

The Bank of New York
Lehman Brothers 2006 Financial Services Conference

September 13, 2006

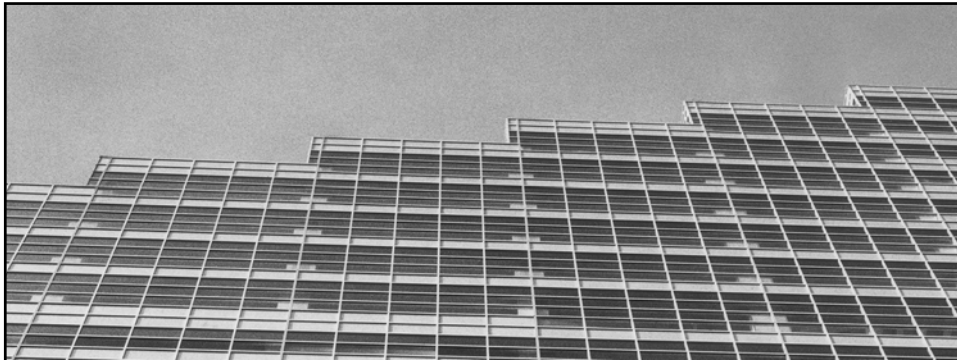


Cautionary Language

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 September 13, 2006. We will not update forward looking statements to reflect facts, assumptions, circumstances, or events which have changed after they were made.



The Bank of New York

Introduction and Financial Review

Thomas A. Renyi, Chairman and CEO

September 13, 2006



The **BANK of** **NEW YORK**

Agenda

- **Strategic Update**
- **Recent Accomplishments**
- **Near Term Priorities**
- **Long Term Outlook**

Our Vision

We strive to be the acknowledged global leader and preferred partner in helping our clients succeed in the world's rapidly evolving financial markets.

5

The **BANK of** **NEW YORK**

Our Business Strategy

- **Model focused on securities servicing and asset management**
- **Emphasis on higher-growth, higher-margin businesses where we have scale, skill and competitive advantages**
- **Improve corporate risk profile through reduced exposure to credit portfolio**
- **Deliver positive operating leverage**
- **Generate attractive long-term returns for shareholders**

6

The **BANK of** **NEW YORK**

Transforming Our 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 transaction with JPM

7

The BANK of NEW YORK

Fully Transformed Global Profile

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 trillion in assets under custody
<ul style="list-style-type: none"> 15,000 staff (4% non-U.S.) 	<ul style="list-style-type: none"> 23,500 staff (23% 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.

8

The BANK of NEW YORK

Market Leadership in Securities Servicing

Category	Measure	Rank	Market Share
Global Custody & Fund Services	Assets under custody	1	15%
Depository Receipts	Total 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%
Exchange Traded Funds (ETFs)	Assets serviced	2	15%

*Reflecting transaction with JPM

9

The BANK of NEW YORK

Balanced Revenue Profile

	2005	2005PF*
Investor & Broker-Dealer Services	36%	37%
Issuer Services	14%	28%
Execution & Clearing	22%	19%
Private Bank & BNY Asset Mgmt.	8%	8%
Treasury Services	6%	7%
Corporate & Other	1%	1%
Retail / Middle Market	13%	0%
	100 %	100 %

* Pro Forma to reflect JPM Chase and BNY ConvergEx transactions

10

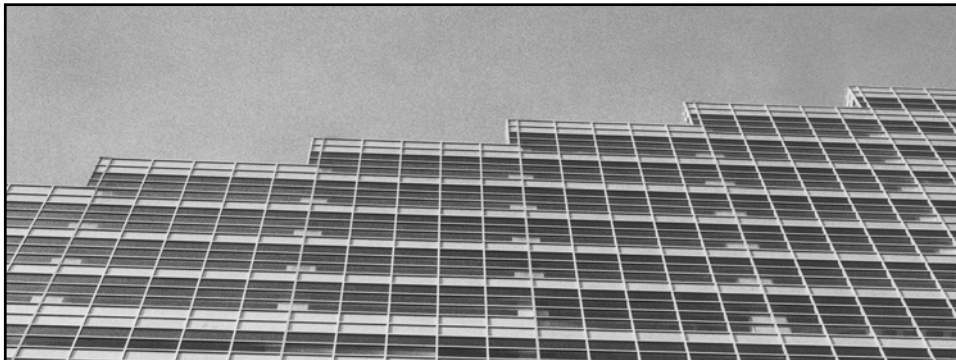
The BANK of NEW YORK

Benefits of Transformation

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

11

The **BANK of** **NEW YORK**



The Bank of New York

1H06 Review

Bruce W. Van Saun

September 13, 2006



The **BANK of** **NEW YORK**

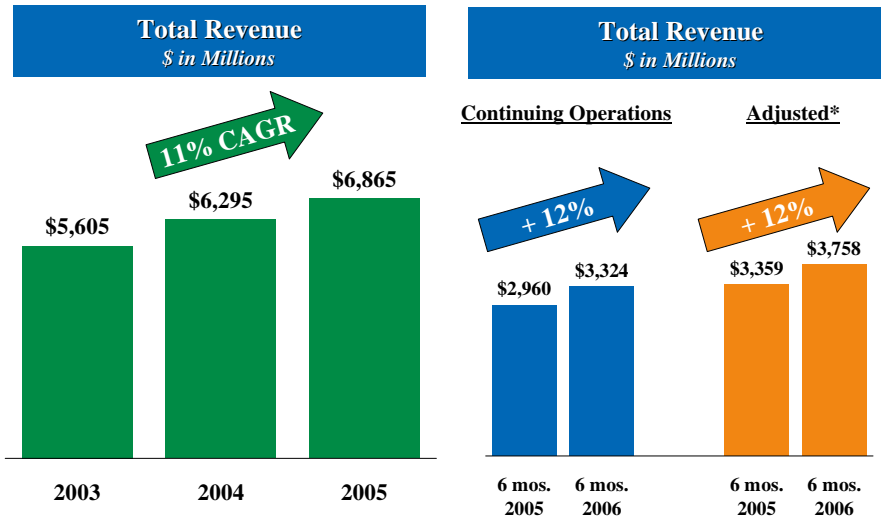
Priorities

- **Financial**
 - ▶ **Delivery on Performance Objectives**
- **Strategic**
 - ▶ **Delivery on Capital Deployment**

Financial – Delivering on Performance Objectives

- **First Half 2006 Results**
 - ▶ **Earnings Growth**
 - **Continuing / Discontinued Operations**
 - ▶ **Positive Operating Leverage**
 - ▶ **Strong Capital Position**

Delivering Revenue Growth

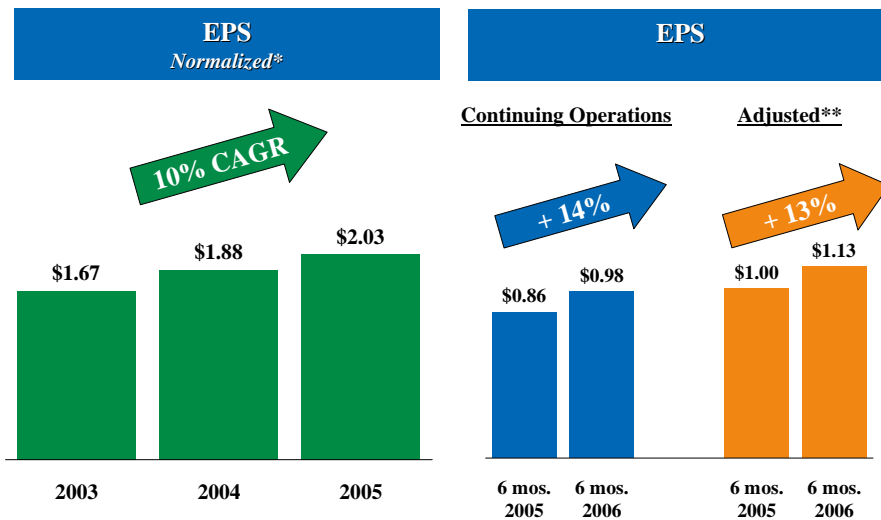


* Adjusted combines continuing and discontinued operations.

15

The BANK of NEW YORK

Delivering Earnings Growth



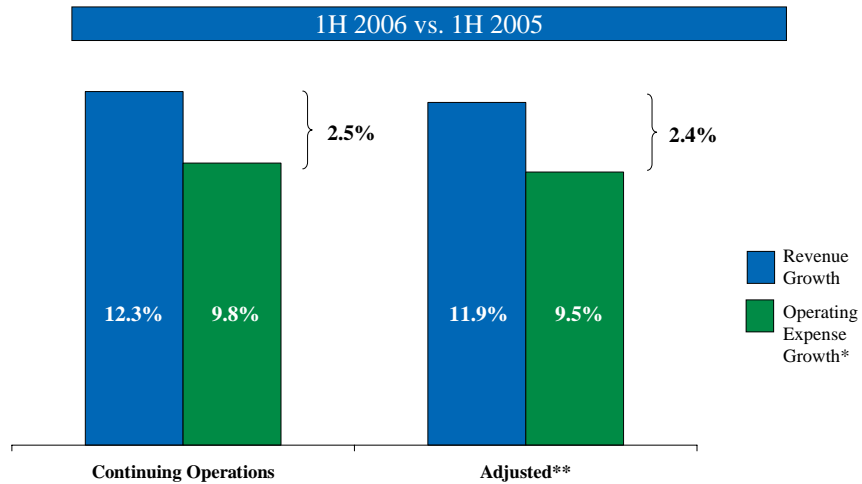
* Normalized EPS for 2003 reflects the exclusion of the GMAC settlement and merger & integration expenses related to the Pershing acquisition, which together reduced reported EPS by \$0.15; normalized EPS for 2004 reflects the exclusion of certain revenue and expense items outlined in the *Other 2004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

** Adjusted combines continuing and discontinued operations.

16

The BANK of NEW YORK

Delivering Positive Operating Leverage



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

** Adjusted combines continuing and discontinued operations.

17

The BANK of NEW YORK

Key Performance Drivers – First Half 2006

- Depository receipts
- Corporate trust
- Securities lending
- Foreign exchange
- Collateral management

18

The BANK of NEW YORK

Strategic - Delivering on Capital Deployment

- **Announced asset swap with JPMorgan Chase**
 - ▶ Swap BNY retail and middle market for JPM corporate trust
- **Announced 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

19

The BANK of NEW YORK

Benefits of Transaction with JPMorgan Chase

- **Emphasizes higher-growth, higher-margin businesses where we have scale, skill and competitive advantages**
- **Improves corporate risk profile through reduced exposure to credit portfolio**
- **Expands global footprint – 15 incremental offices in Europe, Asia and Latin America**
- **Expanded presence in faster-growing structured finance and CDO debt markets**

20

The BANK of NEW YORK

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

21

The BANK of NEW YORK

Priorities for the Second Half of 2006

- **Focus on execution: meet performance objectives**
- **Close, integrate, and realize 'deal model' benefits of JPMorgan Chase swap and BNY ConvergeEx**
- **Balance sheet positioning**
- **Capital planning**

22

The BANK of NEW YORK

JPM Swap Integration Meeting Expectations

- **Anticipate closing transaction at start of 4Q'06**
- **Working closely with JPM to assure smooth transition**
- **Performance of the businesses to date in line with the original deal model**
- **On track to achieve estimated aggregate pre-tax cost savings of \$90 – \$115 million**
- **Focused on balance sheet positioning / opportunities**

23

The **BANK of** **NEW YORK**

Balance Sheet Positioning

- **Impact of JPM Chase transaction**
 - ▶ **\$7.8 billion consumer and middle market loans being divested**
 - ▶ **\$14.5 billion retail deposits replaced with \$12.3 billion corporate trust deposits**
 - ▶ **If no actions taken, would become more liability sensitive**
- **Balance sheet restructuring**
 - ▶ **Executing over Q3 and Q4**
- **Improved risk profile will provide greater earnings consistency and capital flexibility**

24

The **BANK of** **NEW YORK**

Capital Planning Update

- Will repurchase about 14 million shares at the close of the BNY ConvergEx transaction
 - ▶ Net neutral impact to both EPS and capital ratios
- Potential change in accounting for defined benefit pension plans would reduce capital by approximately \$400 million in 4Q'06
- Slightly higher balance sheet repositioning charge increases merger and integration charges by about \$25 million to \$125 - \$150 million after-tax

25

The BANK of NEW YORK

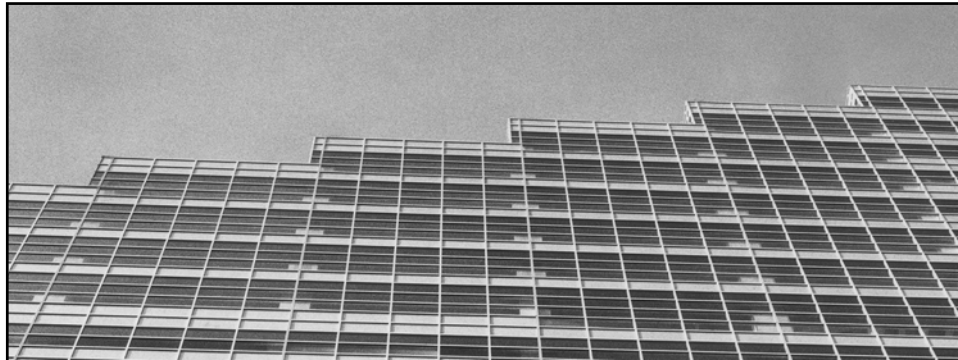
Capital Management

	Actual	Forecast*	Forecast*
	6/30/06	12/31/06	12/31/07
Tier 1	7.96%	7.55%	8.25%
Total	12.06%	11.83%	12.25%
TCE	5.07%	4.52%	5.00%
RWA/Total	75.8%	71.8%	70.8%

* Forecast at 12/31/06 reflects JPM swap, BNY ConvergEx transaction, and estimated pension accounting charge. Forecast at 12/31/07 also includes estimated LILLO accounting charge.

26

The BANK of NEW YORK



The Bank of New York

Long-Term Outlook

Thomas A. Renyi

September 13, 2006



The **BANK of NEW YORK**

Capturing Growth

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

Six Major Growth Opportunities

- Collateral management
- Hedge fund services
- Exchange traded funds (ETFs)
- Registered Investment Advisors (RIAs)
- European investor services
- Depositary receipts

29

The BANK of NEW YORK

Long-Term Goals

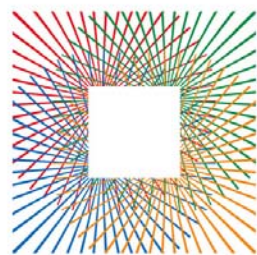
EPS growth	10 – 15%
Operating leverage growth contribution	200 – 300 bps
ROE	16 – 18%

30

The BANK of NEW YORK

Summary

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



The **BANK**
of **NEW YORK**



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

35

The BANK of NEW YORK

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 Normalized
	2003 Reported	Non GAAP Adjustments	Pershing Annualization	
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

36

The BANK of NEW YORK