit or restrict the right of your Employer to terminate your employment at any time, for any reason, with or without Cause.

5.2 Compliance with Laws. Notwithstanding any other provision of these Terms and Conditions, you agree to take any action, and consent to the taking of any action by the Corporation and your Employer with respect to the RSUs awarded hereunder necessary to achieve compliance with applicable laws, regulations or relevant regulatory requirements or interpretations in effect from time to time ("Applicable Laws"). Any determination by the Corporation in this regard shall be final, binding and conclusive. The Corporation shall in no event be obligated to register any securities pursuant to the U.S. Securities Act of 1933 (as the same shall be in effect from time to time) or other applicable foreign securities laws, or to take any other affirmative action in order to cause the delivery of shares in book-entry form or otherwise therefore to comply with any Applicable Laws. For the avoidance of doubt, you understand and agree that if any payment or other obligation under or arising from these Terms and Conditions, including without limitation dividend equivalent rights, or the Plan is in conflict with or is restricted by any Applicable Laws, the Corporation may reduce, revoke, cancel, clawback or impose different terms and conditions to the extent it deems necessary or appropriate, in its sole discretion, to effect such compliance. If the Corporation determines that it is necessary or appropriate for any payments under these Terms and Conditions to be delayed in order to avoid additional tax, interest and or penalties under Section 409A of the Code, then the payments would not be made before the date which is the first day following the six (6) month anniversary of the date of your termination of employment (or upon earlier death).

5.3 Tax Withholding. Regardless of any action the Corporation or your Employer take with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Corporation and your Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the subsequent sale of any shares of Common Stock acquired pursuant to the RSUs and the receipt of any dividends or dividend equivalents, and (b) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. Further, if you are or become subject to taxation in more than one country, you acknowledge that the Corporation and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

Prior to the delivery of shares of Common Stock upon the vesting of your RSUs, if your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Corporation shall be authorized to withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the RSUs that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that withholding in shares of Common Stock is prohibited or problematic under Applicable Laws or otherwise may trigger adverse consequences to the Corporation or your Employer, your Employer is authorized to withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from your regular salary and/or wages or any other amounts payable to you. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Corporation or through your regular salary and/or wages or other amounts payable to you by your Employer, no shares of Common Stock will be issued to you (or your estate) upon vesting of the RSUs unless and until satisfactory arrangements have been made by you with respect to the payment of any Tax-Related Items that the Corporation or your Employer determines, in its sole discretion, must be withheld or collected with respect to such RSUs. By accepting this grant of RSUs, you expressly consent to the withholding of shares of Common Stock and/or withholding from your regular salary and/or wages or other amounts payable to you as provided for hereunder. All other Tax-Related Items related to the RSUs and any shares of Common Stock delivered in payment thereof are your sole responsibility.

Depending on the withholding method, the Corporation or your Employer may withhold or account for Tax-Related Items by considering applicable statutory or other withholding rates, including minimum or maximum rates applicable in your jurisdiction(s). In the event of over-withholding, you may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock). In the event of under-withholding, you may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Corporation and/or your Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, you shall be deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

[5.4 Forfeiture and Repayment. If, directly or indirectly:

(a) during the course of your employment with your Employer, you violate any obligations set forth in the Award Agreement (including without limitation those obligations set forth in Section 3 of these Terms and Conditions) or engage in conduct or it is discovered that you engaged in conduct that is adverse to the interests of the Corporation or its Affiliates, including failures to comply with the Corporation's or any of its Affiliate's rules or regulations, fraud, or conduct contributing to any financial restatements or irregularities;

(b) during the course of your employment with your Employer and, unless you have post-termination obligations or duties owed to the Corporation or its Affiliates pursuant to an individual agreement set forth in subsection (d) below, for one (1) year thereafter, you engage (other than for the benefit of the Corporation or its Affiliates) in solicitation and/or diversion of customers or employees;

(c) during the course of your employment with your Employer, you engage in competition with the Corporation or its Affiliates;

(d) following termination of your employment with your Employer for any reason, with or without Cause, you violate any post-termination obligations or duties owed to the Corporation or its Affiliates under any agreement with the Corporation or its Affiliates, including without limitation, any employment, confidentiality, non-solicitation, non-competition or other agreement restricting post-employment conduct (including without limitation those obligations set forth in Section 3 of these Terms and Conditions); or

(e) any compensation that the Corporation or its Affiliates has promised or paid to you is required to be forfeited and/or repaid to the Corporation or its Affiliates pursuant to applicable regulatory requirements;

then the Corporation may cancel all or any portion of the RSUs and/or require repayment of any shares of Common Stock (or the value thereof) or other amounts which were acquired pursuant to the RSUs (including without limitation any dividends paid on the shares of Common Stock and dividend equivalents). The Corporation shall have sole discretion to determine what constitutes grounds for forfeiture and/or repayment under this Section 5.4, and, in such event, the portion of the RSUs that shall be cancelled and the sums or amounts that shall be repaid. For purposes of the foregoing, you expressly and explicitly authorize the Corporation to issue instructions, on your behalf, to any brokerage firm and/or third party administrator engaged by the Corporation to hold the shares of Common Stock and other amounts acquired pursuant to the RSUs to re-convey, transfer or otherwise return such shares and/or other amounts to the Corporation.]

5.5 Governing Law and Choice of Forum. The Award Notice and these Terms and Conditions shall be construed and enforced in accordance with the laws of the State of New York, other than any choice of law provisions calling for the application of laws of another jurisdiction. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or these Terms and Conditions, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New York and agree that such litigation shall be conducted only in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, and no other courts, where this grant is made and/or to be performed and agree to such other choice of forum provisions as are included in the Plan.

5.6 Nature of Plan. By participating in the Plan, you acknowledge, understand and agree that:

(a) The Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time.

(b) The grant of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive RSUs or benefits in lieu of such awards in the future. Future awards, if any, will be at the sole discretion of the Corporation, including, but not limited to, the form and timing of the award, the number of shares of Common Stock subject to the award, the vesting provisions applicable to the award and the purchase price (if any).

(c) Your participation in the Plan is voluntary, and the value of your RSUs is an extraordinary item of compensation and is outside the scope of your employment (and your employment contract, if any). As such, your RSUs are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, dismissal, termination or end of service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

(d) No claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any). **In consideration of the grant of the RSUs, you expressly agree not to institute any such claim against the Corporation, any of its Affiliates or your Employer.**

5.7 ***Data Privacy. By accepting the RSUs, you declare that you agree with the data processing practices described herein and consent to the collection, processing and use of your Personal Data (as defined below) by the Corporation and the transfer of your Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.***

(a) Declaration of Consent. You understand that you need to review the following information about the processing of your personal data by or on behalf of the Corporation, your Employer and/or any of its Affiliates, as described herein, and any other RSU grant materials (the "Personal Data") and declare your

consent. With regard to the processing of your Personal Data in connection with the Plan, you understand that the Corporation is the controller of the Personal Data.

(b) Data Processing and Legal Basis. The Corporation collects, uses and otherwise processes your Personal Data for the purposes of allocating shares and implementing, administering and managing the Plan. You understand that this Personal Data may include, without limitation, your name, home address and telephone number, email address, personal bank account details, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation or its Affiliates, details of all RSUs or any other entitlement to shares of Common Stock or equivalent benefits awarded, canceled, purchased, vested, unvested or outstanding in your favor. The Corporation's legal basis for the processing of your Personal Data is your consent.

(c) Stock Plan Administration Service Providers. You understand that the Corporation may transfer your Personal Data, or parts thereof, to Fidelity Stock Plan Services LLC and certain of its affiliated companies ("Fidelity"), an independent service provider based in the United States which assists the Corporation with the implementation, administration and management of the Plan. In the future, the Corporation may select a different service provider and share your Personal Data with such different service provider that serves the Corporation in a similar manner. You understand and acknowledge that the Corporation's service provider may open an account for you to receive and trade shares acquired under the Plan and that you will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of your ability to participate in the Plan.

(d) International Data Transfers. You understand that the Corporation and, as of the date hereof, certain third parties assisting in the implementation, administration and management of the Plan, such as the Corporation's service providers, are based in the United States. If you are located outside the United States, you understand and acknowledge that your country has enacted data privacy laws that are different from the laws of the United States. For example, the European Commission has issued only a limited adequacy finding with respect to the United States that applies solely if and to the extent that companies self-certify and remain self-certified under the EU/U.S. Privacy Shield program. Otherwise, transfers of personal data from the EU to the United States can be made on the basis of Standard Contractual Clauses approved by the European Commission or other appropriate safeguards permissible under the Applicable Laws. If you are located in the EU or EEA, the Corporation may receive, process and transfer your Personal Data onward to third-party service providers solely on the basis of appropriate data transfer agreements or other appropriate safeguards permissible under Applicable Laws. If applicable, you understand that you can ask for a copy of the appropriate data processing agreements underlying the transfer of your Personal Data by contacting your local human resources representative. The Corporation's legal basis for the transfer of your Personal Data is your consent.

(e) Data Retention. You understand that the Corporation will use your Personal Data only as long as is necessary to implement, administer and manage your participation in the Plan, or to comply with Applicable Laws, including under tax and securities laws. In the latter case, you understand and acknowledge that the Corporation's legal basis for the processing of your Personal Data would be compliance with the Applicable Laws or the pursuit by the Corporation of respective legitimate interests not outweighed by your interests, rights or freedoms. When the Corporation no longer needs your Personal Data for any of the above purposes, you understand the Corporation will remove it from its systems.

(f) Voluntariness and Consequences of Denial/Withdrawal of Consent. You understand that your participation in the Plan and your grant of consent is purely voluntary. You may deny or later withdraw your consent at any time, with future effect and for any or no reason. If you deny or later withdraw your consent, the Corporation can no longer offer you participation in the Plan or offer other awards to you or administer or maintain such awards and you would no longer be able to participate in the Plan. You further understand that denial or withdrawal of your consent would not affect your status or salary as an employee or your career and that you would merely forfeit the opportunities associated with the Plan.

(g) Data Subject Rights. You understand that data subject rights regarding the processing of personal data vary depending on the Applicable Laws and that, depending on where you are based and subject to the conditions set out in the Applicable Laws, you may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Corporation holds about you and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about you that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, processed based on withdrawn consent, processed for legitimate interests that, in the context of your objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request the Corporation to restrict the processing of your Personal Data in certain situations where you feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of your Personal Data that you have actively or passively provided to the Corporation (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or your employment or service contract and is carried out by automated means. In case of concerns, you understand that you may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of your rights, you should contact your local human resources representative.

5.8 Insider Trading/Market Abuse Laws. You may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the shares of Common Stock are listed and in applicable jurisdictions including the United States and your country or your broker's country, if different, which may affect your ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., RSUs) or rights linked to the value of shares of Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Corporation (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (a) disclosing the inside information to any third party and (b) "tipping" third parties or causing them otherwise to buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Corporation. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

5.9 Electronic Delivery and Acceptance. The Corporation may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

5.10 Severability. The provisions of these Terms and Conditions are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. Alternatively, the Corporation, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to render it valid and enforceable to the full extent permitted under Applicable Laws.

5.11 Liability for Breach. You shall indemnify the Corporation and hold it harmless from and against any and all damages or liabilities incurred by the Corporation (including liabilities for attorneys' fees and disbursements) arising out of any breach by you of these Terms and Conditions, including, without limitation, any attempted transfer of RSUs in violation of Section 1.4 of these Terms and Conditions.

5.12 Waiver. You acknowledge that a waiver by the Corporation of any provision of these Terms and Conditions shall not operate or be construed as a waiver of any other provision of these Terms and Conditions, or of any subsequent breach of these Terms and Conditions.

5.13 Addendum. The grant of your RSUs shall be subject to any special terms and conditions set forth in any Addendum to these Terms and Conditions (the "Addendum") for your state of residence (and your state of employment, if different). If you relocate your residency or employment to one of the states included in the

Addendum, the special terms and conditions for such state will apply to you, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum shall constitute part of the Terms and Conditions.

5.14 Additional Requirements. The Corporation reserves the right to impose other requirements on the RSUs, any payment made pursuant to the RSUs, and your participation in the Plan, to the extent the Corporation determines, in its sole discretion, that such other requirements are necessary or advisable for legal or administrative reasons. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

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THE BANK OF NEW YORK MELLON CORPORATION

FORM OF ADDENDUM TO
TERMS AND CONDITIONS
OF RESTRICTED STOCK UNITS

In addition to the terms of the Award Notice – Executive Committee General and the Terms and Conditions - Executive Committee General and as well as the terms of the Plan, the RSUs are subject to the following additional terms and conditions (the "Addendum"). All capitalized terms as contained in this Addendum shall have the same meaning as set forth in the Award Notice, the Terms and Conditions and the Plan. Pursuant to Section 5.13 of the Terms and Conditions, if you transfer your residence and/or employment to another state reflected in an Addendum at the time of transfer, the special terms and conditions for such state will apply to you to the extent the Corporation determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law, rules and regulations, or to facilitate the operation and administration of the award of RSUs and the Plan (or the Corporation may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

[COMMONWEALTH OF MASSACHUSETTS

1. Non-Solicitation of Clients and Employees. The following provision shall replace Section 3.2 of the Terms and Conditions in its entirety:

Non-Solicitation of Clients and Employees. Because of the Corporation's legitimate business interests as described herein and the good and valuable consideration offered pursuant to the Award Agreement, which is in excess of any consideration you are otherwise entitled to as a current employee, you agree that until one (1) year from the Termination Date or, if later and to the maximum extent permissible by law, the final vesting date set forth in the Award Notice, you will not directly or indirectly solicit or attempt to solicit or induce, directly or indirectly, (i) any current or prospective client of the Corporation or an Affiliate known to you, to initiate or continue a client relationship with you other than with the Corporation or Affiliate or to terminate or reduce its client relationship with the Corporation or Affiliate, or (ii) any employee of the Corporation or an Affiliate, to terminate such employee's employment relationship with the Corporation or Affiliate in order to enter into a similar relationship with you, or any other person or any entity. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

2. Non-Competition. The following provision shall replace Section 3.3 of the Terms and Conditions in its entirety:

Non-Competition. Because of the Corporation's legitimate business interests as described herein and the good and valuable consideration offered pursuant to the Award Agreement, which is in excess of any consideration you are otherwise entitled to as a current employee, in the case of (i) a Retirement-Eligible Event or (ii) a termination providing transition/separation pay, as specified in Sections 2.2(b) and 2.2(c) respectively, you agree that until one (1) year from the Termination Date or, if later and to the maximum extent permissible by law, the final vesting date set forth in the Award Notice, you will not, directly or indirectly (without the prior written consent of the Corporation), (i) associate (including as a director, officer, employee, partner, consultant, agent or advisor) with a Competitive Enterprise in a Restricted Territory, or (ii) transact business on behalf of a Competitive Enterprise in a Restricted Territory. For purposes of the Award Agreement, "Competitive Enterprise" means any business enterprise that either (A) is a member of the Corporation's competitive peer group as disclosed in the Corporation's proxy statement that was most recently filed with the Securities and Exchange Commission preceding the Termination Date; or (B) is any other business enterprise for whom you would be performing services similar to those performed at the Corporation or any Affiliate within the twelve (12) months preceding the Termination Date. For the purposes of the Award Agreement, "Restricted Territory" means all geographic areas in which you, during any time within the last 24 months preceding the end of your employment with the Corporation, provided services

or had a material presence or influence, which given your current senior role in the Corporation shall be presumed to mean the entire world. For the sake of clarity, the foregoing non-compete restriction does not prohibit you from being employed by the government or a not-for profit organization (i.e. an organization exempt from local and national tax laws). In view of the limited scope of the non-compete obligation assumed under this Section, which does not prevent you from working in other entities that are not affected by it, you hereby acknowledge that the continued vesting in your RSUs, including any dividend equivalent rights, following a Retirement-Eligible Event or termination providing transition/separation pay is appropriate consideration for the non-compete obligation agreed to herein. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

3. Governing Law and Choice of Forum. The following provision shall replace Section 5.5 of the Terms and Conditions in its entirety:

Governing Law and Choice of Forum. The Award Notice and these Terms and Conditions shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, other than any choice of law provisions calling for the application of laws of another jurisdiction. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or these Terms and Conditions, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Massachusetts and agree that such litigation shall be conducted only in the courts of Suffolk County, Massachusetts, and no other courts, where this grant is made and/or to be performed and agree to such other choice of forum provisions as are included in the Plan.

4. **Acknowledgment of Full Understanding. YOU ACKNOWLEDGE AND AGREE THAT:**

(A) YOU HAVE FULLY READ, UNDERSTAND AND VOLUNTARILY ENTERED INTO THE AWARD AGREEMENT;

(B) YOU HAVE HAD A RIGHT AND REASONABLE OPPORTUNITY OF AT LEAST TEN (10) DAYS TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF YOUR CHOICE BEFORE ELECTRONICALLY ACKNOWLEDGING AND ACCEPTING THE TERMS OF THE AWARD AGREEMENT;

(C) SECTION 3.3 OF THE AGREEMENT SHALL NOT BE EFFECTIVE UNTIL TEN DAYS FOLLOWING THE DATE THAT YOU HAVE BEEN PROVIDED NOTICE OF THE TERMS AND CONDITIONS OF THE AWARD AGREEMENT;

(D) YOU HAVE UNTIL THE ACCEPTANCE DEADLINE (AS DEFINED IN THE AWARD NOTICE) TO ACKNOWLEDGE AND ACCEPT THE AWARD AGREEMENT AND PLAN DOCUMENT ELECTRONICALLY ON THE EQUITY WEBSITE; AND

(E) **IF YOU ELECTRONICALLY ACKNOWLEDGE AND ACCEPT THE AWARD AGREEMENT AND PLAN DOCUMENT ON OR BEFORE THE TENTH DAY FOLLOWING THE DATE THAT YOU HAVE BEEN PROVIDED NOTICE THAT THE AWARD AGREEMENT HAS BEEN POSTED ON THE EQUITY WEBSITE, YOU AGREE THAT YOU HAVE DONE SO WILLINGLY, VOLUNTARILY AND WITHOUT ANY COERCION BY THE CORPORATION.**

IN WITNESS WHEREOF, the Corporation has caused the Award Agreement to be executed by its duly authorized officer.

Global Head of Compensation and Benefits]

Exhibit 10.2

FORM OF PERFORMANCE SHARE UNIT AGREEMENT

THE BANK OF NEW YORK MELLON CORPORATION
2019 LONG-TERM INCENTIVE PLAN
FORM OF NOTICE OF AWARD – PERFORMANCE SHARE UNITS – EXECUTIVE COMMITTEE GENERAL

Subject to the terms and conditions of The Bank of New York Mellon Corporation 2019 Long-Term Incentive Plan (the "Plan"), this Notice of Award - Performance Share Units – Executive Committee General (the "Award Notice"), and the Terms and Conditions of Performance Share Units – Executive Committee General (the "Terms and Conditions"), The Bank of New York Mellon Corporation (the "Corporation") grants you performance share units ("PSUs") as reflected below and on the Corporation's equity award website (the "Equity Website"). Each PSU represents the opportunity to receive one (1) share of the Corporation's common stock, par value $.01 ("Common Stock"), upon satisfaction of the terms and conditions as set forth in the Award Notice and the Terms and Conditions (collectively, the "Award Agreement"), subject to the terms of the Plan. The purpose of the award is to incentivize you to align your interests with that of the Corporation and to reward your future contribution to the performance of the Corporation's business.

Participant	[PARTICIPANT NAME]
Grant Date	[GRANT DATE]
Number of PSUs **The "Grant Amount" of "PSUs" (assuming achievement of 100% earnout)**	[NUMBER OF SHARES GRANTED]

Vesting Schedule – Please refer to Appendix The Vesting Date may be delayed if and to the extent the Risk Adjustment Process set forth in Exhibit A is not completed by such date or achievement of performance as set forth on Attachment A have not been determined by such date, in each case, subject to Section 4.1 of the Terms and Conditions.
Risk Adjustment Process - Unvested PSUs are subject to forfeiture based upon the Risk Adjustment Process set forth in Exhibit A.

THE CORPORATION'S GRANT OF PSUs AS REFLECTED HEREIN IS CONTINGENT UPON YOUR ACKNOWLEDGEMENT AND ACCEPTANCE OF THE AWARD AGREEMENT AND THE PLAN ELECTRONICALLY ON THE EQUITY WEBSITE ON OR BEFORE [GRANT ACCEPT BY DATE] (THE "ACCEPTANCE DEADLINE"). IF YOU FAIL TO DO SO, THE CORPORATION'S GRANT OF PSUs AS REFLECTED HEREIN SHALL BE NULL AND VOID, AND SHALL NOT BE RE-INSTATED.

BY ELECTRONICALLY ACKNOWLEDGING AND ACCEPTING THE CORPORATION'S GRANT OF PSUS, YOU AFFIRMATIVELY AND EXPRESSLY AGREE:

(1) SUCH ACKNOWLEDGEMENT AND ACCEPTANCE CONSTITUTES YOUR ELECTRONIC SIGNATURE IN EXECUTION OF THE AWARD AGREEMENT

(2) TO BE BOUND BY THE PROVISIONS OF THE AWARD AGREEMENT AND THE PLAN

(3) YOU HAVE REVIEWED THE AWARD AGREEMENT AND THE PLAN IN THEIR ENTIRETY, HAVE HAD AN OPPORTUNITY TO OBTAIN PROFESSIONAL LEGAL/TAX/INVESTMENT ADVICE PRIOR TO ACCEPTING THE PSUs AND FULLY UNDERSTAND ALL OF THE PROVISIONS OF THE AWARD AGREEMENT AND THE PLAN

(4) YOU HAVE BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE PLAN AND THE U.S. PROSPECTUS FOR THE PLAN

(5) TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE CORPORATION UPON ANY QUESTIONS ARISING UNDER THE AWARD AGREEMENT AND THE PLAN

PARTICIPANT ACCEPTANCE DATE: [ACCEPTANCE DATE]

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EXHIBIT A

Risk Adjustment/Forfeiture Decision Process

For any performance year in which you remain a covered employee, your risk performance will be assessed via a Risk Culture Summary Scorecard ("RCSS") Score or a Performance Management Platform ("PMP") Risk Goal Rating. If, in any year, you receive an RCSS Score of 4 or worse, or a PMP Risk Goal Rating of "Below Expectations" or "Unsatisfactory," your unvested PSUs (including any PSUs resulting from dividend equivalents) will be subject to review by the Incentive Compensation Review Committee ("ICRC") for consideration of forfeiture. If you are no longer a covered employee or have left the Corporation, any unvested portion of the PSUs (including any PSUs resulting from dividend equivalents) will also be subject to a risk review by the ICRC. The ICRC is generally comprised of senior managers and senior control managers.

In that event, as part of its review, ICRC will ask –

- Did your score/rating reflect poor risk behavior by you in a prior year?
- Did you receive an award in that year?

If the answer to both questions is yes, ICRC asks the following questions with respect to each of the designated prior years:

- Financial Impact: How much did/will the issue cost the Company?
- Reputational Impact: How much of a regulatory impact did/will it have on the Company?

ICRC selects the impact answer that falls into the highest category below to determine the impact forfeiture percentage.

Criteria	Metric	None	Low	Medium	High
Financial Impact					
Reputational Impact					

As used in this Exhibit A, the term "Company" shall mean the Corporation and its Affiliates.

Then the ICRC asks how much, if any, control/responsibility you had regarding the situation. The answer to the last question determines the modifier to be applied to the impact forfeiture percentage.

Criteria	None	Indirect	Direct
Your role & responsibility			

Example: *[Insert Example]*

The ICRC will submit its recommendations to the Human Resources and Compensation Committee of the Corporation's Board of Directors for final action and approval.

THE BANK OF NEW YORK MELLON CORPORATION

FORM OF TERMS AND CONDITIONS
OF PERFORMANCE SHARE UNITS – EXECUTIVE COMMITTEE GENERAL

The Performance Share Units ("PSUs") with respect to Common Stock of The Bank of New York Mellon Corporation (the "Corporation") granted to you on the Grant Date are subject to the Notice of Award - Performance Share Units – Executive Committee General (the "Award Notice"), these Terms and Conditions of Performance Share Units – Executive Committee General (the "Terms and Conditions") and all of the terms and conditions of The Bank of New York Mellon Corporation 2019 Long-Term Incentive Plan (the "Plan"), which is incorporated herein by reference. In the case of a conflict between the Award Notice, these Terms and Conditions and the terms of the Plan, the provisions of the Plan shall govern. Capitalized terms used but not defined herein shall have the same meaning as provided or reflected in the Award Notice or the Plan, as applicable. For purposes of these Terms and Conditions, "Employer" means the Corporation or any Affiliate that employs you on the applicable date.

SECTION 1: Performance Share Unit Award

1.1 Grant of Award. Subject to these Terms and Conditions and the terms of the Plan, the Corporation grants you the number of PSUs as reflected in the Award Notice. The PSUs shall vest in accordance with the Vesting Schedule and shall be subject to the Risk Adjustment Process as reflected in the Award Notice.

1.2 Dividend Equivalents. During the period prior to vesting, dividend equivalents shall be determined with respect to the PSUs as if reinvested as additional PSUs on the dividend payment date and shall be paid to you pursuant to Section 4 of these Terms and Conditions only if and to the extent that the underlying PSUs become vested as provided in the Award Agreement, and any remaining dividend equivalents (including any PSUs resulting from dividend equivalents) shall be forfeited. In the event that you receive any additional PSUs as an adjustment with respect to the Grant Amount, such additional PSUs will be subject to the same restrictions as if granted under the Award Agreement as of the Grant Date and paid pursuant to Section 4 of this Agreement.

1.3 No Voting Rights. Prior to the settlement of your PSUs pursuant to these Terms and Conditions, you shall not be entitled to vote the shares of Common Stock underlying the PSUs.

1.4 Nontransferable. The PSUs shall be transferable only by will or the laws of descent and distribution. If you purport to make any transfer of the PSUs, except as described herein, the PSUs and all rights thereunder immediately shall terminate and be forfeited.

SECTION 2: Vesting, Performance Period, Forfeiture, Termination of Employment and Disability

2.1 Vesting, Performance Period and Forfeiture.

(a) *Vesting*. Subject to Sections 3 and 5.4 of these Terms and Conditions, PSUs (as may be adjusted from the Grant Amount by reference to the performance goals and the Risk Adjustment Process) may be earned as set forth in Attachment A for the period *[Insert Performance Period]* (the "Performance Period") and shall vest on the _____ anniversary of the Grant Date; provided that you remain continuously employed with your Employer through the close of business on _____; and provided further that unvested PSUs are subject to forfeiture based upon the Risk Adjustment Process each year and following completion of the Performance Period as set forth on Exhibit A. Notwithstanding anything to the contrary contained in the Award Agreement and in accordance with Section 4.1, a vesting may be delayed if, on the Vesting Date, you are the subject of ongoing disciplinary or performance management investigations or proceedings concerning the circumstances under which forfeiture or clawback of this award could apply. In such cases, the applicable portion of the award, if any, will vest following the completion of such investigations and proceedings to the extent the Corporation determines that forfeiture and/or clawback does not apply.

(b) *Forfeiture upon Termination of Employment*. Subject to Sections 2.2 and 2.3 of these Terms and Conditions, if you cease to be continuously employed with your Employer prior to _____, you shall cease vesting in your PSUs as of your Termination Date and any unvested PSUs immediately shall terminate and be forfeited, **except** in situations where vesting would have occurred but for the fact that a determination has not yet been made as to whether a risk adjustment pursuant to Exhibit A is required, in which case vesting shall occur in accordance with the terms of the Award Agreement provided that the Committee determines the effect, if any, of a risk adjustment. As used herein, "Termination Date" shall mean the last day on which you are an employee of your Employer.

(c) *Forfeiture upon Termination of Employment for Cause*. Notwithstanding anything to the contrary contained in these Terms and Conditions, if your Employer terminates your employment for Cause, your PSUs, whether vested (but unsettled) or unvested, and including any dividend equivalent rights (including any PSUs resulting from dividend equivalents), immediately shall terminate and be forfeited. For purposes of these Terms and Conditions, "Cause" shall mean:

(i) you have been convicted of, or have entered into a pretrial diversion or entered a plea of guilty or nolo contendere (plea of no contest) to a crime or offense constituting a felony (or its equivalent under applicable laws outside of the United States), or to any other crime or offense involving moral turpitude, dishonesty, fraud, breach of trust, money laundering, or any other offense that may preclude you from being employed with a financial institution;

(ii) you are grossly negligent in the performance of your duties or have failed to perform the duties of your employment, including, without limitation, failure to comply with any lawful directive from your Employer or the Corporation, other than by reason of incapacity due to disability or from any permitted leave of absence required by law;

(iii) you have violated the Corporation's Code of Conduct or any of the policies of the Corporation or your Employer governing the conduct of business or your employment, including without limitation, those relating to discrimination and retaliation;

(iv) you have engaged in any misconduct which has the effect or potential of being injurious to the Corporation, any Affiliate or your Employer, including, but not limited to, its reputation;

(v) you have engaged in an act of fraud or dishonesty, including, but not limited to, taking or failing to take actions intending to result in personal gain; or

(vi) if you are employed outside the United States, any other circumstances (beyond those listed above) that permit the immediate termination of your employment without notice or payment in accordance with the terms of your employment agreement or Applicable Laws (as defined in Section 5.2).

The determination of whether your actions will be considered Cause for purposes of these Terms and Conditions will be determined by the Corporation or any of its Affiliates, at its or their sole discretion, as applicable. Any determinations of Cause will be considered conclusive and binding on you.

2.2 Specified Terminations of Employment.

(a) *Death*. If you cease to be continuously employed with your Employer by reason of your death prior to the date that your PSUs become fully vested, all unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period and the balance of the PSUs that do not vest with respect to the Performance Period shall be deemed forfeited at the end of the Performance Period. In such case, the Corporation will issue your legal representative or your estate the vested PSUs settled in shares of Common Stock in accordance with Section 4.

[(b) *Age & Years of Service Rule; Termination Providing Transition/Separation Pay prior to Age 55.*

(i) *Age & Years of Service Rule*. If you cease to be continuously employed with your Employer (i) on or after your attainment of age 55 but prior to age 60, and (ii) the combination of your age and years of credited employment with your Employer (in both instances, full and partial years) on your Termination Date equals or exceeds 65 (satisfaction of (i) and (ii) being a "Rule of 65 Retirement-Eligible Event"), a pro rata portion of the unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period, so long as you fully comply with the applicable covenants provided in Section 3 hereof and provided that, if requested by your Employer (to the extent not prohibited by Applicable Laws), you execute and do not revoke a Transition/Separation Agreement and Release acceptable to your Employer. Such pro rata portion shall be determined as set forth in subsection (iii) below. For purposes of the foregoing, partial years shall be determined based upon the number of days since your prior birthday or the number of days of credited employment since your prior employment anniversary, as the case may be. Notwithstanding the foregoing, in the case of continued vesting following a Rule of 65 Retirement-Eligible Event, if you commence employment with a new employer that grants you a new award that replaces all or any portion of this award, any portion of this award that has been replaced by your new employer will be forfeited and will no longer vest and, where relevant, will be promptly repaid by you if the award or any portion of this award has already vested.

(ii) *Termination Providing Transition/Separation Pay prior to Age 55.* Provided that you execute and do not revoke a Transition/Separation Agreement and Release acceptable to your Employer, if you cease to be continuously employed with your Employer by reason of a termination by your Employer prior to your attainment of age 55 and in connection with such termination you receive transition/separation pay from the Corporation or your Employer, a pro rata portion of the unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period, so long as you fully comply with the applicable covenants provided in Section 3 hereof. Such pro rata portion shall be determined as set forth in subsection (iii) below.

(iii) *Calculation of Pro Rata Portion.* In the event of continued vesting pursuant to subsection (b)(i) or (b)(ii) above, the pro rata portion of the PSUs that vests shall equal (i) the number of days from the first day of the Performance Period through the Termination Date, divided by (ii) _____, with the result multiplied by (iii) the number of PSUs, with that result multiplied by (iv) the applicable final earnout percentage as determined under Attachment A. In such case, the balance of the PSUs awarded shall be deemed forfeited at the end of the Performance Period.*]*

[(c) *Special Age Rule.* If you cease to be continuously employed with your Employer on or after your attainment of age 60 ("Rule of 60 Retirement-Eligible Event"), all unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period so long as you fully comply with the covenants provided in Section 3 hereof and provided that, if requested by your Employer, you execute and do not revoke a Transition/Separation Agreement and Release acceptable to your Employer. The balance of the PSUs that do not vest with respect to the Performance Period shall be deemed forfeited at the end of the Performance Period. Notwithstanding the foregoing, in the case of continued vesting following a Rule of 60 Retirement-Eligible Event, if you commence employment with a new employer that grants you a new award that replaces all or any portion of this award, any portion of this award that has been replaced by your new employer will be forfeited and will no longer vest and, where relevant, will be promptly repaid by you if the award or any portion of this award has already vested.*]*

(d) *Termination Providing Transition/Separation Pay on or after Age 55.* Provided that you execute and do not revoke a Transition/Separation Agreement and Release acceptable to your Employer, if you cease to be continuously employed with your Employer by reason of a termination by your Employer on or after your attainment of age 55 and in connection with such termination you receive transition/separation pay from the Corporation or your Employer, all unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period so long as you fully comply with the applicable covenants provided in Section 3 hereof. The balance of the PSUs that do not vest with respect to the Performance Period shall be deemed forfeited at the end of the Performance Period.

(e) For purposes of Sections 2(b)(ii) and 2(d) above, "transition/separation pay" means any severance, redundancy or ex-gratia compensation payment to you from the Corporation or your Employer in connection with your termination of employment that is in excess of the amount payable to you on account of any notice period to which you are entitled pursuant to the terms of your contract of employment or otherwise (or payment in lieu of such notice).

(f) *Sale of Business*. If you cease to be continuously employed with your Employer due to a sale of a business unit or your Employer and you are not otherwise entitled to transition/separation pay, all unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period so long as you fully comply with the applicable covenants provided in Section 3 hereof. The balance of the PSUs that do not vest with respect to the Performance Period shall be deemed forfeited at the end of the Performance Period.

(g) *Change in Control*. If your employment is terminated by your Employer without Cause within two (2) years after a Change in Control occurring after the Grant Date, all unvested PSUs may vest as provided in Section 2.1(a) above following completion of the Performance Period so long as you fully comply with the applicable covenants provided in Section 3 hereof. The balance of the PSUs that do not vest with respect to the Performance Period shall be deemed forfeited at the end of the Performance Period.

2.3 Disability. If you receive current benefits under a long-term disability plan maintained by the Corporation or your Employer while any portion of your PSUs remains unvested, all unvested PSUs will remain eligible to vest as provided in Section 2.1(a) above following completion of the Performance Period so long as you are eligible to receive such benefits provided you fully comply with the applicable covenants provided in Section 3 hereof. The balance of the PSUs that do not vest with respect to the Performance Period shall be deemed forfeited at the end of the Performance Period.

SECTION 3: Notice of Resignation, Non-Solicitation, Non-Competition, Confidential Information, Non-Disparagement and Cooperation

3.1 Notice of Resignation. As consideration for this award, you will provide your Employer with 90 days' advance written notice of any voluntary termination of your employment with your Employer.

3.2 Non-Solicitation of Clients and Employees. You agree that until one (1) year from the Termination Date or, if later, the final vesting date set forth in the Award Notice, you will not directly or indirectly solicit or attempt to solicit or induce, directly or indirectly, (i) any current or prospective client of the Corporation or an Affiliate known to you, to initiate or continue a client relationship with you other than with the Corporation or Affiliate or to terminate or reduce its client relationship with the Corporation or Affiliate, or (ii) any employee of the Corporation or an Affiliate, to terminate such employee's employment relationship with the Corporation or Affiliate in order to enter into a similar relationship with you, or any other person or any other entity. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

3.3 Non-Competition. In the case of (i) a Rule of 65 Retirement-Eligible Event, (ii) a termination providing transition/separation pay prior to age 55, (iii) a Rule of 60 Retirement-Eligible Event or (iv) a termination providing transition/separation pay on or after age 55, as specified in Sections 2.2(b)(i), 2.2(b)(ii), 2.2(c) and 2.2(d) respectively, you agree that until one (1) year from the Termination Date or, if later, the final vesting date set forth in the Award Notice, you will not, directly or indirectly, (without the prior written consent of the Corporation) (i) associate (including as a director, officer, employee, partner, consultant, agent or advisor) with a Competitive Enterprise, or (ii) transact business on behalf of a Competitive Enterprise. For purposes of the Award Agreement, "Competitive Enterprise" means any business enterprise that either (A) is a member of the Corporation's competitive peer group as disclosed in the Corporation's proxy statement that was most recently filed with the Securities and Exchange Commission preceding the Termination Date; or (B) is any other business enterprise for whom you would be performing services similar to those performed at the Corporation or any Affiliate within the

twelve (12) months preceding the Termination Date. For the sake of clarity, the foregoing non-compete restriction does not prohibit you from being employed by the government or a not-for profit organization (i.e. an organization exempt from local and national tax laws). In view of the limited scope of the non-compete obligation assumed under this Section, which does not prevent you from working in other entities that are not affected by it, you hereby acknowledge that the ability to continue to vest in your PSUs, including any dividend equivalent rights, following a Rule of 65 Retirement-Eligible Event, a Rule of 60 Retirement-Eligible Event or a termination providing transition/separation pay is appropriate consideration for the non-compete obligation agreed to herein. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

3.4 Confidential Information.

(a) Except as may be permitted in accordance with Section 3.7 below, during the course of your employment with the Corporation or any Affiliate and continuing thereafter, you will not, either directly or indirectly, at any time, while an employee of the Corporation or any Affiliate or thereafter, make known, divulge, reveal, furnish, make available, or use (except for use in the regular course of your duties for the Corporation or its Affiliates) any Confidential Information (as defined below) without the written consent of the Corporation. You also agree that this obligation is in addition to, and not in limitation or preemption of, all other obligations of confidentiality that you may have to the Corporation or its Affiliates under the Code of Conduct, Securities Trading Policy or other rules or policies governing the conduct of their respective businesses, or general or specific legal or equitable principles.

(b) As used herein, "Confidential Information" means the information you have been given or to which you have access or become informed of which the Corporation or its Affiliates possess or have access and which relates to the Corporation or its Affiliates, is not generally known to the public or in the trade or is a competitive asset and/or otherwise constitutes a "trade secret," as that term is defined by Applicable Laws (as defined below), of the Corporation or its Affiliates, including without limitation, non- public: (i) planning data and marketing strategies; (ii) terms of any new products and investment strategies; (iii) information relating to other officers and employees of the Corporation or its Affiliates; (iv) financial results and information about the business condition of the Corporation or its Affiliates; (v) terms of any investment, management or advisory agreement or other material contract; (vi) proprietary software and related documents; (vii) customer and potential customer information (for example, client lists, prospecting lists, information about client accounts, pricing strategies, and current or proposed transactions and contact persons at such customers and customer prospects); and (viii) material information or internal analyses concerning customers or customer prospects of the Corporation or its Affiliates or their respective operations, condition (financial or otherwise) or plans.

3.5 Non-Disparagement. Subject to Section 3.7 below, during the course of your employment with the Corporation or any Affiliate and continuing thereafter, you will not, directly or indirectly make, issue, authorize or publish any comments or statements (orally or in writing) to the media, including without limitation traditional vehicles and social media, to any individual or entity with whom or which the Corporation, or any of its Affiliates, has a business relationship, or to any other individual or entity, which disparages, criticizes or otherwise reflects adversely upon the Corporation, any of its Affiliates or any of their respective employees, officers or directors.

3.6 Cooperation. Upon the termination of your employment for any reason or no reason, including but not limited to resignation of employment, you will fully cooperate with the Corporation and its Affiliates upon reasonable notice and at reasonable times, in the prosecution and defense of complaints, investigations, litigation, arbitration and mediation of any complaints, claims or actions now in existence or that may be threatened or brought in the future relating to events or occurrences that transpired while employed by the Corporation or any Affiliate.

3.7 Governmental Authorities. Nothing in the Award Agreement prohibits or interferes with your right to disclose any relevant and necessary information in any action or proceeding relating to the Award Agreement or as otherwise required by law or legal process. In addition, nothing in the Award Agreement prohibits or interferes

with your or your attorney's right: (a) to initiate communications directly with or report or disclose possible violations of law or regulation to, any governmental agency or entity, legislative body, or any self-regulatory organization, including but not limited to the U.S. Department of Justice ("DOJ"), the U.S. Securities and Exchange Commission ("SEC"), the U.S. Financial Industry Regulatory Authority ("FINRA"), the U.S. Equal Employment Opportunity Commission ("EEOC"), or U.S. Congress, and such reports or disclosures do not require prior notice to, or authorization from, the Corporation; (b) to participate, cooperate, or testify in any action, investigation or proceeding with, provide information to, or respond to any inquiry from any governmental agency or legislative body, any self-regulatory organization, including but not limited to the IRS, SEC, FINRA, the EEOC, DOJ, U.S. Congress ("Governmental Authorities"), or the Corporation's Legal or Compliance Departments and such communications do not require prior notice to, or authorization from the Corporation. However, with respect to such communications, reports, participation, cooperation or testimony to the Governmental Authorities, as set forth above in clauses (a) and (b) of this Section, you may not disclose privileged communications with the Corporation's counsel. To the extent permitted by law, upon receipt of a subpoena, court order or other legal process compelling the disclosure of any information, you will give prompt written notice to the Corporation so as to provide the Corporation ample opportunity to protect its interests in confidentiality to the fullest extent possible unless the subpoena, court order or other legal process pertains to an action described above in clauses (a) or (b) of this Section, in which event no such notice is required. Notwithstanding any confidentiality and non-disclosure obligations you may have, you are hereby advised as follows pursuant to the U.S. Federal Defend Trade Secrets Act of 2016: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

3.8 Existing Obligations. The terms of the Award Agreement shall not in any way (a) limit your obligations pursuant to any other agreements with the Corporation or any of its Affiliates or other corporate plans or policies applicable to you; or (b) limit the Corporation's or your Employer's rights to exercise any remedies it may have under Applicable Laws or under the terms of such other agreements, plans or policies.

3.9 Failure to Comply with Covenants. If you fail to comply with any of the foregoing applicable covenants, the PSUs shall be immediately forfeited and may be subject to repayment as provided in Section 5.4 of these Terms and Conditions.

SECTION 4: Settlement

4.1 Time of Settlement. Vested PSUs shall be settled within two and one-half (2 ½) months following the end of the Performance Period, contingent upon the Committee's determination of the earnout achieved and subject to the individual per-employee limitations included in the Plan; *provided,* if you are a "specified employee" under Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), upon separation from service and if such settlement is deferred compensation conditioned upon a separation from service and not compensation you could receive without separating from service, then settlement shall not be made until the first day following the six (6) month anniversary of your separation from service (or upon your death, if earlier).

4.2 Form of Settlement. PSUs, including any PSUs resulting from dividend equivalents, shall be settled in the form of Common Stock delivered in book-entry form.

SECTION 5: Other Terms and Conditions

5.1 No Right to Employment. Neither the award of PSUs nor anything else contained in these Terms and Conditions nor the Plan shall be deemed to limit or restrict the right of your Employer to terminate your employment at any time, for any reason, with or without Cause.

5.2 Compliance with Laws. Notwithstanding any other provision of these Terms and Conditions, you agree to take any action, and consent to the taking of any action by the Corporation and your Employer with respect to the PSUs awarded hereunder necessary to achieve compliance with applicable laws, regulations or relevant regulatory requirements or interpretations in effect from time to time ("Applicable Laws"). Any determination by the Corporation in this regard shall be final, binding and conclusive. The Corporation shall in no event be obligated to register any securities pursuant to the U.S. Securities Act of 1933 (as the same shall be in effect from time to time) or other applicable foreign securities laws, or to take any other affirmative action in order to cause the delivery of shares in book-entry form or otherwise therefore to comply with any Applicable Laws. For the avoidance of doubt, you understand and agree that if any payment or other obligation under or arising from these Terms and Conditions, including without limitation dividend equivalent rights, or the Plan is in conflict with or is restricted by any Applicable Laws, the Corporation may reduce, revoke, cancel, clawback or impose different terms and conditions to the extent it deems necessary or appropriate, in its sole discretion, to effect such compliance. If the Corporation determines that it is necessary or appropriate for any payments under these Terms and Conditions to be delayed in order to avoid additional tax, interest and or penalties under Section 409A of the Code, then the payments would not be made before the date which is the first day following the six (6) month anniversary of the date of your termination of employment (or upon earlier death).

5.3 Tax Withholding. Regardless of any action the Corporation or your Employer take with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Corporation and your Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including the grant of the PSUs, the vesting of the PSUs, the subsequent sale of any shares of Common Stock acquired pursuant to the PSUs and the receipt of any dividends or dividend equivalents (including any PSUs resulting from dividend equivalents), and (b) do not commit to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items. Further, if you are or become subject to taxation in more than one country you acknowledge that the Corporation and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

Prior to the delivery of shares of Common Stock upon the vesting of your PSUs, if your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Corporation shall be authorized to withhold a sufficient number of whole shares of Common Stock otherwise issuable upon the vesting of the PSUs that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that withholding in shares of Common Stock is prohibited or problematic under Applicable Laws or otherwise may trigger adverse consequences to the Corporation or your Employer, your Employer is authorized to withhold the Tax-Related Items required to be withheld with respect to the shares of Common Stock in cash from your regular salary and/or wages or any other amounts payable to you. In the event the withholding requirements are not satisfied through the withholding of shares of Common Stock by the Corporation or through your regular salary and/or wages or other amounts payable to you by your Employer, no shares of Common Stock will be issued to you (or your estate) upon vesting of the PSUs unless and until satisfactory arrangements have been made by you with respect to the payment of any Tax-Related Items that the Corporation or your Employer determines, in its sole discretion, must be withheld or collected with respect to such PSUs. By accepting this grant of PSUs, you expressly consent to the withholding of shares of Common Stock and/or withholding from your regular salary and/or wages or other amounts payable to you as provided for hereunder. All other Tax-Related Items related to the PSUs and any shares of Common Stock delivered in payment thereof are your sole responsibility.

Depending on the withholding method, the Corporation or your Employer may withhold or account for Tax-Related Items by considering applicable statutory or other withholding rates, including minimum or maximum rates applicable in your jurisdiction(s). In the event of over-withholding, you may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock). In the event of under-withholding, you may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Corporation and/or your Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, you shall be deemed to have been issued the full number of shares of Common Stock subject to the vested PSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

5.4 Forfeiture and Repayment. If, directly or indirectly:

(a) during the course of your employment with your Employer, you violate any obligations set forth in the Award Agreement (including without limitation those obligations set forth in Section 3 of these Terms and Conditions) or engage in conduct or it is discovered that you engaged in conduct that is adverse to the interests of the Corporation or its Affiliates, including failures to comply with the Corporation's or any of its Affiliate's rules or regulations, fraud, or conduct contributing to any financial restatements or irregularities;

(b) during the course of your employment with your Employer and, unless you have posttermination obligations or duties owed to the Corporation or its Affiliates pursuant to an individual agreement set forth in subsection (d) below, for one (1) year thereafter, you engage (other than for the benefit of the Corporation or its Affiliates) in solicitation and/or diversion of customers or employees;

(c) during the course of your employment with your Employer, you engage in competition with the Corporation or its Affiliates;

(d) following termination of your employment with your Employer for any reason, with or without Cause, you violate any post-termination obligations or duties owed to the Corporation or its Affiliates under any agreement with the Corporation or its Affiliates, including without limitation, any employment, confidentiality, non-solicitation, non-competition or other agreement restricting post-employment conduct (including without limitation those obligations set forth in Section 3 of these Terms and Conditions); or

(e) any compensation that the Corporation or its Affiliates has promised or paid to you is required to be forfeited and/or repaid to the Corporation or its Affiliates pursuant to applicable regulatory requirements;

then the Corporation may cancel all or any portion of the PSUs and/or require repayment of any shares of Common Stock (or the value thereof) or other amounts which were acquired pursuant to the PSUs (including dividends paid on the shares of Common Stock and dividend equivalents). The Corporation shall have sole discretion to determine what constitutes grounds for forfeiture and/or repayment under this Section 5.4, and, in such event, the portion of the PSUs that shall be cancelled and the sums or amounts that shall be repaid. For purposes of the foregoing, you expressly and explicitly authorize the Corporation to issue instructions, on your behalf, to any brokerage firm and/or third party administrator engaged by the Corporation to hold the shares of Common Stock and other amounts acquired pursuant to the PSUs to re-convey, transfer or otherwise return such shares and/or other amounts to the Corporation.

5.5 Governing Law and Choice of Forum. The Award Notice and these Terms and Conditions shall be construed and enforced in accordance with the laws of the State of New York, other than any choice of law provisions calling for the application of laws of another jurisdiction. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or these Terms and Conditions, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New York and agree that such litigation shall be conducted only in the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, and no other courts, where this grant is made and/or to be performed and agree to such other choice of forum provisions as are included in the Plan.

5.6 Nature of Plan. By participating in the Plan, you acknowledge, understand and agree that:

(a) The Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Corporation, in its sole discretion, at any time.

(b) The grant of PSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive PSUs or benefits in lieu of such awards in the future. Future awards, if any, will be at the sole discretion of the Corporation, including, but not limited to, the form and timing of the award, the number of shares of Common Stock subject to the award, the vesting provisions applicable to the award and the purchase price (if any).

(c) Your participation in the Plan is voluntary, and the value of your PSUs is an extraordinary item of compensation and is outside the scope of your employment (and your employment contract, if any). As such, your PSUs are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, dismissal, termination or end of service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

(d) No claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any). **In consideration of the grant of the PSUs, you expressly agree not to institute any such claim against the Corporation, any of its Affiliates or your Employer.**

5.7 ***Data Privacy. By accepting the PSUs, you declare that you agree with the data processing practices described herein and consent to the collection, processing and use of your Personal Data (as defined below) by the Corporation and the transfer of your Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described herein.***

(a) Declaration of Consent. You understand that you need to review the following information about the processing of your personal data by or on behalf of the Corporation, your Employer and/or any of its Affiliates, as described herein, and any other PSU grant materials (the "Personal Data") and declare your consent. With regard to the processing of your Personal Data in connection with the Plan, you understand that the Corporation is the controller of the Personal Data.

(b) Data Processing and Legal Basis. The Corporation collects, uses and otherwise processes your Personal Data for the purposes of allocating shares and implementing, administering and managing the Plan. You understand that this Personal Data may include, without limitation, your name, home address and telephone number, email address, personal bank account details, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of Common Stock or directorships held in the Corporation or its Affiliates, details of all PSUs or any other entitlement to shares of Common Stock or equivalent benefits awarded, canceled, purchased, vested, unvested or outstanding in your favor. The Corporation's legal basis for the processing of your Personal Data is your consent.

(c) Stock Plan Administration Service Providers. You understand that the Corporation may transfer your Personal Data, or parts thereof, to Fidelity Stock Plan Services LLC and certain of its affiliated companies ("Fidelity"), an independent service provider based in the United States which assists the Corporation with the implementation, administration and management of the Plan. In the future, the Corporation may select a different service provider and share your Personal Data with such different service provider that serves the Corporation in a similar manner. You understand and acknowledge that the Corporation's service provider may open an account for you to receive and trade shares acquired under the Plan and that you will be asked to agree

on separate terms and data processing practices with the service provider, which is a condition of your ability to participate in the Plan.

(d) International Data Transfers. You understand that the Corporation and, as of the date hereof, certain third parties assisting in the implementation, administration and management of the Plan, such as the Corporation's service providers, are based in the United States. If you are located outside the United States, you understand and acknowledge that your country has enacted data privacy laws that are different from the laws of the United States. For example, the European Commission has issued only a limited adequacy finding with respect to the United States that applies solely if and to the extent that companies self-certify and remain self-certified under the EU/U.S. Privacy Shield program. Otherwise, transfers of personal data from the EU to the United States can be made on the basis of Standard Contractual Clauses approved by the European Commission or other appropriate safeguards permissible under the Applicable Laws. If you are located in the EU or EEA, the Corporation may receive, process and transfer your Personal Data onward to third-party service providers solely on the basis of appropriate data transfer agreements or other appropriate safeguards permissible under Applicable Laws. If applicable, you understand that you can ask for a copy of the appropriate data processing agreements underlying the transfer of your Personal Data by contacting your local human resources representative. The Corporation's legal basis for the transfer of your Personal Data is your consent.

(e) Data Retention. You understand that the Corporation will use your Personal Data only as long as is necessary to implement, administer and manage your participation in the Plan, or to comply with Applicable Laws, including under tax and securities laws. In the latter case, you understand and acknowledge that the Corporation's legal basis for the processing of your Personal Data would be compliance with the Applicable Laws or the pursuit by the Corporation of respective legitimate interests not outweighed by your interests, rights or freedoms. When the Corporation no longer needs your Personal Data for any of the above purposes, you understand the Corporation will remove it from its systems.

(f) Voluntariness and Consequences of Denial/Withdrawal of Consent. You understand that your participation in the Plan and your grant of consent is purely voluntary. You may deny or later withdraw your consent at any time, with future effect and for any or no reason. If you deny or later withdraw your consent, the Corporation can no longer offer you participation in the Plan or offer other awards to you or administer or maintain such awards and you would no longer be able to participate in the Plan. You further understand that denial or withdrawal of your consent would not affect your status or salary as an employee or your career and that you would merely forfeit the opportunities associated with the Plan.

(g) Data Subject Rights. You understand that data subject rights regarding the processing of personal data vary depending on the Applicable Laws and that, depending on where you are based and subject to the conditions set out in the Applicable Laws, you may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Corporation holds about you and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about you that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, processed based on withdrawn consent, processed for legitimate interests that, in the context of your objection, do not prove to be compelling, or processed in non-compliance with applicable legal requirements, (iv) request the Corporation to restrict the processing of your Personal Data in certain situations where you feel its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of your Personal Data that you have actively or passively provided to the Corporation (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or your employment or service contract and is carried out by automated means. In case of concerns, you understand that you may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of your rights, you should contact your local human resources representative.

5.8 Insider Trading/Market Abuse Laws. You may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the shares of Common Stock are listed and in applicable

jurisdictions including the United States and your country or your broker's country, if different, which may affect your ability to accept, acquire, sell or otherwise dispose of shares of Common Stock, rights to shares of Common Stock (e.g., PSUs) or rights linked to the value of shares of Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Corporation (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (a) disclosing the inside information to any third party and (b) "tipping" third parties or causing them otherwise to buy or sell securities (third parties include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Corporation. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

5.9 Electronic Delivery and Acceptance. The Corporation may, in its sole discretion, deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation.

5.10 Severability. The provisions of these Terms and Conditions are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. Alternatively, the Corporation, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to render it valid and enforceable to the full extent permitted under Applicable Laws.

5.11 Liability for Breach. You shall indemnify the Corporation and hold it harmless from and against any and all damages or liabilities incurred by the Corporation (including liabilities for attorneys' fees and disbursements) arising out of any breach by you of these Terms and Conditions, including, without limitation, any attempted transfer of PSUs in violation of Section 1.4 of these Terms and Conditions.

5.12 Waiver. You acknowledge that a waiver by the Corporation of any provision of these Terms and Conditions shall not operate or be construed as a waiver of any other provision of these Terms and Conditions, or of any subsequent breach of these Terms and Conditions.

5.13 Addendum. The grant of your PSUs shall be subject to any special terms and conditions set forth in any Addendum to these Terms and Conditions (the "Addendum") for your state of residence (and your state of employment, if different). If you relocate your residency or employment to one of the states included in the Addendum, the special terms and conditions for such state will apply to you, to the extent the Corporation determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum shall constitute part of the Terms and Conditions.

5.14 Additional Requirements. The Corporation reserves the right to impose other requirements on the PSUs, any payment made pursuant to the PSUs, and your participation in the Plan, to the extent the Corporation determines, in its sole discretion, that such other requirements are necessary or advisable for legal or administrative reasons. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

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Attachment A
Performance Goals

[Complete as appropriate]

THE BANK OF NEW YORK MELLON CORPORATION

FORM OF ADDENDUM TO
TERMS AND CONDITIONS
OF PERFORMANCE SHARE UNITS

In addition to the terms of the Award Notice – Executive Committee General and the Terms and Conditions - Executive Committee General and as well as the terms of the Plan, the PSUs are subject to the following additional terms and conditions (the "Addendum"). All capitalized terms as contained in this Addendum shall have the same meaning as set forth in the Award Notice, the Terms and Conditions and the Plan. Pursuant to Section 5.13 of the Terms and Conditions, if you transfer your residence and/or employment to another state reflected in an Addendum at the time of transfer, the special terms and conditions for such state will apply to you to the extent the Corporation determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law, rules and regulations, or to facilitate the operation and administration of the award of PSUs and the Plan (or the Corporation may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

[COMMONWEALTH OF MASSACHUSETTS

1. Non-Solicitation of Clients and Employees. The following provision shall replace Section 3.2 of the Terms and Conditions in its entirety:

Non-Solicitation of Clients and Employees. Because of the Corporation's legitimate business interests as described herein and the good and valuable consideration offered pursuant to the Award Agreement, which is in excess of any consideration you are otherwise entitled to as a current employee, you agree that until one (1) year from the Termination Date or, if later and to the maximum extent permissible by law, the final vesting date set forth in the Award Notice, you will not directly or indirectly solicit or attempt to solicit or induce, directly or indirectly, (i) any current or prospective client of the Corporation or an Affiliate known to you, to initiate or continue a client relationship with you other than with the Corporation or Affiliate or to terminate or reduce its client relationship with the Corporation or Affiliate, or (ii) any employee of the Corporation or an Affiliate, to terminate such employee's employment relationship with the Corporation or Affiliate in order to enter into a similar relationship with you, or any other person or any entity. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

2. Non-Competition. The following provision shall replace Section 3.3 of the Terms and Conditions in its entirety:

Non-Competition. Because of the Corporation's legitimate business interests as described herein and the good and valuable consideration offered pursuant to the Award Agreement, which is in excess of any consideration you are otherwise entitled to as a current employee, in the case of (i) a Rule of 65 Retirement-Eligible Event, (ii) a termination providing transition/separation pay prior to age 55, (iii) a Rule of 60 Retirement-Eligible Event or (iv) a termination providing transition/separation pay on or after age 55, as specified in Sections 2.2(b)(i), 2.2(b)(ii), 2.2(c) and 2.2(d) respectively, you agree that until one (1) year from the Termination Date or, if later and to the maximum extent permissible by law, the final vesting date set forth in the Award Notice, you will not, directly or indirectly (without the prior written consent of the Corporation), (i) associate (including as a director, officer, employee, partner, consultant, agent or advisor) with a Competitive Enterprise in a Restricted Territory, or (ii) transact business on behalf of a Competitive Enterprise in a Restricted Territory. For purposes of the Award Agreement, "Competitive Enterprise" means any business enterprise that either (A) is a member of the Corporation's competitive peer group as disclosed in the Corporation's proxy statement that was most recently filed with the Securities and Exchange Commission preceding the Termination Date; or (B) is any other business enterprise for whom you would be performing services similar to those performed at the Corporation or any Affiliate within the twelve (12) months preceding the Termination Date. For the purposes of the Award Agreement, "Restricted Territory" means all geographic areas in which you, during any time within the last 24 months preceding the end of

your employment with the Corporation, provided services or had a material presence or influence, which given your current senior role in the Corporation shall be presumed to mean the entire world. For the sake of clarity, the foregoing non-compete restriction does not prohibit you from being employed by the government or a not-for profit organization (i.e. an organization exempt from local and national tax laws). In view of the limited scope of the non-compete obligation assumed under this Section, which does not prevent you from working in other entities that are not affected by it, you hereby acknowledge that the continued vesting in your PSUs, including any dividend equivalent rights, following a Rule of 65 Retirement-Eligible Event, a Rule of 60 Retirement-Eligible Event or a termination providing transition/separation pay is appropriate consideration for the non-compete obligation agreed to herein. You expressly agree to (i) advise any person or entity that seeks to employ you of the terms of these covenants; and (ii) immediately notify Human Resources equity administration if you are not in compliance with your obligations above.

3. Governing Law and Choice of Forum. The following provision shall replace Section 5.5 of the Terms and Conditions in its entirety:

Governing Law and Choice of Forum. The Award Notice and these Terms and Conditions shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, other than any choice of law provisions calling for the application of laws of another jurisdiction. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or these Terms and Conditions, the parties hereby submit to and consent to the exclusive jurisdiction of the Commonwealth of Massachusetts and agree that such litigation shall be conducted only in the courts of Suffolk County, Massachusetts, and no other courts, where this grant is made and/or to be performed and agree to such other choice of forum provisions as are included in the Plan.

4. **Acknowledgment of Full Understanding. YOU ACKNOWLEDGE AND AGREE THAT:**

(A) YOU HAVE FULLY READ, UNDERSTAND AND VOLUNTARILY ENTERED INTO THE AWARD AGREEMENT;

(B) YOU HAVE HAD A RIGHT AND REASONABLE OPPORTUNITY OF AT LEAST TEN (10) DAYS TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF YOUR CHOICE BEFORE ELECTRONICALLY ACKNOWLEDGING AND ACCEPTING THE TERMS OF THE AWARD AGREEMENT;

(C) SECTION 3.3 OF THE AGREEMENT SHALL NOT BE EFFECTIVE UNTIL TEN DAYS FOLLOWING THE DATE THAT YOU HAVE BEEN PROVIDED NOTICE OF THE TERMS AND CONDITIONS OF THE AWARD AGREEMENT;

(D) YOU HAVE UNTIL THE ACCEPTANCE DEADLINE (AS DEFINED IN THE AWARD NOTICE) TO ACKNOWLEDGE AND ACCEPT THE AWARD AGREEMENT AND PLAN DOCUMENT ELECTRONICALLY ON THE EQUITY WEBSITE; AND

(E) **IF YOU ELECTRONICALLY ACKNOWLEDGE AND ACCEPT THE AWARD AGREEMENT AND PLAN DOCUMENT ON OR BEFORE THE TENTH DAY FOLLOWING THE DATE THAT YOU HAVE BEEN PROVIDED NOTICE THAT THE AWARD AGREEMENT HAS BEEN POSTED ON THE EQUITY WEBSITE, YOU AGREE THAT YOU HAVE DONE SO WILLINGLY, VOLUNTARILY AND WITHOUT ANY COERCION BY THE CORPORATION.**

IN WITNESS WHEREOF, the Corporation has caused the Award Agreement to be executed by its duly authorized officer.

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Global Head of Compensation and Benefits]

Exhibit 31.1

CERTIFICATION

I, Thomas P. Gibbons, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Bank of New York Mellon Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ Thomas P. Gibbons

Name: Thomas P. Gibbons
Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Emily Portney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Bank of New York Mellon Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

/s/ Emily Portney

Name: Emily Portney
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Mellon Corporation ("BNY Mellon"), hereby certifies, to his knowledge, that BNY Mellon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BNY Mellon.

Dated: August 5, 2021

/s/ Thomas P. Gibbons

Name: Thomas P. Gibbons
Title: Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Mellon Corporation ("BNY Mellon"), hereby certifies, to her knowledge, that BNY Mellon's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of BNY Mellon.

Dated: August 5, 2021

/s/ Emily Portney

Name: Emily Portney
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.