

**The Bank of New York Mellon
Quarterly Earnings Summary
Financial Results
October 18, 2007
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All narrative comparisons in this Quarterly Earnings Summary are with the third quarter of 2006 and all information is reported on a continuing operations basis, unless otherwise noted.

This Quarterly Earnings Summary has been designed to facilitate the understanding of the impact of the merger between The Bank of New York and Mellon, which closed on July 1, 2007. Throughout this Quarterly Earnings Summary, certain measures, which are noted, exclude certain items. We believe these measures are useful to the investment community in analyzing the financial results and trends of ongoing operations. We believe they facilitate comparisons with prior periods and reflect the principal basis on which our management monitors financial performance. Pro-forma combined financial results for The Bank of New York Mellon prior to the consummation of the merger exclude the impact of intangible amortization and the pro forma impact of incremental purchase accounting intangibles resulting from the merger.

CAUTIONARY STATEMENT

A number of statements (i) in this Quarterly Earnings Summary, (ii) in our presentations and (iii) in the responses to questions are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which may be expressed in a variety of ways, including the use of future or present tense language, relate to, among other things, the Corporation’s future financial goals, including future revenue, expenses and earnings, new business wins, and pipelines for new business and statements with respect to the merger integration; including revenue synergies, expense synergy targets, estimated merger and integration charges, completion date for the bank consolidation, integration completion date and sources of revenue enhancements; as well as BNY Mellon’s overall plans, strategies, goals, objectives, expectations, estimates and intentions, and are based on assumptions that involve risks and uncertainties and that are subject to change based on various important factors (some of which are beyond BNY Mellon’s control). Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties, including, but not limited to, the businesses of Mellon and The Bank of New York may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected; the combined company may not realize, to the extent or at the time we expect, revenue synergies and cost savings from the transaction; service quality metrics in Asset Servicing may not be attained; revenue following the transaction may be lower than expected as a result of losses of customers or other reasons; deposit attrition, operating costs, customer loss and business disruption following the transaction, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; changes in political and economic conditions; changes in the relevant benchmark to measure changes in investment management fees; equity, fixed-income and foreign exchange market fluctuations; changes in the mix of assets under management; changes in the mix of deposits; the price of oil; the effects of the adoption of new accounting standards; corporate and personal customers’ bankruptcies; market volatility; operational risk; inflation; levels of tax-free income; technological change; success in the timely development of new products and services; competitive product and pricing pressures within the Corporation’s markets; consumer spending and savings habits; interest rate fluctuations; geographic sources of income; monetary fluctuations; acquisitions and integrations of acquired businesses; changes in law; changes in fiscal, monetary, regulatory, trade and tax policies and laws; success in gaining regulatory approvals when required; the effects of terrorist acts and the results of the war on terrorism; as well as other risks and uncertainties detailed from time to time in the filings of the Corporation with the SEC and in The Bank of New York’s and Mellon’s historical reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the SEC. Such forward-looking statements speak only as of Oct. 18, 2007, and BNY Mellon undertakes no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

ADDITIONAL INFORMATION

The results prior to the consummation of the merger on July 1, 2007, reflect the sum of The Bank of New York and Mellon’s historical results, but do not include the pro forma impact of purchase accounting adjustments. The business sector combined results for all periods reflect actions taken to report consistent transfer pricing and cost allocation methodologies as well as intercompany eliminations between The Bank of New York and Mellon. As a result of actions taken in the third quarter of 2007, the business sector results for 2006 have been changed from the second quarter of 2007 Combined Quarterly Earnings Summary to reflect consistent reporting.

THIRD QUARTER 2007 FINANCIAL HIGHLIGHTS (vs. third quarter 2006)

| | <u>Income after-tax from- Continuing Operations</u> | <u>EPS from Continuing Operations</u> | | <u>EPS Growth vs. 3Q06 2Q07</u> | |
|---|---|---|---------------------------|---|---------------------------|
| | <u>\$ millions</u> | | | | |
| GAAP | <u>\$642</u> | | <u>\$.56</u> | <u>37%</u> | <u>(10%)</u> |
| Non-GAAP adjusted (a) | | | <u>\$.66</u> | <u>32%</u> | <u>-%</u> |
| Ex merger and integration/non-operating | <u>\$754</u> | | <u>\$.73</u> | <u>43%</u> | <u>6%</u> |
| Ex merger and integration /non-operating and intangible amortization | <u>\$838</u> | | | | |
| | | | | | |
| <u>Business Segments - Pro forma Combined Basis</u> | <u>3Q07 Total Revenue(a)</u> | <u>% of (a)</u> | | <u>Growth (a)</u> | |
| | | <u>Revenue</u> | <u>Pre-tax Income</u> | <u>Revenue</u> | <u>Pre-tax Income</u> |
| Asset & Wealth Management: | | | | | |
| Asset Management | \$ 741 | 21% | 18% | 9% | -% |
| Wealth Management | <u>247</u> | <u>7</u> | <u>7</u> | 3 | - |
| | 988 | 28 | 25 | 7 | - |
| Institutional Services: | | | | | |
| Securities Servicing | | | | | |
| Asset Servicing | 1,113 | 32 | 28 | 27 | 75 |
| Issuer Services | 619 | 18 | 26 | 92 | 136 |
| Clearing & Execution Services | <u>421</u> | <u>12</u> | <u>8</u> | 6 | 7 |
| | 2,153 | 62% | 62% | 35% | 79% |
| Treasury Services | <u>352</u> | <u>10</u> | <u>13</u> | 5 | 13 |
| | <u>\$2,505</u> | <u>72%</u> | <u>75%</u> | 30% | 63% |
| Total Business Segments (b) | <u>\$3,493</u> | <u>100%</u> | <u>100%</u> | <u>23%</u> | <u>41%</u> |

KEY POINTS Pro forma Combined Basis (a)

- Global leader in asset management and securities servicing with assets under management of \$1.1 trillion, +19% and assets under custody and administration of \$20.8 trillion, +22%
 - 3Q07 net asset flows totaled \$29 billion
- Generating strong revenue and earnings momentum
 - Revenue +25% (page 4)
 - Expense +14% (page 4)
 - 1,100 basis points of positive operating leverage year-over-year, 400 basis points sequentially
 - Pre-tax margin of 36% in 3Q07, up 200 basis points from 2Q07
 - 31% of revenues from outside the U.S.
- Effective tax rate of 28.2% for 3Q07 compared with 29.4% in 3Q06 and 31.9% in 2Q07. Lower rate vs. prior year reflects the impact of the recalculation of the yield on the leverage lease portfolio. Excluding this adjustment, the effective rate was 32.4% in 3Q07
- Adjusted tangible shareholders' equity ratio of 5.31%
- Nonperforming assets of only \$37 million at 9/30/07, remain at historically low levels
- Merger
 - \$79 million of expense synergies realized (\$62 million net of open positions eliminated) in 3Q07, 1,368 net positions eliminated year-to-date
 - Established a gross revenue synergy targeted run rate of \$250-\$400 million by 2011

(a) Results exclude items detailed in footnote (c) on page 4.

(b) Excludes the Other segment.

FINANCIAL SUMMARY
The Bank of New York Mellon Corporation
Continuing Operations (a)

| <i>(dollar amounts in millions, non-FTE basis unless otherwise noted)</i> | Pro-forma combined results for BNY Mellon | | | | | 3Q07 | |
|---|---|--------------|--------------|--------------|-----------------|------|-------|
| | 2006 | | 2007 | | vs. | | |
| | 3rd Qtr (b) | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | 3Q06 | 2Q07 |
| Fee and other revenue-excludes certain items in footnote (c) | \$ 2,414 | \$ 2,841 | \$ 2,740 | \$ 2,929 | \$ 2,903 | 20% | (1) % |
| Net interest revenue-excludes certain items in footnote (c) | <u>470</u> | <u>560</u> | <u>552</u> | <u>586</u> | 691 | 47 | 18 |
| Total revenue-excludes certain items in footnote (c) | 2,884 | 3,401 | 3,292 | 3,515 | 3,594 | 25 | 2 |
| Provision for credit losses | (5) | (10) | (12) | (18) | - | N/M | N/M |
| Total noninterest expense - excluding merger and integration expense, amortization of intangible assets and items in footnote (c) | <u>2,036</u> | <u>2,331</u> | <u>2,230</u> | <u>2,358</u> | 2,318 | 14 | (2) |
| Pre-tax income from continuing operations (non-GAAP) | \$ 853 | \$ 1,080 | \$ 1,074 | \$ 1,175 | \$ 1,276 | 50 | 9 |
| Merger and integration expense: | | | | | | | |
| The Bank of New York Mellon | - | 11 | 12 | 151 | 205 | | |
| Acquired Corporate Trust Business | 89 | 17 | 11 | 12 | 13 | | |
| Amortization of intangible assets | 21 | 57 | 40 | 40 | 131 | | |
| Non-operating items in footnote (c) | <u>-</u> | <u>48</u> | <u>12</u> | <u>81</u> | 33 | | |
| Pre-tax income from continuing operations (GAAP) | \$ 743 | \$ 947 | \$ 999 | \$ 891 | \$ 894 | | |
| Provision for income taxes | | | | | 252 | | |
| Income from continuing operations | | | | | \$ 642 | | |
| KEY METRICS: | | | | | | | |
| Pre-tax operating margin (FTE) excluding merger and integration expense, intangible amortization and items in footnote (c) | 30% | 32% | 33% | 34% | 36% | | |
| Return on tangible common equity: | | | | | | | |
| GAAP | | | | | 46.0% | | |
| Non-GAAP adjusted (c) | | | | | 53.1% | | |
| Return on equity: | | | | | | | |
| GAAP | | | | | 8.9% | | |
| Non-GAAP adjusted (c) | | | | | 11.6% | | |
| Fee and other revenue as a percentage of total revenue (FTE) | 83% | 83% | 83% | 83% | 81% | | |
| Non-U.S.- Percent of revenue (FTE) | 25% | 27% | 28% | 30% | 31% | | |
| Tier I capital ratio (estimate) | | | | | 9.1% | | |
| Adjusted tangible shareholders' equity to assets ratio | | | | | 5.31% | | |
| Market capitalization (in millions) | | | | | \$50,266 | | |
| Net interest margin (FTE) | 1.80% | 2.06% | 2.08% | 1.95% | 2.02% | | |

- (a) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting, including intangible amortization resulting from The Bank of New York Mellon merger.
- (b) Results exclude the impact of the corporate trust business acquired in the swap transaction with JPMorgan Chase as the transaction closed October 2006.
- (c) Excludes merger and integration expense, and intangible amortization expense, calculations also exclude the following non-operating items: a settlement received for early termination (in 2005) of a contract associated with the clearing business (\$28 million pre-tax), and (\$1 million pre-tax) of related incentive expense, recalculation of the yield on the leverage lease portfolio, recorded in net interest revenue (\$22 million pre-tax), the pre-tax write-off of remaining interests in a hedge fund manager that was sold in 2006 (\$32 million) and (\$6 million) for internally developed software in 3Q07; early redemption charge for junior subordinated debentures (\$46 million), exit costs associated with excess office space (\$30 million) and a litigation reserve charge (\$5 million) in 2Q07; a litigation reserve charge (\$12 million) 1Q07; severance (\$26 million), impairment charge (\$16 million) and occupancy expense (\$6 million) in 4Q06.

ASSETS UNDER MANAGEMENT/CUSTODY AND ADMINISTRATION TREND

| | Pro forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|----------|----------|----------|-----------------|------------|-------------|
| | 2006 | | 2007 | | | 3Q06 | 2Q07 |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Assets under management (<i>in billions</i>) | \$ 926 | \$ 1,011 | \$ 1,025 | \$ 1,082 | \$ 1,106 | 19% | 2% |
| Market value of assets under custody/ administration at period-end (<i>in trillions</i>) | \$ 17.0 | \$ 17.9 | \$ 19.0 | \$ 20.4 | \$ 20.8 | 22% | 2% |
| Securities lending cash management (<i>in billions</i>) | \$ 533 | \$ 546 | \$ 597 | \$ 599 | \$ 575 | 8% | (4)% |

ASSETS UNDER MANAGEMENT FLOWS (a)

Changes in market value of assets under management from June 30, 2007 to Sept. 30, 2007 - by business sector

| (<i>in billions</i>) | Asset Management | Wealth Management | Total |
|--|------------------|-------------------|---------|
| Market value of assets under management at June 30, 2007 (b) | \$ 997 | \$85 | \$1,082 |
| Net inflows: | | | |
| Long-term | 1 | 1 | 2 |
| Money market | 27 | - | 27 |
| Total net inflows | 28 | 1 | 29 |
| Net market depreciation (c) | (5) | - | (5) |
| Market value of assets under management at Sept. 30, 2007 | \$1,020 | \$86 | \$1,106 |

(a) Preliminary.

(b) Represents pro forma combined results for BNY Mellon.

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

COMPOSITION OF ASSETS UNDER MANAGEMENT

| At period-end (a) | Pro forma combined results for BNY Mellon | | | | |
|--------------------------------|---|---------|---------|---------|-------------|
| | 2006 | | 2007 | | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr |
| Equity | 39% | 42% | 42% | 42% | 41% |
| Money market | 23 | 22 | 22 | 23 | 25 |
| Fixed income | 22 | 20 | 21 | 20 | 19 |
| Overlay and alternative assets | 16 | 16 | 15 | 15 | 15 |
| Total | 100% | 100% | 100% | 100% | 100% |

(a) Excludes securities lending cash management assets.

FEE AND OTHER REVENUE

| <i>(dollar amounts in millions, non-FTE basis unless otherwise noted)</i> | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|---------|---------|---------|---------|----------|------|
| | 2006 | | 2007 | | 3rd Qtr | 3Q06 | 2Q07 |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | | | |
| Securities servicing fees: | | | | | | | |
| Asset servicing | \$ 574 | \$ 595 | \$ 640 | \$ 704 | \$ 720 | 25% | 2% |
| Issuer services | 243 | 385 | 371 | 415 | 436 | 79 | 5 |
| Clearing and execution services | 296 | 260 | 274 | 285 | 304 | 3 | 7 |
| Total securities servicing fees | 1,113 | 1,240 | 1,285 | 1,404 | 1,460 | (31) | 4 |
| Asset and wealth management fees | 685 | 775 | 801 | 846 | 854 | (25) | 1 |
| Performance fees | 59 | 214 | 49 | 63 | (3) | N/M | N/M |
| Foreign exchange and other trading activities | 137 | 156 | 182 | 176 | 238 | (74) | 35 |
| Treasury services | 121 | 118 | 116 | 121 | 122 | 1 | 1 |
| Distribution and servicing | 73 | 80 | 84 | 83 | 95 | 30 | 14 |
| Financing-related fees | 71 | 71 | 63 | 69 | 51 | (28) | (26) |
| Investment income | 54 | 80 | 61 | 77 | 22 | (59) | (71) |
| Securities gains(losses) | 4 | 2 | 2 | 1 | (9) | N/M | N/M |
| Other | 97 | 105 | 97 | 89 | 101 | 4 | 13 |
| Total fee and other revenue (non-FTE) | \$2,414 | \$2,841 | \$2,740 | \$2,929 | \$2,931 | 21%(a) | - |
| Total fee and other revenue (FTE) | \$2,423 | \$2,850 | \$2,750 | \$2,939 | \$2,940 | (21%) | - |
| Fee and other revenue as a percentage of total revenue (FTE) | 83% | 83% | 83% | 83% | 81% | | |
| S&P 500 Index - period-end | 1336 | 1418 | 1421 | 1503 | 1527 | 14% | 2% |
| S&P 500 Index - daily average | 1288 | 1389 | 1424 | 1496 | 1490 | 16% | - |
| FTSE 100 Index-period-end | 5961 | 6221 | 6308 | 6608 | 6467 | 8% | (2)% |
| FTSE 100 Index-daily average | 5869 | 6146 | 6265 | 6534 | 6366 | 8% | (3)% |

(a) Excluding the fee and other revenue items described in footnote (c) on page 4, the growth rate would have been 20%.

N/M - Not meaningful.

KEY POINTS

- Total securities servicing fees increased 31% reflecting:
 - Asset servicing fees increased 25% reflecting a record level of securities lending revenue and increased client activity related to market volatility as well as net new business.
 - Issuer services fees growth of 79% primarily due to the impact of the Acquired Corporate Trust Business. Adjusted for the impact of the Acquired Corporate Trust Business fees increased approximately 15%. Sequentially, fees increased 5% (unannualized) reflecting a strong quarter in both depositary receipts and global products within Corporate Trust.
 - Clearing and execution services fees were up 3% principally due to increased activity resulting from market volatility, largely offset by the disposition of certain execution businesses in the BNY ConvergeEx transaction. Excluding the impact of BNY ConvergeEx, Clearing and execution services fees increased 25% driven by strong growth in trading activity in a normally slow quarter along with continued growth in money market and mutual fund positions.
- Asset and wealth management fees increased 25% primarily due to net asset flows and favorable equity market conditions, as well as acquisitions.
- Performance fees were a negative \$3 million in 3Q07 compared to \$59 million in 3Q06 and \$63 million in 2Q07, with the declines principally reflecting the impact of market volatility during 3Q07 on certain alternative and quantitative strategies as well as weaker relative performance compared to the third quarter of 2006.
- Foreign exchange and other trading activities increased 74% reflecting the benefit of higher client volumes as well as a significant increase in currency volatility and a higher valuation of the credit derivative portfolio due to credit spreads widening.
- Distribution and servicing fees increased 30% reflecting higher sales volumes and higher market values of mutual funds.
- Investment income decreased \$32 million principally reflecting the lower market value of seed capital investments due to the market environment.

NET INTEREST REVENUE

| <i>(dollar amounts in millions)(a)</i> | Pro-forma combined results for BNY Mellon | | | | | 3Q07 | |
|---|---|-----------|-----------|-----------|-----------|---------|------|
| | 2006 | | 2007 | | 3rd Qtr | vs. | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | | 3Q06 | 2Q07 |
| Net interest revenue (non-FTE) | \$ 470 | \$ 560 | \$ 552 | \$ 586 | \$ 669 | 42% (b) | 14% |
| Net interest revenue (FTE) | 481 | 565 | 558 | 592 | 674 | 40% (b) | 14% |
| Net interest margin (FTE) | 1.80% | 2.06% | 2.08% | 1.95% | 2.02% | 22 bp | 7 bp |
| Selected average balances: | | | | | | | |
| Money market investments | \$ 22,814 | \$ 24,895 | \$ 22,141 | \$ 31,818 | \$ 39,965 | 75% | 26% |
| Trading account securities | 2,933 | 3,125 | 3,257 | 1,892 | 1,885 | (36) | - |
| Securities | 40,504 | 39,148 | 40,835 | 43,705 | 46,167 | 14 | 6 |
| Loans | 39,405 | 41,436 | 42,037 | 43,824 | 45,517 | 16 | 4 |
| Interest-earning assets | 105,656 | 108,604 | 108,270 | 121,239 | 133,534 | 26 | 10 |
| Interest-bearing deposits | 63,821 | 63,488 | 61,432 | 72,450 | 80,870 | 27 | 12 |
| Noninterest-bearing deposits | 18,675 | 22,128 | 23,300 | 24,002 | 26,466 | 42 | 10 |
| Noninterest-bearing deposits as a percentage of interest-earning assets | 18% | 20% | 22% | 20% | 20% | | |

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

(b) Excluding the net interest revenue items described in footnote (c) on page 4, the growth rate was 47% (non-FTE) and 45% (FTE). bp - basis points.

KEY POINTS

- Net interest revenue (FTE) increased 40% year-over-year and 14% (unannualized) sequentially, principally reflecting a higher level of average interest-earning assets driven by growth in client deposits, wider spreads on investment securities, lower bond premium amortization due to slowing prepayments and a positive day variance relative to the sequential quarter. This growth was partially offset by the required recalculation of the yield on leverage leases under FAS 13 (\$22 million).
- The increase in interest-earning assets reflects the impact of higher deposits related to the Acquired Corporate Trust Business (\$14 billion), as well as higher client activity across our businesses which drove higher deposits.
- The net interest margin increased 22 bps year-over-year and 7 bps sequentially principally reflecting the benefit of wider spreads on investment securities. Sequentially the margin benefited from the impact of market volatility on short-term spreads and a flight to quality during the quarter which delivered attractively priced deposits.

NONINTEREST EXPENSE

| <i>(dollar amounts in millions)(a)</i> | Pro-forma combined results for BNY Mellon | | | | | 3Q07 | |
|--|---|---------|---------|---------|---------|-------|------|
| | 2006 | | 2007 | | 3rd Qtr | vs. | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | | 3Q06 | 2Q07 |
| Staff: | | | | | | | |
| Compensation | \$ 683 | \$ 742 | \$ 739 | \$ 754 | \$ 764 | 12% | 1% |
| Incentives | 301 | 447 | 327 | 362 | 347 | 15 | (4) |
| Employee benefits | 172 | 182 | 191 | 187 | 169 | (2) | (10) |
| Total staff | 1,156 | 1,371 | 1,257 | 1,303 | 1,280 | 11 | (2) |
| Professional, legal and other purchased services | 209 | 248 | 245 | 253 | 241 | 15 | (5) |
| Net occupancy | 121 | 141 | 135 | 172 | 144 | 19 | (16) |
| Distribution and servicing | 114 | 132 | 132 | 141 | 127 | 11 | (10) |
| Software | 69 | 79 | 72 | 77 | 91 | 32 | 18 |
| Furniture and equipment | 72 | 76 | 78 | 80 | 80 | 11 | - |
| Sub-custodian | 45 | 47 | 50 | 60 | 58 | 29 | (3) |
| Business development | 52 | 66 | 58 | 72 | 56 | 8 | (22) |
| Clearing and execution | 52 | 38 | 37 | 44 | 52 | - | 18 |
| Communications | 34 | 31 | 25 | 33 | 33 | (3) | - |
| Other | 112 | 150 | 153 | 204 | 195 | 74 | (4) |
| Subtotal | \$2,036 | \$2,379 | \$2,242 | \$2,439 | \$2,357 | 16(b) | (3) |
| Merger & integration expense: | | | | | | | |
| The Bank of New York Mellon | - | 11 | 12 | 151 | 205 | N/M | N/M |
| Acquired Corporate Trust business | 89 | 17 | 11 | 12 | 13 | N/M | N/M |
| Amortization of intangible assets | 21 | 57 | 40 | 40 | 131 | N/M | N/M |
| Total noninterest expense | \$2,146 | \$2,464 | \$2,305 | \$2,642 | \$2,706 | 26% | 2% |
| Total staff expense as a percentage of total revenue (FTE) | 40% | 40% | 38% | 37% | 35% | | |

(a) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

(b) Excluding the noninterest expense items described in footnote (c) on page 4, the growth rate was 14%.

N/M - Not meaningful.

KEY POINTS

- Strong revenue growth and overall expense control, as well as the benefit of \$79 million in merger-related synergies (\$62 million net of open positions eliminated) resulted in 1,100 basis points of positive operating leverage year-over-year and 400 basis points sequentially.
- Total staff expense increased 11% due to the Acquired Corporate Trust Business, the impact of acquisitions, higher incentive expense, and organic business growth.
- Increased professional, legal and other purchased services, business development and furniture and equipment expense reflects business growth, strategic initiatives and the impact of acquisitions.
- Distribution and servicing expense increased 11% due to an increased level of mutual fund sales activity.
- Software expense increased \$22 million year-over-year reflecting support of business growth and strategic initiatives as well as the write-off of internally developed software (\$6 million).
- Sub-custodian expenses increased 29% reflecting increased asset values, higher transaction volumes and increased depositary receipt activity.
- Other expenses increased \$83 million due to higher customer activity, the write-off of the remaining interest in a hedge fund manager that was sold in 2006 (\$32 million) and organic business growth.

Merger Update - Integration Milestones *

| | Goal | Actual | -----Cumulative Targets----- | | |
|---|----------|------------|------------------------------|------|-------|
| | | 3Q07 YTD | 2007 | 2008 | 2009 |
| 1) Expense Synergies - represents synergies achieved for the period (as previously reported) | \$700 mm | \$79mm/11% | 15% | 50% | 85% |
| # of net positions eliminated | 3,900 | 1,368 | | | 3,900 |
| Memo: Canceled open positions included above | | 478 | | | 478 |

| | 3Q07 | Memo: 3Q07 Net of Open Positions |
|---|------|-------------------------------------|
| Business Sector Expense Synergies Achieved (in millions) | | |
| Asset Management | \$6 | \$5 |
| Wealth Management | 4 | 2 |
| Asset Servicing | 28 | 22 |
| Issuer Services | 8 | 6 |
| Clearing & Execution Services | 1 | 1 |
| Treasury Services | 10 | 7 |
| Subtotal | 57 | 43 |
| Other | 22 | 19 |
| Total | \$79 | \$62 |

2) **Merger & Integration Charges (The Bank of New York Mellon)**

| <i>(in millions)</i> | 3Q07 | | | Cumulative Thru 3Q07 (d) | | | Total Estimated |
|------------------------|---------|-------------------------|-------|--------------------------|-------------------------|-------|--------------------|
| | Expense | Included in Goodwill | Total | Expense | Included in Goodwill | Total | |
| Personnel-related (a) | \$73 | \$72 | \$145 | \$154 | \$72 | \$226 | \$575 |
| Integration/conversion | 52 | - | 52 | 90 | - | 90 | 350 |
| One-time costs (b) | 15 | 31 | 46 | 19 | 31 | 50 | 225 |
| Transaction costs (c) | 65 | 45 | 110 | 116 | 45 | 161 | 175 |
| Total | \$205 | \$148 | \$353 | \$379 | \$148 | \$527 | \$1,325 |
| % of total estimated | | | 27% | | | 40% | |

3) **Service Quality Goals for 2010 - Asset Servicing**

- #1 vs. major peers in the three major external global client satisfaction surveys (first survey 1Q08).
- Expect 85% of our clients to be satisfied/highly satisfied with our service quality.

4) **Other**

Corporate Branding

| | |
|----------------|-----------|
| Initial design | Completed |
| Formal rollout | Completed |

Corporate Culture

| | |
|-------------------------------|-----------|
| Conduct all employee survey | Completed |
| Established core values | Completed |
| Formal rollout of core values | Completed |

Other

| | |
|------------------------|--------|
| Consolidation of Banks | 7/1/08 |
|------------------------|--------|

- (a) Includes severance, retention, relocation expenses and accelerated vesting of stock options and restricted stock.
 (b) Includes facilities related, balance sheet write-offs, vendor contract modifications, rebranding and net gain (loss) on disposals.
 (c) Includes investment banker and legal fees and foundation funding.
 (d) Represents total merger and integration charges from 4Q06 - 3Q07.

*Note: Integration expected to be completed in 2009.

- REVENUE SYNERGIES -**
- Targeted Run Rate of \$250-\$400 million by 2011
 - Ideas grouped into 3 major categories
 - Top 15 of 71 represent over 60% of target

Major Opportunities in Each Category

| REVENUE ENHANCEMENTS (BEST PRACTICES) | |
|--|-------------------------|
| | Distributing LOB |
| Standardize FX policy (e.g., standing instructions) | Asset Servicing |
| Align fee schedules between legacy BK and legacy MEL | Wealth Management |
| Best of breed approach to Securities Lending | Asset Servicing |
| Improved commission management in Shareowner Services | Issuer Services |
| Internalize emerging markets FX trades currently handled by sub-custodians | Asset Servicing |
| WITHIN THE LINE OF BUSINESS | |
| Legacy BK US mutual fund administration and accounting to legacy MEL mutual fund clients | Asset Servicing |
| Enhanced product opportunities with new clients | Asset Servicing |
| Legacy BK offshore accounting introduced to legacy MEL clients | Asset Servicing |
| ETF offering from legacy BK to legacy MEL clients | Asset Servicing |
| Improved accounting options for insurance & multinational pension funds from legacy MEL to legacy BK clients | Asset Servicing |
| ACROSS LINES OF BUSINESS | |
| Legacy MEL asset management services to other business line clients | Various |
| Ensure more cash is swept into BNY Mellon | Various |
| Introduce Corporate Trust to legacy MEL clients | Various |
| Leveraging Pershing platform for BNY Mellon Asset Management | Clearing |
| Leverage Senior Executive contacts to expanded wealth management capabilities | Various |

BUSINESS SECTORS

ASSET MANAGEMENT (provides asset management services through a number of asset management companies to institutional and individual investors)

- Represented 18% of pre-tax income in the third quarter of 2007 (a)(e)

| (dollar amounts in millions, unless otherwise noted; presented on an FTE basis) | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|---------|---------|---------|---------|----------|-------|
| | 2006 | | 2007 | | | 3Q06 | 2Q07 |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Revenue: | | | | | | | |
| Asset and wealth management: | | | | | | | |
| Mutual funds | \$242 | \$255 | \$276 | \$291 | \$ 307 | 27% | 5% |
| Institutional clients | 258 | 316 | 317 | 337 | 331 | 28 | (2) |
| Private clients | 37 | 41 | 42 | 46 | 46 | 24 | - |
| Total asset and wealth management | 537 | 612 | 635 | 674 | 684 | 27 | 1 |
| Performance fees | 59 | 214 | 49 | 63 | (3) | N/M | N/M |
| Distribution and servicing | 71 | 78 | 82 | 81 | 89 | 25 | 10 |
| Other | 15 | 30 | 14 | 41 | (24) | N/M | N/M |
| Total fee and other revenue | 682 | 934 | 780 | 859 | 746 | 9 | (13) |
| Net interest revenue (expense) | - | (2) | 6 | - | (5) | N/M | N/M |
| Total revenue | 682 | 932 | 786 | 859 | 741 | 9 | (14) |
| Noninterest expense (ex. intangible amortization) | 449 | 590 | 509 | 541 | 539 | 20 | - |
| Income before taxes (ex. intangible amortization) | \$233 | \$342 | \$277 | \$318 | \$ 202 | (13) | (36) |
| Amortization of intangible assets (b) | 7 | 12 | 13 | 12 | 70 | N/M | N/M |
| Income before taxes | \$226 | \$330 | \$264 | \$306 | \$ 132 | (42)% | (57)% |
| Memo: Income before taxes (ex. intangible amortization) non-GAAP (e) | \$233 | \$353 | \$277 | \$ 318 | \$ 234 | -% | (26)% |
| Market value of assets under management at period-end (in billions) (f) | \$853 | \$934 | \$950 | \$1,006 | \$1,028 | 21% | 2% |
| Assets under management - net inflows (outflows) (in billions): | | | | | | | |
| Long-term | \$ 6 | \$ 9 | \$ (4) | \$ 5 | \$ 1 | | |
| Money market | \$ 18 | \$ 1 | \$ 5 | \$ 17 | \$ 27 | | |
| Pre-tax operating margin (excluding intangible amortization) - non-GAAP (e) | 34% | 38% | 35% | 37% | 32% | | |
| Adjusted pre-tax operating margin - non-GAAP (d)(e) | 41% | 44% | 42% | 44% | 38% | | |

(a) Excluding intangible amortization, the Other segment and certain items detailed in footnote (c) on page 4.

(b) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

(c) Flows from 3Q06 through 1Q07 represent historical Mellon only.

(d) Calculation excludes amortization of intangible assets and nets distribution and servicing expense from revenue.

(e) 3Q07 noninterest expense included a \$32 million charge related to the write-off of the value of the remaining interest in a hedge fund manager that was sold in 2006. The pre-tax operating margin and adjusted pre-tax operating margin have been adjusted for the items detailed in the table on page 18.

(f) Includes amounts subadvised for other sectors of \$5 billion, \$6 billion, \$9 billion, \$9 billion and \$8 billion.

KEY POINTS

- Assets under management totaled \$1,028 billion, an increase of 21%
 - Net long-term flows totaled \$1 billion
 - Net money market flows totaled \$27 billion, a record quarterly net inflow
- 36% non-U.S. revenue in 3Q07
- Asset and wealth management fees increased 27% relative to 3Q06 reflecting net new business, improved equity markets and acquisitions
- The year-over-year and sequential quarter declines in performance fees reflect the impact of market volatility during 3Q07 on certain alternative and quantitative strategies as well as weaker relative performance compared to 3Q06
- Distribution and servicing fees increased 25% reflecting higher sales volumes and higher market values of mutual funds
- Other fee revenue decreased \$39 million principally reflecting the lower market value of seed capital investments due to the market environment
- Noninterest expense increased 20% in support of business growth as well the write-off noted above. Excluding this write-off, noninterest expense increased 13% and the pre-tax operating margin excluding intangible amortization would have been approximately 32%.

WEALTH MANAGEMENT (provides investment management, wealth management and banking services to high-net-worth individuals, families and charitable gift programs, foundations and endowments)

- Represented 7% of pre-tax income in the third quarter of 2007 (a)

| <i>(dollar amounts in millions, unless otherwise noted; presented on an FTE basis)</i> | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|--|---|----------|----------|----------|----------|----------|-------|
| | 2006 | | 2007 | | 3Q06 | 2Q07 | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Revenue: | | | | | | | |
| Asset and wealth management | \$ 139 | \$ 147 | \$ 149 | \$ 153 | \$ 152 | 9% | (1) |
| Other | 8 | 8 | 8 | 8 | 10 | 25 | 25 |
| Total fee and other revenue | 147 | 155 | 157 | 161 | 162 | 10 | 1 |
| Net interest revenue | 93 | 92 | 91 | 90 | 85 | (9) | (6) |
| Total revenue | 240 | 247 | 248 | 251 | 247 | 3 | (2) |
| Provision for credit losses | - | - | - | - | - | - | - |
| Noninterest expense (excluding intangible amortization) | 155 | 162 | 161 | 164 | 162 | 5 | (1) |
| Income before taxes (excluding intangible amortization) | \$ 85 | \$ 85(b) | \$ 87 | \$ 87 | \$ 85 | - | (2) |
| Amortization of intangible assets (c) | 1 | 1 | 1 | 1 | 21 | N/M | N/M |
| Income before taxes | \$ 84 | \$ 84 | \$ 86 | \$ 86 | \$ 64 | (24)% | (26)% |
| Average loans | \$6,079 | \$ 6,135 | \$ 6,170 | \$ 6,491 | \$ 6,590 | 8% | 2% |
| Average deposits | \$9,943 | \$10,026 | \$10,338 | \$10,142 | \$11,289 | 14 | 11 |
| Market value of total client assets at period end <i>(in billions)</i> | \$ 149 | \$ 155 | \$ 158 | \$ 162 | \$ 170 | 14% | 5% |
| Pre-tax operating margin (excluding intangible amortization) | 35% | 34% | 35% | 35% | 34% | | |

(a) Excluding intangible amortization, the Other segment and certain items detailed in footnote (c) on page 4.

(b) 4Q06 includes \$1 million of severance expense. Excluding this item, income before taxes (excluding intangible amortization) would have been \$86 million.

(c) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

KEY POINTS

- Total fees increased 10% driven by organic growth, a 43% increase in new business revenue from 3Q06 and improved market performance
- Total client assets of \$170 billion increased 14% compared to 3Q06, and 5% (unannualized) sequentially, driven by new business, improved markets and net long-term flows of assets under management of \$1 billion in 3Q07
- Net interest revenue decreased 9% over the prior year and 6% (unannualized) sequentially as higher loan and deposit volumes were offset by lower spreads
- Noninterest expense, excluding intangible amortization, increased 5% due to merit increases and expenses associated with new distribution channels. Noninterest expense decreased 1% (unannualized) sequentially, partially reflecting the impact of merger-related expense synergies.
- Wealth Management now has a presence in 14 of the top 25 domestic wealth markets and 81 offices in domestic and international locations.

ASSET SERVICING (provides institutional trust and custody and related services and broker-dealer services to global financial institutions, corporate and public retirement funds and foundations and endowments)

- Represented 28% of pre-tax income in the third quarter of 2007 (a)

| (dollar amounts in millions, unless otherwise noted; presented on an FTE basis) | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|----------|----------|----------|----------|----------|------|
| | 2006 | | 2007 | | | 3Q06 | 2Q07 |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Revenue: | | | | | | | |
| Securities servicing fees - Asset servicing | \$ 554 | \$ 572 | \$ 619 | \$ 675 | \$ 698 | 26 % | 3 % |
| Foreign exchange and other trading activities | 118 | 109 | 123 | 136 | 167 | 42 | 23 |
| Other | 56 | 44 | 43 | 48 | 42 | (25) | (13) |
| Total fee and other revenue | 728 | 725 | 785 | 859 | 907 | 25 | 6 |
| Net interest revenue | 145 | 159 | 162 | 187 | 206 | 42 | 10 |
| Total revenue | 873 | 884 | 947 | 1,046 | 1,113 | 27 | 6 |
| Noninterest expense (excluding intangible amortization) | 668 | 691 | 701 | 745 | 755 | 13 | 1 |
| Income before taxes (excluding intangible amortization) | \$ 205 | \$ 193 | \$ 246 | \$ 301 | \$ 358 | 75 | 19 |
| Amortization of intangible assets (b) | 3 | 22 | 3 | 4 | 6 | N/M | 50 |
| Income before taxes | \$ 202 | \$ 171 | \$ 243 | \$ 297 | \$ 352 | 74 % | 19 % |
| Memo: Income before taxes (ex. intangible amortization) non-GAAP (c) | \$205 | \$210 | \$246 | \$301 | \$358 | 75% | 19% |
| Average deposits | \$32,397 | \$33,023 | \$32,945 | \$38,883 | \$38,250 | 18 % | (2)% |
| Market value of securities on loan at period-end (in billions)(d) | \$ 590 | \$ 607 | \$ 660 | \$ 678 | \$ 663 | 12% | (2)% |
| Securities lending revenue | \$ 66 | \$ 61 | \$ 65 | \$ 97 | \$ 108 | 64 % | 11% |
| Global collateral management balances at period-end (in billions) | \$ 1,392 | \$ 1,440 | \$ 1,519 | \$ 1,548 | \$ 1,692 | 22% | 9% |
| Pre-tax operating margin (excluding intangible amortization) non-GAAP (c) | 23% | 22% | 26% | 29% | 32% | | |

(a) Excluding intangible amortization, the Other segment and certain items detailed in footnote (c) on page 4.

(b) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

(c) Adjusted for the items detailed on page 18.

(d) Represents the total amount of securities on loan, both cash and non-cash managed by the Asset Servicing sector.

KEY POINTS

- Generated 1,400 bps of positive operating leverage year over year and 500 bps sequentially.
- 39% non-U.S. revenue in 3Q07.
- Asset servicing fees increased 26% reflecting a record level of securities lending revenue and increased client activity related to market volatility and net new business.
- Foreign exchange and other trading activities increased 42% reflecting the benefit of higher volumes as well as a significant increase in currency volatility.
- Net interest revenue increased 42% due to higher average deposit levels and improved spreads.
- Noninterest expense (excluding intangible amortization) increased 13% reflecting higher staff expense in support of new business, increased sub-custodian expense related to higher asset levels, higher joint venture pass-thru payments, as well as other growth initiatives, partially offset by merger-related expense synergies.
- Win ratio of 75% on 3Q07 new business.
- Strong new business pipelines.

ISSUER SERVICES (provides corporate trust, depository receipt and shareowner services to corporations and institutions)

- Represented 26% of pre-tax income in the third quarter of 2007 (a)

| (dollar amounts in millions, unless otherwise noted; presented on an FTE basis) | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|-----------|----------|----------|----------|----------|-------|
| | 2006 | | 2007 | | 3Q06 | 2Q07 | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Revenue: | | | | | | | |
| Securities servicing fees - Issuer services | \$ 243 | \$ 385 | \$ 371 | \$ 415 | \$ 436 | 79% | 5% |
| Other | 12 | 33 | 39 | 25 | 24 | N/M | N/M |
| Total fee and other revenue | 255 | 418 | 410 | 440 | 460 | 80 | 5 |
| Net interest revenue | 67 | 128 | 133 | 155 | 159 | N/M | 3 |
| Total revenue | 322 | 546 | 543 | 595 | 619 | 92 | 4 |
| Provision for credit losses | 1 | (1) | - | - | - | N/M | N/M |
| Noninterest expense (excluding intangible amortization) | 182 | 293 | 295 | 292 | 291 | 60 | - |
| Income before taxes (excluding intangible amortization) | \$ 139 | \$ 254(b) | \$ 248 | \$ 303 | \$ 328 | 136 | 8 |
| Amortization of intangible assets (c) | 1 | 16 | 17 | 17 | 20 | N/M | 18 |
| Income before taxes | \$ 138 | \$ 238 | \$ 231 | \$ 286 | \$ 308 | 123% | 8% |
| # of corporate actions (depository receipts) | 656 | 526 | 344 | 682 | 540 | (18)% | (21)% |
| Depository receipt trading value (in billions) | \$ 144 | \$ 178 | \$ 233 | \$ 248 | \$ 354 | N/M | 43% |
| Average deposits | \$7,334 | \$12,661 | \$13,608 | \$20,618 | \$26,153 | N/M | 27% |
| Pre-tax operating margin (excluding intangible amortization) | 43% | 47% | 46% | 51% | 53% | | |

(a) Excluding intangible amortization, the Other segment and certain items detailed in footnote (c) on page 4.

(b) 4Q06 includes \$4 million of severance expense. Excluding this item, income before taxes (excluding intangible amortization) would have been \$258 million.

(c) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

KEY POINTS

- 36% non-U.S. revenue in 3Q07
- Adjusting for the impact of the Acquired Corporate Trust Business, Total revenue grew 19% driven by:
 - 15% growth in Issuer services fees due to strong growth in the Corporate Trust and Depository Receipts businesses

On a linked quarter basis, Issuer services fees increased 5% (unannualized) reflecting growth in Depository receipts as well as global products in Corporate Trust, while Shareowner services fees were relatively flat reflecting seasonality. Positive operating leverage was 400 bps.
- Net interest revenue increased 21% as a result of significant deposit growth in both Corporate Trust and Shareowner Services, reflecting the impact of new business and increased client volumes
- Adjusting for the impact of the Acquired Corporate Trust Business noninterest expense increased 6% reflecting the synergies from the acquired Corporate Trust business, as well as the consolidation of the BNY and Mellon Shareowner Services businesses, which drove 1,300 basis points of positive operating leverage year-over-year

CLEARING AND EXECUTION SERVICES (provides clearing, execution, financing and custody services for introducing broker-dealers and registered investment advisors)

- Represented 8% of pre-tax income in the third quarter of 2007 (a)

| (dollar amounts in millions, unless otherwise noted; presented on an FTE basis) | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|---------|---------|---------|---------|----------|------|
| | 2006 | | 2007 | | 3Q06 | 2Q07 | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Revenue: | | | | | | | |
| Securities servicing fees – Clearing and execution services | \$282 | \$257 | \$271 | \$281 | \$ 302 | 7% | 7% |
| Other | 46 | 39 | 37 | 39 | 70 | N/M | N/M |
| Total fee and other revenue | 328 | 296 | 308 | 320 | 372 | 13 | 16 |
| Net interest revenue | 70 | 76 | 61 | 63 | 77 | 10 | 22 |
| Total revenue | 398 | 372 | 369 | 383 | 449 | 13 (b) | 17 |
| Provision for credit losses | - | 2 | - | - | - | N/M | N/M |
| Noninterest expense (excluding intangible amortization) | 301 | 256 | 270 | 293 | 318 | 6 | 9 |
| Income before taxes (excluding intangible amortization) | \$ 97 | \$114 | \$ 99 | \$ 90 | \$ 131 | 35 | 46 |
| Amortization of intangible assets (c) | 8 | 6 | 6 | 6 | 6 | (25) | - |
| Income before taxes | \$ 89 | \$108 | \$ 93 | \$ 84 | \$ 125 | 40% | 49% |
| Memo: Income before taxes (excluding intangible Amortization (non-GAAP) (d)) | \$ 97 | \$114 | \$ 99 | \$ 90 | \$ 104 | 7% | 16% |
| Average active accounts (in thousands) | 5,168 | 5,133 | 5,149 | 5,195 | 5,064 | (2)% | (3)% |
| Average margin debits (in thousands) | 5,158 | 5,176 | 5,396 | 5,551 | 5,287 | 3% | (5)% |
| Pre-tax operating margin (excluding intangible amortization) – Non-GAAP (d) | 24% | 31% | 27% | 24% | 25% | | |

(a) Excluding intangible amortization, the Other segment and certain items detailed in footnote (c) on page 4.

(b) Excluding the impact of BNY ConvergeEx as well as the impact of the settlement received for the early termination of a contract, total revenue increased 22%.

(c) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

(d) 3Q07 excludes the \$27 million impact of the settlement received for the early termination of a contract detailed in the table on page 18.

KEY POINTS

- Total revenue, adjusted for the impact of the settlement received for the early termination of a contract, increased 10% (unannualized) compared to 2Q07 driven by:
 - 7% (unannualized) increase in Clearing and execution services fees reflecting strong growth in trading activity in a normally slow quarter along with continued growth in money market and mutual fund positions
 - 22% (unannualized) increase in net interest revenue as a result of increased spreads on deposits and margin accounts resulting from higher interest rates
- Noninterest expense (excluding intangible amortization), adjusted for the incentive impact related to the early contract termination settlement, increased approximately 8% (unannualized) compared to 2Q07, resulting in 200 basis points of positive operating leverage on a sequential basis.

TREASURY SERVICES (provides global payment services, working capital solutions, global markets and institutional banking services, including lending)

- Represented 13% of pre-tax income in the third quarter of 2007 (a)

| (dollar amounts in millions, unless otherwise noted; presented on an FTE basis) | Pro-forma combined results for BNY Mellon | | | | | 3Q07 vs. | |
|---|---|-----------|----------|----------|----------|----------|------|
| | 2006 | | 2007 | | | 3Q06 | 2Q07 |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr | | |
| Revenue: | | | | | | | |
| Treasury services | \$ 114 | \$ 111 | \$ 111 | \$ 117 | \$ 114 | - % | (3)% |
| Other | 99 | 95 | 96 | 103 | 107 | 8 | 4 |
| Total fee and other revenue | 213 | 206 | 207 | 220 | 221 | 4 | - |
| Net interest revenue | 122 | 126 | 125 | 123 | 131 | 7 | 7 |
| Total revenue | 335 | 332 | 332 | 343 | 352 | 5 | 3 |
| Provision for credit losses | (3) | (7) | (3) | (7) | - | N/M | N/M |
| Noninterest expense (excluding intangible amortization) | 199 | 206 | 207 | 208 | 195 | (2) | (6) |
| Income before taxes (excluding intangible amortization) | \$ 139 | \$ 133(b) | \$ 128 | \$ 142 | \$ 157 | 13 | 11 |
| Amortization of intangible assets (c) | 1 | - | - | - | 7 | N/M | N/M |
| Income before taxes | \$ 138 | \$ 133 | \$ 128 | \$ 142 | \$ 150 | 9 % | 6 % |
| Average loans | \$13,613 | \$13,946 | \$14,008 | \$13,859 | \$12,705 | (7)% | (8)% |
| Average deposits | \$16,839 | \$19,024 | \$18,428 | \$19,148 | \$20,632 | 23% | 8 % |
| Pre-tax operating margin (excluding intangible amortization) | 41% | 40% | 39% | 41% | 45% | | |

(a) Excluding intangible amortization, the Other segment and certain items detailed in footnote (c) on page 4.

(b) Includes \$1 million of severance expense. Excluding this item, income before taxes (excluding intangible amortization) would have been \$134 million.

(c) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

KEY POINTS

- Generated 700 bps of positive operating leverage (excluding intangible amortization).
- Total revenue increased 5% compared to 3Q06 due to:
 - 8% increase in other fee revenue due primarily to the higher valuation of the credit derivative portfolio
 - 7% increase in net interest revenue resulting from higher deposit levels, including higher compensating balances (in lieu of treasury services fees), and wider spreads.
- Noninterest expense (excluding intangible amortization) decreased 2% reflecting the impact of merger-related expense synergies.

OTHER SEGMENT (primarily includes business exits and Corporate Treasury activities, merger and integration charges, and other corporate revenue and expense items)

| <i>(in millions, presented on an FTE basis)</i> | Pro-forma combined results for BNY Mellon | | | | |
|---|---|---------|---------|---------|---------|
| | 2006 | | 2007 | | |
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr |
| Revenue: | | | | | |
| Fee and other revenue | \$ 70 | \$116 | \$103 | \$ 80 | \$ 72 |
| Net interest revenue | (16) | (14) | (20) | (26) | 21 |
| Total revenue | 54 | 102 | 83 | 54 | 93 |
| Provision for credit losses | (3) | (4) | (9) | (11) | - |
| Noninterest expense (excluding intangible amortization/merger and integration expense) | 82 | 181 | 99 | 196 | 97 |
| Income (loss) before taxes (excluding intangible amortization and merger and integration expense) | \$ (25) | \$ (75) | \$ (7) | \$(131) | \$ (4) |
| Amortization of intangible assets <i>(a)</i> | - | - | - | - | 1 |
| Merger and integration expenses: | | | | | |
| The Bank of New York Mellon | - | 11 | 12 | 151 | 205 |
| Acquired Corporate Trust business | 89 | 17 | 11 | 12 | 13 |
| Income (loss) before taxes | \$(114) | \$(103) | \$ (30) | \$(294) | \$(223) |
| Memo: Income (loss) before taxes (excluding intangible amortization and merger and integration expense) - non-GAAP <i>(b)</i> | \$(25) | \$(61) | \$ 5 | \$(50) | \$24 |

(a) Results prior to 3Q07 exclude the pro forma impact of incremental purchase accounting intangible amortization resulting from The Bank of New York Mellon merger.

(b) Adjusted for items detailed in the table on page 18.

KEY POINTS

- Net interest revenue increased \$37 million due to the impact of the changing interest rate environment on corporate treasury allocations, and lower bond premium amortization due to slowing prepayments, partially offset by the negative impact of the required recalculation of the yield on leverage leases under FAS 13 (\$22 million).
- Noninterest expense (excluding intangible amortization/merger and integration expense) increased \$15 million due in part to the write-off of internally developed software. Sequentially, noninterest expense declined \$99 million as 2Q07 included an early redemption charge for junior subordinated debentures (\$46 million), exit costs associated with excess office space (\$30 million) and a litigation reserve charge (\$5 million).

SUMMARY OF NON-OPERATING ITEMS

| Non-operating items (<i>\$ in millions</i>) | 2006 | | 2007 | | |
|--|---------|---------|---------|---------|----------|
| | 3rd Qtr | 4th Qtr | 1st Qtr | 2nd Qtr | 3rd Qtr |
| Severance | \$ - | \$ 26 | \$ - | \$ - | \$ - |
| Litigation reserve charge | - | - | 12 | 5 | - |
| Impairment charge | - | 16 | - | - | - |
| Occupancy charge | - | 6 | - | - | - |
| Redemption charge for subordinated debentures | - | - | - | 46 | - |
| Exit costs associated with excess office space | - | - | - | 30 | - |
| Settlement received for early termination of contract | - | - | - | - | (27) |
| Write-off a remaining interest in hedge fund manager sold | - | - | - | - | 32 |
| Recalculation of yield on leveraged lease portfolio – FAS 13 | - | - | - | - | 22 |
| Write-off of internally developed software | - | - | - | - | 6 |
| Reduction of pre-tax income | \$ - | \$48 | \$ 12 | \$81 | \$ 33(a) |
| Memo: Sector Impact | | | | | |
| Asset Management | \$ - | \$11 | \$ - | \$ - | \$ 32 |
| Wealth Management | - | 1 | - | - | - |
| Asset Servicing | - | 17 | - | - | - |
| Issuer Services | - | 4 | - | - | - |
| Clearing & Execution Services | - | - | - | - | (27) |
| Treasury Services | - | 1 | - | - | - |
| Other | - | 14 | 12 | 81 | 28 |
| Total | \$ - | \$48 | \$ 12 | \$81 | \$33 |

(a) The after-tax impact of these items was more than offset by the tax benefit recorded on the recalculation of the yield on the leverage lease portfolio, which net, resulted in an increase of approximately 1 cent to earnings per share in the third quarter of 2007.

Supplemental information - Earnings Per Share Presented on a GAAP and Non-GAAP basis

In the merger transaction between The Bank of New York and Mellon, The Bank of New York shareholders received .9434 shares of The Bank of New York Mellon common stock for each share of The Bank of New York common stock outstanding on the closing date of the merger. Mellon shareholders received one share of The Bank of New York Mellon common stock for each share of Mellon Financial Corp. common stock outstanding on the closing date of the merger. Historical earnings per share for The Bank of New York are presented in post-merger share count terms in this Quarterly Earnings Summary and the Earnings Release. The table below converts earnings per share for The Bank of New York into post-merger share count terms, for periods prior to July 1, 2007.

Reported amounts are presented in accordance with GAAP. We believe that this supplemental non-GAAP information is useful to the investment community in analyzing the financial results and trends of our business. We believe they facilitate comparisons with prior periods and reflect the principal basis on which our management internally monitors financial performance. These non-GAAP items also are excluded from our segment measures used internally to evaluate segment performance in accordance with GAAP because management does not consider them particularly relevant or useful in evaluating the operating performance of our business segments.

| Continuing operations - fully diluted earnings per share | Legacy The Bank of New York Only (a) | | | | | | |
|--|--------------------------------------|---------------|----------------|---------------|----------------|-------------------|-------------------|
| | Quarter ended | | | | Sept. 30, 2007 | Nine months ended | |
| | Sept 30, 2006 | Dec. 31, 2006 | March 31, 2007 | June 30, 2007 | | Sept. 30, 2007 | Sept. 30, 2006(a) |
| As reported | \$.39 | \$.56 | \$.57 | \$.59 | \$.56 | \$1.77 | \$ 1.36 |
| As reported adjusted for exchange ratio (GAAP) | .41 | .60 | .61 | .62 | .56 | 1.77 | 1.45 |
| Non-GAAP adjusted - excluding merger and integration expense and non-operating items: (b) | | | | | | | |
| As reported | .47 | .58 | .59 | .63 | .66(c) | 1.95(c) | 1.44 |
| Adjusted for exchange ratio | .50 | .61 | .62 | .66 | .66(c) | 1.95(c) | 1.53 |
| Non-GAAP adjusted - excluding merger and integration expense, non-operating items and intangible amortization: (b) | | | | | | | |
| As reported | .48 | .61 | .61 | .65 | .73(d) | 2.09(d) | 1.48 |
| Adjusted for exchange ratio | .51 | .65 | .65 | .69 | .73(d) | 2.09(d) | 1.57 |

(a) Amounts prior to July 1, 2007, represent legacy The Bank of New York only.

(b) Non-operating items are detailed in footnote (c) on page 4.

(c) Including the non-operating items detailed in footnote (c) on page 4, non-GAAP adjusted earnings per share – excluding merger and integration expense would have been 67 cents and \$1.96 in the third quarter and first nine months of 2007, respectively.

(d) Including the non-operating items detailed in footnote (c) on page 4, non-GAAP adjusted earnings per share – excluding merger and integration expense and intangible amortization would have been 74 cents and \$2.10 in the third quarter and first nine month of 2007, respectively.