

The Bank of New York
Presentation to
The BancAnalysts Association of Boston

November 2, 2006



The **BANK of NEW YORK**

Cautionary Language

The forward looking statements presented today including, among other things, projections with respect to revenue and earnings growth and the Company's plans and objectives are subject to risks and uncertainties that could cause actual results to differ materially from the projections. These include lower than expected performance or higher than expected costs in connection with acquisitions and integration of acquired businesses, the level of capital market activity, inaccuracies in management projections or market forecasts, the actions that management could take in response to these changes and other factors described in the SEC filings referred to below.

For additional detailed information, we refer you to the discussions under the heading "Forward Looking Statements" in the Company's 2005 10-K and our most recent 10-Q filed with the SEC.

The forward looking statements speak only as of November 2, 2006. We will not update forward looking statements to reflect facts, assumptions, circumstances, or events which have changed after they were made.

The “New” Bank of New York

- **Model focused on securities servicing and asset management**
- **Emphasis on higher-growth, higher-margin businesses where we have scale, skill and competitive advantages**
- **Improved corporate risk profile through reduced exposure to credit portfolio**
- **Positioned to realize benefits of investments in infrastructure**

Generate attractive long-term returns for shareholders

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Strategic Actions Completed in October 2006

- **Global Expansion of Corporate Trust**
 - ▶ Swap BNY retail and middle market for JPM corporate trust
- **Formation of BNY ConvergeX**
 - ▶ Contribute execution services to new entity which also acquires Eze Castle, a leading provider of order management systems
 - ▶ GTCR, a private equity firm, provides new equity capital

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Benefits of Swap Transaction

- **The Bank of New York is the global leader in corporate trust**
- **Increased presence in high growth regions – 15 incremental offices in Europe, Asia and Latin America**
- **Expanded presence in faster-growing structured finance and CDO debt markets**
- **Corporate risk profile improved through reduced credit exposure**
- **Removes slow/no growth business from mix**

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Benefits of BNY ConvergeEx Transaction

- **Repositions BNY's Execution Services business**
 - ▶ **Link to leading trade order management provider**
 - ▶ **Strengthens product offering and enhances cross-sell potential**
 - ▶ **More efficient capital structure to support future investment**
- **Allows BNY to withdraw capital**
 - ▶ **"Affiliate" structure and private equity sponsorship provide leverage benefits**
 - ▶ **Enhances overall growth profile and lessens exposure to equity market volumes**

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We Have a Focused Business Model...

| % of pre-tax income | 1995 | 2000 | 2005 | 2005PF* |
|----------------------------|-------|-------|-------|---------|
| Institutional Services | 51% | 74% | 77% | 92% |
| Private Bank & Asset Mgmt. | 7% | 9% | 8% | 8% |
| Retail and Middle Market | 19% | 17% | 15% | 0% |
| Credit Cards | 15% | 0% | 0% | 0% |
| Asset-Based Lending | 8% | 0% | 0% | 0% |
| | 100 % | 100 % | 100 % | 100 % |

*Reflecting swap transaction

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With Global Reach

| 1995 | Today |
|--|---|
| <ul style="list-style-type: none"> U.S.-focused business | <ul style="list-style-type: none"> Global enterprise in 30+ countries |
| <ul style="list-style-type: none"> Servicing securities in 50 markets | <ul style="list-style-type: none"> Servicing securities in >100 markets |
| <ul style="list-style-type: none"> Operations centers in NY, London | <ul style="list-style-type: none"> Operations centers in NY, London, Brussels, Dublin, Singapore |
| <ul style="list-style-type: none"> \$2.3T assets under custody | <ul style="list-style-type: none"> \$12.2 trillion assets under custody |
| <ul style="list-style-type: none"> 15,000 staff (4% non-U.S.) | <ul style="list-style-type: none"> Over 23,000 staff (~25% non-U.S.) |
| <ul style="list-style-type: none"> 12% of revenues non-U.S. | <ul style="list-style-type: none"> 25% of revenues non-U.S. |

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And Market Leadership in Securities Servicing

| Category | Measure | Rank | Market Share |
|--------------------------------|--------------------------|------|--------------|
| Global Custody & Fund Services | Assets under custody | 1 | 15% |
| Depository Receipts | Total sponsored programs | 1 | 64% |
| Global Corporate Trust* | Global debt issuance | 1 | 34% |
| Correspondent Clearing | IBD relationships | 1 | 20% |
| Government Security Clearance | Average U.S. volume | 1 | 50% |
| Collateral Management | Average U.S. volume | 1 | 58% |
| Securities Lending | Loans outstanding | 2 | 15% |

*Pro Forma for swap transaction at 6/30/06

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Institutional Services: Investor & Broker-Dealer

| Key Products / Services | Financial Summary |
|---|---|
| <ul style="list-style-type: none"> ▪ Global Custody ▪ Global Fund Services ▪ Securities Lending ▪ Securities Clearance ▪ Collateral Management | <p style="text-align: right;"><u>1H 2006</u></p> <p>Revenue \$1.3 B</p> <p>Pretax Income \$416 MM</p> <p>Pretax Margin 32%</p> |

| Market Statistics / Metrics |
|--|
| <ul style="list-style-type: none"> ▪ \$12.2 T Assets Under Custody ▪ Service > 16% of ETF Industry Assets ▪ Largest lender of US Treasury securities ▪ Clear ~50% of US Govt securities transactions ▪ World's largest collateral management agent |

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Institutional Services: Issuer Services

| Key Products / Services | Financial Summary |
|--|--|
| <ul style="list-style-type: none"> ▪ Corporate Trust ▪ Depository Receipts ▪ Stock Transfer | 1H 2006 Revenue \$560 MM Pretax Income \$295 MM Pretax Margin 53% |

| Market Statistics / Metrics |
|---|
| <ul style="list-style-type: none"> ▪ 64% Market Share in Global DR's <p style="text-align: center;"><i>More than 1,255 American and global DR programs servicing companies from 61 countries</i></p> <ul style="list-style-type: none"> ▪ Trustee for more than \$8T debt outstanding* ▪ 3rd largest stock transfer agent in US |

* Pro Forma for swap transaction

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Institutional Services: Execution & Clearing Services

| Key Products / Services | Financial Summary |
|---|--|
| <ul style="list-style-type: none"> ▪ Pershing <ul style="list-style-type: none"> ▸ Clearing ▸ Execution ▪ BNY ConvergeEx Group | 1H 2006 Revenue \$876 MM Pretax Income \$277 MM Pretax Margin 32% |

| Market Statistics / Metrics |
|---|
| <ul style="list-style-type: none"> ▪ Over 80 global markets ▪ Clearing 1 MM trades daily <p>▪ Pershing services more than 1,100 retail & institutional financial organizations advisors (represent nearly 6 MM indiv investors)</p> |

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Institutional Services: Treasury Services

| Key Products / Services | Financial Summary |
|---|---|
| <ul style="list-style-type: none"> ▪ Global Payment Services ▪ Liquidity Management ▪ Credit / Credit-Related Services | 1H 2006 Revenue \$216 MM Pretax Income \$97 MM Pretax Margin 45% |

| Market Statistics / Metrics |
|--|
| <ul style="list-style-type: none"> ▪ One of the largest funds transfer banks in the US <ul style="list-style-type: none"> ▶ Transfers over \$1.18 T daily ▶ More than 150 K wires daily ▪ Active arranger or agent of syndicated financings for US clients <ul style="list-style-type: none"> ▶ Completed 56 transactions totaling \$43 B in 1H06 |

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Private Bank & Asset Management

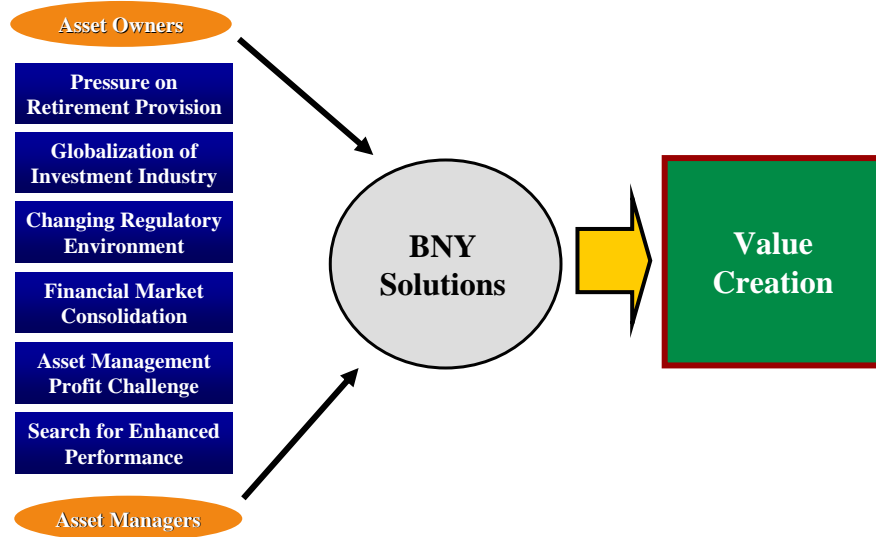
| Key Products / Services | Financial Summary |
|--|--|
| <ul style="list-style-type: none"> ▪ Private Banking <ul style="list-style-type: none"> ▶ Trust & Estate, Wealth Management ▪ Investment Management <ul style="list-style-type: none"> ▶ Short Term ▶ Equity & Fixed Income ▶ Alternatives | 1H 2006 Revenue \$299 MM Pretax Income \$110 MM Pretax Margin 37% |

| Market Statistics / Metrics |
|--|
| \$120 Billion AUM: \$36 B Equity \$20 B Fixed Income \$30 B Alternative \$34 B Liquid |

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Global Trends Create Opportunities to Drive Growth at BNY



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BNY Growth Model

- **Participating in growing segments of global capital markets**
- **Generating strong new business momentum**
- **Generate higher profitability through improved operating leverage**

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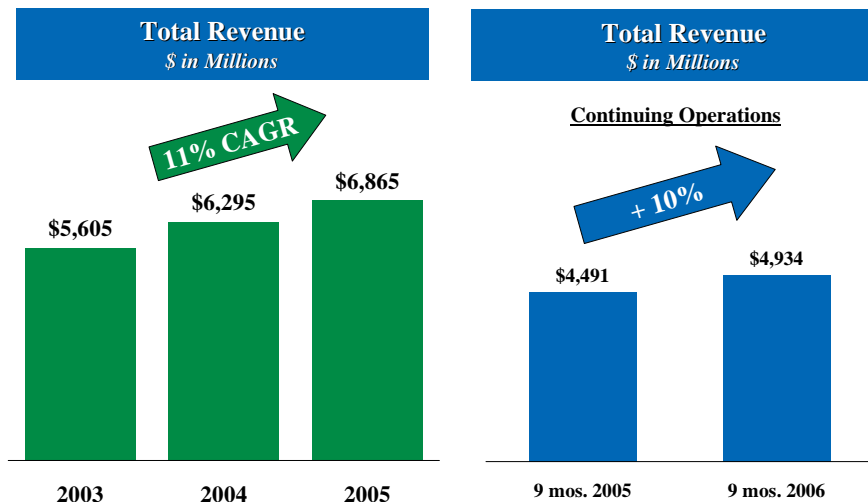
Major Growth Opportunities

- **Collateral management**
 - ▶ Growth and acceptance of tri-party repo worldwide for broker-dealer financing
 - ▶ New applications
- **Hedge fund services**
 - ▶ The fastest growing segment of asset managers
- **Exchange traded funds (ETFs)**
 - ▶ Efficient investment vehicle
- **Registered Investment Advisors (RIAs)**
 - ▶ Pershing offers a total solution
- **European investor services**
 - ▶ Evolving market
- **Depository receipts**
 - ▶ Facility cross-border capital flows

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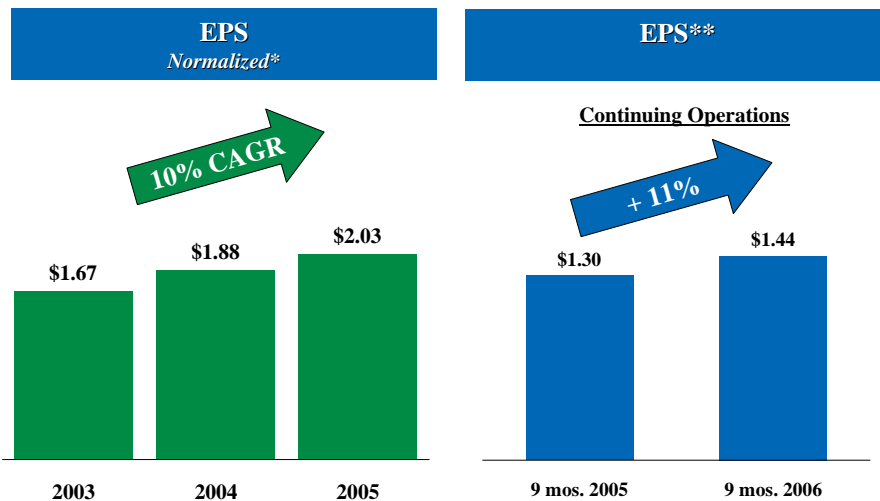
Delivering Revenue Growth



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Delivering Earnings Growth



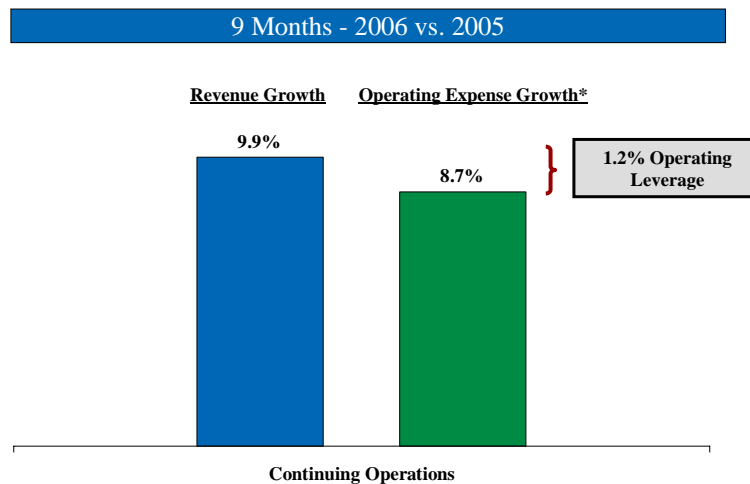
* Normalized EPS for 2003 reflects the exclusion of the GMAC settlement and merger & integration expenses related to the Pershing acquisition, which together reduced reported EPS by \$0.15; normalized EPS for 2004 reflects the exclusion of certain revenue and expense items outlined in the *Other 2004 Developments* section of the 2004 10-K and the Appendix attached to this presentation.

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** Excluding Merger & Integration Charges

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Delivering Positive Operating Leverage



* Operating results exclude \$12 million impact related to SFAS 123(R) and charges and accounting changes resulting from the swap transaction.

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Our Priorities

- **Focus on execution: meet performance objectives**
- **Successfully integrate and realize ‘deal model’ benefits of Corporate Trust and BNY ConvergEx deals**
- **Balance sheet positioning**
- **Capital planning**

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Long-Term Earnings Growth Model

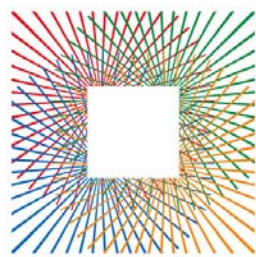
| | |
|------------------------------------|----------------------|
| Total revenue growth | 8-10% |
| Noninterest income growth | 9-11% |
| NII growth | 5-6% |
| Positive operating leverage | +2-3% |
| Capital management | +0-2% |
| <i>Long-term EPS growth</i> | <i>10-15%</i> |

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Summary – The “New” Bank of New York

- **Sharper focus**
- **Enhanced growth and profitability dynamics**
- **Improved risk profile**
- **Greater consistency in performance**



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Appendix

Basis for Normalized EPS

- Management has utilized certain adjustments to the 2004 and 2003 Income Statement of the Company in order to produce supplemental data to more clearly identify trends in the business and to assess underlying performance.
- In all cases the U.S. GAAP-based information is identified as the “Reported” data. The adjustments to the “Normalized” data (non-GAAP-based adjustments) are identified in this Appendix.
- These adjustments stem from several items in 2004, which net out to 3¢ of EPS, principally for a legal reserve for the RW Leasing matter, although other line item adjustments are reflected in the supplemental data.
- In addition, 2003 was affected by merger and integration charges related to the Pershing acquisition, and a settlement on the sale of a business to GMAC, which occurred in 1999. Also Pershing was acquired on April 30, 2003, so that 2003 has only 8 months of Pershing performance. This makes 2004 to 2003 comparisons extremely difficult, given the size of the Pershing acquisition. Accordingly, the Company has attempted to estimate full year performance in 2003 and reflected this in the 2003 Supplemental data.
- The Company believes that providing supplemental non-GAAP financial information is useful to investors in understanding the underlying operational performance of the Company and its businesses and performance trends and, therefore, facilitates comparisons with the performance of other financial service companies. Specifically, the Company believes that the adjustments and Pershing annualization permits a proximate evaluation and comparison of results for ongoing business operations, and the Company’s management and Board of Directors have utilized this methodology in assessing 2004 results and in preparing the 2005 budget. Although the Company believes that the non-GAAP financial measures presented in this report enhance investors’ understanding of the Company’s business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP.

Reconciliation of Normalized EPS for 2004

Noninterest income adjustments – Banking Related/Other includes a \$48 million gain on sale of a portion of the Company's holdings of Wing Hang Bank, \$19 million of realized securities gains on sponsor fund investments, and \$3 million in income related to gain on an aircraft lease residual.

Net interest income adjustments – Reported net interest income was reduced by \$66 million related to SFAS 13 income adjustments on the Company's lease portfolio.

Expense adjustments –Salaries and benefits include \$10 million of severance tied to staff relocations. All Other Expenses include a \$30 million reserve related to the possible settlement of the RW Leasing matter, and an \$8 million lease termination expense.

Income tax adjustments - In addition to the tax impact of the aforementioned adjustments, income tax expense was also increased by \$50 million related to an increase in the Company's reserve for its LILLO tax exposure.

For a full description of these adjustments, refer to the Company's 8K filed January 19, 2005.

| \$ in Millions | Non GAAP | | |
|------------------------------|---------------|----------------------|-----------------|
| | 2004 Reported | Non GAAP Adjustments | 2004 Normalized |
| Noninterest Income | 4,691 | (70) | 4,621 |
| Net Interest Income | 1,645 | 66 | 1,711 |
| Total Revenue (before prov.) | 6,336 | (4) | 6,332 |
| Provision for Credit Losses | 15 | 7 | 22 |
| Total Expense | 4,122 | (48) | 4,074 |
| Pretax Income | 2,199 | 37 | 2,236 |
| Income Tax Expense | 759 | 13 | 772 |
| Net Income | 1,440 | 24 | 1,464 |
| EPS | \$1.85 | \$0.03 | \$1.88 |
| Execution and Clearing | 1,146 | - | 1,146 |
| Investor Services | 921 | - | 921 |
| Issuer Services | 582 | - | 582 |
| Broker-Dealer Services | 209 | - | 209 |
| Total Fee Revenue | 2,858 | - | 2,858 |
| PCS & Asset Management | 448 | - | 448 |
| FX & Other Trading | 364 | - | 364 |
| Global Payment Services | 317 | - | 317 |
| Banking Related/Other | 704 | (70) | 634 |
| Salaries & Benefits | 2,324 | (10) | 2,314 |
| All Other | 1,798 | (38) | 1,760 |
| Total | 4,122 | (48) | 4,074 |

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Reconciliation of Normalized EPS for 2003

Expense adjustments – All Other Expense includes \$96 million of Pershing merger and integration costs and \$78 million in costs related to the GMAC settlement, net of reserves.

Pershing annualization – The Company acquired Pershing on May 1, 2003. Supplemental data is adjusted to approximate results for the Company as if it had owned Pershing for all of 2003. The Company believes the economic conditions in the third quarter of 2003 most closely resembled the January – April 2003 period. Accordingly, the Company used third quarter data to estimate the January – April 2003 time period.

| \$ in Millions | Non GAAP | | | |
|------------------------------|---------------|----------------------|------------------------|-----------------|
| | 2003 Reported | Non GAAP Adjustments | Pershing Annualization | 2003 Normalized |
| Noninterest Income | 4,006 | - | 239 | 4,245 |
| Net Interest Income | 1,609 | - | 26 | 1,635 |
| Total Revenue (before prov.) | 5,615 | - | 265 | 5,880 |
| Provision for Credit Losses | 155 | - | - | 155 |
| Total Expense | 3,698 | (174) | 230 | 3,754 |
| Pretax Income | 1,762 | (174) | 385 | 1,973 |
| Income Tax Expense | 605 | 65 | 6 | 676 |
| Net Income | 1,157 | 109 | 31 | 1,297 |
| EPS | \$1.52 | \$0.15 | \$0.00 | \$1.67 |
| Execution and Clearing | 885 | - | 216 | 1,101 |
| Investor Services | 830 | - | - | 830 |
| Issuer Services | 522 | - | - | 522 |
| Broker-Dealer Services | 175 | - | - | 175 |
| Total Fee Revenue | 2,412 | - | 216 | 2,628 |
| PCS & Asset Management | 384 | - | - | 384 |
| FX & Other Trading | 327 | - | 17 | 344 |
| Global Payment Services | 314 | - | - | 314 |
| Banking Related/Other | 569 | - | 7 | 576 |
| Salaries & Benefits | 2,002 | - | 120 | 2,122 |
| All Other | 1,696 | (174) | 110 | 1,632 |
| Total | 3,698 | (174) | 230 | 3,754 |

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