

PUBLIC DISCLOSURE

June 21, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of New York Mellon
RSSD No. 541101

240 Greenwich Street
New York, New York 10286

FEDERAL RESERVE BANK OF NEW YORK
33 LIBERTY STREET
NEW YORK, NY 10045

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Institution Rating	1
Scope of Examination	1
Description of Institution	3
Conclusions with Respect to Performance	9
Other Activities.....	18
Exhibits	
Exhibit I: Summary of Community Development Loans and Qualified Investments	10
Exhibit II: Summary of Community Development Services.....	10
Exhibit III: Summary of Community Development Loans and Qualified Investments By Primary Purpose Designation	11
Appendices	
CRA Appendix A: Scope of Examination	21
CRA Appendix B: Map of Assessment Area.....	22
CRA Appendix C: Glossary.....	23

INSTITUTION

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Satisfactory performance of Bank of New York Mellon (“BNYM”) with regard to the Community Reinvestment Act (“CRA”) is based on the following performance criteria:

- An adequate level of community development loans and community development services, and a high level of qualified investments, particularly investments that were not routinely provided by private investors;
- Occasional use of innovative or complex qualified investments, community development loans, and community development services; and
- Adequate responsiveness to credit and community economic development needs in its assessment area.

SCOPE OF EXAMINATION

Procedures

BNYM’s performance was evaluated using the Federal Financial Institution Examination Council’s (“FFIEC”) Interagency Procedures for Wholesale and Limited Purpose Institutions. These procedures consist of a community development test, which evaluates the bank’s investment, loan, and service activity; investment, loan, and service initiatives; and responsiveness to community development needs. Examiners conducted a full-scope review of community development loans, qualified investments, and community development services provided between October 1, 2018 and March 31, 2021. In addition, examiners evaluated qualified investments from the prior CRA evaluation with outstanding balances as of March 31, 2021.

The extent, by number and dollar amount, of BNYM’s community development loans, qualified investments, and services was evaluated primarily for activities made within its assessment area, and secondarily for activities made outside of the assessment area. Under the Interagency Procedures for Wholesale and Limited Purpose Institutions, BNYM, as a wholesale bank, can receive credit for community development loans, qualified investments, and community development services made on a nationwide basis outside of its assessment area if it has adequately addressed community development needs within its assessment area. To evaluate whether BNYM met the needs of its assessment area, examiners also considered community development (“CD”) loans and qualified investments that benefitted the broader statewide or regional area (“BSRA”) that included BNYM’s assessment area.

Examiners conducted an analysis of the dollar amount of community development loans and qualified investments as of March 31, 2021. BNYM's performance level was compared to the level of community development loans and qualified investments of peer banks operating in the assessment area. Peer institutions were selected based on the criteria that they have been designated as wholesale banks, maintain over \$1 billion in assets, and have portions of Combined Statistical Area ("CSA") 408 (New York-Newark-Bridgeport, NY-NJ-CT-PA) as their assessment area. Examiners also evaluated the degree to which the bank used innovative or complex community development activities, the bank's responsiveness to community credit and development needs, and the extent to which investments were not routinely provided by private investors.

To gain an understanding of the community's credit needs, examiners considered performance context information. Examiners reviewed demographic and economic data related to BNYM's assessment area. Performance context data was obtained from publicly available sources including the 2015 American Community Survey ("ACS"), the FFIEC, the U.S. Department of Labor ("DOL"), and Dun & Bradstreet ("D&B").

Community Contacts

To learn more about community credit needs, examiners conducted interviews and received comments from four not-for-profit agencies. One organization contacted had a mission to improve an area of Brooklyn by strengthening the area's economic and physical infrastructure. The organization focused on preserving affordable housing and providing quality educational and social services to its residents. The organization offered career and education programs, community development, housing counseling, community organizing, college success programs, and childcare programs. The contact indicated there were specific needs that were not being met by banks, which included homeownership preservation and the need for better small business lending, particularly small dollar loans. The contact also stated that while banks were actively participating in the Paycheck Protection Program ("PPP") in the community, the banks were lending to more established businesses and smaller businesses did not get access to the funding they needed.

A second contact was conducted with an organization that provided educational and financial support for the promotion and preservation of affordable and equitable homeownership in NYC. The contact indicated that the need for affordable housing is significant in NYC and noted that, in recent years, the organization has prepared potential homeowners to buy homes outside of the city and the state because of the lack of affordability in NYC. Since the onset of COVID-19, the demand for financial literacy and homeownership education has increased substantially. Additional funding is needed to be able to meet the demand and to be able to keep the training and counseling affordable.

A third contact was conducted with a local community development corporation serving the Brooklyn, New York community. The organization offered home ownership programs and served as a catalyst for economic development. In addition, the organization created alliances with elected officials, local business groups, and individual businesses to revitalize neighborhoods and rehabilitate buildings. The contact noted that smaller banks were doing a good job in providing loans to the local population; however, there continued to be a need for small business loans and loans for home ownership preservation.

A final contact was conducted with an organization that invested in affordable housing for low-income communities. The contact stated that NYC's economy is in a precarious state due to the COVID-19 pandemic because so much of the economy is based on culture and tourism. The contact noted that these industries provide jobs for the low-income, and minority communities, which were the communities hit hardest by both the health and economic crises caused by the pandemic. The contact also stated that there is a need for a concerted effort to think about what credit means for small businesses and to develop programs to meet the needs of the smallest of businesses. The contact felt that a stronger CRA commitment and collaboration efforts from banks are needed to address these problems. The contact also noted there is a need for homeownership preservation. Finally, the contact stated that banks could do more to address community and neighborhood redevelopment.

Comments from the community contacts were used to develop the performance context and are discussed throughout this performance evaluation.

DESCRIPTION OF INSTITUTION

BNYM is a New York State-chartered wholesale bank supervised by the Federal Reserve Bank of New York ("FRBNY") for CRA purposes. It is a subsidiary of Bank of New York Mellon Corporation ("BNY Mellon"), a global investment firm focused on the provision of financial services to institutions, corporations, and individual investors. BNYM is headquartered in New York, New York, and as of March 31, 2021, maintained assets of \$383.9 billion, which was an increase from the last CRA evaluation when assets equaled \$273.1 billion as of September 30, 2018. As of March 31, 2021, BNYM's total domestic deposits equaled \$216.9 billion and net loans and leases equaled \$29.1 billion.

BNYM affiliates relevant to this evaluation include BNY Aurora Holding Corporation, which sources, closes on, and holds Low-Income Housing Tax Credit ("LIHTC") equity investments throughout the bank's assessment area. The bank also makes and holds investments in Small Business Investment Company ("SBIC") funds. Through its charitable foundation, The Bank of New York Mellon Foundation, BNYM provides community development grants throughout the bank's assessment area.

On October 23, 2006, the Federal Reserve Board of Governors designated BNYM as a wholesale bank for CRA purposes. BNYM does not extend home mortgage, small business, or consumer credit to retail customers or the public. BNYM's continued qualification as a wholesale bank for CRA purposes was verified during this evaluation.

BNYM's previous CRA evaluation was conducted on November 19, 2018, at which the bank was evaluated as a wholesale bank. The previous evaluation review period was from October 1, 2013 to September 30, 2018, and BNYM received an overall CRA rating of Satisfactory.

Based on the financial condition and size of the institution, its product offerings, and prior performance, there were no financial or legal impediments that prevented BNYM from meeting the credit needs of its community.

Assessment Area

BNYM maintained one assessment area that included portions of Metropolitan Statistical Area ("MSA") 35620 (New York-Newark-Jersey City, NY-NJ-PA) and MSA 14860 (Bridgeport-Stamford-Norwalk, CT). Because both MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) and MSA 14860 (Bridgeport-Stamford-Norwalk, CT) were part of Combined Statistical Area ("CSA") 408 (New York-Newark-Bridgeport, NY-NJ-CT-PA) and the portions of Fairfield County in MSA 14860 (Bridgeport-Stamford-Norwalk, CT) included in BNYM's assessment area did not extend substantially beyond the boundary of MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA), the two MSAs were analyzed together as one assessment area for purposes of this CRA evaluation.

Specifically, BNYM's assessment area included:

- CSA 408 (New York-Newark-Bridgeport, NY-NJ-CT-PA), which incorporated,
 - MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA), which included:
 - Metropolitan Division ("MD") 35614 (New York-Jersey City-White Plains, NY-NJ), which consisted of:
 - Bronx County (NY), Hudson County (NJ), Kings County (NY), New York County (NY), Queens County (NY), Richmond County (NY), and Westchester County (NY)
 - MD 35004 (Nassau County-Suffolk County, NY), which consisted of:
 - Nassau County (NY)
 - MD 35084 (Newark, NJ-PA), which consisted of:
 - Essex County (NJ), Morris County (NJ), and Union County (NJ)
 - MSA 14860 (Bridgeport-Stamford-Norwalk, CT), which included:

- Portions of Fairfield County (CT), specifically the cities of Darien, Fairfield, Greenwich, New Canaan, Norwalk, Stamford, and Westport.

The geographic footprint of BNYM's assessment area has not changed since the last evaluation. During the current evaluation, examiners determined that the assessment area was in compliance with the requirements of Section 228.41 of Federal Reserve Regulation BB, which implements the CRA. A map of the assessment area is included in Appendix A.

Performance Context

The data used to describe the assessment area and evaluate the context in which BNYM operated was obtained from publicly available sources.

Demographic Characteristics

According to the 2015 ACS, the population of BNYM's assessment area was approximately 13.7 million. New York City, comprised of Bronx, Kings, New York, Queens, and Richmond Counties, was the largest city in BNYM's assessment area and was the most densely populated city in the U.S. The combined population of the counties comprising New York City was 8.4 million, which is approximately 42.8% of the population of the State of New York.

The remainder of BNYM's assessment area was also densely populated: Fairfield County, Connecticut had a population of 939,983; Nassau County, New York had a population of approximately 1.4 million; and New Jersey counties included within the assessment area (Essex, Hudson, Morris, and Union) had a combined population of approximately 2.5 million.

New York City was the most populous city in the U.S. and a very diverse area, resulting from the city historically serving as a primary point of entry for immigrants. Citing its January 11, 2017 report, the New York City Comptroller's office noted on February 21, 2019, that New York City had 3.3 million foreign-born immigrants from more than 150 countries. Immigrants comprised nearly 40.0% of the city's population, according to the NYC Comptroller in 2017. Immigrants represented 46.0% of the city's workforce, a higher share than in any major city, except Miami, Florida.

According to the most recent ACS data the assessment area consisted of 3,351 census tracts, of which 428 (12.8%) were low-income and 777 (23.2%) were moderate-income census tracts. LMI census tracts were concentrated in Queens, Brooklyn, upper Manhattan, and Bronx County in New York and Essex County in New Jersey.

Income Characteristics

The ACS reflected that 3.1 million families resided in the bank’s assessment area, of which 847,218 (27.0%) were low-income families and 484,117 (15.4%) were moderate-income families. Additionally, 425,935 (13.6%) of all families had incomes below the poverty level, of which 35.7% lived in low-income census tracts and 20.3% lived in moderate-income census tracts. According to the 2015 ACS, the FFIEC median family incomes for the assessment area and MSA’s comprising the CSA were as follows:

Median Family Income			
Geography	2010 Median Family Income	2015 ACS Median Family Income	Percent Change
Assessment Area	\$68,666	\$72,817	6.0%
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	\$68,006	\$67,560	-0.7%
MD 35004 (Nassau-Suffolk Counties, NY)	\$101,543	\$108,193	6.5%
MD 35084 (Newark, NJ-PA)	\$90,123	\$90,570	0.5%
MSA 14080 (Bridgeport-Stamford-Norwalk, CT)	\$100,593	\$105,628	5.0%

Housing Characteristics

The assessment area had approximately 5.4 million housing units, of which 38.9% percent were owner-occupied, 52.5% were rental units, and 8.5% were vacant. Of the owner-occupied units in the assessment area, 70,092 (3.3%) housing units were in low-income census tracts, and 278,734 (13.3%) housing units were in moderate-income census tracts.

Affordable housing has been a long-standing primary need in the New York tri-state region, which forms BNYM’s assessment area. According to the 2015 ACS, the cost of home ownership across the assessment area was high. In MD 35614 (New York-Jersey City-White Plains, NY-NJ), the affordability ratio was 12.9% while in MD 35084 (Newark, NJ-PA) the affordability ratio was 20.3%. The affordability ratios in MD 35004 (Nassau County-Suffolk County, NY) and in MSA 14860 (Bridgeport-Stamford-Norwalk, CT) were 22.9% and 20.3%, respectively.

For both rental and homeowner populations who are LMI, oftentimes housing costs are more than 30% of income for a large percentage. Within the assessment area, 49.2% of renters paying rental costs of more than 30% of their income. The percentage of low-income renters paying more than 30% of their income was 77.1% and the percentage of moderate-income renters paying more than 30% of their income was 47.5%. Similarly, the low- and moderate-income homeowners paying more than 30% of their income for housing was 80.0% and 60.5%, respectively, while only 37.3% of all homeowners in the assessment area pay more than 30% of their income for housing.

Housing Cost Burden 2020						
Geography	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	77.1%	47.5%	49.2%	80.0%	60.5%	37.3%
MSA 14080 (Bridgeport-Stamford-Norwalk, CT)	75.9%	48.4%	49.3%	82.5%	59.8%	35.0%
MD 35004 (Nassau County-Suffolk County, NY)	79.2%	58.6%	52.8%	85.5%	65.5%	39.4%
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	77.1%	47.9%	49.1%	78.8%	58.6%	37.5%
MD 35084 (Newark, NJ-PA)	79.2%	46.7%	49.7%	87.6%	71.1%	36.2%
State of Connecticut	74.8%	37.9%	47.7%	79.9%	55.1%	30.6%
State of New Jersey	79.2%	50.9%	48.8%	83.9%	63.1%	35.5%
State of New York	76.9%	44.3%	48.8%	74.8%	47.6%	30.4%
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2011-2015 Comprehensive Housing Affordability Strategy</i>						

Labor, Employment and Economic Characteristics

The assessment area was a global hub of international business and commerce. New York County was a major center for finance, insurance, real estate, and the arts in the United States. Many major corporations were headquartered in the MD 35614 (New York-Jersey City-White Plains, NY-NJ) assessment area, including numerous Fortune 500 companies. According to D&B, as of 2020, there were 672,527 businesses operating in this assessment area, of which 7.3% were in low-income areas, and 16.4% were in moderate-income areas. Of the total businesses operating in the assessment area, 90.6% were businesses with gross annual revenues of \$1 million or less. Over the three-year review period, the percentage of businesses with gross annual revenues of \$1 million or less did increase slightly from 89.9% in 2018 and 90.3% in 2019.

As shown in the subsequent table, the annual unemployment rate for the metropolitan divisions making up the CSA demonstrated a decreasing trend from 2016 to 2019; however, significant increases due to the COVID-19 pandemic were evident in 2020. Overall, the New York tri-state region's economy weakened in 2020, and the labor market deteriorated. The unemployment rate within the State of New York was also reflective of this trend, declining from 4.1% in 2018 to 3.9% in 2019. However, amidst the COVID-19 pandemic, which forced businesses to close in New York City and the broader state, the unemployment rate drastically increased in both MD 35614 and the State of New York to 11.2% and 10.1%, respectively, in 2020.

U.S. Department of Labor Annual Unemployment Rates					
Geography	2016	2017	2018	2019	2020
MD 35614 (New York-Jersey City-White Plains, NY-NJ-PA)	4.9%	4.4%	4.0%	3.6%	11.2%
MD 35004 (Nassau-Suffolk Counties, NY)	4.2%	4.3%	3.7%	3.4%	8.5%
MD 35084 (Newark, NJ)	4.9%	4.5%	4.0%	3.5%	9.6%
MSA 14860 (Bridgeport-Stamford-Norwalk, CT)	4.8%	4.4%	3.9%	3.6%	8.1%
State of Connecticut	4.7%	4.2%	3.8%	5.8%	8.0%
State of New Jersey	4.9%	4.5%	4.0%	3.4%	9.8%
State of New York	4.9%	4.7%	4.1%	3.8%	10.1%

The subsequent table provides a summary of the Assessment Area Demographics for the bank's assessment area within CSA 408 (New York-Newark-Bridgeport, NY-NJ-CT-PA).

Assessment Area Demographics								
Assessment Area : CSA 408 (NY-Newark-Bridgeport, NY-NJ-CT-PA) - 2020								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	428	12.8	423,938	13.5	151,174	35.7	847,218	27
Moderate-income	777	23.2	740,071	23.6	149,939	20.3	484,117	15.4
Middle-income	994	29.7	908,092	28.9	82,781	9.1	513,644	16.4
Upper-income	1,067	31.8	1,063,751	33.9	41,470	3.9	1,294,560	41.2
Unknown-income	85	2.5	3,687	0.1	571	15.5	0	0
Total Assessment Area	3,351	100.0	3,139,539	100.0	425,935	13.6	3,139,539	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	714,200	70,092	3.3	9.8	580,323	81.3	63,785	8.9
Moderate-income	1,258,456	278,734	13.3	22.1	871,183	69.2	108,539	8.6
Middle-income	1,466,482	703,526	33.5	48	655,676	44.7	107,280	7.3
Upper-income	1,945,805	1,045,773	49.8	53.7	720,984	37.1	179,048	9.2
Unknown-income	11,717	2,681	0.1	22.9	7,585	64.7	1,451	12.4
Total Assessment Area	5,396,660	2,100,806	100.0	38.9	2,835,751	52.5	460,103	8.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	49,251	7.3	45,453	7.5	3,448	6	350	6.4
Moderate-income	110,198	16.4	102,398	16.8	7,114	12.3	686	12.5
Middle-income	168,998	25.1	156,053	25.6	11,737	20.4	1,208	22
Upper-income	332,463	49.4	296,773	48.7	32,562	56.5	3,128	56.9
Unknown-income	11,617	1.7	8,686	1.4	2,803	4.9	128	2.3
Total Assessment Area	672,527	100.0	609,363	100.0	57,664	100.0	5,500	100.0
	Percentage of Total Businesses:			90.6		8.6		0.8

2020 FFIEC Census Data and 2020 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE

BNYM had an adequate level of community development loans and community development services, and a high level of qualified investments, particularly investments that were not routinely provided by private investors. BNYM occasionally used innovative or complex qualified investments, community development loans, and community development services. BNYM also exhibited adequate responsiveness to credit and community economic development needs in its assessment area. The majority of BNYM's peers received an Outstanding rating at their most recent CRA evaluations for levels of activity that exceeded BNYM's community development activities.

Community Development Test

BNYM had an adequate level of community development loans and community development services, and a high-level of qualified investments, particularly investments that were not routinely provided by private investors within the assessment area. Overall, as illustrated in Exhibit I, BNYM made 490 community development loans and qualified investments that totaled approximately \$2.8 billion during the CRA evaluation period, all within the assessment area.

Exhibit I Summary of Community Development Loans and Qualified Investments Inside Assessment Area October 1, 2018 through March 31, 2021												
Geography	Loans				All Qualified Investments				Total			
	#	% (#)	(\$000)	% (\$)	#	% (#)	(\$000)	% (\$)	#	% (#)	(\$000)	% (\$)
Inside Assessment Area	18	100.0%	\$577,345	100.0%	472	100.0%	\$2,185,751	100.0%	490	100.0%	\$2,763,096	100.0%
BSRA	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	18	100.0%	\$577,345	100.0%	472	100.0%	\$2,185,751	100.0%	490	100.0%	\$2,763,096	100.0%

BNYM provided an adequate level of community development services. During the review period, BNYM provided 94 service activities in various capacities for community development organizations. Total community development services conducted during the current evaluation period was below the 311 services inside of the assessment area and BSRA that included the assessment area during the prior evaluation period. On an annualized basis, the number of services was 39.5 percent lower compared to the prior evaluation; however, the current exam period included one year impacted by the Covid-19 pandemic which reduced the number of service events. The bank did not provide any community development services in the BSRA that included the assessment area. Exhibit II summarizes the community service activity.

Exhibit II Summary of Community Development Services October 1, 2018 through March 31, 2021				
Geography	Ongoing Board and Committee Memberships	Technical Assistance Events	Seminars	TOTAL
Inside Assessment Area	84	10	0	94
BSRA	0	0	0	0
TOTAL	84	10	0	94

BNYM exhibited adequate responsiveness to the credit and community economic development needs of its assessment areas. Exhibit III provides a summary of the types of community development loans and qualified investments made during the evaluation period. By number and

dollar volume of community development loans and qualified investments, all activities were targeted to affordable housing.

Exhibit III Summary of Community Development Loans and Qualified Investments By Primary Purpose Designation Inside the Assessment Area and in the BSRA October 1, 2018 through March 31, 2021												
Designation	Loans				All Qualified Investments				TOTAL			
	#	% (#)	(\$000)	% (\$)	#	% (#)	(\$000)	% (\$)	#	% (#)	(\$000)	% (\$)
Affordable Housing	18	100.0	\$577,345	100.0	472	100.0	\$2,185,751	100.0	490	100.0	\$2,763,096	100.0
Community Services	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Economic Development	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Revitalization & Stabilization	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TOTAL	18	100.0	\$577,345	100.0	472	100.0	\$2,185,751	100.0	490	100.0	\$2,763,096	100.0

Community Development Lending

BNYM had an adequate level of community development lending. As shown in the table to the right, during the evaluation period, BNYM originated 18 community development loans within the assessment area.

The level of BNYM’s community development lending activity as a percentage of annualized community development loans to average assets maintained during the evaluation period was lower than the prior CRA evaluation and was less favorable to most wholesale banks operating in the assessment area. On an annualized basis, community development loans decreased 12.7%

since the prior evaluation period, in which BNYM had a total of \$1.3 billion in community development loans inside the assessment area and the BSRA that included the assessment area. BNYM ranked 4th out of the six wholesale banks in the assessment area when comparing the level of community development lending activity as a percentage of annualized community development loans to average assets maintained during the evaluation period. Additionally, BNYM ranked 6th out of the six wholesale banks when comparing community development loan activity as a percentage of annualized community development loans to Tier 1 capital maintained during the evaluation period.

COMMUNITY DEVELOPMENT LENDING				
Purpose	#	%(#)	(\$000)	%(\$)
Affordable Housing	18	100.0%	\$577,345	100.0%
Community Services	0	0.0%	\$0	0.0%
Economic Development	0	0.0%	\$0	0.0%
Revitalization & Stabilization	0	0.0%	\$0	0.0%
TOTAL	18	100.0%	\$577,345	100.0%

BNYM occasionally used innovative or complex community development loans. These innovative or complex transactions involved financing complex affordable housing projects that incorporated funding sources from the public, private, and nonprofit sectors, which involved considerable coordination between all parties. BNYM was also the trustee for the tax-exempt bond proceeds and often provided Low Income Housing Tax Credits (LIHTCs) for the permanent financing.

Examples of BNYM's community development loans, including flexible and responsive loans, are listed below:

- An \$81 million letter of credit to enhance bonds issued by the State of New York Housing Finance Agency for a construction loan to finance construction of two buildings that contain 323 units of affordable housing. The buildings will have 40% of the units reserved for households earning between 30% and 80% of Area Median Income ("AMI"). Additionally, 60% of the housing units will be reserved for formerly homeless households exiting the NYC homeless shelter program. The supportive housing units will be subsidized through state and local programs. BNYM will also be the equity investor in the permanent LIHTC financing for the project.
- An \$18 million construction loan, which will be used to partially finance the acquisition and renovation of five occupied, noncontiguous, walk-up multifamily rental buildings containing a total of 75 units. Sixty-two of the units will be affordable to LMI households earning 60% of AMI. Construction of the units will be financed through LIHTC funds.
- A 49% participation (\$11.6 million) in a \$23.7 million Letter of Credit that will serve as a credit enhancement for \$23.5 million in New York State Housing Finance Agency ("NYSHFA") bonds. Bond proceeds will assist in the construction of a new, 11-story, 94-unit building; 48 units are for families with incomes at or below 60% of AMI, 31 units are subsidized supportive housing with the NYS Office of Mental Health, which are restricted to residents with incomes at or below 40% of AMI, and 14 units will be for families with incomes at or below 80% of AMI. BNYM will also be the equity investor in the permanent LIHTC financing for the project.
- A \$48.7 million letter of credit to enhance \$48.5 million in tax exempt bonds issued by the NYSHFA. Bond proceeds will be used to partially finance the new construction of an 11-story building containing 179 units of affordable housing for households with incomes between 40% and 80% of AMI. There will also be a new, two-story building for community use that will be subleased to a local Boys and Girls Club, supporting LMI families.

Qualified Investments

BNYM had a high level of qualified investments, particularly investments that were not routinely provided by private investors. As shown in the table below, during the evaluation period, BNYM maintained a portfolio of 472 qualified investments that equaled \$2.2 billion in the assessment area. The bank’s investments benefitted the assessment area directly and none were made in the BSRA that included the assessment area. Of the total qualified investments, \$1.0 billion, or 46.7%, were new investments made since the prior evaluation, and an additional \$1.2 billion, or 53.3%, were investments made during the prior period CRA evaluation.

Qualified Investments by Primary Purpose Inside Assessment Area October 1, 2018 through March 31, 2021										
Geography	Affordable Housing		Community Services		Economic Development		Revitalization & Stabilization		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Inside Assessment Area- Current Period	84	\$1,021,836	0	\$0	0	\$0	0	\$0	84	\$1,021,836
Inside Assessment Area- Prior Period	388	\$1,163,915	0	\$0	0	\$0	0	\$0	388	\$1,163,915
BSRA	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
Total	472	\$2,185,751	0	\$0	0	\$0	0	\$0	472	\$2,185,751

Qualified investments increased 26.6% by dollar volume from the last examination when the evaluation period was 60 months. On an annualized basis, qualified investments increased 165.9% when compared to the prior evaluation. The level of BNYM’s qualified investment activity, as a percentage of annualized qualified investments to average assets maintained during the evaluation period, exceeded the prior CRA evaluation and BNYM ranked second out of the six wholesale banks operating in the assessment area. Additionally, BNYM’s qualified investment activity as a percentage of annualized qualified investments to Tier 1 capital maintained during the evaluation period exceeded the prior CRA evaluation and exceeded its peer wholesale banks operating in the assessment area.

While overall BNYM occasionally used innovative or complex community development activities, a number of qualified investments were innovative or complex primarily in the form of LIHTC funds, which represented 43.5% of all qualified investments. LIHTCs are considered complex, requiring considerable ongoing management and attention and expertise due to the technical accounting requirements associated with the administration of the investments over time. LIHTCs

are also examples of investments that are not routinely provided by private investors. Additionally, for some transactions, BNYM underwrote both the debt and equity components of these complex affordable housing transactions.

BNYM also invested in multifamily bonds, which comprised 38.0% of qualified investments and in mortgage-backed securities (“MBS”). By number, residential MBS comprised 65.7% of the bank’s affordable housing investments, and by dollar volume, residential MBS comprised 18.5% of the bank’s affordable housing investments. While MBS are qualified investments that provide liquidity to the market, they are viewed as less responsive to the community development needs of LMI communities than direct investments.

BNYM exhibited excellent responsiveness to credit and community economic development needs in its assessment area. According to community contacts and performance context information, affordable housing was a critical need within the assessment area. As shown on the table on the previous page, \$2.2 billion was dedicated to affordable housing initiatives.

Examples of BNYM’s qualified investments, including innovative, complex, or responsive investments, are listed below:

- During the current evaluation period, BNYM invested in 9 LIHTCs, totaling \$320.6 million. These LIHTCs supported affordable housing initiatives inside the bank’s assessment area.
- LIHTC investments included \$31.8 million in a LIHTC fund where the funds were used to build two affordable housing apartment complexes with 185 units of affordable housing. Rents were affordable to households with incomes between 40% and 70% of AMI. Ninety-three units will be subsidized under the Empire State Supportive Housing Initiative (“ESSHI”) and will be set aside for LMI individuals and families who have members with serious mental illness and substance abuse use disorders.
- A \$22.1 million investment in a LIHTC fund that included a seven-story, 80-unit rental apartment building for senior housing, and 20 four-story, 8-unit buildings with a total of 240 units. Of the 240 units, 132 were restricted to rents affordable to tenants making at or below 50% AMI; 44 units were restricted to rents affordable to tenants making between 60% and 80% of AMI.
- A \$69.2 million share of a \$90 million CRA eligible portion of a Government National Mortgage Association Pass through Certificate issued by Freddie Mac. BNYM’s share represents two properties in Newark, NJ, containing 560 units, of which 555 units are rented to LMI households.

- A \$95.5 million share of a \$383 million portion of a Government National Mortgage Association Pass through Certificate issued by Freddie Mac of which \$94.3 million is CRA eligible. BNYM’s share represents a 555-unit multifamily property in Brooklyn, NY, containing 559 units, of which 552 units are rented to LMI households.

As part of the review of qualified investments, examiners evaluated philanthropic grants. Examiners qualified 277 grants totaling \$15.5 million located inside the assessment area. Of the bank’s total grants, 13 grants for \$1.2 million were related to the Covid-19 pandemic. These were viewed as particularly responsive. The dollar amount of qualified philanthropic grants and their designations are reflected in the table to the right.

PHILANTHROPIC GRANTS		
Purpose	\$(000)	% (\$)
Affordable Housing	\$440	2.8%
Community Services	\$13,011	84.2%
Economic Development	\$2,003	13.0%
Revitalization & Stabilization	\$0	0.0%
Total	\$15,454	100.0%

Examples of donations and grants included:

- The bank provided a grant for \$400,000 for the Food Bank of New York, supporting LMI individuals and families.
- The bank provided a \$100,000 grant to the William F. Ryan Health Center, a NYC primary healthcare center for disaster relief. Proceeds of the grant were used to support the Health Center’s response to the Covid-19 pandemic.
- The bank provided a \$2,000,000 grant to the City University of the City of New York, promoting economic development through workforce training.

Community Development Services

As illustrated in the table to the right, during the evaluation period, BNYM provided 94 community development services; 84 or 89.4% were attributed to ongoing board and committee memberships, and 10 or 10.6% were related to technical assistance events.

COMMUNITY DEVELOPMENT SERVICES		
Activity Type	#	% (\$)
Ongoing Board and Committee Memberships	84	89.4%
Technical Assistance Events	10	10.6%
Seminars	0	0.0%
Total	94	100.0%

Community development services were primarily ongoing activities requiring regular participation on boards, loan committees, and advisory committees of local organizations. These organizations benefited the needs of LMI individuals and families in BNYM’s assessment area.

Examples of community development services, including innovative, complex, or responsive services, are listed below:

- A Chief Executive Officer of one of the bank’s divisions was a member of the Board of Directors of an organization which delivers, coordinates, and advocates for quality human services and programs that address the needs of LMI individuals and families. The organization provided services to the homeless, programs for feeding seniors and programs for children.
- A Senior Director served as Treasurer of an organization that helped struggling New York City residents overcome the financial hardships caused by environmental and housing challenges by providing one-time grants. Beneficiaries included LMI survivors of fires, floods, victims of domestic violence, families at imminent risk of eviction and/or utility shutoff or other financial crises that may have devastating impacts on their lives.
- A Vice President was a member of the Board of Directors of the New York office of a national nonprofit social enterprise dedicated to ending housing insecurity. The organization invested capital to create and preserve quality affordable homes for LMI individuals.
- A Director was a member of the Board of Directors of an organization that provided community programs for LMI women and children who were homeless. In addition, the organization provided lodging for working LMI women who have emigrated from other countries and assistance to LMI women in job training.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) established the Consumer Financial Protection Bureau (“CFPB”). In general, the Dodd-Frank Act gives the CFPB primary supervisory authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws, including BNYM. The Federal Reserve, however, retains authority to enforce compliance with BNYM’s CRA and certain other consumer compliance laws and regulations, including the Fair Housing Act.

During the review period of this evaluation from October 1, 2018 through March 31, 2021, the Federal Reserve did not cite any violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve’s evaluation of the bank’s CRA performance as of the date of this report.

OTHER ACTIVITIES

As permitted under the Interagency Wholesale or Limited Purpose Examination Procedures, if a wholesale or limited purpose institution has adequately addressed the community development needs of its assessment area, community development activities that include the assessment area can be considered even if they are outside of the assessment area and the broader statewide or regional area. BNYM adequately addressed the needs of its assessment area; therefore, \$109.6 million in national funds outside its assessment area in qualified investments and philanthropic grants was considered. Additionally, the bank provided 15 community development services outside the assessment area.

SUMMARY OF INSTITUTION'S OTHER COMMUNITY DEVELOPMENT ACTIVITIES

Community Development Loans

BNYM did not originate any loans outside of its assessment area.

Qualified Investments

During the evaluation period, as noted in the table to the right, BNYM maintained 12 qualified investments totaling \$109.0 million that benefitted borrowers and markets outside of its assessment area and outside the broader

QUALIFIED INVESTMENTS				
Purpose	#	% (#)	\$(000)	% (\$)
Affordable Housing	1	8.3%	\$7,500	6.9%
Economic Development	11	91.7%	\$101,526	93.1%
Community Services	0	0.0%	\$0	0.0%
Revitalization & Stabilization	0	0.0%	\$0	0.0%
Total	12	100.0%	\$109,026	100.0%

statewide or regional area that included the assessment area. By number, the majority of BNYM's efforts were targeted toward economic development, which equaled 11 qualified investments including prior period investments. By dollar volume, the majority of BNYM's efforts were also targeted toward economic development, which equaled \$101.5 million.

Additionally, the bank made a total of ten grants, totaling \$60,759 that were provided to community organizations operating nationwide. Of the total, \$48,759 (80.3%) were designated as affordable housing, \$10,000 (16.4%) were designated as community services, and \$2,000 (3.3%) were designated as economic development.

Community Development Services

During the evaluation period, BNYM provided 15 community development services outside of its assessment area and the broader statewide or regional area that included its assessment area. As noted in the table, of the total community development services, 12 were attributed to ongoing board and committee memberships, one was related to a technical assistance event, and two were credited to leading or conducting seminars.

PHILANTHROPIC GRANTS		
Purpose	\$(000)	% (\$)
Affordable Housing	\$49	80.3%
Community Services	\$10	16.4%
Economic Development	\$2	3.3%
Revitalization & Stabilization	\$0	0.0%
Total	\$61	100.0%

COMMUNITY DEVELOPMENT SERVICES		
Activity Type	#	% (\$)
Ongoing Board and Committee Memberships	12	80.0%
Technical Assistance Events	1	6.7%
Seminars	2	13.3%
Total	15	100.0%

DISCUSSION OF PERFORMANCE IN OTHER COMMUNITY DEVELOPMENT ACTIVITIES

Overall, BNYM provided \$109.6 million in investments and philanthropic grants that benefitted areas outside the assessment area or outside the broader statewide or regional area that included the assessment area.

Examples of qualified investments and community development services, including innovative, complex, or responsive services are listed below:

- During the current evaluation period, BNYM invested in three SBIC bonds, totaling \$20.9 million. These SBIC bonds supported economic development and small business growth outside of the bank’s assessment area on a nationwide basis, as well as in the assessment area.
- A Vice President of BNYM served as Treasurer of the Board of Directors of an organization that had a mission to expand economic opportunity through private financing for affordable housing and inclusive neighborhood revitalization, supporting LMI individuals and families.

- BNYM served as mentor bank to Optus Bank of Columbia, South Carolina, a minority owned institution, as part of the Department of Treasury's Financial Agent's Mentor-Protege Program. The program is intended to develop a broader pool of banks with the ability and capacity to provide financial services to the Treasury.
- A Vice President of BNYM served as Co-Chairman of the Finance and Investment Committees of an organization that promoted growth and access to capital for small businesses, and provided advocacy for small business investors, as well as training programs for its members.

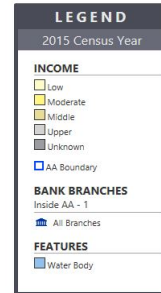
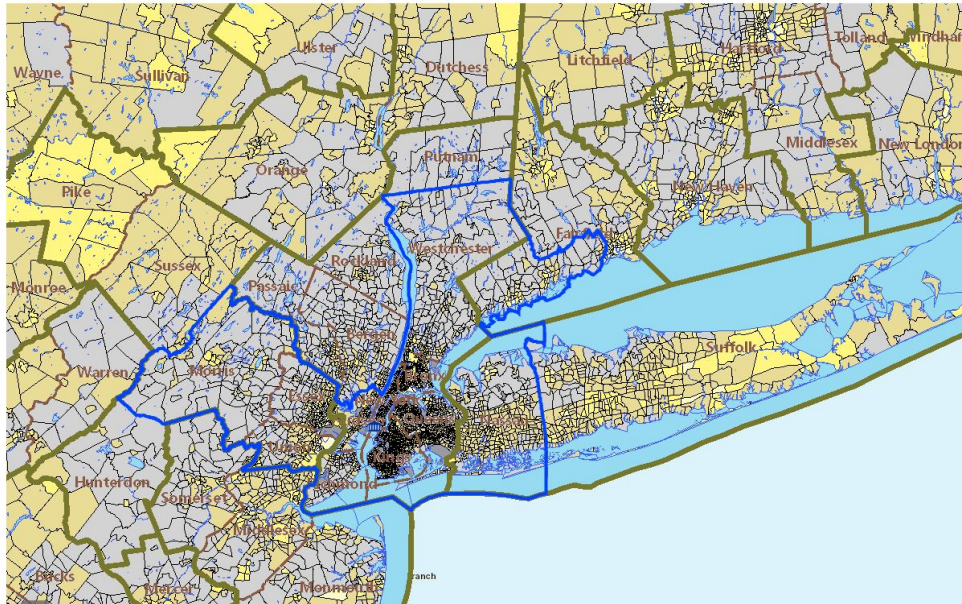
CRA APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Community Development Test: October 1, 2018 – March 31, 2021		
FINANCIAL INSTITUTION Bank of New York Mellon 240 Greenwich Street New York, NY 10286		PRODUCTS REVIEWED <ul style="list-style-type: none"> • Community Development Loans • Qualified Investments • Community Development Services 	
AFFILIATES BNY Aurora Holdings Corporation	AFFILIATE RELATIONSHIP Subsidiary of Holding Company	PRODUCTS REVIEWED <ul style="list-style-type: none"> • Community Development Investments 	
The Bank of New York Mellon Foundation	Subsidiary of Holding Company	<ul style="list-style-type: none"> • Community Development Philanthropic Grants 	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Multistate CSA CSA 408 (New York-Newark-Bridgeport, NY-NJ-CT-PA)	Full Scope	None	Not Applicable

CRA APPENDIX B

MAP OF ASSESSMENT AREA CSA 408 (NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ)

The Bank of New York Mellon
Assessment Area 2019 - 2020



CRA APPENDIX C

GLOSSARY

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-

- a. Rates of poverty, unemployment, and population loss; or
- b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of LMI individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

Household: A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

Low-income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of geography.

Metropolitan Statistical Area (“MSA”): A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area

with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.

Middle-income: Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

Moderate-income: Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

Small loan(s) to business(es): A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (“Call Report”) and the Thrift Financial Reporting (“TFR”) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Upper-income: Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.