



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON
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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of BNY Trade Insurance, Ltd.

OLDWICK, NEW JERSEY, U.S.A., October 17, 2011—A.M. Best Co. has affirmed the financial strength rating of A (Excellent) and issuer credit rating of “a” of **BNY Trade Insurance, Ltd.** (BNY Trade) (Hamilton, Bermuda). The outlook for both ratings is stable.

The ratings reflect BNY Trade’s strong capitalization, consistently positive operating results, conservative operating strategy and robust enterprise risk management (ERM) framework as it follows its parent, **The Bank of New York Mellon Corporation’s** (BNY Mellon) [NYSE: BK], ERM practices. The ratings also recognize BNY Trade’s excellent business position, as it has close ties to and is a wholly owned subsidiary of BNY Mellon, a leading global financial services company.

Partially offsetting these positive rating factors are BNY Trade’s limited market scope, product mix and dependence on third parties for processing, servicing and administration. An additional offsetting rating factor is BNY Trade’s large (gross) underwriting exposure as it offers high gross insurance limits and insures excess bankers’ professional liabilities with substantial insured values.

BNY Trade provides comprehensive reinsurance/insurance coverages/products to BNY Mellon. The company’s reinsurance is placed with the world’s significant providers, and it benefits from BNY Mellon’s significant financial resources, extensive risk mitigation and the safety programs implemented throughout the organization.

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As BNY Trade fully cedes assumed risk under primary bankers' professional coverages and an all risk property policy to the commercial market, the company's exposure to net underwriting losses is minimal. BNY Trade's projected operating results indicate favorable returns, and its surplus base of over \$95 million is more than adequate to support the company's asset and credit risk exposure. While BNY Trade's excess bankers' professional program and the property coverages written offer significant insured values (considering the high coverage limits offered), the net impact could be burdensome. Nevertheless, A.M. Best recognizes the low probability of such events.

A.M. Best remains the leading rating agency of alternative risk transfer entities, with more than 200 such vehicles rated in the United States and throughout the world.

For current Best's Credit Ratings and independent data on the captive and alternative insurance market, please visit www.ambest.com/captive.

The principal methodology used in determining these ratings is [Best's Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Additional key criteria utilized include: "Risk Management and the Rating Process for Insurance Companies"; "Understanding BCAR for Property/Casualty Insurers"; "Understanding Universal BCAR"; "A.M. Best's Rating Methodology for Captive Insurance Companies"; "Assessing Country Risk"; and "Catastrophe Risk Management Incorporated Within the Rating Analysis." Methodologies can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

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