



December 13, 2016

Mr. Gerald Hassell  
Chairman and Chief Executive Officer  
The Bank of New York Mellon Corporation  
225 Liberty Street, 18th Floor  
New York, New York 10286

Dear Mr. Hassell:

On October 1, 2016, The Bank of New York Mellon Corporation (BNYM) submitted to the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (together, the Agencies) a response (2016 Submission) to the deficiencies in BNYM's 2015 resolution plan (2015 Plan) that the Agencies identified in their joint written notice to the firm dated April 12, 2016 (April 2016 Letter).<sup>1</sup>

The Agencies have reviewed the 2016 Submission with respect to the deficiencies jointly identified in the April 2016 Letter. Based on this review, the Agencies have jointly determined that the 2016 Submission adequately remedies the deficiencies identified in the April 2016 Letter. The Agencies note that BNYM has taken important steps in addressing the deficiencies outlined in the April 2016 Letter. Specifically:

**Operational:** BNYM's 2016 Submission reflects that it has adequately remedied the operational deficiencies identified in the April 2016 Letter. In particular, the firm has identified its critical

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<sup>1</sup> References to resolution plans in this letter refer to resolution plan submissions required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Agencies' jointly issued implementing regulation. 12 U.S.C. § 5365(d); 12 CFR parts 243 and 381.

services and has presented a process for maintaining a mapping of how and where these services support BNYM's core business lines and critical operations. The 2016 Submission also reflects that BNYM has conducted an analysis concerning operational continuity-related risks and associated mitigants for these critical services. The firm has also incorporated its mapping of critical services into its legal entity rationalization criteria and implementation efforts. The firm identified areas of potential misalignment between its criteria and its existing servicing model, and the 2016 Submission indicates that the firm is taking action to address these areas.

BNYM also chose to address the operational issues associated with the executability of the bridge bank strategy outlined in its 2015 Plan by presenting an alternate resolution strategy. The 2016 Submission described a single-point-of-entry strategy that BNYM intends to present in its 2017 plan, as well as an action plan for making the strategy executable by July 2017.

**Legal Entity Rationalization:** BNYM's 2016 Submission reflects that BNYM has adequately remedied the legal entity rationalization deficiency identified in the April 2016 Letter. In particular, BNYM's 2016 Submission reflects that BNYM is on schedule to meet the deadlines provided in the project plan submitted to the Agencies to align BNYM's legal entity structure with its legal entity rationalization criteria. The 2016 Submission also evidences the existence of a governance process regarding legal entity rationalization that is intended to ensure the legal entity rationalization criteria are applied and adhered to on an ongoing basis, including with respect to decisions regarding new legal entities and business activities.

The Agencies' findings described in this letter relate only to the Agencies' review of the joint deficiencies identified in the April 2016 Letter.<sup>2</sup> As explained in the April 2016 Letter and the Agencies' *Guidance for 2017 § 165(d) Annual Resolution Plan Submissions By Domestic Covered Companies that Submitted Resolution Plans in July 2015* (Guidance for 2017 Submissions), the Agencies will review the July 1, 2017, plan submission (2017 Plan) to determine if BNYM has satisfactorily addressed the shortcomings identified in the April 2016 Letter and other key potential vulnerabilities, including those detailed in the Guidance for 2017 Submissions.<sup>3</sup> If the Agencies jointly decide that these matters are not satisfactorily addressed in the 2017 Plan, the Agencies may determine jointly that the 2017 Plan is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code.

If you have any questions about the information communicated in this letter, please contact the Agencies.

Very truly yours,

*Signed*

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Margaret McCloskey Shanks  
Deputy Secretary of the Board  
Board of Governors of the  
Federal Reserve System

Very truly yours,

*Signed*

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Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation

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<sup>2</sup> The 2016 Submission was not required to include informational content other than as specified in the April 2016 Letter.

<sup>3</sup> The Agencies continue to expect that any current or planned future actions will be completed by July 2017. In the event impediments arise that are outside the firm's control (e.g., regulatory approvals) and the firm believes a different schedule for completion is necessary for one or more current or planned future actions, the firm should provide detailed support for that schedule, and the Agencies will determine on a case-by-case basis whether a different schedule is consistent with the requirements of the implementing rules. If the firm has previously provided the Agencies with support for that schedule, the firm may incorporate that support by reference as appropriate.