



# **The Bank of New York Company, Inc.**

*Annual Meeting of Shareholders*

**April 11, 2006**

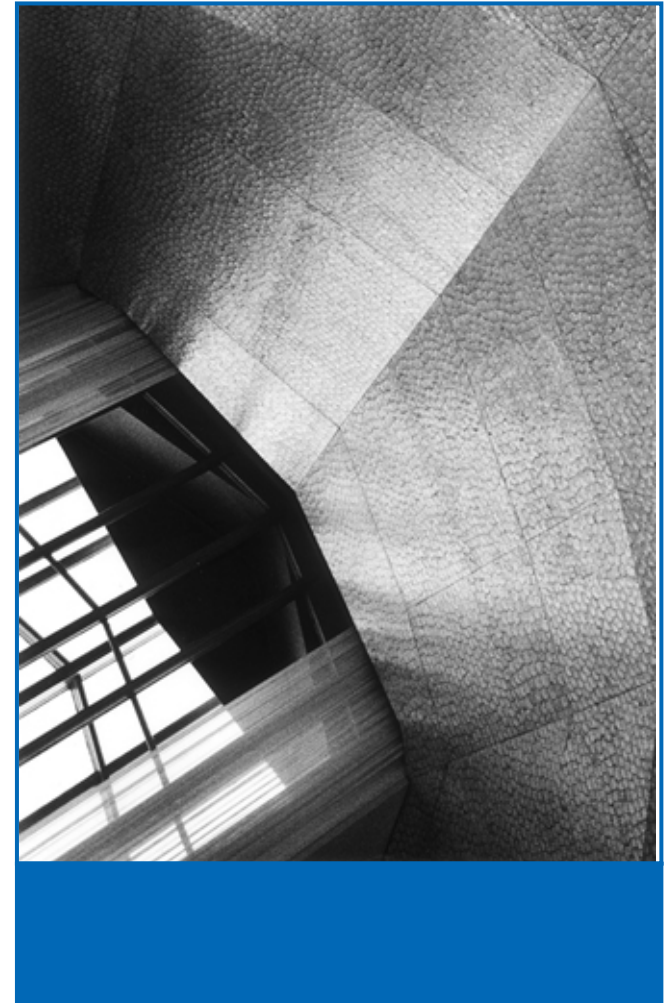


*The* **BANK of NEW YORK**™

# Today's Agenda

---

- **Our franchise**
- **Our 2005 financial results**
- **Our priorities**



# A Uniquely Positioned Franchise

---

- We help financial institutions, corporations and individual investors move and manage financial assets globally
- Our largest client constituency is a diverse range of financial institutions
  - Banks & central banks
  - Insurance companies
  - Investment managers
  - Public sector entities
  - Securities firms
  - Endowments & foundations
- We provide securities servicing, investment and wealth management solutions for institutions and individuals

**A global leader helping our clients succeed in the world's rapidly evolving financial markets**

# A Uniquely Positioned Franchise

---

- **Institutional Services**
  - **Investor & Broker-Dealer Services**
  - **Execution & Clearing**
  - **Issuer Services**
  - **Treasury Services**
- **Private Bank & BNY Asset Management**

# Enhancing Our Revenue Composition

	Revenues		Operating Income	
	2005	Pro Forma	2005	Pro Forma
<b>Institutional Services</b>	<b>78%</b>	<b>91%</b>	<b>77%</b>	<b>92%</b>
-Investor & Broker-Dealer Services	36%	36%	31%	31%
-Execution & Clearing	22%	22%	16%	16%
-Issuer Services	14%	26%	22%	36%
-Treasury Services	6%	7%	8%	9%
<b>Private Bank/Asset Mgmt</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>	<b>8%</b>
<b>Retail/Middle Market</b>	<b>13%</b>	<b>0%</b>	<b>15%</b>	<b>0%</b>
<b>Corporate &amp; Other</b>	<b>1%</b>	<b>1%</b>		

**Reallocating capital to a core business with higher margins  
and stronger growth prospects**

# What Differentiates The Bank of New York

---

- **Broadest array of products and services to meet the needs of our clients**
- **Proven ability to generate new products and serve new markets**
- **Proactive and consistent expense management**
- **Market leadership in all key servicing businesses**

# Market Leadership in Securities Servicing

<b>Category</b>	<b>Measure</b>	<b>Rank</b>
<b>Depository Receipts</b>	<b>Total programs</b>	<b>1</b>
<b>Corporate Trust</b>	<b>U.S. &amp; intl. debt issuance</b>	<b>1</b>
<b>Correspondent Clearing</b>	<b>IBD relationships</b>	<b>1</b>
<b>Global Clearance</b>	<b>Average U.S. govt. volume</b>	<b>1</b>
<b>Collateral Management</b>	<b>Average U.S. volume</b>	<b>1</b>
<b>Global Custody &amp; Fund Services</b>	<b>Assets under custody</b>	<b>2</b>
<b>Securities Lending</b>	<b>Loans outstanding</b>	<b>2</b>
<b>Exchange Traded Funds</b>	<b>Number of funds</b>	<b>2</b>

# **Attractive Long-Term Trends Support Growth**

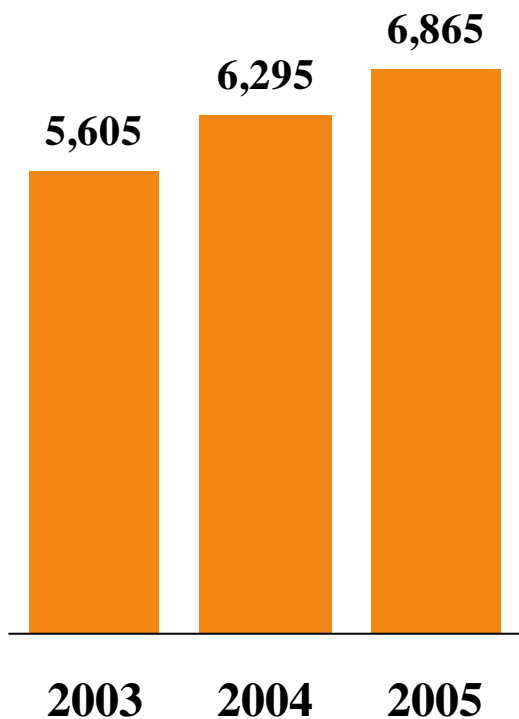
---

- **Growth of worldwide financial assets**
- **Globalization of investment activity**
- **Evolving market structures**
- **Continuing industry consolidation**
- **Attractive international growth prospects**

# Delivering Solid Financial Performance

## Total Revenue *\$ in Millions*

11% CAGR



## EPS *Normalized*

10% CAGR



## ROE



Note – 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

# 2005 Financial Highlights

---

- **Net income was \$1,571 million vs. \$1,440 million in 2004, an increase of 9%**
- **Securities servicing fees up 10% to \$3.1 billion, reflecting solid growth across all business lines**
  - **Investor Services up 15%**
  - **Broker-Dealer Services up 11%**
  - **Issuer Services up 10%**
  - **Execution & Clearing up 7%**

# 2005 Financial Highlights

---

- **Private client services and asset management fees up 9%**
- **Foreign exchange and other trading revenues up 7%**
- **Maintained strong credit ratings of AA- / Aa2**
- **Increased the dividend by 5% to a record \$0.84 per share**

# **Successfully Executed On Key Growth Opportunities**

---

- **Expanded our presence in key international growth markets**
- **Continued the build-out of our asset management capabilities**
  - **Expanded alternative investment offering**
- **Increased hedge fund assets under administration by 44%**
- **Two of the 10 largest DR programs switched to The Bank of New York – we now sponsor 7 of the 10 largest programs**
- **Reached \$1 trillion in tri-party collateral management balances**

# Our Priorities

---

- **Creating our own top-line growth**
  - Accelerating our international expansion
  - Capitalizing on organic growth opportunities
  - Leveraging the value of our technology
- **Delivering and widening positive operating leverage**
- **Enhancing service delivery**
- **Prudent capital management**

# Creating Growth through International Partnerships

---

- **Formed partnerships with leading local providers in key European growth markets**
  - **Natexis (France)**
  - **BHF-BANK (Germany)**
  - **Nordea (Nordic and Baltic region)**
- **In Asia, established partnerships with leading institutions to increase marketing reach**
  - **Mizuho Trust & Banking Co., Ltd and Mizuho Bank, Ltd. (Japan) – asset management and securities servicing**
  - **Trust Company of Australia – corporate trust**
  - **IL&FS (India) – corporate trust**

# Creating Organic Growth

---

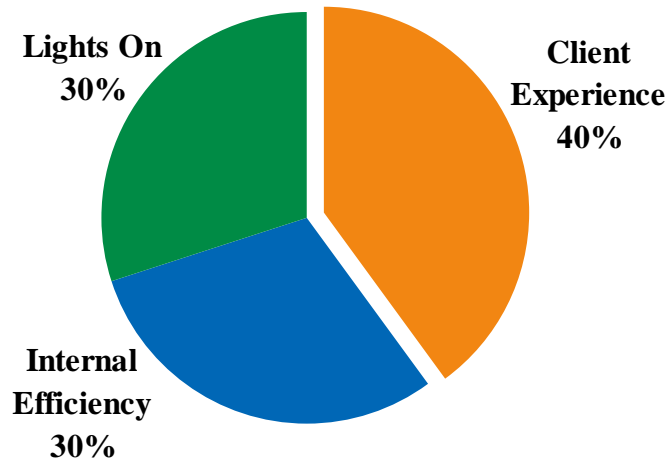
## Maximizing the value of our uniquely broad institutional offering

- **Marketing value-added services to Investor Services client base**
  - **Securities lending**
  - **Foreign exchange**
- **Cross-selling asset management to institutional clients**
  - **Alcentra Group Limited – structured credit**
  - **Urdang Capital Management – real estate**
- **Deepening our relationships with plan sponsors**
  - **Transition management**
  - **Risk services**
  - **Commission recapture**

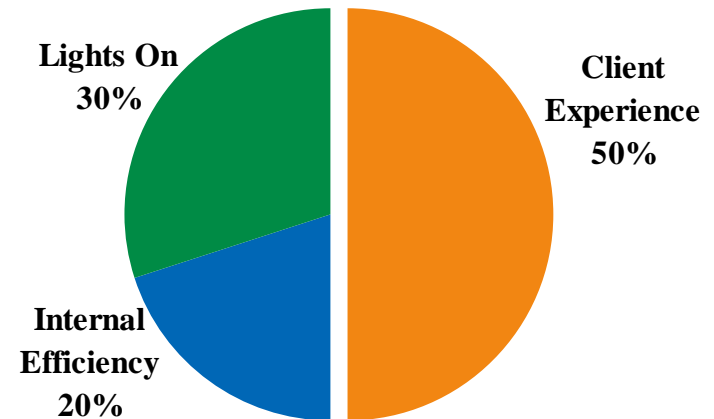
# Leveraging the Value of Our Technology

- Increasing the focus on product innovation and enhancing the client experience
- Contributing to positive operating leverage

Historical Mix



Future Mix



**Technology investments are integral to achieving our growth targets**

# **Delivering and Widening Positive Leverage**

---

## **Managing our cost base lower**

- **Reengineering initiatives**
- **Moving staff to lower-cost locations**
- **Rationalizing acquired infrastructure**

# Enhancing Service Delivery

---

- Service quality is key to winning new business
- Ongoing quality initiatives

<b>Key programs</b>	
<b>CLIENTfirst</b>	<b>Team-based approach to identifying and addressing client needs</b>
<b>Six Sigma</b>	<b>Improving processes directly related to client satisfaction</b>

**Success reflected in good top-line momentum and numerous service quality awards**

# Awards & Recognitions

---

- **European Cash Management Provider of the Year**  
*International Custody & Fund Administration 2005*
- **Best Custody Bank**  
*Global Finance 2005*
- **Custodian of the Year**  
*Professional Pensions 2005*
- **Top-Rated Custodian Overall**  
*Global Custodian Global Custody Survey 2005*
- **#1 in Depositary Receipts**  
*by every market metric*
- **Best Foreign Exchange Service Provider Overall**  
*Global Investor 2005*
- **Computerworld Premier 100 IT Leaders List**  
*IDG 2005*
- **Bold 100 Technology Organization**  
*CIO Magazine 2005*
- **Best U.S. Transfer Agent**  
*Group Five, Inc. 2005*
- **#1 in Securities Lending Overall –**  
*International Securities Finance/Global Investor 2005*
- **#1 Securities Lending Agent**  
*Global Custodian 2005*
- **Separately Managed Account Player of the Year Award**  
*Fund Marketing Alert 2005*
- **Seven Best-in-Class Rankings**  
*PLANSPONSOR 2005 Transition Management Survey*
- **#1 Provider of Tri-Party Services**  
*International Securities Finance 2005*
- **Best Trade Services Provider**  
*Trade Finance 2005*
- **#1 Overall U.S. Trustee in 2005**  
*Thomson Financial, by number of issues*
- **#1 Overall Global Trustee in 2005**  
*Thomson Financial, by number of issues*

# Voted Number One In Our Class



## FINANCIAL INDUSTRY

### Superregional Banks

1	Bank of New York	7.35
2	• M&T Bank Corp.	6.63
3	4 State Street	6.35
4	5 BB&T Corp.	6.25
5	10 PNC Financial Svcs. Grp.	5.91

- Based on eight areas of leadership
  - Innovation
  - People management
  - Financial soundness
  - Quality of management
  - Use of corporate assets
  - Social responsibility
  - Long-term investment
  - Quality of products/services

# Prudent Capital Management

---

- **Capital ratios remain strong**
- **Uses have been consistent:**
  - **Dividends**
  - **Share repurchases**
  - **Acquisitions**
- **Continuing to invest in faster-growing core activities**
  - **European investor services**
  - **Further asset management product add-ons**
  - **Corporate trust consolidation/global expansion**

# Investment Thesis

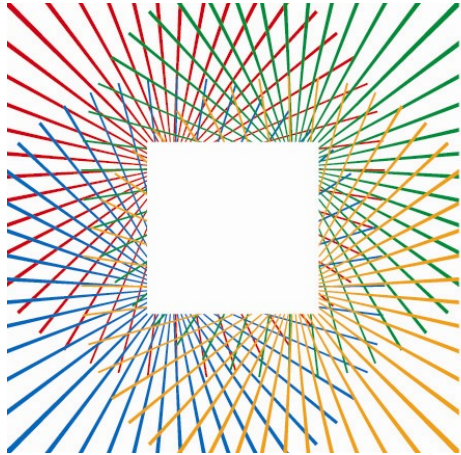
---

- **Leading position in high-growth businesses**
- **Underlying global secular trends remain favorable**
- **Successfully executing on growth strategies**
- **Earnings potential of our franchise becoming steadily more apparent**

**Creating Our Own Growth**

**Generating Positive Operating Leverage**

**Delivering More to Our Shareholders**



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