



**Statement of Christopher Martin
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**Before the
Pennsylvania House and Senate Republican Policy Committee**

Future of Artificial Intelligence Innovation in Pennsylvania

April 16, 2025

I. Introduction

Good morning, Chair Argall, Chair Rowe and Senator Pennycuik. I appreciate the opportunity to discuss the future of Artificial Intelligence (AI) innovation in Pennsylvania. My name is Christopher Martin, and I have been a Senior Director at BNY's AI Hub since 2024.

II. Our History

BNY is the nation's oldest bank, founded by Alexander Hamilton in 1784.ⁱ We have been an integral part of downtown Pittsburgh for more than 150 years after Andrew Mellon founded what would become Mellon Financial, which merged with BNY in 2007.ⁱⁱ BNY established its credibility as a financial institution by being liquid, transparent, and highly resilient. These tenets, which have guided our development and growth as an institution, remain core to our business model today.

For more than 240 years, BNY has partnered alongside clients, putting its expertise and platforms to work to help them achieve their ambitions. Over our history, we have developed solutions that led to a number of firsts in the United States economy: the first loan to the U.S. government after the Revolutionary War; the first company listed on the New York Stock Exchange; and we provided essential financing to major infrastructure projects, from the Erie Canal to transnational railroads. BNY was also one of the first financial institutions to use an electronic system for clearing government securities and one of the first banks to send an instant payment. Building on that legacy,



earlier this year BNY sent the largest instant payment in U.S. history, \$10 million.ⁱⁱⁱ Many of those actions—taken for granted today—were financial innovations at the time and have played a significant role in helping the U.S. become the world’s predominant economic engine.

Today, BNY’s Pittsburgh office – our largest employee base in North America – serves more than 500 regional clients, including state and local governments, Fortune 500 companies, pension and mutual funds, labor unions, endowments, families, and individual investors.^{iv}

We have a different business model compared to a traditional retail, commercial or investment bank. Our core business is to provide custody and other financial services to governments and institutions—not consumer banking. As of March 31, 2025, BNY oversees \$53.1 trillion in assets under custody and/or administration and \$2.0 trillion in assets under management.^v

III. AI at BNY

AI is not a new concept; it has been around for years, but recent technological advancements, such as Generative AI, have paved the way for new ways to use AI. For BNY, AI enables us to process vast amounts of data, identify patterns, and make better-informed decisions more quickly which allow us to drive better outcomes for our clients. Through the power of AI, we are enhancing client services and company operations and leveraging our unique role within financial markets, touching approximately 20 percent of the world's investable assets, to help clients make data-driven decisions and make financial markets more resilient.

To do this, we're investing in AI research and development, collaborating with fintech companies, seeking the best talent, and upskilling our workforce to ensure they can work effectively with AI systems. Our goal is to deliver more value to our clients, simplify our processes, and stay ahead of the curve in terms of technology and innovation.



Our journey with AI is about delivering tangible outcomes—both operationally and for our clients. We have a very clear framework for how we explore use cases and move them into production leveraging our AI Hub. We started the AI Hub in 2023, with a small team of high-performing multi-disciplinary individuals. Of the hundreds of use cases our innovative employees generate, we now have more than 40 AI solutions in production, touching almost every aspect of what we do at the bank.

Let me share three concrete examples. Eliza is our Internal Enterprise AI Platform, which we built on secure foundations with responsible AI guardrails. Eliza empowers our employees to innovate and explore by giving them access to internal, safeguarded AI capabilities comparable to commercial offerings and allowing them to create personal agents to assist with daily tasks such as analyzing documents and summarizing reports.

Another example is our liquidity management forecasting solution. This solution is a dynamic model that helps users forecast cash balances and enables more efficient use of daily reserves for BNY and our clients. This enhances both our risk management and operational efficiency - and allows our clients to manage their capital more efficiently.

Finally, turning to client solutions and our predictive trade analytics. This solution offers near real-time trade settlement insights, helping clients identify settlement risks early and take action to mitigate late settlements. BNY is also using AI to enhance our data management offering by helping clients better leverage and understand their data.

As we explore potential uses of AI, we must also acknowledge the risks associated with it. There are general concerns around information security, data privacy, and the possibility for AI systems to generate inaccurate information. At BNY, we believe that governance is paramount. We develop and deploy AI within a robust governance framework and with model oversight that considers these risks as well as others, with a focus on ethical, transparent, and explainable uses of AI.

IV. BNY in Pennsylvania



AI is critical to BNY's ability to serve our clients, and Pennsylvania plays a significant role in shaping BNY's future. BNY has significant employee locations in Pittsburgh and Philadelphia, maintains business interests across the Commonwealth, and hires many college students from universities across Pennsylvania. Philadelphia is home to one of our wealth management offices and it is also home to Archer, our leading technology-enabled service provider offering managed account solutions to the asset and wealth management industry. Our Pittsburgh campus is one of the bank's six strategic locations - key hubs where we are investing in the future of the firm - and is one of our largest in North America. That is in part because Pittsburgh is a prime location to attract and grow top talent with proximity to so many excellent educational institutions and a deep talent pool yielding employees operating across all of BNY's lines of business. That is why BNY is building specialty functions and making investments to power the future of finance, on a global scale, from Pennsylvania.

BNY is a major recruiter from top university programs like Carnegie Mellon University (CMU), my alma mater. Building on our long-standing relationship with CMU, BNY has been involved with its Masters in Artificial Intelligence and Innovation (MSAI) graduate program since its introduction more than six years ago. We also sponsor the Program's Capstone competition each year, where our technology leaders provide mentorship for projects which deliver real-world outcomes. Investing in early talent is essential for building an innovative and future-ready organization, and the MSAI program is a strong source of high-caliber talent for our AI Hub. In fact, we are one of the leading recruiters of AI talent in the Pittsburgh area and our collaboration with CMU has yielded 33 hires to date.

BNY's focus on growth, innovation and the future of finance in Pennsylvania could not be possible without the deep and diverse pool of talent in Pittsburgh and across the state which includes early talent and non-traditional backgrounds. For example, BNY is a top employer of graduates of the University of Pittsburgh with whom we are currently piloting a co-op program, and we are among the top employers of Duquesne



University and Penn State. This year, BNY will bring on 269 interns and provide roles for 224 graduates in our analyst program, all in Pittsburgh. BNY also partners with Year Up, a program that helps individuals without four-year degrees gain the skills, experience and support to enter careers, hosting 70 interns in 2024, 61 of which are employed by BNY.

BNY is investing in Pittsburgh and Southwestern Pennsylvania over the next several years - across local partnerships including those with universities and creating a world-class campus at 500 Ross Street for our employees, clients, and partners. Our new space at 500 Ross will provide a more modern and collaborative workplace to support our employees who represent all lines of business and multiple core functions—a microcosm of our global business. Importantly, our new facility will support the revitalization of Downtown Pittsburgh, which has always been home to BNY and is where our employees want to live, work and play.

One thing is clear, we are committed to Pennsylvania, and we are keenly focused on bringing the next generation of talent into BNY and on our AI journey.

V. Policy Recommendations and Conclusion

As the Committee considers how to best promote AI innovation in Pennsylvania, BNY would encourage you to prioritize policies that:

- **Attract and Retain Pennsylvania Graduates in the State After Graduation:** This is critical for companies like BNY, which have made a significant investment in early career talent. We are grateful for the efforts of the Pennsylvania Senate and House to enact programs like GROW PA that will provide important incentives to help keep our college graduates in the state after they earn their degrees.
- **Cultivate a Vibrant AI Ecosystem in Pittsburgh:** A vibrant AI ecosystem doesn't just support young, tech startups but also supports larger businesses and helps



traditional industries stay competitive, promoting local talent, economic diversity and creating opportunities for cross-industry collaboration.

- **Promote a Vibrant and Safe Downtown Pittsburgh:** BNY is committed to downtown Pittsburgh, supporting significant investments in state-of-the-art facilities that support our employees, clients and partners who want to live, work and play downtown.

In conclusion, the successful integration of AI into banking requires innovation, education, and investment. It will require broad-based curiosity from regulators, fintechs, and banks, combined with leadership and governance to establish appropriate priorities and frameworks. By working together, we can help to set the foundation for the benefits of AI to be achieved while effectively managing risks, ultimately creating a sound and resilient financial system for all.

We look forward to working with elected officials, regulators, and industry partners to ensure that AI is developed and deployed in a way that benefits everyone. Thank you.

ⁱ Alexander Rose, *Making Money Work for the World: A Brief History of Bank of New York Mellon*, <https://www.bny.com/assets/corporate/documents/pdf/240-history-timeline.pdf>.

ⁱⁱ BNY, *About BNY*, <https://www.bny.com/assets/corporate/documents/pdf/a-brief-history.pdf>.

ⁱⁱⁱ Press Release, BNY, BNY Sends Largest Instant Payment in U.S. History, \$10 Million, Following Transaction Limit Increase (Feb. 10, 2025), <https://www.bny.com/corporate/global/en/about-us/newsroom/press-release/bny-sends-largest-instant-payment-in-us-history.html>.

^{iv} BNY, *About BNY*, <https://www.bny.com/corporate/global/en/about-us/about-bny.html>.

^v Press Release, BNY, BNY Reports First Quarter 2025 Financial Results (April 11, 2025), <https://www.bny.com/assets/corporate/documents/pdf/investor-relations/earnings/earnings-press-release-1q-2025.pdf>.