



MEDIA:

Ken Herz
(412) 234-0850
Ron Sommer
(412) 236-0082

ANALYSTS:

Steve Lackey
(412) 234-5601
Andy Clark
(412) 234-4633

Corporate Affairs
One Mellon Center
Pittsburgh, PA 15258-0001

FOR IMMEDIATE RELEASE

MELLON REPORTS FIRST QUARTER CONTINUING EPS OF \$.58, up 23%
— *Fee Revenue increased 14%, Strong positive operating leverage,*
Assets Under Management increased 28%, exceeding \$1 trillion —

PITTSBURGH, April 17, 2007 — Mellon Financial Corporation (NYSE:MEL) today reported income from continuing operations of \$243 million, or 58 cents per share, in the first quarter of 2007. This compares to income from continuing operations of \$193 million, or 47 cents per share, in the first quarter of 2006, and \$298 million, or 72 cents per share, in the fourth quarter of 2006.

Results for the first quarter of 2007 included \$8 million in merger-related expenses in connection with the proposed merger with The Bank of New York Company, Inc. (BNY), and a \$12 million litigation reserve charge, together totaling approximately 3 cents per share. Results for the first quarter of 2006 included \$19 million in charges associated with amounts payable to Mellon's former chairman and chief executive officer, approximately 3 cents per share. Excluding both of these amounts, earnings per share from continuing operations in the first quarter of 2007 increased 22% compared to the first quarter of 2006.

"We were pleased with our performance during the first quarter of 2007, reflecting our focus on achieving superior growth as outlined in our 2006 goals: 13% total revenue growth combined with over 300 basis points of positive operating leverage, resulted in over 20% earnings per share growth compared to the first quarter of 2006. Our global focus continued to increase the proportion of revenue and pre-tax income generated outside the U.S. In addition, we have made significant progress in planning at all levels associated with the proposed merger with The Bank of New York. We plan to hold a special shareholder meeting to approve the merger on May 24, 2007, and continue to work towards a closing early in the third quarter," said Robert P. Kelly, chairman, president and chief executive officer of Mellon Financial Corporation.

Net income totaled \$252 million, or 60 cents per share, in the first quarter of 2007, and included a net after-tax gain of \$9 million from discontinued operations due primarily to a gain on the sale of our insurance premium financing company, AFCO, and its Canadian affiliate, CAFO. Net income totaled \$207 million, or 50 cents per share, in the first quarter of 2006, and \$237 million, or 57 cents per share, in the fourth quarter of 2006.

First Quarter Highlights of Continuing Operations (comparisons are with the first quarter of 2006, unless noted otherwise).

- **Total noninterest revenue** increased \$160 million, or 14%, and represented 91% of total revenue.
- **Assets under management** increased 28% to a record level of \$1.034 trillion at March 31, 2007. **Assets under custody or administration** increased 17% to a record level of \$4.811 trillion at March 31, 2007. Assets under management increased 4% (unannualized) and assets under custody or administration increased 7% (unannualized) compared to Dec. 31, 2006.
- **Asset and wealth management fees** increased 31% to \$609 million, a record quarterly level, and increased 2% (unannualized) sequentially. The increases reflect strong net asset flows, improved equity markets and the acquisition of Walter Scott & Partners, as well as a higher yield on average assets under management. Excluding the impact of acquisitions, asset and wealth management fees increased 22%.

- **Performance fees** totaled \$35 million compared to \$58 million in the first quarter of 2006.
- **Asset servicing fees**, including securities lending revenue, increased 12% to \$252 million. The increase reflects the impact of net new business, as well as higher earnings from the ABN AMRO Mellon and CIBC Mellon joint ventures.
- **Net interest revenue (FTE)** totaled \$129 million, an increase of 4%, or \$5 million.
- **Total revenue** amounted to \$1.405 billion (non-FTE), an increase of 13%, or \$166 million.
- **Total noninterest expense** was \$1.048 billion, an increase of 10%, or \$94 million. A slower growth rate in noninterest expense reflects actions implemented in the fourth quarter of 2006 to reduce the growth rate in compensation and non-staff expenses. The expense growth was principally in support of new business, the acquisition of Walter Scott & Partners and merit increases.
- **Pre-tax margin (FTE)** of 26% compared to 24% in the first quarter of 2006. Excluding the impact of the first quarter 2007 charges noted in the second paragraph of this release, the pre-tax (FTE) margin was 27%. Excluding the impact of the charges in the first quarter of 2006 associated with the amounts payable to Mellon's former chairman and chief executive officer, the pre-tax margin (FTE) in that period was 25%.
- The **tax rate** was 31.2% compared with 32.2% in the first quarter of 2006. It is currently anticipated that the tax rate for the second quarter of 2007 will be approximately 32.5%.
- **Return on common shareholders' equity** was 20.8% for the first quarter of 2007.
- The **tangible shareholders' equity ratio** was 5.38% at March 31, 2007 compared to 4.74% at Dec. 31, 2006.
- We **repurchased** 2.6 million shares of common stock during the first quarter and in connection with benefit plans **issued** 3.7 million shares of common stock.

Also, Mellon declared its quarterly common stock dividend of 22 cents per share. This cash dividend is payable on May 15, 2007, to shareholders of record at the close of business on April 30, 2007.

Merger Agreement with BNY

On Dec. 3, 2006, Mellon and BNY entered into an Agreement and Plan of Merger, under which Mellon and BNY will each merge with and into a newly formed corporation called The Bank of New York Mellon Corporation. It is anticipated that the merger will close early in the third quarter of 2007. Further discussion of the merger agreement is provided on page 10 of this release.

As part of the planning process for the integration of the two companies after the closing date of the proposed merger, we have realigned our business sectors, creating the new Issuer Services and Treasury Services sectors and eliminating the Payment Solutions & Investor Services (PS&IS) sector. The Issuer Services sector consists of Mellon Investor Services (stock transfer business), which was previously included in the PS&IS sector. The Treasury Services sector consists of Working Capital Solutions (global cash management) and Mellon Financial Markets (capital markets business), both previously included in the PS&IS sector, as well as Mellon Institutional Banking (large corporate banking), previously included in the Other sector. All prior periods have been reclassified. This realignment, which did not affect the operation of these business lines, did not impact Mellon Asset Management, renamed Asset Management; or Private Wealth Management, renamed Wealth Management; or the Asset Servicing sector.

In addition, several new line items have been created on the income statement and balance sheet:

Income statement:

- Securities servicing fees - Asset servicing - formerly Institutional trust and custody revenue.
- Securities servicing fees - Issuer services - formerly included in PS&IS revenue.
- Global payment services - working capital solutions revenue formerly included in PS&IS revenue.
- Foreign exchange and other trading activities - includes earnings on seed capital investments and other trading activities formerly included in Other revenue.
- Asset/investment income - includes equity investment income and other amounts formerly included in Financing-related/equity investment revenue.
- Financing-related fees - includes certain fees formerly included in PS&IS revenue.
- Software expense - formerly included in Equipment; Professional, legal and other purchased services; and Other expense.
- Sub-custodian expenses - formerly included in Professional, legal and other purchased services.
- Communications expense - formerly included telecommunication, postage and delivery expense. Now only represents telecommunication expense.

Balance sheet:

- Trading assets - Includes trading assets, as well as receivables due from counterparties with master netting agreements ("FIN 39 assets"), formerly included in Other assets.
- Federal Reserve Stock - formerly included in Investment securities. Now recorded in Other assets. Related earnings formerly included in Net interest revenue are now included in Other noninterest revenue.
- Other assets- now includes capitalized computer software formerly included in Premises and equipment.
- Other liabilities - formerly included Accrued taxes and other expenses.
- Junior subordinated deferrable interest debentures are now included in Long-term debt.
- Trading account liabilities were formerly included in Other liabilities and are now included in Short-term borrowings.

All prior periods have been reclassified. The reclassifications did not affect the results of operations.

* * * * *

Mellon Financial Corporation is a global financial services company. Headquartered in Pittsburgh, Mellon is one of the world's leading providers of financial services for institutions, corporations and high net worth individuals, providing asset management, wealth management, asset servicing, issuer services and treasury services. Mellon has approximately \$5.8 trillion in assets under management, administration or custody, including \$1.034 trillion under management. News and other information about Mellon is available at www.mellon.com.

Conference Call and Supplemental Data

Robert P. Kelly, chairman, president and chief executive officer; Steven G. Elliott, senior vice chairman; and Michael A. Bryson, chief financial officer, along with other members of executive management, will host a conference call and simultaneous live audio webcast at 8 a.m. EDT on Tuesday, April 17, 2007. This conference call and audio webcast will include forward-looking information and may include other material information. Persons wishing to access the conference call and audio webcast may do so by dialing (888) 466-9857 (U.S.) and (847) 619-6150 (international), or by logging on to www.mellon.com. The earnings release, together with the quarterly earnings summary, will be available at www.mellon.com

Mellon Reports Earnings

April 17, 2007

Page 4 of 10

beginning at approximately 6:30 a.m. EDT on April 17. Replays of the conference call and audio webcast will be available beginning April 17 at approximately 5 p.m. EDT by dialing (800) 222-9743 (U.S.) or (630) 652-3118 (international). The archived version of the conference call and audio webcast will also be available at www.mellon.com.

Note: Access to the Quarterly Earnings Summary including supplemental financial trends is available via www.mellon.com/investorrelations/financialreports/financialtrends. The Quarterly Earnings Summary and supplemental financial trends have been updated through March 31, 2007.

This earnings release contains statements relating to future results of Mellon Financial Corporation that are considered “forward-looking statements.” These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to, among other things, future financial goals; statements with respect to the proposed merger with The Bank of New York, including the expected date for the special meeting to vote on the merger and the expected closing date of the merger with The Bank of New York, expectations with respect to operations after the merger; the expected tax provisioning rate for the second quarter of 2007; and intentions with respect to junior subordinated debentures and expected reduced funding costs. These forward-looking statements and other forward-looking statements contained in other public disclosures of the Corporation, which make reference to the cautionary factors contained in this earnings release, are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond the Corporation’s control). Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties, including, but not limited to, the businesses of the Corporation and The Bank of New York may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected; the combined company may not realize, to the extent or at the time we expect, revenue synergies and cost savings from the transaction; revenues following the transaction may be lower than expected as a result of losses of customers or other reasons; deposit attrition, operating costs, customer loss and business disruption following the transaction, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; governmental or shareholder approvals of the transaction may not be obtained on the proposed terms or expected timeframe or at all; changes in political and economic conditions; equity, fixed-income and foreign exchange market fluctuations; geographic sources of income and levels of tax-free income, as well as other risks and uncertainties detailed elsewhere in this earnings release and in the Corporation’s Annual Report on Form 10-K for the year ended Dec. 31, 2006 and in subsequent reports filed by the Corporation with the SEC pursuant to the Securities Exchange Act of 1934, as amended. All statements in this earnings release speak only as of April 17, 2007, and the Corporation undertakes no obligation to update any statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

ADDITIONAL INFORMATION

*The proposed transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation will be submitted to The Bank of New York Company, Inc.’s and Mellon Financial Corporation’s shareholders for their consideration. In connection with the proposed transaction, The Bank of New York Mellon Corporation (“Newco”) filed with the SEC a registration statement on Form S-4 containing a preliminary joint proxy statement/prospectus for the shareholders of The Bank of New York Company, Inc. and Mellon, and each of The Bank of New York Company, Inc. and Mellon Financial Corporation will be filing other documents regarding the proposed transaction with the SEC as well. **Before making any voting or investment decision, shareholders are urged to read the preliminary joint proxy statement/prospectus regarding the proposed transaction and the definitive joint proxy statement/prospectus when it becomes available, as well as the other documents referred to in the joint proxy statement/prospectus carefully in their entirety because they contain, or will contain, important information about the proposed transaction.** The definitive joint proxy statement/prospectus will be mailed to the shareholders of The Bank of New York Company, Inc. and Mellon Financial Corporation. Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about The Bank of New York Company, Inc. and Mellon Financial Corporation, without charge, at the SEC’s Internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and other SEC filings that will be incorporated by reference in the joint proxy statement/prospectus will also be available, without charge, from Mellon Financial Corporation, Secretary of Mellon Financial Corporation, One Mellon Center, Pittsburgh, Pennsylvania 15258-0001 (800-205-7699), or from The Bank of New York Company, Inc., Investor Relations, One Wall Street, 31st Floor, New York, New York 10286 (212-635-1578).*

The respective directors and executive officers of The Bank of New York Company, Inc. and Mellon Financial Corporation and other persons may be deemed to be participants in the solicitation of proxies from the shareholders of Mellon Financial Corporation and/or The Bank of New York Company, Inc. in respect of the proposed transaction. Information about the directors and executive officers of Mellon Financial Corporation is set forth in the proxy statement for Mellon Financial Corporation’s 2007 annual meeting of shareholders, as filed with the SEC on March 19, 2007. Information about the directors and executive officers of The Bank of New York Company, Inc. is set forth in the proxy statement for The Bank of New York Company, Inc.’s 2007 annual meeting of shareholders, as filed with the SEC on March 14, 2007. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the preliminary joint proxy statement/prospectus filed with the SEC and will be contained in the joint proxy statement/prospectus when it becomes available.

FINANCIAL HIGHLIGHTS
Mellon Financial Corporation

<i>(dollar amounts in millions, except per share amounts and unless otherwise noted; common shares in thousands)</i>	Quarter ended		
	March 31, 2007	Dec. 31, 2006	March 31, 2006
Continuing Operations:			
Noninterest revenue	\$ 1,280	\$ 1,413	\$1,120
Net interest revenue	<u>125</u>	<u>109</u>	<u>119</u>
Total revenue	\$ 1,405	\$ 1,522	\$1,239
Return on equity	20.8%	25.3%	18.8%
Noninterest revenue as a percentage of total revenue (FTE)	91%	93%	90%
Annualized noninterest revenue per employee <i>(in thousands)</i> (based on average headcount)	\$ 305	\$ 333	\$ 273
Percent of revenue (FTE) - non-U.S.	25%	23%	19%
Percent of pre-tax income (FTE) - non-U.S. (non-GAAP adjusted)	22%	22%	15%
Pre-tax operating margin (FTE)	26%	22%	24%
Net interest margin (FTE) (a)	1.78%	1.55%	1.92%
Selected average balances (a):			
Interest-earning assets (b)	\$29,295	\$28,873	\$26,222
Total assets (b)	\$41,141	\$41,472	\$37,687
Interest-bearing deposits	\$17,571	\$19,144	\$15,295
Noninterest-bearing deposits	\$ 8,397	\$ 7,407	\$ 8,274
Shareholders' equity (b)	\$ 4,811	\$ 4,745	\$ 4,269
Average common shares and equivalents outstanding:			
Basic	412,357	410,901	409,555
Diluted	418,599	416,687	414,248
Period-end data			
Assets under management <i>(in billions)</i>	\$ 1,034	\$ 995	\$ 808
Net inflows (for the quarter) <i>(in billions)</i>	\$ 27	\$ 14	\$ 9
Assets under custody or administration <i>(in billions)</i>	\$ 4,811	\$ 4,491	\$ 4,125
Employees	17,100	16,800	16,600
Total shareholders' equity to assets ratio (c)	12.10%	11.27%	11.07%
Tangible shareholders' equity to assets ratio (c)	5.38%	4.74%	5.26%
Tier I capital ratio (c)	12.9% (d)	12.14%	11.22%
Total (Tier I plus Tier II) capital ratio (c)	18.9% (d)	18.54%	17.36%
Leverage capital ratio (c)	9.6% (d)	9.06%	8.58%
Book value per common share	\$ 11.76	\$ 11.26	\$ 10.15
Tangible book value per common share	\$ 4.86	\$ 4.41	\$ 4.53
Dividends per share	\$.22	\$.22	\$.20
Dividend yield	2.0%	2.1%	2.2%
Closing common stock price per share	\$ 43.14	\$ 42.15	\$ 35.60
Market capitalization	\$17,961	\$17,502	\$14,723

(a) Prior periods calculated on a continuing operations basis even though the balance sheet, in accordance with GAAP, is not restated for discontinued operations.

(b) Excludes adjustments for fair value required by SFAS No. 115.

(c) Includes discontinued operations.

(d) Preliminary.

Note: Throughout this earnings release, all information is reported on a continuing operations basis unless otherwise noted, and all calculations are based on unrounded numbers. Quarterly returns are annualized. Certain amounts are presented on a fully taxable equivalent (FTE) basis. We believe that this presentation provides comparability of amounts arising from both taxable and tax-exempt sources, and is consistent with industry practice. The adjustment to an FTE basis has no impact on net income.

CONDENSED CONSOLIDATED INCOME STATEMENT
Mellon Financial Corporation

<i>(in millions, except per share amounts)</i>	Quarter ended		
	March 31, 2007	Dec. 31, 2006	March 31, 2006
<u>Noninterest revenue</u>			
Asset and wealth management fees	\$ 609	\$ 599	\$ 464
Performance fees	35	196	58
Distribution and servicing	123	102	98
Securities servicing fees			
Asset servicing	252	244	224
Issuer services	<u>52</u>	<u>45</u>	<u>48</u>
Total securities servicing fees	304	289	272
Global payment services	66	67	70
Foreign exchange and other trading activities	60	75	71
Asset/investment income	23	23	21
Financing-related fees	11	10	15
Securities gains	-	-	-
Other	<u>49</u>	<u>52</u>	<u>51</u>
Total noninterest revenue	1,280	1,413	1,120
<u>Net interest revenue</u>			
Interest revenue	400	393	316
Interest expense	<u>275</u>	<u>284</u>	<u>197</u>
Net interest revenue	125	109	119
Provision for credit losses	<u>3</u>	<u>5</u>	<u>1</u>
Net interest revenue after provision for credit losses	122	104	118
<u>Noninterest expense</u>			
Staff	540	635	514
Distribution and servicing	142	140	115
Professional, legal and other purchased services	120	134	104
Net occupancy	56	68	59
Business development	28	36	25
Furniture and equipment	28	31	25
Software	18	20	20
Sub-custodian expenses	17	14	13
Communications	6	8	9
Amortization of intangible assets	12	23	7
Other	<u>81</u>	<u>83</u>	<u>63</u>
Total noninterest expense	1,048	1,192	954
<u>Income</u>			
Income from continuing operations before income taxes	354	325	284
Provision for income taxes	<u>111</u>	<u>27</u>	<u>91</u>
Income from continuing operations	243	298	193
Discontinued operations:			
Income from operations after-tax	-	4	9
Net gain (loss) on disposals after-tax	<u>9</u>	<u>(65)</u>	<u>5</u>
Income (loss) from discontinued operations, net of tax expense (benefit) of \$2, \$(44) and \$-	<u>9</u>	<u>(61)</u>	<u>14</u>
Net income	<u>\$ 252</u>	<u>\$ 237</u>	<u>\$ 207</u>
<u>Earnings per share</u>			
<i>Basic:</i>			
Income from continuing operations	\$.59	\$.73	\$.47
Net income	\$.61	\$.58	\$.51
<i>Diluted:</i>			
Income from continuing operations	\$.58	\$.72	\$.47
Net income	\$.60	\$.57	\$.50

CONDENSED CONSOLIDATED BALANCE SHEET
Mellon Financial Corporation

<i>(dollar amounts in millions)</i>	March 31, 2007	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006
<u>Assets</u>					
Cash and due from banks	\$ 2,205	\$ 2,854	\$ 2,670	\$ 2,359	\$ 2,239
Money market investments	3,151	3,542	5,415	3,409	2,026
Trading assets	1,114	1,116	964	1,120	924
Securities available for sale	18,845	18,573	18,469	18,179	18,170
Investment securities (approximate fair value of \$90, \$95, \$99, \$106, and \$113)	88	94	97	104	111
Loans	6,123	5,989	5,971	6,872	6,499
Reserve for loan losses	(52)	(56)	(55)	(58)	(60)
Net loans	6,071	5,933	5,916	6,814	6,439
Premises and equipment	552	560	591	592	565
Goodwill	2,499	2,464	2,201	2,212	2,180
Intangible assets	373	383	137	139	145
Other assets	4,946	5,025	5,299	5,264	5,122
Assets of discontinued operations	613	934	907	-	-
Total assets	<u>\$40,457</u>	<u>\$41,478</u>	<u>\$42,666</u>	<u>\$40,192</u>	<u>\$37,921</u>
<u>Liabilities</u>					
Deposits	\$25,398	\$27,331	\$28,976	\$26,543	\$23,091
Short-term borrowings	2,073	1,691	1,550	2,149	3,485
Other liabilities	759	758	756	979	854
Accrued taxes and other expenses	1,706	1,937	1,842	1,691	1,689
Long-term debt	5,062	5,053	5,016	4,589	4,604
Liabilities of discontinued operations	565	32	31	-	-
Total liabilities	<u>35,563</u>	<u>36,802</u>	<u>38,171</u>	<u>35,951</u>	<u>33,723</u>
<u>Shareholders' equity</u>					
Common stock - \$.50 par value					
Authorized - 800,000,000 shares,					
Issued - 588,661,920 shares	294	294	294	294	294
Additional paid-in capital	1,995	1,983	1,970	1,953	1,951
Retained earnings	7,511	7,369	7,217	7,095	6,967
Accumulated other comprehensive income (loss), net of tax	(104)	(146)	(44)	(145)	(135)
Treasury stock of 172,329,536; 173,425,195; 176,799,701; 177,223,361; and 175,106,826 shares, at cost	(4,802)	(4,824)	(4,942)	(4,956)	(4,879)
Total shareholders' equity	<u>4,894</u>	<u>4,676</u>	<u>4,495</u>	<u>4,241</u>	<u>4,198</u>
Total liabilities and shareholders' equity	<u>\$40,457</u>	<u>\$41,478</u>	<u>\$42,666</u>	<u>\$40,192</u>	<u>\$37,921</u>

Business Sectors

See page 2 for a discussion of the realignment of our business sectors. Prior periods have been reclassified. Asset Management, a multi-boutique asset manager, offers a broad range of investment products primarily to institutional investors as well as individual mutual fund investors. Wealth Management provides investment management, wealth management and comprehensive financial management services to the high net worth market. Asset Servicing provides institutional trust and custody, securities lending, investment management backoffice outsourcing, performance measurement, benefits disbursements, transition management, fund administration, Web-based investment management software and foreign exchange and derivative products to corporate and public retirement funds, foundations and endowments and global financial institutions. Issuer Services provides shareholder services to corporations and institutions previously included in the PS&IS sector. Treasury services provides working capital solutions, which was previously included in the PS&IS sector, and institutional banking previously included in the Other sector. The Other sector includes business exits activity, Corporate Treasury activities and certain corporate revenues and expenses.

Quarterly data (dollar amounts in millions, presented on an FTE basis)	Asset Management			Wealth Management			Asset Servicing		
	1Q07	4Q06	1Q06	1Q07	4Q06	1Q06	1Q07	4Q06	1Q06
Total revenue	\$ 685	\$ 820	\$ 554	\$ 181	\$ 183	\$ 172	\$ 341	\$ 335	\$ 313
Noninterest expense	477	545	395	110	112	103	264	292	245
Income from continuing operations before taxes (FTE)	\$ 208	\$ 275	\$ 159	\$ 71	\$ 71	\$ 69	\$ 77	\$ 43	\$ 68
Average assets	\$3,285	\$3,096	\$1,990	\$11,008	\$10,760	\$10,279	\$ 9,641	\$10,523	\$8,376
Average common equity	\$1,449	\$ 997	\$ 997	\$ 566	\$ 553	\$ 553	\$ 593	\$ 551	\$ 551
Average economic capital (a)	\$1,977	\$1,396	\$1,396	\$ 735	\$ 737	\$ 737	\$ 707	\$ 683	\$ 683
Return on common equity (annualized)	39%	74%	44%	34%	35%	34%	36%	21%	34%
Pre-tax operating margin	30%	34%	29%	39%	39%	40%	23%	13%	22%

Quarterly data (dollar amounts in millions, presented on an FTE basis)	Issuer Services			Treasury Services		
	1Q07	4Q06	1Q06	1Q07	4Q06	1Q06
Total revenue	\$ 78	\$ 69	\$ 67	\$ 107	\$ 102	\$ 102
Noninterest expense	62	63	57	79	78	73
Income from continuing operations before taxes (FTE)	\$ 16	\$ 6	\$ 10	\$ 28	\$ 24	\$ 29
Average assets	\$2,148	\$1,974	\$1,884	\$5,952	\$5,628	\$5,667
Average common equity	\$ 155	\$ 149	\$ 149	\$ 350	\$ 342	\$ 342
Average economic capital (a)	\$ 203	\$ 202	\$ 202	\$ 363	\$ 353	\$ 353
Return on common equity (annualized)	28%	11%	18%	22%	18%	23%
Pre-tax operating margin	20%	9%	15%	27%	23%	28%

Quarterly data (dollar amounts in millions, presented on an FTE basis)	Other			Total Consolidated		
	1Q07	4Q06	1Q06	1Q07	4Q06	1Q06
Total revenue	\$ 27	\$ 26	\$ 45	\$ 1,419	\$ 1,535	\$ 1,253
Credit quality expense	3	5	1	3	5	1
Noninterest expense	56	102	81	1,048	1,192	954
Income from continuing operations before taxes (FTE)	\$ (32)	\$ (81)	\$ (37)	\$ 368	\$ 338	\$ 298
Average assets (b)	\$8,350	\$8,061	\$7,911	\$41,042	\$41,362	\$37,515
Average common equity	\$1,633	\$2,081	\$1,565	\$ 4,746	\$ 4,673	\$ 4,157
Average economic capital (a)	\$2,173	\$2,705	\$1,808	\$ 6,158	\$ 6,076	\$ 5,179
Return on common equity (annualized)	N/M	N/M	N/M	21%	25%	19%
Pre-tax operating margin	N/M	N/M	N/M	26%	22%	24%

(a) Defined as the sum of average common equity and average Tier I preferred equity.

(b) Consolidated average assets include average assets of discontinued operations of \$658 million for the first quarter of 2007, \$1.320 billion for the fourth quarter of 2006 and \$1.408 billion for the first quarter of 2006.

N/M - Not meaningful.

Nonperforming Assets

Nonperforming assets totaled \$3 million at March 31, 2007, down from \$4 million at Dec. 31, 2006 and \$16 million at March 31, 2006. The decrease compared with March 31, 2006 was due to the payment of a regional airline lease receivable.

Provision and Reserve for Credit Exposure

The provision for credit losses totaled \$3 million in the first quarter of 2007, compared with \$1 million in the first quarter of 2006 and \$5 million in the fourth quarter of 2006. The reserve for loan losses was \$52 million at March 31, 2007, \$56 million at Dec. 31, 2006 and \$60 million at March 31, 2006. The reserve for unfunded commitments was \$91 million at March 31, 2007, \$84 million at Dec. 31, 2006 and \$82 million at March 31, 2006.

Discontinued Operations

We reported a net after-tax gain of \$9 million from discontinued operations in the first quarter of 2007.

In August 2006, we announced a definitive agreement to sell our insurance premium financing company, AFCO Credit Corporation, and its Canadian affiliate, CAFO Inc. The sale closed on Jan. 2, 2007, resulting in a \$13 million after-tax gain on sale in the first quarter of 2007.

In December 2006, Mellon sold its ownership interest in the direct and indirect portfolios of Mellon Ventures, our venture capital business. A substantial portion of the sale was completed in December with subsequent closings during the first quarter of 2007. An additional \$5 million after-tax loss on the sale of this business was recorded in the first quarter of 2007, primarily resulting from an adjustment to the carrying value of a receivable recorded as part of the settlement of the transaction.

Junior Subordinated Debentures

Based on current interest rate expectations and subject to our ability to issue replacement securities prior to the proposed merger with BNY, we intend to redeem our Series A and Series B junior subordinated debentures, each issued for a face value of \$515 million, in the second quarter of 2007. The securities are redeemable at 103.86% and 103.9975% of the liquidation amounts during the 12-month periods beginning Dec. 1, 2006 and Jan. 15, 2007, respectively. We expect to replace these securities in the second quarter with a combination of Tier I qualifying capital securities and senior debt securities that would reduce our future funding costs. Redemption of both securities would result in a total pre-tax charge to income of \$46 million for the redemption premiums and write-off of unamortized issuance costs. Junior subordinated debentures are included in long-term debt on our balance sheet.

Impact of Adoption of FIN No. 48 and FSP No. 13-2

Effective Jan. 1, 2007, we adopted FASB Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes" - an Interpretation of SFAS No. 109, "Accounting for Income Taxes." Also, in conjunction with the adoption of FIN 48, we adopted FASB Staff Position (FSP) 13-2, "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction." The combined impact of adopting FIN 48 and FSP 13-2 was a \$6 million direct reduction to the beginning balance of our retained earnings, reported as a change in accounting principle.

Merger Agreement with BNY

On Dec. 3, 2006, Mellon and BNY entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Mellon and BNY will each merge with and into a newly formed corporation called The Bank of New York Mellon Corporation. The parties amended and restated the Merger Agreement on Feb. 23, 2007 and again on March 30, 2007. The boards of directors of both companies have unanimously approved the Merger Agreement and have adopted a resolution recommending the adoption of the Merger Agreement by its respective shareholders. Each party has agreed to put these matters before their respective shareholders for consideration. Subject to satisfaction of various conditions of closing, the merger is currently expected to close early in the third quarter of 2007.

Mellon and BNY filed a joint proxy statement/prospectus with the SEC regarding the proposed merger in late February and filed amendments to the joint proxy statement/prospectus with the SEC in April. Mellon and BNY each anticipate holding separate special shareholder meetings on May 24, 2007 to approve the merger. April 12, 2007 is the record date for shareholders entitled to vote at the special shareholders meeting.

Mellon Financial Corporation
Quarterly Earnings Summary
April 17, 2007
Table of Contents

Revisions to Business Sectors and Income Statement / Balance Sheet Line Items	2
Cautionary Statement / Additional Information.....	3
First Quarter 2007 Financial Highlights (vs. first quarter 2006)	4
Financial Summary	5
Noninterest Revenue	6
Net Interest Revenue	7
Noninterest Expense	8
First Quarter 2007 Revenue (FTE) and Pre-tax Income (FTE) Mix / Assets Under Management Flows	9
Business Sectors / Asset Management.....	10
Wealth Management	11
Asset Servicing	12
Issuer Services	13
Treasury Services.....	14
Other Sector / Income Taxes / Discontinued Operations.....	15
Junior Subordinated Debentures / Impact of Adoption of FIN No. 48 and FSP No. 13-2 / Merger Agreement with The Bank of New York (BNY)	16
Appendix – Financial Trends.....	17

All narrative comparisons in this Quarterly Earnings Summary are with the first quarter of 2006 and all information is reported on a continuing operations basis, unless otherwise noted. See page 2 for a discussion of revisions to Business Sectors and Income Statement / Balance Sheet line items.

Throughout this Quarterly Earnings Summary, certain measures, which are noted, exclude certain items. We believe these measures are useful to the investment community in analyzing the financial results and trends of ongoing operations. We believe they facilitate comparisons with prior periods and reflect the principal basis on which our management monitors financial performance.

REVISIONS TO BUSINESS SECTORS AND INCOME STATEMENT / BALANCE SHEET LINE ITEMS

As part of the planning process for the integration of Mellon and The Bank of New York after the closing of the proposed merger, during the first quarter of 2007:

- We realigned our business sectors creating the new Issuer Services and Treasury Services sectors and eliminating the Payment Solutions & Investor Services (PS&IS) sector. The Issuer Services sector consists of Mellon Investor Services (stock transfer business), which was previously included in the PS&IS sector. The Treasury Services sector consists of Working Capital Solutions (global cash management) and Mellon Financial Markets (capital markets business), both previously included in the PS&IS sector, as well as Mellon Institutional Banking (large corporate banking), which was previously included in the Other sector. All prior periods have been reclassified for these changes. In addition, we renamed the Mellon Asset Management sector to Asset Management and the Private Wealth Management sector to Wealth Management. There were no changes to the Asset Servicing sector. These changes did not affect the operation of these business lines.

In addition, several new line items have been created on the income statement and balance sheet:

Income statement:

- Securities servicing fees - Asset servicing - formerly Institutional trust and custody revenue.
- Securities servicing fees - Issuer services - formerly included in PS&IS revenue.
- Global payment services - working capital solutions revenue formerly included in PS&IS revenue.
- Foreign exchange and other trading activities - includes earnings on seed capital investments and other trading activities formerly included in Other revenue.
- Asset/investment income - includes equity investment income and other amounts formerly included in Financing-related/equity investment revenue.
- Financing-related fees - includes certain fees formerly included in PS&IS revenue.
- Software expense - formerly included in Equipment; Professional, legal and other purchased services; and Other expense.
- Sub-custodian expenses - formerly included in Professional, legal and other purchased services.
- Communications expense - formerly included telecommunication, postage and delivery expense. Now only represents telecommunication expense.

Balance sheet:

- Trading assets - Includes trading assets, as well as receivables due from counterparties with master netting agreements ("FIN 39 assets"), formerly included in Other assets.
- Federal Reserve Stock - formerly included in Investment securities. Now recorded in Other assets. Related earnings formerly included in Net interest revenue are now included in Other noninterest revenue.
- Other assets- now includes capitalized computer software formerly included in Premises and equipment.
- Other liabilities - formerly included Accrued taxes and other expenses.
- Junior subordinated deferrable interest debentures are now included in Long-term debt.
- Trading account liabilities were formerly included in Other liabilities and are now included in Short-term borrowings.

All prior periods have been reclassified. The reclassifications did not affect the results of operations.

CAUTIONARY STATEMENT

A number of statements (i) in this Quarterly Earnings Summary, (ii) in our presentations and (iii) in the responses to your questions are “forward-looking statements.” These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to, among other things, the Corporation’s future financial goals, including future revenue, expenses and earnings, seasonality factors, the use of excess capital, new business wins, lower levels of incentives associated with performance fees; pipelines for new business in Asset Management, Asset Servicing and Issuer Services; statements with respect to the proposed merger with The Bank of New York, including the expected date for the special meeting to vote on the merger and the expected closing date of the merger with The Bank of New York, expectations with respect to operations after the merger; the expected tax provisioning rate for the second quarter of 2007; and intentions with respect to junior subordinated debentures and expected reduced funding costs, as well as the Corporation’s overall plans, strategies, goals, objectives, expectations, estimates and intentions, and are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond the Corporation’s control). Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties, including, but not limited to, the businesses of the Corporation and The Bank of New York may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected; the combined company may not realize, to the extent or at the time we expect, revenue synergies and cost savings from the transaction; revenues following the transaction may be lower than expected as a result of losses of customers or other reasons; deposit attrition, operating costs, customer loss and business disruption following the transaction, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; governmental or shareholder approvals of the transaction may not be obtained on the proposed terms or expected timeframe or at all; changes in political and economic conditions; changes in the relevant benchmark to measure changes in investment management fees; equity, fixed-income and foreign exchange market fluctuations; changes in the mix of assets under management; changes in the mix of deposits; the effects of the adoption of new accounting standards; corporate and personal customers’ bankruptcies; operational risk; inflation; levels of tax-free income; technological change; success in the timely development of new products and services; competitive product and pricing pressures within the Corporation’s markets; consumer spending and savings habits; interest rate fluctuations; geographic sources of income; monetary fluctuations; acquisitions and integrations of acquired businesses; changes in law; changes in fiscal, monetary, regulatory, trade and tax policies and laws; success in gaining regulatory approvals when required; the effects of terrorist acts and the results of the war on terrorism; as well as other risks and uncertainties detailed from time to time in the filings of the Corporation with the SEC. Such forward-looking statements speak only as of April 17, 2007, and the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

ADDITIONAL INFORMATION

*The proposed transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation will be submitted to The Bank of New York Company, Inc.’s and Mellon Financial Corporation’s shareholders for their consideration. In connection with the proposed transaction, The Bank of New York Mellon Corporation (“Newco”) filed with the SEC a registration statement on Form S-4 containing a preliminary joint proxy statement/prospectus for the shareholders of The Bank of New York Company, Inc. and Mellon, and each of The Bank of New York Company, Inc. and Mellon Financial Corporation will be filing other documents regarding the proposed transaction with the SEC as well. **Before making any voting or investment decision, shareholders are urged to read the preliminary joint proxy statement/prospectus regarding the proposed transaction and the definitive joint proxy statement/prospectus when it becomes available, as well as the other documents referred to in the joint proxy statement/prospectus carefully in their entirety because they contain or will contain important information about the proposed transaction.** The definitive joint proxy statement/prospectus will be mailed to the shareholders of The Bank of New York Company, Inc. and Mellon Financial Corporation. Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about The Bank of New York Company, Inc. and Mellon Financial Corporation, without charge, at the SEC’s Internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and other SEC filings that will be incorporated by reference in the joint proxy statement/prospectus will also be available, without charge, from Mellon Financial Corporation, Secretary of Mellon Financial Corporation, One Mellon Center, Pittsburgh, Pennsylvania 15258-0001 (800-205-7699), or from The Bank of New York Company, Inc., Investor Relations, One Wall Street, 31st Floor, New York, New York 10286 (212-635-1578).*

The respective directors and executive officers of The Bank of New York Company, Inc. and Mellon Financial Corporation and other persons may be deemed to be participants in the solicitation of proxies from the shareholders of Mellon Financial Corporation and/or The Bank of New York Company, Inc. in respect of the proposed transaction. Information about the directors and executive officers of Mellon Financial Corporation is set forth in the proxy statement for Mellon Financial Corporation’s 2007 annual meeting of shareholders, as filed with the SEC on March 19, 2007. Information about the directors and executive officers of The Bank of New York Company, Inc. is set forth in the proxy statement for The Bank of New York Company, Inc.’s 2007 annual meeting of shareholders, as filed with the SEC on March 14, 2007. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the preliminary joint proxy statement/prospectus filed with the SEC and will be contained in the joint proxy statement/prospectus when it becomes available.

FIRST QUARTER 2007 FINANCIAL HIGHLIGHTS (vs. first quarter 2006)

	<u>Income after-tax from Continuing Operations</u>		<u>EPS from Continuing Operations</u>	
	<u>\$ millions</u>	<u>% growth</u>	<u>\$</u>	<u>% growth</u>
GAAP*	\$243	26%	\$.58	23%
Non-GAAP Adjusted	\$256	25%	\$.61	22%

<u>Business Sectors</u>	<u>% of Pre-tax Income</u>	<u>Growth</u>		<u>Commentary</u>
		<u>Revenue</u>	<u>Pre-tax</u>	
Asset Management	52%	23%	30%	Market/net flows/acquisitions/positive operating leverage
Wealth Management	18%	5%	2%	+8% Fee revenue growth/+2% net interest revenue/growth initiatives
Asset Servicing	19%	9%	14%	New business/JV growth/positive operating leverage
Issuer Services	4%	16%	56%	Higher ancillary fees/net interest revenue/positive operating leverage
Treasury Services	7%	5%	(1)%	Increased noninterest and net interest revenue
Total	100% **	13%	23% *	

- Assets under management exceeded \$1 trillion (record), up 28% versus a 10% increase in the S&P 500
 - Net inflows during the quarter totaled \$27 billion
- Record level of assets under custody/administration of \$4.8 trillion, increased 17%
- 340 bps of positive operating leverage
 - Total revenue +13.3%
 - Total noninterest expense +9.9%
- Pre-tax margin (FTE) was 26% (27% operating basis*), versus 24% (25% operating basis*) for 1Q06
- Approximately 25% of revenue and 22% of pre-tax income from outside the U.S. compared to 19% and 15% 1Q06*
- Tax rate was 31.2% compared to 32.2% for 1Q06; 2Q07 expected to be approximately 32.5%
- The tangible shareholders' equity ratio was 5.38% at March 31, 2007 vs. 4.25-5.25% target range
 - Repurchased 2.6 million shares during the first quarter of 2007, issued 3.7 million shares in connection with benefit plans

* 1Q07 continuing operations includes \$8 million pre-tax (\$5 million after-tax) of merger-related expenses and a \$12 million pre-tax (\$8 million after-tax) litigation reserve charge, together totaling approximately 3 cents per share. 1Q06 continuing operations includes \$19 million pre-tax (\$12 million after-tax), or 3 cents per share, in connection with payments, awards and benefits for Mellon's former chairman and chief executive officer, pursuant to his employment agreement. The pre-tax growth rate, pre-tax margin and percentage of pre-tax income from outside the U.S. have been adjusted for these items.

** Excludes the Other sector.

FINANCIAL SUMMARY
Mellon Financial Corporation
Continuing Operations

(dollar amounts in millions, non-FTE basis unless otherwise noted)	2006				2007	1Q07 vs. 1Q06
	1st Qtr (a)	2nd Qtr	3rd Qtr	4th Qtr (a)	1st Qtr (a)	
Noninterest revenue	\$ 1,120	\$ 1,158	\$ 1,164	\$ 1,413	\$ 1,280	14%
Net interest revenue	119	113	119	109	125	4
Total revenue	1,239	1,271	1,283	1,522	1,405	13
Provision for credit losses	1	(3)	(1)	5	3	N/M
Total noninterest expense	954	958	963	1,192	1,048	10
Income from continuing operations before income taxes	284	316	321	325	354	24
Provision for income taxes	91	93	103	27	111	N/M
Income from continuing operations	\$ 193	\$ 223	\$ 218	\$ 298	\$ 243	26
Return on equity (annualized)	19%	21%	20%	25%	21%	
Pre-tax operating margin (FTE)	24%	26%	26%	22%	26%	
Average common shares and equivalents outstanding:						
Basic	409,555	408,154	407,210	410,901	412,357	
Diluted	414,248	412,986	411,996	416,687	418,599	
EPS from continuing operations						
GAAP	\$.47	\$.54	\$.52	\$.72	\$.58	23%
Non-GAAP adjusted (a)	.50	.54	.52	.64	.61	22
Period-end data						
Employees	16,600	16,700	16,700	16,800	17,100	3%
Total shareholders' equity to assets ratio (b)	11.07%	10.55%	10.54%	11.27%	12.10%	
Tangible shareholders' equity to assets ratio (b)	5.26%	4.99%	5.35%	4.74%	5.38%	
Tier I capital ratio (b)	11.22%	10.85%	12.30%	12.14%	12.9% (c)	
Total (Tier I plus Tier II) capital ratio (b)	17.36%	16.77%	18.64%	18.54%	18.9% (c)	
Leverage capital ratio (b)	8.58%	8.34%	9.15%	9.06%	9.6% (c)	
Book value per common share	\$ 10.15	\$ 10.31	\$ 10.91	\$ 11.26	\$ 11.76	
Tangible book value per common share	\$ 4.53	\$ 4.59	\$ 5.24	\$ 4.41	\$ 4.86	
Dividends per share	\$.20	\$.22	\$.22	\$.22	\$.22	
Dividend yield	2.2%	2.6%	2.3%	2.1%	2.0%	
Closing common stock price per share	\$ 35.60	\$ 34.43	\$ 39.10	\$ 42.15	\$ 43.14	
Market capitalization	\$14,723	\$14,166	\$16,104	\$17,502	\$17,961	

(a) 1Q07 includes merger-related expenses of \$8 million and a \$12 million litigation reserve charge. 1Q06 includes the \$19 million charge recorded in connection with payments, awards and benefits for Mellon's former chairman and chief executive officer, pursuant to his employment agreement. 4Q06 continuing operations includes \$59 million of pre-tax expenses as follows: severance of \$26 million; impairment charges of \$16 million; merger-related expenses of \$11 million; and additional occupancy reserves of \$6 million, for a total of \$41 million after-tax. 4Q06 continuing operations also includes \$74 million of tax benefits primarily related to a reversal of deferred tax liabilities due to management's decision to indefinitely reinvest earnings of certain foreign subsidiaries in accordance with APB 23.

(b) Includes discontinued operations.

(c) Preliminary.

N/M - Not meaningful.

NONINTEREST REVENUE

<i>(dollar amounts in millions, unless otherwise noted)</i>	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
Asset and wealth management fees	\$ 464	\$ 486	\$ 516	\$ 599	\$ 609	31%
Performance fees	58	48	56	196	35	(40)
Distribution and servicing	98	108	107	102	123	26
Securities servicing fees						
Asset servicing	224	244	233	244	252	12
Issuer services	48	54	49	45	52	9
Total securities servicing fees	272	298	282	289	304	12
Global payment services	70	68	66	67	66	(5)
Foreign exchange and other trading activities	71	68	57	75	60	(15)
Asset/investment income	21	21	19	23	23	6
Financing-related fees	15	11	9	10	11	(28)
Securities gains	-	-	3	-	-	N/M
Other	51	50	49	52	49	(1)
Total noninterest revenue (non-FTE)	\$1,120	\$1,158	\$1,164	\$1,413	\$1,280	14%
Total noninterest revenue (FTE)	\$1,129	\$1,167	\$1,173	\$1,422	\$1,290	14%
Noninterest revenue as a percentage of total revenue (FTE)	90%	91%	91%	93%	91%	
Annualized noninterest revenue per employee <i>(in thousands)</i> (based on average headcount)	\$ 273	\$ 279	\$ 277	\$ 333	\$ 305	12%
Market value of assets under management at period-end <i>(in billions)</i>	\$ 808	\$ 870	\$ 918	\$ 995	\$1,034	28%
Market value of assets under custody or administration at period-end <i>(in billions)</i>	\$4,125	\$4,213	\$4,380	\$4,491	\$4,811	17%
S&P 500 Index - period-end	1295	1270	1336	1418	1421	10%
S&P 500 Index - daily average	1284	1281	1288	1389	1424	11%

N/M - Not meaningful.

Note: Several new line items have been created on the income statement. See page 2. Prior periods have been restated.

KEY POINTS

- Asset and wealth management fees were up a strong 31%, driven by improved equity markets and net asset flows, the acquisition of Walter Scott & Partners, and a higher yield on average assets under management; excluding the impact of acquisitions, asset and wealth management fees increased by 22%
- Performance fees decreased \$23 million reflecting a lower level of out-performance relative to 1Q06 and a relative shift towards hedge fund products with fourth quarter performance fees
- Distribution and servicing fees increased 26%, reflecting higher sales volumes and higher market values of mutual funds by Mellon Global Investments, our international distributor
- Securities servicing fees increased 12% primarily due to:
 - Asset servicing increased 12%, due primarily to net new business and a 76% increase in net equity earnings from the ABN AMRO Mellon and CIBC Mellon joint ventures, partially offset by a decline in securities lending revenue
 - Issuer services increased 9%, primarily reflecting higher fees from corporate actions related to M&A activity
- Global payment services declined 5% due primarily to the loss (in 2006) of the U.S. Government passport processing business
- Foreign exchange and other trading activities decreased 15% primarily due to lower market volatility in most currencies partially offset by higher client volumes

NET INTEREST REVENUE

<i>(dollar amounts in millions) (a)</i>	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
Net interest revenue (FTE)	\$ 124	\$ 116	\$ 123	\$ 113	\$ 129	4%
Net interest margin (FTE)	1.92%	1.70%	1.63%	1.55%	1.78%	(14) bp
Selected average balances:						
Money market investments	\$ 2,317	\$ 2,897	\$ 4,903	\$ 3,774	\$ 4,160	80%
Trading account securities (b)	309	439	456	480	504	63
Securities (c)	17,617	18,172	18,609	18,518	18,546	5
Loans	5,979	5,872	5,852	6,101	6,085	2
Interest-earning assets (c)	26,222	27,380	29,820	28,873	29,295	12
Interest-bearing deposits	15,295	15,722	19,917	19,144	17,571	15
Noninterest-bearing deposits	8,274	8,362	7,988	7,407	8,397	2
Noninterest-bearing deposits as a percentage of interest-earning assets	32%	31%	27%	26%	29%	

(a) Prior periods calculated on a continuing operations basis even though the balance sheet, in accordance with GAAP, is not restated for discontinued operations.

(b) Excludes FIN 39 assets as these assets are noninterest-earning.

(c) Excludes adjustments for fair value required by SFAS No. 115.

bp - basis points.

KEY POINTS

- Net interest revenue (FTE) increased \$5 million, or 4%, compared with 1Q06, reflecting the higher level of interest earning assets, partially offset by the financing costs associated with the Walter Scott & Partners acquisition. Net interest revenue increased \$16 million, or 14% (unannualized), compared with 4Q06 reflecting a higher level of noninterest-bearing deposits and a higher level of interest-earning assets
- The net interest margin decreased 14 bps compared with 1Q06, reflecting the lower proportion of noninterest-bearing deposits combined with the financing costs associated with Walter Scott & Partners acquisition
- Please refer to pages 4 and 5 of the Appendix for a 9-quarter trend of average balances and interest yields/rates

NONINTEREST EXPENSE

(dollar amounts in millions)	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (a)	1st Qtr (a)	
Staff						
Compensation	\$268	\$270	\$279	\$ 309	\$ 282	5%
Incentives (b)	170	145	160	248	181	6
Employee benefits	76	71	73	78	77	2
Total staff	514 (c)	486	512	635	540	5
Distribution and servicing	115	126	122	140	142	24
Professional, legal and other purchased services	104	114	121	134	120	15
Net occupancy	59	58	51	68	56	(4)
Business development	25	28	25	36	28	11
Furniture and equipment	25	24	26	31	28	12
Software	20	21	16	20	18	(9)
Sub-custodian expenses	13	14	14	14	17	23
Communications	9	8	8	8	6	(26)
Amortization of intangible assets	7	7	7	23	12	64
Other	63	72	61	83	81	29
Total noninterest expense	\$954	\$958	\$963	\$1,192	\$1,048	10%
Total staff expense as a percentage of total revenue (FTE)	41% (c)	38%	39%	41%	38%	
Employees at period-end	16,600	16,700	16,700	16,800	17,100	3%

(a) 4Q06 includes pre-tax expenses of: severance \$26 million; impairment charges related to DPM and HBV \$16 million; merger-related expenses \$11 million; and additional occupancy reserves \$6 million. 1Q07 includes \$8 million of merger-related expenses and a \$12 million charge for litigation.

(b) Stock option expense totaled \$11 million in the 1Q06, including \$3 million for Mellon's former chairman and chief executive officer, pursuant to his employment agreement, \$9 million in the 2Q06, \$8 million in both the 3Q06 and 4Q06, and \$7 million in the 1Q07.

(c) 1Q06 includes a \$19 million pre-tax charge in connection with payments, awards and benefits for Mellon's former chairman and chief executive officer, pursuant to his employment agreement. Excluding this charge, staff expense as a percentage of total revenue (FTE) was 40% in 1Q06.

Note: Several new line items have been created on the income statement. See page 2. Prior periods have been restated.

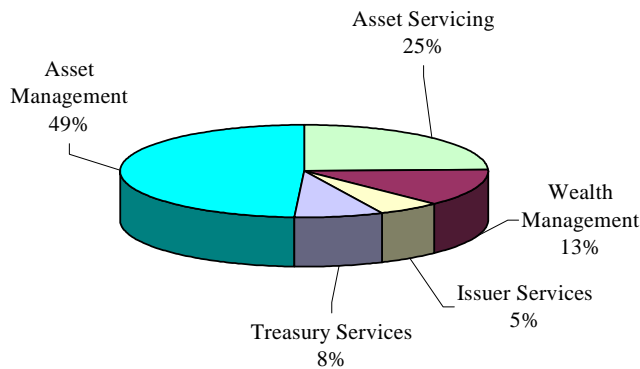
KEY POINTS

- Strong expense management resulting in 340 bps of positive operating leverage
 - Total revenue +13.3%
 - Total noninterest expense +9.9%
- Total staff expense increased 5% due to; new business, annual merit increase (effective July 1, 2006) and the Walter Scott & Partners acquisition
- Distribution and servicing increased 24% due to an increased level of mutual fund sales activity outside of the U.S.
- Higher professional, legal and other purchased services, business development, furniture and equipment and sub-custodian expense in support of new business generation and strategic initiatives, as well as the Walter Scott & Partners acquisition, partially offset by declines in net occupancy, communications and software expense
- Other - 1Q07 includes a \$12 million litigation reserve charge

FIRST QUARTER 2007 REVENUE (FTE) AND PRE-TAX INCOME (FTE) MIX

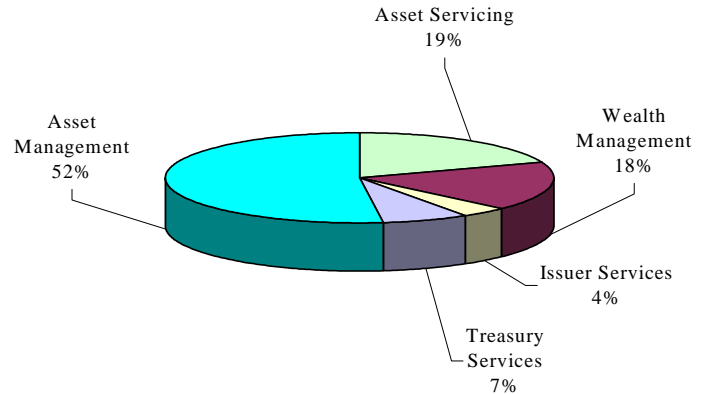
Revenue *

87% Asset and Wealth Management and Asset Servicing



Pre-tax Income *

89% Asset and Wealth Management and Asset Servicing



* Business sectors, excluding the Other sector

ASSETS UNDER MANAGEMENT FLOWS

12 Months				
Changes in market value of assets under management from March 31, 2006 to March 31, 2007 - by business sector				
(in billions)	Asset Management	Wealth Management	Asset Servicing	Total
Market value of assets under management at March 31, 2006	\$649	\$55	\$104	\$ 808
Net inflows:				
Long-term	22	2	-	24
Money market	38	-	-	38
Securities lending	-	-	28	28
Total net inflows	60	2	28	90
Net market appreciation (a)	59	3	-	62
Acquisitions, net, and transfers	66	-	8	74
Market value of assets under management at March 31, 2007	\$834	\$60	\$140	\$1,034

3 Months				
Changes in market value of assets under management from Dec. 31, 2006 to March 31, 2007 - by business sector				
(in billions)	Asset Management	Wealth Management	Asset Servicing	Total
Market value of assets under management at Dec. 31, 2006	\$820	\$59	\$116	\$ 995
Net inflows (outflows):				
Long-term	(4)	1	-	(3)
Money market	6	-	-	6
Securities lending	-	-	24	24
Total net inflows	2	1	24	27
Net market appreciation (a)	12	-	-	12
Market value of assets under management at March 31, 2007	\$834	\$60	\$140	\$1,034

(a) Includes the effect of changes in foreign exchange rates.

BUSINESS SECTORS

Our lines of business are combined into six business sectors: Asset Management; Wealth Management; Asset Servicing; Issuer Services; Treasury Services; and Other.

ASSET MANAGEMENT

<i>(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)</i>	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
Revenue:						
Asset and wealth management:						
Mutual funds	\$194	\$201	\$204	\$228	\$232	20%
Institutional clients	156	167	194	244	249	59
Private clients	24	26	25	28	29	19
Total asset and wealth management	374	394	423	500	510	36
Performance fees	58	48	56	196	35	(40)
Distribution and servicing	98	108	107	102	123	26
Other	28	15	25	40	26	(10)
Total noninterest revenue	558	565	611	838	694	24
Net interest revenue (expense)	(4)	(10)	(10)	(18)	(9)	N/M
Total revenue	554	555	601	820	685	23
Noninterest expense	395	399	415	545	477	21
Income before taxes	\$159	\$156	\$186	\$275	\$208	30%
Market value of assets under management at period-end <i>(in billions)(a)</i>	\$649	\$708	\$748	\$820	\$834	28%
Assets under management - net inflows (outflows) <i>(in billions):</i>						
Long-term	\$ 10	\$ 11	\$ 6	\$ 9	\$ (4)	
Money market	\$ (3)	\$ 10	\$ 19	\$ 3	\$ 6	
Employees at period-end	2,600	2,600	2,600	2,700	2,800	
Return on common equity <i>(annualized)</i>	44%	42%	50%	74%	39%	
Pre-tax operating margin	29%	28%	31%	34%	30%	
Adjusted pre-tax operating margin <i>(b)</i>	36%	36%	39%	40%	38%	
MEMO: Intangible amortization	\$ 3	\$ 3	\$ 3	\$ 8	\$ 9	

(a) Excludes amounts subadvised for other sectors of \$4 billion, \$3 billion, \$3 billion, \$4 billion and \$6 billion.

(b) Calculated by netting distribution and servicing expense from revenue.

N/M - Not meaningful.

Note: 4Q06 includes \$6 million of severance expense as well as \$5 million of impairment charges related to the sale of HBV Alternative Investment Strategies.

KEY POINTS

- Generated 200 bps of positive operating leverage
- 35% of the total revenue non-U.S. vs. 25% in 1Q06
- Asset and wealth management fees increased 36% vs. 1Q06, reflecting improved equity markets, net asset flows, the Walter Scott & Partners acquisition, as well as a higher yield on average assets under management, driven by an increase in mutual fund assets and higher yielding institutional products
- Long-term asset flows were negative \$4 billion in 1Q07 principally reflecting the loss of low yielding products (averaging under 10 bps) partially offset by our focus on alpha-generating institutional products
- Short-term asset flows were positive \$6 billion in 1Q07 reflecting the interest rate environment
- Performance fees decreased \$23 million reflecting a lower level of out-performance relative to 1Q06 and a relative shift towards hedge fund products with fourth quarter performance fees
- Distribution and service fees increased 26%, reflecting higher sales volumes and higher market values of mutual funds by Mellon Global Investments, our international distributor
- Pipeline for new business extremely strong going into 2Q07
- Mellon Global Investments opened an office in Seoul, South Korea (January 2007)

WEALTH MANAGEMENT

<i>(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)</i>	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
Revenue:						
Asset and wealth management	\$ 90	\$ 92	\$ 93	\$ 99	\$ 99	10%
Other	8	8	7	7	7	N/M
Total noninterest revenue	98	100	100	106	106	8
Net interest revenue	74	77	77	77	75	2
Total revenue	172	177	177	183	181	5
Noninterest expense	103	105	106	112	110	7
Income before taxes	\$ 69	\$ 72	\$ 71	\$ 71	\$ 71	2%
Average loans	\$ 4,615	\$ 4,688	\$ 4,669	\$ 4,762	\$ 4,834	5%
Average assets	\$10,279	\$10,395	\$10,544	\$10,760	\$11,008	7
Average deposits	\$ 8,824	\$ 8,865	\$ 8,827	\$ 8,936	\$ 9,219	4
Market value of total client assets at period end <i>(in billions)</i>	\$ 89	\$ 87	\$ 90	\$ 95	\$ 99	12%
Employees at period-end	1,900	2,000	2,000	2,000	2,000	
Return on common equity <i>(annualized)</i>	34%	35%	34%	35%	34%	
Pre-tax operating margin	40%	41%	40%	39%	39%	
MEMO: Intangible amortization	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	

N/M - Not meaningful.

Note: 4Q06 includes \$1 million of severance expense.

KEY POINTS

- Total noninterest revenue increased 8%, driven by improved equity markets, new business and acquisitions; annualized new business revenue is up 43% from 1Q06
- Total client assets increased 12%, to a record level of \$99 billion, including a record level of \$60 billion in managed assets; increases were driven by improved equity markets and new business
- Net interest revenue increased 2% due to higher loan and deposit levels; volume increases were partially offset by deposit spread compression
- Negative operating leverage resulted from the expense impact of growth initiatives including the impact of additional sales representatives, new office locations as well as increased marketing and technology expenses
 - 1Q07 opened new office location in Connecticut, wealth offices now total 69
- 2006 Client Survey
 - 93% - exceptional client satisfaction
 - 93% - willing to refer Wealth Management

ASSET SERVICING

(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
Revenue:						
Securities servicing fees - Asset Servicing	\$ 204	\$ 226	\$ 214	\$ 223	\$ 231	13%
Foreign exchange and other trading activities	62	75	56	63	55	(12)
Other	21	20	21	25	23	17
Total noninterest revenue (a)	287	321	291	311	309	8
Net interest revenue	26	27	29	24	32	23
Total revenue	313	348	320	335	341	9
Noninterest expense	245	261	257	292	264	8
Income before taxes	\$ 68	\$ 87	\$ 63	\$ 43	\$ 77	14%
Average deposits	\$7,111	\$7,570	\$8,737	\$8,975	\$8,536	20%
Market value of assets under management at period-end (in billions)(b)	\$ 104	\$ 108	\$ 115	\$ 116	\$ 140	35%
Market value of assets under custody or administration at period-end (in billions) (a)	\$4,091	\$4,180	\$4,344	\$4,453	\$4,769	17%
Employees at period-end	4,500	4,500	4,600	4,600	4,700	
Return on common equity (annualized)	34%	42%	31%	21%	36%	
Pre-tax operating margin	22%	25%	20%	13%	23%	
MEMO:						
Securities lending revenue	\$ 30	\$ 38	\$ 26	\$ 26	\$ 29	(5)%
Total joint venture revenue (a)	\$ 119	\$ 149	\$ 140	\$ 143	\$ 153	28%
Intangible amortization	\$ 3	\$ 3	\$ 2	\$ 14	\$ 2	N/M

(a) Total joint venture revenue includes the activity of CIBC Mellon and ABN AMRO Mellon. Included in noninterest revenue is Mellon's portion of the earnings of the joint ventures, which are accounted for under the equity method of accounting. Assets under custody or administration for CIBC Mellon totaled \$682 billion, \$695 billion, \$737 billion, \$748 billion and \$771 billion. Assets under custody or administration of ABN AMRO Mellon totaled \$586 billion, \$640 billion, \$696 billion, \$773 billion and \$913 billion.

(b) Represents the investment of securities lending cash collateral managed by the Asset Servicing sector.

Note: 4Q06 includes \$11 million of impairment charges related to DPM Mellon and \$6 million of severance expense.

KEY POINTS

- Generated 100 bps of positive operating leverage
- 32% of 1Q07 total revenue non-U.S., compared to 28% 1Q06
- Total revenue increased 9% reflecting:
 - A 13% increase in asset servicing fees, driven by improved market conditions, net new business, a 76% increase in net equity earnings from the ABN AMRO Mellon and CIBC Mellon joint ventures; partially offset by lower securities lending revenue due to lower spreads partially offset by a higher level of securities on loan
 - A 12% decrease in foreign exchange and other trading activities, due to lower volatility in most currencies partially offset by higher client volumes
 - A 23% increase in net interest revenue due to increased deposit levels and spreads
- Noninterest expense increased 8%, reflecting higher staff expense in support of business growth, increased joint venture pass-through payments, increased sub-custodian expense related to higher asset levels and other growth initiatives
- Assets under custody or administration increased to a record level of \$4.769 trillion, including net new conversions of \$240 billion in 1Q07
- New business wins totaled \$126 billion in 1Q07
- Pipeline for new business extremely strong going into 2Q07
- 2007 R&M Custody Survey - #1 rated custodian among the peer group of large custodians for the sixth consecutive year (released March 2007)

ISSUER SERVICES (provides shareholder services to corporations and institutions previously included in the PS&IS sector)

<i>(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)</i>	2006				2007	1Q07 vs. 1Q06
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	
Revenue:						
Securities servicing fees - Issuer Services	\$ 48	\$ 54	\$ 49	\$ 45	\$ 52	9%
Other	1	2	1	2	2	N/M
Total noninterest revenue	49	56	50	47	54	9
Net interest revenue	18	20	19	22	24	33
Total revenue	67	76	69	69	78	16
Noninterest expense	57	62	56	63	62	9
Income before taxes	\$ 10	\$ 14	\$ 13	\$ 6	\$ 16	56%
Average deposits	\$1,639	\$1,665	\$1,497	\$1,726	\$1,897	16%
Employees at period-end	800	800	800	800	800	
Return on common equity <i>(annualized)</i>	18%	26%	23%	11%	28%	
Pre-tax operating margin	15%	19%	19%	9%	20%	
MEMO: Intangible amortization	\$ -	\$ -	\$ -	\$ -	\$ -	

Note: 4Q06 includes \$4 million of severance expense.

KEY POINTS

- Generated 700 bps of positive operating leverage
- Total noninterest revenue increased 9% primarily reflecting higher fees from corporate actions related to M&A activity
- Net interest revenue increased 33% due primarily to a 16% increase in average deposit levels
- Noninterest expense increased 9% in support of revenue growth
- Pipeline for M&A related corporate actions remains strong

TREASURY SERVICES (provides working capital solutions, which was previously included in the PS&IS sector, and institutional banking previously included in the Other sector)

<i>(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)</i>	2006				2007	1Q07
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	vs. 1Q06
Revenue:						
Global payment services	\$ 64	\$ 62	\$ 61	\$ 62	\$ 63	(2)%
Other	8	9	9	10	12	N/M
Total noninterest revenue	72	71	70	72	75	6
Net interest revenue	30	31	29	30	32	3
Total revenue	102	102	99	102	107	5
Noninterest expense	73	73	75	78	79	7
Income before taxes	\$ 29	\$ 29	\$ 24	\$ 24	\$ 28	(1)%
Average loans	\$ 520	\$ 593	\$ 615	\$ 772	\$ 688	32%
Average assets	\$5,667	\$5,462	\$5,355	\$5,628	\$5,952	5%
Average deposits	\$5,099	\$4,851	\$4,714	\$5,036	\$5,353	5%
Employees at period-end	2,600	2,600	2,600	2,600	2,600	
Return on common equity <i>(annualized)</i>	23%	23%	19%	18%	22%	
Pre-tax operating margin	28%	29%	24%	23%	27%	
MEMO: Intangible amortization	\$ -	\$ -	\$ 1	\$ -	\$ -	

Note: 4Q06 includes \$1 million of severance expense.

KEY POINTS

- Noninterest revenue increased \$3 million due to higher other fee revenue
- Net interest revenue increased \$2 million primarily resulting from higher deposit levels at Working Capital Solutions
- Noninterest expense increased \$6 million primarily in support of business growth
- Working Capital Solutions - Maintains customer satisfaction leadership position in wholesale lockbox (2006 Phoenix-Hecht survey)

OTHER SECTOR (primarily includes business exits activity and Corporate Treasury activities)

<i>(in millions, presented on an FTE basis)</i>	2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Revenue:					
Noninterest revenue	\$ 65	\$ 54	\$ 51	\$ 48	\$ 52
Net interest revenue	(20)	(29)	(21)	(22)	(25)
Total revenue	45	25	30	26	27
Credit quality expense	1	(3)	(1)	5	3
Noninterest expense	81	58	54	102	56
Income (loss) before taxes (FTE)	\$(37)	\$(30)	\$(23)	\$(81)	\$(32)

KEY POINTS

- Total revenue declined \$18 million resulting from the 1Q06 gain on the sale of the large corporate real estate loan portfolio, and lower revenue in 2007 due to the expiration of the transitional services agreement with ACS
- Noninterest expense declined \$25 million, principally due, after excluding the \$19 million in 1Q06 and \$20 million in 1Q07 charges noted on page 5, footnote (a), to lower under absorbed overhead in the Other sector due to growth in the business sectors

INCOME TAXES

The effective tax rate for the first quarter of 2007 was 31.2%, compared with 32.2% in the first quarter of 2006. It is currently anticipated that the tax rate for the second quarter of 2007 will be approximately 32.5%.

DISCONTINUED OPERATIONS

We reported a net after-tax gain of \$9 million from discontinued operations in the first quarter of 2007.

In August 2006, we announced a definitive agreement to sell our insurance premium financing company, AFCO Credit Corporation, and its Canadian affiliate, CAFO Inc. The sale closed on Jan. 2, 2007, resulting in a \$13 million after-tax gain on sale in the first quarter of 2007.

In December 2006, Mellon sold its ownership interest in the direct and indirect portfolios of Mellon Ventures, our venture capital business. A substantial portion of the sale was completed in December with subsequent closings during the first quarter of 2007. An additional \$5 million after-tax loss on the sale of this business was recorded in the first quarter of 2007, primarily resulting from an adjustment to the carrying value of a receivable recorded as part of the settlement of the transaction.

JUNIOR SUBORDINATED DEBENTURES

Based on current interest rate expectations and subject to our ability to issue replacement securities prior to the proposed merger with BNY, we intend to redeem our Series A and Series B junior subordinated debentures, each issued for a face value of \$515 million, in the second quarter of 2007. The securities are redeemable at 103.86% and 103.9975% of the liquidation amounts during the 12-month periods beginning Dec. 1, 2006 and Jan. 15, 2007, respectively. We expect to replace these securities in the second quarter with a combination of Tier I qualifying capital securities and senior debt securities that would reduce our future funding costs. Redemption of both securities would result in a total pre-tax charge to income of \$46 million for the redemption premiums and write-off of unamortized issuance costs. Junior subordinated debentures are included in long-term debt on our balance sheet.

IMPACT OF ADOPTION OF FIN NO. 48 AND FSP NO. 13-2

Effective Jan. 1, 2007, we adopted FASB Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes" - an Interpretation of SFAS No. 109, "Accounting for Income Taxes." Also, in conjunction with the adoption of FIN 48, we adopted FASB Staff Position (FSP) 13-2, "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction." The combined impact of adopting FIN 48 and FSP 13-2 was a \$6 million direct reduction to the beginning balance of our retained earnings, reported as a change in accounting principle.

MERGER AGREEMENT WITH BNY

On Dec. 3, 2006, Mellon and BNY entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which Mellon and BNY will each merge with and into a newly formed corporation called The Bank of New York Mellon Corporation. The parties amended and restated the Merger Agreement on Feb. 23, 2007 and again on March 30, 2007. The boards of directors of both companies have unanimously approved the Merger Agreement and have adopted a resolution recommending the adoption of the Merger Agreement by its respective shareholders. Each party has agreed to put these matters before their respective shareholders for consideration. Subject to satisfaction of various conditions of closing, the merger is currently expected to close early in the third quarter of 2007.

Mellon and BNY filed a joint proxy statement/prospectus with the SEC regarding the proposed merger in late February and filed amendments to the joint proxy statement/prospectus with the SEC in April. Mellon and BNY each anticipate holding separate special shareholder meetings on May 24, 2007 to approve the merger. April 12, 2007 is the record date for shareholders entitled to vote at the special shareholders meeting.

Quarterly Earnings Summary
APPENDIX
Financial Trends
Table of Contents

Notes to Financial Trends	1
Consolidated Results.....	2
Noninterest Revenue.....	3
Average Balances.....	4
Interest Yields / Rates	5
Noninterest Expense	6
Assets Under Management / Administration or Custody	7
Assets Under Management Net Flows.....	8
Asset Management.....	9
Wealth Management	10
Asset Servicing	11
Issuer Services	12
Treasury Services.....	13
Other Sector	14
Annual Business Sector Trends 2004-2006.....	15
Nonperforming Assets	17
Provision and Reserve for Credit Exposure.....	18

MELLON FINANCIAL CORPORATION

Notes to Financial Trends

Notes:

On Dec. 3, 2006, Mellon Financial Corporation ("Mellon") and The Bank of New York ("BNY") entered into an Agreement and Plan of Merger, under which Mellon and BNY will each merge with and into a newly formed corporation called The Bank of New York Mellon Corporation.

As part of the planning process for the integration of Mellon and The Bank of New York after the closing of the proposed merger, during the first quarter of 2007:

We realigned our business sectors creating the new Issuer Services and Treasury Services sectors and eliminating the Payment Solutions & Investor Services (PS&IS) sector. The Issuer Services sector consists of Mellon Investor Services (stock transfer business), which was previously included in the PS&IS sector. The Treasury Services sector consists of Working Capital Solutions (global cash management) and Mellon Financial Markets (capital markets business), both previously included in the PS&IS sector, as well as Mellon Institutional Banking (large corporate banking), which was previously included in the Other sector. All prior periods have been reclassified for these changes. In addition, we renamed the Mellon Asset Management sector to Asset Management, and the Private Wealth Management sector, to Wealth Management. There were no changes to the Asset Servicing sector. These changes did not affect the operation of these lines of business.

In addition, several new line items have been created on the income statement and balance sheet as described on Page 2 of Mellon's Quarterly Earnings Summary dated April 17, 2007. All prior periods have been reclassified.

Summations may not equal due to rounding. As a result of this rounding convention, there may exist immaterial differences between the sector trends data versus the sector trends data subsequently filed on Form 10-Q.

Discontinued Operations Accounting -

The income/(loss) and average assets from discontinued operations accounting have not been allocated to any sector.

Average Assets -

Where average deposits in a business sector are greater than average loans, average assets include an allocation of investment securities equal to the difference. Consolidated average assets include average assets of discontinued operations.

Return on Common Equity/Pretax Operating Margin -

Ratios are presented on a continuing operations basis. Quarterly return on common equity ratios are annualized.

MELLON FINANCIAL CORPORATION
CONSOLIDATED RESULTS - 9 Quarter Trend

(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)

	2005				2006				2007
	1st Qtr (a)	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr (b)	2nd Qtr	3rd Qtr	4th Qtr (c)	1st Qtr (d)
Revenue:									
Asset and wealth management fees	\$ 399	\$ 415	\$ 437	\$ 445	\$ 464	\$ 486	\$ 516	\$ 599	\$ 609
Performance fees	27	26	41	77	58	48	56	196	35
Distribution and servicing	71	74	82	90	98	108	107	102	123
Securities servicing fees									
Asset servicing	174	193	197	214	224	244	233	244	252
Issuer services	53	57	46	54	48	54	49	45	52
Total securities servicing fees	227	250	243	268	272	298	282	289	304
Global payment services	76	82	75	70	70	68	66	67	66
Other fee revenue	341	148	147	148	167	159	146	169	153
Total noninterest revenue	1,141	995	1,025	1,098	1,129	1,167	1,173	1,422	1,290
Net interest revenue	117	127	117	120	124	116	123	113	129
Total revenue	1,258	1,122	1,142	1,218	1,253	1,283	1,296	1,535	1,419
Credit quality expense	(2)	3	12	4	1	(3)	(1)	5	3
Amortization of intangible assets	6	7	7	7	7	7	7	23	12
Other operating expenses	782	807	850	896	947	951	956	1,169	1,036
Total operating expenses	788	814	857	903	954	958	963	1,192	1,048
Income from continuing operations before income taxes (benefits)	472	305	273	311	298	328	334	338	368
Income taxes (benefits)	172	108	87	110	105	105	116	40	125
Income from continuing operations	300	197	186	201	193	223	218	298	243
Income from discontinued operations after-tax	(45)	(72)	8	7	14	9	4	(61)	9
Net income (loss)	\$ 255	\$ 125	\$ 194	\$ 208	\$ 207	\$ 232	\$ 222	\$ 237	\$ 252
EPS from Continuing Operations	\$ 0.71	\$ 0.47	\$ 0.45	\$ 0.48	\$ 0.47	\$ 0.54	\$ 0.52	\$ 0.72	\$ 0.58
Average loans (e)	\$ 6,882	\$ 7,339	\$ 7,421	\$ 7,133	\$ 6,758	\$ 6,625	\$ 6,684	\$ 6,884	\$ 6,078
Average assets (f)	\$ 36,869	\$ 36,436	\$ 37,907	\$ 37,988	\$ 37,515	\$ 39,104	\$ 41,447	\$ 41,362	\$ 41,042
Average deposits	\$ 23,035	\$ 22,322	\$ 23,566	\$ 23,905	\$ 23,569	\$ 24,084	\$ 27,905	\$ 26,551	\$ 25,969
Average common equity	\$ 4,178	\$ 4,087	\$ 4,109	\$ 4,114	\$ 4,157	\$ 4,182	\$ 4,312	\$ 4,673	\$ 4,746
Average Tier I preferred equity	\$ 1,038	\$ 1,037	\$ 1,032	\$ 1,024	\$ 1,022	\$ 1,015	\$ 1,072	\$ 1,403	\$ 1,412
Market value of assets under management at period end (in billions)	\$ 729	\$ 738	\$ 766	\$ 781	\$ 808	\$ 870	\$ 918	\$ 995	\$ 1,034
Market value of assets under administration or custody at period end (in billions)	\$ 3,293	\$ 3,450	\$ 3,777	\$ 3,908	\$ 4,125	\$ 4,213	\$ 4,380	\$ 4,491	\$ 4,811
Return on common equity	29%	19%	18%	19%	19%	21%	20%	25%	21%
Pretax operating margin	38%	27%	24%	26%	24%	26%	26%	22%	26%
Pretax operating margin (excluding items in footnotes a to d)	27%	27%	24%	26%	25%	26%	26%	26%	27%

(a) The first quarter of 2005 includes a pre-tax gain of \$197 million from the sale of our remaining investment in Shinsei Bank, a \$10 million pre-tax charge (included in other expense) for the early extinguishment of debt, and \$5 million of additional expense (\$2 million of occupancy expense and \$3 million of other expenses) related to charges recorded in 2004 for the move to the new Mellon Financial Centre in London and the writedown of a small business.

(b) The first quarter of 2006 includes a \$19 million pre-tax charge in connection with payments, awards and benefits payable to Mellon's former chairman and chief executive officer, pursuant to his employment agreement.

(c) The fourth quarter of 2006 includes \$26 million in severance, \$16 million of impairment charges, \$11 million in merger-related expenses and \$6 million in additional occupancy reserves. In addition, the income from continuing operations includes \$74 million of tax benefits primarily related to a reversal of deferred tax liabilities due to management's decision to indefinitely reinvest earnings of certain foreign subsidiaries in accordance with APB opinion No. 23.

(d) The first quarter of 2007 includes \$8 million of merger related expenses and a \$12 million litigation reserve charge.

(e) Consolidated average loans include average loans of discontinued operations of \$397 million, \$749 million, \$802 million and \$779 million for the first, second, third and fourth quarters of 2005; \$779 million, \$753 million, \$832 million and \$784 million for the first, second, third and fourth quarters of 2006; \$0 million for the first quarter of 2007.

(f) Consolidated average assets include average assets of discontinued operations of \$1,586 million, \$1,616 million, \$1,456 million and \$1,427 million for the first, second, third and fourth quarters of 2005; \$1,408 million, \$1,381 million, \$1,408 million and \$1,320 million for the first, second, third and fourth quarters of 2006; \$658 million for the first quarter of 2007.

MELLON FINANCIAL CORPORATION
CONTINUING OPERATIONS - 9 Quarter Trend
NONINTEREST REVENUE

(dollar amounts in millions unless otherwise noted)

	2005				2006				2007
	1st Qtr (a)	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Asset and wealth management	\$ 399	\$ 415	\$ 437	\$ 445	\$ 464	\$ 486	\$ 516	\$ 599	\$ 609
Performance fees	27	26	41	77	58	48	56	196	35
Distribution and service	71	74	82	90	98	108	107	102	123
Securities servicing fees									
Asset servicing	174	193	197	214	224	244	233	244	252
Issuer services	53	57	46	54	48	54	49	45	52
Total securities servicing fees	227	250	243	268	272	298	282	289	304
Global payment services	76	82	75	70	70	68	66	67	66
Foreign exchange and other trading activities	57	50	57	53	71	68	57	75	60
Asset/investment income	225	29	25	24	21	21	19	23	23
Financing-related fees	9	9	8	10	15	11	9	10	11
Securities gain	-	-	1	-	-	-	3	-	-
Other	40	47	48	51	51	50	49	52	49
Total noninterest revenue (non-FTE)	\$ 1,131	\$ 982	\$ 1,017	\$ 1,088	\$ 1,120	\$ 1,158	\$ 1,164	\$ 1,413	\$ 1,280
FTE impact	10	13	8	10	9	9	9	9	10
Total noninterest revenue (FTE)	\$ 1,141	\$ 995	\$ 1,025	\$ 1,098	\$ 1,129	\$ 1,167	\$ 1,173	\$ 1,422	\$ 1,290
Fee and other revenue as a percentage of fee and net interest revenue (FTE) (a)	91%	89%	90%	90%	90%	91%	91%	93%	91%
Market value of assets under management at period end (in billions)	\$ 729	\$ 738	\$ 766	\$ 781	\$ 808	\$ 870	\$ 918	\$ 995	\$ 1,034
Market value of assets under administration or custody at period end (in billions)	\$ 3,293	\$ 3,450	\$ 3,777	\$ 3,908	\$ 4,125	\$ 4,213	\$ 4,380	\$ 4,491	\$ 4,811
S&P 500 Index - period end	1181	1191	1229	1248	1295	1270	1336	1418	1421
S&P 500 Index - daily average	1192	1182	1224	1231	1284	1281	1288	1389	1424

(a) The first quarter 2005 includes a gain from the sale of the Corporation's investment in Shinsei Bank \$197 million. Excluding this gain, fee and other revenue as a percentage of fee and net interest revenue (FTE) would have totaled 89%.

MELLON FINANCIAL CORPORATION
CONTINUING OPERATIONS - 9 Quarter Trend
Average Balances(a)

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
<i>(dollar amounts in millions)</i>									
Average assets:									
Investment Securities:									
Fixed rate	\$ 6,231	\$ 6,001	\$ 5,772	\$ 5,704	\$ 5,557	\$ 5,444	\$ 5,319	\$ 5,196	\$ 5,105
Adjustable rate	2,490	2,791	3,053	3,355	3,645	3,584	3,360	3,161	2,979
Floating rate	4,207	4,847	6,315	7,040	7,595	8,366	9,164	9,421	9,738
Obligations of states and political subdivisions	749	794	819	829	814	771	749	722	705
Other (b)	21	24	22	5	6	7	17	18	19
Total investment securities	\$ 13,698	\$ 14,457	\$ 15,981	\$ 16,933	\$ 17,617	\$ 18,172	\$ 18,609	\$ 18,518	\$ 18,546
Trading account securities	308	294	309	283	309	439	456	480	504
Money Market Assets	4,234	3,293	2,700	2,812	2,317	2,897	4,903	3,774	4,160
Loans, net of unearned discount	6,483	6,589	6,618	6,354	5,979	5,872	5,852	6,101	6,085
Total interest-earning assets	24,723	24,633	25,608	26,382	26,222	27,380	29,820	28,873	29,295
Total non interest-earning assets (c)	12,192	11,876	12,371	11,775	11,465	11,984	11,851	12,599	11,846
Total Assets	\$ 36,915	\$ 36,509	\$ 37,979	\$ 38,157	\$ 37,687	\$ 39,364	\$ 41,671	\$ 41,472	\$ 41,141
Average liabilities and shareholders' equity:									
Deposits in domestic offices	\$ 9,653	\$ 9,298	\$ 9,760	\$ 10,087	\$ 9,748	\$ 9,673	\$ 13,328	\$ 13,157	\$ 11,919
Deposits in foreign offices	6,256	6,004	6,395	5,926	5,547	6,049	6,589	5,987	5,652
Total interest-bearing deposits	15,909	15,302	16,155	16,013	15,295	15,722	19,917	19,144	17,571
Federal funds purchased and securities under repurchase agreements	978	1,627	2,135	1,763	1,765	2,394	1,376	1,560	1,357
Other funds borrowed	421	442	411	438	468	590	144	297	212
Long term debt	5,511	5,293	4,836	4,692	4,633	4,584	4,669	5,042	5,053
Funding of disc ops	(1,428)	(1,611)	(1,418)	(1,390)	(1,374)	(1,343)	(1,373)	(1,283)	(98)
Total interest-bearing liabilities	21,391	21,053	22,119	21,516	20,787	21,947	24,733	24,760	24,095
Total non interest-bearing deposits	7,094	7,012	7,411	7,892	8,274	8,362	7,988	7,407	8,397
Other liabilities (c)	4,223	4,310	4,294	4,525	4,357	4,704	4,492	4,560	3,838
Total liabilities	32,708	32,375	33,824	33,933	33,418	35,013	37,213	36,727	36,330
Shareholders' equity	4,207	4,134	4,155	4,224	4,269	4,351	4,458	4,745	4,811
Total liabilities and shareholders' equity	\$ 36,915	\$ 36,509	\$ 37,979	\$ 38,157	\$ 37,687	\$ 39,364	\$ 41,671	\$ 41,472	\$ 41,141

(a) Amounts and yields exclude adjustments for fair value and the related deferred tax effect required by SFAS No. 115. Prior periods calculated on a continuing operations basis even though the balance sheet, in accordance with GAAP, is not restated for discontinued operations.

(b) Balances include Preferred Stock, Loan Securitizations and other Investment Securities.

(c) Includes assets and liabilities of discontinued operations.

MELLON FINANCIAL CORPORATION
CONTINUING OPERATIONS - 9 Quarter Trend
Interest Yields/Rates (a)

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Average Rates:									
Investment Securities:									
Fixed rate	4.34%	4.34%	4.31%	4.30%	4.39%	4.41%	4.37%	4.37%	4.44%
Adjustable rate	3.57	3.71	3.81	3.93	4.21	4.27	4.31	4.45	4.61
Floating rate	3.17	3.64	4.03	4.52	5.02	5.36	5.67	5.67	5.78
Obligations of states and political subdivisions	7.13	6.97	6.80	6.69	6.88	6.70	6.59	6.52	6.78
Other (b)	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total investment securities	4.03	4.12	4.24	4.47	4.78	4.94	5.10	5.14	5.29
Trading account securities	1.75	2.24	2.21	2.16	1.86	2.19	2.32	2.41	2.09
Money market assets	2.93	2.98	3.11	3.67	3.80	4.12	4.20	4.33	4.78
Loans, net of unearned discount	4.91	6.01	5.60	5.85	6.17	6.51	6.97	7.02	7.35
Total interest-earning assets	4.04%	4.45%	4.45%	4.69%	4.97%	5.15%	5.28%	5.39%	5.59%
Deposits in domestic offices									
	1.64%	1.98%	2.39%	2.79%	3.18%	3.61%	4.06%	3.96%	4.17%
Deposits in foreign offices									
	2.18	2.43	2.52	3.13	3.24	3.59	3.44	3.72	3.83
Total interest-bearing deposits	1.85	2.16	2.44	2.92	3.20	3.60	3.86	3.88	4.06
Federal funds purchased and securities under repurchase agreements									
	2.05	2.46	3.19	3.62	3.74	4.75	4.45	4.67	4.53
Other funds borrowed									
	1.97	3.00	3.34	3.96	4.34	4.80	5.23	5.02	5.17
Long term debt									
	4.28	4.53	5.01	5.47	5.90	6.21	6.53	6.42	6.59
Funding of disc ops (c)									
	NM	NM	NM	NM	NM	NM	NM	NM	NM
Total interest-bearing liabilities	2.47%	2.77%	3.07%	3.54%	3.85%	4.29%	4.40%	4.47%	4.63%
Rates									
Yield on total interest-earning assets	4.04%	4.45%	4.45%	4.69%	4.97%	5.15%	5.28%	5.39%	5.59%
Cost of funds supporting interest-earning assets	2.11%	2.37%	2.65%	2.88%	3.05%	3.45%	3.65%	3.84%	3.81%
Net interest Margin:									
Taxable equivalent basis	1.93%	2.08%	1.80%	1.81%	1.92%	1.70%	1.63%	1.55%	1.78%
Without taxable equivalent increments	1.85%	2.01%	1.73%	1.74%	1.85%	1.64%	1.58%	1.50%	1.72%

(a) Amounts and yields exclude adjustments for fair value and the related deferred tax effect required by SFAS No. 115. Prior periods calculated on a continuing operations basis even though the balance sheet, in accordance with GAAP, is not restated for discontinued operations.

(b) Yields are not meaningful.

(c) Rates are not meaningful as the reduction in interest expense represents the cost of allocated funding of the assets of discontinued operations.

MELLON FINANCIAL CORPORATION
CONTINUING OPERATIONS - 9 Quarter Trend
NONINTEREST EXPENSE

<i>(dollar amounts in millions)</i>	2005				2006				2007
	1st Qtr (b)	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr (c)	2nd Qtr	3rd Qtr	4th Qtr (d)	1st Qtr (e)
Staff:									
Compensation	\$ 243	\$ 248	\$ 254	\$ 260	\$ 268	\$ 270	\$ 279	\$ 309	\$ 282
Incentive (a)	105	114	124	133	170	145	160	248	181
Employee benefits	66	61	67	65	76	71	73	78	77
Total staff	414	423	445	458	514	486	512	635	540
Distribution and servicing	81	90	100	106	115	126	122	140	142
Professional, legal and other purchased services	91	100	104	114	104	114	121	134	120
Net occupancy	58	57	59	59	59	58	51	68	56
Furniture and equipment	26	30	27	31	25	24	26	31	28
Business development	20	24	23	28	25	28	25	36	28
Software expense	16	14	17	17	20	21	16	20	18
Sub-custodian expense	11	12	12	11	13	14	14	14	17
Communications	8	8	9	8	9	8	8	8	6
Amortization of intangible assets	6	7	7	7	7	7	7	23	12
Other	57	49	54	64	63	72	61	83	81
Total noninterest expense	\$ 788	\$ 814	\$ 857	\$ 903	\$ 954	\$ 958	\$ 963	\$ 1,192	\$ 1,048
Employees at period-end	15,700	16,000	16,700	16,500	16,600	16,700	16,700	16,800	17,100

- (a) Effective Jan. 1, 2003, Mellon began recording an expense for the estimated fair value of stock options using the prospective method under transitional guidance provided in the Statement of Financial Accounting Standards (SFAS) No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." Stock option expense totaled \$6 million, \$6 million, \$7 million and \$6 million for each of the quarters of 2005. It totaled \$11 million for the 1st quarter of 2006, including \$3 million to Mellon's former chairman and chief executive officer, pursuant to his employment agreement, \$9 million for the 2nd quarter of 2006, \$8 million for both the 3rd quarter and the 4th quarter of 2006. It totaled \$7 million for the 1st quarter of 2007.
- (b) The first quarter of 2005 includes a \$10 million pre-tax charge (included in other expense) for the early extinguishment of debt and \$5 million of additional expense (\$2 million of occupancy expense and \$3 million of other expenses) related to charges recorded in 2004 for the move to the new Mellon Financial Centre in London and the writedown of a small business.
- (c) The first quarter of 2006 includes a \$19 million pre-tax charge in connection with payments, awards and benefits payable to Mellon's former chairman and chief executive officer, pursuant to his employment agreement.
- (d) The fourth quarter of 2006 includes \$26 million in severance, \$16 million of impairment charges, \$11 million in merger-related expenses and \$6 million in additional occupancy reserves.
- (e) The first quarter of 2007 includes \$8 million of merger related expenses and a \$12 million litigation reserve charge.

MELLON FINANCIAL CORPORATION
ASSETS UNDER MANAGEMENT/ ADMINISTRATION OR CUSTODY - 9 Quarter Trend

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
<i>(dollar amounts in billions unless otherwise noted)</i>									
Market value of assets under management at period end									
Institutional	\$ 463	\$ 469	\$ 490	\$ 501	\$ 527	\$ 585	\$ 607	\$ 667	\$ 697
Mutual Funds	203	205	212	216	214	219	244	251	259
Private Client	63	64	64	64	67	66	67	77	78
Total market value of assets under management	729	738	766	781	808	870	918	995	1,034
Composition of assets under management at period end									
Equity	37%	37%	37%	37%	37%	35%	35%	41%	40%
Fixed Income	20%	19%	18%	18%	19%	21%	20%	19%	19%
Money Market	19%	20%	20%	20%	19%	20%	21%	19%	19%
Securities lending cash collateral	15%	16%	16%	15%	15%	13%	14%	13%	14%
Overlay and alternative investments	9%	8%	9%	10%	10%	11%	10%	8%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Managed mutual funds fee revenue (millions)									
Equity Funds	\$ 85	\$ 87	\$ 93	\$ 93	\$ 93	\$ 96	\$ 96	\$ 113	\$ 113
Money Market Funds	49	54	58	58	58	59	63	65	69
Fixed Income Funds	30	31	30	31	29	29	30	31	30
Nonproprietary	15	16	19	19	14	17	15	20	20
Total managed mutual funds fee revenue	179	188	200	201	194	201	204	229	232
Average assets of proprietary mutual funds									
Equity Funds	\$ 54	\$ 54	\$ 57	\$ 57	\$ 59	\$ 60	\$ 60	\$ 65	\$ 68
Money Market Funds	85	90	96	100	99	101	110	120	120
Fixed Income Funds	22	22	21	21	21	21	21	21	21
Total average assets of proprietary mutual funds	161	166	174	178	179	182	191	206	209
Market value of assets under administration or custody at period end (a)									
	\$ 3,293	\$ 3,450	\$ 3,777	\$ 3,908	\$ 4,125	\$ 4,213	\$ 4,380	\$ 4,491	\$ 4,811
Total Assets									
Managed	\$ 729	\$ 738	\$ 766	\$ 781	\$ 808	\$ 870	\$ 918	\$ 995	\$ 1,034
Administration/Custody (a)	3,293	3,450	3,777	3,908	4,125	4,213	4,380	4,491	4,811
Total	\$ 4,022	\$ 4,188	\$ 4,543	\$ 4,689	\$ 4,933	\$ 5,083	\$ 5,298	\$ 5,486	\$ 5,845

(a) Excludes assets of \$310 billion at June 30, 2005, \$328 billion at Sept. 30, 2005, \$333 billion at Dec. 31, 2005, \$359 billion at March 31, 2006, \$364 billion at June 30, 2006, \$376 billion at Sept. 30, 2006, \$393 billion at Dec. 31, 2006 and \$398 billion at Mar. 31, 2007 that we manage and are also under administration or custody. These assets are included in assets under management.

MELLON FINANCIAL CORPORATION
ASSETS UNDER MANAGEMENT NET FLOWS - 9 Quarter Trend

<i>(dollar amounts in billions)</i>	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Market value of assets under management at beginning of period	\$ 707	\$ 729	\$ 738	\$ 766	\$ 781	\$ 808	\$ 870	\$ 918	\$ 995
Net Flows									
Long-term	5	(1)	9	7	11	11	6	10	(3)
Money market	6	-	4	4	(3)	10	19	3	6
Securities lending	21	9	2	(3)	1	(4)	7	1	24
Total net inflows	32	8	15	8	9	17	32	14	27
Net Market appreciation	(10)	1	13	6	18	(2)	16	36	12
Acquisitions/divestitures	-	-	-	1	-	47	-	27	-
Market value of assets under management at end of period	\$ 729	\$ 738	\$ 766	\$ 781	\$ 808	\$ 870	\$ 918	\$ 995	\$ 1,034

MELLON FINANCIAL CORPORATION
BUSINESS SECTORS
ASSET MANAGEMENT - 9 Quarter Trend

(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (a)	1st Qtr
Revenue:									
Asset and wealth management									
Mutual funds	179	187	200	201	194	201	204	228	232
Institutional clients	119	127	132	134	156	167	194	244	249
Private clients	20	21	22	23	24	26	25	28	29
Total asset and wealth management	318	335	354	358	374	394	423	500	510
Performance fees	27	26	41	77	58	48	56	196	35
Distribution and service	71	74	82	90	98	108	107	102	123
Securities servicing fees	15	17	15	15	17	16	16	19	18
Other fee revenue	5	-	4	-	11	(1)	9	21	8
Total noninterest revenue	436	452	496	540	558	565	611	838	694
Net interest revenue (expense)	(4)	(6)	(6)	(4)	(4)	(10)	(10)	(18)	(9)
Total revenue	432	446	490	536	554	555	601	820	685
Amortization of intangible assets	3	4	3	3	3	3	3	8	9
Other operating expenses	321	335	357	372	392	396	412	537	468
Total operating expenses	324	339	360	375	395	399	415	545	477
Income from continuing operations before taxes (benefits)	108	107	130	161	159	156	186	275	208
Income taxes (benefits)	39	38	42	57	52	50	60	90	67
Net income (loss)	\$ 69	\$ 69	\$ 88	\$ 104	\$ 107	\$ 106	\$ 126	\$ 185	\$ 141
Average loans	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
Average assets	\$ 1,976	\$ 1,987	\$ 1,994	\$ 1,958	\$ 1,990	\$ 2,362	\$ 2,518	\$ 3,096	\$ 3,285
Average deposits	\$ 19	\$ 8	\$ 10	\$ 14	\$ 13	\$ 8	\$ 27	\$ 21	\$ 46
Average common equity	\$ 966	\$ 966	\$ 966	\$ 966	\$ 997	\$ 997	\$ 997	\$ 997	\$ 1,449
Average Tier I preferred equity	\$ 476	\$ 476	\$ 476	\$ 476	\$ 399	\$ 399	\$ 399	\$ 399	\$ 528
Market value of assets under management at period end (in billions) (b),(c),(d)	\$ 587	\$ 587	\$ 612	\$ 629	\$ 653	\$ 711	\$ 751	\$ 824	\$ 840
Market value of assets under administration or custody at period end (in billions)	\$ 9	\$ 8	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 4
Return on common equity	29%	29%	37%	43%	44%	42%	50%	74%	39%
Pretax operating margin (GAAP)	25%	24%	27%	30%	29%	28%	31%	34%	30%
Adjusted pretax operating margin (e)	31%	30%	33%	38%	36%	36%	39%	40%	38%
Employees at period-end	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,700	2,800

(a) Includes \$6 million of severance expense as well as \$5 million of impairment related to the sale of HBV Alternative Investment Strategies.

(b) Includes amounts subadvised for/by other sectors.

(c) Includes assets of \$47 billion at June 30, 2006, \$46 billion at Sept. 30, 2006, \$47 billion at Dec. 31, 2006 and \$49 billion March 31, 2007 managed by WestLB Mellon Asset Management (a 50:50 joint venture).

(d) Reflects the June 30, 2006 transfer of \$8 billion of securities lending cash collateral to the Asset Servicing Sector.

(e) Pretax margin adjusted for Distribution and servicing expense netted against revenue.

Note: In the fourth quarter of 2006, our asset administration business in Brazil was moved to this sector from Business Exits in the Other sector. All periods have been restated.

MELLON FINANCIAL CORPORATION
BUSINESS SECTORS
WEALTH MANAGEMENT - 9 Quarter Trend

*(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)*

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (a)	1st Qtr
Revenue:									
Asset and wealth management	81	80	83	87	90	92	93	99	99
Securities servicing fees - Asset servicing	3	2	3	2	3	2	3	2	3
Other fee revenue	5	5	5	6	5	6	4	5	4
Total noninterest revenue	89	87	91	95	98	100	100	106	106
Net interest revenue (expense)	80	79	77	76	74	77	77	77	75
Total revenue	169	166	168	171	172	177	177	183	181
Credit quality expense	-	-	-	-	-	-	-	-	-
Amortization of intangible assets	1	1	1	1	1	1	1	1	1
Other operating expenses	90	91	95	99	102	104	105	111	109
Total operating expenses	91	92	96	100	103	105	106	112	110
Income from continuing operations before taxes (benefits)	78	74	72	71	69	72	71	71	71
Income taxes (benefits)	28	26	23	26	22	24	23	23	23
Net income (loss)	<u>\$ 50</u>	<u>\$ 48</u>	<u>\$ 49</u>	<u>\$ 45</u>	<u>\$ 47</u>	<u>\$ 48</u>	<u>\$ 48</u>	<u>\$ 48</u>	<u>\$ 48</u>
Average loans	\$ 4,506	\$ 4,623	\$ 4,651	\$ 4,563	\$ 4,615	\$ 4,688	\$ 4,669	\$ 4,762	\$ 4,834
Average assets	\$ 9,431	\$ 9,462	\$ 10,062	\$ 10,860	\$ 10,279	\$ 10,395	\$ 10,544	\$ 10,760	\$ 11,008
Average deposits	\$ 8,295	\$ 8,286	\$ 8,846	\$ 9,474	\$ 8,824	\$ 8,865	\$ 8,827	\$ 8,936	\$ 9,219
Average common equity	\$ 571	\$ 571	\$ 571	\$ 571	\$ 553	\$ 553	\$ 553	\$ 553	\$ 566
Average Tier I preferred equity	\$ 215	\$ 215	\$ 215	\$ 215	\$ 184	\$ 184	\$ 184	\$ 184	\$ 169
Market value of total client assets at period end (in billions) (b)	\$ 77	\$ 78	\$ 82	\$ 86	\$ 89	\$ 87	\$ 90	\$ 95	\$ 99
Return on common equity	35%	34%	34%	32%	34%	35%	34%	35%	34%
Pretax operating margin	46%	45%	43%	41%	40%	41%	40%	39%	39%
Employees at period-end	1,900	1,900	1,900	1,900	1,900	2,000	2,000	2,000	2,000

(a) Includes \$1 million of severance expense.

(b) Includes assets under management, before amounts subadvised by/for other sectors, of \$49 billion, \$50 billion, \$51 billion and \$53 billion in the first, second, third and fourth quarters of 2005, \$55 billion, \$54 billion, \$55 billion and \$59 billion in the first, second, third and fourth quarters of 2006; and \$60 billion in the first quarter of 2007.

MELLON FINANCIAL CORPORATION
BUSINESS SECTORS
ASSET SERVICING - 9 Quarter Trend

(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (a)	1st Qtr
Revenue:									
Securities servicing fees - Asset servicing	156	174	179	197	204	226	214	223	231
Foreign Exchange and other trading activities	55	49	56	50	62	75	56	63	55
Other fee revenue	13	18	14	22	21	20	21	25	23
Total noninterest revenue	224	241	249	269	287	321	291	311	309
Net interest revenue (expense)	19	21	22	20	26	27	29	24	32
Total revenue	243	262	271	289	313	348	320	335	341
Amortization of intangible assets	2	2	2	3	3	3	2	14	2
Other operating expenses	186	198	215	235	242	258	255	278	262
Total operating expenses	188	200	217	238	245	261	257	292	264
Income from continuing operations before taxes (benefits)	55	62	54	51	68	87	63	43	77
Income taxes (benefits)	20	22	17	18	22	28	21	14	25
Net income (loss)	\$ 35	\$ 40	\$ 37	\$ 33	\$ 46	\$ 59	\$ 42	\$ 29	\$ 52
Average loans	\$ (25)	\$ 1	\$ (1)	\$ (20)	\$ (1)	\$ (30)	\$ (1)	\$ -	\$ 11
Average assets	\$ 8,211	\$ 8,117	\$ 9,048	\$ 8,484	\$ 8,376	\$ 9,248	\$ 10,159	\$ 10,523	\$ 9,641
Average deposits	\$ 7,010	\$ 6,859	\$ 7,753	\$ 7,077	\$ 7,111	\$ 7,570	\$ 8,737	\$ 8,975	\$ 8,536
Average common equity	\$ 482	\$ 482	\$ 482	\$ 482	\$ 551	\$ 551	\$ 551	\$ 551	\$ 593
Average Tier I preferred equity	\$ 125	\$ 125	\$ 125	\$ 125	\$ 132	\$ 132	\$ 132	\$ 132	\$ 114
Market value of assets under management at period end (in billions) (b),(c)	\$ 95	\$ 104	\$ 106	\$ 103	\$ 104	\$ 108	\$ 115	\$ 116	\$ 140
Market value of assets under administration or custody at period end (in billions) (d)	\$ 3,259	\$ 3,416	\$ 3,746	\$ 3,874	\$ 4,091	\$ 4,180	\$ 4,344	\$ 4,453	\$ 4,769
Return on common equity	30%	33%	30%	27%	34%	42%	31%	21%	36%
Pretax operating margin	23%	24%	20%	18%	22%	25%	20%	13%	23%
MEMO:									
Securities lending revenue	\$ 24	\$ 33	\$ 25	\$ 26	\$ 30	\$ 38	\$ 26	\$ 26	\$ 29
Total joint venture revenue (e)	\$ 93	\$ 101	\$ 102	\$ 107	\$ 119	\$ 149	\$ 140	\$ 143	\$ 153
Securities on Loan (in billions) (f)	\$ 150	\$ 160	\$ 165	\$ 161	\$ 178	\$ 187	\$ 206	\$ 214	\$ 272
Employees at period-end	3,700	3,800	4,500	4,500	4,500	4,500	4,600	4,600	4,700

(a) Includes \$11 million of impairment charges and \$6 million of severance expense.

(b) Represents the investment of securities lending cash collateral managed by the Asset Servicing Sector.

(c) Reflects the June 30, 2006 transfer of \$8 billion securities lending cash collateral from Asset Management Sector.

(d) Excludes assets of \$310 billion at June 30, 2005, \$328 billion at Sept. 30, 2005, \$333 billion at Dec. 31, 2005, \$359 billion at Mar. 31, 2006, \$364 billion at June 30, 2006, \$376 billion at Sept. 30, 2006, \$393 billion at Dec. 31, 2006 and \$398 billion Mar. 31, 2007 that we manage and are also under administration or custody. These assets are included in the Corporation's assets under management.

(e) Restated to reflect the acquisition of the remaining 50% interest of Russell Mellon, previously a joint venture.

(f) Represents the total dollar amount of securities on loan, both cash and non-cash, at period end by the Corporation.

MELLON FINANCIAL CORPORATION
BUSINESS SECTORS
ISSUER SERVICES - 9 Quarter Trend

*(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)*

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr (a)	1st Qtr
Revenue:									
Securities servicing fees - Issuer Services	53	57	46	54	48	54	49	45	52
Other fee revenue	5	-	1	1	1	2	1	2	2
Total noninterest revenue	58	57	47	55	49	56	50	47	54
Net interest revenue (expense)	9	9	10	14	18	20	19	22	24
Total revenue	67	66	57	69	67	76	69	69	78
Amortization of intangible assets	-	-	-	-	-	-	-	-	-
Other operating expenses	60	58	52	60	57	62	56	63	62
Total operating expenses	60	58	52	60	57	62	56	63	62
Income from continuing operations before taxes (benefits)	7	8	5	9	10	14	13	6	16
Income taxes (benefits)	2	3	2	3	3	5	4	2	5
Net income (loss)	\$ 5	\$ 5	\$ 3	\$ 6	\$ 7	\$ 9	\$ 9	\$ 4	\$ 11
Average loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 2
Average assets	\$ 1,174	\$ 1,112	\$ 1,272	\$ 1,608	\$ 1,884	\$ 1,906	\$ 1,738	\$ 1,974	\$ 2,148
Average deposits	\$ 921	\$ 866	\$ 1,017	\$ 1,356	\$ 1,639	\$ 1,665	\$ 1,497	\$ 1,726	\$ 1,897
Average common equity	\$ 145	\$ 145	\$ 145	\$ 145	\$ 149	\$ 149	\$ 149	\$ 149	\$ 155
Average Tier I preferred equity	\$ 63	\$ 63	\$ 63	\$ 63	\$ 53	\$ 53	\$ 53	\$ 53	\$ 48
Market value of assets under management at period end (in billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market value of assets under administration or custody at period end (in billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Return on common equity	12%	15%	8%	16%	18%	26%	23%	11%	28%
Pretax operating margin	10%	12%	8%	13%	15%	19%	19%	9%	20%
Employees at period-end	800	800	800	800	800	800	800	800	800

(a) Includes \$4 million of severance expense.

MELLON FINANCIAL CORPORATION
BUSINESS SECTORS
TREASURY SERVICES - 9 Quarter Trend

*(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)*

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Revenue:									
Global payment services	65	70	64	62	64	62	61	62	63
Other fee revenue	9	8	7	10	8	9	9	10	12
Total noninterest revenue	74	78	71	72	72	71	70	72	75
Net interest revenue (expense)	34	32	30	32	30	31	29	30	32
Total revenue	108	110	101	104	102	102	99	102	107
Amortization of intangible assets	-	-	1	-	-	-	1	-	-
Other operating expenses	73	74	73	74	73	73	74	78	79
Total operating expenses	73	74	74	74	73	73	75	78	79
Income from continuing operations before taxes (benefits)	35	36	27	30	29	29	24	24	28
Income taxes (benefits)	13	13	8	11	9	10	8	8	9
Net income (loss)	\$ 22	\$ 23	\$ 19	\$ 19	\$ 20	\$ 19	\$ 16	\$ 16	\$ 19
Average loans	\$ 529	\$ 575	\$ 634	\$ 543	\$ 520	\$ 593	\$ 615	\$ 772	\$ 688
Average assets	\$ 6,582	\$ 6,258	\$ 5,915	\$ 5,782	\$ 5,667	\$ 5,462	\$ 5,355	\$ 5,628	\$ 5,952
Average deposits	\$ 5,830	\$ 5,540	\$ 5,194	\$ 5,184	\$ 5,099	\$ 4,851	\$ 4,714	\$ 5,036	\$ 5,353
Average common equity	\$ 353	\$ 353	\$ 353	\$ 353	\$ 342	\$ 342	\$ 342	\$ 342	\$ 350
Average Tier I preferred equity	\$ 12	\$ 12	\$ 12	\$ 12	\$ 11	\$ 11	\$ 11	\$ 11	\$ 13
Market value of assets under management at period end <i>(in billions)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market value of assets under administration or custody at period end <i>(in billions)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Return on common equity	26%	26%	21%	22%	23%	23%	19%	18%	22%
Pretax operating margin	33%	32%	27%	29%	28%	29%	24%	23%	27%
Employees at period-end	2,700	2,700	2,700	2,700	2,600	2,600	2,600	2,600	2,600

MELLON FINANCIAL CORPORATION
BUSINESS SECTORS
OTHER - 9 Quarter Trend

*(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)*

	2005				2006				2007
	1st Qtr (a)	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr (b)	2nd Qtr	3rd Qtr	4th Qtr (c)	1st Qtr (d)
Revenue:									
Global payment services	11	12	11	8	6	6	5	5	3
Other fee revenue	249	68	60	59	59	48	46	43	49
Total noninterest revenue	260	80	71	67	65	54	51	48	52
Net interest revenue (expense)	(21)	(8)	(16)	(18)	(20)	(29)	(21)	(22)	(25)
Total revenue	239	72	55	49	45	25	30	26	27
Credit quality expense	(2)	3	12	4	1	(3)	(1)	5	3
Amortization of intangible assets	-	-	-	-	-	-	-	-	-
Other operating expenses	52	51	58	56	81	58	54	102	56
Total operating expenses	52	51	58	56	81	58	54	102	56
Income from continuing operations before taxes (benefits)	189	18	(15)	(11)	(37)	(30)	(23)	(81)	(32)
Income taxes (benefits)	70	6	(5)	(5)	(3)	(12)	-	(97)	(4)
Net income (loss)	\$ 119	\$ 12	\$ (10)	\$ (6)	\$ (34)	\$ (18)	\$ (23)	\$ 16	\$ (28)
Average loans	\$ 1,475	\$ 1,391	\$ 1,335	\$ 1,268	\$ 841	\$ 620	\$ 569	\$ 566	\$ 543
Average assets	\$ 7,909	\$ 7,884	\$ 8,160	\$ 7,869	\$ 7,911	\$ 8,350	\$ 9,725	\$ 8,061	\$ 8,350
Average deposits	\$ 960	\$ 763	\$ 746	\$ 800	\$ 883	\$ 1,125	\$ 4,103	\$ 1,857	\$ 918
Average common equity	\$ 1,661	\$ 1,570	\$ 1,592	\$ 1,597	\$ 1,565	\$ 1,590	\$ 1,720	\$ 2,081	\$ 1,633
Average Tier I preferred equity	\$ 147	\$ 146	\$ 141	\$ 133	\$ 243	\$ 236	\$ 293	\$ 624	\$ 540
Market value of assets under management at period end (in billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market value of assets under administration or custody at period end (in billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Return on common equity	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Pretax operating margin	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Employees at period-end (e)	4,000	4,200	4,200	4,000	4,200	4,200	4,100	4,100	4,200

(a) The first quarter of 2005 includes a pre-tax gain of \$197 million from the sale of our remaining investment in Shinsei Bank, a \$10 million pre-tax charge (included in other expense) for the early extinguishment of debt and \$5 million of additional expense (\$2 million of occupancy expense and \$3 million of other expenses) related to charges recorded in 2004 for the move to the new Mellon Financial Centre in London and the writedown of a small business.

(b) The first quarter of 2006 includes a \$19 million pre-tax charge in connection with payments, awards and benefits payable to Mellon's former chairman and chief executive officer, pursuant to his employment agreement.

(c) Includes \$7 million in severance, \$11 million in merger-related expenses and \$6 million in occupancy expenses as well as \$74 million of tax benefits primarily related to a reversal of deferred tax liabilities due to management's decision to indefinitely reinvest earnings of certain foreign subsidiaries in accordance with APB opinion No. 23.

(d) Includes \$8 million in merger-related expenses and a \$12 million litigation reserve charge.

(e) Primarily relates to employees in Technology, Finance and Human Resources supporting the business sectors; the cost of these employees are fully allocated to the business sectors.

n/m - not meaningful

**MELLON FINANCIAL CORPORATION
BUSINESS SECTORS**

*(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)*

	Asset Management			Wealth Management			Asset Servicing		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
Revenue:									
Asset and wealth management	1,691	1,365	1,191	374	331	300	-	-	-
Performance fees	358	171	127	-	-	-	-	-	-
Distribution and service fees	415	317	269	-	-	-	-	-	-
Securities servicing fees									
Asset servicing	68	62	62	10	10	9	865	706	554
Issuer services	-	-	-	-	-	-	-	-	-
Total securities servicing fees	68	62	62	10	10	9	865	706	554
Global payment services	-	-	-	-	-	-	-	-	-
Other fee revenue	40	9	10	20	21	22	345	277	252
Total noninterest revenue	2,572	1,924	1,659	404	362	331	1,210	983	806
Net interest revenue (expense)	(42)	(20)	(22)	305	312	302	106	82	69
Total revenue	2,530	1,904	1,637	709	674	633	1,316	1,065	875
Credit quality expense	-	-	-	-	-	1	-	-	-
Amortization of intangible assets	17	13	9	4	4	5	22	9	5
Other operating expenses	1,737	1,385	1,213	422	375	350	1,033	834	691
Total operating expenses	1,754	1,398	1,222	426	379	355	1,055	843	696
Income from continuing operations before taxes (benefits)	776	506	415	283	295	277	261	222	179
Income taxes (benefits)	252	176	142	92	103	94	85	77	62
Income from continuing operations	524	330	273	191	192	183	176	145	117
Income from discontinued operations after-tax	-	-	-	-	-	-	-	-	-
Net income (loss)	\$ 524	\$ 330	\$ 273	\$ 191	\$ 192	\$ 183	\$ 176	\$ 145	\$ 117
Average loans	\$ 1	\$ -	\$ 5	\$ 4,684	\$ 4,586	\$ 4,339	\$ (8)	\$ (11)	\$ 45
Average assets	\$ 2,494	\$ 1,979	\$ 2,017	\$ 10,496	\$ 9,958	\$ 8,898	\$ 9,584	\$ 8,467	\$ 7,244
Average deposits	\$ 17	\$ 13	\$ 13	\$ 8,864	\$ 8,729	\$ 7,624	\$ 8,105	\$ 7,176	\$ 5,785
Average common equity	\$ 997	\$ 966	\$ 805	\$ 553	\$ 571	\$ 691	\$ 551	\$ 482	\$ 599
Average Tier I preferred equity	\$ 399	\$ 476	\$ 453	\$ 184	\$ 215	\$ 217	\$ 132	\$ 125	\$ 133
Market value of assets under management at period end <i>(in billions)</i>	\$ 824	\$ 629	\$ 585	\$ 55	\$ 49	\$ 48	\$ 116	\$ 103	\$ 74
Market value of assets under administration or custody at period end <i>(in billions)</i>	\$ 3	\$ 3	\$ 8	\$ 35	\$ 31	\$ 26	\$ 4,453	\$ 3,874	\$ 3,199
Return on common equity	53%	34%	34%	34%	34%	26%	32%	30%	20%
Pretax operating margin	31%	27%	25%	40%	44%	44%	20%	21%	20%
Employees at period-end	2,700	2,600	2,600	2,000	1,900	1,800	4,600	4,500	3,500
MEMO:									
Securities lending revenue							120	108	76

Note: See pages 9-14 for revenue/expense items impacting respective sector results.

**MELLON FINANCIAL CORPORATION
BUSINESS SECTORS**

(dollar amounts in millions unless otherwise noted;
presented on an FTE basis)

	Issuer Services			Treasury Services			Other			Consolidated Results		
	2006	2005	2004	2006	2005	2004	2006	2005	2004	2006	2005	2004
Revenue:												
Asset and wealth management	-	-	-	-	-	-	-	-	-	2,065	1,696	1,491
Performance fees	-	-	-	-	-	-	-	-	-	358	171	127
Distribution and service	-	-	-	-	-	-	-	-	-	415	317	269
Securities servicing fees												
Asset servicing	-	-	-	2	-	3	-	-	-	945	778	628
Issuer services	196	210	255	-	-	-	-	-	-	196	210	255
Total securities servicing fees	196	210	255	2	-	3	-	-	-	1,141	988	883
Global payment services	-	-	-	249	261	260	22	42	38	271	303	298
Other fee revenue	6	7	2	34	34	30	196	436	323	641	784	639
Total noninterest revenue (a)	202	217	257	285	295	293	218	478	361	4,891	4,259	3,707
Net interest revenue (expense) (b)	79	42	27	120	128	146	(92)	(63)	(55)	476	481	467
Total revenue (c)	281	259	284	405	423	439	126	415	306	5,367	4,740	4,174
Credit quality expense	-	-	-	-	-	-	2	17	(15)	2	17	(14)
Amortization of intangible assets	-	-	-	1	1	-	-	-	-	44	27	19
Other operating expenses	238	230	230	298	294	281	295	217	216	4,023	3,335	2,981
Total operating expenses	238	230	230	299	295	281	295	217	216	4,067	3,362	3,000
Income from continuing operations before taxes (benefits)	43	29	54	106	128	158	(171)	181	105	1,298	1,361	1,188
Income taxes (benefits) (c)	14	10	18	35	45	54	(112)	66	37	366	477	407
Income (loss) from continuing operations before cumulative effect of accounting change	29	19	36	71	83	104	(59)	115	68	932	884	781
Income from discontinued operations after-tax	-	-	-	-	-	-	-	-	-	(34)	(102)	15
Net income (loss)	\$ 29	\$ 19	\$ 36	\$ 71	\$ 83	\$ 104	\$ (59)	\$ 115	\$ 68	\$ 898	\$ 782	\$ 796
Average loans (d)	\$ -	\$ -	\$ -	\$ 626	\$ 571	\$ 620	\$ 648	\$ 1,365	\$ 1,702	\$ 6,738	\$ 7,194	\$ 7,307
Average assets (e)	\$ 1,875	\$ 1,293	\$ 1,053	\$ 5,527	\$ 6,131	\$ 6,453	\$ 8,517	\$ 7,955	\$ 6,508	\$ 39,872	\$ 37,304	\$ 34,003
Average deposits	\$ 1,632	\$ 1,041	\$ 788	\$ 4,924	\$ 5,435	\$ 5,488	\$ 2,000	\$ 816	\$ 652	\$ 25,542	\$ 23,210	\$ 20,350
Average common equity	\$ 149	\$ 145	\$ 133	\$ 342	\$ 353	\$ 611	\$ 1,740	\$ 1,604	\$ 993	\$ 4,332	\$ 4,121	\$ 3,832
Average Tier I preferred equity	\$ 53	\$ 63	\$ 62	\$ 11	\$ 12	\$ 2	\$ 350	\$ 142	\$ 157	\$ 1,129	\$ 1,033	\$ 1,024
Market value of assets under management at period end (in billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 995	\$ 781	\$ 707
Market value of assets under administration or custody at period end (in billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,491	\$ 3,908	\$ 3,233
Return on common equity	20%	13%	27%	21%	24%	17%	n/m	n/m	n/m	22%	21%	20%
Pretax operating margin	15%	11%	19%	26%	30%	36%	n/m	n/m	n/m	24%	29%	28%
Pretax operating margin (f)										26%	28%	27%
Employees at period-end	800	800	800	2,600	2,700	2,700	4,100	4,000	4,100	16,800	16,500	15,500

(a) Consolidated results include FTE impact of \$36 million, \$41 million and \$42 million for 2006, 2005 and 2004, respectively.

(b) Consolidated results include FTE impact of \$16 million, \$18 million and \$17 million for 2006, 2005 and 2004, respectively.

(c) Consolidated results include FTE impact of \$52 million, \$59 million and \$59 million for 2006, 2005 and 2004, respectively.

(d) Consolidated average loans include average loans from discontinued operations of \$787 million, \$683 million and \$596 million for 2006, 2005 and 2004, respectively.

(e) Consolidated average assets include average assets of discontinued operations of \$1,379 million, \$1,521 million and \$1,830 million for 2006, 2005 and 2004, respectively.

(f) Excludes footnote items listed on Consolidated Results - 9 Quarter Trend page.

Note: See pages 9-14 for revenue/expense items impacting respective sector results.

n/m - not meaningful

MELLON FINANCIAL CORPORATION
CONTINUING OPERATIONS - 9 Quarter Trend
NONPERFORMING ASSETS

<i>(dollar amounts in millions)</i>	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
Nonperforming loans:									
Commercial and financial	\$ 9	\$ 7	\$ 7	\$ 1	\$ 1	\$ -	\$ 1	\$ -	\$ -
Personal	4	4	3	2	2	2	2	1	1
Commercial real estate	-	-	-	-	-	-	-	-	1
Lease finance assets	15	15	27	13	10	12	1	1	1
Total nonperforming loans	28	26	37	16	13	14	4	2	3
Total acquired property	-	-	-	-	3	-	-	2	-
Total nonperforming assets	\$ 28	\$ 26	\$ 37	\$ 16	\$ 16	\$ 14	\$ 4	\$ 4	\$ 3
Nonperforming loans as a percentage of total loans	0.39%	0.34%	0.48%	0.24%	0.19%	0.20%	0.07%	0.04%	0.05%
Nonperforming assets as a percentage of Tier I capital plus the reserve for loan losses	0.98%	0.87%	1.23%	0.53%	0.51%	0.44%	0.12%	0.12%	0.08% (a)

(a) Preliminary

MELLON FINANCIAL CORPORATION
CONTINUING OPERATIONS - 9 Quarter Trend
PROVISION AND RESERVE FOR CREDIT EXPOSURE

	2005				2006				2007
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr
<i>(dollar amounts in millions)</i>									
Reserve Activity:									
Loan losses	98	87	87	80	63	60	58	55	56
Unfunded commitments	67	77	81	77	78	82	81	80	84
Reserve at beginning of period	\$ 165	\$ 164	\$ 168	\$ 157	\$ 141	\$ 142	\$ 139	\$ 135	\$ 140
Total credit losses	(1)	-	(24)	(15)	-	(1)	-	-	-
Total recoveries	1	1	1	1	-	1	-	-	-
Sub-total - net credit recoveries (losses)	\$ -	\$ 1	\$ (23)	\$ (14)	\$ -	\$ -	\$ -	\$ -	\$ -
Credit losses on loans transferred to held for sale	-	-	-	-	-	-	-	-	-
Total net credit recoveries (losses)	\$ -	\$ 1	\$ (23)	\$ (14)	\$ -	\$ -	\$ -	\$ -	\$ -
Impact of disposals and acquisitions	-	-	-	-	-	-	-	-	-
Securitizations	-	-	-	-	-	-	-	-	-
Loss on sale of commitments	-	-	-	-	-	-	-	-	-
Provision for credit losses	(2)	3	12	4	1	(3)	(1)	5	3
Reclass of provision to discontinued operations	1	-	-	1	-	-	-	-	-
Reserves transferred to assets of discontinued operations	-	-	-	-	-	-	(3)	-	-
Reserves transferred to held for sale	-	-	-	(7)	-	-	-	-	-
Reserve at end of period	\$ 164	\$ 168	\$ 157	\$ 141	\$ 142	\$ 139	\$ 135	\$ 140	\$ 143
Reserve for loan losses	\$ 87	\$ 87	\$ 80	\$ 63	\$ 60	\$ 58	\$ 55	\$ 56	\$ 52
Reserve for unfunded commitments	77	81	77	78	82	81	80	84	91
Reserve at end of period	\$ 164	\$ 168	\$ 157	\$ 141	\$ 142	\$ 139	\$ 135	\$ 140	\$ 143
Reserve for loan losses as a percentage of total loans (a)	1.23%	1.15%	1.05%	0.96%	0.91%	0.84%	0.93%	0.94%	0.85%
Reserve for unfunded commitments as a percentage of unfunded commitments (a)	0.54%	0.58%	0.55%	0.58%	0.62%	0.61%	0.60%	0.62%	0.66%
Annualized net credit losses to average loans	-%	-%	1.23%	0.77%	-%	-%	-%	-%	-%

(a) At period end.