



FORM 10-Q

BANK OF NEW YORK CO INC – bk

Filed: August 14, 2003 (period: June 30, 2003)

Quarterly report which provides a continuing view of a company's financial position

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THE BANK OF NEW YORK COMPANY, INC.
Quarterly Report on Form 10-Q
For the quarterly period ended June 30, 2003

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THE BANK OF NEW YORK COMPANY, INC.
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THE BANK OF NEW YORK COMPANY, INC.
 Financial Highlights
 (Dollars in millions, except per share amounts)
 (Unaudited)

	June 30, 2003	March 31, 2003	June 30, 2002
	-----	-----	-----
Quarter			

Net Income	\$ 295	\$ 295	\$ 361
Basic EPS	0.39	0.41	0.50
Diluted EPS	0.39	0.41	0.50
Cash Dividends Per Share	0.19	0.19	0.19
Return on Average Common Shareholders' Equity	15.56%	17.80%	22.59%
Return on Average Assets	1.30	1.49	1.82
Year-To-Date			

Net Income	\$ 590	\$ 295	\$ 723
Basic EPS	0.80	0.41	1.00
Diluted EPS	0.80	0.41	0.99
Cash Dividends Per Share	0.38	0.19	0.38
Return on Average Common Shareholders' Equity	16.61%	17.80%	23.16%
Return on Average Assets	1.39	1.49	1.83
Assets	\$99,604	\$79,548	\$80,805
Loans	37,796	31,735	35,998
Securities	20,392	19,599	16,377
Deposits - Domestic	37,319	33,280	29,423
- Foreign	27,336	23,664	25,868
Long-Term Debt	6,515	5,685	5,668
Common Shareholders' Equity	8,113	6,874	6,610
Common Shareholders' Equity Per Share	10.50	9.41	9.09
Market Value Per Share of Common Stock	28.75	20.50	33.75
Allowance for Credit Losses as a Percent of Loans	2.18%	2.62%	1.71%
Allowance for Credit Losses as a Percent of Non-Margin loans	2.58	2.65	1.73
Tier 1 Capital Ratio	6.83	7.92	7.70
Total Capital Ratio	11.07	12.72	11.48
Leverage Ratio	5.85	6.68	6.82
Tangible Common Equity Ratio	4.33	5.53	5.41
Employees	23,106	19,491	19,010
Efficiency Ratio	64.8%	60.0%	55.0%
Assets Under Custody (In trillions)			
Total Assets Under Custody	\$7.8	\$6.8	\$6.6
Equity Securities	32%	25%	29%
Fixed Income Securities	68	75	71
Cross-Border Assets	\$2.2	\$1.9	\$1.8
Assets Under Management (In billions)			
Total Assets Under Management	\$83	\$76	\$75
Equity Securities	32%	29%	34%
Fixed Income Securities	23	24	23
Alternative Investments	9	9	8
Liquid Assets	36	38	35
Assets Under Administration (In billions)	\$27	\$27	\$30

Management's Discussion and Analysis of Financial Condition and

Results of Operations

INTRODUCTION

The Bank of New York Company, Inc.'s (the "Company") actual results of future operations may differ from those estimated or anticipated in certain forward-looking statements contained herein for reasons which are discussed below and under the heading "Forward Looking Statements". When used in this report, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "plan," "goal," "should," "may," "strategy," and words of similar meaning are intended to identify forward looking statements in addition to statements specifically identified as forward looking statements.

OVERVIEW

The Bank of New York Company, Inc. (NYSE: BK) is a global leader in securities servicing for issuers, investors and financial intermediaries. The Company plays an integral role in the infrastructure of the capital markets, servicing securities in more than 100 markets worldwide. The Company provides quality solutions through leading technology for global corporations, financial institutions, asset managers, governments, non-profit organizations, and individuals. Its principal subsidiary, The Bank of New York (the "Bank"), founded in 1784, is the oldest bank in the United States and has a distinguished history of serving clients around the world through its five primary businesses: Securities Servicing and Global Payment Services, Private Client Services and Asset Management, Corporate Banking, Global Market Services, and Retail Banking. Additional information on the Company is available at www.bankofny.com.

The Company has focused its strategy on historically high-growth, fee-based businesses that have transformed the Company from a traditional commercial bank into a premier global securities servicing provider. The Company's breadth of products and services allows it to build client relationships with investors, issuers and financial intermediaries through many different avenues in major markets and regions throughout the world. The Company's well-diversified franchise has become an integral part of the infrastructure of the global capital markets.

SUMMARY OF RESULTS

The Company's second quarter earnings per diluted share on a reported basis were 39 cents and excluding the impact of the Pershing acquisition, 42 cents per share. The Company reported earnings of 41 cents in the first quarter of 2003. The reported results include previously announced dilution from Pershing, which closed May 1, 2003, of 1 cent on operating earnings and an additional 2 cents from merger and integration costs associated with the acquisition. With Pershing, the Company earned 41 cents on an operating basis in the second quarter.

Net income for the second quarter was \$295 million compared with \$361 million, or 50 cents per share a year ago. Year-to-date net income was \$590 million, or 80 cents per share, compared to \$723 million, or 99 cents per share in 2002.

The second quarter results showed sequential quarter improvement in the Company's key businesses, including securities servicing and associated foreign exchange, global payment services, private client services and asset management. The main reason for the improvement was the acquisition of Pershing in May 2003, and improvement in core businesses. Including Pershing, noninterest income was up \$152 million, or 18%, over the first quarter of 2003 and increased to a record 71% of total revenue. Excluding Pershing, securities servicing fees increased 3% over the first quarter, or 13% annualized, as the Company's equity-linked businesses rebounded from first quarter levels. Foreign exchange and other trading increased 22% excluding

Pershing. The Company's other major fee categories also showed growth on a sequential quarter basis, including private client services and asset management, which was up 5%, and global payment services, which was up 3%.

The second quarter results showed improvement over the second quarter of 2002 in the Company's key businesses, including securities servicing and associated foreign exchange, global payment services, private client services and asset management. The main reason for the improvement was the acquisition of Pershing in 2003 and the acquisition of other securities servicing and asset management businesses in 2002. Including Pershing, noninterest income was up \$141 million, or 16%, over the second quarter of 2002 and increased to a record 71% of total revenue. Excluding Pershing, securities servicing fees increased 3% over the second quarter of 2002. Foreign exchange and other trading increased 10% excluding Pershing. Private client services and asset management fees increased by 7% and global payment service fees increased by 11%.

The Company's diversified business model responded well to the recent improved conditions in the equity markets, and the Company is well positioned to benefit from further strengthening in the capital markets. At the same time, credit costs remain stable and the Company continues to make significant progress in its corporate credit exposure reduction program.

The second quarter also marked the successful closing of Pershing, and the Company continues to be on target with all of its major integration milestones, particularly client retention. The Company is confident of its ability to realize the projected synergies and expects this acquisition to be accretive in early 2004.

PERSHING

Supplemental Financial Information

For the quarter ended June 30, 2003, the Company has prepared information in four categories:

- Reported results which are in accordance with Generally Accepted Accounting Principles (GAAP).
- Core operating results which exclude the Pershing acquisition.
- Pershing results which reflect the revenues and expenses since the May 1 acquisition of Pershing but excluding the merger and integration costs.
- Merger and integration costs.

The Company believes that providing supplemental non-GAAP financial information is useful to investors in understanding the underlying operational performance of the Company, its businesses and performance trends and, therefore, facilitates comparisons with the performance of other financial service companies and other periods. Specifically, the Company believes that the exclusion of the transaction-related and restructuring expenses permits evaluation and a comparison of results for ongoing business operations, and it is on this basis that the Company's management internally assesses performance. These non-operating items are excluded from the Company's segment measures used internally to evaluate segment performance because management does not consider them particularly relevant or useful in evaluating the operating performance of our business segments. The following is a reconciliation of the Company's financial results for the three months ended June 30, 2003:

THE BANK OF NEW YORK COMPANY, INC.
Supplemental Information
(In millions, except per share amounts)
(Unaudited)

	Income Statement Quarter ended June 30 SUPPLEMENTAL			GAAP	
	Operating		Merger and Integration	2003 Reported	2002 Reported
	Core	Pershing (a)		Results	Results
Net Interest Income	\$ 387	\$ 11	\$ -	\$ 398	\$ 423
Provision for Credit Losses	40	-	-	40	35
Net Interest Income After Provision for Credit Losses	347	11	-	358	388
Noninterest Income					
Servicing Fees					
Securities	489	109	-	598	478
Global Payment Services	79	-	-	79	71
Private Client Services and Asset Management Fees	94	-	-	94	88
Service Charges and Fees	93	-	-	93	93
Foreign Exchange and Other Trading Activities	79	9	-	88	72
Securities Gains	9	-	-	9	25
Other	32	3	-	35	28
Total Noninterest Income	875	121	-	996	855
Noninterest Expense					
Salaries and Employee Benefits	439	59	-	498	418
Net Occupancy	57	7	-	64	49
Furniture and Equipment	38	11	-	49	35
Clearing	31	9	-	40	33
Sub-custodian Expenses	19	-	-	19	15
Software	36	7	-	43	29
Amortization of Intangibles	4	3	-	7	2
Merger and Integration Cost	-	-	25	25	-
Other	142	16	-	158	115
Total Noninterest Expense	766	112	25	903	696
Income Before Income Taxes	456	20	(25)	451	547
Income Taxes	156	9	(9)	156	186
Net Income	\$ 300	\$ 11	\$ (16)	\$ 295	\$ 361
Diluted Earnings Per Share	\$0.42	(\$0.01)(b)	(\$0.02)	\$0.39	\$0.50

<FN>

Notes:

Reported results agree with the Company's Consolidated Statement of Income

(a) Includes \$5 million of net interest costs attributable to the Pershing acquisition financing.

(b) The (\$0.01) dilution is due to changes in shares outstanding attributable to the acquisition.

</FN>

The following is a supplemental balance sheet showing the impact of the Pershing acquisition.

THE BANK OF NEW YORK COMPANY, INC.
Supplemental Information
(In millions)
(Unaudited)

	Balance Sheet June 30, 2003 SUPPLEMENTAL			GAAP REPORTED	
	Core June 30, 2003 ----	Pershing June 30, 2003 ----	Elimination Entries -----	June 30, 2003 ----	December 31, 2002 ----
Assets					

Cash and Due from Banks	\$ 4,067	\$ 256		\$ 4,323	\$ 4,748
Interest-Bearing Deposits in Banks	6,706	38		6,744	5,104
Securities	20,377	15		20,392	18,300
Trading Assets at Fair Value	6,080	172		6,252	7,309
Federal Funds Sold and Securities Purchased Under Resale Agreements	8,095	3,981		12,076	1,385
Margin Loans	406	5,505		5,911	352
Loans (less allowance for credit losses of \$824 in 2003 and \$831 in 2002)	31,061			31,061	30,156
Premises and Equipment	975	133		1,108	975
Due from Customers on Acceptances	191			191	351
Accrued Interest Receivable	237	7		244	204
Investment in/Advances to Pershing	2,891		\$(2,891)		
Goodwill & Intangible Assets	2,653	1,320		3,973	2,575
Other Assets	6,625	704		7,329	6,105
	-----	-----	-----	-----	-----
Total Assets	\$90,364	\$12,131	\$(2,891)	\$99,604	\$77,564
	=====	=====	=====	=====	=====
Liabilities and Shareholders' Equity					

Deposits	\$64,655			\$64,655	\$55,387
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	699	336		1,035	636
Trading Liabilities	2,569	52		2,621	2,800
Payables to Customers and Broker-Dealers	1,684	7,723		9,407	870
Other Borrowed Funds	706	1,081	\$ (871)	916	475
Acceptances Outstanding	194			194	352
Accrued Taxes and Other Expenses	4,014	19		4,033	4,066
Accrued Interest Payable	139	3		142	101
Other Liabilities	1,076	897		1,973	753
Long-Term Debt	6,515			6,515	5,440
	-----	-----	-----	-----	-----
Total Liabilities	82,251	10,111	(871)	91,491	70,880
	-----	-----	-----	-----	-----
Shareholders' Equity	8,113	2,020	(2,020)	8,113	6,684
	-----	-----	-----	-----	-----
Total Liabilities and Shareholders' Equity	\$90,364	\$12,131	\$(2,891)	\$99,604	\$77,564
	=====	=====	=====	=====	=====

<FN>

Note: The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date.

</FN>

Although the Company believes that the non-GAAP financial measures presented in this report enhance investors' understanding of its businesses and performance, these non-GAAP measures should not be considered an alternative to GAAP.

Pershing Integration Plan

The Company's integration plan related to Pershing has two main priorities. First is the successful conversion of the clients of BNY Clearing onto the platform of Pershing. Conversions are proceeding on schedule with over half the domestic clients already converted and all conversions expected to be completed early in the fourth quarter except for those clients acquired in the Tilney acquisition. See Notes to Consolidated Financial Statements. As expected, BNY Clearing clients have been overwhelmingly supportive of converting to the Pershing platform and the Company expects that client retention levels will meet the Company's targets.

The second priority is achieving projected synergies for this year and next. Related to cost savings, planned closings of domestic and international facilities are proceeding on schedule and are related to the client conversions. In addition, the number of potential revenue synergies is growing. The Company has already moved Pershing's government clearance business to the Company's platform and has converted Lockwood, the Company's managed account business, to the Pershing platform. The Company is also beginning to leverage Pershing's technology facilities in India for applications development work. On the revenue side, as projected, the Company is gaining more transaction business in foreign exchange and execution services. In addition, Pershing and Lockwood have begun working more closely together to service the registered investment advisor market.

CONSOLIDATED INCOME STATEMENT REVIEW

Noninterest Income

Noninterest income for the second quarter of 2003 was \$996 million, an increase of 18% sequentially and 16% from a year ago. Noninterest income was 71% of total revenues. Noninterest income for the six months ended June 30, 2003 was \$1,841 million, an increase of 10% over the comparable 2002 period. The increases are principally due to the Pershing acquisition and improved performance in the core business. Pershing's contribution to the Company's noninterest income was \$121 million for the quarter and six months ended June 30, 2003.

	2nd Quarter	1st Quarter	2nd Quarter	Year-to-Date	
(In millions)	2003	2003	2002	2003	2002
	-----	-----	-----	-----	-----
Servicing Fees					
Securities	\$598	\$474	\$478	\$1,071	\$ 932
Global Payment Services	79	77	71	156	144
	-----	-----	-----	-----	-----
	677	551	549	1,227	1,076
Private Client Services and Asset Management Fees	94	90	88	184	171
Service Charges and Fees	93	98	93	191	176
Foreign Exchange and Other Trading Activities	88	65	72	154	134
Securities Gains	9	7	25	16	56
Other	35	33	28	69	60
	-----	-----	-----	-----	-----
Total Noninterest Income	\$996	\$844	\$855	\$1,841	\$1,673
	=====	=====	=====	=====	=====

Securities servicing fees were a record \$598 million in the second quarter, an increase of \$124 million or 26% over the first quarter, and \$120 million or 25% over the second quarter of 2002, primarily due to the Pershing acquisition. For the first six months of 2003, securities servicing fees were \$1,071 million, an increase of \$139 million from \$932 million for the first six months of 2002, principally due to Pershing and other acquisitions. Pershing securities servicing fees in May and June included in the quarter and six months ended June 30, 2003 were \$109 million. Excluding Pershing, core

securities servicing fees were up 3% from the first quarter, or 13% annualized, as a result of improved performance in the Company's equity-linked businesses.

The Company groups its securities servicing businesses into four categories, each comprised of separate, but related businesses. These are: issuer services, which include corporate trust, depositary receipts and stock transfer; investor services, which include global custody, securities lending and separate account services; broker-dealer services, which include mutual funds, government securities clearance, hedge fund servicing, exchange traded funds and UITs; and execution and clearing services, which include all of the activities in BNY Securities Group including Pershing.

Fees from investor services increased both on a sequential quarter basis and over last year's second quarter. Strong performers on a sequential quarter basis included global custody and securities lending. Wholesale distribution services and securities lending were up over last year's second quarter. Global custody benefited from the phase-in of new client wins, higher equity prices, and increased transaction volumes. As of June 30, 2003, assets under custody were \$7.8 trillion, up from \$6.8 trillion at March 31, 2003, and up from \$6.6 trillion at June 30, 2002. Approximately half of the increase in custody assets from March 31, 2003 is attributable to Pershing, another third came from higher asset price levels, and the remainder from the conversion of recent new business wins. At March 31, 2003, only 25% of the custody assets were equities. As markets rose in the second quarter, the portion in equities increased to 32%. Securities lending benefited from seasonal factors compared to the first quarter and higher loan volume and new business wins compared to last year.

Global issuer services declined on a sequential quarter basis and in comparison to the second quarter of 2002. Corporate trust fees declined from the record level attained in the first quarter of 2003. Depositary receipts showed improved performance on a sequential quarter basis as a result of the improved equity markets as well as seasonal corporate actions like dividends and the completion of a major cross-border acquisition, which created strong issue/cancel activity in this depositary receipt during the quarter.

Fees from broker-dealer services increased for the quarter in terms of both sequential quarter and year-over-year comparisons. Strong performers included government securities clearance and domestic and global collateral management services, which benefited from new business wins and higher fixed income transaction volumes driven by refinancing activity.

Execution and clearing services increased on both a sequential quarter and year-over-year basis, reflecting the acquisition of Pershing as well as an increase in market trading volumes in the second quarter of 2003. Total combined second quarter NYSE and NASDAQ trading volume was up 17% from the first quarter of 2003. Excluding Pershing, sequential quarter fee growth for these services was strong across all business units, in particular BNY Brokerage, B-Trade, and G-Trade.

Global payment services fees increased by 3% from the prior quarter and 11% from the second quarter of 2002. The increased revenues over both periods reflect greater funds transfer activity, particularly multi-currency payments, and new business wins in key client segments, such as U.S. and international banks and mortgage banks. Global payment services fees increased by 8% on a year-to-date basis over 2002.

Private client services and asset management fees for the second quarter were up 5% from the prior quarter, and 7% from the second quarter of 2002. The sequential quarter increase reflects the continued strong demand for alternative investments from Ivy Asset Management as well as higher fees from the private client services business. The increase from the second quarter of 2002 and on a year-to-date basis was due to strong performance from Ivy Asset Management and acquisitions. Total assets under management were \$83 billion at June 30, 2003, up from \$76 billion at March 31, 2003 and \$75 billion a year ago.

Service charges and fees were down \$5 million from the prior quarter, and flat with one year ago. The decrease from the prior quarter reflects lower fees from structured products. Service charges and fees were up 9% on a year-to-date basis over 2002, reflecting higher fees from capital markets and structured products.

Foreign exchange and other trading revenues were up \$23 million, or 35%, compared with the prior quarter, and \$16 million, or 22%, from one year ago. The main reasons for the increase were higher foreign exchange activity and the addition of Pershing, which contributed \$9 million to other trading revenues for the quarter and six months ended June 30, 2003. The strong foreign exchange performance in the second quarter reflects greater client activity resulting from increased cross-border investing. As conditions in the equity markets improved, equity fund managers became more active and more willing to enter into cross border investments. In addition, as activity picked up, currency volatility increased, and intraday trading ranges widened. Excluding Pershing, other trading revenues comprised primarily of fixed income execution and interest rate risk management products were down from the strong first quarter results but up from the quarter and six month period ending June 30, 2002. In the second quarter of 2003, the flatter yield curve and lower interest rates caused clients to delay their hedging activities. For the six months ended June 30, 2003, foreign exchange and other trading revenues were up 15% over the six months ended June 30, 2002.

Securities gains in the second quarter were \$9 million, up modestly from \$7 million in the prior quarter and down significantly from \$25 million a year ago. Gains were principally derived from the Company's fixed income securities portfolio. Year-to-date securities gains are down \$40 million from the first six months of 2002. Comparisons with the prior year periods reflect the Company's reduction in its equity investing activities in 2002.

Other noninterest income increased \$2 million from the first quarter of 2003 and \$7 million from the second quarter of 2002. Pershing contributed \$3 million to other income for the quarter and six months ended June 30, 2003.

Net Interest Income

(Dollars in millions)	2nd	1st	2nd	Year-to-Date	
	Quarter	Quarter	Quarter	2003	2002
	2003	2003	2002	2003	2002
Net Interest Income	\$398	\$386	\$423	\$784	\$835
Tax Equivalent Adjustment	9	9	13	19	26
Net Interest Income on a Tax Equivalent Basis	\$407	\$395	\$436	\$803	\$861
Net Interest Rate Spread	1.95%	2.18%	2.31%	2.05%	2.31%
Net Yield on Interest Earning Assets	2.22	2.44	2.65	2.32	2.64

Net interest income on a taxable equivalent basis was \$407 million in the second quarter of 2003, compared with \$395 million in the first quarter of 2003, and \$436 million in the second quarter of 2002. Pershing contributed \$11 million of net interest income for the second quarter of 2003. The net interest rate spread was 1.95% in the second quarter of 2003, compared with 2.18% in the first quarter of 2003, and 2.31% in the second quarter of 2002. The net yield on interest earning assets was 2.22% in the second quarter of 2003, compared with 2.44% in the first quarter of 2003, and 2.65% in the second quarter of 2002. The impact of Pershing assets was to depress the spread and yield by approximately 13 basis points, as Pershing added approximately \$9 billion of high quality but relatively lower yielding assets, namely margin loans and reverse repurchase agreements.

The increase in net interest income from the first quarter of 2003 is primarily due to the Pershing acquisition, higher earning assets arising from higher levels of client deposits, and a positive day count variance. This was partially offset by lower reinvestment yields in the fixed income securities portfolio. The decrease in net interest income from the second quarter of 2002 reflects lower reinvestment yields on fixed income securities, planned decreases in corporate loan balances, and the impact of Federal Reserve interest rate reductions in 2002 and 2003, partially offset by the Pershing acquisition. Barring any further rate cuts, going forward the Company will get a positive impact from a full quarter of Pershing as well as the full

quarter benefit of refinancing of trust preferred and long-term debt in the second quarter.

For the first six months of 2003, net interest income on a taxable equivalent basis amounted to \$803 million compared with \$861 million in the first half of 2002, reflecting the same factors that affected the comparison with last year's quarter. The year-to-date net interest spread was 2.05% in 2003 compared with 2.31% in 2002, while the net yield on interest earning assets was 2.32% in 2003 and 2.64% in 2002.

In this report a number of amounts related to net interest income are presented on a "taxable equivalent basis". The Company believes that this presentation provides comparability of net interest income arising from both taxable and tax-exempt sources and is consistent with industry standards.

Noninterest Expense and Income Taxes

(In millions)	2nd	1st	2nd	Year-to-date	
	Quarter	Quarter	Quarter	2003	2002
	-----	-----	-----	-----	-----
	2003	2003	2002	2003	2002
	----	----	----	----	----
Salaries and Employee Benefits	\$498	\$423	\$418	\$ 921	\$ 805
Net Occupancy	64	58	49	122	98
Furniture and Equipment	49	36	35	85	70
Clearing	40	29	33	69	60
Sub-custodian Expenses	19	16	15	35	30
Software	43	35	29	78	55
Amortization of Intangibles	7	3	2	10	4
Merger and Integration Costs	25	-	-	25	-
Other	158	139	115	297	223
	-----	-----	-----	-----	-----
Total Noninterest Expense	\$903	\$739	\$696	\$1,642	\$1,345
	=====	=====	=====	=====	=====

Noninterest expense for the second quarter of 2003 was \$903 million, compared with \$739 million in the prior quarter. The increase principally reflects noninterest expense from Pershing of \$112 million, as well as \$25 million of merger and integration costs related to the Pershing acquisition. Core noninterest expense was \$766 million, up \$27 million from the first quarter of 2003, reflecting higher variable compensation and other revenue-related costs as well as the full quarter impact of stock option expense. The Company continues to focus on expense management while continuing to follow through on investment initiatives critical to the Company's long-term positioning and growth such as technology, business continuity, quality, training, and marketing.

Salaries and employee benefits increased by \$75 million on a sequential quarter basis primarily due to the Pershing acquisition, increased incentive compensation tied to revenues, and an increase in stock option expense of \$6 million in the second quarter of 2003. Pershing salaries and employee benefits were \$59 million for the quarter ended June 30, 2003. The increase from the second quarter of 2002 primarily reflects the impact of the Pershing acquisition, the inception of stock option expensing in 2003, a lower pension credit, increased technology investments, and higher business continuity spending. Excluding acquisitions, headcount is down by nearly 200 from the start of the year.

Noninterest expense for the first six months of 2003 was \$1,642 million compared with \$1,345 million last year, mainly reflecting the same factors that explain the second quarter to second quarter increase.

The efficiency ratio for the second quarter was 64.8%, compared to 60.0% in the previous quarter and 55.0% in 2002. For the first half of 2003, the efficiency ratio was 62.5% compared with 54.3% last year. The increase in the efficiency ratio is largely attributable to the Pershing acquisition. The Company's continued focus on cost control was obscured by factors such as the Pershing acquisition and the full phase-in of stock option expensing. The Company continues to take proactive steps to keep its cost basis competitive, such as moving staff to lower cost environments, implementing enhanced

procurement practices, and gaining efficiencies through six sigma and process reengineering efforts. The Company has been relocating staff to lower cost areas such as upstate New York, Orlando, Florida, and Liverpool, England. In addition, approximately a third of the Pershing technology staff is based in India and the Company has begun to leverage off this base for other technology projects.

The effective tax rate for the second quarter of 2003 was 34.6%, unchanged from the first quarter of 2003, and up from 34.0% in the second quarter 2002. The effective tax rate for the six month period ended June 30, 2003 was 34.6%, compared with 33.8% for the six month period ended June 30, 2002. The increase in the effective tax rate reflects fewer tax credits.

Credit Loss Provision and Net Charge-Offs

(In millions)	2nd Quarter	1st Quarter	2nd Quarter	Year-to-Date	
	2003	2003	2002	2003	2002
Provision	\$ 40	\$ 40	\$ 35	\$ 80	\$ 70
Net Charge-offs:					
Commercial	\$ (34)	\$ (25)	\$ (17)	\$ (59)	\$ (47)
Foreign	(7)	-	-	(7)	1
Other	-	(10)	(14)	(10)	(14)
Consumer	(5)	(5)	(4)	(10)	(10)
Total	\$ (46)	\$ (40)	\$ (35)	\$ (86)	\$ (70)
Other Real Estate Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

The provision for credit losses was \$40 million in the second quarter of 2003, flat with \$40 million in the first quarter of 2003 and up from \$35 million in the second quarter of 2002. On a year to date basis, the provision was \$80 million in 2003 compared with \$70 million in 2002.

The allowance for credit losses was \$824 million at June 30, 2003, \$830 million at March 31, 2003, and \$616 million at June 30, 2002. The excess of charge-offs over provision of \$6 million reflects the Company's proactive steps to reduce exposure in the secondary market.

The allowance for credit losses as a percent of non-margin loans was 2.58% at June 30, 2003, compared with 2.65% at March 31, 2003, and 1.73% at June 30, 2002. See "Loans - Allowance".

BUSINESS SEGMENTS REVIEW

The Company has an internal information system that produces performance data for its four business segments along product and service lines.

Business Segments Accounting Principles

The Company's segment data has been determined on an internal management basis of accounting, rather than the generally accepted accounting principles used for consolidated financial reporting. These measurement principles are designed so that reported results of the segments will track their economic performance. Segment results are subject to restatement whenever improvements are made in the measurement principles or organizational changes are made. In the second quarter of 2003 the Company modified the funds transfer rates based on an updated analysis of the duration of assets and liabilities. Prior periods have been restated.

The measure of revenues and profit or loss by operating segment has been adjusted to present segment data on a taxable equivalent basis. The provision for credit losses allocated to each reportable segment is based on management's judgment as to average credit losses that will be incurred in the operations of the segment over a credit cycle of a period of years. Management's judgment includes the following factors among others: historical charge-off experience and the volume, composition, and size of the loan portfolio. This method is different from that required under generally accepted accounting principles as it anticipates future losses which are not yet probable and therefore not recognizable under generally accepted accounting principles. Assets and liabilities are match funded. Support and other indirect expenses are allocated to segments based on general internal guidelines.

Description of Business Segments

The Company reports data for the four business segments: Servicing and Fiduciary, Corporate Banking, Retail Banking, and Financial Markets.

The Servicing and Fiduciary businesses segment comprises the Company's core services, including securities servicing, global payment services, and private client services and asset management. These businesses all share certain favorable attributes: they are well diversified and fee-based; the Company serves the role of an intermediary rather than principal, thereby limiting risk and generating more stable earnings streams; and the businesses are scalable, which result in higher margins as revenues grow. Long-term trends that favor these businesses include the growth of financial assets worldwide, the globalization of investment activity, heightened demand for financial servicing outsourcing, and continuing structural changes in financial markets.

Securities servicing provides financial institutions, corporations and financial intermediaries with a broad array of products and customized services for every step of the investment lifecycle. The Company facilitates the movement, settlement, recordkeeping and accounting of financial assets around the world by delivering timely and accurate information to issuers, investors and broker-dealers. The Company groups its securities servicing businesses into four categories, each comprised of separate, but related businesses. These are: issuer services, which include corporate trust, depository receipts and stock transfer; investor services, which include global custody, securities lending and separate account services; broker-dealer services, which include mutual funds, government securities clearance, hedge fund servicing, exchange traded funds and UITs; and execution and clearing services, which include all of the activities in BNY Securities Group including Pershing. This segment also includes customer-related foreign exchange trading.

Global payment services facilitates the flow of funds between the Company's customers and their clients through such business lines as funds transfer, cash management and trade services. Private client services and asset management includes traditional banking and trust services to affluent clients and investment management services for institutional and high net worth clients.

The Company is a market leader in many of these businesses and has aggressively expanded to both enhance and expand its product and service offerings and to add new clients. The Company has completed 51 acquisitions since 1998 in these core services, has made significant investments in technology to maintain its industry-leading position, and has continued the development of new products and services that meet its clients' needs.

The Corporate Banking segment provides lending and credit-related services to large public and private financial institutions and corporations nationwide, as well as to public and private mid-size businesses in the New York metropolitan area. Special industry groups focus on industry segments such as banks, broker-dealers, insurance, media and telecommunications, energy, real estate, retailing, and government banking institutions. Through BNY Capital Markets, Inc., the Company provides syndicated loans, bond underwriting, private placements of corporate debt and equity securities, and merger, acquisition, and advisory services.

Corporate Banking coordinates delivery of all of the Company's services to customers through its global relationship managers. The two main client bases served are financial institution clients and corporate clients. The Company's strategy is to focus on those clients and industries that are major users of securities servicing and global payment services and by leveraging existing relationships to create new business opportunities.

The Company believes that credit is an important product for many of its customers to execute their business strategies. However, the Company has continued to reduce its credit exposures in recent years by culling its loan portfolio of non-strategic exposures, focusing on increasing total relationship returns through cross-selling and limiting the size of its individual credit exposures and industry concentrations to reduce earnings volatility.

The Retail Banking segment includes retail deposit services, branch banking, and consumer and residential mortgage lending. The Company operates 341 branches in 23 counties in the Tri-State region. The retail network is a stable source of low cost funding and provides a platform to cross-sell core services from the Servicing and Fiduciary businesses to both individuals and small businesses in the New York metropolitan area.

The Financial Markets segment includes trading of foreign exchange and interest rate risk management products, investing and leasing activities, and treasury services to other business segments. The segment offers a comprehensive array of multi-currency hedging and yield enhancement strategies, and complements other business segments. The Financial Markets segment centralizes interest rate risk management for the Company.

There were no major customers from whom revenues were individually material to the Company's performance.

Servicing and Fiduciary Businesses

(In Millions)

	2nd Quarter 2003	1st Quarter 2003	2nd Quarter 2002	Year-to-date 2003 2002	
Net Interest Income	\$ 120	\$ 105	\$ 122	\$ 225	\$ 244
Provision for Credit Losses	-	-	-	-	-
Noninterest Income	838	688	691	1,526	1,350
Noninterest Expense	650	523	486	1,173	946
Income Before Taxes	308	270	327	578	648
Average Assets	\$15,724	\$ 7,615	\$ 8,475	\$11,692	\$ 8,721
Average Deposits	33,499	31,128	30,295	32,320	30,255
Nonperforming Assets	16	16	16	16	16
(In billions)					
Assets Under Custody	\$ 7,787	\$ 6,783	\$ 6,613	\$ 7,787	\$ 6,613
Assets Under Management	83	76	75	83	75
S&P 500 Index (Period End)	975	848	990	975	990
NASDAQ Index (Period End)	1,623	1,341	1,463	1,623	1,463
NYSE Volume (In billions)	93.0	86.6	87.7	179.6	170.6
NASDAQ Volume (In billions)	112.5	88.8	115.2	201.3	222.9

The Servicing and Fiduciary Services businesses are affected by market conditions which improved in May and June, and were characterized by higher equity trading volumes, improved equity price levels, and increased foreign exchange volume and volatility.

The S&P 500 Index was down 2% at the end of the second quarter of 2003 from the second quarter of 2002, with average daily price levels off 12% from 2002. Total combined second quarter NYSE and NASDAQ trading volume was up 17% from the first quarter of 2003 and 1% from the second quarter of 2002. Excluding Pershing, in securities servicing, sequential quarter fee growth was strong across all the business units except global issuer services.

The Company's diversified business model responded well to the recent improved conditions in the equity markets, and it is well positioned to benefit from further strengthening in the capital markets. The second quarter results showed sequential quarter improvement in the Company's key businesses, including securities servicing and associated foreign exchange, global payment services, private client services and asset management. Noninterest income for the second quarter of 2003 and the six months ending June 30, 2003 was \$838 million and \$1,526 million. This is an increase of 22% sequentially and 21% from a year ago quarter. Excluding Pershing, noninterest income was \$717 million in the second quarter of 2003, which represents growth of 4% over the first quarter of 2003 and second quarter of 2002. Noninterest income for the first six months increased 13% over the comparable 2002 period, 4% excluding the impact of Pershing.

As of June 30, 2003, the Company had assets under custody of \$7.8 trillion up from \$6.8 trillion at March 31, 2003 and \$6.6 trillion at June 30, 2002. Cross-border custody assets were \$2.2 trillion at June 30, 2003. The acquisition of Pershing added approximately \$500 billion to custody assets at June 30, 2003. Equity securities composed 32% of the assets under custody at June 30, 2003, while fixed income securities were 68%.

Fees from investor services increased both on a sequential quarter basis and over last year's second quarter. Strong performers on a sequential quarter basis included global custody and securities lending. Typically dividends are paid on foreign equities in the second quarter which creates global equity lending opportunities related to dividend arbitrage business. Wholesale distribution services and securities lending were up over last

year's second quarter. Global custody benefited from the phase-in of new client wins, higher equity prices, and increased transaction volumes.

Global issuer services declined on a sequential quarter basis and in comparison to the second quarter of 2002. Corporate trust fees declined from the record level attained in the first quarter of 2003. Depository receipts showed improved performance on a sequential quarter basis as a result of the improved equity markets as well as seasonal corporate actions, but remain below year ago levels.

Fees from broker-dealer services increased for the quarter in terms of both sequential quarter and year-over-year comparisons. Strong performers included government securities clearance and domestic and global collateral management services, which benefited from new business wins and higher fixed income transaction volumes driven by refinancing activity.

Execution and clearing services increased on both a sequential quarter and on a year-over-year basis, reflecting the acquisition of Pershing as well as an increase in market trading volumes in the second quarter of 2003. Total combined second quarter NYSE and NASDAQ trading volume was up 17% from the first quarter of 2003. Excluding Pershing, sequential quarter fee growth for these services was strong across all the business units, in particular BNY Brokerage, B-Trade, and G-Trade.

Global payment services fees were \$79 million at June 30, 2003 and \$156 million for the six months ending June 30, 2003. This is an increase of 3% from the prior quarter and 11% from the second quarter of 2002. The increased revenues over both periods reflect greater funds transfer activity, particularly multi-currency payments, and new business wins in key client segments, such as U.S. and international banks and mortgage banks. Global payment services fees increased by 8% on a year-to-date basis over 2002.

Private client services and asset management fees for the second quarter were \$94 million and \$184 million for the six months ending June 30, 2003. This is an increase of 5% from the prior quarter, and 7% from the second quarter of 2002. The sequential quarter increase reflects the continued strong demand for alternative investments from Ivy Asset Management as well as higher fees from the private client services business. The increase from the second quarter of 2002 and on a year-to-date basis was due to strong performance from Ivy Asset Management and acquisitions.

Assets under management ("AUM") were \$83 billion at June 30, 2003 compared with \$76 billion at March 31, 2003 and \$75 billion at June 30, 2002. Assets under administration were \$27 billion unchanged as compared with March 31, 2003 and down from \$30 billion at June 30, 2002. The increase in assets under management since March 31, 2003 reflects acquisitions, growth in the Company's alternative investments business, and a rise in asset values. The increase in AUM since June 30, 2002 reflects acquisitions and growth in the Company's alternative investment business. Institutional clients represent 66% of AUM while individual clients equal 34%. AUM at June 30, 2003, are 32% invested in equities, 23% in fixed income, 9% in alternative investments and the remainder in liquid assets.

Net interest income in the Servicing and Fiduciary businesses segment was \$120 million for the second quarter of 2003 compared with \$105 million in the first quarter of 2003 and \$122 million in the second quarter of 2002. The increase in net interest income on a sequential quarter basis is primarily attributable to the Pershing acquisition. The decrease in net interest income from the second quarter of 2002 is primarily due to the decline in interest rates partially offset by the Pershing acquisition. Net interest income for the six months ended June 30, 2003 was \$225 million compared with \$244 million in the first half of 2002. The decline in net interest income mainly reflects the Federal Reserve rate cuts in 2003 and 2002, partially offset by the Pershing acquisition. Average assets for the quarter ended June 30, 2003 were \$15.7 billion compared with \$7.6 billion in the first quarter of 2003 and \$8.5 billion in the second quarter of 2002. Average assets for the six months ended June 30, 2003 were \$11.7 billion compared with \$8.7 billion in the first six months of 2002. These increases reflect the Pershing acquisition. The second

quarter of 2003 average deposits were \$33.5 billion compared with \$31.1 billion in the first quarter of 2003 and \$30.3 billion in the second quarter of 2002. Average deposits for the first half of 2003 were \$32.3 billion compared with \$30.3 billion for the first half of 2002.

Net charge-offs in the Servicing and Fiduciary Businesses segment were zero in each of the relevant periods. Nonperforming assets were \$16 million at June 30, 2003, March 31, 2003 and June 30, 2002. The increase in nonperforming loans since June 30, 2002 is attributable to the Company's private client services business.

Noninterest expense for the second quarter of 2003 was \$650 million, compared with \$523 million in the first quarter of 2003 and \$486 million in the second quarter of 2002. The rise in noninterest expense from the first quarter reflects the Pershing acquisition. For the first half of 2003, noninterest expense was \$1,173 million compared with \$946 million in 2002. The rise in noninterest expense from 2002 was primarily due to acquisitions, the Company's continued investment in technology, a reduced pension credit, higher insurance expense, as well as higher volume-related sub-custodian expenses and higher variable compensation related to revenue growth.

Corporate Banking

(In Millions)

	2nd Quarter 2003	1st Quarter 2003	2nd Quarter 2002	Year-to-date 2003		2002
Net Interest Income	\$ 95	\$ 92	\$ 106	\$ 187	\$ 214	
Provision for						
Credit Losses	30	30	35	60	70	
Noninterest Income	86	75	73	161	142	
Noninterest Expense	53	50	50	103	96	
Income Before Taxes	98	87	94	185	190	
Average Assets	\$19,858	\$20,540	\$22,979	\$20,197	\$23,424	
Average Deposits	6,583	7,219	7,011	6,899	6,956	
Nonperforming Assets	410	409	292	410	292	
Net Charge-offs	42	35	30	77	60	

The Corporate Banking segment's net interest income was \$95 million in the second quarter of 2003, up from \$92 million in the first quarter of 2003 and down from \$106 million in the second quarter of 2002. On a year-to-date basis, net interest income for 2003 was \$187 million compared with \$214 million in 2002. The decreases from the quarter and year-to-date 2002 periods reflect the continued reduction of average loans outstanding as well as a decline in the value of low cost short-term deposits given the lower interest rate environment. Average assets for the quarter were \$19.9 billion compared with \$20.5 billion in the first quarter of 2003 and \$23.0 billion in the second quarter of last year. Average deposits in the corporate bank were \$6.6 billion versus \$7.2 billion in the first quarter of 2003 and \$7.0 billion in 2002. For the six months ended June 30, 2003, average assets were \$20.2 billion compared to \$23.4 billion for the first six months of 2002. For the first half of 2003 and 2002, average deposits were \$6.9 billion and \$7.0 billion.

The second quarter 2003 provision for credit losses was \$30 million compared with \$30 million in the first quarter of 2003 and \$35 million last year. On a year-to-date basis the provision for credit losses was \$60 million for 2003 and \$70 million for 2002. Net charge-offs in the Corporate Banking segment were \$42 million in the second quarter of 2003, \$35 million in the first quarter of 2003, and \$30 million in the second quarter of 2002. The charge-offs in 2003 primarily relate to loans to corporate borrowers. Net charge-offs for the first six months of 2003 were \$77 million compared with \$60 million in 2002. Nonperforming assets were \$410 million at June 30, 2003, essentially flat compared with \$409 million in the first quarter of 2003 and up from \$292 million in the second quarter of 2002. The increase in

nonperforming assets from the second quarter of 2002 primarily reflects exposures to the operating subsidiaries of a large cable operator.

Noninterest income was \$86 million in the current quarter, compared with \$75 million in the first quarter of 2003 and \$73 million in the second quarter a year ago reflecting higher volumes of standby letters of credit and increased capital markets activity. For the first half of 2003, noninterest income was \$161 million compared with \$142 million for the first half of 2002.

Noninterest expense in the second quarter increased to \$53 million from \$50 million in both the first quarter of 2003 and second quarter of 2002. For the first six months of 2003 noninterest expense was \$103 million compared with \$96 million in 2002. The increases over 2002 reflect higher compensation costs due in part to a reduced pension credit.

Retail Banking

(In Millions)

	2nd Quarter 2003	1st Quarter 2003	2nd Quarter 2002	Year-to-date 2003 2002	
Net Interest Income	\$ 118	\$ 116	\$ 122	\$234	\$238
Provision for Credit Losses	5	4	3	9	6
Noninterest Income	33	29	28	62	58
Noninterest Expense	90	87	78	177	159
Income Before Taxes	56	54	69	110	131
Average Assets	\$ 5,329	\$ 5,382	\$ 5,108	\$5,355	\$ 4,959
Average Noninterest Bearing Deposits	4,565	4,830	3,858	4,697	4,005
Average Deposits	14,252	14,122	13,011	14,187	13,128
Nonperforming Assets	11	10	7	11	7
Net Charge-offs	5	5	5	10	10
Number of Branches	341	341	342	341	342
Total Deposit Accounts (In Thousands)	1,183	1,192	1,231	1,183	1,231

Net interest income in the second quarter of 2003 was \$118 million, compared with \$116 million in the first quarter of 2003 and \$122 million in the second quarter of 2002. Net interest income on a year-to-date basis for 2003 and 2002 was \$234 million and \$238 million. The decline in net interest income reflects spread compression on deposits.

Noninterest income was \$33 million for the quarter compared with \$29 million on a sequential quarter basis and \$28 million last year. Noninterest income for the first six months of 2003 was \$62 million compared with \$58 million in the first six months of 2002. The increase in noninterest income reflects a gain on the sale of \$230 million of mortgage loans as well as higher fee-based customer activity.

Noninterest expense in the second quarter of 2003 was \$90 million compared with \$87 million in the first quarter of 2003 and \$78 million last year. These increases reflect a reduced pension credit, and higher medical benefit expense. Noninterest expense for the first half of 2003 was \$177 million compared with \$159 million in the first half of 2002. The year-over-year change reflects a reduced pension credit, higher occupancy, advertising, and medical benefit expenses.

Net charge-offs were \$5 million in the second quarter of 2003, \$5 million in the first quarter of 2003 and \$5 million in the second quarter of 2002. Net charge-offs were \$10 million for the six months ending June 30, 2003 and June 30, 2002. Nonperforming assets were \$11 million in the second quarter of 2003 compared with \$10 million at March 31, 2003 and \$7 million at June 30, 2002.

reflecting modest deterioration in the Company's small business loan portfolio.

Average deposits generated by the Retail Banking segment were \$14.3 billion in the second quarter of 2003, compared with \$14.1 billion in the first quarter of 2003 and \$13.0 billion in the second quarter of 2002. For the first half of 2003 average deposits were \$14.2 billion as compared to \$13.1 billion in the first half of 2002. Noninterest bearing deposits were \$4.6 billion this quarter, compared with \$4.8 billion in the first quarter of 2003 and \$3.9 billion in the second quarter of 2002. The increase in total deposits reflects current consumer preferences for the safety of bank deposits versus the volatility of the equity markets as well as the low interest rates offered on other investment choices. Noninterest bearing deposits for the first six months of 2003 were \$4.7 billion compared with \$4.0 billion in the first six months of 2002. Average assets in the retail banking sector were \$5.3 billion, compared with \$5.4 billion in the first quarter of 2003 and \$5.1 billion in the second quarter of 2002. On a year-to-date basis, average assets were \$5.4 billion for 2003 and \$5.0 billion for 2002. The increases over 2002 reflect strong demand for home equity loans, as well as increased small business lending.

Financial Markets

(In Millions)

	2nd Quarter 2003	1st Quarter 2003	2nd Quarter 2002	Year-to-date 2003	Year-to-date 2002
Net Interest Income	\$ 80	\$ 77	\$ 85	\$ 157	\$ 161
Provision for					
Credit Losses	6	5	5	11	10
Noninterest Income	33	50	64	83	117
Noninterest Expense	25	24	21	49	43
Income Before Taxes	82	98	123	180	225
Average Assets	\$46,463	\$44,334	\$40,822	\$45,404	\$40,295
Average Deposits	4,153	4,917	1,792	4,533	1,905
Average Investment					
Securities	18,720	17,977	14,614	18,351	13,707
Net Charge-offs	-	-	-	-	-

Net interest income for the second quarter was \$80 million compared with \$77 million on a sequential quarter basis and \$85 million a year ago. The sequential quarter increase reflects higher average assets, and an additional day in the quarter, offset in part by lower investment yields. The declines from 2002 reflect lower reinvestment yields partially offset by an increase in assets, primarily highly-rated mortgage-backed securities. Net interest income was \$157 million in the first six months of 2003 compared to \$161 million in the first six months of 2002. Average second quarter 2003 assets in the Financial Markets segment were \$46.5 billion, up from \$44.3 billion on a sequential quarter basis and \$40.8 billion last year. Average assets for the first half of 2003 were \$45.4 billion compared to \$40.3 billion for the first half of 2002. The increase in assets reflects the Company's continuing strategy to reduce investment in higher risk corporate loans and increase holdings of highly rated, more liquid investment securities.

Noninterest income was \$33 million in the second quarter of 2003, compared with \$50 million in the first quarter of 2003 and \$64 million in the second quarter of 2002. On a year-to-date basis, noninterest income was \$83 million in 2003 and \$117 million in 2002. The negative variance versus the first quarter of 2003 reflects lower structured product fees and lower trading related revenues, as the flatter yield curve and lower interest rates caused clients to reduce or delay their hedging activities. The decrease versus a year ago was caused by declines in securities gains and structured product fees.

Net charge-offs were zero in each of the relevant periods. Noninterest expense was essentially flat at \$25 million in the second quarter of 2003, compared with \$24 million in the first quarter of 2003 but up from \$21 million

in last year's second quarter. Noninterest expense for the six months ended June 30, 2003 was \$49 million, compared with \$43 million for the six months ended June 30, 2002 reflecting higher compensation costs.

The consolidating schedule below shows the contribution of the Company's segments to its overall profitability.

In Millions						
For the Quarter Ended June 30, 2003 ----- (In Millions)	Servicing and Fiduciary Businesses -----	Corporate Banking -----	Retail Banking -----	Financial Markets -----	Reconciling Items -----	Consolidated Total -----
Net Interest Income	\$ 120	\$ 95	\$ 118	\$ 80	\$ (15)	\$ 398
Provision for Credit Losses	-	30	5	6	(1)	40
Noninterest Income	838	86	33	33	6	996
Noninterest Expense	650	53	90	25	85	903
	-----	-----	-----	-----	-----	-----
Income Before Taxes	\$ 308	\$ 98	\$ 56	\$ 82	\$ (93)	\$ 451
	=====	=====	=====	=====	=====	=====
Contribution Percentage Average Assets	57%	18%	10%	15%		
	\$15,724	\$19,858	\$5,329	\$46,463	\$ 3,550	\$90,924

In Millions						
For the Quarter Ended March 31, 2003 ----- (In Millions)	Servicing and Fiduciary Businesses -----	Corporate Banking -----	Retail Banking -----	Financial Markets -----	Reconciling Items -----	Consolidated Total -----
Net Interest Income	\$ 105	\$ 92	\$ 116	\$ 77	\$ (4)	\$ 386
Provision for Credit Losses	-	30	4	5	1	40
Noninterest Income	688	75	29	50	2	844
Noninterest Expense	523	50	87	24	55	739
	-----	-----	-----	-----	-----	-----
Income Before Taxes	\$ 270	\$ 87	\$ 54	\$ 98	\$ (58)	\$ 451
	=====	=====	=====	=====	=====	=====
Contribution Percentage Average Assets	53%	17%	11%	19%		
	\$ 7,615	\$20,540	\$5,382	\$44,334	\$ 2,605	\$80,476

In Millions						
For the Quarter Ended June 30, 2002 -----	Servicing and Fiduciary Businesses -----	Corporate Banking -----	Retail Banking -----	Financial Markets -----	Reconciling Items -----	Consolidated Total -----
Net Interest Income	\$ 122	\$106	\$ 122	\$ 85	\$ (12)	\$ 423
Provision for Credit Losses	-	35	3	5	(8)	35
Noninterest Income	691	73	28	64	(1)	855
Noninterest Expense	486	50	78	21	61	696
	-----	-----	-----	-----	-----	-----
Income Before Taxes	\$ 327	\$ 94	\$ 69	\$123	\$ (66)	\$ 547
	=====	=====	=====	=====	=====	=====
Contribution Percentage Average Assets	54%	15%	11%	20%		
	\$8,475	\$22,979	\$5,108	\$40,822	\$ 2,303	\$79,687

Source: BANK OF NEW YORK CO , 10-Q, August 14, 2003

In Millions						
For the Six Months Ended June 30, 2003	Servicing and Fiduciary Businesses	Corporate Banking	Retail Banking	Financial Markets	Reconciling Items	Consolidated Total
Net Interest Income	\$ 225	\$187	\$ 234	\$157	\$ (19)	\$ 784
Provision for Credit Losses	-	60	9	11	-	80
Noninterest Income	1,526	161	62	83	9	1,841
Noninterest Expense	1,173	103	177	49	140	1,642
Income Before Taxes	\$ 578	\$185	\$ 110	\$180	\$(150)	\$ 903
Contribution Percentage Average Assets	55%	18%	10%	17%		
	\$11,692	\$20,197	\$5,355	\$45,404	\$ 3,080	\$85,728

In Millions						
For the Six Months Ended June 30, 2002	Servicing and Fiduciary Businesses	Corporate Banking	Retail Banking	Financial Markets	Reconciling Items	Consolidated Total
Net Interest Income	\$ 244	\$214	\$ 238	\$161	\$ (22)	\$ 835
Provision for Credit Losses	-	70	6	10	(16)	70
Noninterest Income	1,350	142	58	117	6	1,673
Noninterest Expense	946	96	159	43	101	1,345
Income Before Taxes	\$ 648	\$190	\$ 131	\$225	\$(101)	\$1,093
Contribution Percentage Average Assets	54%	16%	11%	19%		
	\$8,721	\$23,424	\$4,959	\$40,295	\$ 2,249	\$79,648

Reconciling Items

Description - Reconciling items for net interest income primarily relate to the recording of interest income on a taxable equivalent basis, reallocation of capital and the funding of goodwill and intangibles. Reconciling items for noninterest income primarily relate to the sale of certain securities and certain other gains. Reconciling items for noninterest expense primarily reflects corporate overhead as well as amortization of intangibles and severance. In the second quarter of 2003, merger and integration costs associated with Pershing are also reconciling items. The adjustment to the provision for credit losses reflects the difference between the aggregate of the credit provision over a credit cycle for the reportable segments and the Company's recorded provision. The reconciling items for average assets consist of goodwill and other intangible assets.

(In millions)	2nd Quarter 2003	1st Quarter 2003	2nd Quarter 2002	Year-to-date 2003	Year-to-date 2002
Segment's revenue	\$1,403	\$1,232	\$1,291	\$2,635	\$2,524
Adjustments:					
Earnings associated with assignment of capital	(28)	(21)	(24)	(48)	(50)
Securities gains	-	-	(2)	-	2
Other gains	6	4	-	10	4
Taxable equivalent basis and other tax-related items	13	15	13	28	28
Subtotal-revenue adjustments	(9)	(2)	(13)	(10)	(16)
Consolidated revenue	\$1,394	\$1,230	\$1,278	\$2,625	\$2,508
Segment's income before tax	\$ 544	\$ 509	\$ 613	\$1,053	\$1,194
Adjustments:					
Revenue adjustments (above)	(9)	(2)	(13)	(10)	(16)
Provision for credit losses different than GAAP	1	(1)	8	-	16
Severance	(4)	(2)	(11)	(6)	(14)
Goodwill and intangible amortization	(7)	(3)	(2)	(10)	(4)
Pershing-related integration expenses	(25)	-	-	(25)	-
Corporate overhead	(49)	(50)	(48)	(99)	(83)
Consolidated income before tax	\$ 451	\$ 451	\$ 547	\$ 903	\$1,093
Segments' total average assets	\$87,374	\$77,871	\$77,384	\$82,648	\$77,399
Adjustments:					
Goodwill and intangibles	3,550	2,605	2,303	3,080	2,249
Consolidated average assets	\$90,924	\$80,476	\$79,687	\$85,728	\$79,648

Allocation to Segments - Earnings associated with the assignment of capital relate to preferred trust securities which are assigned as capital to segments. Since the Company considers these issues to be capital, it does not allocate the interest expense associated with these securities to individual segments. If this interest expense were allocated to segments, it could be assigned based on segment capital, assets, risks, or some other basis.

The reconciling item for securities gains relates to the Financial Markets business. The taxable equivalent adjustment is not allocated to segments because all segments contribute to the Company's taxable income and the Company believes it is arbitrary to assign the tax savings to any particular segment. Most of the assets that are attributable to the tax equivalent adjustment are recorded in the Financial Markets segment.

The reconciling item for the provision for loan losses primarily relates to Corporate Banking and in 2003 to aircraft leases in Financial Markets. Goodwill and intangible amortization primarily relates to the Securities Servicing and Fiduciary segment. Corporate overhead is difficult to specifically identify with any particular segment. Approaches to allocating corporate overhead to segments could be based on revenues, expenses, number of employees, or a variety of other measures. Merger and integration charges would be allocated to the securities and fiduciary businesses segment.

CONSOLIDATED BALANCE SHEET REVIEW

Total assets were \$99.6 billion at June 30, 2003, compared with \$79.5 billion at March 31, 2003, and \$77.6 billion at December 31, 2002. The increase in total assets reflects \$12.1 billion in assets related to Pershing as well as an increase of \$8 billion in liquid assets primarily related to the Company's securities servicing business. As a result, federal funds sold and securities purchased under resale agreements were \$12.1 billion at June 30, 2003 compared with \$1.4 billion at December 31, 2002. In addition, overdrafts were \$3.5 billion at June 30, 2003 compared with \$1.8 billion at December 31, 2002. Customers have left higher cash balances with the Company in the low interest rate environment due to a lack of favorable overnight investment alternatives. In addition, high securities settlement volumes at quarter end resulted in a higher than normal level of uncompleted trades across the industry, which added to the cash levels in customer accounts. Historically, the balance in certain customer accounts at the Company tend to increase at period end compared to daily average balances in these accounts, resulting in distortion in the Company's period-end balance sheets. To minimize these distortions, the Company plans to enter into agreements with certain customers to manage the level of excess balances. Total shareholders' equity was \$8.1 billion at June 30, 2003, compared with \$6.9 billion at March 31, 2003, and \$6.7 billion at December 31, 2002. The increase in shareholders' equity is primarily attributable to the issuance of approximately \$1 billion of common stock related to the Pershing acquisition, as well as the retention of earnings.

Return on average common equity on a reported basis for the second quarter of 2003 was 15.56%, compared with 17.80% in the first quarter of 2003, and 22.59% in the second quarter of 2002. On a reported basis, return on average assets for the second quarter of 2003 was 1.30%, compared with 1.49% in the first quarter of 2003, and 1.82% in the second quarter of 2002. Excluding the merger-related costs of \$25 million, return on average common equity for the second quarter of 2003 was 16.41%, while return on average assets was 1.37%. For the first six months of 2003, return on average common equity was 16.61% compared with 23.16% in 2002. On a reported basis, return on average assets was 1.39% for the first six months of 2003 compared with 1.83% in 2002 on a reported basis. Excluding the merger-related costs of \$25 million, return on average common equity for the first six months of 2003 was 17.08%, while return on average assets was 1.43%.

Investment Securities

The table below shows the distribution of the Company's securities portfolio:

Investment Securities (at Fair Value)

(In millions)	06/30/03	12/31/02
	-----	-----
Fixed Income:		
Mortgage-Backed Securities	\$16,216	\$13,084
Asset-Backed Securities	36	37
Corporate Debt	1,286	1,112
Short-Term Money Market Instruments	1,149	1,999
U.S. Treasury Securities	245	537
U.S. Government Agencies	344	469
State and Political Subdivisions	324	403
Emerging Market Debt	111	114
Other Foreign Debt	542	273
	-----	-----
Subtotal Fixed Income	20,253	18,028
Equity Securities:		
Money Market Funds	52	91
Bank Stocks	-	91
Federal Reserve Bank Stock	66	66
Other	22	22
	-----	-----
Subtotal Equity Securities	140	270
	-----	-----
Total Securities	\$20,393	\$18,298
	=====	=====

Total investment securities were \$20.4 billion at June 30, 2003, compared with \$19.6 billion at March 31, 2003, and \$18.3 billion at December 31, 2002. Average investment securities were \$18.7 billion in the second quarter of 2003, compared with \$18.0 billion in the first quarter of 2003 and \$14.6 billion in the second quarter of last year. Average investment securities were \$18.4 billion in the six months ended June 30, 2003, compared with \$13.7 billion in the six months ended June 30, 2002. The increases were primarily due to growth in the Company's portfolio of highly rated mortgage-backed securities which are 98% rated AAA, 1% AA, and 1% A. Since December 31, 2002, the Company has added approximately \$3 billion of mortgage-backed securities to its investment portfolio. The Company has been adding either adjustable or short life classes of structured mortgage-backed securities, both of which have short average lives. The Company has maintained a duration of approximately 2.2 years on its overall fixed income portfolio to best match its liabilities and reduce the adverse impact from a rise in interest rates.

Net unrealized gains for securities available-for-sale were \$363 million at June 30, 2003, compared with \$338 million at December 31, 2002. As interest rates rise, the Company expects the unrealized gains will decline.

Loans

Total loans including margin loans were \$37.8 billion at June 30, 2003, compared with \$31.7 billion at March 31, 2003, and \$31.3 billion at December 31, 2002. Average loans were \$35.7 billion in the second quarter of 2003, compared with \$32.0 billion in the first quarter of 2003 and \$34.2 billion in the second quarter of 2002. Pershing contributed \$3.0 billion to the increase in average loans. Excluding Pershing, average loans were \$32.7 billion in the second quarter of 2003, \$32.0 billion in the first quarter of 2003, and \$34.2 billion in the second quarter of 2002. The increase on a sequential quarter basis reflects overdrafts related to uncompleted securities trades. The decrease from 2002 reflects the Company's continued reduction of corporate loan exposures, as it reallocates capital towards its fee-based businesses.

The Company has made steady progress in reducing its exposure to higher risk credits and will continue its intensive efforts to do so in the telecom segment as well as throughout the loan portfolio. The Company continued to make progress in its risk reduction efforts during the second quarter. Total exposures to corporate clients were reduced by \$2.0 billion, with telecom exposures reduced by approximately \$244 million. The Company's \$9 billion corporate exposure reduction program is ahead of schedule with the Company over halfway to its targeted goal with six quarters remaining. The improvement in credit spreads in the second quarter and resulting price improvement and greater liquidity in the secondary loan market created favorable conditions for the Company to reduce non-strategic exposure and certain large credits. The increase in margin loans reflects the acquisition of Pershing. The following tables provide additional details on the Company's loan exposures and outstandings at June 30, 2003 in comparison to December 31, 2002.

Overall Loan Portfolio

(dollars in billions)	Unfunded		Total	Unfunded		Total
	Loans	Commitments	Exposure	Loans	Commitments	Exposure
	6/30/03	6/30/03	6/30/03	12/31/02	12/31/02	12/31/02
Financial Institutions(4)	\$ 9.7	\$21.7	\$31.4	\$ 6.6	\$24.1	\$30.7
Corporate(4)	6.2	21.5	27.7	8.2	23.4	31.6
	-----	-----	-----	-----	-----	-----
	15.9	43.2	59.1	14.8	47.5	62.3
	-----	-----	-----	-----	-----	-----
Consumer & Middle Market	8.0	4.1	12.1	8.0	4.1	12.1
Leasing Financings	5.6	0.1	5.7	5.6	0.1	5.7
Commercial Real Estate	2.4	0.8	3.2	2.5	0.8	3.3
Margin loans	5.9	-	5.9	0.4	-	0.4
	-----	-----	-----	-----	-----	-----
Total	\$37.8	\$48.2	\$86.0	\$31.3	\$52.5	\$83.8
	=====	=====	=====	=====	=====	=====

<FN>

(1) Includes assets held for sale.

(2) Unfunded commitments include letters of credit.

(3) Excludes acceptances due from customers.

(4) The Company reclassified \$0.9 billion of exposures from Corporate to Financial Institutions to better reflect the underlying nature of the credit. Prior periods have been restated.

</FN>

Financial Institutions

The financial institutions portfolio exposure was \$31.4 billion at June 30, 2003 compared to \$30.7 billion at December 31, 2002. These exposures are of high quality, with 88% meeting the investment grade criteria of the Company's rating system. The exposures are generally short-term, with 74% expiring within one year and are frequently secured. For example, mortgage banks, securities firms, and asset managers often borrow against marketable securities held in custody at the Company. The diversity of the portfolio is shown in the accompanying table.

(Dollars in billions)

Lending Division	06/30/03					12/31/02		
	Loans	Unfunded Commitments	Total Exposures	%Inv Grade	%due <1 Yr	Loans	Unfunded Commitments	Total Exposures
Banks	\$ 3.4	\$ 3.4	\$ 6.8	74%	80%	\$2.9	\$ 4.5	\$ 7.4
Securities								
Industry	3.3	3.5	6.8	88	97	1.3	3.9	5.2
Insurance	0.4	5.1	5.5	96	65	0.4	5.5	5.9
Government	0.1	5.3	5.4	98	52	0.2	5.5	5.7
Asset Managers	1.9	3.3	5.2	86	69	1.2	3.9	5.1
Mortgage Banks	0.4	0.6	1.0	87	77	0.4	0.5	0.9
Endowments	0.2	0.5	0.7	99	84	0.2	0.3	0.5
Total	\$ 9.7	\$21.7	\$31.4	88%	74%	\$6.6	\$24.1	\$30.7

Corporate

The corporate portfolio exposure declined to \$27.7 billion at June 30, 2003 from \$31.6 billion at year-end 2002. Approximately 73% of the portfolio is investment grade, with 34% of the portfolio maturing in one year. In 2002, the Company announced it expects to reduce its corporate exposure by \$9 billion to \$24 billion by the end of 2004. At June 30, 2003, this portfolio had been reduced by \$5.3 billion of the \$9 billion target.

(Dollars in billions)

Lending Division	06/30/03					12/31/02		
	Loans	Unfunded Commitments	Total Exposures	%Inv Grade	%due <1 Yr	Loans	Unfunded Commitments	Total Exposures
Media	\$ 1.7	\$ 2.3	\$ 4.0	66%	14%	\$1.9	\$ 2.4	\$4.3
Cable	0.8	0.6	1.4	36	4	1.0	0.6	1.6
Telecom	0.5	0.7	1.2	57	30	0.7	0.8	1.5
Subtotal	3.0	3.6	6.6	58%	15%	3.6	3.8	7.4
Utilities	0.3	2.6	2.9	87	67	0.7	3.0	3.7
Retailing	0.1	2.5	2.6	75	44	0.2	2.6	2.8
Automotive	0.2	2.1	2.3	76	41	0.2	2.6	2.8
Oil & Gas	0.3	1.6	1.9	79	37	0.4	1.7	2.1
Healthcare	0.3	1.3	1.6	85	31	0.4	1.5	1.9
Other*	2.0	7.8	9.8	73	32	2.7	8.2	10.9
Total	\$ 6.2	\$21.5	\$27.7	73%	34%	\$8.2	\$23.4	\$31.6

<FN>

* Diversified portfolio of industries and geographies

</FN>

Media, cable, and telecommunications has been a significant industry specialization of the Company historically. The Company has specifically targeted the telecom portfolio for continued reduction in exposure with a goal of reducing the telecom portfolio below \$750 million by December 31, 2004. In the first six months of 2003, the Company reduced telecom exposure by \$344 million. The percentage of investment grade borrowers in the telecom

portfolio has increased to 57% from 54% at year end 2002, due to reductions in lower rated exposures.

The Company's exposure to the airline industry consists of a \$632 million aircraft leasing portfolio as well as \$55 million of direct lending. The aircraft leasing portfolio consists of \$284 million to major U.S. carriers, \$253 million to foreign airlines and \$95 million to U.S. regionals. During the second quarter, the domestic airline industry witnessed structural improvements, including favorable labor developments, continued cost containment, and increased liquidity due to government aid. Notwithstanding the quarter's improvements, the industry faces sustained challenges from a tepid economic recovery, ongoing tension in labor relations, intense domestic competition, future pension funding requirements, and geopolitical uncertainty. Because of these factors, the Company continues to carefully monitor its airline exposure.

Nonperforming Assets

(Dollars in millions)	6/30/03	3/31/03	Change		
			6/30/03 vs. 3/31/03	6/30/03 vs. 12/31/02	
	-----	-----	-----	-----	-----
Category of Loans:					
Commercial	\$312	\$327	\$(15)	\$321	\$(9)
Foreign	84	75	9	84	-
Other	41	34	7	34	7
	----	----	---	----	----
Total Nonperforming Loans	437	436	1	439	(2)
Other Real Estate	-	-	-	1	(1)
	----	----	----	----	----
Total Nonperforming Assets	\$437	\$436	\$ 1	\$440	\$(3)
	====	====	====	====	====
Nonperforming Assets Ratio	1.4%	1.4%		1.4%	
Allowance/Nonperforming Loans	188.6	190.4		189.1	
Allowance/Nonperforming Assets	188.6	190.4		188.7	

Nonperforming assets totaled \$437 million at June 30, 2003, essentially unchanged from \$436 million at March 31, 2003. The level of nonperforming assets prospectively will depend upon the strength and pace of the U.S. economic recovery.

Interest income would have been increased by \$3 million and \$4 million for the second quarters of 2003 and 2002 if loans on nonaccrual status at June 30, 2003 and 2002 had been performing for the entire period. Interest income would have been increased by \$8 million for the six months ended June 30, 2003 and 2002 if loans on nonaccrual status at June 30, 2003 and 2002 had been performing for the entire period.

Impaired Loans

The table below sets forth information about the Company's impaired loans. The Company uses the discounted cash flow method as its primary method for valuing its impaired loans:

(Dollars in millions)	6/30/03 -----	12/31/02 -----
Impaired Loans with an Allowance	\$393	\$376
Impaired Loans without an Allowance(1)	4	27
	----	----
Total Impaired Loans	\$397	\$403
	====	====
Allowance for Impaired Loans(2)	\$189	\$167
Average Balance of Impaired Loans during the Quarter	\$404	\$343
Interest Income Recognized on Impaired Loans during the Quarter	\$0.4	\$0.1

(1) When the discounted cash flows, collateral value or market price equals or exceeds the carrying value of the loan, then the loan does not require an allowance under the accounting standard related to impaired loans.

(2) The allowance for impaired loans is included in the Company's allowance for credit losses.

Allowance

(Dollars in millions)	June 30 2003 -----	March 31 2003 -----	June 30 2002 -----
Loans	\$37,796	\$31,735	\$35,998
Margin Loans	5,911	467	487
Non-Margin Loans	31,885	31,268	35,511
Allowance	824	830	616
Allowance for Loan Losses			
As a Percent of Loans	2.18%	2.62%	1.71%
Allowance for Loan Losses As a Percent of Non-Margin Loans	2.58	2.65	1.73

The allowance for credit losses to total loans was \$824 million, or 2.18% of loans at June 30, 2003, compared with \$830 million, or 2.62% at March 31, 2003 and \$616 million, or 1.71% of loans at June 30, 2002.

The ratio of the allowance for credit losses to non-margin loans was 2.58% for June 30, 2003, compared with 2.65% at March 31, 2003 and 1.73% at June 30, 2002, reflecting stability in credit quality in the first six months of 2003. The Pershing acquisition added \$5.5 billion of secured margin loans to the Company's balance sheet at June 30, 2003. The Company has rarely suffered a loss on these types of loans and does not allocate any of its allowance for credit losses to these credits. The Company believes the ratio of allowance for credit losses to non-margin loan is a more appropriate metric for the allowance for credit losses than the ratio of allowance for loan losses to total loans.

The ratio of the allowance to nonperforming assets was 188.6% at June 30, 2003, compared with 190.4% at March 31, 2003, and 194.9% at June 30, 2002. The ratio of the allowance to nonperforming loans was 188.6% at June 30, 2003, compared with 190.4% at March 31, 2003, and 195.7% at June 30, 2002. Included in the Company's allowance for credit losses at June 30, 2003 is an allocated transfer risk reserve related to Argentina of \$23 million.

The allowance for credit losses consists of four elements: (1) an allowance for impaired credits (nonaccrual commercial credits over \$1

million), (2) an allowance for higher risk rated credits, (3) an allowance for pass rated credits, and (4) an unallocated allowance based on general economic conditions and risk factors in the Company's individual markets.

The first element - impaired credits - is based on individual analysis of all nonperforming commercial credits over \$1 million. The allowance is measured by the difference between the recorded value of impaired loans and their fair value. Fair value is either the present value of the expected future cash flows from borrowers, the market value of the loan, or the fair value of the collateral.

The second element - higher risk rated credits - is based on the assignment of loss factors for each specific risk category of higher risk credits. The Company rates each credit in its portfolio that exceeds \$1 million and assigns the credits to specific risk pools. A potential loss factor is assigned to each pool, and an amount is included in the allowance equal to the product of the amount of the loan in the pool and the risk factor. Reviews of higher risk rated loans are conducted quarterly and the loan's rating is updated as necessary. The Company prepares a loss migration analysis and compares its actual loss experience to the loss factors on an annual basis to attempt to ensure the accuracy of the loss factors assigned to each pool. Pools of past due consumer loans are included in specific risk categories based on their length of time past due.

The third element - pass rated credits - is based on the Company's expected loss model. Borrowers are assigned to pools based on their credit ratings. The expected loss for each loan in a pool incorporates the borrower's credit rating, loss given default rating, estimated exposure at default, and maturity. The credit rating is judgmental and is dependent upon the borrower's estimated probability of default. The loss given default incorporates a recovery expectation based on historical experience, collateral, and structure. Borrower and loss given default ratings are reviewed semi-annually at minimum and are periodically mapped to third party, including rating agency, default and recovery data bases to ensure ongoing consistency and validity. Commercial loans over \$1 million are individually analyzed before being assigned a credit rating. All current consumer loans are included in the pass rated consumer pools.

The fourth element - an unallocated allowance - is based on management's judgment regarding the following factors:

- Economic conditions including duration of the current economic cycle
- Past experience including recent loss experience
- Credit quality trends
- Collateral values
- Volume, composition, and growth of the loan portfolio
- Specific credits and industry conditions
- Results of bank regulatory and internal credit exams
- Actions by the Federal Reserve Board
- Delay in receipt of information to evaluate loans or confirm existing credit deterioration
- Geopolitical issues and their impact on the economy

Based on an evaluation of these four elements, including individual credits, historical credit losses, and global economic factors, the Company has allocated its allowance for credit losses as follows:

	6/30/03 -----	12/31/02 -----
Domestic		
Real Estate	2%	3%
Commercial	75	75
Consumer	1	1
Foreign	9	9
Unallocated	13	12
	---	---
	100%	100%
	===	===

Such an allocation is inherently judgmental, and the entire allowance for credit losses is available to absorb credit losses regardless of the nature of the loss.

Deposits -----

Total deposits were \$64.7 billion at June 30, 2003, compared with \$55.4 billion at December 31, 2002. The increase was primarily due to additional deposits from customers who have left higher cash balances with the Company in the low interest rate environment due to a lack of favorable overnight investment alternatives. In addition, high securities settlement volumes at quarter end resulted in a higher than normal level of uncompleted trades across the industry, which added to the cash levels in customer accounts. Noninterest-bearing deposits were \$16.4 billion at June 30, 2003, compared with \$13.3 billion at December 31, 2002. Interest-bearing deposits were \$48.2 billion at June 30, 2003, compared with \$42.1 billion at December 31, 2002.

WORLD TRADE CENTER DISASTER UPDATE

During the first six months of 2003, the Company incurred \$20 million in expenses associated with interim space, business interruption, and the restoration of facilities, which was offset by an insurance recovery.

The Company is actively engaged in subletting its interim operating facilities. Through June 30, 2003, the Company had terminated or sublet 700,000 square feet and had 600,000 square feet remaining to sublet. The Company has recorded a liability for its sublease loss as of June 30, 2003 of \$216 million. At June 30, 2003, the Company had reserved for approximately 53% of the future costs associated with the subleases. The Company expects the remainder of the costs to be covered by income from subletting these properties.

The financial statement impact of the WTC disaster is shown in the table below:

(In millions)	2003

WTC Expenses	\$ 20
Insurance Recovery	20

Pre-tax Impact	\$ -
	=====
Cumulative Insurance Recovery	\$ 673
Cumulative Cash Advances from Insurance Companies	(600)

Receivable from Insurance Companies at July 31, 2003	\$ 73
	=====

Future cash advances will largely relate to business interruption costs. The Company expects to record modest additional insurance recoveries in 2003 and 2004 above the current \$673 million as it completes the move of its data centers from interim locations to final locations.

CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are described in the "Notes to Consolidated Financial Statements" under "Summary of Significant Accounting and Reporting Policies" in the Company's 2002 Annual Report on Form 10-K. Three of the Company's more critical accounting policies are those related to the allowance for credit losses, to the valuation of derivatives and securities where quoted market prices are not available, and to the valuation of goodwill and other intangibles.

Allowance for Credit Losses

The allowance for credit losses represents management's estimate of probable losses inherent in the Company's loan portfolio. This evaluation process is subject to numerous estimates and judgments. Probabilities of default ratings are assigned after analyzing the credit quality of each borrower/counterparty and the Company's internal ratings are consistent with external rating agency default databases. Loss given default ratings are driven by the collateral, structure, and seniority of each individual asset and are consistent with external loss given default/recovery databases. The portion of the allowance related to impaired credits is based on the present value of future cash flows. Changes in the estimates of probability of default, risk ratings, loss given default/recovery rates, and cash flows could have a direct impact on the allocated allowance for loan losses.

The Company's unallocated allowance is established via a process that begins with estimates of probable loss inherent in the portfolio, based upon the following factors:

- Economic conditions, including duration of the current cycle
- Past experience, including recent loss experience
- Credit quality trends
- Collateral values
- Volume, composition, and growth of the loan portfolio
- Specific credits and industry conditions
- Results of bank regulatory and internal credit exams
- Actions by the Federal Reserve Board
- Delay in receipt of information to evaluate loans or confirm existing credit deterioration
- Geopolitical issues and their impact on the economy

To the extent actual results differ from forecasts or management's judgment the allowance for credit losses may be greater or less than future charge-offs.

The Company considers it difficult to quantify the impact of changes in forecast on its allowance for credit losses. Nevertheless, the Company believes the following discussion may enable investors to better understand the variables that drive the allowance for credit losses.

One key variable in determining the allowance is management's judgment in determining the size of the unallocated allowance. At June 30, 2003, the unallocated allowance was 13% of the total allowance. If the unallocated allowance were five percent higher or lower, the allowance would have increased or decreased by \$41 million, respectively.

The credit rating assigned to each pass credit is another significant variable in determining the allowance. If each pass credit were rated one grade better, the allowance would have decreased by \$62 million, while if each pass credit were rated one grade worse, the allowance would have increased by \$84 million.

For non pass rated credits, if the loss given default were 10% worse, the allowance would have increased by \$34 million, while if the loss given default were 10% better, the allowance would have decreased by \$51 million.

For impaired credits, if the fair value of the loans were 10% higher or lower, the allowance would have decreased or increased by \$21 million, respectively.

Valuation of Derivatives and Securities Where Quoted Market Prices Are Not

 Available

When quoted market prices are not available for derivatives and securities values, such values are determined at fair value, which is defined as the value at which positions could be closed out or sold in a transaction with a willing counterparty over a period of time consistent with the Company's trading or investment strategy. Fair value for these instruments is determined based on discounted cash flow analysis, comparison to similar instruments, and the use of financial models. Financial models use as their basis independently sourced market parameters including, for example, interest rate yield curves, option volatilities, and currency rates. Discounted cash flow analysis is dependent upon estimated future cash flows and the level of interest rates. Model-based pricing uses inputs of observable prices for interest rates, foreign exchange rates, option volatilities and other factors. Models are benchmarked and validated by external parties. The Company's valuation process takes into consideration factors such as counterparty credit quality, liquidity and concentration concerns. The Company applies judgment in the application of these factors. In addition, the Company must apply judgment when no external parameters exist. Finally, other factors can affect the Company's estimate of fair value including market dislocations, incorrect model assumptions, and unexpected correlations.

These valuation methods could expose the Company to materially different results should the models used or underlying assumptions be inaccurate. See "Use of Estimates" in the footnote 1 "Summary of Significant Accounting and Reporting Policies" in the Company's 2002 Annual Report on Form 10-K.

To assist in assessing the impact of a change in valuation, at June 30, 2003, approximately \$3.2 billion of the Company's portfolio of securities and derivatives is not priced based on quoted market prices. A change of 2.5% in the valuation of these securities and derivatives would result in a change in pre-tax income of \$79 million.

Valuation of Goodwill and Other Intangibles

The Company records all assets and liabilities acquired in purchase acquisitions, including goodwill, indefinite-lived intangibles, and other intangibles, at fair value as required by SFAS 141. Goodwill (\$3,149 million at June 30, 2003) and indefinite-lived intangible assets (\$370 million at June 30, 2003) are not amortized but are subject to annual tests for impairment or more often if events or circumstances indicate they may be impaired. Other intangible assets are amortized over their estimated useful lives and are subject to impairment if events or circumstances indicate a possible inability to realize the carrying amount. The initial recording of goodwill and other intangibles requires subjective judgments concerning estimates of the acquired assets fair value. The goodwill impairment test is performed in two phases. The first step of the goodwill impairment test compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit equals or exceeds its carrying amount, goodwill of the reporting unit is considered not impaired; however, if the carrying amount of the reporting unit exceeds its fair value, an additional procedure must be performed. That additional procedure compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. An impairment loss is recorded to the extent that the carrying amount of goodwill exceeds its implied fair value. Indefinite lived intangible assets are evaluated for impairment at least annually by comparing its fair value to its carrying value.

Other identifiable intangible assets (\$454 million at June 30, 2003) are evaluated for impairment if events and circumstances indicate a possible impairment. Such evaluation of other intangible assets is based on undiscounted cash flow projections. Fair value may be determined using: market prices, comparison to similar assets, market multiples, discounted cash flow analysis and other determinates. Estimated cash flows may extend far into the future and, by their nature, are difficult to determine over an extended

timeframe. Factors that may significantly affect the estimates include, among others, competitive forces, customer behaviors and attrition, changes in revenue growth trends, cost structures and technology, and changes in discount rates and specific industry or market sector conditions. Other key judgments in accounting for intangibles include useful life and classification between goodwill and indefinite lived intangibles or other intangibles which require amortization. See Note 4 of the Notes to Consolidated Financial Statements for additional information regarding intangible assets.

The following discussion may assist investors in assessing the impact of a goodwill or intangible asset impairment charge. The Company has \$4.0 billion of goodwill and intangible assets at June 30, 2003. The impact of a 5% impairment charge would result in a change of pre-tax income of approximately \$199 million.

LIQUIDITY

The Company maintains its liquidity through the management of its assets and liabilities, utilizing worldwide financial markets. The diversification of liabilities reflects the Company's efforts to maintain flexibility of funding sources under changing market conditions. Stable core deposits, including demand, retail time, and trust deposits from processing businesses, are generated through the Company's diversified network and managed with the use of trend studies and deposit pricing. The use of derivative products such as interest rate swaps and financial futures enhances liquidity by enabling the Company to issue long-term liabilities with limited exposure to interest rate risk. Liquidity also results from the maintenance of a portfolio of assets which can be easily sold and the monitoring of unfunded loan commitments, thereby reducing unanticipated funding requirements. Liquidity is managed on both a consolidated basis and also at The Bank of New York Company, Inc. parent company ("Parent").

On a consolidated basis, non-core sources of funds such as money market rate accounts, certificates of deposits greater than \$100,000, federal funds purchased and other borrowings were \$14.3 billion and \$14.1 billion on an average basis for the first six months of 2003 and 2002. Stable foreign deposits, primarily from the Company's European based securities servicing business, were \$23.8 billion and \$24.8 billion at June 30, 2003 and 2002. Savings and other time deposits were \$10.1 billion on a year-to-date average basis at June 30, 2003 compared to \$9.7 billion at June 30, 2002. A significant reduction in the Company's securities businesses would reduce its access to foreign deposits.

The Parent has five major sources of liquidity: dividends from its subsidiaries, a collateralized line of credit with the Bank, the commercial paper market, a revolving credit agreement with third party financial institutions, and access to the capital markets.

At June 30, 2003, the amount of dividends the Bank could pay to the Parent and remain in compliance with federal bank regulatory requirements was \$390 million. This dividend capacity would increase in the remainder of 2003 to the extent of net income, less dividends. Nonbank subsidiaries of the Parent have liquid assets of approximately \$423 million. These assets could be liquidated and the proceeds delivered by dividend or loan to the Parent.

The Parent has a line of credit with the Bank, which is subject to limits imposed by federal banking law. At June 30, 2003, the Parent could use the subsidiaries' liquid securities as collateral to allow it to borrow \$53 million rather than liquidate the securities and loan or dividend the proceeds to the Parent and remain in compliance with federal banking regulations. The Parent had no borrowings from the Bank at June 30, 2003.

For the quarter ended June 30, 2003, the Parent's quarterly average commercial paper borrowings were \$118 million compared with \$66 million in 2002. At June 30, 2003, the Parent had cash of \$691 million compared with cash of \$398 million at December 31, 2002 and \$866 million at June 30, 2002. Net of commercial paper outstanding, the Parent's cash position at June 30, 2003 was up \$345 million compared with December 31, 2002.

The Parent has back-up lines of credit of \$275 million at financial institutions. This line of credit matures in October 2006. There were no borrowings under the line of credit at June 30, 2003 and June 30, 2002.

The Parent also has the ability to access the capital markets. At July 31, 2003, the Parent has a shelf registration statement with a capacity of \$1,055 million of debt, preferred stock, preferred trust securities, or common stock. Access to the capital markets is partially dependent on the Company's credit ratings, which as of July 31, 2003 were as follows:

	Parent Commercial Paper	Parent Subordinated Long-Term Debt	Parent Senior Long-Term Debt	The Bank of New York Long-Term Deposits	Outlook
Standard & Poor's	A-1	A	A+	AA-	Stable
Moody's	P-1	A1	Aa3	Aa2	Negative
Fitch	F1+	A+	AA-	AA	Stable

The Parent's major uses of funds are payment of principal and interest on its borrowings, acquisitions, and additional investment in its subsidiaries.

The Parent has approximately \$410 million of long-term debt that becomes due in 2003 subsequent to June 30, 2003. In addition, at June 30, 2003, the Parent has the option to call \$270 million of subordinated debt in 2003 which it will call and refinance if market conditions are favorable. In the second quarter of 2003, the Company redeemed \$360 million of debt. In July 2003, the Company called for redemption \$50 million of subordinated debt. The Parent expects to refinance any debt it repays by issuing a combination of senior and subordinated debt.

Double leverage is the ratio of investment in subsidiaries divided by the Company's consolidated equity plus trust preferred securities. The Company's double leverage ratio at June 30, 2003 and 2002 was 101.19% and 101.58%. The Company's target double leverage ratio is a maximum of 120%. The double leverage ratio is monitored by regulators and rating agencies and is an important constraint on the Company's ability to invest in its subsidiaries to expand its businesses.

The following comments relate to the information disclosed in the Consolidated Statements of Cash Flows.

Earnings and other operating activities provided \$1.0 billion in cash flows through June 30, 2003, compared with \$4.0 billion provided by operating activities through June 30, 2002. The sources of cash flows from operations in 2003 and 2002 were principally the result of changes in trading activities and net income.

In the first six months of 2003, cash used by investing activities was \$12.1 billion as compared to cash used by investing activities in the first six months of 2002 of \$2.8 billion. In the first six months of 2003 and 2002, cash was used to increase the Company's investment securities portfolio, which is part of an ongoing strategy to shift the Company's asset mix from loans towards highly rated investment securities and short-term liquid assets. In addition, there was a significant increase in federal funds sold and securities purchased under resale agreements. In 2002, the increase in securities was offset by reductions in interest bearing deposits in banks and federal funds sold and securities purchased under resale agreements.

In the first six months of 2003, cash provided by financing activities was \$10.6 billion as compared to cash used by financing activities in the first six months of 2002 of \$1.5 billion. Sources of funds in 2003 include deposits, payables to customers and broker-dealers and the issuance of long-term debt and common stock. In 2002 the major use of funds was deposits.

CAPITAL RESOURCES

Regulators establish certain levels of capital for bank holding companies and banks, including the Company and The Bank of New York ("the Bank"), in accordance with established quantitative measurements. In order for the Company to maintain its status as a financial holding company, the Bank must qualify as well capitalized. In addition, major bank holding companies such as the Company are expected by the regulators to be well capitalized. As of June 30, 2003 and 2002, the Company and the Bank were considered well capitalized on the basis of the ratios (defined by regulation) of Total and Tier 1 capital to risk-weighted assets and leverage (Tier 1 capital to average assets). If a bank holding company or bank fails to qualify as "adequately capitalized", regulatory sanctions and limitations are imposed. The Company's and the Bank's capital ratios are as follows:

	June 30, 2003		June 30, 2002		Company Targets	Well Capitalized Guidelines	Adequately Capitalized Guidelines
	Company	Bank	Company	Bank			
Tier 1*	6.83%	6.91%	7.70%	7.57%	7.75%	6%	4%
Total Capital**	11.07	11.17	11.48	11.17	11.75	10	8
Leverage	5.85	5.90	6.82	6.70	6.50	5	3-5
Tangible Common Equity	4.33	5.01	5.41	6.07	5.25-6.00	N.A.	N.A.

<FN>

* Tier 1 capital consists, generally, of common equity and certain qualifying preferred stock, less goodwill.

**Total Capital consists of Tier 1 capital plus Tier 2 capital. Tier 2 capital consists, generally, of certain qualifying preferred stock and subordinated debt and a portion of the loan loss allowance.

</FN>

The Company's estimated regulatory Tier 1 capital and Total capital ratios were 6.83% and 11.07% at June 30, 2003, compared with 7.92% and 12.72% at March 31, 2003, and 7.70% and 11.48% at June 30, 2002. The regulatory leverage ratio was 5.85% at June 30, 2003, compared with 6.68% at March 31, 2003, and 6.82% at June 30, 2002. The Company's tangible common equity as a percentage of total assets was 4.33% at June 30, 2003, compared with 5.53% at March 31, 2003, and 5.41% at June 30, 2002. The Company's capital ratios at June 30, 2003 reflect the increased size of the balance sheet as well as an additional \$1.3 billion of intangible assets (which are deducted from regulatory capital) related to Pershing. The Company remains well capitalized. Historically, the balance in certain customer accounts at the Company tend to increase at period end compared to daily average balances in those accounts, resulting in distortions in the Company's period-end balance sheets. To minimize these distortions, the Company plans to enter into agreements with certain customers to manage the level of excess balances. In addition, the Company is active in addressing industry settlement issues. The Company expects its capital ratios to return to their targeted ranges over the next year.

The following table presents the components of the Company's risk-based capital at June 30, 2003 and 2002:

(in millions)	2003 -----	2002 -----
Common Stock	\$8,113	\$6,610
Preferred Stock	-	-
Preferred Trust Securities	1,150	1,100
Adjustments: Intangibles	(3,966)	(2,364)
Securities Valuation Allowance	(214)	(84)
Merchant Banking Investments	(5)	(2)
	-----	-----
Tier 1 Capital	5,078	5,260
	-----	-----
Qualifying Unrealized Equity Security Gains	-	-
Qualifying Subordinated Debt	2,356	1,996
Qualifying Allowance for Loan Losses	800	583
	-----	-----
Tier 2 Capital	3,156	2,579
	-----	-----
Total Risk-based Capital	\$8,234	\$7,839
	=====	=====
Risk-Adjusted Assets	\$74,378	\$68,271
	=====	=====

TRADING ACTIVITIES

The fair value and notional amounts of the Company's financial instruments held for trading purposes at June 30, 2003 and June 30, 2002 are as follows:

(In millions)	June 30, 2003			2003 Average	
	Notional Amount	Fair Value		Fair Value	
		Assets	Liabilities	Assets	Liabilities
Interest Rate Contracts:					
Futures and Forward Contracts	\$ 62,181	\$ 43	\$ -	\$ 86	\$ -
Swaps	158,635	1,952	537	2,089	698
Written Options	119,304	-	1,502	-	1,432
Purchased Options	63,197	268	-	271	-
Foreign Exchange Contracts:					
Swaps	2,791	-	-	-	-
Written Options	16,387	-	96	-	79
Purchased Options	18,912	73	-	520	-
Commitments to Purchase and Sell Foreign Exchange	63,020	407	456	374	489
Debt Securities	-	3,488	26	4,360	35
Credit Derivatives	1,801	5	4	6	4
Equity Derivatives	-	16	-	22	17
Total Trading Account		\$6,252	\$2,621	\$7,728	\$2,754

(In millions)	June 30, 2002			2002 Average	
	Notional Amount	Fair Value		Fair Value	
		Assets	Liabilities	Assets	Liabilities
Interest Rate Contracts:					
Futures and Forward Contracts	\$ 43,100	\$ 98	\$ -	\$ 81	\$ -
Swaps	144,429	1,423	811	1,448	881
Written Options	123,597	-	1,066	-	1,023
Purchased Options	44,083	188	-	174	-
Foreign Exchange Contracts:					
Swaps	1,969	-	-	-	-
Written Options	15,278	-	166	-	83
Purchased Options	17,611	68	-	79	-
Commitments to Purchase and Sell Foreign Exchange	59,371	825	835	437	463
Debt Securities	-	3,938	142	4,473	37
Credit Derivatives	2,075	8	1	17	7
Equity Derivatives	-	29	12	27	7
Total Trading Account		\$6,577	\$3,033	\$ 6,736	\$2,501

The Company's trading activities are focused on acting as a market maker for the Company's customers. The risk from these market making activities and from the Company's own positions is managed by the Company's traders and limited in total exposure as described below.

The Company manages trading risk through a system of position limits, a value at risk (VAR) methodology, based on a Monte Carlo simulation, stop loss advisory triggers, and other market sensitivity measures. Risk is monitored and reported to senior management by an independent unit on a daily basis. The VAR methodology captures, based on certain assumptions, the potential

overnight pre-tax dollar loss from adverse changes in fair values of all trading positions. The calculation assumes a one day holding period for most instruments, utilizes a 99% confidence level, and incorporates the non-linear characteristics of options. The VAR model is used to calculate economic capital which is allocated to the business units for computing risk-adjusted performance. As the VAR methodology does not evaluate risk attributable to extraordinary financial, economic or other occurrences, the risk assessment process includes a number of stress scenarios based upon the risk factors in the portfolio and management's assessment of market conditions. Additional stress scenarios based upon historic market events are also tested.

The following table indicates the calculated VAR amounts for the trading portfolio for the periods indicated.

(In millions)	2nd Quarter 2003			Year-to-Date 2003			
	Average	Minimum	Maximum	Average	Minimum	Maximum	6/30/03
Interest rate	\$6.4	\$3.2	\$10.4	\$5.6	\$2.2	\$11.2	\$9.7
Foreign Exchange	0.9	0.5	1.9	0.8	0.5	1.9	0.9
Equity	0.1	-	0.3	0.1	-	0.4	0.3
Credit Derivatives	2.0	1.6	2.8	1.0	-	2.8	1.8
Diversification	(1.9)	NM	NM	(0.6)	NM	NM	(1.2)
Overall Portfolio	7.5	5.1	14.7	6.9	2.0	14.7	11.5

(In millions)	2nd Quarter 2002			Year-to-Date 2002			
	Average	Minimum	Maximum	Average	Minimum	Maximum	6/30/02
Interest rate	\$4.8	\$3.5	\$6.6	\$5.0	\$3.4	\$9.2	\$4.6
Foreign Exchange	1.5	0.7	3.8	1.2	0.6	3.8	0.9
Equity	-	-	1.1	-	-	1.1	0.8
Credit Derivatives	-	-	-	-	-	-	-
Diversification	(2.1)	NM	NM	(1.8)	NM	NM	(1.8)
Overall Portfolio	4.2	3.0	7.2	4.4	3.0	8.3	4.5

<FN>

NM - Because the minimum and maximum may occur on different days for different risk components, it is not meaningful to compute a portfolio diversification effect.

</FN>

During the first six months of 2003, interest rate risk generated approximately 75% of average VAR, credit derivatives generated 13% of average VAR, foreign exchange generated 11% of average VAR, and equity generated 1% of average VAR. During the second quarter and first six months of 2003, the daily trading loss did not exceed the calculated VAR amounts on any given day.

ASSET/LIABILITY MANAGEMENT

The Company's asset/liability management activities include lending, investing in securities, accepting deposits, raising money as needed to fund assets, and processing securities and other transactions. The market risks that arise from these activities are interest rate risk, and to a lesser degree, foreign exchange risk. The Company's primary market risk is exposure to movements in US dollar interest rates. Exposure to movements in foreign currency interest rates also exists, but to a significantly lower degree. The Company actively manages interest rate sensitivity. In addition to gap analysis, the Company uses earnings simulation and discounted cash flow models to identify interest rate exposures.

An earnings simulation model is the primary tool used to assess changes in pre-tax net interest income. The model incorporates management's assumptions regarding interest rates, balance changes on core deposits, and changes in the prepayment behavior of loans and securities. These assumptions have been developed through a combination of historical analysis and future expected pricing behavior. Derivative financial instruments used for interest rate risk management purposes are also included in this model.

The Company evaluates the effect on earnings by running various interest rate ramp scenarios up and down from a baseline scenario which assumes no changes in interest rates. These scenarios are reviewed to examine the impact of large interest rate movements. Interest rate sensitivity is quantified by calculating the change in pre-tax net interest income between the scenarios over a 12 month measurement period. The measurement of interest rate sensitivity is the percentage change in net interest income as shown in the following table:

(In millions)	2003	%
	----	----
+200 bp Ramp vs. Stable Rate	\$(12.0)	(0.71)%
+100 bp Ramp vs. Stable Rate	10.6	0.63
-25 bp Shock vs. Stable Rate	(13.9)	(0.82)

These scenarios do not include the strategies that management could employ to limit the impact as interest rate expectations change. The Company's interest rate positioning continues to be relatively neutral to changes in interest rates in either direction with Pershing not having a material impact.

The above table relies on certain critical assumptions including depositors' behavior related to interest rate fluctuations and the prepayment and extension risk in certain of the Company's assets. For example, based on the level of interest rates at June 30, 2003, the Company does not believe it would be able to reduce rates on all its deposit products if there are further declines in interest rates. In addition, if interest rates rise, the Company's portfolio of mortgage related assets would have reduced returns if the owners of the underlying mortgages pay off their mortgages later than anticipated. To the extent that actual behavior is different from that assumed in the models, there could be a change in interest rate sensitivity.

The Company earns substantial distribution fee income from investing customer funds in various liquid investments as directed by the customer. Declines in interest rates have reduced the return available to be shared by investors, asset managers and the Company. Further cuts in interest rates may cause a reduction in noninterest income as the returns from these investments are no longer adequate to compensate all of the parties involved in the transaction. The actual impact on the Company will depend on negotiations with the parties engaged in these transactions.

STATISTICAL INFORMATION

THE BANK OF NEW YORK COMPANY, INC.
Average Balances and Rates on a Taxable Equivalent Basis
(Dollars in millions)

	For the three months ended June 30, 2003			For the three months ended June 30, 2002		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						

Interest-Bearing Deposits in Banks (primarily foreign)	\$ 7,049	\$ 41	2.37%	\$ 5,737	\$ 44	3.03%
Federal Funds Sold and Securities Purchased Under Resale Agreements	7,931	24	1.20	2,834	12	1.69
Margin Loans	3,492	21	2.42	449	3	3.01
Loans						
Domestic Offices	20,281	219	4.34	18,619	240	5.17
Foreign Offices	11,964	90	3.01	15,566	132	3.40
Total Loans	32,245	309	3.84	34,185	372	4.37
Securities						
U.S. Government Obligations	209	2	4.16	669	9	5.40
U.S. Government Agency Obligations	3,019	29	3.84	3,253	45	5.54
Obligations of States and Political Subdivisions	352	6	7.30	580	9	6.54
Other Securities	15,140	140	3.67	10,112	124	4.89
Trading Securities	4,346	32	2.95	8,124	68	3.36
Total Securities	23,066	209	3.62	22,738	255	4.49
Total Interest-Earning Assets	73,783	604	3.28%	65,943	686	4.18%
Allowance for Credit Losses	(826)			(616)		
Cash and Due from Banks	2,748			2,726		
Other Assets	15,219			11,634		
TOTAL ASSETS	\$90,924			\$79,687		
	=====			=====		
LIABILITIES AND SHAREHOLDERS' EQUITY						

Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 7,239	\$ 17	0.94%	\$ 6,405	\$ 21	1.33%
Savings	9,039	18	0.81	8,171	22	1.10
Certificates of Deposit						
\$100,000 & Over	4,649	19	1.63	1,252	8	2.50
Other Time Deposits	1,350	5	1.55	1,567	9	2.27
Foreign Offices	23,827	79	1.32	24,459	98	1.60
Total Interest-Bearing Deposits	46,104	138	1.20	41,854	158	1.51
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,428	4	1.10	2,299	8	1.47
Payables to Customers and Broker-Dealers	4,289	8	0.80	195	1	0.53
Other Borrowed Funds	983	5	1.90	4,199	27	2.66
Long-Term Debt	6,469	42	2.53	5,450	56	4.06
Total Interest-Bearing Liabilities	59,273	197	1.33%	53,997	250	1.87%
Noninterest-Bearing Deposits	12,383			10,257		
Other Liabilities	11,661			9,017		
Common Shareholders' Equity	7,607			6,416		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$90,924			\$79,687		
	=====			=====		
Net Interest Earnings and Interest Rate Spread		\$ 407	1.95%		\$ 436	2.31%
		=====	=====		=====	=====
Net Yield on Interest-Earning Assets			2.22%			2.65%
			=====			=====

THE BANK OF NEW YORK COMPANY, INC.
Average Balances and Rates on a Taxable Equivalent Basis
(Dollars in millions)

	For the six months ended June 30, 2003			For the six months ended June 30, 2002		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						

Interest-Bearing						
Deposits in Banks						
(primarily foreign)	\$ 6,024	\$ 71	2.38%	\$ 5,481	\$ 79	2.88%
Federal Funds Sold and Securities						
Purchased Under Resale Agreements	6,475	39	1.21	3,069	26	1.72
Margin Loans	1,970	24	2.43	452	6	2.57
Loans						
Domestic Offices	19,471	433	4.48	18,759	480	5.16
Foreign Offices	12,424	186	3.03	15,869	270	3.43
Total Loans	31,895	619	3.91	34,628	750	4.37
Securities						
U.S. Government Obligations	267	5	3.88	736	20	5.37
U.S. Government Agency Obligations	3,135	63	4.02	3,075	87	5.66
Obligations of States and						
Political Subdivisions	367	13	7.07	574	19	6.57
Other Securities	14,582	278	3.80	9,322	231	4.96
Trading Securities	5,025	76	3.06	8,435	141	3.38
Total Securities	23,376	435	3.73	22,142	498	4.51
Total Interest-Earning Assets	69,740	1,188	3.43%	65,772	1,359	4.18%
Allowance for Credit Losses	(828)			(616)		
Cash and Due from Banks	2,780			2,683		
Other Assets	14,036			11,809		
TOTAL ASSETS	\$85,728			\$79,648		
	=====			=====		
LIABILITIES AND SHAREHOLDERS' EQUITY						

Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 7,457	\$ 35	0.96%	\$ 6,661	\$ 44	1.34%
Savings	8,766	38	0.87	8,114	48	1.18
Certificates of Deposit						
\$100,000 & Over	4,687	39	1.69	877	12	2.74
Other Time Deposits	1,311	11	1.68	1,585	19	2.38
Foreign Offices	23,847	161	1.36	24,816	195	1.59
Total Interest-Bearing Deposits	46,068	284	1.24	42,053	318	1.53
Federal Funds Purchased and						
Securities Sold Under Repurchase						
Agreements	1,360	7	1.04	2,203	16	1.47
Payables to Customers and Broker-Dealers	2,219	9	0.80	196	1	0.94
Other Borrowed Funds	823	5	1.30	4,370	54	2.45
Long-Term Debt	5,958	80	2.68	5,239	109	4.15
Total Interest-Bearing Liabilities	56,428	385	1.38%	54,061	498	1.87%
Noninterest-Bearing Deposits	11,871			10,192		
Other Liabilities	10,261			9,097		
Common Shareholders' Equity	7,168			6,298		
TOTAL LIABILITIES AND						
SHAREHOLDERS' EQUITY	\$85,728			\$79,648		
	=====			=====		
Net Interest Earnings						
and Interest Rate Spread		\$ 803	2.05%		\$ 861	2.31%
		=====	=====		=====	=====
Net Yield on Interest-Earning Assets			2.32%			2.64%
			=====			=====

FORWARD LOOKING STATEMENTS

The information presented with respect to, among other things, earnings outlook, projected business growth, the outcome of legal, regulatory and investigatory proceedings, the Company's plans, objectives and strategies for reallocating assets and moving into fee-based businesses, and future loan losses, is forward looking information. Forward looking statements are the Company's current estimates or expectations of future events or future results.

The Company or its executive officers and directors on behalf of the Company, may from time to time make forward looking statements. When used in this report, any press release or oral statements, the words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "plan," "goal," "should," "may," "strategy," and words of similar meaning are intended to identify forward looking statements in addition to statements specifically identified as forward looking statements.

Forward looking statements, including the Company's discussions and projections of future results of operations and discussions of future plans contained in Management's Discussion and Analysis and elsewhere in this Form 10-Q, are based on management's current expectations and assumptions and are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from projected results. Forward looking statements could be affected by a number of factors that the Company is necessarily unable to predict with accuracy, including disruptions in general economic activity, the economic and other effects of the WTC disaster and the subsequent U.S. military action, lower than expected performance or higher than expected costs in connection with acquisitions and integration of acquired businesses, changes in relationships with customers, the ability to satisfy customer requirements, investor sentiment, variations in management projections, methodologies used by management to evaluate risk or market forecasts and the actions that management could take in response to these changes, management's ability to achieve efficiency goals and set adequate reserve levels for contingent liabilities, changes in customer credit quality, future changes in interest rates, general credit quality, the levels of economic, capital market, and merger and acquisition activity, consumer behavior, government monetary policy, domestic and foreign legislation, regulation and investigation, competition, credit, market and operating risk, and loan demand, as well as the pace of recovery of the domestic economy, market demand for the Company's products and services and future global political, economic, business, market, competitive and regulatory conditions. This is not an exhaustive list and as a result of variations in any of these factors actual results may differ materially from any forward looking statements.

Forward looking statements speak only as of the date they are made. The Company will not update forward looking statements to reflect facts, assumptions, circumstances or events which have changed after a forward looking statement was made.

Government Monetary Policies

The Federal Reserve Board has the primary responsibility for United States monetary policy. Its actions, and, to a lesser extent, the actions of monetary policy authorities of other major countries, have an important influence on the demand for credit and investments and the level of interest rates and thus on the earnings of the Company.

Competition

The businesses in which the Company operates are very competitive. Competition is provided by both unregulated and regulated financial services organizations, whose products and services span the local, national, and global markets in which the Company conducts operations.

International, national, and regional commercial banks, trust banks, investment banks, specialized processing companies, outsourcing companies, data processing companies, stock exchanges, and other business firms offer active competition for securities servicing and global payment services. Commercial banks, savings banks, savings and loan associations, and credit unions actively compete for deposits, and money market funds and brokerage houses offer deposit-like services. These institutions, as well as consumer and commercial finance companies, national retail chains, factors, insurance companies and pension trusts, are important competitors for various types of loans. Issuers of commercial paper compete actively for funds and reduce demand for bank loans. In the private client services and asset management markets, international, national, and regional commercial banks, standalone asset management companies, mutual funds, securities brokerage firms, insurance companies, investment counseling firms, and other business firms and individuals actively compete for business.

WEBSITE INFORMATION

The Company makes available, on its website: www.bankofny.com its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.

THE BANK OF NEW YORK COMPANY, INC.
 Consolidated Balance Sheets
 (Dollars in millions, except per share amounts)
 (Unaudited)

	June 30, 2003 ----	December 31, 2002 ----
Assets		

Cash and Due from Banks	\$ 4,323	\$ 4,748
Interest-Bearing Deposits in Banks	6,744	5,104
Securities		
Held-to-Maturity (fair value of \$375 in 2003 and \$952 in 2002)	374	954
Available-for-Sale	20,018	17,346
Total Securities	20,392	18,300
Trading Assets at Fair Value	6,252	7,309
Federal Funds Sold and Securities Purchased Under Resale Agreements	12,076	1,385
Loans (less allowance for credit losses of \$824 in 2003 and \$831 in 2002)	36,972	30,508
Premises and Equipment	1,108	975
Due from Customers on Acceptances	191	351
Accrued Interest Receivable	244	204
Goodwill	3,149	2,497
Intangible Assets	824	78
Other Assets	7,329	6,105
Total Assets	\$99,604 =====	\$77,564 =====
Liabilities and Shareholders' Equity		

Deposits		
Noninterest-Bearing (principally domestic offices)	\$16,406	\$13,301
Interest-Bearing		
Domestic Offices	21,940	19,997
Foreign Offices	26,309	22,089
Total Deposits	64,655	55,387
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,035	636
Trading Liabilities	2,621	2,800
Payables to Customers and Broker-Dealers	9,407	870
Other Borrowed Funds	916	475
Acceptances Outstanding	194	352
Accrued Taxes and Other Expenses	4,033	4,066
Accrued Interest Payable	142	101
Other Liabilities	1,973	753
Long-Term Debt	6,515	5,440
Total Liabilities	91,491 -----	70,880 -----
Shareholders' Equity		
Class A Preferred Stock - par value \$2.00 per share, authorized 5,000,000 shares, outstanding 3,000 shares in 2003 and in 2002	-	-
Common Stock-par value \$7.50 per share, authorized 2,400,000,000 shares, issued 1,038,852,034 shares in 2003 and 993,697,297 shares in 2002	7,791	7,453
Additional Capital	1,564	847
Retained Earnings	5,053	4,736
Accumulated Other Comprehensive Income	158	134
Total Shareholders' Equity	14,566 -----	13,170 -----
Less: Treasury Stock (265,946,234 shares in 2003 and 267,240,854 shares in 2002), at cost	6,450	6,483
Loan to ESOP (485,533 shares in 2003		

and in 2002), at cost	3	3
Total Shareholders' Equity	8,113	6,684
Total Liabilities and Shareholders' Equity	\$99,604	\$77,564

<FN>

Note: The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date.

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THE BANK OF NEW YORK COMPANY, INC.
 Consolidated Statements of Income
 (In millions, except per share amounts)
 (Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2003	2002	2003	2002
	----	----	----	----
Interest Income				

Loans	\$ 330	\$ 375	\$642	\$756
Securities				
Taxable	155	158	315	299
Exempt from Federal Income Taxes	13	16	26	32
	-----	-----	-----	-----
	168	174	341	331
Deposits in Banks	41	44	71	79
Federal Funds Sold and Securities Purchased				
Under Resale Agreements	24	12	39	26
Trading Assets	32	68	76	141
	-----	-----	-----	-----
Total Interest Income	595	673	1,169	1,333
	-----	-----	-----	-----
Interest Expense				

Deposits	138	158	284	318
Federal Funds Purchased and Securities Sold				
Under Repurchase Agreements	4	8	7	16
Other Borrowed Funds	13	28	14	55
Long-Term Debt	42	56	80	109
	-----	-----	-----	-----
Total Interest Expense	197	250	385	498
	-----	-----	-----	-----
Net Interest Income	398	423	784	835

Provision for Credit Losses	40	35	80	70
	-----	-----	-----	-----
Net Interest Income After Provision for Credit Losses	358	388	704	765
	-----	-----	-----	-----
Noninterest Income				

Servicing Fees				
Securities	598	478	1,071	932
Global Payment Services	79	71	156	144
	-----	-----	-----	-----
	677	549	1,227	1,076
Private Client Services and				
Asset Management Fees	94	88	184	171
Service Charges and Fees	93	93	191	176
Foreign Exchange and Other Trading Activities	88	72	154	134
Securities Gains	9	25	16	56
Other	35	28	69	60
	-----	-----	-----	-----
Total Noninterest Income	996	855	1,841	1,673
	-----	-----	-----	-----
Noninterest Expense				

Salaries and Employee Benefits	498	418	921	805
Net Occupancy	64	49	122	98
Furniture and Equipment	49	35	85	70
Other	267	194	489	372
Merger and Integration Costs	25	-	25	-
	-----	-----	-----	-----
Total Noninterest Expense	903	696	1,642	1,345
	-----	-----	-----	-----
Income Before Income Taxes	451	547	903	1,093
Income Taxes	156	186	313	370
	-----	-----	-----	-----
Net Income	\$ 295	\$ 361	\$ 590	\$ 723
-----	=====	=====	=====	=====
Per Common Share Data:				

Basic Earnings	\$0.39	\$0.50	\$0.80	\$1.00
Diluted Earnings	0.39	0.50	0.80	0.99
Cash Dividends Paid	0.19	0.19	0.38	0.38

Diluted Shares Outstanding

757

729

742

729

<FN>

See accompanying Notes to Consolidated Financial Statements.

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THE BANK OF NEW YORK COMPANY, INC.
 Consolidated Statement of Changes in Shareholders' Equity
 For the six months ended June 30, 2003
 (In millions)
 (Unaudited)

Common Stock			
Balance, January 1			\$ 7,453
Issuance of Common Stock related to Pershing			300
Issuances in Connection with Employee Benefit Plans			38

Balance, June 30			7,791

Additional Capital			
Balance, January 1			847
Issuance of Common Stock related to Pershing			696
Issuances in Connection with Employee Benefit Plans			21

Balance, June 30			1,564

Retained Earnings			
Balance, January 1			4,736
Net Income	\$ 590		590
Cash Dividends on Common Stock			(273)

Balance, June 30			5,053

Accumulated Other Comprehensive Income			
Securities Valuation Allowance			
Balance, January 1			155
Change in Fair Value of Securities Available-for-Sale, Net of Taxes of \$30 Million	50		50
Reclassification Adjustment, Net of Taxes of \$(21) Million	(27)		(27)

Balance, June 30			178

Foreign Currency Items			
Balance, January 1			(47)
Foreign Currency Translation Adjustment, Net of Taxes of \$(2) Million	(5)		(5)

Balance, June 30			(52)

Unrealized Derivative Gains			
Balance, January 1			26
Net Unrealized Derivative Gains on Cash Flow Hedges, Net of Taxes of \$5 Million	6		6

Balance, June 30			32

Total Comprehensive Income		\$ 614	
			=====
Less Treasury Stock			
Balance, January 1			6,483
Issued			(48)
Acquired			15

Balance, June 30	6,450 -----
Less Loan to ESOP	
Balance, January 1	3 -----
Balance, June 30	3 -----
Total Shareholders' Equity, June 30	\$ 8,113 =====

<FN>

Comprehensive Income for the three months ended June 30, 2003 and 2002 was \$331 million and \$387 million.

Comprehensive Income for the six months ended June 30, 2003 and 2002 was \$614 million and \$675 million.

See accompanying Notes to Consolidated Financial Statements.

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THE BANK OF NEW YORK COMPANY, INC.
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	For the six months ended June 30,	
	2003	2002
	----	----
Operating Activities		
Net Income	\$ 590	\$ 723
Adjustments to Determine Net Cash Attributable to Operating Activities		
Provision for Losses on Loans and Other Real Estate	80	70
Depreciation and Amortization	194	91
Deferred Income Taxes	210	329
Securities Gains	(16)	(56)
Change in Trading Activities	891	2,464
Change in Accruals and Other, Net	(979)	427
	-----	-----
Net Cash Provided by Operating Activities	970	4,048
	-----	-----
Investing Activities		
Change in Interest-Bearing Deposits in Banks	(1,386)	(831)
Change in Margin Loans	(249)	(34)
Purchases of Securities Held-to-Maturity	-	(60)
Paydowns of Securities Held-to-Maturity	567	51
Maturities of Securities Held-to-Maturity	10	18
Purchases of Securities Available-for-Sale	(13,273)	(10,353)
Sales of Securities Available-for-Sale	2,556	2,818
Paydowns of Securities Available-for-Sale	4,202	1,161
Maturities of Securities Available-for-Sale	3,880	2,888
Net Principal Disbursed on Loans to Customers	(1,128)	(474)
Sales of Loans and Other Real Estate	410	205
Change in Federal Funds Sold and Securities Purchased Under Resale Agreements	(6,492)	2,150
Purchases of Premises and Equipment	(69)	(126)
Acquisitions, Net of Cash Acquired	(1,769)	(323)
Proceeds from the Sale of Premises and Equipment	2	-
Other, Net	626	66
	-----	-----
Net Cash Used by Investing Activities	(12,113)	(2,844)
	-----	-----
Financing Activities		
Change in Deposits	8,856	(1,073)
Change in Federal Funds Purchased and Securities Sold Under Repurchase Agreements	(234)	(69)
Change in Payables to Customers and Broker-Dealers	942	(301)
Change in Other Borrowed Funds	(803)	(315)
Proceeds from the Issuance of Long-Term Debt	1,811	675
Repayments of Long-Term Debt	(804)	(60)
Issuance of Common Stock	1,105	128
Treasury Stock Acquired	(15)	(235)
Cash Dividends Paid	(273)	(275)
	-----	-----
Net Cash Provided (Used) by Financing Activities	10,585	(1,525)
	-----	-----
Effect of Exchange Rate Changes on Cash	133	(16)
	-----	-----
Change in Cash and Due From Banks	(425)	(337)
Cash and Due from Banks at Beginning of Period	4,748	3,222
	-----	-----
Cash and Due from Banks at End of Period	\$4,323	\$2,885
	=====	=====

Supplemental Disclosure of Cash Flow Information		
Cash Paid During the Period for:		
Interest	\$ 347	\$ 541
Income Taxes	292	24
Noncash Investing Activity (Primarily Foreclosure of Real Estate)	-	1

<FN>

See accompanying Notes to Consolidated Financial Statements.
</FN>

THE BANK OF NEW YORK COMPANY, INC.
Notes to Consolidated Financial Statements

1. General

The accounting and reporting policies of The Bank of New York Company, Inc., a financial holding company, and its consolidated subsidiaries (the "Company") conform with generally accepted accounting principles and general practice within the banking industry. Such policies are consistent with those applied in the preparation of the Company's annual financial statements.

The accompanying consolidated financial statements are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of financial position, results of operations and cash flows for the interim periods have been made.

2. Accounting Changes and New Accounting Pronouncements

On January 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). SFAS 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The adoption of this pronouncement did not have an impact on the Company's results of operations or financial condition.

On January 1, 2003, the Company adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". The standard requires costs associated with exit or disposal activities to be recognized when they are incurred rather than at the date of a commitment to an exit or disposal plan. The adoption of this pronouncement did not have an impact on the Company's results of operations or financial condition.

In October 2002, the FASB issued SFAS No. 147 "Acquisitions of Certain Financial Institutions." This standard eliminates specialized accounting guidance related to certain acquisitions. The adoption of this pronouncement did not have an impact on the Company's results of operations or financial condition.

The Company adopted SFAS No. 123, "Accounting for Stock-Based Compensation," in 1995. At that time, as permitted by the standard, the Company elected to continue to apply the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and accounted for the options granted to employees using the intrinsic value method, under which no expense is recognized for stock options because they were granted at the stock price on the grant date and therefore have no intrinsic value.

Effective January 1, 2003, the Company began accounting for its options under the fair value method of SFAS 123 as amended by SFAS 148 "Accounting for Stock-Based Compensation- Transition and Disclosure". SFAS 148 permits three different methods of adopting fair value: (1) the prospective method, (2) the modified prospective method, and (3) the retroactive restatement method. Under the prospective method, options issued after January 1, 2003 are expensed while all options granted prior to January 1, 2003 are accounted for under APB 25 using the intrinsic value method. Consistent with industry practice, the Company elected the prospective method of adopting fair value accounting.

During the quarter and six months ended June 30, 2003, approximately 18 million options were granted with a weighted average fair value of \$5.35 per share. In the second quarter and first six months of 2003, the Company recorded \$8 million and \$11 million of stock option expense.

The retroactive restatement method requires the Company's financial statements to be restated as if fair value accounting had been adopted in 1995. The following table discloses the pro forma effects on the Company's net income and earnings per share as if the retroactive restatement method had been adopted.

(In millions, except per share amounts)	2nd Quarter		Year to date	
	2003	2002	2003	2002
Reported net income	\$295	\$361	\$590	\$723
Stock based employee compensation costs, using prospective method, net of tax	5	-	7	-
Stock based employee compensation costs, using retroactive restatement method, net of tax	(21)	(24)	(40)	(40)
Pro forma net income	\$279	\$337	\$557	\$683
Reported diluted earnings per share	\$0.39	\$0.50	\$0.80	\$1.00
Impact on diluted earnings per share	(0.02)	(0.03)	(0.04)	(0.04)
Pro forma diluted earnings per share	\$0.37	\$0.47	\$0.76	\$0.96

The fair value of options granted in 2003 and 2002 were estimated at the grant date using the following weighted average assumptions:

	Second Quarter		Year to date	
	2003	2002	2003	2002
Dividend yield	3.00%	2.50%	3.00%	2.50%
Expected volatility	33.54	29.71	32.78	29.77
Risk free interest rates	2.22	3.87	2.66	4.36
Expected options lives	5	5	5	5

In January 2003, the FASB issued FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". This interpretation expands the disclosures to be made by a guarantor in its financial statements about its obligations under certain guarantees and requires the guarantor to recognize a liability for the fair value of an obligation assumed under a guarantee. The disclosure requirements of FIN 45 are effective for the Company as of December 31, 2002, and require disclosure of the nature of the guarantee, the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, and the current amount of the liability, if any, for the guarantor's obligations under the guarantee. The recognition requirements of FIN 45 are to be applied prospectively to guarantees issued or modified after December 31, 2002. Significant guarantees that have been entered into by the Company are disclosed in footnote 8. The adoption of FIN 45 did not have an impact on the Company's results of operations or financial condition.

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities". This interpretation requires a company that holds a variable interest in an entity to consolidate the entity if the company's interest in the variable interest entities (VIE) is such that the company will absorb a majority of the VIE's expected losses and/or receives a majority of the entity's expected residual returns. FIN 46 also requires additional disclosures by primary beneficiaries and other significant variable interest holders. The provisions of this interpretation became effective upon issuance. The consolidation requirements of FIN 46 applied immediately to VIEs created after January 31, 2003 and apply to previously established entities in the third quarter of 2003.

As of December 31, 2002, the Company had variable interests in 7 securitization trusts, which are discussed in footnote 8 of the Company's 2002 Annual Report. These trusts are qualifying special-purpose entities, which

are exempt from the consolidation requirements of FIN 46. FIN 46 may require the Company to consolidate a modest amount of assets currently held off-balance sheet in asset management investment vehicles. If necessary, the Company will attempt to restructure these entities so that consolidation is not required.

FIN 46 has also raised questions about whether variable interest entities similar to the trusts used to issue trust preferred securities should be treated as a consolidated subsidiary. The Company has \$1,150 million of trust preferred securities outstanding. Traditionally, issuer trusts used for issuing trust preferred securities have been consolidated by their parent companies and trust preferred securities have been treated as eligible for "Tier 1" regulatory capital treatment by bank holding companies under Federal Reserve Board rules and regulations. Accordingly, the Company has consolidated its existing issuer trusts in preparing its consolidated financial statements in the past and its outstanding trust preferred securities have been treated as Tier 1 regulatory capital by the Company. This is consistent with the approach taken by similarly situated financial institutions. The industry is currently assessing, in dialogue with its independent accountants and regulators, whether or not the issuer trusts should continue to be consolidated. If the answer is no, the Company would be required to make certain adjustments to its financial statements during the third quarter of 2003 to reflect the deconsolidation. Moreover, if deconsolidation is required under FIN 46, then it is possible that the Federal Reserve Board may conclude that trust preferred securities should no longer be treated as Tier 1 regulatory capital. On July 2, 2003, the Board of Governors of the Federal Reserve issued a letter, SR 03-13, stating that notwithstanding FIN 46, trust preferred securities will continue to be included in Tier 1 capital until notice is given to the contrary. In the event of a disallowance, there would be a reduction in the Company's consolidated capital ratios. However, the Company believes that the Bank would remain "well capitalized" under Federal Reserve Board guidelines.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" (SFAS 149). SFAS 149 amends and clarifies accounting for derivative instruments. This Statement is generally effective after June 30, 2003 and is not expected to have a material impact on the Company's financial statements. The Company does not expect the adoption of this pronouncement to have an impact on its results of operations or financial condition.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". The provisions of SFAS 150 are effective for financial instruments entered into or modified after May 31, 2003, and otherwise are effective at the beginning of the first interim period beginning after June 15, 2003. The Company does not expect the adoption of the provisions of this Statement to have a material effect on the Company's operating results or financial position.

Certain other prior year information has been reclassified to conform its presentation with the 2003 financial statements.

3. Acquisitions and Dispositions

The Company continues to be an active acquirer of securities servicing and asset management businesses.

During the second quarter of 2003, 3 businesses were acquired for the total cost of \$2,013 million, primarily paid in cash. During the first six months of 2003, 5 businesses were acquired for the total cost of \$2,045 million, primarily paid in cash. The Company frequently structures its acquisitions with both an initial payment and a later contingent payment tied to post-closing revenue or income growth. The Company records the fair value of contingent payments as an additional cost of the entity acquired in the period that the payment becomes probable.

Goodwill related to second quarter and first six months of 2003 acquisition transactions was \$583 million and \$610 million, respectively. The tax deductible portion of goodwill for the second quarter and first six months of 2003 is \$583 million and \$603 million. All of the goodwill was assigned to the Company's Servicing and Fiduciary Business segment. At June 30, 2003, the Company was liable for potential contingent payments related to acquisitions in the amount of \$693 million. During the second quarter and first six months of 2003, the Company paid \$5 million and \$26 million for contingent payments related to acquisitions made in prior years. The pro forma effect of the 2003 acquisitions is not material to year to date 2003 net income.

2003

On May 1, 2003, the Company acquired Credit Suisse First Boston's Pershing unit, headquartered in Jersey City, New Jersey. Pershing is a leading global provider of correspondent clearing services and outsourcing solutions for broker-dealers, asset managers and other financial intermediaries. Pershing had 3,677 employees worldwide at 13 locations in the U.S., Europe and Asia on June 30, 2003. The Company paid a purchase price of \$2 billion in cash, with the premium to book value of \$1.3 billion, which may be adjusted upwards by up to \$50 million if certain revenue targets are met in 2003.

The Company financed the purchase price through settlement of its forward sale of 40 million common shares in exchange for approximately \$1 billion. The remainder of the purchase price was financed using long-term debt.

The acquisition was accounted for under the purchase method of accounting in accordance with SFAS 141, "Business Combinations". The purchase price of \$2 billion was allocated as follows: goodwill \$0.6 billion, customer relationships \$0.4 billion, trademarks \$0.4 billion, and other tangible assets \$0.6 billion. The results of Pershing are included in the accompanying statement of income for the period from May 1, 2003 through June 30, 2003.

The Company expects the acquisition to be dilutive to its earnings by approximately \$0.02 per share in 2003 (not including dilution of approximately \$0.07 per share from a 2003 integration charge associated with the acquisition), and accretive by at least \$0.02 to \$0.03 per share in 2004.

In the second quarter 2003, the Company acquired Capital Resource Financial Services, LLC (CRFS), a Chicago-based provider of commission recapture, transition management and third-party services to plan sponsors and investment managers. This acquisition adds new clients in execution services and improves market coverage in the Chicago area/Midwest. It will be folded into BNY Brokerage, part of BNY Securities Group.

In the second quarter 2003, the Company acquired the corporate trust business of INTRUST Bank, N.A., headquartered in Wichita, Kansas. The transaction involves the transfer of more than 300 bond trust and agency appointments for corporations and municipalities in Kansas and the surrounding states.

Two other transactions announced in 2002 closed in early 2003. In January 2003, the Company acquired the back-office clearance and settlement capabilities of Tilney Investment Management through the acquisition of certain assets. This acquisition based in Liverpool, England, expands the Company's United Kingdom correspondent clearing capability.

In February 2003, the Company acquired the stock of International Fund Administration Ltd. (IFA), a Bermuda-based, alternative investment fund administrator. IFA offers service solutions for alternative investments, including hedge funds, and will offer services to funds domiciled in Bermuda, Cayman Islands, Ireland, Jersey, Luxembourg and the United States.

4. Goodwill and Intangibles

Goodwill by segment as of June 30, 2003 is as follows:

(In millions)	Servicing and Fiduciary Businesses	Corporate Banking	Retail Banking	Financial Markets	Consolidated Total
Balance as of June 30, 2003	\$3,009 =====	\$31 ===	\$109 =====	\$ - ===	\$3,149 =====

The Company's business segments are tested annually for goodwill impairment. The Company completed its initial evaluation of goodwill for impairment in 2002 and its annual evaluation in 2003 and 2002 and determined that no impairment loss was required.

Intangible Assets

(In millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Amortization Period in Years
Trade Names	\$370	\$ -	\$370	Indefinite Life
Other Intangible Assets	497	43	454	16

The aggregate amortization expense of intangibles was \$6 million and \$2 million for the quarters ended June 30, 2003 and 2002, respectively. The aggregate amortization expense of intangibles was \$9 million and \$4 million for the six months ended June 30, 2003 and 2002, respectively. Estimated amortization expense for the next five years is as follows:

(In millions)	For the Year Ended December 31,	Amortization Expense
	2003	\$28
	2004	35
	2005	35
	2006	35
	2007	35

5. Allowance for Credit Losses

The allowance for credit losses is maintained at a level that, in management's judgment, is adequate to absorb probable losses associated with specifically identified loans, as well as estimated probable credit losses inherent in the remainder of the loan portfolio at the balance sheet date. Management's judgment includes the following factors, among others: risks of individual credits; past experience; the volume, composition, and growth of the loan portfolio; and economic conditions.

The Company conducts a quarterly portfolio review to determine the adequacy of its allowance for credit losses. All commercial loans over \$1 million are assigned to specific risk categories. Smaller commercial and consumer loans are evaluated on a pooled basis and assigned to specific risk categories. Following this review, senior management of the Company analyzes the results and determines the allowance for credit losses. The Audit and Examining Committee of the Company's Board of Directors, in conjunction with the Risk Committee of the Company's Board of Directors, reviews the allowance at the end of each quarter.

The portion of the allowance for credit losses allocated to impaired loans (nonaccrual commercial loans over \$1 million) is measured by the difference between their recorded value and fair value. Fair value is the present value of the expected future cash flows from borrowers, the market value of the loan, or the fair value of the collateral.

Commercial loans are placed on nonaccrual status when collateral is insufficient and principal or interest is past due 90 days or more, or when there is reasonable doubt that interest or principal will be collected. Accrued interest is usually reversed when a loan is placed on nonaccrual status. Interest payments received on nonaccrual loans may be recognized as income or applied to principal depending upon management's judgment. Nonaccrual loans are restored to accrual status when principal and interest are current or they become fully collateralized. Consumer loans are not classified as nonperforming assets, but are charged off and interest accrued is suspended based upon an established delinquency schedule determined by product. Real estate acquired in satisfaction of loans is carried in other assets at the lower of the recorded investment in the property or fair value minus estimated costs to sell.

Transactions in the allowance for credit losses are summarized as follows:

(In millions)	Six months ended June 30,	
	2003 ----	2002 ----
Balance, Beginning of Period	\$831	\$616
Charge-Offs	(93)	(76)
Recoveries	6	6
	----	----
Net Charge-Offs	(87)	(70)
Provision	80	70
	----	----
Balance, End of Period	\$824 =====	\$616 =====

6. Capital Transactions

In connection with the acquisition of Pershing on May 1, 2003, the Company settled its forward sale of 40 million common shares in exchange for approximately \$1 billion. The Company issued \$108 million of subordinated debt in the second quarter of 2003 and \$530 million for the first six months of 2003. In April 2003, the Company sold \$350 million of 5.95% trust preferred securities and called for redemption its \$300 million 7.05% Series D Fund Preferred Securities. At July 31, 2003, the Company has a registration statement with a remaining capacity of approximately \$1,055 million of debt, preferred stock, preferred trust securities, or common stock.

7. Earnings Per Share

The following table illustrates the computations of basic and diluted earnings per share:

(In millions, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2003 ----	2002 ----	2003 ----	2002 ----
Net Income (1)	\$295 =====	\$361 =====	\$590 =====	\$723 =====
Basic Weighted Average Shares Outstanding	751	722	736	722
Shares Issuable on Exercise of Employee Stock Options	6	7	6	7
	----	----	----	----
Diluted Weighted Average Shares Outstanding	757 =====	729 =====	742 =====	729 =====
Basic Earnings Per Share:	\$0.39	\$0.50	\$0.80	\$1.00
Diluted Earnings Per Share:	0.39	0.50	0.80	0.99

<FN>

(1) Net Income, net income available to common shareholders and diluted net income are the same for all periods presented.

</FN>

8. Commitments and Contingent Liabilities

In the normal course of business, various commitments and contingent liabilities are outstanding which are not reflected in the accompanying consolidated balance sheets. Management does not expect any material losses to result from these matters.

A summary of the notional amount of the Company's off-balance-sheet credit transactions, net of participations, at June 30, 2003 and December 31, 2002 follows:

Off-Balance-Sheet Credit Risks

In millions	June 30, 2003	December 31, 2002
-----	-----	-----
Lending Commitments	\$ 36,203	\$ 40,330
Standby Letters of Credit, net	10,044	9,577
Commercial Letters of Credit	1,168	1,052
Securities Lending Indemnifications	161,911	138,264
Standby Bond Purchase Agreements	1,531	2,587

The total potential loss on undrawn commitments, standby and commercial letters of credit, and securities lending indemnifications is equal to the total notional amount if drawn upon, which does not consider the value of any collateral. Since many of the commitments are expected to expire without being drawn upon, the total amount does not necessarily represent future cash requirements. The allowance for credit losses allocated to undrawn commitments at June 30, 2003 and December 31, 2002 was \$100 million and \$117 million.

In securities lending transactions, the Company generally requires the borrower to provide 102% cash collateral which is monitored on a daily basis, thus reducing credit risk. Security lending transactions are generally entered into only with highly rated counterparties. At June 30, 2003 and December 31, 2002, securities lending indemnifications were secured by collateral of \$165.1 billion and \$142.5 billion.

The notional amounts for other off-balance-sheet risks express the dollar volume of the transactions; however, credit risk is much smaller. The Company performs credit reviews and enters into netting agreements to minimize the credit risk of foreign currency and interest rate risk management products. The Company enters into offsetting positions to reduce exposure to foreign exchange and interest rate risk.

Standby letters of credit principally support corporate obligations and include \$0.6 billion and \$0.5 billion that were collateralized with cash and securities at June 30, 2003 and December 31, 2002. At June 30, 2003, approximately \$6.9 billion of the standbys will expire within one year, and the balance between one to five years. The allowance for credit losses allocated to letters of credit at June 30, 2003 and December 31, 2002 was \$40 million.

At June 30, 2003, the notional amounts and credit exposures for the Company's credit derivatives swaps were \$1,801 million and \$4 million, compared to \$1,818 million and \$6 million at December 31, 2002.

Other

In the ordinary course of business, the Company makes certain investments that have tax consequences. From time to time, the IRS may question or challenge the tax position taken by the Company. The Company engaged in certain types of structured leasing transactions prior to mid-1999 that the IRS has indicated it intends to challenge. The Company believes that its tax position related to these transactions was proper based upon applicable statutes, regulations and case law and that it should prevail with respect to these challenges. However, a court, other judicial or administrative authority, if presented with the transactions could disagree. The Company intends to defend its position vigorously in accordance with its view of the law controlling these investments.

The Company has also entered into two investments that produce synthetic fuel from coal byproducts. Section 29 of the Internal Revenue Code provides a tax credit for these types of transactions. Recently the IRS has publicly indicated that it plans to conduct independent research at several leading sponsors of these investments to verify that the chemical changes required to achieve the tax credit are in fact taking place. Both the Company's investments have an ongoing program for testing production in order to verify that the required chemical change occurs, and an independent testing laboratory provides documentation attesting to this result. In addition, both investments were reviewed by the IRS and were issued favorable private letter rulings as to the investments' qualification for Section 29 credit purposes. Accordingly, the Company believes its tax position is proper as it relates to these investments and that it should prevail if challenged.

The Company currently believes it has adequate tax reserves to cover these and other potential tax exposures the IRS could raise.

In the ordinary course of business, there are various claims pending against the Company and its subsidiaries. In the opinion of management, liabilities arising from such claims, if any, would not have a material effect upon the Company's consolidated financial statements. See "Legal Proceedings" under Part 2, Item 1 for further details.

QUARTERLY REPORT ON FORM 10-Q
THE BANK OF NEW YORK COMPANY, INC.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2003

Commission file number 1-6152

THE BANK OF NEW YORK COMPANY, INC.
Incorporated in the State of New York
I.R.S. Employer Identification No. 13-2614959
Address: One Wall Street
New York, New York 10286
Telephone: (212) 495-1784

As of July 31, 2003, The Bank of New York Company, Inc. had 772,585,506 shares of common stock (\$7.50 par value) outstanding.

The Bank of New York Company, Inc. (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

The registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

The following sections of the Financial Review set forth in the cross-reference index are incorporated in the Quarterly Report on Form 10-Q.

	Cross-reference	Page(s)

PART I	FINANCIAL INFORMATION	
Item 1	Financial Statements	
	Consolidated Balance Sheets as of June 30, 2003 and December 31, 2002	43
	Consolidated Statements of Income for the three months and six months ended June 30, 2003 and 2002	44
	Consolidated Statement of Changes in Shareholders' Equity for the six months ended June 30, 2003	45
	Consolidated Statement of Cash Flows for the six months ended June 30, 2003 and 2002	46
	Notes to Consolidated Financial Statements	47 - 54
	Consolidated Average Balance Sheet and Net Interest Analysis	39
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	2 - 42
Item 3	Quantitative and Qualitative Disclosures About Market Risk	36 - 38

ITEM 4. CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective. No significant changes were made in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART 2. OTHER INFORMATION

Item 1. Legal Proceedings

The Company continues to cooperate with investigations by federal and state law enforcement and bank regulatory authorities. The investigations focus on funds transfer activities in certain accounts at the Bank, principally involving wire transfers from Russian and other sources in Eastern Europe, as well as certain other matters involving the Bank and its affiliates. The funds transfer investigations center around accounts controlled by Peter Berlin, his wife, Lucy Edwards (until discharged in September 1999, an officer of the Bank), and companies and persons associated with them. Berlin and Edwards pled guilty to various federal criminal charges. The Company cannot predict when or on what basis the investigations will conclude or their effect, if any, on the Company.

Two consolidated shareholder derivative actions were filed (one in United States District Court for the Southern District of New York and one in New York Supreme Court, County of New York) against certain current and former directors and officers of the Company and the Bank. Both actions alleged that the defendants breached their fiduciary duties of due care and loyalty by (i) aggressively pursuing business with Russian banks and other business entities without implementing sufficient safeguards, and (ii) failing to supervise properly those responsible for that business. In addition, the federal complaint included allegations that certain current and former officers of the Bank and the Company participated in an improper scheme to transfer cash from Russia to off-shore accounts. The federal district court dismissed the consolidated federal action in November 2001; the Court of Appeals for the Second Circuit affirmed the district court's dismissal on February 12, 2003, and plaintiffs have not appealed.

The parties in the state derivative action reached a settlement of the consolidated action providing for payment of \$26.5 million by defendants' insurance carriers to the Company and requiring the Company and the Bank to undertake certain prophylactic measures. The state court approved the settlement on April 30, 2003, and that decision is now final.

On October 24, 2000, three alleged shareholders of Inkombank, Morgenthau & Latham, New York International Insurance Group, and Oriental XL Funds, filed an action in the New York Supreme Court, New York County. The complaint alleges that (i) Bank representatives fraudulently induced plaintiffs to maintain their \$40 million investment in Inkombank by concealing from the plaintiffs information about Inkombank's true financial state and the corruptness of Inkombank's senior management, and (ii) Bank representatives, including senior management, were involved in a complex scheme to loot Inkombank assets. The complaint states a cause of action for fraud, seeks \$40 million, interest, costs, attorneys' fees, and unspecified punitive damages.

On May 20, 2003, the Appellate Division, First Department reversed the trial court's denial of the Company and the Bank's motion to dismiss the Complaint, and entered judgment dismissing the complaint as to the Company and

the Bank. Plaintiffs have sought leave to appeal to the New York State Court of Appeals. The request is pending.

The Company does not expect that any of the foregoing civil actions will have a material impact on the Company's consolidated financial statements.

General Motors Acceptance Corporation ("GMAC") has informed the Company of claims it believes entitle it to adjustment of the purchase price it paid to the Company in the 1999 sale of BNY Financial Corporation ("BNYFC"), a factoring and asset-based finance business. These claims assert, among other things, misrepresentations with respect to certain asset valuations and income items.

Although the Company and GMAC are engaged in discussions that could lead to a settlement, it is possible that GMAC will assert sizable claims against the Company if no settlement is reached. The Company believes that either a settlement will be reached soon or GMAC will commence litigation. The Company believes it has meritorious defenses to GMAC's potential claims and that a material purchase price adjustment is not warranted, and would vigorously defend its position if GMAC were to proceed against the Company. The Company has a reserve that it believes is adequate to cover the expected outcome of the case in litigation, based on probabilities of various potential outcomes. The probabilities and outcomes will be reviewed as events unfold, and it may be necessary to make future adjustments to the reserve.

The Company's principal banking subsidiary, The Bank of New York (the "Bank"), is currently a defendant in two civil actions relating to RW Professional Leasing Services Corp. ("RW"), a former customer of a Long Island branch of the Bank. These actions, which arise from the conduct of an alleged fraudulent scheme by RW, allege that the Bank breached certain obligations and engaged in certain misrepresentations. The actions seek damages of approximately \$46 million. The Bank believes it has meritorious defenses to these actions. Several federal criminal charges have been filed against RW, certain of its principals and other individuals. The U.S. Attorney's Office for the Eastern District of New York (the "Office") has informed the Bank that it and certain of its employees are subjects of the Office's ongoing investigation relating to RW. The Bank is cooperating fully in that investigation.

In the ordinary course of business, there are various legal claims pending against the Company and its subsidiaries. In the opinion of management, liabilities arising from such claims, if any, would not have a material effect on the Company's consolidated financial statements.

Item 4. Submission of Matters to Vote of Security Holders

The Company held its annual meeting on May 13, 2003 at The Bank of New York at 101 Barclay St. in New York, New York. The shareholders:

- (1) elected thirteen persons to serve as directors of the Company;
- (2) ratified the appointment of Ernst & Young LLP as the Company's independent public accountants for 2004;
- (3) approved a proposal with respect to the Company's 2003 Long-Term Incentive Plan;
- (4) approved a proposal with respect to the Company's 2004 Management Incentive Compensation Plan; and
- (5) defeated a shareholder proposal with respect to political contributions.

The number of votes cast for, against or withheld, and the number of abstentions with respect to each such matter is set forth below, as are the number of broker non-votes, where applicable. Pursuant to New York law, abstentions and broker non-votes are not counted toward the election of directors.

	FOR	AGAINST/WITHHELD	ABSTAINED	BROKER NON-VOTES
(1) Election of Directors:				
Frank J. Biondi, Jr.	617,282,026	28,705,462		
Nicholas M. Donofrio	625,853,458	20,134,030		
Alan R. Griffith	632,733,819	13,253,669		
Gerald L. Hassell	631,998,438	13,989,050		
Richard J. Kogan	616,264,979	29,722,509		
Michael J. Kowalski	633,250,680	12,736,808		
John A. Luke, Jr.	624,715,135	21,272,353		
John C. Malone	609,836,239	36,151,249		
Paul Myners	624,766,020	21,221,468		
Catherine A. Rein	625,774,497	20,212,991		
Thomas A. Renyi	628,943,041	17,044,447		
William C. Richardson	625,714,502	20,272,986		
Brian L. Roberts	629,323,190	16,664,298		
(2) Ratification of Auditors	617,797,820	23,133,382	5,056,286	
(3) Approval of Proposal With Respect to 2003 Long-Term Incentive Plan	402,649,864	135,881,379	7,942,349	99,513,896
(4) Approval of Proposal With Respect to 2004 Management Incentive Compensation Plan	589,707,207	46,504,836	9,775,445	
(5) Approval of Shareholder Proposal With Respect to Political Contributions	25,147,921	481,513,447	39,812,224	99,513,896

Item 6. Exhibits and Reports on Form 8-K

(a) The exhibits filed as part of this report are as follows:

Exhibit 3(ii) - By-laws of the registrant.

Exhibit 12 - Statement Re: Ratio of Earnings to Fixed Charges for the Three Months and Six Months Ended June 30, 2003 and 2002.

Exhibit 31 - Certification of Chairman and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.1 - Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32 - Certification of Chairman and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1 - Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) The Company filed the following reports on Form 8-K since March 31, 2003:

On April 1, 2003, the Company filed a Form 8-K Current Report (Item 5 and 7), which report included ten exhibits in connection with the Registration Statement on Form S-3 (File Nos. 333-103003, 333-103003-01, 333-103003-02, 333-103003-03, 333-103003-04) covering the Company's Senior Subordinated Medium-Term Notes, Series F and Senior Medium-Term Notes Series E, issuable under an Indenture, dated as of October 1, 1993 between the Company and J.P.Morgan Trust Company, National Association and an Indenture, dated as of July 18, 1991 between the Company and Deutsche Bank Trust Company Americas, respectively. The exhibits consist of a Distribution Agreement dated June 26, 2002; a Distribution Agreement dated March 28, 2003; Form of the Company's Global Medium Term Fixed Rate Note; Form of the Company's Global Medium Term Floating Rate Note; Officers' Certificate dated June 26, 2002 pursuant to Sections 201 and 301 of the Senior Subordinated Indenture; Officers'

Certificate dated June 26, 2002 pursuant to Sections 201 and 301 of the Senior Indenture; Officers' Certificate dated March 28, 2003 pursuant to Section 301 of the Senior Subordinated Indenture; Officers' Certificate dated March 28, 2003 pursuant to Section 301 of the Senior Indenture; Opinion of counsel as to the legality of the Notes; and Consent of counsel.

On April 16, 2003, the Company filed a Form 8-K Current report (Item 5, 9 and 12), which report included unaudited interim financial information and accompanying discussion for the first quarter of 2003 contained in the Company's press release dated April 16, 2003 and the Definitive agreement between Credit Suisse First Boston (USA), Inc. and The Bank of New York Company, Inc. for the acquisition of the Pershing unit of Credit Suisse First Boston (USA), Inc.

On May 2, 2003, the Company filed a Form 8-K Current report (Item 5 and 7), which report included eight exhibits in connection with the issuance by BNY Capital V (the "Trust") of 14,000,000 of its 5.95% Trust Preferred Securities, Series F, which represent beneficial interests in the Trust, in a public offering registered under the Securities Act of 1933, as amended (Registration Statement Nos. 333-103003, 333-103003-1, 333-103003-02, 333-103003-03, 333-103003-04). The exhibits consist of the Pricing agreement dated April 22, 2003; Letter Agreement dated April 30, 2003; Junior Subordinated Indenture dated December 26, 1996; Specimen of the 5.95% Junior Subordinated Deferrable Interest Debentures, Series F; Amended and Restated Trust Agreement dated April 30, 2003; Specimen of the 5.95% Trust Preferred Securities, Series F, of BNY Capital V; Guarantee Agreement dated April 30, 2003; and Agreement as to Expenses and Liabilities dated April 30, 2003.

On May 14, 2003, the Company filed a Form 8-K Current report (Item 9), which report included the certifications required by the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350.

On June 18, 2003, the Company filed a Form 8-K Current report (Item 9), which report included a press release dated June 18, 2003, providing an update with respect to its acquisition of Pershing LLC.

On July 17, 2003, the Company filed a Form 8-K Current report (Item 5, 7 and 12), which report included unaudited interim financial information and accompanying discussion for the second quarter of 2003 contained in the Company's press release dated July 17, 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE BANK OF NEW YORK COMPANY, INC.

(Registrant)

Date: August 13, 2003

By: /s/ Thomas J. Mastro

Name: Thomas J. Mastro
Title: Comptroller

EXHIBIT INDEX

Exhibit -----	Description -----
3(ii)	By-laws of the registrant.
12	Ratio of Earnings to Fixed Charges for the Three Months and Six Months Ended June 30, 2003 and 2002.
31	Certification of Chairman and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.1	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chairman and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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BY-LAWS

THE BANK OF NEW YORK COMPANY, INC.

BY-LAWS
of
The Bank of New York Company, Inc.

As amended through May 13, 2003

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BY-LAWS
of
The Bank of New York Company, Inc.
As Amended through May 13, 2003

ARTICLE I
OFFICES

SECTION 1.1. Principal Office. The principal office of The Bank of New York Company, Inc. (hereinafter called the Company) shall be in the City and County of New York.

SECTION 1.2. Other Offices. The Company may have other offices at such other places as the Board of Directors of the Company (hereinafter called the Board) may from time to time determine and as shall be legally authorized.

ARTICLE II
MEETINGS OF SHAREHOLDERS

SECTION 2.1. Place of Meeting. Each meeting of the shareholders of the Company (hereinafter called the shareholders) shall be held at the principal office of the Company or at such other place, within or without the State of New York, as shall be specified in the notice of such meeting.

SECTION 2.2. Annual Meetings. The annual meeting of the shareholders for the election of directors and the transaction of such other business as properly may be brought before such meeting shall be held on such date as may be designated by the Board from time to time, at such hour as may be specified in the notice of such meeting.

SECTION 2.3. Special Meetings. A special meeting of the shareholders for any purpose or purposes may be called at any time by order of the Board or by the Chairman of the Board (hereinafter called the Chairman) or, in his absence, the President.

SECTION 2.4. Notice of Meetings. Notice of each meeting of the shareholders shall be in writing and signed by the Chairman, the President or the Secretary. Such notice shall state the purpose or purposes for which such meeting is called and the place, date and hour of the meeting, and, unless it is the annual meeting, shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. If, at any meeting, action is proposed to be taken which would, if taken, entitle shareholders who comply with applicable requirements of law to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect. Except as otherwise provided by law, a copy of the notice of any meeting shall be given, personally or by mail, not less than ten nor more than fifty days before such meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at his address as it appears on the record of shareholders of the Company, or, if he shall have filed with the Secretary a written request that notices to him be mailed to some other address, then directed to him at such other address. Unless the Board fixes a new record date for an adjourned meeting of the shareholders, notice thereof need not be given if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. Any previously scheduled meeting of the shareholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the shareholders may be canceled, by resolution of the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of shareholders.

SECTION 2.5. Waiver of Notice. Notice of any meeting of the shareholders need not be given to any shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting, and the attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion thereof the lack of notice of such meeting, shall constitute a waiver of notice thereof by him.

SECTION 2.6. Quorum. Except as otherwise provided by law, at all meetings of the shareholders the presence, in person or by proxy, of the holders of a majority of the shares of the Company entitled to vote thereat shall be necessary to constitute, and shall constitute, a quorum for the transaction of business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholder. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at such meeting may adjourn such meeting from time to time and from place to place until a quorum shall be present thereat. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum then had been present.

SECTION 2.7. Organization. At each meeting of the shareholders, the Chairman or, in his absence, the President or, in his absence, such person as may be designated by the Board or, in the absence of any of the foregoing, a person chosen for the purpose by a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at such meeting, shall act as chairman thereof and preside thereat; and the Secretary or, in his absence, the person whom the chairman of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof. The person presiding at the meeting shall establish the rules for the conduct of the meeting, including, without limitation, the order of consideration of matters to be voted upon by the shareholders. Except as otherwise provided by law, the Certificate of Incorporation or these By-laws, the person presiding at the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these By-laws and, if any proposed nomination or business is not in compliance with these By-laws, to declare that such proposal or nomination shall be disregarded.

SECTION 2.8. Voting and Proxies. Subject to the provisions of Section 9.5 of these By-laws and except as otherwise provided in this Section or by law, every shareholder of record of the Company shall be entitled at every meeting of the shareholders to one vote in person or by proxy for every share of stock of the Company standing in his name on the record of shareholders. The person presiding at the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which shareholders will vote at the meeting.

Treasury shares as of the record date and shares held as of the record date by another domestic or foreign corporation of any type or kind, if a majority of the shares entitled to vote in the election of directors of such other corporation is held as of the record date by the Company, shall not be shares entitled to vote or to be counted in determining the total number of outstanding shares.

Shares held by an administrator, executor, guardian, conservator, committee or other fiduciary, except a trustee, may be voted by him or it, either in person or by proxy, without transfer of such shares into his or its name. Shares held by a trustee may be voted by him or it, either in person or

by proxy, only after the shares have been transferred into his or its name as trustee or into the name of his or its nominee.

Shares standing in the name of another domestic or foreign corporation of any type or kind may be voted by such officer, agent or proxy as the by-laws of such corporation may provide, or, in the absence of such provision, as the board of directors of such corporation may determine.

A shareholder shall not sell his vote or issue a proxy to vote to any person for any sum of money or anything of value except as permitted by law.

Every proxy must be signed by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by law. The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Secretary or any Assistant Secretary.

At all meetings of the shareholders, a quorum being present, all matters, except as otherwise provided by law, the Certificate of Incorporation of the Company or Section 3.4 of these By-laws, shall be authorized by a majority of the votes cast at the meeting by the shareholders present in person or by proxy and entitled to vote thereon.

Unless demanded by a shareholder or shareholders present in person or by proxy at any meeting of the shareholders and owning not less than ten percent in voting interest of the outstanding stock of the Company entitled to be voted thereat, or unless so directed by the chairman of the meeting, the vote thereat on any question need not be by ballot, except in the case of the election of directors.

A list of shareholders as of the record date for the meeting, certified by the Secretary or an Assistant Secretary responsible for its preparation or by a transfer agent for the stock of the Company, shall be produced at any meeting of the shareholders upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors appointed pursuant to Section 2.9 of these By-laws, or the person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

SECTION 2.9. Inspectors. The Board, in advance of any meeting of the shareholders, may appoint one or more persons to act as inspectors (with respect to any election to be held, or otherwise) at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at the meeting of the shareholders may, and if so requested by a shareholder entitled to vote thereat shall, appoint one or more persons to act as inspectors. In case any person appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

At such meeting the inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the validity and effect of proxies, and

shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such other acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

SECTION 2.10. Stockholder Proposals and Nominations.

(a) Annual or Special Meetings of Shareholders. At any annual or special meeting of shareholders, proposals by shareholders and persons nominated for election as directors by shareholders shall be considered only if advance notice thereof has been timely given as provided herein and such proposals or nominations are otherwise proper for consideration under applicable law and the Certificate of Incorporation and By-laws of the Company. Notice of any proposal to be presented by any shareholder or of the name of any person to be nominated by any shareholder for election as a director of the Company at any meeting of shareholders shall be delivered to the Secretary of the Company at its principal executive office (i) in the case of an annual meeting, not fewer than 90 nor more than 120 days prior to the anniversary date of the immediately preceding meeting, provided that in the event that the annual meeting is called on a date that is not within thirty days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the fifteenth day following the earlier of the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made; and (ii) in the case of a special meeting at which directors are to be elected, not later than the close of business on the tenth day following the earlier of the day on which notice of the date of the meeting was mailed and public announcement was made. Any shareholder who gives notice of any such proposal shall deliver therewith the text of the proposal to be presented and a brief written statement of the reasons why such shareholder favors the proposal and setting forth such shareholder's name and address, the number and class of all shares of each class of stock of the Company beneficially owned by such shareholder and any material interest of such shareholder in the proposal (other than as a shareholder generally) and whether such person has received any financial assistance, funding or other consideration from any other person in respect of the proposal (and the details thereof). Any shareholder desiring to nominate any person for election as a director of the Company shall deliver with such notice (i) a statement in writing setting forth the name of the person to be nominated, the number and class of all shares of each class of stock of the Company beneficially owned by such person, the information regarding such person required by paragraphs (a), (e) and (f) of Item 401 of Regulation S-K adopted by the Securities and Exchange Commission (or the corresponding provisions of any regulation subsequently adopted by the Securities and Exchange Commission applicable to the Company), (ii) such person's signed consent to serve as a director of the Company if elected, (iii) such shareholder's name and address, (iv) a confirmation of the number and class of all shares of each class of stock of the Company beneficially owned by such shareholder, (v) a confirmation that any governmental approvals required in connection with such person's nomination, election or taking office as a director of the Company have been obtained by such stockholder and/or nominee, as applicable, and are in full force and effect as of the date of submission of such notice of nomination and (vi) a statement as to whether such person or shareholder received any financial assistance, funding or consideration from any other person in respect of the nomination (and the details thereof). As used herein, shares "beneficially

owned" shall include all shares that such person, together with such person's affiliates and associates (as defined in Rule 12b-2 under the Securities Exchange Act of 1934), may be deemed to beneficially own pursuant to Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as well as all shares of which such person, together with such person's affiliates and associates, has the right to become the beneficial owner pursuant to any agreement or understanding, or upon the exercise of warrants, options or rights to convert or exchange (whether such rights are exercisable immediately or only after the passage of time or the occurrence of conditions). The person presiding at the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall determine whether such notice has been duly given and shall direct that proposals and nominees not be considered if such notice has not been given. In no event shall the public announcement of an adjournment of an annual or special meeting commence a new time period for the giving of shareholders notice as described above.

(b) Eligibility of Directors. Only such persons who are nominated in accordance with the procedures set forth in this By-law shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before a meeting in accordance with the procedures set forth in this By-law.

(c) Public Announcement Defined. For purposes of this By-law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(d) Exchange Act Matters. Notwithstanding the foregoing provisions of this By-law, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-law. Nothing in this By-law shall be deemed to affect any rights (i) of shareholders to request inclusion of proposals in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of preferred stock of the Company, if any, to elect directors under specified circumstances.

ARTICLE III BOARD OF DIRECTORS

SECTION 3.1. General Powers. The business and affairs of the Company shall be managed by the Board.

SECTION 3.2. Number. The Board shall consist of such number of directors, not less than nine, as shall be fixed from time to time by resolution adopted by a majority of the total number of directors which the Company would have, prior to any increase or decrease, if there were no vacancies on the Board. The tenure of office of a director shall not be affected by any decrease in the number of directors so made by the Board.

SECTION 3.3. Qualifications. No person shall be eligible to serve as a director unless, when his term commences, he is not less than eighteen years of age nor (except in the case of those persons who were named as directors in the Statement of Organization of the Company or who were members of the Board of Trustees of The Bank of New York prior to April 30, 1957) more than seventy years of age. Directors need not be shareholders.

SECTION 3.4. Election and Term. At each annual meeting of the shareholders, directors shall be elected to hold office until the next annual meeting. Subject to the provisions of these By-laws, each director shall hold office until the expiration of the term for which he is elected and until his successor has been elected and qualified.

Directors shall be elected by the shareholders, except as otherwise provided by law or the Certificate of Incorporation of the Company or these By-laws. In order to be elected as a director by the shareholders, a person must, except as otherwise provided by law, receive a plurality of the votes cast by the holders of shares entitled to vote thereon at a meeting of the shareholders for the election of directors at which a quorum shall be present.

SECTION 3.5. Resignations. Any director of the Company may resign at any time by giving written notice to the Chairman, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice, or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.6. Removal. Any or all of the directors may be removed for cause by vote of the shareholders or by action of the Board.

SECTION 3.7. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason, shall be filled by election by the affirmative vote of a majority of the directors then in office, even though less than a quorum exists.

A director elected to fill a vacancy, or to fill a newly created directorship, shall be elected to hold office until the next annual meeting of the shareholders and until his successor has been elected and qualified.

SECTION 3.8. Time and Place of Meetings; Content of Notice, if any. Except as otherwise provided in these By-laws, the Board may hold any meeting within or without the State of New York at such place, and at such time, as from time to time may be designated by resolution of the Board or as shall be specified in the notice of such meeting or in the waivers of notice thereof signed by the directors at the time in office (other than any director who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice thereof to him). Except as otherwise specifically provided by law or in these By-laws, any notice or waiver of notice of any meeting of the Board need not contain any statement of the purpose or purposes of the meeting or any specification of the business to be transacted thereat, but shall specify the time and place thereof.

SECTION 3.9. Annual Meeting. Following each annual meeting of the shareholders for the election of directors, the Board shall meet for the purposes, without limitation, of organization and the annual election and appointment of officers. The meeting of the Board to be held for such purposes shall be the regular meeting of the Board next following each such annual meeting of the shareholders, unless a special meeting of the Board shall in the meantime have been duly called and held for such purposes.

SECTION 3.10. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall from time to time be specified in a resolution of the Board, and no notice thereof need be given.

SECTION 3.11. Special Meetings. A special meeting of the Board may be called at any time by the Chairman or, in his absence, by the President and

shall be called by the Chairman, the President or the Secretary upon the written request of any two directors.

Except as otherwise provided by law, notice of each such meeting shall be given to each director by mail, addressed to him at his residence or usual place of business, not later than noon, New York time, on the third day prior to the day on which the meeting is to be held, or shall be given to him, so addressed, by telegram or cable or radiogram, or given to him personally by messenger or telephone, not later than noon, New York time, on the day before the day on which such meeting is to be held. Notices are deemed to have been given by mail, when deposited in the United States mail, by telegram or cable or radiogram at the time of filing, by messenger at the time of delivery, and by telephone at the time of the telephone call.

Notice of such meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

SECTION 3.12. Quorum and Manner of Acting. At all meetings of the Board the presence of one-third of the entire Board shall be necessary to constitute a quorum for the transaction of business thereat, and an act taken by vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board, except as otherwise provided by law or these By-laws.

Members of the Board may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents by the members of the Board shall be filed with the minutes of the proceedings of the Board.

A majority of the directors present, whether or not a quorum shall be present, may adjourn any meeting from time to time and from place to place. Notice of any adjournment of a meeting to another time or place shall be given in the manner described in Section 3.11 of these By-laws to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally called if a quorum then had been present. The directors shall act only as a Board and the individual directors shall have no power as such.

SECTION 3.13. Organization. At each meeting of the Board, the Chairman or, in his absence, the President or, in his absence, such person as may be designated by the Board or, in the absence of any of the foregoing, a director chosen by a majority of the directors present, shall act as chairman thereof and preside thereat; and the Secretary or, in his absence, the person whom the chairman of such meeting shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

SECTION 3.14. Compensation. Each director, other than officers of the Company or any of its subsidiaries, shall be paid such compensation as the Board from time to time may determine for his services as director or as a member of any committee appointed by or pursuant to the authorization of the Board, and shall, in addition, be reimbursed for such transportation and other

expenses as shall be incurred by him in the performance of his duties. Nothing in this Section shall preclude any director from serving the Company in any other capacity and receiving compensation therefor.

SECTION 3.15. Interest of Directors and Officers in Transactions. In the absence of fraud, no contract or other transaction between the Company and one or more of its directors, or between the Company and any other corporation, firm, association or other entity in which one or more of its directors or officers are directors, or have a substantial financial interest, shall be either void or voidable, irrespective of whether such interested director or directors are present at the meeting of the Board, or of a committee thereof, which approves such contract or transaction and irrespective of whether his or their votes are counted for such purpose:

(a) if the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board, or a committee thereof, and the Board or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director or, if the votes of the disinterested directors are insufficient to constitute an act of the Board under Section 3.12 of these By-laws, by unanimous vote of the disinterested directors; or

(b) if the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders.

If there was no such disclosure or knowledge, or if the vote of such interested director was necessary for the approval of such contract or transaction at a meeting of the Board or committee at which it was approved, the Company may avoid the contract or transaction unless the party or parties thereto shall establish affirmatively that the contract or transaction was fair and reasonable as to the Company at the time it was approved by the Board, a committee or the shareholders.

Notwithstanding the foregoing, no loan, except advances in connection with indemnification, shall be made by the Company to any director unless it is authorized by vote of the shareholders without counting any shares of the director who would be the borrower.

ARTICLE IV
EXECUTIVE COMMITTEE

SECTION 4.1. How Constituted. The Board, by resolution adopted by a majority of the entire Board, may appoint an Executive Committee, which shall consist of the Chairman, the President, and not less than one other director. The Executive Committee shall serve at the pleasure of the Board.

SECTION 4.2. Term of Office. Each member of the Executive Committee, provided he continues to be a director, shall, subject to the provisions of this Article, continue in office as such member until the next annual meeting of the Board and until his successor, if any, shall have been appointed, or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 4.3. Vacancies. In case any vacancy shall exist in the Executive Committee resulting from any cause whatsoever, the Board may fill such vacancy by resolution adopted by a majority of the entire Board.

SECTION 4.4. Powers. While the Board is not in session, the Executive Committee shall have and may exercise (unless the Board shall otherwise determine) all the authority and powers of the Board in the management of the business and affairs of the Company, including generally and without limitation all powers conferred upon or vested in the Board by law, by the Certificate of Incorporation of the Company, by these By-laws or otherwise, excepting the powers conferred upon the Board by this Article, and except that the Executive Committee shall not have authority as to the following matters:

- (a) the submission to shareholders of any action for which shareholders' authorization is required;
- (b) the filling of vacancies in the Board or in the Executive Committee or any other committee having any of the authority of the Board;
- (c) the fixing of compensation of the directors for serving on the Board or on the Executive Committee or any other committee;
- (d) the amendment or repeal of these By-laws, or the adoption of new By-laws;
- (e) the amendment or repeal of any resolution of the Board which by its terms is not amendable or repealable;
- (f) the removal or indemnification of directors; or
- (g) the taking of action which is expressly required by law to be taken at a meeting of the Board or by a specified proportion of the directors.

SECTION 4.5. Resignations. Any member of the Executive Committee may resign at any time by giving written notice to the Board, the Chairman, the President or the Secretary. Such resignation shall take effect at the time of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.6. Removal. Any member of the Executive Committee, other than a member who shall at the time be the Chairman or the President, may be removed by the Board with or without cause at any time.

SECTION 4.7. Quorum and Manner of Acting. A majority of the members of the Executive Committee shall be necessary to constitute a quorum, and an act

taken by vote of a majority of the members of the Committee present at the time of the vote, if a quorum is present at such time, shall be the act of the Committee. Members of the Executive Committee may participate in a meeting of the Committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. Any action required or permitted to be taken by the Executive Committee may be taken without a meeting if all members of the Committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents by the members of the Committee shall be filed with the minutes of the proceedings of the Committee. Subject to the foregoing, and unless the Board shall otherwise decide, the Executive Committee shall fix its rules of procedure, determine its action and fix the time and place of its meetings. The Executive Committee shall keep a record of its proceedings, which shall be at all times available to the directors. All action taken by the Executive Committee shall be reported to the Board at its next meeting.

SECTION 4.8. Alternate Members. The Board, by resolution adopted by a majority of the entire Board, may appoint one or more directors as alternate members of the Executive Committee, to serve, in accordance with the terms of such resolution, as replacements for, and with the authority and powers of, any members of that Committee absent from any meeting thereof.

ARTICLE V OTHER COMMITTEES

SECTION 5.1. Other Committees of Directors. The Board, by resolution adopted by a majority of the entire Board, may from time to time designate from among its members such other committees consisting of one or more directors as it may deem advisable and grant to any such committee, to the extent provided in the resolution creating it, authority of the Board; provided, however, that no such committee shall be granted any power or authority withheld from the Executive Committee by Section 4.4 of these By-laws. Each such committee shall serve at the pleasure of the Board. All provisions of Sections 4.2, 4.3, 4.5, 4.6, 4.7 and 4.8 of these By-laws shall apply to each such committee and the members thereof with the same force and effect as if such committee were referred to in the text of such provisions in each instance in which the Executive Committee is so referred to.

SECTION 5.2. Other Committees of Directors, Officers and/or Other Persons. The Board may appoint, or authorize the Chairman or, in his absence, the President to appoint, from time to time, such other committees consisting of directors, officers and/or other persons and having such powers, duties and functions in or relating to the business and affairs of the Company as the Board may determine. Each such committee and each member thereof shall serve at the pleasure of the Board and, in the case of any committee appointed by the Chairman or the President, at the pleasure of the Chairman or, in his absence, of the President. A majority of all the members of any such committee, or, in the case of any committee appointed by the Chairman or the President, the Chairman or, in his absence, the President, may determine the rules of order and procedure of such committee and the time and place of its meetings, unless the Board shall otherwise provide.

ARTICLE VI OFFICERS

SECTION 6.1. Number and Qualifications. The officers of the Company shall be a Chairman, a President, one or more Vice Chairmen of the Board (herein called Vice Chairman or Vice Chairmen), a Secretary, a Treasurer, and such other officers, including but not by way of limitation Vice Presidents

(who may include one or more Executive Vice Presidents and Senior Vice Presidents), a Comptroller and an Auditor, as may be elected or appointed in accordance with the provisions of these By-laws. The Chairman, the President and any Vice Chairmen shall be elected, and the other officers may, but need not be, elected or appointed, from among the directors. One person may hold any two or more offices and perform the duties thereof except those of President and Secretary.

SECTION 6.2. Annually Elected Officers. The Chairman, the President, any Vice Chairmen, any Vice Presidents, the Secretary, the Treasurer and such other officers, if any, as the Board may determine, shall be elected by the Board at each annual meeting. Each such officer shall hold office until the next annual meeting of the Board and until his successor, if any, shall have been elected and shall have qualified, or until his death, or until he shall resign or shall be removed in the manner hereinafter provided.

SECTION 6.3. Additional Officers. The Board may from time to time elect such additional officers (including Vice Chairmen and Vice Presidents) as it shall deem advisable. The Board may also delegate to the Chairman or, in his absence, the President the power to appoint such further officers as the Board shall deem advisable. Each such officer shall serve at the pleasure of the Board and, in the case of an officer appointed by the Chairman or the President, also at the pleasure of the Chairman or, in his absence, of the President.

SECTION 6.4. Removal. Any officer may be removed by the Board, and an officer appointed by the Chairman or the President may be removed by the Chairman or, in his absence, the President, at any time, or his authority may be suspended by the Board or the Chairman or, in his absence, the President, with or without cause (in the latter case without prejudice to his contract rights, if any). The election or appointment of an officer shall not be deemed of itself to create contract rights.

SECTION 6.5. Resignations. Any officer may resign at any time by giving written notice to the Board, the Chairman, the President or the Secretary. Such resignation shall take effect at the date of the receipt of such notice or any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6.6. Vacancies. A vacancy from any cause in any office referred to above may be filled at any time for the unexpired portion of the term, if any, in the manner prescribed in these By-laws for regular election or appointment to such office.

SECTION 6.7. Salaries. The salaries of the officers elected by the Board shall be fixed from time to time by the Board or a committee thereof designated by the Board. The salaries of the officers appointed by the Chairman or the President shall be fixed from time to time by the Board or the Chairman or, in his absence, the President. No officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Company.

SECTION 6.8. Powers and Duties. The officers of the Company shall have such authority and perform such duties in the management of the Company as may be prescribed by these By-laws or by the Board and, to the extent not so prescribed, they shall have such authority and perform such duties in the management of the Company, subject to the control of the Board, as generally pertain to their respective offices.

The Chairman shall be the chief executive officer of the Company.

The Board may require any officer, agent or employee to give security for the faithful performance of his duties.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 7.1. Indemnification. Except to the extent expressly prohibited by the New York Business Corporation Law, the Company shall indemnify any person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director or officer of the Company, or serves or served at the request of the Company any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred in connection with such action or proceeding, or any appeal therein; provided that no such indemnification shall be made if a judgment or other final adjudication adverse to such person established that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled; and provided further that no such indemnification shall be required with respect to any settlement or other nonadjudicated disposition of any threatened or pending action or proceeding unless the Company has given its prior consent to such settlement or other disposition.

The Company may advance or promptly reimburse upon request any person entitled to indemnification hereunder for all expenses, including attorneys' fees, reasonably incurred in defending any action or proceeding in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced or reimbursed exceed the amount to which such person is entitled; provided, however, that such person shall cooperate in good faith with any request by the Company that common counsel be utilized by the parties to an action or proceeding who are similarly situated unless to do so would be inappropriate due to actual or potential differing interests between or among such parties.

Nothing herein shall limit or affect any right of any person otherwise than hereunder to indemnification or expenses, including attorneys' fees, under any statute, rule, regulation, certificate of incorporation, by-law, insurance policy, contract or otherwise.

Anything in these By-laws to the contrary notwithstanding, no elimination of this By-law, and no amendment to this By-law adversely affecting the right of any person to indemnification or advancement of expenses hereunder, shall be effective until the 60th day following notice to such person of such action, and no elimination of or amendment to this By-law shall deprive any person of his or her rights hereunder arising out of alleged or actual occurrences, acts or failures to act prior to such 60th day.

The Company shall not, except by elimination of or amendment to this By-law in a manner consistent with the preceding paragraph, take any corporate action or enter into any agreement which prohibits, or otherwise limits the rights of any person to, indemnification in accordance with the provisions of this By-law. The indemnification of any person provided by this By-law shall continue after such person has ceased to be a director or officer of the

Company and shall inure to the benefit of such person's heirs, executors, administrators and legal representatives.

The Company is authorized to enter into agreements with any of its directors or officers extending rights to indemnification and advancement of expenses to such person to the fullest extent permitted by applicable law, but the failure to enter into any such agreement shall not affect or limit the rights of such person pursuant to this By-law, it being expressly recognized hereby that all directors or officers of the Company by serving as such after the adoption hereof, are acting in reliance hereon and that the Company is estopped to contend otherwise.

In case any provision in this By-law shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances, it being the intention of the Company to afford indemnification and advancement of expenses to its directors and officers, acting in such capacities or in the other capacities mentioned herein, to the fullest extent permitted by law.

For purposes of this By-law, the Company shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his or her duties to the Company also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan, and excise taxes assessed on a person with respect to any employee benefit plan pursuant to applicable law shall be considered indemnifiable expenses. For purposes of this By-law, the terms "Company" shall include any legal successor to the Company, including any corporation which acquires all or substantially all of the assets of the Company in one or more transactions.

A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in the first paragraph of this By-law shall be indemnified as authorized in such paragraph. Except as provided in the preceding sentence and unless ordered by a court, indemnification under this By-law shall be made by the Company if, and only if, authorized in the specific case:

(1) By the Board of Directors acting by a quorum consisting of directors who are not parties to such action or proceeding upon a finding that the director or officer has met the standard of conduct set forth in the first paragraph of this By-law, or,

(2) If such a quorum is not obtainable or, even if obtainable, a quorum of disinterested directors so directs:

(a) by the Board of Directors upon the opinion in writing of independent legal counsel that indemnification is proper in the circumstances because the standard of conduct set forth in the first paragraph of this By-law has been met by such director or officer; or

(b) by the shareholders upon a finding that the director or officer has met the applicable standard of conduct set fourth in such paragraph.

If any action with respect to indemnification of directors and officers is taken by way of amendment of these By-laws, resolution of directors, or by agreement, the Company shall, not later than the next annual meeting of shareholders, unless such meeting is held within three months from the date of such action and, in any event, within fifteen months from the date of such

action, mail to its shareholders of record at the time entitled to vote for the election of directors a statement specifying the action taken.

ARTICLE VIII
CONTRACTS, CHECKS, DRAFTS, ETC.

SECTION 8.1. Contracts, etc. Except as otherwise provided in these By-laws or by law, all deeds, bonds, mortgages, contracts and other instruments to be executed in the name and on behalf of the Company, either for its own account or in a fiduciary or other capacity, shall be signed by the Chairman, the President, a Vice Chairman, an Executive Vice President, a Senior Vice President, a Vice President, the Treasurer, or the Comptroller, or any other officer or officers or agent or agents of the Company designated for that purpose by the Board or by the Chairman, the President, a Vice Chairman, an Executive Vice President, a Senior Vice President or a Vice President, and the seal of the Company shall if appropriate be affixed hereto by any of such officers or the Secretary or any Assistant Secretary.

SECTION 8.2. Checks, Drafts, etc. Except as otherwise provided in these By-laws or by law, all checks, drafts, bills of exchange and other orders for the payment of money, and all letters of credit, promissory notes and other instruments obligating the Company for the payment of money, shall be signed on behalf of the Company in such manner and by such person or persons as from time to time shall be determined by the Board. Except as the Board may otherwise prescribe, the Chairman, the President, a Vice Chairman, an Executive Vice President, a Senior Vice President, a Vice President, the Treasurer, the Secretary, the Comptroller, an Assistant Vice President if any, any Assistant Treasurer or any Assistant Secretary, or any other officer or officers or agent or agents to whom such power may be delegated by the Board or by the Chairman, the President, a Vice Chairman, an Executive Vice President, a Senior Vice President or a Vice President, may sign on behalf of the Company all checks, drafts, bills of exchange, letters of credit, promissory notes and other instruments obligating the Company for the payment of money, and endorse and deliver for deposit, collection or credit for account of the Company any bill of exchange, draft, check or other order for the payment of money, or any note or other instrument for the payment of money, or any bill of lading, warehouse receipt, insurance policy or other commercial document requiring endorsement for collection or endorsement on behalf of the Company.

SECTION 8.3. Securities of Other Corporations. Securities of other corporations held by the Company may be voted by any officer designated by the Board and, in the absence of any such designation, by the Chairman, the President, a Vice Chairman, a Vice President, the Secretary, the Treasurer or the Comptroller.

ARTICLE IX
SHARES OF STOCK

SECTION 9.1. Certificates for Shares of Stock. Each certificate for a share or shares of stock of the Company shall be in such form as shall be approved by the Board, shall be signed by the Chairman, the President, a Vice Chairman, or a Vice President, and by the Secretary, the Treasurer, an Assistant Secretary or an Assistant Treasurer, and shall be sealed with the seal of the Company or a facsimile thereof. The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Company itself or its employee. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may nevertheless be issued by the Company with the same effect as if he were such officer at the date of its issue.

If the Company is authorized to issue shares of more than one class, each certificate representing shares issued by the Company shall set forth upon the face or back of the certificate, or shall state that the Company will furnish to any shareholder upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class of shares authorized to be issued and the designation, relative rights, preferences and limitations of each series of any class of preferred shares authorized to be issued so far as the same have been fixed and the authority of the Board to designate and fix the relative rights, preferences and limitations of other series.

Each certificate representing shares shall state upon the face thereof:

- (a) that the Company is formed under the laws of the State of New York;
- (b) the name of the person or persons to whom issued; and
- (c) the number and class of shares, and the designation of the series, if any,

which such certificate represents.

SECTION 9.2. Transfer of Shares of Stock. A transfer of shares of stock of the Company shall be made on the record of shareholders of the Company after satisfaction of all legal prerequisites to the Company's duty to register such transfer, including the surrender of the certificate therefor which shall be canceled when the new certificate is issued.

SECTION 9.3. Registered Holders. The Company shall be entitled to treat and shall be protected in treating the persons in whose names shares or any warrants, rights or options stand on the record of shareholders, warrant holders, rights holders or option holders, as the case may be, as the owners thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, any such share, warrant, right or option on the part of any other person, whether or not the Company shall have notice thereof, except as expressly provided otherwise by the statutes of the State of New York.

SECTION 9.4. Lost, Stolen or Destroyed Share Certificates. No certificate for shares of the Company shall be issued in place of any certificate alleged to have been lost, destroyed or wrongfully taken, except, if and to the extent required by the Board, upon:

- (a) production of evidence of loss, destruction or wrongful taking;
- (b) delivery of a bond indemnifying the Company and its agents against any claim that may be made against it or them on account of the alleged loss, destruction or wrongful taking of the replaced certificate or the issuance of the new certificate;
- (c) payment of the expenses of the Company and its agents incurred in connection with the issuance of the new certificate; and
- (d) compliance with such other reasonable requirements as may be imposed.

SECTION 9.5. Record Date. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining

shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board may fix, in advance, a date not more than fifty days and not less than ten days before the date of such meeting, and not more than fifty days prior to any other action, as the record date for any such determination of shareholders. Upon adjournment of any meeting, the Board may but shall not be required to fix a new record date.

If a record date for any such determination of shareholders is not fixed by the Board, then, the record date for such determination shall be as provided by law.

SECTION 9.6. Regulations, Transfer Agents and Registrars. The Board may make such further rules and regulations as it may deem expedient, not inconsistent with these By-laws or with the Certificate of Incorporation of the Company, concerning the issue, transfer and registration of certificates for shares of stock of the Company. It may appoint one or more transfer agents and one or more registrars of transfers, and may require all certificates of stock to bear the signature of either or both.

ARTICLE X
SEAL

SECTION 10.1. Seal. The Board may adopt a corporate seal, alter such seal at pleasure, and authorize it to be used by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

ARTICLE XI
FISCAL YEAR

SECTION 11.1. Fiscal Year. The fiscal year of the Company shall be the calendar year.

ARTICLE XII
BOOKS

SECTION 12.1. Books. The Company shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, the Board and the Executive Committee if any. There shall be kept at the principal office of the Company or at the office of its transfer agent or registrar, if any, in the State of New York, a record containing the names and addresses of all shareholders of the Company, the number of shares held by each and the dates when they respectively became the owners of record thereof. Any of the foregoing books, records or minutes may be in legible form or in any other form capable of being converted into legible form within a reasonable time.

The Board shall have power to determine from time to time, subject to the laws of the State of New York, whether and to what extent and at what times and places and under what conditions and regulations the accounts, books, records or other documents of the Company, or any of them, shall be open to inspection, and no creditor, security holder or other person shall have any right to inspect any account, book, record or other document of the Company, except as conferred by the laws of the State of New York or these By-laws, unless and until authorized to do so by resolution of the Board or of the shareholders.

ARTICLE XIII
AMENDMENTS

SECTION 13.1. Amendments. By-laws of the Company may be adopted, amended or repealed by vote of the holders of the shares at the time entitled to vote in the election of any directors. By-laws may also be adopted, amended or repealed by the Board, by resolution adopted by a majority of the entire Board, but any By-law adopted by the Board may be amended or repealed by the shareholders entitled to vote thereon as hereinabove provided.

If any By-law regulating an impending election of directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the next meeting of shareholders for the election of directors the By-law so adopted, amended or repealed, together with a concise statement of the changes made.

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EXHIBIT 12

THE BANK OF NEW YORK COMPANY, INC.
 Ratios of Earnings to Fixed Charges
 (Dollars in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	-----	-----	-----	-----
EARNINGS				

Income Before Income Taxes	\$ 451	\$ 547	\$ 903	\$1,093
Fixed Charges, Excluding Interest on Deposits	73	101	125	198
	-----	-----	-----	-----
Income Before Income Taxes and Fixed Charges Excluding Interest on Deposits	524	648	1,028	1,291
Interest on Deposits	138	158	284	318
	-----	-----	-----	-----
Income Before Income Taxes and Fixed Charges, Including Interest on Deposits	\$ 662	\$ 806	\$1,312	\$1,609
	=====	=====	=====	=====
FIXED CHARGES				

Interest Expense, Excluding Interest on Deposits	\$ 59	\$ 92	\$ 101	\$ 180
One-Third Net Rental Expense*	14	9	24	18
	-----	-----	-----	-----
Total Fixed Charges, Excluding Interest on Deposits	73	101	125	198
Interest on Deposits	138	158	284	318
	-----	-----	-----	-----
Total Fixed Charges, Including Interest on Deposits	\$ 211	\$ 259	\$ 409	\$ 516
	=====	=====	=====	=====
EARNINGS TO FIXED CHARGES RATIOS				

Excluding Interest on Deposits	7.18x	6.42x	8.22x	6.52x
Including Interest on Deposits	3.14	3.11	3.21	3.12

<FN>

*The proportion deemed representative of the interest factor.

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CERTIFICATION OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

I, Thomas A. Renyi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Bank of New York Company, Inc.(the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Thomas A. Renyi

Thomas A. Renyi
Chief Executive Officer

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CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Bruce W. Van Saun, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Bank of New York Company, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Bruce W. Van Saun

Bruce W. Van Saun
Chief Financial Officer

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Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Company, Inc. (the "Company"), hereby certifies, that the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2003

/s/ Thomas A. Renyi

Thomas A. Renyi
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of The Bank of New York Company, Inc. (the "Company"), hereby certifies, that the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2003

/s/ Bruce W. Van Saun

Bruce W. Van Saun
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

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