



Resolution Plan

PUBLIC SECTION

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BNY MELLON

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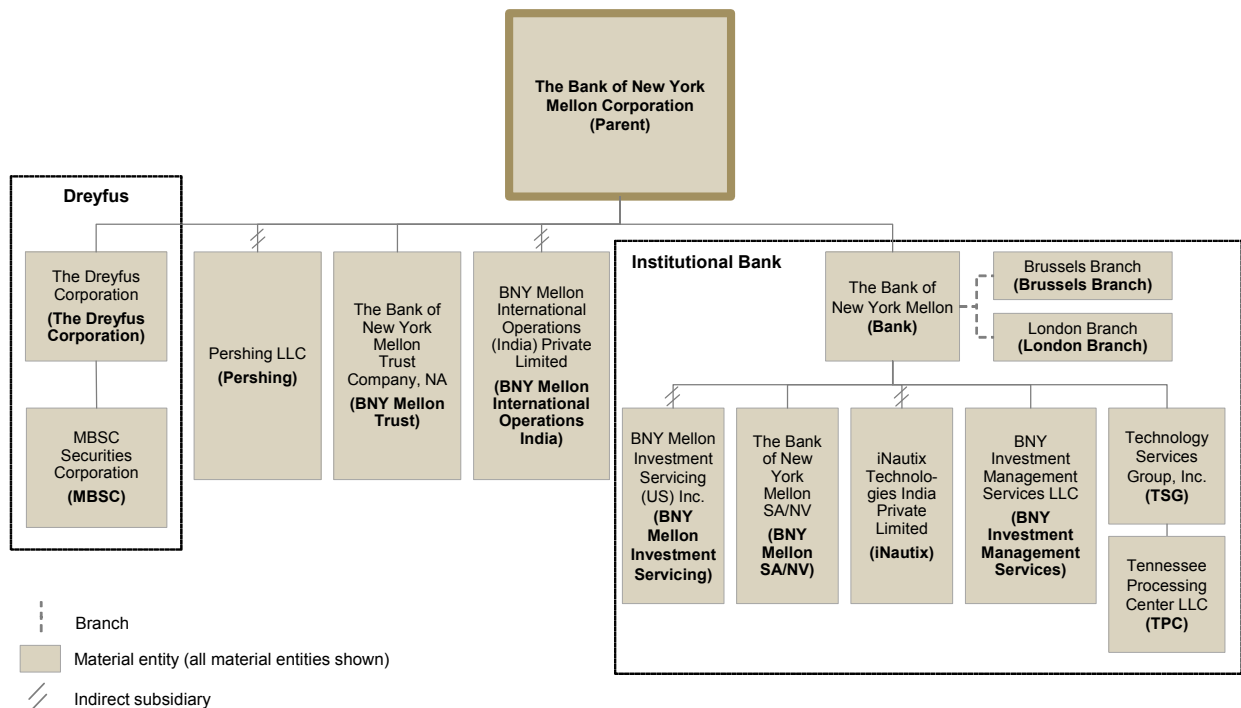
Key Terms

This Public Section uses “BNY Mellon” and the “firm” to refer to The Bank of New York Mellon Corporation and its consolidated subsidiaries, i.e. the organization as a whole. Use of the first-person plural (“we,” “us” or “our”) also refers to BNY Mellon. The term “Parent” refers solely to The Bank of New York Mellon Corporation, the top-tier entity in our corporate hierarchy.

Our 2016 Submission uses defined terms for parts of BNY Mellon and for terms with specific legal, regulatory or technical definitions. For ease of reference, we define these terms in the Glossary and, as applicable, capitalize them where they are used in the text below.

We annually reassess our designations of material entities and core business lines, which in the 2016 Submission are the same as in our 2015 Plan. The following organizational chart shows our material entities. We have four core business lines: Asset Management, Asset Servicing, Clearing Services and Corporate Trust. Please refer to the Appendix of this Public Section for more information about each of our material entities and core business lines.

BNY Mellon’s Material Entities



Glossary

Term	Definition
2015 Annual Report	Parent's Annual Report on Form 10-K for the year ended December 31, 2015
2015 Plan	BNY Mellon's July 1, 2015 resolution plan submission under the Title I Rule
2016 Submission	BNY Mellon's required resolution plan submission due by October 1, 2016, containing this Public Section and the confidential information required by the Agencies in the April 2016 Letter
2017 Guidance	The Agencies' jointly issued Guidance for 2017 §165(d) Annual Resolution Plan Submissions By Domestic Covered Companies that Submitted Resolution Plans in July 2015
2017 Plan	BNY Mellon's required annual resolution plan submission under the Title I Rule due by July 1, 2017
2017 Resolvability Program	BNY Mellon's program of projects and related initiatives to further enhance the firm's resolvability by July 1, 2017 discussed in Section 5
Agencies	The Federal Reserve and the FDIC
Agent Banks	Correspondent banks and sub-custodians
April 2016 Letter	Agencies' April 12, 2016 feedback letter to BNY Mellon in response to the 2015 Plan ¹
Bank	The Bank of New York Mellon, a material entity
Bankruptcy Code	Title 11 of the United States Code
BNY Mellon SA/NV	The Bank of New York Mellon SA/NV, a material entity
BNY Mellon Trust	The Bank of New York Mellon Trust Company, N.A., a material entity
Bridge Bank Strategy	The preferred resolution strategy contained in BNY Mellon's 2015 Plan
CCAR	Comprehensive Capital Analysis and Review
Connection	A data-driven tool we built to store, maintain and regularly update information on operational interconnections across the firm in a structured, searchable and analyzable manner
Core business lines	BNY Mellon's business lines, including associated operations, services, functions and support, that would result in a material loss of revenue, profit, or franchise value upon failure. Additional information about BNY Mellon's core business lines can be found in the Appendix to this Public Section.
Crisis Continuum	A series of defined levels of stress from business-as-usual through increasing levels of severity up to and including resolution. Primary monitoring tools for the Crisis Continuum levels include capital, liquidity and operational key risk indicator thresholds.
Crisis Continuum Framework	BNY Mellon's governance framework for identifying and managing defined crisis levels that may occur along the Crisis Continuum. Key components include crisis governance, measures and thresholds for monitoring and reporting crisis situations, internal and external escalation and communication plans, and potential responses at each crisis level.
Crisis Management Coordinator	BNY Mellon's global head of business continuity, who is responsible for, among other duties, coordinating actions to support execution of the SPOE Strategy based on the Master Playbook

¹ On April 13, 2016, the Agencies jointly announced determinations and provided firm-specific feedback on the 2015 resolution plans of BNY Mellon and seven other U.S. G-SIBs. The Agencies' joint press release, *Agencies Announce Determinations and Provide Feedback on Resolution Plans of Eight Systemically Important, Domestic Banking Institutions*, is available at <https://www.federalreserve.gov/newsevents/press/bcreg/20160413a.htm>.

Term	Definition
Critical operations	Those operations of BNY Mellon, including associated services, functions and support, the failure or discontinuance of which, in the view of BNY Mellon or as jointly directed by the Agencies, would pose a threat to the financial stability of the United States
Critical Services	Shared services that support our critical operations
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
Enterprise Resolvability Framework	BNY Mellon's previous governance framework, launched in 2015, for a number of projects to enhance our operational capabilities and resolvability. Ongoing projects have since been transitioned into the 2017 Resolvability Program.
Entity Governance Committee	Senior-level committee at BNY Mellon responsible for overseeing the firm's legal entity structure and providing strategic direction to enhance our overall resolvability in accordance with our legal entity rationalization criteria
Entity Governance Policy	BNY Mellon's enterprise-wide policy that defines the scope of activities subject to oversight by the Entity Governance Committee, as discussed in Section 3.4.2
Executive Committee	BNY Mellon's most senior management committee
Failure Catalyst	Hypothetical idiosyncratic event that leads to significant uncertainty about BNY Mellon's ability to continue as a going concern and results in the firm entering the Runway Period under the SPOE Strategy
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
Financial Market Utility	Multilateral systems that, among other types of financial transactions, provide for the payment, clearing, and settlement of cash and securities among financial institutions or between financial institutions and the system
FSB Guidance	Financial Stability Board Recovery and Resolution Planning for Systemically Important Financial Institutions: Guidance on Identification of Critical Functions and Critical Shared Services from July 16, 2013
G-SIB	Global Systemically Important Bank, a designation applicable to BNY Mellon that is published annually by the Financial Stability Board
IPO	Initial public offering
Master Playbook	Playbook that provides a clear, overarching framework for the sequencing, linkage and key information across BNY Mellon's other playbooks, to support the Crisis Management Coordinator and coordinate timely execution of relevant actions necessary to implement the SPOE Strategy
Material entity	A BNY Mellon subsidiary or foreign office that is significant to the activities of a critical operation or core business line. Additional information on BNY Mellon's material entities can be found in the Appendix to this Public Section.
New HoldCo	Holding company that would be created under the SPOE Strategy, to which Parent, following its bankruptcy filing, would transfer all of its subsidiaries and under which each subsidiary would continue as a going concern
Objects of Sale	Discrete BNY Mellon businesses that would be sold, wound-down or transferred from New HoldCo pursuant to identified preferred and alternative strategies for their disposition
ORRP	BNY Mellon's Office of Recovery and Resolution Planning
OTC	Over-the-counter
RemainCo	Under the SPOE Strategy, the remaining BNY Mellon businesses and associated entities that would be disposed of through an IPO after all other Objects of Sale have been divested, wound down or transferred

Term	Definition
Resolution Period	Period between the Parent’s filing for bankruptcy and the completion of the SPOE Strategy, including Resolution Weekend, the Stabilization Period, the Post-Stabilization Period and the exit from resolution of RemainCo
Resolution Weekend	Under the SPOE Strategy, the two to three day-long period following the Runway Period and preceding the Stabilization Period; referred to as a weekend for ease of reference, but there is no constraint that prevents it from occurring mid-week
Resolvability Analysis Questionnaire	BNY Mellon questionnaire developed by the Entity Governance Committee to facilitate consistent and thorough application of the legal entity rationalization criteria, discussed in further detail in Section 3.4.2
Runway Period	Under the SPOE Strategy, period beginning at the Failure Catalyst and extending to Resolution Weekend, during which the firm recognizes it might fail in a short period and begins to take actions in preparation for failure
SEC	Securities and Exchange Commission
SPOE Strategy	BNY Mellon’s Single Point Of Entry resolution strategy
Stabilization Period	Under the SPOE Strategy, period that begins after Resolution Weekend and ends when market confidence in the stability and continuity of the BNY Mellon businesses transferred to New HoldCo has been restored
Support Agreement	Contractual agreement designed to assure that subsidiary material entities remain liquid and solvent under the SPOE Strategy; referred to as a “contractually binding mechanism” in the 2017 Guidance
Playbook	BNY Mellon’s detailed guides that focus on legal, financial and operational issues and provide specific information to coordinate the timely execution of any actions necessary to implement the SPOE Strategy
Title I Rule	The rule jointly adopted by the Agencies pursuant to Section 165(d) of Title I of the Dodd-Frank Act requiring certain large bank holding companies to submit resolution plans annually
TLAC	Total Loss-Absorbing Capacity, which includes capital and certain types of unsecured debt instruments, as defined in regulations proposed by the Federal Reserve
Trust	Under the SPOE Strategy, the trust that would hold 100% of the equity of New HoldCo and would operate New HoldCo and subsidiaries for the benefit of the stakeholders in the Parent’s Chapter 11 bankruptcy case; distinct from BNY Mellon Trust, a material entity

* * *

BNY Mellon's resolution plan is based on a series of hypothetical scenarios and assumptions about future events and circumstances. Accordingly, many of the statements and assessments in this Public Section constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "estimate," "forecast," "project," "anticipate," "target," "expect," "intend," "commit," "believe," "plan," "goal," "could," "should," "may," "will," "ensure," "assure," "strategy," "opportunities," "trends" and words of similar meaning signify forward-looking statements, as do statements that relate to our future plans, objectives and strategies and to the objectives and effectiveness of our risk management, capital and liquidity policies. These statements are based on the current beliefs and expectations of BNY Mellon's management and are subject to significant risks and uncertainties that are subject to change based on various important factors (some of which are beyond BNY Mellon's control). Actual outcomes may differ materially from those set forth in the forward-looking statements as a result of numerous factors, including those described under "Forward-Looking Statements" and "Risk Factors" in the Parent's 2015 Annual Report and Form 10-Q for the period ended June 30, 2016, and in other filings with the SEC, which we make available on the Investor Relations section of our corporate website at <https://www.bnymellon.com>.

BNY Mellon's resolution plan is not binding on a bankruptcy court, our regulators or any other resolution authority, and in the event of the resolution of BNY Mellon, the strategies implemented by BNY Mellon, our regulators or any other resolution authority could differ, possibly materially, from the strategies we have described. In addition, our expectations and projections regarding the implementation of our resolution strategies are based on scenarios that are hypothetical, involve economic outcomes that are more adverse than expected and may not reflect events to which BNY Mellon is or may become subject. Our resolution plan is also based on many significant assumptions, including with respect to the effects of the Failure Catalyst, the actions of clients, Financial Market Utilities, Agent Banks and regulators, Parent's financial resources and its ability to provide financial resources to its material entities prior to its filing for bankruptcy proceedings, the ability to sell, wind down or transfer Objects of Sale, and the ability to effect a disposition of RemainCo. None of these assumptions may prove to be correct in an actual resolution scenario. As a result, our resolution strategies in an actual resolution scenario, or the outcomes of our resolution strategies, could differ, possibly materially, from those we have described.

The statements describing the Support Agreement and our intention to enter into the Support Agreement are forward-looking statements, based on our current expectations regarding the anticipated terms of the Support Agreement and our ability to develop the Support Agreement prior to July 1, 2017. The terms of the Support Agreement have not been finalized and may change, possibly materially, from our current expectations. We have also included information about projects we have undertaken, or are considering, in connection with resolution planning. Many of these projects are in process or under development. The statements with respect to these projects and their impact and effectiveness are forward-looking statements, based on our current expectations regarding our ability to complete and effect those projects and any actions that third parties must take, or refrain from taking, to permit us to complete those projects. As a result, the timing of those projects may change, possibly materially, from what is currently expected. All forward-looking statements speak only as of the date on which such statements are made and BNY Mellon does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

The information contained in the 2016 Submission, including the designation of "material entities" and "core business lines," has been prepared in accordance with applicable regulatory requirements and guidance. Differences in the presentation of information concerning our businesses and operations contained in this Public Section, relative to how BNY Mellon presents such information for other purposes, are solely due to our efforts to comply with the rules governing the submission of resolution plans and do not reflect changes to our organizational structure, business practices or strategy.

Financial information presented herein is as of December 31, 2015, unless noted otherwise.

* * *

1. Introduction

BNY Mellon's 2016 Submission responds to the deficiencies and shortcomings identified by the Agencies in the April 2016 Letter and describes the actions we are taking to further enhance our resolvability. As previously announced, following the receipt of feedback from the Agencies on our 2015 Plan, we have changed our preferred resolution strategy to the SPOE Strategy.² This change remediates one of the three deficiencies and four of the five shortcomings in our 2015 Plan that the Agencies jointly identified in the April 2016 Letter. The 2016 Submission describes the actions we have taken to remediate both of the remaining deficiencies, one concerning shared services and another concerning legal entity rationalization. The 2016 Submission also presents our SPOE Strategy and describes the substantial efforts we are undertaking to achieve operational readiness for its successful execution by July 2017, which include our plans to address the remaining shortcoming concerning intraday credit.

Our board of directors and senior management have made enhancing BNY Mellon's resolvability and resiliency one of our top strategic priorities. We have dedicated and will continue dedicating significant resources at every level of our organization to ensure that BNY Mellon can be resolved without posing systemic risk to the financial system. We recognize the importance of an orderly resolution of our firm given its unique role in the financial markets. Our SPOE Strategy is designed to ensure that, in the event of material financial distress or failure, BNY Mellon's resolution would:

- Preserve essential market functions, such as U.S. Government Securities Clearing;
- Maintain the continuity of operations deemed critical to support our clients and the broader market; and
- Avoid the need for extraordinary support from the government.

The development of our SPOE Strategy involved subject matter experts from across our organization and included a thorough analysis of our structure, operations and businesses. The resulting SPOE Strategy is operationally feasible and adaptable to a range of market conditions.

We recognize that resolution planning is more than a compliance exercise. Our senior management has directed changes to the business-as-usual functions of BNY Mellon to incorporate enhancements to our resolvability on an ongoing basis. We have embedded resolvability considerations into governance frameworks and processes so that business decisions are made with resolvability concerns in mind and any proposed structural changes that could impede an orderly resolution are appropriately mitigated. We are confident that many of our investments to achieve operational readiness for an orderly resolution under the Bankruptcy Code will make us a more resilient firm, supporting global financial systemic stability. Our preparations to minimize the potential impact in a resolution scenario on our clients, and on the movement of cash and securities throughout global financial markets that we facilitate, will further enhance BNY Mellon's status as a trusted counterparty.

² The Bank of New York Mellon Corporation, Form 8-K (July 21, 2016).

Our Transition to a Single Point of Entry Resolution Strategy

We decided to adopt the SPOE Strategy after thorough analysis of the viability and executability of various options for resolving the firm and careful consideration of the guidance provided by the Agencies.

The preferred resolution strategy in our 2015 Plan was the Bridge Bank Strategy. A bridge bank is a bank with a temporary charter that the FDIC can create to facilitate the resolution of a failed bank under the Federal Deposit Insurance Act. As described in the public section of our 2015 Plan, we considered certain features of the Bridge Bank Strategy appropriate for BNY Mellon. The Bridge Bank Strategy was a conservative approach, using an established process that contemplates a scenario in which our largest and most important subsidiary, the Bank, fails and enters into receivership proceedings administered by the FDIC. Consistent with the messages in the public section of our 2015 Plan, we continued to evaluate the single point of entry resolution strategy, and we will maintain flexibility in our resolution planning approach.

In October 2015, the Federal Reserve issued a proposed rule that would require the largest G-SIBs operating in the United States to hold sufficient amounts of TLAC to facilitate their orderly resolution.³ This TLAC must be held in certain forms, which include equity and unsecured long-term debt issued by a G-SIB's top-tier holding company. TLAC-eligible long-term debt can absorb losses in resolution to recapitalize a G-SIB's material entity subsidiaries and support the continuity of its critical operations. Regulatory reforms such as the Federal Reserve's proposed TLAC rule, together with industry initiatives such as the ISDA 2015 Universal Resolution Stay Protocol,⁴ have made the execution of a single point of entry resolution strategy more viable. Today, almost all of the U.S. G-SIBs have developed single point of entry resolution strategies.

Our SPOE Strategy provides for the rapid and orderly resolution of BNY Mellon under the Bankruptcy Code in the event of material financial distress or failure by maintaining the continuity of our core business lines and critical operations. In reaching the decision to change our resolution strategy, we considered certain advantages of the SPOE Strategy that would minimize its impact on financial markets, including both client and financial market infrastructure relationships. The *single* point of entry in our SPOE Strategy refers to the Parent, which is the only entity within our corporate structure that would enter into insolvency proceedings. The SPOE Strategy provides a mechanism for our material entities, including the Bank and other subsidiaries, to remain solvent and to continue operating as going concerns during the resolution period. The recapitalization of our material entities also avoids the complexity that could arise from potentially competing resolution regimes by making an FDIC receivership and

³ The Federal Reserve's press release, *Federal Reserve Board proposes new rule to strengthen the ability of largest domestic and foreign banks operating in the United States to be resolved without extraordinary government support or taxpayer assistance*, (October 30, 2015), is available at <https://www.federalreserve.gov/newsevents/press/bcreg/20151030a.htm>.

⁴ For more information, please refer to the website of the International Swaps and Derivatives Association, *ISDA 2015 Universal Resolution Stay Protocol*, at <https://www2.isda.org/functional-areas/protocol-management/protocol/22>.

the establishment of a bridge bank unnecessary. Section 2 below describes the SPOE Strategy in more detail.

Importantly, we will have sufficient financial resources to execute the SPOE Strategy successfully. On our second quarter 2016 earnings call, we announced that we may issue incremental debt specifically to support the SPOE Strategy. For example, in August 2016, BNY Mellon issued \$2 billion in senior debt, which resulted in contributable resources available for use in execution of our SPOE Strategy to support the recapitalization of, and provision of liquidity to, our operating entities.

Remediation of Deficiencies

We are confident that we have fully remediated all three of the deficiencies jointly identified by the Agencies in the April 2016 Letter. Remediation of the two deficiencies that remained after our change to the SPOE Strategy required us to take the following actions:

- Identify and map all Critical Services that support our core business lines and critical operations, analyze risks to the continuity of these Critical Services, and consider associated mitigants;
- Meet the deadlines in the project plan submitted with our 2015 Plan to align legal entities with our legal entity rationalization criteria, and demonstrate the existence of a governance process that will ensure that the legal entity rationalization criteria are applied and adhered to on an ongoing basis; and
- Incorporate our Critical Services mapping into the application and implementation of our legal entity rationalization criteria.

We are confident that we have satisfied these requirements by taking the following actions:

- We identified and mapped all Critical Services that support our core business lines and critical operations operating across our material entities and captured this information in Connection, a data-driven tool that stores and maintains the mapping of dependencies and interconnections in a structured, searchable and analyzable manner.
- We developed and applied a comprehensive risk identification framework to identify possible instances of risk to the continuity of our core business lines and critical operations in resolution.
- We continue to advance and are on track to meet the expected completion dates submitted in our 2015 Plan for projects to align our structure with our legal entity rationalization criteria.
- We formed a new governance structure, with our new Entity Governance Committee as its cornerstone, empowered with senior-level membership and a broad mandate to ensure that our legal entity rationalization criteria are applied and adhered to on an ongoing basis.

We carefully considered the concerns raised by the Agencies and took additional steps, beyond those required by the Agencies, to self-identify additional potential obstacles to orderly resolution and develop mitigants for the potential obstacles. For example:

- We refined the granularity of our Critical Services mapping beyond the requirements of the April 2016 Letter by identifying our core business lines' and critical operations' dependencies not only on shared services, but also on key assets and key third parties.
- In addition to assessing risks to operational continuity, we assessed risks associated with the sale, transfer or wind-down of certain businesses and activities identified as Objects of Sale. We assessed risks to operational continuity related to the separation of these Objects of Sale, as well as risks to the execution of potential disposition transactions.
- We updated our legal entity rationalization criteria to reflect our SPOE Strategy and key concepts from the 2017 Guidance. We applied our updated legal entity rationalization criteria to all of our material entities through a process that was designed, implemented and overseen by the Entity Governance Committee.
- Through the application of our risk identification framework and legal entity rationalization criteria, we identified certain specific potential impediments to the resolvability of BNY Mellon. We identified corresponding mitigants to all of these potential impediments and, through our newly formed resolution governance structure, launched a series of projects to implement the mitigants.

Key Projects to Further Enhance BNY Mellon's Resolvability and Operationalize the SPOE Strategy

Between now and July 2017, we are executing a large-scale program to achieve operational readiness to execute our SPOE Strategy. Our 2017 Resolvability Program represents an expansion of our previous program with a broader mandate and an institutionalized governance structure that reflects our shift from planning to implementation. The 2017 Resolvability Program builds on the Enterprise Resolvability Framework we established in 2015, adding projects that support the execution of the SPOE Strategy and mitigate potential impediments to our resolvability identified through application of our risk identification framework and legal entity rationalization criteria. The 2017 Resolvability Program is being led by the Resolvability Steering Committee, which is chaired by our Chief Financial Officer and consists of BNY Mellon's senior management and senior business leadership, including nine Executive Committee members.

Completion of the 2017 Resolvability Program will enhance the resolvability of BNY Mellon and operationalize the SPOE Strategy. Key initiatives of the program include:

- **Mechanisms to orchestrate execution of the SPOE Strategy** that integrate triggers and thresholds into our Crisis Continuum Framework, clearly identifying when action needs to be taken and by whom, supported by a series of playbooks.
- **Recapitalization and liquidity support for our material entities**, positioned in the organizational structure in forms and amounts sufficient to execute the SPOE Strategy.

- **A Support Agreement**, a contractually binding mechanism that we are developing and expect to have completed by July 2017 to assure that capital and liquidity will be provided to our material entity subsidiaries in amounts necessary to execute the SPOE Strategy.
- **Capabilities and analytics** to support the monitoring of multiple financial resource metrics at the material entity level, enabling dynamic financial forecasting linked to our Crisis Continuum Framework and triggers.
- **Ensuring continuity of Critical Services** provided to our operations and business lines through measures that include modifying our agreements to prevent their termination in resolution.
- **Identifying Objects of Sale**, which are discrete businesses that we have prepared for rapid disposition to provide flexibility to execute the SPOE Strategy in a variety of market conditions.
- **Legal entity rationalization criteria**, which we have updated and applied to our material entities to identify elements of our legal entity structure that should be adjusted to optimize our resolvability.
- **Embedding resolvability considerations into business-as-usual** through governance frameworks that establish accountability for resolution preparedness and promote institutional change.
- **Sophisticated technological capabilities** developed to ensure that senior management would have timely, detailed and accurate information to support critical decision making in a resolution scenario.
- **An enterprise risk integration program**, a risk data aggregation and reporting solution centered on improving our risk management and decision-making capabilities through global, firm-wide, flexible, transparent and sophisticated quantitative analytics and standardized reports.
- **A legal agreement repository** that BNY Mellon is implementing is a machine-learning platform with advanced optical character recognition for ingesting and analyzing hundreds of thousands of identified documents and is augmented by legal professionals to improve data integrity, enabling the automated enterprise retrieval of digitized content across our portfolio of agreements.
- **Collateral management capabilities** that we have enhanced and will continue to develop to identify, value and manage collateral during resolution, including collateral risk management reporting that will aggregate enterprise-wide data and provide a platform to measure enterprise-wide collateral risk exposure.

The following sections of this introduction provide an overview of BNY Mellon's role as a global financial intermediary, BNY Mellon's responses to each of the deficiencies and shortcomings

jointly identified by the Agencies in the April 2016 Letter, and the benefits of our transition to the SPOE Strategy. The remainder of this Public Section is structured as follows:

- Section 2 provides an overview of our SPOE Strategy.
- Section 3 describes the actions we have taken to remediate the deficiencies jointly identified by the Agencies in the April 2016 Letter, focusing on our remediation of the shared services and legal entity rationalization deficiencies.
- Section 4 summarizes the shortcomings in the 2015 Plan remediated by our transition to the SPOE Strategy and the actions we will take by the submission date of the 2017 Plan to address the sole remaining shortcoming concerning intraday credit.
- Section 5 describes selected key projects we are undertaking to facilitate the transition to the SPOE Strategy and to further enhance our resolvability, including our enterprise-wide 2017 Resolvability Program.

1.1 BNY Mellon's Role as a Global Financial Intermediary

BNY Mellon is one of the world's largest providers of custody and administration services, with \$28.9 trillion in assets under custody and/or administration and a network of over 200 sub-custodians.⁵ We enable clients to create, trade, hold, manage, service, distribute and restructure their financial assets. We are a member of or participant in more than 39 Financial Market Utilities, at times providing intraday credit to clients leveraging these memberships. We currently provide U.S. government securities clearance and settlement services to 19 of the 23 primary dealers.⁶ Through our Corporate Trust business, we serve as trustee or paying agent on more than 58,000 debt-related issuances globally.⁷

Many characteristics of our financial profile distinguish us from other U.S. G-SIBs. By providing a wide range of financial services to investors and markets, BNY Mellon generates nearly 80% of its revenues from fees, the vast majority of which are recurring. Net interest revenue is a significantly smaller part of our revenues than for most U.S. G-SIBs.

Our fee-based business model helps us maintain a strong balance sheet with limited illiquid assets and a solid capital position. The composition of BNY Mellon's balance sheet differs from the balance sheets of most retail and commercial banks, which typically have larger retail or commercial loan portfolios, and of investment banks, which typically have trading portfolios. BNY Mellon originates relatively few loans and engages only in limited lending activity. BNY Mellon's assets consist primarily of cash and liquid funds, fixed-income debt securities and, to a lesser extent, loan portfolios. These assets are of high quality and short-term duration, with the majority of the investment securities in our portfolio rated AAA/AA-. BNY Mellon also has a

⁵ As of December 31, 2015.

⁶ In July 2016, JPMorgan announced that it would stop providing these services.

⁷ As of December 31, 2015.

small balance sheet relative to the other U.S. G-SIBs, representing approximately one quarter of their combined average total consolidated assets.⁸

BNY Mellon's credit ratings, capital ratios and quantitative CCAR results are among the strongest in the industry. We consider our capital strength one of our distinguishing characteristics. As of December 31, 2015, both the Parent and the Bank, each on a consolidated basis, exceeded applicable regulatory thresholds to be considered well-capitalized.

BNY Mellon supports many of the world's largest and most interconnected financial institutions, including financial services companies, major corporations, central banks, governments and others that rely on us for the smooth and efficient operation of numerous cash and securities markets under all economic conditions. Our clients include three-quarters of the Fortune 500, central banks that hold approximately 90% of all capital and more than two-thirds of the top 1,000 pension funds. BNY Mellon does not provide traditional banking services to retail clients, other than to high-net-worth clients. We do not lend to consumers in any significant way or operate consumer bank branches.

Our assets are liquid, with 52% of total assets consisting of securities backed by the full faith and credit of the United States government, securities issued by U.S. government-sponsored enterprises, securities that are claims on or guaranteed by an international sovereign entity and excess central bank deposits, while loans comprise only 16% of total assets.⁹ Our liabilities, primarily deposits, are largely tied to our operational services and supported by our liquid assets. We do not have material standalone market-making activities. We do not make markets in equity derivatives and are monitoring our legacy equity derivative positions as they roll off. Our ongoing OTC interest rate derivative activity is a limited and carefully managed business. Our low value-at-risk foreign exchange trading business is comparatively small and principally conducted for clients. All of these characteristics distinguish us from other U.S. G-SIBs. The risks associated with and the process of a resolution of BNY Mellon would consequently differ from those of a typical retail, commercial or investment bank.

We fully recognize the importance of our responsibility as a global financial intermediary to develop a strategy for the orderly resolution of our firm and the capabilities to support its successful execution. The 2016 Submission reflects our appreciation of the role we play in the global financial markets.

1.2 The April 2016 Letter and Our Transition to the SPOE Strategy

The Agencies jointly identified three deficiencies and five shortcomings in our 2015 Plan. One of these deficiencies was an operational deficiency regarding the executability of the Bridge Bank Strategy. Four of the five shortcomings also concerned operational issues specific to the Bridge Bank Strategy. The operational deficiency and the four operational shortcomings relating to the Bridge Bank Strategy have been addressed by our transition to the SPOE Strategy.

⁸ Based on total assets as of December 31, 2015.

⁹ As of December 31, 2015.

The table below lists all of the deficiencies and shortcomings jointly identified in the April 2016 Letter and indicates which are addressed by our transition to the SPOE Strategy and which are not.

Table 1-1: April 2016 Letter Shortcomings and Deficiencies

	Addressed by Transition to SPOE Strategy	Not Addressed by Transition to SPOE Strategy
Deficiencies	<ul style="list-style-type: none"> Operational – Bridge Bank Strategy 	<ul style="list-style-type: none"> Operational – Shared Services Legal Entity Rationalization
Shortcomings	<ul style="list-style-type: none"> Operational – Bridge Bank Exit Operational – Contingency Plan for Custodial Accounts Operational – Claim Bifurcation; Receivership Accounting Operational – Financial Statements & Projections 	<ul style="list-style-type: none"> Liquidity – Intraday Credit

After our transition to the SPOE Strategy, only two deficiencies remained. One of the two deficiencies was operational in nature and concerned shared services. Specifically, the April 2016 Letter stated that the 2015 Plan failed to reflect sufficient progress toward identifying shared services that support our critical operations and establishing service level agreements and contingency arrangements that would be critical to the successful execution of our resolution strategy. The other remaining deficiency was not operational and concerned legal entity rationalization, i.e. the process by which we evaluate our legal entity structure and make appropriate adjustments that promote resolvability.

Section 3 discusses the deficiencies, focusing on our remediation of the shared services and legal entity rationalization deficiencies. Section 4 discusses the shortcomings and explains at a high level the actions we will take by July 2017 to address the remaining shortcoming concerning intraday credit, with the caveat that the options being evaluated are presently confidential.

1.3 Benefits of the SPOE Strategy

The optimal resolution of BNY Mellon would ensure the continuity of our critical operations and minimize disruptions to the smooth functioning of financial markets. BNY Mellon’s senior management has been closely involved in every step of the resolution planning process, including the design and implementation of the SPOE Strategy and the development of technological and operational capabilities to support its successful execution. In deciding to change strategies, we considered the following advantages of the SPOE Strategy:

- Going Concern:** Under the SPOE Strategy, the Bank and other material entities remain going concerns, which preserves their value for the benefit of the Parent’s creditors and reduces the risk of market disruption. Core business lines and critical operations would continue to operate without our clients experiencing disruption in the services we provide.

- **Continuity of Custodial Arrangements:** In contrast to the Bridge Bank Strategy, under the SPOE Strategy, the Bank would remain solvent throughout resolution, reducing clients' incentive to transfer their custodial accounts to a third party. BNY Mellon therefore expects greater continuity in its custodial arrangements under the SPOE Strategy.
- **No Competing Resolution Regimes:** In contrast to the Bridge Bank Strategy, the SPOE Strategy involves only one insolvency proceeding and one regime, i.e. a bankruptcy proceeding under the U.S. Bankruptcy Code following the voluntary Chapter 11 filing by the Parent. A single insolvency proceeding reduces the potential for non-cooperation between regulators in different jurisdictions, as well as the risk that the material entities' contractual counterparties could exercise termination rights.
- **Addresses Certain Operational Concerns of Bridge Bank Strategy:** Our transition to the SPOE Strategy renders the operational deficiencies and shortcomings associated with the Bridge Bank Strategy inapplicable. See Sections 3.1 and 4.1 for a summary of deficiencies and shortcomings remediated by our switch to the SPOE Strategy.
- **Continuity of Critical Services:** Under the SPOE Strategy, all of our material entities (other than the Parent) would remain solvent and operational, minimizing the possibility of contractual terminations or financial shortfalls resulting in disruptions to Critical Services.
- **Continuity of Access to Financial Market Utilities and Agent Banks:** By maintaining our material entities (other than the Parent) as solvent going concerns, the SPOE Strategy facilitates continuity of access to Financial Market Utilities and Agent Banks within the framework of our existing membership arrangements and contractual relationships.

The financial, structural and operational changes we are making will facilitate the execution of our SPOE Strategy. We are confident that these steps, together with our remediation of the deficiencies identified by the Agencies and the actions we will take to address the remaining shortcoming, will enable us to deliver an executable plan in July 2017 providing for the orderly resolution of BNY Mellon under the Bankruptcy Code.

2. BNY Mellon's SPOE Strategy

The SPOE Strategy allows BNY Mellon to continue operations in all of our core business lines and critical operations because the material entities from which they are conducted, or from which they receive Critical Services, would be recapitalized and maintained as going concerns.

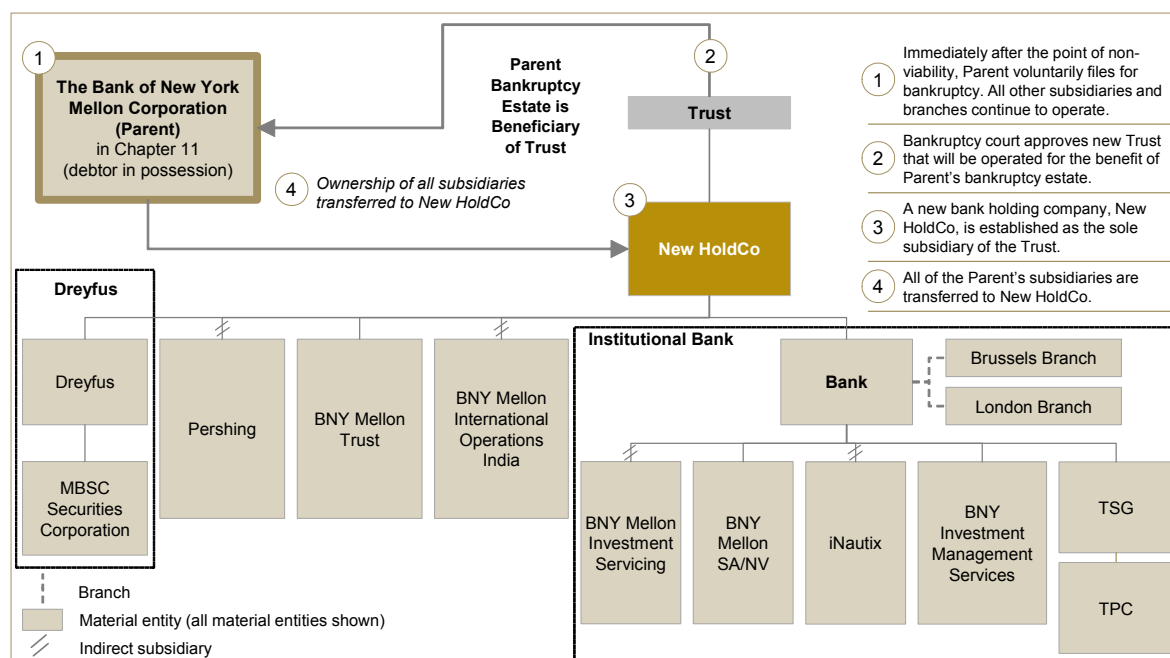
If BNY Mellon were to enter bankruptcy proceedings and execute the SPOE Strategy successfully, creditors of our material entities would continue as creditors of going concerns that would be well-capitalized and able to pay their obligations in the ordinary course of business. Our Parent company shareholders and unsecured long-term creditors would likely face significant losses, potentially including the loss of their entire investment.

The Parent would transfer virtually all of its available resources to the material entities under the SPOE Strategy were material financial distress to occur. To support these transfers, BNY Mellon is developing a contractually binding Support Agreement that we expect to have completed by July 2017. The purpose of the Support Agreement would be to assure that capital and liquidity will be provided to our material entity subsidiaries in amounts necessary to execute the SPOE Strategy. The Parent has already begun issuing senior unsecured long-term debt instruments specifically for this purpose. For example, in August 2016, BNY Mellon issued \$2 billion in senior debt, which resulted in contributable resources available for use in execution of our SPOE Strategy. The point at which these resources would be transferred, and the amounts allocated to each material entity, would be determined by projections of the capital and liquidity resources needed to execute our SPOE Strategy successfully. Initial projections of the amounts of liquidity and capital required for BNY Mellon's resolution have been produced. Our projection capabilities, including their frequency, will continue to be refined ahead of July 2017.

After transferring financial resources to the material entities in forms and amounts sufficient to address capital and liquidity shortfalls, the Parent would file for bankruptcy. The Parent's subsidiaries would be transferred to a newly established holding company, New HoldCo, which would be owned by a Trust for the benefit of the Parent's bankruptcy estate. The material entities would remain going concerns after they are transferred. The businesses conducted from the material entities transferred to New HoldCo would be expected to reach stable financial condition over time, as clients recognize that operations are continuing and as operational deposit levels stabilize.

The figure below shows the organizational structure of New HoldCo after the bankruptcy of the Parent.

Figure 2-1: Organizational Structure of New HoldCo



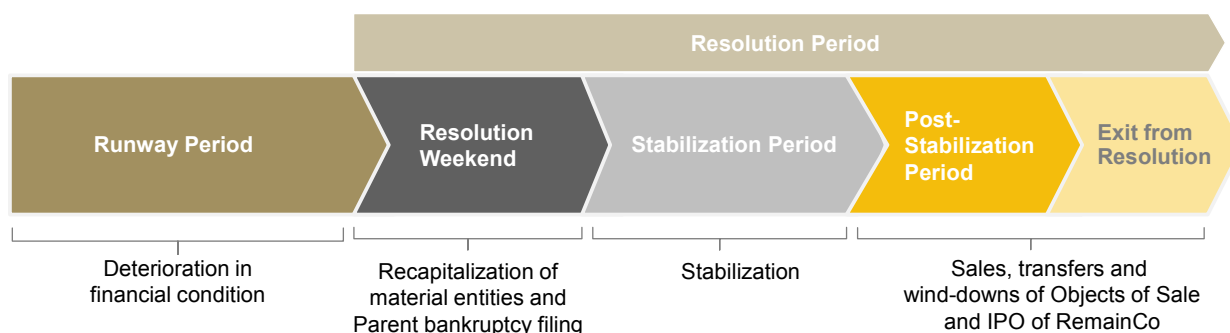
The SPOE Strategy provides options and flexibility to facilitate its execution in a range of market conditions. We have identified a number of businesses as Objects of Sale that could be sold, wound down or transferred after reaching stable financial condition, without the SPOE Strategy depending on the proceeds of these sales for its successful execution.

We have also identified certain businesses characterized by significant synergies in terms of revenues, cost and funding that would likely comprise a RemainCo. We anticipate that RemainCo would be taken public through an IPO. RemainCo would likely consist of the Bank and certain key operational services businesses generating fee-based income.

Proceeds from the dispositions of Objects of Sale and RemainCo would ultimately be distributed to the creditors and other stakeholders in the Parent's bankruptcy estate. Within the range of options for its execution, the focus of our SPOE Strategy is to preserve the operational continuity of BNY Mellon's critical operations and the Critical Services that support them while avoiding the financial disruption that would be caused by a disorderly resolution.

The SPOE Strategy would be executed in five phases, as shown in the figure below and explained in the bullet points that follow.

Figure 2-2: SPOE Strategy Overview



Runway Period: This period would begin after the occurrence of the Failure Catalyst.

- The Failure Catalyst is a hypothetical idiosyncratic event that raises uncertainty in the market about BNY Mellon and that leads to significant client attrition and losses of funding and capital sources.
- BNY Mellon would attempt to return to sound financial condition through execution of recovery plan options while also preparing to initiate the SPOE Strategy should recovery efforts prove unsuccessful.

Resolution Weekend: Deterioration in BNY Mellon’s financial condition causes BNY Mellon to reach the point of non-viability.

- Reaching the point of non-viability would trigger certain obligations under the Support Agreement. At that point, capital and liquidity resources would be provided to the subsidiary material entities as required to assure that they remain solvent and continue operating as going concerns.
- Parent would file for bankruptcy and issue a public announcement of its implementation of the SPOE Strategy, which would include a detailed description of the resolution plan and the process by which the viability and creditworthiness of the material entities would be sustained.
- Parent would seek to transfer the stock of all of its recapitalized subsidiaries to New HoldCo with bankruptcy court approval. The shares of New HoldCo would be held by the Trust for the benefit of the Parent’s bankruptcy estate.
- A trustee or trustees of the Trust would administer New HoldCo and its subsidiaries for the benefit of the stakeholders in the Parent’s Chapter 11 bankruptcy. The Parent would propose as trustee for the Trust an individual or group of individuals who are independent, respected in the banking sector and by the public, and acceptable to the Agencies.

Stabilization Period: After the Parent's bankruptcy filing and the transfer of its subsidiaries to New HoldCo, New HoldCo and each material entity would enter a Stabilization Period.

- Clients would be expected to continue relying on BNY Mellon's operations after the Parent's bankruptcy filing because many of the services they receive would require a period of weeks or months to transition to an alternative service provider due to their operational complexity.
- Clients, counterparties, customers, depositors, vendors and other relevant constituencies would be kept apprised of unfolding events and assured of New HoldCo's financial strength. Specific roles and responsibilities for these communications would be identified in BNY Mellon's Communications Playbook, and messages would be coordinated and tailored for each audience as appropriate based on circumstances at that time.
- Over the course of the Stabilization Period, outflows would be expected to subside as the market and clients begin to regain confidence in BNY Mellon's businesses' ability to remain going concerns.
- Senior management would communicate frequently with employees throughout the organization to provide reassurances, information about the SPOE Strategy and instructions on actions necessary to execute the SPOE Strategy.
- Appropriate steps would be taken with Financial Market Utilities and Agent Banks to provide for continued, uninterrupted access on behalf of the material entities transferred to New HoldCo and their respective clients and correspondents.
- New HoldCo, in consultation with its external auditors, would be expected to prepare a post-recapitalization balance sheet for both New HoldCo and the Bank, each on a consolidated basis, to be made public as soon as practicable.

Post-Stabilization Period: During the Post-Stabilization Period, the Trust would oversee the disposition of BNY Mellon's Objects of Sale.

- For each Object of Sale, BNY Mellon has developed preferred and alternative approaches, providing optionality for the overall SPOE Strategy to be executed through a combination of strategic sales, wind-downs or transfers based on market conditions at that time.
- We anticipate that market confidence in New HoldCo would continue to improve in line with its financial condition, as evidenced in due course by expected upgrades in credit ratings for New HoldCo and relevant subsidiaries, as well as other indicators of market participants' willingness to transact with New HoldCo's businesses.

Exit from Resolution: After Objects of Sale are divested, New HoldCo's remaining businesses would comprise RemainCo. We expect that RemainCo would exit from resolution through an IPO. The proceeds of the IPO and other sales would be distributed to the claimants in the Parent's Chapter 11 bankruptcy, and the Trust would be dissolved.

Upon its exit from resolution, RemainCo would be a primarily fee-based, operational services-oriented firm, consisting of businesses that operate predominantly out of the Bank. Our assessment of RemainCo's financial viability as a standalone entity and the feasibility of its IPO reflects the following considerations:

- **Strong and Stable Client Base:** RemainCo would have a client base that includes large global institutions with multiple product holdings receiving services across multiple businesses.
- **Operational Synergies:** Businesses within RemainCo would provide complementary services, creating franchise value through business and operational synergies.
- **Economies of Scale:** RemainCo would be more valuable as a whole than as the sum of its parts, retaining franchise value and benefitting from economies of scale.

BNY Mellon is developing a Master Playbook that covers all five phases of the SPOE Strategy described above. The Master Playbook will integrate BNY Mellon's other resolution-related playbooks, which would be deployed by our designated Crisis Management Coordinator at appropriate stages to ensure timely execution of any actions necessary to implement the SPOE Strategy.

Furthermore, we are preparing legal analyses of the potential state and bankruptcy law challenges and mitigants to the planned provision of capital and liquidity to material entities prior to the Parent's bankruptcy filing. The Support Agreement we are developing and expect to have completed by July 2017 will be supported by an analysis of its ability to withstand potential challenges. In addition, BNY Mellon is considering other mitigants to potential challenges to the planned support, including pre-positioning of certain financial resources in material entities and the creation of an intermediate holding company. Our 2016 Submission also describes the additional steps we are taking to assure that the SPOE Strategy functions as intended, including, but not limited to, enhanced projections of capital and liquidity needs of each of our material entities and identification of the capital and liquidity resources available to execute the SPOE Strategy. These projections will assist in the definition of appropriate trigger points throughout our Crisis Continuum Framework.

3. Remediation of Deficiencies in the 2015 Plan

The Agencies jointly identified three deficiencies in the 2015 Plan, which the April 2016 Letter states that BNY Mellon must address in the 2016 Submission. Section 3.1 describes the operational deficiency in the Bridge Bank Strategy remediated by our transition to the SPOE Strategy. Section 3.2 discusses our high-level approach to remediation of the two deficiencies not cured by our transition to the SPOE Strategy, namely, an operational deficiency concerning shared services and a non-operational deficiency concerning legal entity rationalization, which are discussed in more detail in Sections 3.3 and 3.4 respectively.

3.1 Operational – Bridge Bank Strategy

As noted in the April 2016 Letter, our election to transition to the SPOE Strategy addresses the concerns about executability of our previous Bridge Bank Strategy. These deficiencies were as follows:

- **Operational – Bridge Bank Strategy: Simultaneous Insured Depository Institution Failure:** In the 2015 Plan, it was assumed that the Bank and BNY Mellon Trust would fail simultaneously, enter FDIC receivership together, and be merged into a single bridge bank. The April 2016 Letter noted several potential risks if BNY Mellon Trust were to remain outside of receivership or fail at a different time than the Bank. In the SPOE Strategy, neither the Bank nor BNY Mellon Trust fail or enter receivership.
- **Operational – Bridge Bank Strategy: Dual Payability / Ring-Fencing / Least-Cost Test:** In the 2015 Plan, BNY Mellon assumed that both insured and uninsured deposits (including foreign deposits) would be transferred into a bridge bank. In the April 2016 Letter, the Agencies asked for additional support for BNY Mellon's assertion that transfer of its foreign deposits would meet the least-cost requirement of 12 CFR 360.1. The SPOE Strategy does not involve the creation of a bridge bank or a transfer of deposits to a bridge bank.
- **Operational – Bridge Bank Strategy: Transfer of Custodial Assets to the Bridge Bank:** The Agencies indicated in the April 2016 Letter that BNY Mellon had not adequately evaluated the operational and legal challenges associated with transferring custody assets to the bridge bank. The SPOE Strategy does not involve a transfer of custodial assets to a bridge bank.

3.2 Approach to Deficiencies not Remediated by Transition to the SPOE Strategy

BNY Mellon's approach to remediation of the shared services and legal entity rationalization deficiencies consisted, at a high level, of the following four activities.

- **Developing inputs:** Identifying, aggregating and synthesizing information on our current structure and operations to support informed analysis and decision making regarding potential risks and mitigants. We refined our analysis of Critical Services and developed a comprehensive mapping of Critical Services to BNY Mellon's core business lines and critical operations.

- **Implementing enhanced governance model:** Developing and enhancing long-term governance structures to incorporate resolvability concerns into day-to-day decision making throughout BNY Mellon, and assigning roles and responsibilities for change initiatives to be supported and led by appropriate business and functional owners. These governance structures include the formation of an Entity Governance Committee, which consolidates oversight of BNY Mellon’s legal entity strategy as discussed in Section 3.4.2.
- **Identifying potential risks to orderly resolution:** Analyzing the nature, magnitude and scope of potential risks to successful execution of the SPOE Strategy with senior management and relevant stakeholders. Identified risks include but are not limited to those associated with the operational continuity of our core business lines and critical operations, the divestiture of Objects of Sale, the successful provisioning of financial resources to material entities, and elements of our legal entity structure that are redundant or not optimized for orderly resolution under the SPOE Strategy.
- **Agreeing on mitigating actions:** Identifying, agreeing on and assigning ownership for a range of projects that address potential risks to orderly resolution.

3.3 Operational – Shared Services

The Agencies jointly identified as a deficiency the 2015 Plan’s failure to reflect sufficient progress toward identifying shared services that support our critical operations and establishing service level agreements and contingency arrangements that are critical to the execution of our resolution strategy. The April 2016 Letter further states that the identification of shared services is a “fundamental first step toward achieving basic capabilities related to the continuation (including transfer or wind-down) of critical operations in resolution.”

For the 2016 Submission, the Agencies required that BNY Mellon: (1) identify all Critical Services, (2) maintain a mapping of how and where these services support the firm’s core business lines and critical operations, and (3) conduct detailed analysis addressing any operational-continuity-related risks and associated mitigants for Critical Services. We are confident that we have satisfied these requirements. In recognition of the fact that the identification of operational dependencies is a prerequisite to effecting the orderly sale, transfer or wind-down of these businesses, we also conducted an operational-continuity-related analysis for our Objects of Sale. In addition, the Agencies required that BNY Mellon incorporate its Critical Services mapping into the firm’s legal entity rationalization criteria and implementation efforts, which we have also completed, as discussed below in Section 3.4.

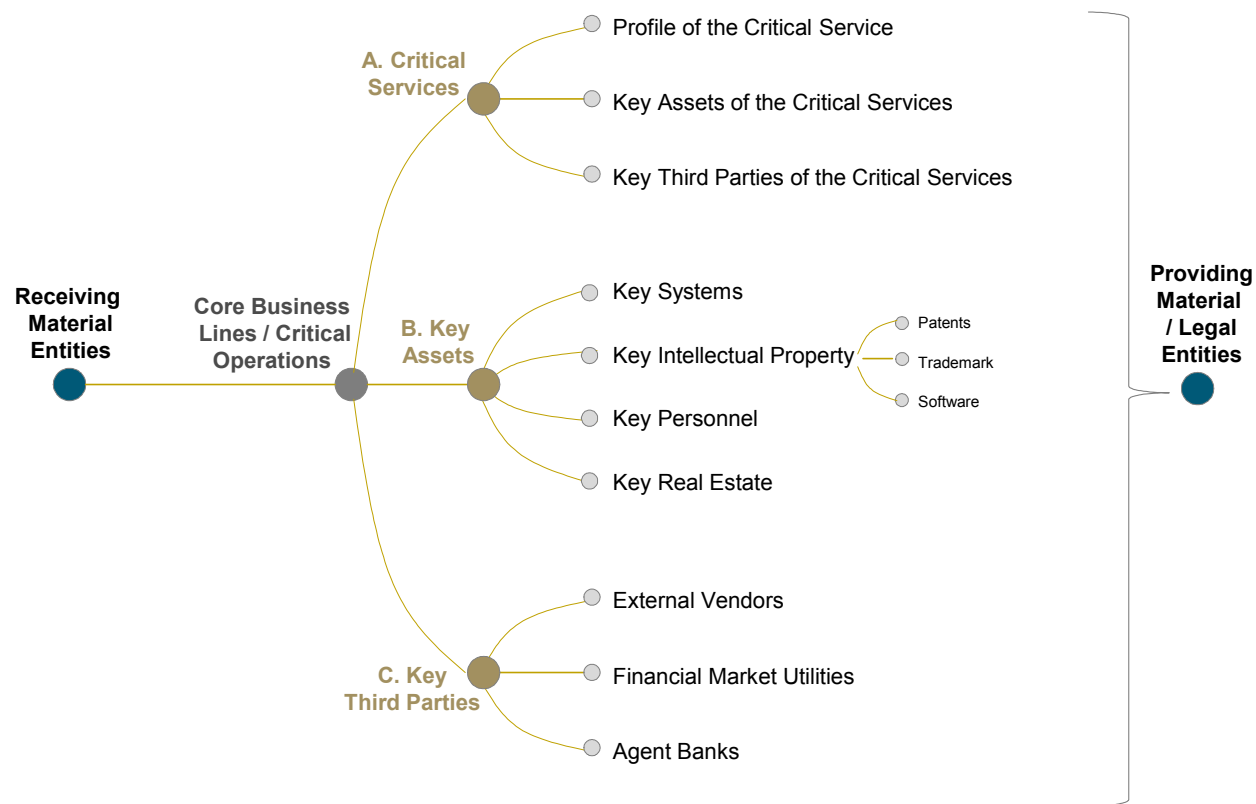
3.3.1 Identification and Mapping of Critical Services

In accordance with the April 2016 Letter, we identified all Critical Services and completed a comprehensive mapping of interconnections between our core business lines and critical operations and the Critical Services necessary to support their operational continuity. The 2015 Plan provided the baseline for our Critical Services mapping. We built substantially on this analysis by clearly identifying all of the firm’s Critical Services and providing improved visibility and granularity of the key firm-wide dependencies on Critical Services.

We define Critical Services broadly. In addition to identifying shared services that support critical operations, as required in the April 2016 Letter, we also mapped dependencies on key assets and key third parties necessary to support continuity of our core business lines and critical operations in resolution. Examples include services provided by functional units across BNY Mellon; assets that are necessary for operational continuity, including systems, personnel and real estate, as well as intellectual property such as patents, trademarks and software; and services provided by third parties that are necessary for operational continuity, including external vendors, Financial Market Utilities and Agent Banks.

For our mapping of Critical Services to core business lines and critical operations, we developed a detailed taxonomy breaking down BNY Mellon’s shared services into hundreds of distinct sub-services and assessed the criticality of each sub-service to maintaining operational continuity in resolution. We also gathered detailed information on the key assets and key third parties necessary to support operational continuity. In total, tens of thousands of discrete mapping relationships were evaluated, reviewed, verified and validated through a comprehensive process involving business and shared service stakeholders from across the organization. In short, the mapping describes how and where all Critical Services, key assets and key third parties support the firm’s core business lines and critical operations. The following diagram illustrates the mapping.

Figure 3-1: Description of Mapping



For the refreshed mapping of Critical Services, we identified users and providers of key assets (systems, people, real estate and intellectual property) and key third parties (external vendors,

Financial Market Utilities and Agent Banks). This information has been captured in Connection, a data-driven tool that we have built to store and maintain the mapping of all dependencies and interconnections in a structured, searchable and analyzable manner. Connection can quickly generate standard output reports showing mapped relationships for each core business line, critical operation and Critical Service. It can also be used to conduct various types of ad-hoc analysis to apply the firm's legal entity rationalization criteria (discussed below in Section 3.4.3).

Currently, Connection is able to provide a point-in-time view of BNY Mellon's mapping to support operational continuity. A quarterly refresh of the mapping is planned to keep the data relevant and effective in mitigating resolution-related risks. Planned enhancements to Connection include expanding its scope to map additional business lines, operations and legal entities in addition to the core business lines and critical operations it already covers, and making it a more dynamic and real-time tool that can keep the mapping up-to-date based on organization, asset or third party changes. BNY Mellon will make this information more readily accessible and available to enhance our ability to analyze and improve our operational efficiency in business-as-usual.

Bidirectional relationships are mapped and can be analyzed in Connection with dynamic visualization and specific queries. These functionalities allow us to segment the data and drill down to understand interconnections at multiple levels and assess various hypothetical scenarios. The interconnectedness analysis not only provides necessary information for BNY Mellon to support resolution planning, but also helps BNY Mellon to understand the impact of business decisions in business-as-usual (e.g., of divesting legal entities).

We have taken steps to support continued access to all intellectual property necessary for the operational continuity of our core business lines and critical operations. We have identified legal entity ownership for all trademarks and patents through consultation of relevant national and patent office registries. In addition, we have established and are maintaining centralized repositories for timely access to, and reporting of, information on the ownership, usage and licensing of intellectual property throughout the organization. These measures will support continuity of access to any intellectual property necessary to support our core business lines and critical operations and to facilitate dispositions of our Objects of Sale under the SPOE Strategy.

3.3.2 Analysis of Potential Risks to Operational Continuity and Separability

BNY Mellon developed a framework to identify potential risks to orderly resolution across the Critical Services dependencies captured in our identification and mapping exercise. The framework builds on applicable FSB Guidance, industry best practices for recovery and resolution-related risks, and elements of our legal entity rationalization criteria that address operational continuity and separability. Our approach to developing and applying the framework was to:

- Classify the mapped dependencies by Critical Service that could be disrupted in resolution (for example, dependency on a shared service or a third party);

- Identify the scenarios and occurrences based on the mapping that could potentially cause disruption to Critical Services in resolution (for example, insolvency proceedings of the Parent or the separation of an Object of Sale); and
- Assess the impact of each scenario on each dependency to comprehensively identify and classify potential risks.

We identified and assessed the following types of dependencies:

- **Critical shared service continuity**, including but not limited to shared services provided by Finance, Human Resources and Client Technology Solutions;
- **Core business line and critical operation continuity**, including but not limited to services provided by one core business line or critical operation to another (e.g., custody services);
- **Access to key assets**, including but not limited to systems, intellectual property (including patents, trademarks and software), personnel and real estate facilities; and
- **Access to key third parties**, including but not limited to services provided by third-party vendors, Financial Market Utilities and Agent Banks.

With respect to each of these categories of dependencies, we identified and assessed the scenarios in which Critical Services may be disrupted, including the separation of Objects of Sale or unilateral decisions by third parties. We then assessed each category of dependencies within the event-driven context of these scenarios.

The combined output of this exercise is a comprehensive inventory of potential risks to operational continuity and to separability of Objects of Sale, for which we then developed actions to mitigate the potential risks to orderly resolution. For example, risks posed by an Object of Sale's reliance on a key asset owned by RemainCo were mitigated by putting in place an agreement that would allow the Object of Sale to continue using that asset for a period of time after its separation from RemainCo in resolution. Broadly, the mitigating actions formed the basis for a series of projects that BNY Mellon launched to address potential risks to the execution of our SPOE Strategy. Section 5 provides more information on these projects.

3.3.3 Incorporation of Critical Services Mapping Into Legal Entity Rationalization Criteria and Implementation Efforts

One of the requirements set forth in the April 2016 Letter was to incorporate the results of the Critical Services mapping into our legal entity rationalization criteria. BNY Mellon's legal entity rationalization criteria include a subset of criteria designed to ensure that our legal entity structure facilitates operational continuity and the sale, transfer or wind-down of Objects of Sale. We used information gathered through our Critical Services mapping to assess our material entities against this subset of our legal entity rationalization criteria. As described in Section 3.3.2, the results of this exercise fed into our operational continuity and separability risk identification and mitigation processes.

3.4 Legal Entity Rationalization

The April 2016 Letter required that BNY Mellon: (1) establish that it has met the deadlines provided in the project plan to align legal entity structure with the legal entity rationalization criteria submitted to the Agencies in the 2015 Plan, and (2) demonstrate the existence of a governance process intended to ensure that the legal entity rationalization criteria are applied and adhered to on an ongoing basis, including with respect to decisions regarding establishment of new legal entities and business activities.

We are confident that we have satisfied these requirements. We continue to advance and are on track to meet the expected completion dates submitted in the 2015 Plan, and we have established a new legal entity governance structure with the Entity Governance Committee as its cornerstone. With two executive sponsors and twelve multi-disciplinary members from senior management, the Entity Governance Committee is empowered with a broad mandate to initiate and oversee changes to our legal entity structure that enhance our resolvability. The Entity Governance Committee is also responsible for ensuring that proposed business-as-usual activities do not impede our resolvability. In addition, we have updated our legal entity rationalization criteria to align with the SPOE Strategy and the 2017 Guidance. We also applied the updated legal entity rationalization criteria to all of our material entities, incorporating both the Critical Services mapping and identified operational continuity and separability risks. These actions are discussed below.

3.4.1 Status of 2015 Plan Legal Entity Rationalization Projects

Six of the nine legal entity project plans identified in the 2015 Plan are now fully complete. With oversight by the Entity Governance Committee, the three remaining projects continue to advance and are on track to meet the expected completion dates submitted with the 2015 Plan. Key projects included:

- **Global Entity Management System Enhancement:** BNY Mellon uses a third-party system, the Global Entity Management System, to maintain its official records for domestic and foreign entities. BNY Mellon added additional data fields relevant for resolution preparedness and has populated these fields. BNY Mellon has also implemented policies and procedures to ensure that this information remains current and readily accessible. This project is complete.
- **Dissolution of Low-Activity and Dormant Entities:** BNY Mellon established an annual process to identify low-activity and dormant entities and assess whether they should be maintained. This project continues and is on track consistent with its deadlines.
- **Transfer of Investment Portfolios from One Wall Street Corporation and BNY Mellon Fixed Income Securities:** The 2015 Plan outlined steps to transfer the investment portfolios of two Bank subsidiaries, One Wall Street Corporation and BNY Mellon Fixed Income Securities, into the Bank. This project was completed in November 2015 and the subsidiaries are in the process of being dissolved.
- **Liquidation of Leasing Subsidiaries:** BNY Mellon analyzed its leasing entity structure and concluded that it was unnecessarily complex. As a result, 19 leasing subsidiaries

have been liquidated or consolidated into one of BNY Mellon's existing leasing subsidiaries. This project was completed in December 2015.

- **Transfer of BNY Mellon International Operations India:** Consistent with the 2015 Plan, we will reorganize the ownership structure of BNY Mellon International Operations India such that it will become an indirect subsidiary of the Bank.

3.4.2 Establishment of the Entity Governance Committee

We created the Entity Governance Committee to oversee BNY Mellon's legal entity structure and provide strategic direction to enhance our overall resolvability. Its composition and mandate empower it to pursue these goals effectively.

Members of the Entity Governance Committee include senior representatives of BNY Mellon's businesses and shared service groups. Its Chairman, our Chief Lending Officer and former Treasurer, reports directly to the Entity Governance Committee's two executive co-sponsors, the Chief Financial Officer and the Chief Executive Officer of Investment Services. The Entity Governance Committee's charter positions it directly below BNY Mellon's Chairman and Chief Executive Officer within our corporate structure.

The Entity Governance Committee has the authority to comprehensively assess the resolvability of BNY Mellon's legal entity structure and make strategic decisions at the highest levels of the organization. Its responsibilities include, among others:

- Providing strategic direction to achieve the most efficient structure for legal entities, branches and representative offices of BNY Mellon to support resolvability;
- Designing and maintaining the legal entity rationalization criteria;
- Overseeing the application of the legal entity rationalization criteria;
- Designing a target entity structure for enhanced resolvability that also reflects business-as-usual considerations; and
- Providing strategic direction to ensure the development of a legal entity structure that is simple, demonstrably rational and aligned with BNY Mellon's business strategy.

The Entity Governance Committee is also charged with rationalizing BNY Mellon's entity structure on an ongoing basis. Its responsibilities include:

- Exercising ongoing oversight of BNY Mellon's entity and change initiatives to approve any proposed legal entity changes, including the opening or closing of legal entities, changes to the regulatory permissions of existing legal entities, entity ownership changes, new business activities, and the consolidation of entities;
- Ensuring that the criteria used to evaluate and approve any proposed legal entity modifications appropriately reflect resolvability considerations; and
- Ensuring that documented policies and procedures regarding legal entities incorporate resolvability considerations into all change initiatives within the organization.

The Entity Governance Committee has made notable progress in modifying BNY Mellon's legal entity governance and further embedding resolvability considerations into business-as-usual decision making. Some of the actions it has taken are discussed below.

Enterprise-Wide Entity Governance Policy

Our enterprise-wide Entity Governance Policy defines the broad set of activities overseen by the Entity Governance Committee and establishes a procedure for identifying and escalating business proposals to the Entity Governance Committee for review, evaluation and approval. The scope of activities defined in the Entity Governance Policy includes changes to our legal entity structure and any significant modifications to activities in legal entities that may impact resolvability or that are otherwise important. The scope of changes subject to review and approval includes, but is not limited to, the following:

- Changes to legal entities, including entity formation, dissolution, reorganization, changes to ownership, acquisitions, divestitures and joint ventures;
- Requests for new regulatory licenses or permissions, or material changes to existing licenses or permissions;
- Transfers of employees that could impact resolvability, such as where the employee retains managerial or functional responsibilities at the transferring entity;
- Changes to business activities, including, for example, a new product offering that is dissimilar to other products offered by that entity, or changes to an entity's booking models;
- Changes to operations that involve the transfer of servicing capabilities to another BNY Mellon entity, the establishment of new service delivery locations operated by a BNY Mellon entity, the establishment of intra-group servicing relationships, or the expansion or reduction in size or responsibilities of a BNY Mellon entity that may impact another BNY Mellon entity; and
- Capital contributions and similar funding requests, such as guarantees and intra-company loans.

Amendments to Other Committee Charters

To further incorporate resolvability into business-as-usual decision making at BNY Mellon, the charters of key decision-making committees for every business have been amended to include resolvability considerations. Each of these committees must consider the impact on resolvability of project proposals using BNY Mellon's legal entity rationalization criteria as a reference. The committees must refer business proposals with the potential to affect resolvability to the Entity Governance Committee for consideration and analysis through use of a newly developed Resolvability Analysis Questionnaire.

Resolvability Analysis Questionnaire

The Entity Governance Committee developed and approved a Resolvability Analysis Questionnaire to ensure consistent and thorough application of the legal entity rationalization criteria to business proposals that could affect BNY Mellon's resolvability. If a key decision-making committee, in accordance with its amended charter, deems a proposal's potential impact on resolvability to be material, business personnel must complete a Resolvability Analysis Questionnaire and submit it to the Entity Governance Committee.

The Resolvability Analysis Questionnaire contains detailed questions to support informed decision making by the Entity Governance Committee regarding proposals within the scope of the Entity Governance Policy. For each legal entity rationalization criterion, the Resolvability Analysis Questionnaire provides a set of detailed questions to facilitate analysis of a proposal's potential impact on the firm's resolvability. The Resolvability Analysis Questionnaire elicits information on each proposal. Should a misalignment with the legal entity rationalization criteria be identified, the business must provide an explanation of the misalignment and associated mitigating actions. Approval of the proposal would require appropriate mitigants to address the misalignment. The Resolvability Analysis Questionnaire ensures that we consider proposed activities' potential impact on our resolvability through a standardized and transparent process on an ongoing basis.

3.4.3 Application of Legal Entity Rationalization Criteria

BNY Mellon has adopted a revised set of legal entity rationalization criteria that support our resolvability under different market conditions and minimize the risk to financial stability in the event of our failure. The updated criteria contain four overarching goals based on the 2017 Guidance and are explicitly designed to incorporate our Critical Services mapping. The four goals of the updated criteria are to:

- Facilitate the recapitalization and liquidity support of material entities;
- Facilitate the sale, transfer or wind-down of certain discrete operations and support the operational continuity of critical operations and Critical Services;
- Protect our bank subsidiaries from risks arising from non-bank activities; and
- Minimize complexity that could impede an orderly resolution, and minimize redundant and dormant entities.

The firm completed an exercise overseen by the Entity Governance Committee to apply the updated legal entity rationalization criteria to all of its material entities. We conducted a targeted analysis to assess each material entity's conformance with each criterion. An Entity Governance Committee member led the application of each criterion to ensure ownership, accountability and transparency in the process. Additionally, business and shared service groups (including Legal, Risk and Finance) provided input and reviewed the accuracy and completeness of results where appropriate. Finally, the Entity Governance Committee reviewed and validated all results. The 2017 Resolvability Program includes projects launched to mitigate certain potential impediments to resolvability that were identified through this process.

4. Plans to Address Shortcomings

In addition to three deficiencies, the Agencies identified five shortcomings in the 2015 Plan. All but one of the shortcomings have been addressed by the transition to the SPOE Strategy, as discussed in Section 4.1. Section 4.2 provides a high-level discussion of the actions we are taking to address the sole remaining shortcoming concerning intraday credit.

4.1 Shortcomings Addressed by Transition to the SPOE Strategy

Shortcomings addressed by the switch to SPOE are as follows:

- **Operational – Bridge Bank Exit:** In the April 2016 Letter, the Agencies stated that the size and lack of market substitutability of BNY Mellon’s government securities clearing and tri-party repo businesses would likely require an extension of the bridge bank beyond what BNY Mellon anticipated in its 2015 Plan. Specifically, the Agencies indicated that the 2015 Plan did not adequately address systemic risk implications associated with BNY Mellon’s bridge bank exit strategy and raised potential operational and financial obstacles associated with exit from the bridge bank. Under the SPOE Strategy, a bridge bank would not be created.
- **Operational – Contingency Plan for Custodial Accounts:** In the April 2016 Letter, the Agencies expressed concern that our 2015 Plan did not sufficiently analyze the time required to transfer custodial accounts to a third party in resolution. The April 2016 Letter noted that a “future bridge bank strategy should provide a more detailed and quantitative analysis of potential timing considerations based on projected client attrition rates for each applicable core business line or critical operation.” This shortcoming arises only in the context of the Bridge Bank Strategy and is addressed by our switch to the SPOE Strategy.
- **Operational – Claim Bifurcation and Receivership Accounting:** In the April 2016 Letter, the Agencies expressed concern over BNY Mellon’s assumption that certain trading liabilities and other unsecured liabilities, including foreign deposits, would be transferred to the bridge bank, while other general unsecured claims would remain in receivership, resulting in potential disparate claim treatment within a creditor class. The Agencies requested that BNY Mellon explain why the proposed transfer of these liabilities would be necessary to continue operations essential to the bridge bank and how such transfer was designed to maximize recoveries. The Agencies also asked BNY Mellon to elaborate on how separate receivership accounting could be maintained for the Bank and BNY Mellon Trust in the event that these entities entered into a single bridge bank. Under the SPOE Strategy, a bridge bank would not be created, and the Bank and BNY Mellon Trust would not enter into receivership.
- **Operational – Financial Statements and Projections:** In the April 2016 Letter, the Agencies expressed concern that the financial statements provided by BNY Mellon to meet the requirements of the “Financial Statements and Projections” section of the August 2014 Letter did not provide enough information to allow the Agencies to determine which assets and liabilities would be transferred into FDIC receivership.

Under the SPOE Strategy, the Bank and BNY Mellon Trust would not enter into receivership.

4.2 Liquidity – Intraday Credit

The Agencies jointly identified a shortcoming in our 2015 Plan concerning liquidity usage associated with collateralized intraday credit, the description of which was in the April 2016 Letter. Certain of our clearing and settlement operations, particularly those involving U.S. Government Securities, depend upon BNY Mellon providing clients with intraday credit. The 2015 Plan assumed that a particular approach would be taken to mitigate intraday credit demands post-resolution. The uncertainties surrounding the likely impact of this assumption were cited as a shortcoming in the April 2016 Letter. BNY Mellon is evaluating potential options to ensure the provision of the necessary intraday credit in a resolution scenario without disruption to the smooth operation of the markets. We are in dialogue with the Federal Reserve about these options and intend to address the shortcoming by July 2017.

5. Further Enhancing BNY Mellon's Resolvability by 2017

Our 2017 Resolvability Program establishes the foundation for the work we will do between now and July 2017 to further enhance our resolvability and operationalize the SPOE Strategy. This program builds substantially on prior work done through our Enterprise Resolvability Framework program. This section summarizes the governance and structure of our 2017 Resolvability Program, certain important projects that we will complete by July 2017, and additional steps we have taken to improve our resiliency and reduce risks to the broader market.

5.1 2017 Resolvability Program

Our 2017 Resolvability Program represents an expansion of our previous program with a broader mandate and an institutionalized governance structure that reflects our shift from planning to implementation. Our resolution program has been enhanced in many important ways: a broader scope, streamlined governance, senior-level membership, defined ownership and participation from many of our business and business support teams, and substantial investments of additional resources. The enhanced structure reflects BNY Mellon's commitment to enhancing our resolvability. Our board and senior management have made resolvability a key priority, resulting in full mobilization of resources toward this effort.

The 2017 Resolvability Program includes ongoing projects that had previously been managed under our Enterprise Resolvability Framework program and new projects that will further enhance resolvability by July 2017. A number of projects were well underway before receipt of the April 2016 Letter. We initiated other projects upon determining that we should switch to the SPOE Strategy. We plan to complete these projects by the time of the submission of the 2017 Plan.

The 2017 Resolvability Program is led by the Resolvability Steering Committee, an integrated governance body composed of BNY Mellon's senior management and senior business leadership. The Resolvability Steering Committee oversees the end-to-end development and implementation of BNY Mellon's SPOE Strategy and provides strategic leadership of the 2017 Resolvability Program. This committee is formally accountable for the 2017 Resolvability Program and holds primary responsibility for its successful completion.

A Resolvability Leadership Team supports the Resolvability Steering Committee by managing the day-to-day program and by advising the committee of key strategic issues and execution risks. Multiple business leaders and subject matter experts are accountable for key projects, ensuring the integration of real-world experience into this effort and the establishment of accountability that will drive successful completion of the projects.

The figure below illustrates the 2017 Resolvability Program's governance structure:

Figure 5-1: 2017 Resolvability Program Governance



5.2 Key Projects to Enhance Resolvability

Summarized in this section are important facets of the work underway to enhance our resolvability and operationalize the SPOE Strategy.

We are developing mechanisms to ensure that the people, processes and technology needed to successfully execute our strategy are in place. We are updating our existing Crisis Continuum Framework to reflect our shift to the SPOE Strategy by incorporating appropriate triggers and thresholds that clearly identify when action needs to be taken and by whom. To this end, we are developing a Master Playbook that describes the sequencing of when all other resolution-related playbooks must be deployed. The Master Playbook will support our Crisis Management Coordinator in orchestrating the execution of our SPOE Strategy. We are also establishing a structured hierarchy of new and existing playbooks that clearly defines the detailed execution steps that need to be completed in a timely and effective manner throughout the resolution timeline.

We are taking measures to ensure the recapitalization and liquidity support of our material entities.

- We have issued and are evaluating incremental debt needed to ensure availability of sufficient financial resources to support the recapitalization of, and provision of liquidity to, our material entities.
- To support the execution of our SPOE Strategy, we are taking steps to ensure that capital and liquidity will be positioned appropriately, consistent with the requirements in the 2017 Guidance regarding Resolution Capital Adequacy and Positioning and Resolution Liquidity Adequacy and Positioning. Resource positioning will take into account mitigation of the risks of interaffiliate frictions and the need to support continuity of Financial Market Utility and Agent Bank relationships.
- We are developing a contractually binding Support Agreement that we expect to have completed by July 2017. The Support Agreement is designed to assure the provision of capital and liquidity to subsidiary material entities in forms and amounts sufficient to execute the modeled SPOE Strategy. It will be integrated into our Crisis Continuum Framework and incorporate features designed to withstand potential challenges. In addition, we are considering the other mitigants to potential challenges specified in the 2017 Guidance, including pre-positioning of certain financial resources in material entities and the creation of an intermediate holding company.

We are further developing capabilities and analytics to support the monitoring of multiple financial resource metrics at the material entity level. These capabilities include dynamic financial forecasting capabilities that can frequently project BNY Mellon's financial condition, including changes in capital and liquidity levels, under a variety of stress conditions. We are also further linking financial metrics and forecasts to our Crisis Continuum Framework and triggers, in order to inform ancillary issues such as cross-border interaffiliate frictions and continuation of critical payment, clearing and settlement activities.

We have enhanced the continuity of our shared and outsourced services and are taking actions that provide further assurance of their continuity in resolution. We have analyzed and documented key dependencies among legal entities and with outside vendors. We have enhanced our centralization of, and access to, external supplier contracts through the creation of a central repository housing these agreements. We will continue to enhance our shared and outsourced service model to address operational capabilities in resolution by:

- Documenting arm's-length service level agreements to manage interaffiliate arrangements to ensure continuity of services in resolution;
- Revising standard external contract templates to include provisions for continuity of services during resolution going forward, and amending contracts with existing external suppliers to provide for continuity of services in resolution;
- Taking steps to support continued access to critical intellectual property by formalizing ownership of intellectual property assets and executing interaffiliate licensing agreements; and

- Continuing to maintain our Critical Services inventory and connecting findings from our mapping to ongoing legal entity rationalization efforts.

We are implementing projects to allow for operational continuity through the resolution timeline. Building on our work to date to identify and map Critical Services, we are implementing mitigating actions to ensure the operational continuity of our core business lines, critical operations and Critical Services through a number of projects. We are continuing to update and refine our Critical Services mapping tool. Some examples of projects focused on implementing solutions to maintain operational continuity are:

- Identifying all employees who perform Critical Services and taking action to provide for their retention in a resolution scenario, which will be further described in an updated employee retention plan submitted as part of our 2017 Plan;
- Ensuring that key personnel are employed by the legal entity encompassing the business line or shared service group to which they primarily provide services;
- Developing a range of scenarios for client attrition assumed during resolution by line of business and developing plans to respond accordingly under a range of market conditions; and
- Completing defined operational continuity plans for each business line, with business-level plans detailing actions for mitigating any identified operational continuity gaps.

We are preparing our identified Objects of Sale for efficient separation. The feasibility of our SPOE Strategy does not depend on the execution of any specific divestiture transaction. We have nevertheless identified discrete businesses that could be divested in resolution to streamline our organizational structure and provide flexibility within our SPOE Strategy to facilitate its execution in a variety of market conditions. Actions that support the disposition of our Objects of Sale include:

- Simplification of certain business-specific legal entity structures;
- Establishment of a comprehensive transition service agreement framework that will serve as the basis for continuation of services post-divestiture;
- Development of sale and wind-down plans that describe preferred and alternate strategies for each Object of Sale, and all services that may be required for that Object of Sale on a transitional basis after its disposition; and
- Establishment of transaction data rooms to store and maintain information that will be pre-populated to facilitate rapid execution of disposition transactions in resolution.

We are optimizing the alignment of our legal entity structure with our legal entity rationalization criteria. We have updated and applied our legal entity rationalization criteria to all of our material entities. Through this process, we identified aspects of our legal entity structure that can be optimized for resolution contingencies through projects that:

- Facilitate the recapitalization and liquidity support of material entities;

- Support operational continuity of our core business lines, critical operations and Critical Services, and facilitate the separability of our Objects of Sale; and
- Minimize potential complexity that could impede resolution.

In addition to these legal entity rationalization projects, we are also applying our legal entity criteria to entities across the firm and continuing to simplify our overall entity structure through new and ongoing rationalization projects.

We are embedding resolvability considerations into business-as-usual management practices. The Entity Governance Committee has made notable progress in modifying BNY Mellon's legal entity governance and further embedding resolvability considerations into business-as-usual decision making.

- We have created and adopted an enterprise-wide Entity Governance Policy that defines the broad set of activities overseen by the Entity Governance Committee and establishes a procedure for identifying and escalating business proposals to the Entity Governance Committee for review, evaluation and approval.
- We have amended the charters of key decision-making committees for every business to include resolvability considerations.
- To support the consistent and thorough application of the legal entity rationalization criteria to business proposals that could affect BNY Mellon's resolvability, the Entity Governance Committee has developed and approved a Resolvability Analysis Questionnaire and associated governance process for use across the firm.

We have enhanced and will continue to develop capabilities to identify, value and manage collateral during resolution. We are developing collateral risk management reporting that will aggregate enterprise-wide data and provide a platform to measure enterprise-wide collateral risk exposure.

- Enhancements to our collateral policy and risk management framework provide for more timely and more sensitive risk metrics that cover a broader range of exposures to inform management decision making more effectively.
- Personnel from our businesses and shared service groups have worked on the creation of new systems, applications, models and reports; the adaptation of existing systems and reports to meet regulatory recommendations; and updates to policies and procedures to integrate these enhancements into business-as-usual processes.

We have significantly enhanced our liquidity and intraday liquidity risk management framework. Recent efforts include increasing the granularity, timeliness and depth of our liquidity data and analysis. We are planning to implement new tools for the management of intraday liquidity and continue to enhance our framework to monitor intra-company transactions and funding flows on a more granular basis. We are building towards a future state of liquidity risk management enhancements that will include:

- Expansion of our automated data collection and analysis platform with the capability to monitor liquidity reserves, and sources and uses of funding enterprise-wide, on a daily basis, and by key material entity and by jurisdiction; and
- Monitoring in real time all intraday liquidity metrics at the consolidated Parent level and key individual entity level, allowing for greater visibility into intraday activity trends, thus improving information available for business and risk management decision making.

We have completed significant steps to enhance our payment, clearing and settlement activity-related capabilities. These enhancements improve our capabilities both in business-as-usual and in resolution. Serving as an important intermediary in the financial services industry, we have worked diligently to, and continue to, improve our operational infrastructure, benefiting financial markets more broadly. Some of these key enhancements include:

- Custody platform enhancements centralizing custody management and enhancing reporting capabilities, including more granular reporting by BNY Mellon legal entity; and
- Expanded intraday real-time monitoring, data capture and reporting capabilities for all material currencies (i.e., U.S. dollar, Euro and British pound) for which BNY Mellon is a direct clearer.

We are improving our ability to produce key management information necessary in a resolution scenario. We are developing enhanced capabilities that provide greater scalability, aggregation, simplification and transparency for a wide range of financial and operational metrics. These enhanced management information systems capabilities include:

- Gross direct credit risk exposure reporting that provides complete transparency of each type of BNY Mellon's gross credit exposure, for all levels of a client relationship, to specific BNY Mellon legal entities and between BNY Mellon legal entities (including but not limited to material entities);
- Intraday credit exposure reporting that provides minute-by-minute transparency of intraday credit exposure within client accounts, at specific BNY Mellon legal entities and between BNY Mellon legal entities (including but not limited to material entities); and
- Data sourcing enhancements that provide broad foundational support for a wide range of capabilities set out in the Federal Reserve's Supervision and Regulation Letter 14-1, which include a data lake infrastructure into which we have aggregated data from more than two dozen systems to date, as well as an enhanced data governance policy supported by a data governance toolset and processes.

We are deploying a legal agreement repository. The legal agreement repository is a machine-learning platform with advanced optical character recognition for ingesting and analyzing hundreds of thousands of identified documents, including qualified financial contracts, custody agreements and other identified agreements, such as netting and re-hypothecation agreements.

- The platform can extract dozens of key clauses and data from each contract, such as change in control, collateralization, governing law, cross default, termination, down-grade triggers and other key elements. We developed a rigorous process around the machine-learning platform, which is operationalized in a playbook and augmented by legal professionals to improve data integrity. The legal agreement repository will include a comprehensive central solution, supported in collaboration with the lines of business, enabling the automated enterprise retrieval of digitized content across the portfolio of agreements, and is being designed for resiliency and resolvability. We are looking into expanding its functionality to include multifaceted search capabilities, information aggregation, scalability, a central platform for future enhancements, consolidated reporting, restrictive access controls and linkage with existing repositories, to discover and ingest copies of new documents in business-as-usual.

5.3 Improving our Resiliency and Reducing Risk to the Broader Market

In addition to the more targeted steps to enhance resolvability identified above, our firm has made significant progress in the recent past to eliminate risks and complexity in the broader financial system, and has done this in scale. We have successfully accomplished multiple material de-risking goals associated with our financial intermediation activities, have done so in markets where BNY Mellon is a, or the, market leader, and have done so without creating any market, or meaningful client, disruptions. These changes enhance our resolvability, reduce both systemic and idiosyncratic risks, and allow us to operate better. Accordingly, we understand how to make the types of changes required to enhance our resiliency and resolvability. While there are many examples of this type of success, our accomplishments in the area of tri-party repo reform and U.S. government securities clearance and settlement are particularly noteworthy.

We understand the importance of a stable and well-functioning tri-party market, and how critical it is to the health of the global financial system. BNY Mellon offers tri-party repo collateral agency services to its securities clearing and settlement clients and cash investors active in the tri-party repurchase, or repo, market and currently has approximately 85% of the market share of the U.S. tri-party repo market. As a result, we have worked with the public sector, the U.S. Tri-Party Repo Infrastructure Reform Task Force formed under the auspices of the Federal Reserve Bank of New York, and various other stakeholders to reengineer our processes to reduce the reliance on intraday credit provided by BNY Mellon. Through a combination of public and private sector initiatives, we have achieved the “practical elimination” of intraday credit risk within the U.S. tri-party repo market. Today, all tri-party repo intraday credit is provided using capped, committed credit facilities, which have allowed us to reduce our intraday exposures by more than 97%. Equally important, we accomplished this without stimulating any market disruption.

BNY Mellon has also worked to reduce the risk in the process by which U.S. government securities are issued and settled. BNY Mellon is a leader in U.S. government securities clearance, currently acting as a clearing and settlement agent for 19 of the 23 primary dealers and handling most of the transactions cleared through the Federal Reserve Bank of New York (by volume). Over the past several years, in order to manage the intraday liquidity and credit risks associated with this activity, we have developed a framework for identifying strategies to materially reduce the demand for intraday credit and made numerous improvements to our U.S. government securities clearance activities, including greater and clearer communication with our clients. Our efforts have contributed to a significant de-risking of the U.S. government securities clearance and settlement business and market and facilitated the availability of intraday liquidity and funding. Again, and equally importantly, all of this change and de-risking, both of ourselves and of the markets more broadly, was successfully accomplished without stimulating any market disruption or material client concern.

6. Conclusion

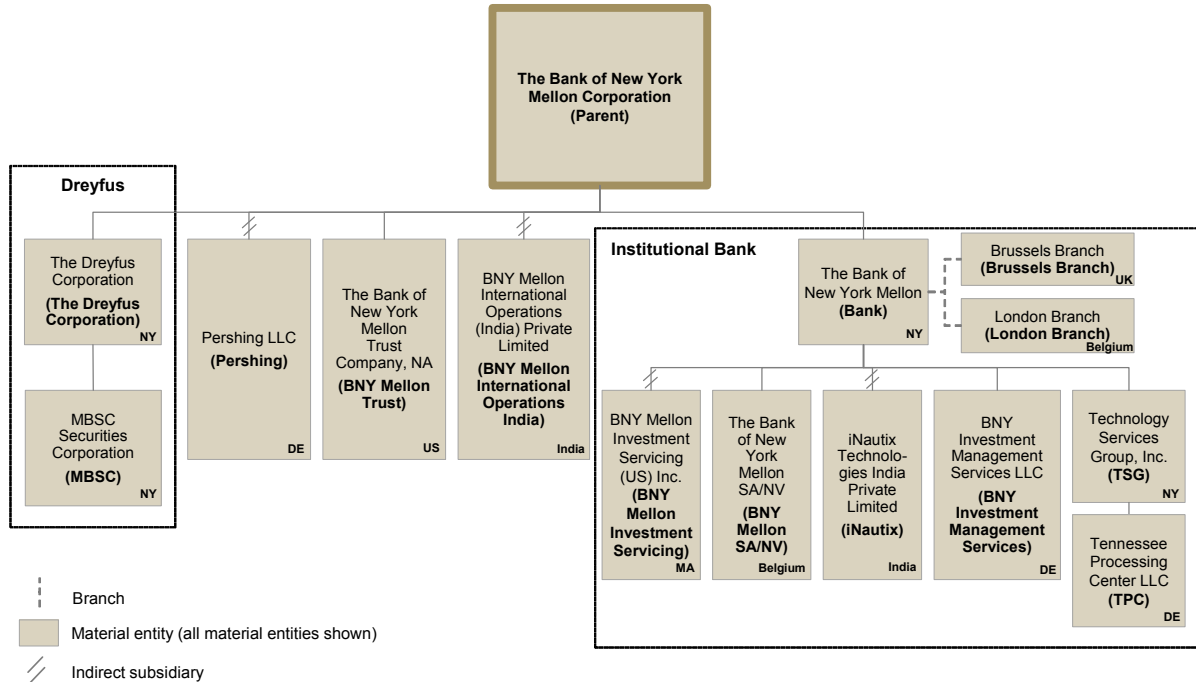
BNY Mellon understands the role that we play for our clients and the markets in which we operate. We embrace our responsibility to manage risk every day and to ensure that, were a resolution of BNY Mellon ever necessary, it could be accomplished with minimal disruption to financial markets. Resolution planning is far more than a simple compliance exercise. We are developing a thorough, carefully considered SPOE Strategy and are working with rigor and discipline towards achieving its operational feasibility. We are confident that, with the submission of our 2017 Plan, we will demonstrate that we are prepared for a rapid and orderly resolution under the Bankruptcy Code.

Appendix: BNY Mellon's Material Entities and Core Business Lines

Material Entities

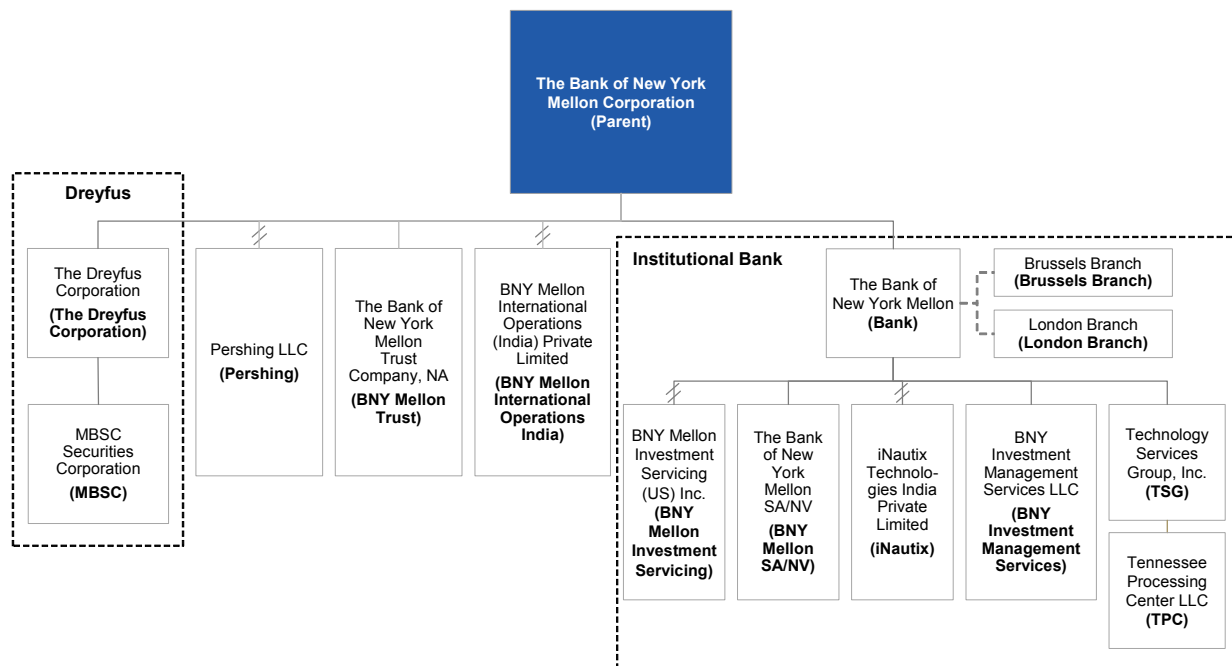
The entities described below (including the Parent) are deemed material entities for purposes of the 2016 Submission. The figure below is a pictorial representation of the organizational structure of our material entities.

High-Level Organizational Structure of Material Entities



Parent

The Bank of New York Mellon Corporation



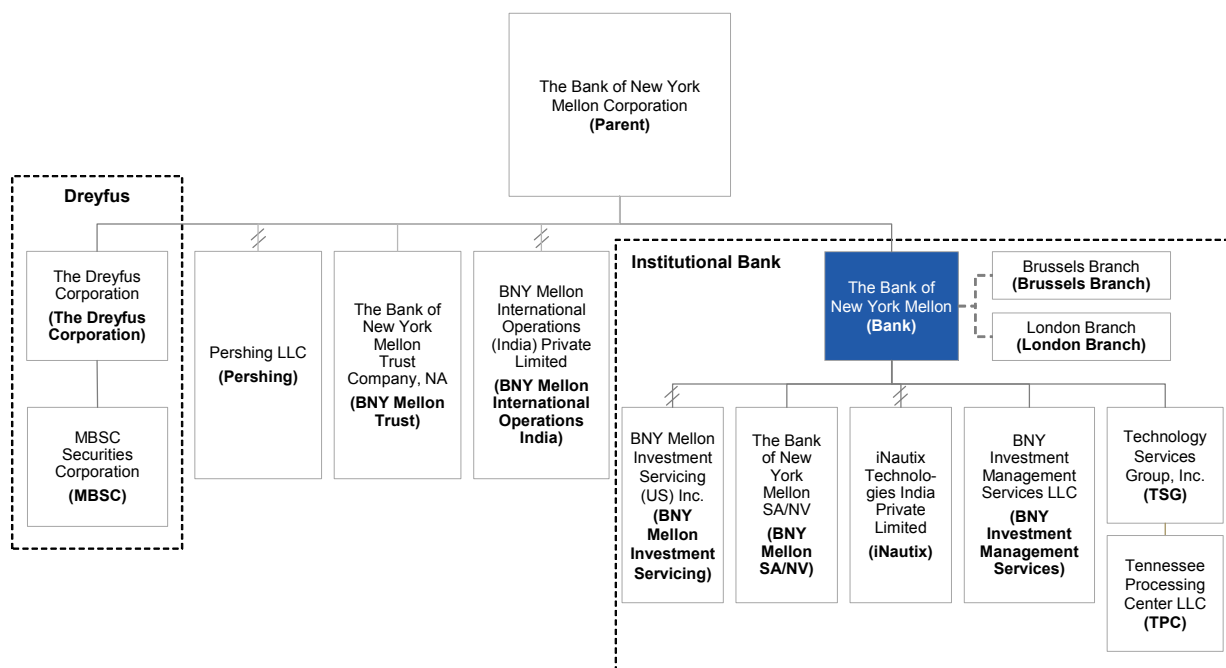
The Parent, a Delaware corporation headquartered in New York, New York, is registered as a bank holding company and a financial holding company under the Bank Holding Company Act of 1956, as amended by the Gramm-Leach-Bliley Act and by the Dodd-Frank Act. The Parent is subject to supervision by the Federal Reserve.

BNY Mellon's material entities generally do not have significant operational dependencies on the Parent. However, the Parent serves as a source of funding for the material entities, raising funds in public markets and providing those funds to the material entities in the form of loans and equity. As of December 31, 2015, there are no upstream guarantees provided to the Parent.

Additional information related to Parent is contained in reports filed with the SEC, including the 2015 Annual Report, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.

Banks, Broker-Dealers and Other Operating Entities

The Bank of New York Mellon



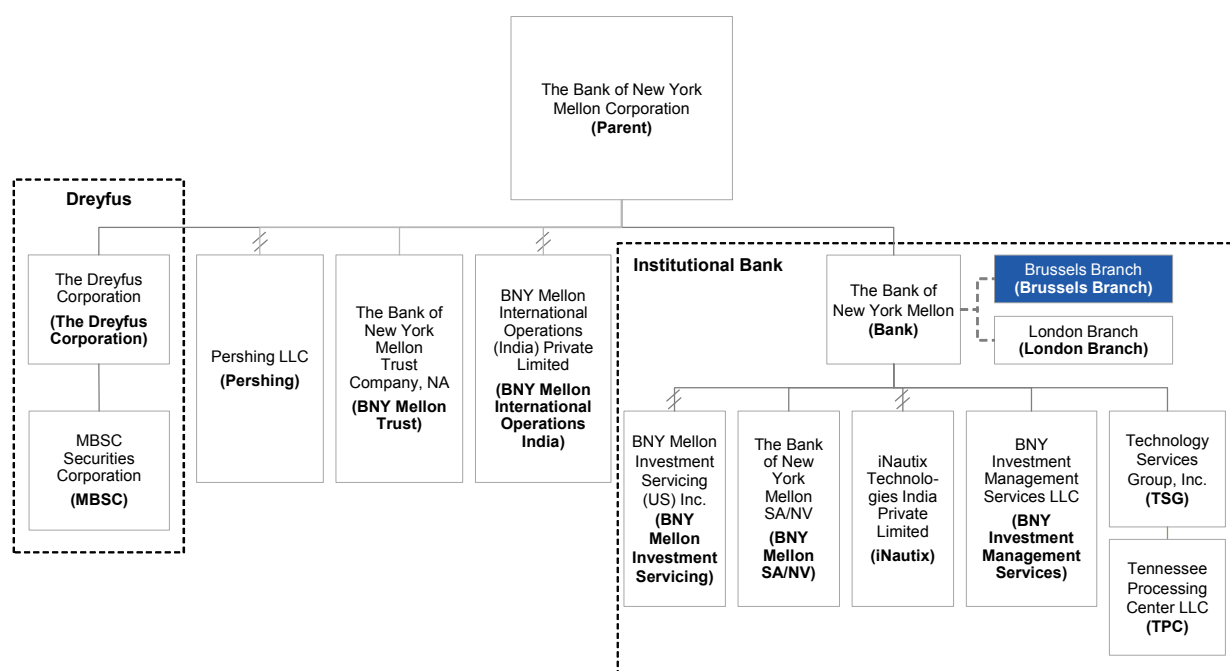
The Bank, which is BNY Mellon’s largest banking subsidiary, is a New York state-chartered bank and a member of the Federal Reserve System and is subject to regulation, supervision and examination by the Federal Reserve, the FDIC and the New York State Department of Financial Services. The Bank has 14 foreign branches and various subsidiaries, and it houses our Investment Services businesses, including Asset Servicing, issuer services and broker-dealer services, as well as the bank-advised business of Asset Management.

BNY Mellon’s material entities have operational dependencies on the Bank, including the provision by the Bank of (i) services to Pershing, such as securities lending and clearance and settlement of U.S. government securities, and (ii) Asset Servicing and Corporate Trust services to clients of BNY Mellon Trust. The Bank has operational dependencies on BNY Mellon’s other material entities, including the Brussels Branch, BNY Mellon SA/NV, BNY Mellon Trust and Dreyfus, as more fully described in the applicable material entity descriptions provided below. The Bank also relies on information technology infrastructure and support through TSG, TPC and iNautix, as well as operational support through BNY Mellon International Operations India.

Additional information related to the financial condition of the Bank is contained in its Report of Condition and Income (Call Report) available at the FFIEC website at www.ffiec.gov.

Banks, Broker-Dealers and Other Operating Entities

The Bank of New York Mellon – Brussels Branch

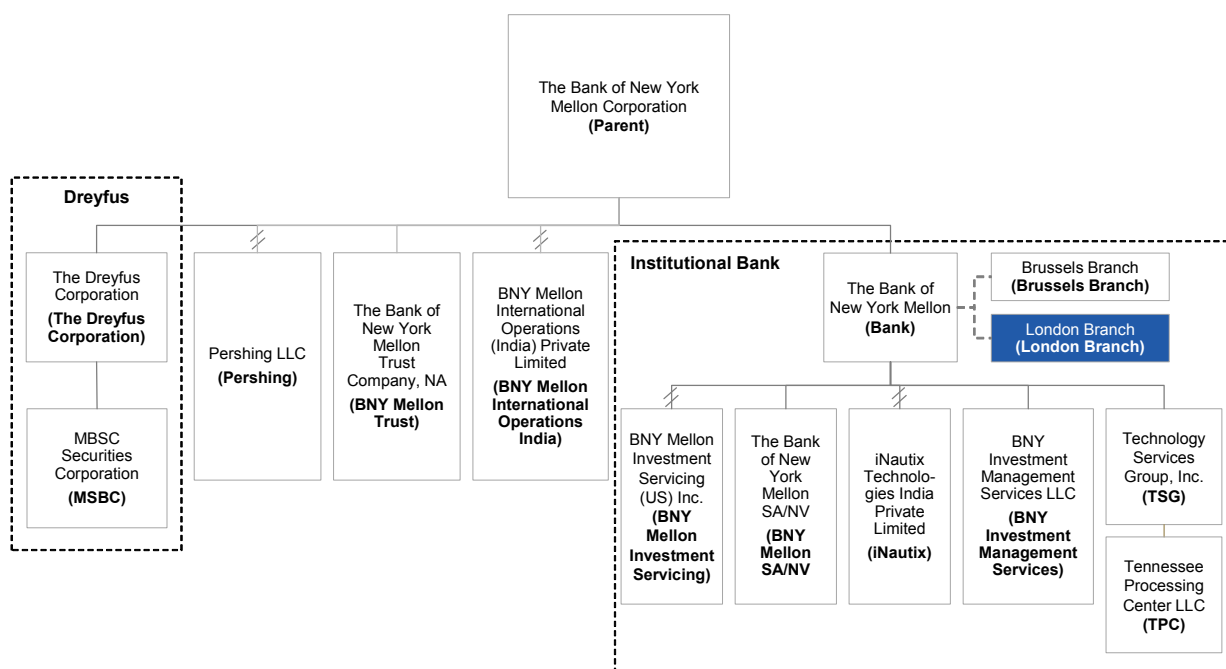


The Brussels Branch is a branch of the Bank and provides Investment Services (mainly global custody and global clearing services) for institutional clients primarily located in Asia and the United States. In Belgium, the Brussels Branch is supervised by the National Bank of Belgium and the Belgian Financial Services and Market Authority and is also regulated by the Federal Reserve.

BNY Mellon's material entities have operational dependencies on the Brussels Branch, including (i) the provision of asset servicing, including cash services, for many non-European clients of the Bank and (ii) the provision of cash accounts and operational credit support to some London Branch and Bank clients. The Brussels Branch also has operational dependencies on BNY Mellon's other material entities, including BNY Mellon SA/NV, as more fully described in BNY Mellon SA/NV material entity description provided below. The Brussels Branch also relies on information technology infrastructure and support through TSG, TPC and iNautix, as well as operational support through BNY Mellon International Operations India.

Banks, Broker-Dealers and Other Operating Entities

The Bank of New York Mellon – London Branch

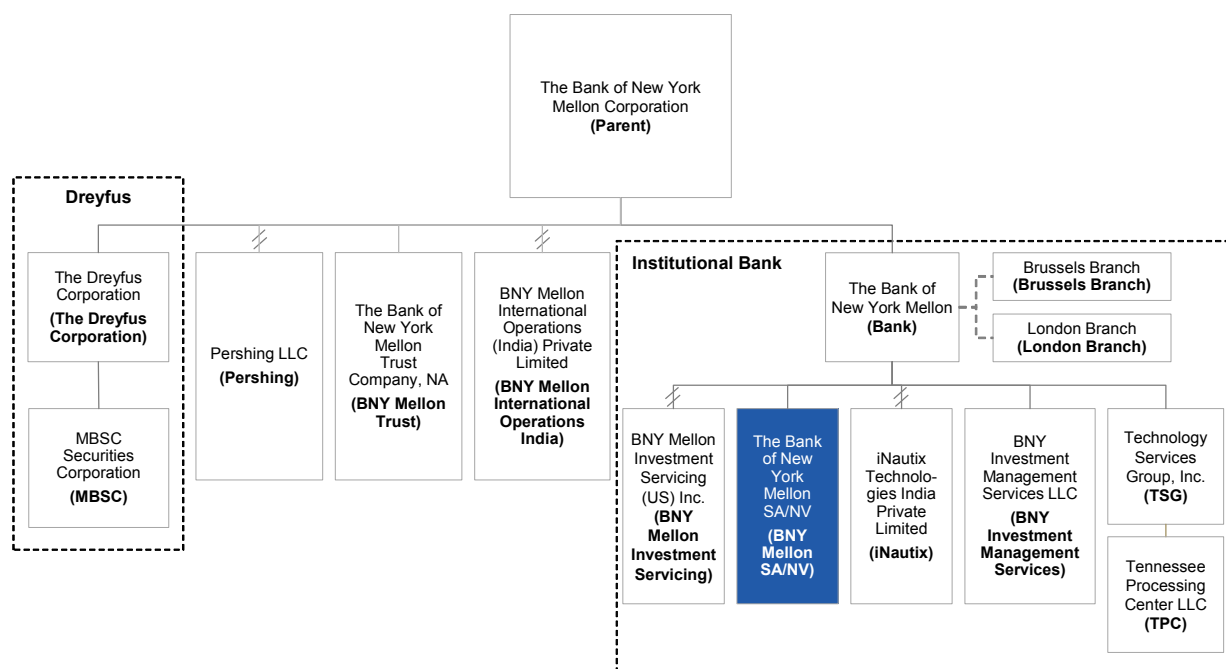


The London Branch is a branch of the Bank that extends the geographical reach of the Bank by providing services to its local and international client base. The London Branch is subject to regulation by the Prudential Regulation Authority and Financial Conduct Authority, as well as the Federal Reserve. The London Branch is engaged in the Corporate Trust, Asset Servicing, global securities operations and markets businesses.

BNY Mellon’s material entities have operational dependencies on the London Branch, including the provision by the London Branch of (i) securities lending services and global corporate trust services to the Bank’s clients, and (ii) securities lending services for BNY Mellon SA/NV. The London Branch has operational dependencies on BNY Mellon’s other material entities, including BNY Mellon SA/NV, as more fully described in BNY Mellon SA/NV material entity description provided below. The London Branch also relies on information technology infrastructure and support through TSG, TPC and iNautix, as well as operational support through BNY Mellon International Operations India.

Banks, Broker-Dealers and Other Operating Entities

The Bank of New York Mellon SA/NV



BNY Mellon SA/NV is the main banking subsidiary of the Bank in continental Europe. It is authorized and regulated as a credit institution by the National Bank of Belgium and is also supervised by the European Central Bank. BNY Mellon SA/NV has its principal office in Brussels and branches in Amsterdam, Dublin, Frankfurt, London, the City of Luxembourg and Paris. BNY Mellon SA/NV's activities primarily consist of providing Asset Servicing products focused on global custody and collateral management. In addition, it provides Corporate Trust services through its branch in Dublin.

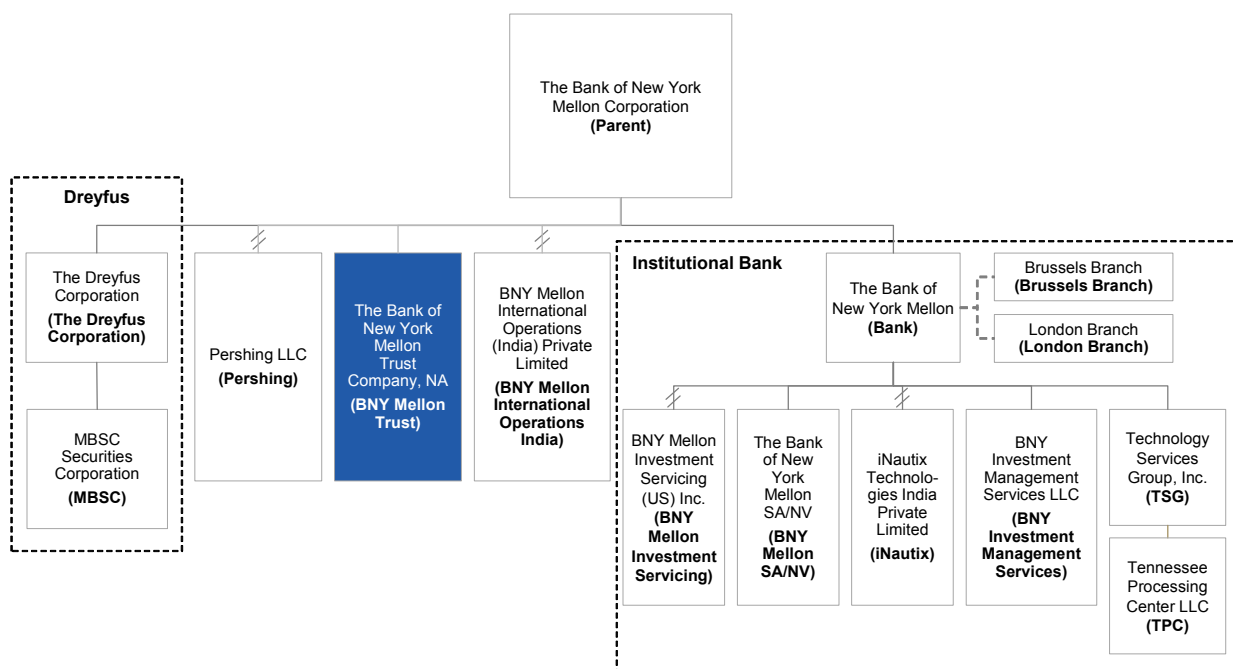
BNY Mellon's material entities have operational dependencies on BNY Mellon SA/NV, including the provision by BNY Mellon SA/NV of (i) operational services related to global collateral management and global securities operations services for BNY Mellon's clients, including support to the London Branch's clients, and (ii) operational activities on behalf of the Brussels Branch.

BNY Mellon SA/NV has operational dependencies on BNY Mellon's other material entities, namely the Bank and its material entity subsidiaries including information technology infrastructure and support insourced from TSG, TPC and iNautix, as well as from BNY Mellon International Operations India.

Additional information related to BNY Mellon SA/NV is contained in its 2015 Pillar 3 Disclosure published in accordance with the requirements of the National Bank of Belgium, available at www.bnymellon.com.

Banks, Broker-Dealers and Other Operating Entities

The Bank of New York Mellon Trust Company, National Association



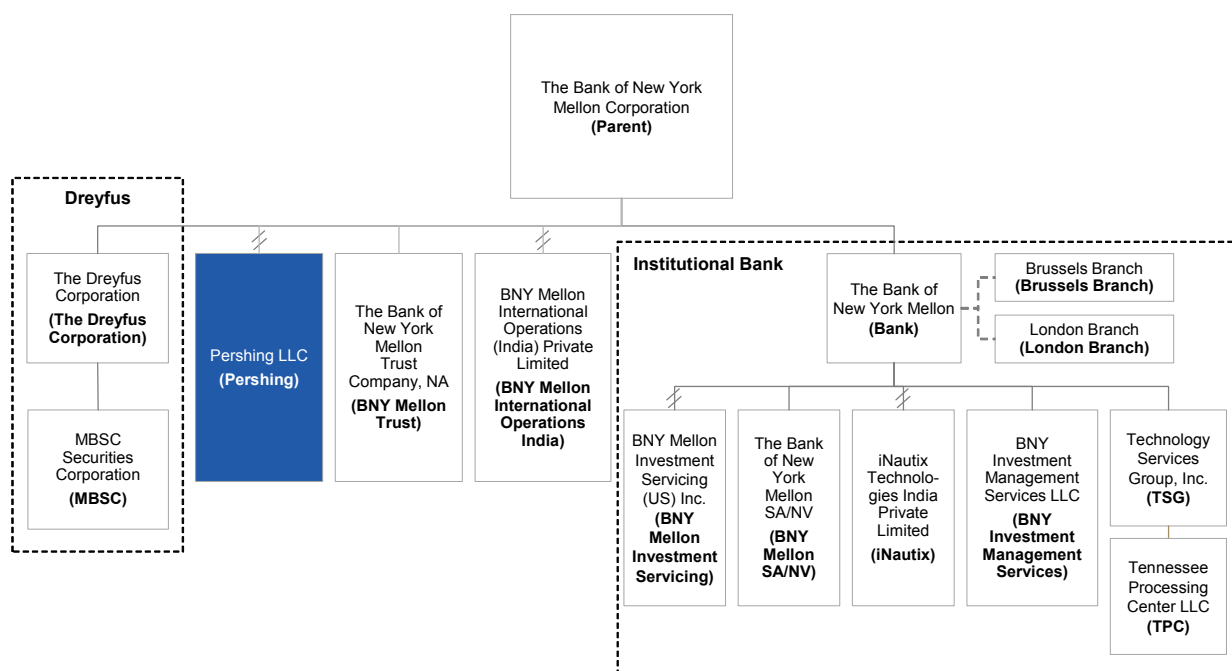
BNY Mellon Trust is chartered as a national banking association subject to primary regulation, supervision and examination by the Office of the Comptroller of the Currency. BNY Mellon Trust primarily performs “front office” administrative activities for fiduciary, agency and custody accounts related to the Corporate Trust business and, to a much lesser extent, Asset Servicing. BNY Mellon Trust is headquartered in Los Angeles, California, with offices at 26 locations within 18 states.

BNY Mellon’s material entities have operational dependencies on BNY Mellon Trust, including the provision by BNY Mellon Trust of Corporate Trust document custody, sales and administrative support services to the Bank. BNY Mellon Trust has operational dependencies on BNY Mellon’s other material entities, including the Bank, as more fully described in the Bank material entity description provided above. BNY Mellon Trust also relies on information technology infrastructure and support through TSG, TPC and iNautix, as well as operational support through BNY Mellon International Operations India.

Additional information related to the financial condition of BNY Mellon Trust is contained in its Report of Condition and Income (Call Report) available at the FFIEC website at www.ffiec.gov.

Banks, Broker-Dealers and Other Operating Entities

Pershing LLC



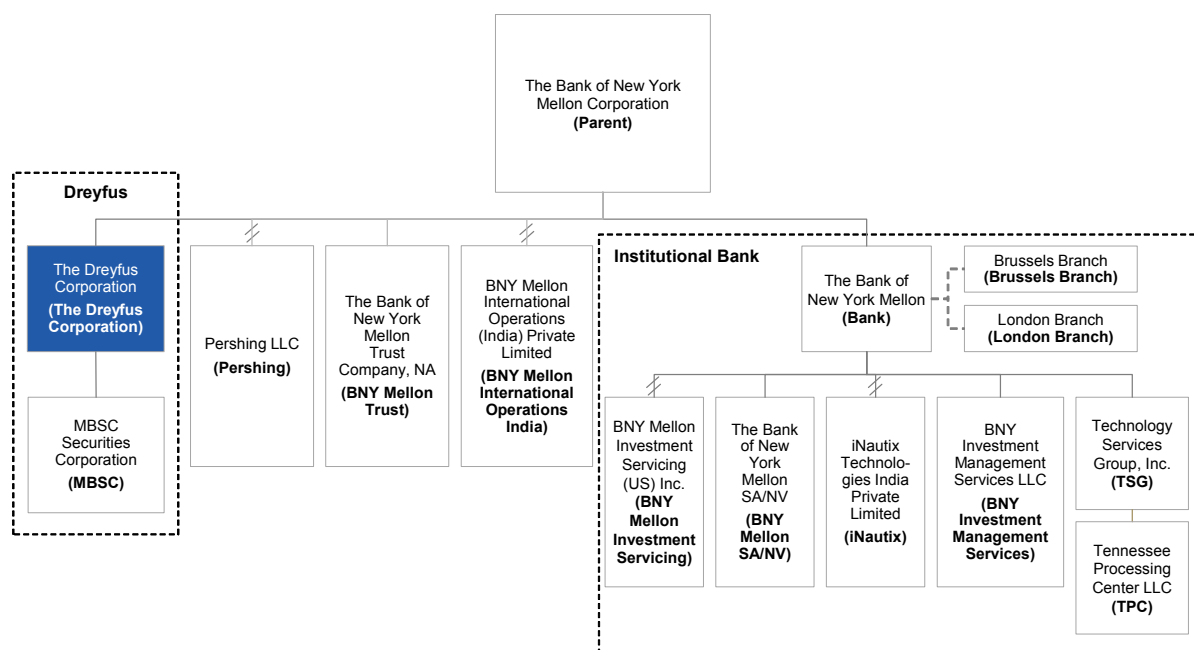
Pershing, a Delaware limited liability company and indirect, non-bank subsidiary of the Parent, is an SEC-registered broker-dealer providing business solutions to financial organizations globally by delivering dependable operational support, order execution services, flexible technology, and an expansive array of investment solutions, practice management support and service excellence. Pershing is headquartered in Jersey City, New Jersey.

BNY Mellon's material entities do not have any significant operational dependencies on Pershing. Pershing depends on the Bank for certain services, including securities lending and clearance and settlement of government securities, which are provided on the same basis as they are provided to other clients of the Bank. Pershing also relies on information technology infrastructure and support through TSG, TPC and iNautix.

Additional information related to the financial condition of Pershing is contained in its Statement of Financial Condition filed with the SEC and available at www.sec.gov.

Banks, Broker-Dealers and Other Operating Entities

The Dreyfus Corporation



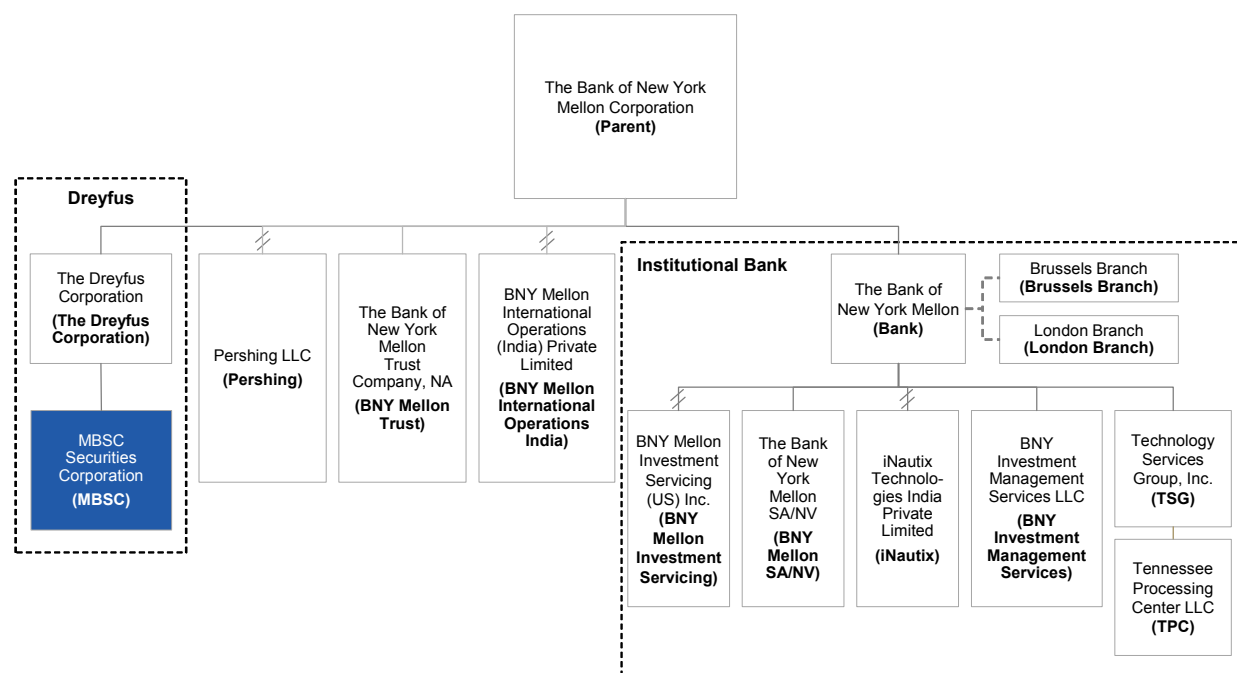
The Dreyfus Corporation, a New York corporation, is a subsidiary of the Parent with its principal place of business in New York, New York. The Dreyfus Corporation is registered with the SEC as an investment adviser and is regulated under the Investment Advisers Act of 1940. The Dreyfus Corporation is an investment management company, serving as adviser and administrator to mutual funds and other portfolios.

BNY Mellon's material entities have operational dependencies on The Dreyfus Corporation, including the provision by BNY Mellon Cash Investment Strategies, a division of Dreyfus, of cash collateral reinvestment, accounting services and credit risk-related services to BNY Mellon's securities lending business. The Dreyfus Corporation has operational dependencies on BNY Mellon's other material entities, including MBSC, as more fully described in the MBSC material entity description provided below. The Dreyfus Corporation also relies on information technology infrastructure and support through TSG, TPC and iNautix, as well as operational support through BNY Mellon International Operations India.

Refer to Dreyfus's Form ADV, available through the SEC's website, for additional information.

Banks, Broker-Dealers and Other Operating Entities

MBSC Securities Corporation



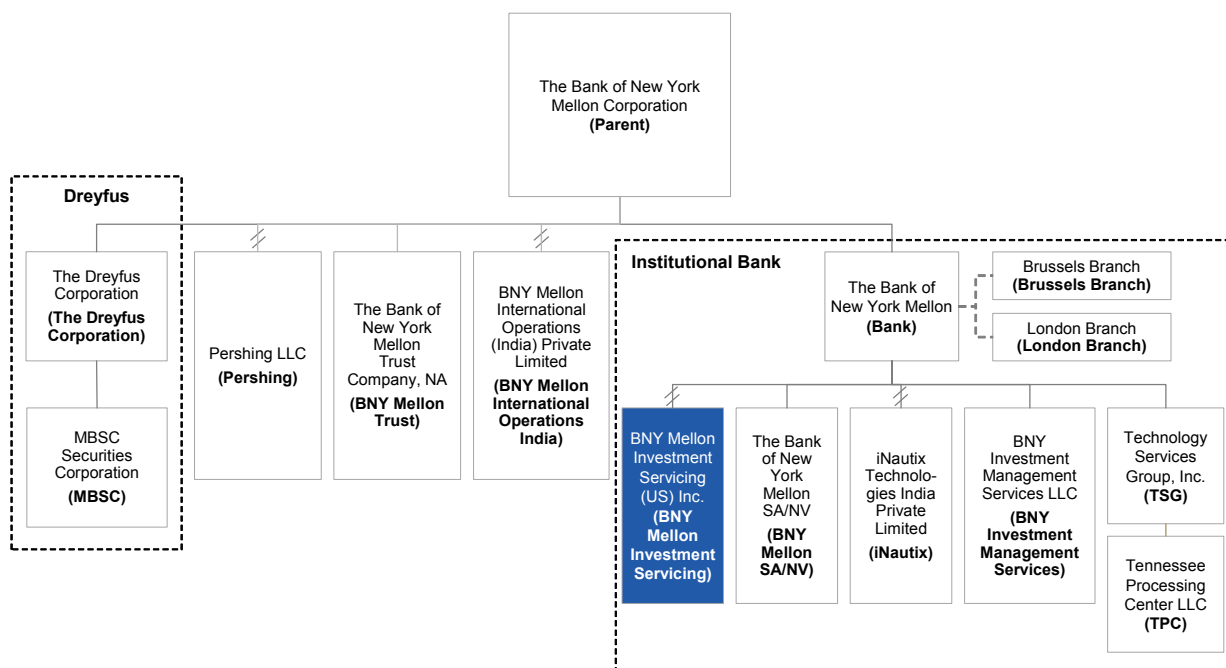
MBSC, a New York corporation, is a subsidiary of The Dreyfus Corporation, with its principal place of business in New York, New York. MBSC is an SEC-registered broker-dealer and a member of FINRA, the Financial Industry Regulatory Authority. MBSC provides underwriting and distribution services for the Dreyfus family of funds and shareholder services to retail and institutional Dreyfus fund investors.

BNY Mellon's material entities have operational dependencies on MBSC, including the provision by MBSC of distribution and sales of mutual funds sponsored and/or administered by The Dreyfus Corporation. MBSC has operational dependencies on BNY Mellon's other material entities, including information technology infrastructure and support through TSG, TPC and iNautix.

Additional information related to the financial condition of MBSC is contained in its Statement of Financial Condition filed with the SEC and available at www.sec.gov.

Banks, Broker-Dealers and Other Operating Entities

BNY Mellon Investment Servicing (US) Inc.

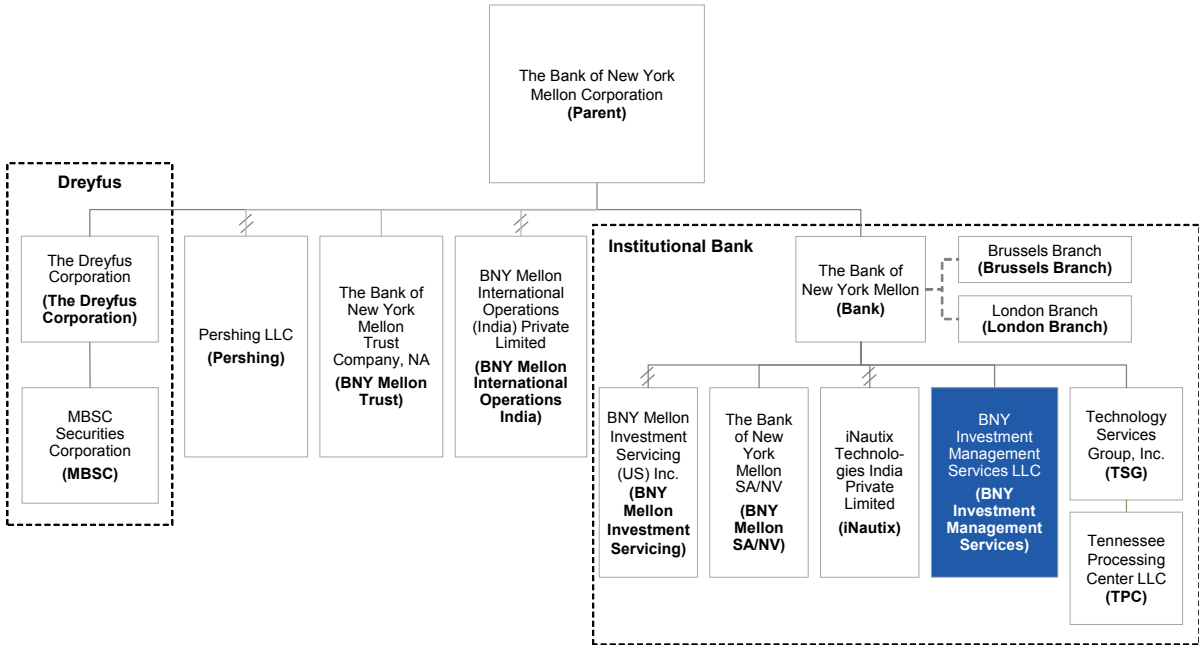


BNY Mellon Investment Servicing, a Massachusetts corporation and indirect subsidiary of the Bank, provides a comprehensive suite of fund accounting and administration services in support of BNY Mellon’s Asset Servicing business. BNY Mellon Investment Servicing is headquartered in Westborough, Massachusetts.

BNY Mellon’s material entities have operational dependencies on BNY Mellon Investment Servicing, including the provision by BNY Mellon Investment Servicing of operational support services to BNY Mellon’s Asset Servicing business. BNY Mellon Investment Servicing has operational dependencies on BNY Mellon’s other material entities, including BNY Investment Management Services for fund accounting and fund administration. BNY Mellon Investment Servicing also relies on information technology infrastructure and support through TSG, TPC and iNautix, as well as operational support through BNY Mellon International Operations India.

Service Entities

BNY Investment Management Services LLC

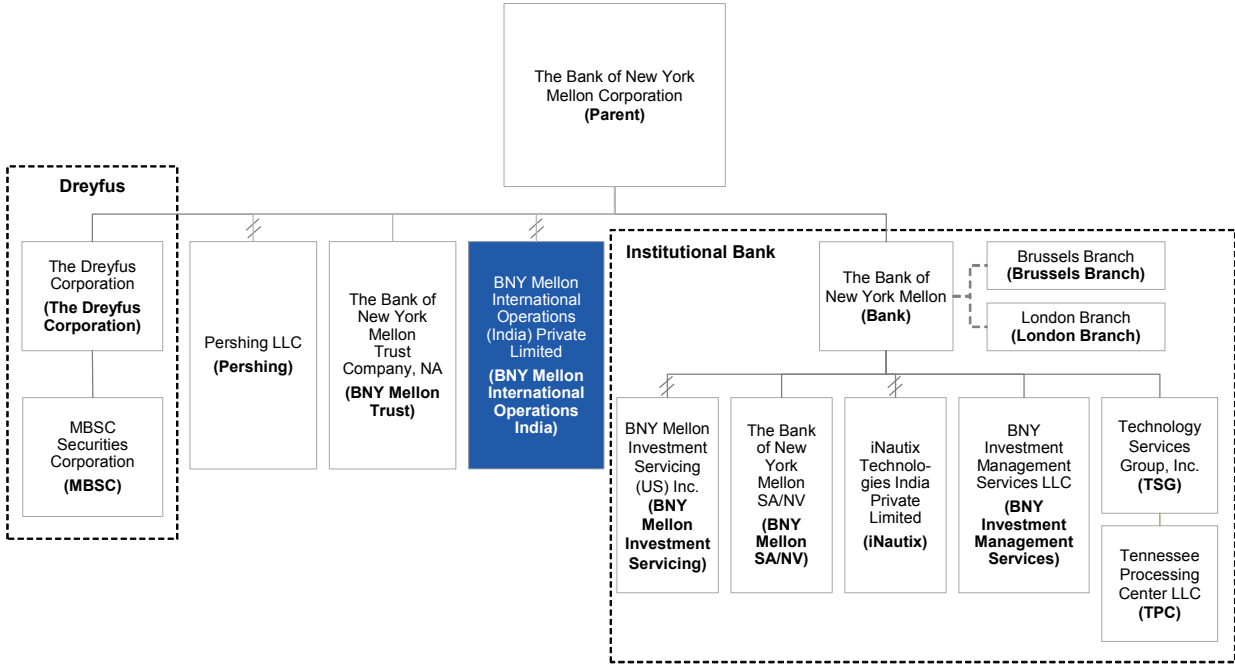


BNY Investment Management Services, a Delaware limited liability company and subsidiary of the Bank, provides operational support to BNY Mellon’s Asset Servicing and broker-dealer services businesses, as well as to BNY Mellon’s funds transfer operations. BNY Investment Management Services is primarily located in Lake Mary and Orlando, Florida.

BNY Mellon’s material entities have operational dependencies on BNY Investment Management Services, including the provision by BNY Investment Management Services of operational support services to BNY Mellon’s Asset Servicing and broker-dealer services businesses, as well as to BNY Mellon’s funds transfer operations. BNY Investment Management Services has operational dependencies on BNY Mellon’s other material entities, including information technology infrastructure and support through TSG, TPC and iNautix.

Service Entities

BNY Mellon International Operations (India) Private Limited

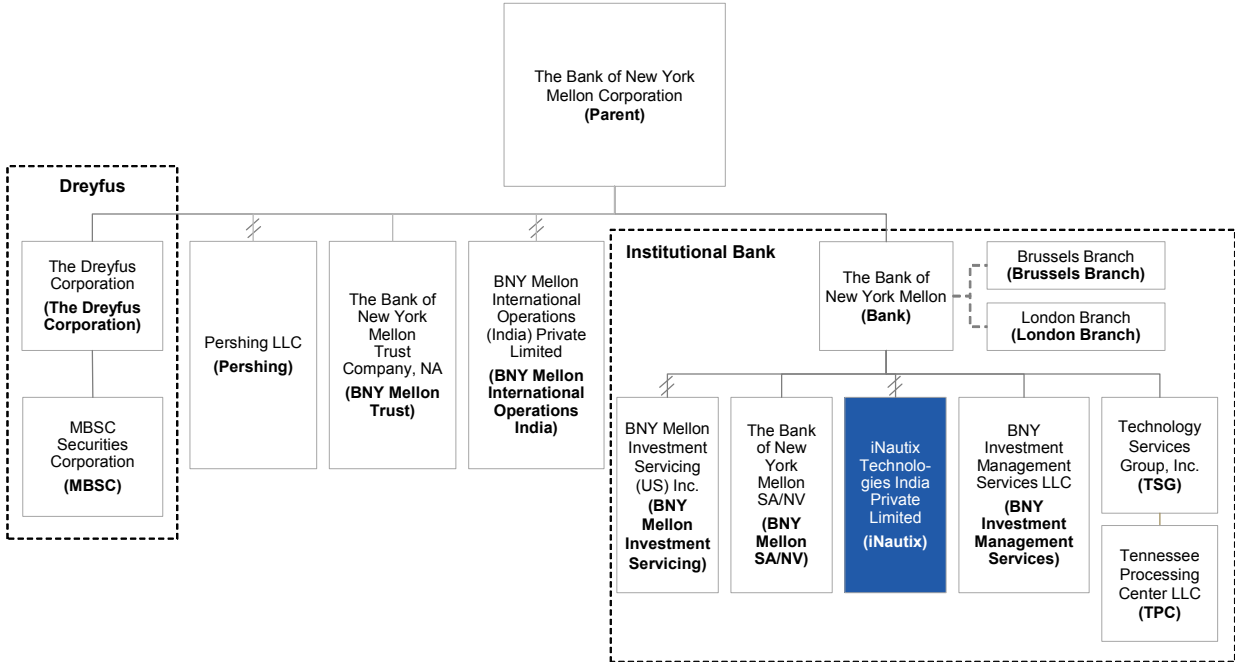


BNY Mellon International Operations India, a private limited company organized in India and currently an indirect subsidiary of the Parent, provides operational support, primarily middle- and back-office support, to BNY Mellon’s businesses. BNY Mellon International Operations India has locations in Chennai and Pune, India.

BNY Mellon’s material entities have operational dependencies on BNY Mellon International Operations India, as BNY Mellon International Operations India is a service entity providing operational support, primarily middle- and back-office support, to BNY Mellon’s businesses. BNY Mellon International Operations India has operational dependencies on BNY Mellon’s other material entities, including information technology infrastructure and support through TSG, TPC and iNautix.

Service Entities

iNautix Technologies India Private Limited

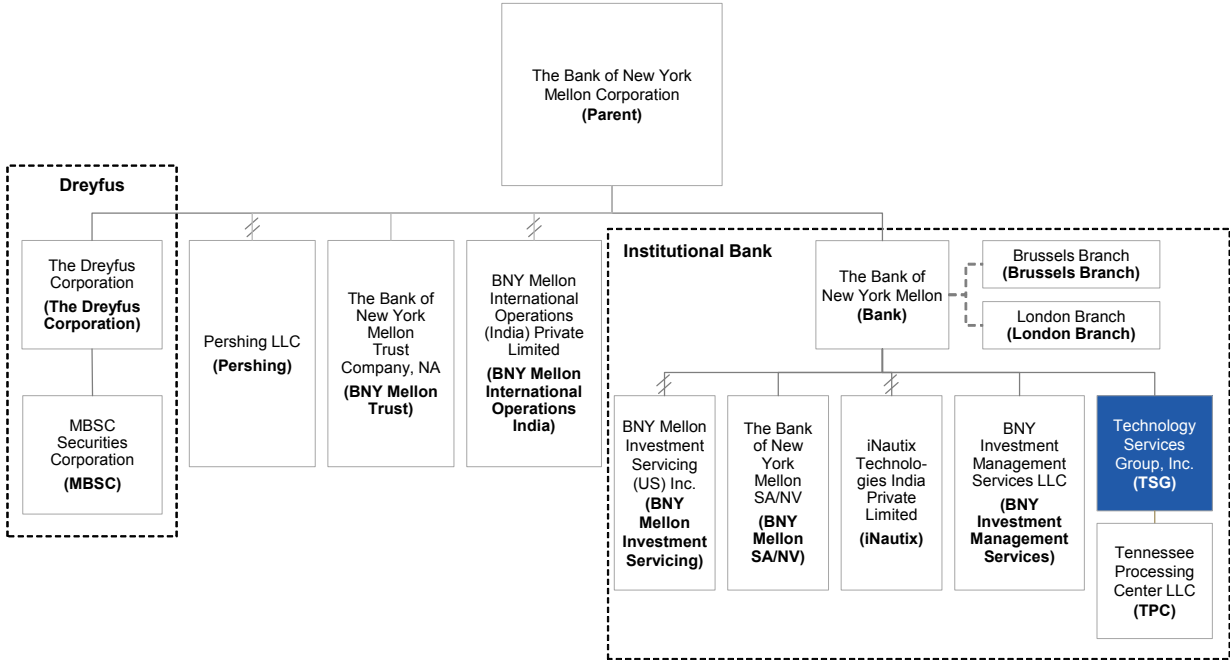


iNautix, a private limited company organized in India and an indirect subsidiary of the Bank, provides technology development, business and technology operations and remote infrastructure management services for BNY Mellon’s businesses. iNautix also develops and delivers comprehensive technology solutions and software development products for clients of BNY Mellon. iNautix is located in Chennai and Pune, India.

BNY Mellon’s material entities have operational dependencies on iNautix, as iNautix is a service entity providing information technology infrastructure and support to BNY Mellon’s businesses. iNautix has operational dependencies on BNY Mellon’s other material entities, including information technology infrastructure and support through TSG and TPC.

Service Entities

Technology Services Group, Inc.

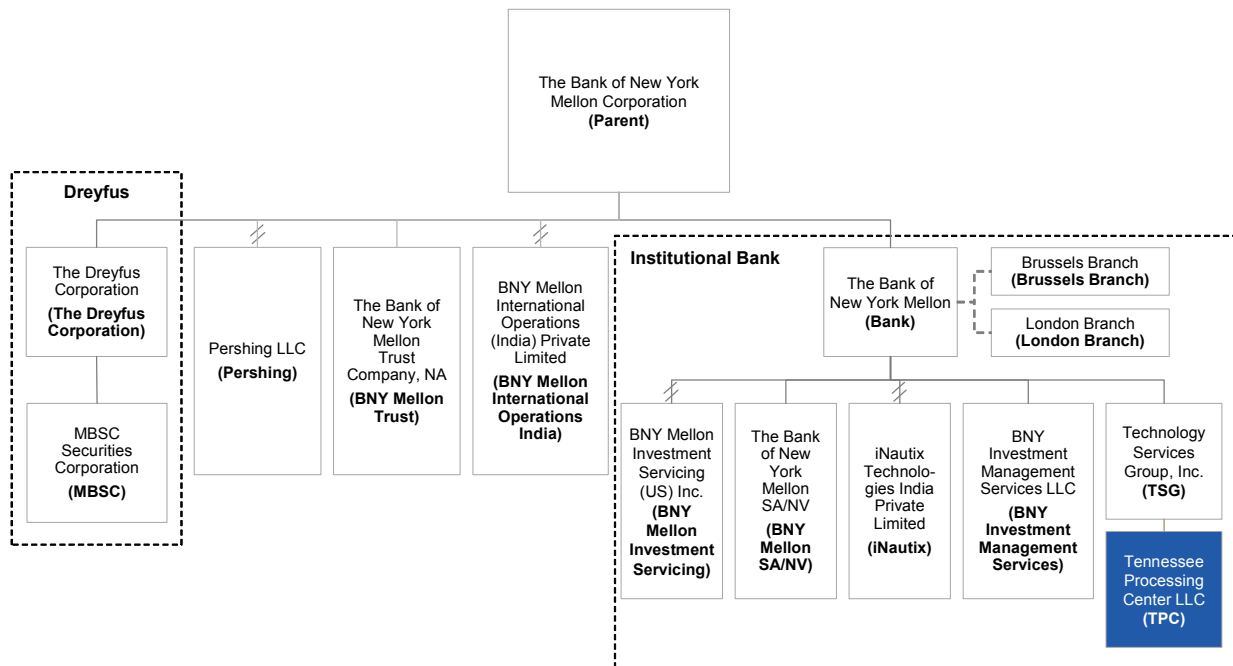


TSG, a New York corporation and subsidiary of the Bank, owns and operates technology infrastructure that supports BNY Mellon’s businesses. TSG is headquartered in Jersey City, New Jersey with offices, data centers and support teams located around the world.

BNY Mellon’s material entities have operational dependencies on TSG, as TSG is a service entity providing information technology infrastructure and support to BNY Mellon’s businesses. TSG has operational dependencies on BNY Mellon’s other material entities, including staff support from iNautix, as well as staff and hardware support from TPC.

Service Entities

Tennessee Processing Center LLC



TPC, a Delaware limited liability company and subsidiary of TSG, owns and operates technology infrastructure that supports BNY Mellon’s businesses. TPC is located in Tennessee.

BNY Mellon’s material entities have operational dependencies on TPC, as TPC is a service entity providing information technology infrastructure and support to BNY Mellon’s businesses. TPC has operational dependencies on BNY Mellon’s other material entities, including staff support from iNautix and TSG.

Core Business Lines

BNY Mellon considers the following businesses to be core business lines for purposes of the 2016 Submission:

Asset Management

Our Asset Management business is one of the largest asset managers in the world. It encompasses a number of affiliated investment management boutiques that deliver a diversified portfolio of focused investment strategies over our distribution network to institutional and retail clients across North America, EMEA and Asia-Pacific. Our multi-boutique model combines the scale of a full-service asset manager with the focused expertise of autonomous investment boutiques, each with their own style, strategy and management team. The Asset Management boutiques offer a broad range of equity, fixed income, alternative/overlay and cash products. In addition to the boutiques, the Asset Management business includes various entities that distribute products manufactured by the boutiques in many jurisdictions, as well as retail fund platforms, including the Dreyfus family of U.S.-registered funds.

Asset Servicing

BNY Mellon's Asset Servicing business supports institutional investors by safekeeping assets and enhancing the administration of client investments through services that process, monitor and measure data from around the world. We leverage our global footprint and local expertise to deliver insight and solutions across every stage of the investment life cycle. Our primary services include custody, accounting, fund administration, transfer agency, middle-office solutions, and performance and risk analytics. Asset Servicing provides its services globally to major banks, broker-dealers, investment managers, insurance companies, corporations, government agencies, not-for-profits, endowments, pensions, alternative investment managers and structured funds.

Clearing Services

Pershing and its affiliates, our clearing service, provide business solutions to financial organizations globally by delivering dependable operational support, order execution services, flexible technology, and an expansive array of investment solutions, practice management support and service excellence.

Corporate Trust

BNY Mellon is the leading provider of corporate trust services for all major conventional and structured finance debt categories, and a leading provider of specialty services. Our clients include governments and their agencies, multinational corporations, financial institutions and other entities that access global debt capital markets. BNY Mellon's Corporate Trust business utilizes its global footprint and expertise to deliver a full range of issuer and related investor services and to develop customized and market-driven solutions.

Additional information related to BNY Mellon's businesses is contained in BNY Mellon's reports filed with the SEC, including the 2015 Annual Report, the Quarterly Reports on Form 10-Q and the Current Reports on Form 8-K, available at www.bnymellon.com.



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