



## *news release*

IMMEDIATELY

**THE BANK OF NEW YORK COMPANY, INC. REPORTS  
THIRD QUARTER EPS OF 51 CENTS, UP 11% vs. YEAR-AGO;  
STRONG SECURITIES SERVICING REVENUE AND NET INTEREST INCOME GROWTH**

NEW YORK, N.Y., October 20, 2005 -- The Bank of New York Company, Inc. (NYSE: BK) reported today third quarter net income of \$389 million and diluted earnings per share of 51 cents, compared with net income of \$354 million and diluted earnings per share of 46 cents in the third quarter of 2004, and net income of \$398 million and diluted earnings per share of 52 cents in the second quarter of 2005. Year-to-date net income was \$1,166 million, or \$1.51 of diluted earnings per share, compared to \$1,089 million, or \$1.40 of diluted earnings per share in 2004.

### **Third Quarter 2005 Highlights**

- Positive operating leverage over the year-ago quarter.
- Securities servicing fees up 18% versus the year-ago quarter.
- Net interest income up 15% over the year-ago quarter.
- Foreign exchange and other trading revenues up 39% from the third quarter of 2004.
- Agreed to acquire Alcentra Group Ltd., an international asset management group (announced October 18, 2005).
- New marketing alliances with leading clients in key growth markets.

Chairman and Chief Executive Officer Thomas A. Renyi stated, “We are pleased with our performance this quarter and particularly the achievement of positive operating leverage. This is about making our own growth – expanding client relationships and winning new ones. Our credit performance remains strong, and our cost re-engineering efforts continue to be effective.

“We believe the true earnings power of our franchise is becoming steadily more apparent and we are committed to delivering more to the bottom line by increasing the operating margins of our businesses. We remain focused on achieving annual positive operating leverage, as our efforts to manage the cost base lower through various programs continue to bear fruit. And we are laying the foundation for 2006 through acquisitions like Alcentra and by pursuing new business opportunities in faster-growing markets around the world. The Nordea alliance, under which we will jointly market and deliver custody services in the Nordic and Baltic Sea regions, is a timely example of how we are working to penetrate high-growth markets throughout Europe and Asia in the most effective and economical manner. We will seize this and other opportunities to create our own growth and pursue our goals for superior performance.”

## SECURITIES SERVICING FEES

(In millions)	3Q05	2Q05	3Q04	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q05 vs. 2Q05	3Q05 vs. 3Q04	2005	2004	
Execution and Clearing Services	\$ 314	\$ 294	\$ 262	7%	20%	\$ 901	\$ 844	7%
Investor Services	265	265	228	-	16	793	683	16
Issuer Services	170	159	141	7	21	468	433	8
Broker-Dealer Services	57	58	53	(2)	8	171	156	10
Securities Servicing Fees	\$ 806	\$ 776	\$ 684	4	18	\$ 2,333	\$ 2,116	10

Securities servicing fee growth over the year-ago period reflects solid growth across all business segments. On a sequential-quarter basis, fees were up 4%, reflecting strong growth in issuer services as well as the early success of the Lynch, Jones & Ryan, Inc. (“LJR”) acquisition within execution and clearing.

Execution and clearing fees were up considerably from 2004, reflecting good organic growth at Pershing and in the execution businesses, as well as the additional revenues from the LJR acquisition. Excluding the impact of the LJR acquisition, execution and clearing revenues were still up on a quarterly basis and demonstrated strong growth year-over-year. The organic growth over the prior quarter was principally driven by the significant increase in revenues from transition management. Pershing’s revenues were essentially flat sequentially. The execution and clearing businesses include institutional agency brokerage, electronic trading, transition management services, independent research and through Pershing, correspondent clearing services such as clearing, execution, financing, and custody for introducing broker-dealers.

Investor services fees rose significantly from the year-ago quarter due to strong performance across all business lines, which include global fund services, global custody, securities lending, global liquidity services and outsourcing. Global fund services was favorably impacted by new business and higher international transaction volumes, while securities lending improved year-over-year due to higher loan volumes driven by new business wins as well as a favorable spread environment. Sequential performance was flat as a seasonal slowdown in securities lending was offset by solid results across most businesses.

Issuer services fees increased substantially versus the year-ago quarter due to an increase in trading volumes and corporate actions in depositary receipts, as well as continued strength in international issuance and structured products in corporate trust. The same trends drove improved sequential performance in depositary receipts. In corporate trust, international issuance was seasonally slower, which was offset by strength in structured, municipal, and corporate products.

Broker-dealer services fees improved versus the year-ago period as a result of increased collateral management activity and higher volumes in government securities clearance. Sequential performance was marginally lower, as higher fees from collateral management were offset by lower volumes in government securities clearance.

## NONINTEREST INCOME

(In millions)	3Q05	2Q05	3Q04	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q05 vs. 2Q05	3Q05 vs. 3Q04	2005	2004	
Servicing Fees								
Securities	\$ 806	\$ 776	\$ 684	4%	18%	\$2,333	\$ 2,116	10%
Global Payment Services	75	76	85	(1)	(12)	226	247	(9)
	881	852	769	3	15	2,559	2,363	8
Private Client Services and Asset Management Fees								
Private Client Services and Asset Management Fees	120	122	113	(2)	6	363	333	9
Service Charges and Fees	93	103	98	(10)	(5)	288	286	1
Foreign Exchange and Other Trading Activities								
Foreign Exchange and Other Trading Activities	93	103	67	(10)	39	292	273	7
Securities Gains	15	23	14	(35)	7	50	59	(15)
Other*	46	53	38	(13)	21	130	160	(19)
Total Noninterest Income	<u>\$1,248</u>	<u>\$1,256</u>	<u>\$1,099</u>	(1)	14	<u>\$ 3,682</u>	<u>\$ 3,474</u>	6

\* See Note (3).

The increase in noninterest income versus the third quarter and year-to-date periods of 2004 reflects broadly stronger performance in securities servicing, foreign exchange and other trading, and private client services and asset management. The sequential decline in noninterest income primarily reflects declines in foreign exchange and other trading, service charges and fees, and securities gains.

Global payment services fees were lower than the third quarter and year-to-date periods of 2004 and on a sequential-quarter basis. The decline reflects customers choosing to pay with higher compensating balances, which benefits net interest income. On an invoiced services basis, total revenue was up 6% over the third quarter of 2004 and 3% sequentially.

Private client services and asset management fees for the third quarter were up from the third quarter of 2004 reflecting higher fees at Ivy Asset Management. The sequential quarter decrease reflects higher asset management fees which were more than offset by seasonally lower private client fees. Total assets under management were \$107 billion, up from \$97 billion a year ago and \$105 billion at June 30, 2005.

Service charges and fees were down from the third quarter of 2004 and from the second quarter of 2005. For the nine months of 2005, service charges and fees increased slightly from 2004. The sequential quarter decrease reflects lower capital markets fees due to seasonally lower market activity.

Foreign exchange and other trading revenues were up significantly from the third quarter of 2004 and down on a sequential-quarter basis. The positive variance year-over-year results from significantly higher client activity in foreign exchange as well as more favorable markets in interest rate derivatives. Sequential quarter results were impacted by a decline in fixed income trading, lower retail flows at Pershing, and a seasonal slowdown in foreign exchange activity.

Securities gains in the third quarter were up from the third quarter of 2004 and down from the second quarter of 2005. The sequential quarter decrease reflects lower gains in the Company's sponsor fund portfolio. Securities gains declined in the first nine months of 2005 versus a year ago reflecting \$19 million of realized gains on four sponsor fund investments recorded in the first quarter of 2004.

Other noninterest income increased versus the third quarter of 2004 and decreased from the second quarter of 2005. The third quarter of 2005 included gains on the sale of certain Community Reinvestment Act ("CRA") investments of \$12 million (\$5 million after related tax considerations) and four New York Stock Exchange seats of \$6 million (\$4 million after-tax). On a year-to-date basis, other noninterest income also included a \$17 million gain on the second quarter 2005 sale of the Company's interest in Financial Models Company, Inc. For the nine months ended September 30, 2005, other noninterest income was down from the nine months ended September 30, 2004, primarily reflecting a 2004 pre-tax gain of \$48 million on the sale of a portion of the Company's investment in Wing Hang Bank Limited. See Note 1.

### NET INTEREST INCOME

(Dollars in millions)				Percent Inc/(Dec)		Year-to-date			Percent Inc/ (Dec)	
	3Q05	2Q05	3Q04	3Q05 vs. 2Q05	3Q05 vs. 3Q04	2005	2004 Reported	2004 Core**	Reported	Core**
Net Interest Income	\$ 492	\$ 470	\$ 428	5%	15%	\$1,417	\$1,118	\$1,263	27%	12%
Tax Equivalent Adjustment*	8	7	8			21	20	20		
Net Interest Income on a Tax Equivalent Basis	\$ 500	\$ 477	\$ 436	5	15	\$1,438	\$1,138	\$1,283	26	12
Net Interest Rate Spread	1.84%	1.84%	1.88%			1.87%	1.62%	1.86%		
Net Yield on Interest Earning Assets	2.42	2.34	2.18			2.37	1.88	2.11		

\* See Note (2).

\*\* Excludes SFAS 13 adjustment. See Note (1).

The increases in net interest income over 2004 reflect the higher value of interest-free deposits as short-term rates increased, as well as growth in earning assets. The third quarter of 2005 also includes \$4 million (\$3 million after-tax) related to the recognition of interest on nonaccrual loans that were sold. In addition, the increase from the prior quarter also reflects asset-sensitive interest rate positioning, driven in part by the continued expansion of deposit spreads and increased liquidity generated by servicing activities.

## NONINTEREST EXPENSE AND INCOME TAXES

(In millions)	3Q05	2Q05	3Q04	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q05 vs. 2Q05	3Q05 vs. 3Q04	2005	2004	
Salaries & Employee Benefits	\$ 644	\$ 640	\$ 564	1%	14%	\$ 1,902	\$ 1,708	11%
Net Occupancy	79	82	77	(4)	3	239	230	4
Furniture and Equipment	52	51	51	2	2	155	153	1
Clearing	49	42	39	17	26	137	131	5
Sub-custodian Expenses	25	24	21	4	19	72	65	11
Software	54	55	52	(2)	4	162	151	7
Communications	24	22	22	9	9	69	69	-
Amortization of Intangibles	10	10	9	-	11	28	26	8
Other	198	197	164	1	21	571	492	16
Total Noninterest Expense	<u>\$1,135</u>	<u>\$ 1,123</u>	<u>\$ 999</u>	1	14	<u>\$ 3,335</u>	<u>\$ 3,025</u>	10

Noninterest expense was up compared with the third quarter of 2004 and the second quarter of 2005. The increase versus the year-ago quarter reflects increased staffing and clearing costs associated with new business and acquisitions, as well as higher pension and option expenses, expanded occupancy costs associated with business continuity, and higher legal and consulting costs. Other expenses in the third quarter included \$14 million (both pre- and after-tax) of expenses associated with an anticipated settlement of the previously disclosed Russian funds transfer matter. The sequential increase reflects higher salaries & employee benefits and clearing expenses tied to the LJR acquisition.

Relative to the year-ago quarter, salaries & employee benefits expense increased reflecting higher pension and stock option expense as well as higher staffing levels associated with growth in investor services and expansion of certain staff functions. Salaries & employee benefits expense for the third quarter increased slightly on a sequential quarter basis, reflecting the LJR acquisition. For the first nine months of 2005, salaries & employee benefit expense also was higher, reflecting many of these same factors affecting the year-over-year quarterly comparison.

Occupancy expenses were down sequentially as a result of a write-off in the second quarter. On a year-to-date basis, occupancy expenses were up from 2004 primarily reflecting business continuity initiatives and higher energy costs. Occupancy expense in 2004 included lease termination expenses of \$8 million recorded in the first quarter of 2004.

The increase in clearing expenses both year-over-year and sequentially reflects the LJR acquisition. Communication expense was up sequentially reflecting the start-up of the Company's new out-of-region data center.

The effective tax rate for the third quarter of 2005 was 34.7%, compared to 32.8% in the third quarter of 2004 and 33.4% in the second quarter of 2005. The effective tax rate for the nine months period ended September 30, 2005 was 33.7%, compared with 29.5% for the nine months period ended September 30, 2004. The increase in the year-to-date period reflects the benefit associated with the SFAS 13 leasing adjustment related to the Company's leasing portfolio in the first quarter of 2004. The sequential quarter increase principally reflects the nondeductibility of

the amount associated with the anticipated settlement referenced above and the tax impact on the sale of the CRA investments. The effective tax rates in all periods reflect a reclassification related to Section 42 tax credits. See Note 3.

## CREDIT LOSS PROVISION AND NET CHARGE-OFFS

(In millions)	3Q05	2Q05	3Q04	Year-to-date	
				2005	2004
Provision	\$ 10	\$ 5	\$ -	\$ 5	\$ 22
Net Charge-offs:					
Commercial	\$ (2)	\$ (2)	\$ (4)	\$ (7)	\$ (21)
Foreign	(2)	(4)	(9)	(6)	(26)
Regional Commercial	(3)	2	(1)	(3)	(1)
Consumer	(6)	(7)	(5)	(18)	(22)
Total	\$ (13)	\$ (11)	\$ (19)	\$ (34)	\$ (70)

## LOANS

(Dollars in millions)	September 30, 2005	June 30, 2005	September 30, 2004
Margin Loans	\$ 6,320	\$ 6,055	\$ 5,911
Non-Margin Loans	35,823	34,626	31,208
Total Loans	\$ 42,143	\$ 40,681	\$ 37,119
Allowance for Loan Losses	\$ 561	\$ 562	\$ 598
Allowance for Lending-Related Commitments	146	148	158
Total Allowance for Credit Losses	\$ 707	\$ 710	\$ 756
Allowance for Loan Losses As a Percent of Total Loans	1.33%	1.38%	1.61%
Allowance for Loan Losses As a Percent of Non-Margin Loans	1.57	1.62	1.92
Total Allowance for Credit Losses As a Percent of Total Loans	1.68	1.75	2.04
Total Allowance for Credit Losses As a Percent of Non-Margin Loans	1.97	2.05	2.42

## NONPERFORMING ASSETS

(Dollars in millions)	September 30, 2005	June 30, 2005	Change 9/30/05 vs. 6/30/05	Percent Inc/(Dec)
Loans:				
Commercial	\$ 35	\$ 78	\$ (43)	(55)%
Foreign	15	15	-	-
Other	57	47	10	21
Total Nonperforming Loans	107	140	(33)	(24)
Other Real Estate	-	-	-	-
Total Nonperforming Assets	\$ 107	\$ 140	\$ (33)	(24)
Nonperforming Assets Ratio	0.3%	0.4%		
Allowance for Loan Losses /Nonperforming Loans	524.9	400.5		
Allowance for Loan Losses /Nonperforming Assets	524.9	400.5		
Total Allowance for Credit Losses /Nonperforming Loans	661.2	506.1		
Total Allowance for Credit Losses /Nonperforming Assets	661.2	506.1		

The sequential quarter decrease in nonperforming loans primarily reflects the Company's partial sale of exposure to a cable operator that is categorized as nonperforming.

## **OTHER DEVELOPMENTS**

In July 2005, the Company signed a definitive agreement to acquire the bond administration business of Marshall & Ilsley Trust Company N.A., and M&I Marshall & Ilsley Bank (together, “M&I”), where they act as bond trustee, paying/fiscal agent, master trustee, transfer agent and/or registrar. The transaction involves the acquisition of approximately 560 bond trusteeships and agency appointments, representing \$4.8 billion of principal debt outstanding for an estimated 225 clients.

In August 2005, the Company and Nordea, the leading financial services provider in the Nordic region, have entered into a strategic agreement to provide global custody and selected related services to Nordea’s institutional clients in the Nordic and Baltic Sea regions. The scope of the agreement involves approximately €240 billion of assets which represent about half of Nordea’s €500 billion assets under custody.

In August 2005, the Company announced a strategic arrangement with IL&FS Trust Company Limited (“ITCL”), a leading provider of trust and fiduciary services in India. The arrangement between the two organizations will provide Indian issuers with access to the Company’s global network, a comprehensive array of services to the international capital markets, and leading-edge technology capabilities. Under the arrangement, ITCL will perform corporate trust services in India, and the Company will provide offshore services.

In October 2005, the Company announced a marketing alliance with National Australia Bank (“National”). The arrangement will enable the Company to offer commission recapture services to National’s custody clients in Australia and New Zealand. The alliance continues the strategic international build-out of the Company’s transition management and commission recapture capabilities, which has included the opening of its Sydney office and acquisition of LJR.

On October 18, 2005, the Company announced a definitive agreement to acquire Alcentra Group Limited, an international asset management group focused on funds that invest in sub-investment grade debt. Alcentra’s management team will retain a 20 percent interest. Alcentra has operations in London and Los Angeles and currently manages 15 different investment funds with over \$6.2 billion of assets. The transaction is expected to close by year-end, subject to regulatory approval and other customary conditions of closing.

Construction of the new data center in the mid-south region of the U.S. has been completed and the Company has obtained a certificate of occupancy. The data center is expected to be operating at two-thirds capacity in early November and fully operational next year. The new data center will improve the geographic diversification and resilience of the Company’s operations and will support the processing needs of the Company’s institutional and retail customers.

## CONFERENCE CALL INFORMATION

Thomas A. Renyi, chairman and chief executive officer, and Bruce W. Van Saun, senior executive vice president and chief financial officer, will review the quarterly results in a live conference call and audio webcast today at 8:00 a.m. ET.

The presentation will be accessible from the Company's website at

- [www.bankofny.com/earnings](http://www.bankofny.com/earnings) and
- By telephone at (888) 677-2456 within the United States or (517) 623-4161 internationally.
- Passcode is “The Bank of New York.”
- Replay of the call will be available through the Company’s website and also by telephone at (800) 945-7247 within the United States or (203) 369-3951 internationally.

The Bank of New York Company, Inc. (NYSE: BK) is a global leader in providing a comprehensive array of services that enable institutions and individuals to move and manage their financial assets in more than 100 markets worldwide. The Company has a long tradition of collaborating with clients to deliver innovative solutions through its core competencies: securities servicing, treasury management, investment management, and individual & regional banking services. The Company’s extensive global client base includes a broad range of leading financial institutions, corporations, government entities, endowments and foundations. Its principal subsidiary, The Bank of New York, founded in 1784, is the oldest bank in the United States and has consistently played a prominent role in the evolution of financial markets worldwide.

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

Quarter	September 30, 2005	June 30, 2005	September 30, 2004
Revenue (tax equivalent basis)	\$ 2,126	\$ 2,077	\$ 1,747
Net Income	389	398	354
Basic EPS	0.51	0.52	0.46
Diluted EPS	0.51	0.52	0.46
Cash Dividends Per Share	0.21	0.20	0.20
Return on Average Common Shareholders' Equity	16.15%	17.12%	15.90%
Return on Average Assets	1.53	1.59	1.45
Efficiency Ratio	65.5	65.7	65.2
<u>Year-to-date</u>			
Revenue (tax equivalent basis)	\$ 6,103	\$ 3,995	\$ 5,197
Net Income	1,166	777	1,089
Basic EPS	1.52	1.01	1.41
Diluted EPS	1.51	1.00	1.40
Cash Dividends Per Share	0.61	0.40	0.59
Return on Average Common Shareholders' Equity	16.59%	16.82%	16.73%
Return on Average Assets	1.56	1.57	1.47
Efficiency Ratio	65.8	65.9	66.0
Assets	\$ 101,766	\$ 103,063	\$ 93,175
Loans	42,143	40,681	37,119
Securities	26,230	25,779	23,246
Deposits - Domestic	34,807	37,921	34,786
- Foreign	26,270	26,076	23,654
Long-Term Debt	7,529	7,586	6,137
Common Shareholders' Equity	9,608	9,471	9,054
Common Shareholders' Equity Per Share	\$ 12.48	\$ 12.29	\$ 11.66
Market Value Per Share of Common Stock	29.41	28.78	29.17
Allowance for Loan Losses as a Percent of Total Loans	1.33%	1.38%	1.61%
Allowance for Loan Losses as a Percent of Non-Margin Loans	1.57	1.62	1.92
Total Allowance for Credit Losses as a Percent of Total Loans	1.68	1.75	2.04
Total Allowance for Credit Losses as a Percent of Non-Margin Loans	1.97	2.05	2.42
Tier 1 Capital Ratio	7.93	8.07	8.09
Total Capital Ratio	12.20	12.49	12.09
Leverage Ratio	6.59	6.55	6.38
Tangible Common Equity Ratio	5.32	5.26	5.49
Employees	23,081	22,993	23,034

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

	September 30, 2005	June 30, 2005	September 30, 2004
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Assets Under Custody (In trillions)			
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Assets Under Custody	\$ 10.3	\$ 10.3	\$ 8.9
Equity Securities	31%	35%	33%
Fixed Income Securities	69	65	67
Cross-Border Assets	3.1	2.9	2.5
Assets Under Management (In billions)			
-----			
Total Assets Under Management	\$ 107	\$ 105	\$ 97
Equity Securities	34%	34%	35%
Fixed Income Securities	21	21	21
Alternative Investments	14	14	15
Liquid Assets	31	31	29

**Notes:**

(1) Other First Quarter Developments in 2004 is summarized in the following table:

(In millions) Item	Income Statement Caption	Pre-Tax Income	Tax	After- Tax Income
<b>Net Interest Income<sup>(a)</sup></b>				
SFAS 13 cumulative lease adjustment – leasing portfolio	Net Interest Income	\$ (145)	\$ 113	\$ (32)
<b>Noninterest Income<sup>(b)</sup></b>				
Gain on sale of Wing Hang	Other Income	48	(21)	27
Gain on sponsor fund investments	Securities Gains	19	(7)	12
Subtotal – Noninterest Income		67	(28)	39
<b>Noninterest Expense<sup>(c)</sup></b>				
Severance tied to relocations	Salaries & Employee Benefits	(10)	4	(6)
Lease terminations	Net Occupancy	(8)	3	(5)
Subtotal – Noninterest Expense		(18)	7	(11)
Total		\$ (96)	\$ 92	\$ (4)

(a) An after-tax charge of \$32 million resulting from a cumulative adjustment to the leasing portfolio, which was triggered under Statement of Financial Accounting Standards No. 13 “Accounting for Leases” (“SFAS 13”) by the combination of a reduction in state and local taxes and a restructuring of the lease portfolio completed in the first quarter. The SFAS 13 adjustment impacts the timing of lease income reported by the Company, and resulted in a reduction in net interest income of \$145 million, offset by tax benefits of \$113 million.

(b) A \$27 million after-tax gain on the sale of a portion of the Company’s interest in Wing Hang Bank Limited (“Wing Hang”), a Hong Kong based bank, which was recorded in other income, and \$19 million (\$12 million after-tax) of higher than anticipated securities gains in the first quarter resulting from realized gains on sponsor fund investments in Kinkos, Inc., Bristol West Holdings, Inc., Willis Group Holdings, Ltd., and True Temper Sports, Inc.

(c) The Company also took several actions associated with its long-term cost reduction initiatives. These actions included an after-tax severance charge of \$6 million related to staff reductions tied to job relocations and a \$5 million after-tax charge for terminating high cost leases associated with the staff redeployments.

(2) 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.

(3) The Company participates in unconsolidated investments that own real estate qualifying for low income housing tax credits based on Section 42 of the Internal Revenue Code. The Company’s share of operating losses generated by these investments is recorded as other income.

The Company has historically netted the tax credits generated by these investments against the related operating losses. The Company has reviewed this accounting method and has decided to record these tax credits as a reduction of income tax expense. Prior period results for other income and income tax expense have been reclassified and did not have an impact on net income. See pages 43 to 45 of the Company's June 30, 2005 Form 10-Q.

## **FORWARD LOOKING STATEMENTS**

All statements in this press release other than statements of historical fact are forward looking statements including, among other things, projections with respect to revenue and earnings and the Company's plans and objectives and as such are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward looking statements. These include lower than expected performance or higher than expected costs in connection with acquisitions and integration of acquired businesses, the level of capital market and trading activity, changes in customer credit quality, market performance, the effects of capital reallocation, portfolio performance, changes in regulatory expectations and standards, ultimate differences from management projections or market forecasts, the actions that management could take in response to these changes and other factors described under the heading "Forward Looking Statements and Factors That Could Affect Future Results" in the Company's 2004 Form 10-K and Second Quarter 2005 Form 10-Q which have been filed with the SEC and are available at the SEC's website ([www.sec.gov](http://www.sec.gov)).

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

(Financial highlights and detailed financial statements are attached.)

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2005	2004	2005	2004
<u>Interest Income</u>				
Loans	\$ 392	\$ 290	\$1,082	\$ 680
Margin loans	71	40	188	108
Securities				
Taxable	253	181	694	543
Exempt from Federal Income Taxes	10	10	30	30
	<u>263</u>	<u>191</u>	<u>724</u>	<u>573</u>
Deposits in Banks	68	77	206	224
Federal Funds Sold and Securities Purchased				
Under Resale Agreements	38	20	102	53
Trading Assets	38	11	98	34
	<u>870</u>	<u>629</u>	<u>2,400</u>	<u>1,672</u>
<u>Interest Expense</u>				
Deposits	248	139	652	384
Federal Funds Purchased and Securities Sold				
Under Repurchase Agreements	9	4	23	10
Other Borrowed Funds	13	9	33	27
Customer Payables	35	14	88	38
Long-Term Debt	73	35	187	95
	<u>378</u>	<u>201</u>	<u>983</u>	<u>554</u>
Total Interest Expense	378	201	983	554
Net Interest Income	492	428	1,417	1,118
Provision for Credit Losses	10	-	5	22
Net Interest Income After Provision for Credit Losses	482	428	1,412	1,096
<u>Noninterest Income</u>				
Servicing Fees				
Securities	806	684	2,333	2,116
Global Payment Services	75	85	226	247
	<u>881</u>	<u>769</u>	<u>2,559</u>	<u>2,363</u>
Private Client Services and Asset Management Fees	120	113	363	333
Service Charges and Fees	93	98	288	286
Foreign Exchange and Other Trading Activities	93	67	292	273
Securities Gains	15	14	50	59
Other	46	38	130	160
	<u>1,248</u>	<u>1,099</u>	<u>3,682</u>	<u>3,474</u>
Total Noninterest Income	1,248	1,099	3,682	3,474
<u>Noninterest Expense</u>				
Salaries and Employee Benefits	644	564	1,902	1,708
Net Occupancy	79	77	239	230
Furniture and Equipment	52	51	155	153
Clearing	49	39	137	131
Sub-custodian Expenses	25	21	72	65
Software	54	52	162	151
Communications	24	22	69	69
Amortization of Intangibles	10	9	28	26
Other	198	164	571	492
	<u>1,135</u>	<u>999</u>	<u>3,335</u>	<u>3,025</u>
Total Noninterest Expense	1,135	999	3,335	3,025
Income Before Income Taxes	595	528	1,759	1,545
Income Taxes	206	174	593	456
Net Income	\$ 389	\$ 354	\$1,166	\$1,089
	=====	=====	=====	=====
<u>Per Common Share Data:</u>				
Basic Earnings	\$ 0.51	\$ 0.46	\$ 1.52	\$ 1.41
Diluted Earnings	0.51	0.46	1.51	1.40
Cash Dividends Paid	0.21	0.20	0.61	0.59
Diluted Shares Outstanding	769	778	773	778

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

	September 30, 2005	December 31, 2004
<b>Assets</b>		
Cash and Due from Banks	\$ 3,493	\$ 3,886
Interest-Bearing Deposits in Banks	7,058	8,192
Securities		
Held-to-Maturity	2,071	1,886
Available-for-Sale	24,159	21,916
Total Securities	26,230	23,802
Trading Assets at Fair Value	6,292	4,627
Federal Funds Sold and Securities Purchased		
Under Resale Agreements	3,572	5,708
Loans (less allowance for loan losses of \$561 in 2005 and \$591 in 2004)	41,582	35,190
Premises and Equipment	1,040	1,097
Due from Customers on Acceptances	175	137
Accrued Interest Receivable	357	285
Goodwill	3,613	3,477
Intangible Assets	813	793
Other Assets	7,541	7,335
Total Assets	\$ 101,766	\$ 94,529
<b>Liabilities and Shareholders' Equity</b>		
<b>Deposits</b>		
Noninterest-Bearing (principally domestic offices)	\$ 16,289	\$ 17,442
Interest-Bearing		
Domestic Offices	18,966	18,692
Foreign Offices	25,822	22,587
Total Deposits	61,077	58,721
Federal Funds Purchased and Securities		
Sold Under Repurchase Agreements	3,349	1,205
Trading Liabilities	3,000	2,873
Payables to Customers and Broker-Dealers	8,103	8,664
Other Borrowed Funds	1,270	533
Acceptances Outstanding	176	139
Accrued Taxes and Other Expenses	4,552	4,452
Accrued Interest Payable	132	113
Other Liabilities (including allowance for lending-related commitments of \$146 in 2005 and \$145 in 2004)	2,970	2,418
Long-Term Debt	7,529	6,121
Total Liabilities	92,158	85,239
<b>Shareholders' Equity</b>		
Common Stock-par value \$7.50 per share, authorized 2,400,000,000 shares, issued 1,048,772,989 shares in 2005 and 1,044,841,603 shares in 2004	7,866	7,836
Additional Capital	1,865	1,790
Retained Earnings	6,843	6,162
Accumulated Other Comprehensive Income	(104)	(6)
Total Shareholders' Equity	16,470	15,782
Less: Treasury Stock (278,556,517 shares in 2005 and 266,720,629 shares in 2004), at cost	6,852	6,492
Loan to ESOP (305,261 shares in 2005), at cost	10	-
Total Shareholders' Equity	9,608	9,290
Total Liabilities and Shareholders' Equity	\$ 101,766	\$ 94,529

Note: The balance sheet at December 31, 2004 has been derived from the audited financial statements at that date.

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

	For the three months ended September 30, 2005			For the three months ended September 30, 2004		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<b>ASSETS</b>						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$ 8,629	\$ 68	3.13%	\$ 11,416	\$ 77	2.69%
Federal Funds Sold and Securities Purchased Under Resale Agreements	4,465	38	3.37	6,443	20	1.22
Margin Loans	6,392	71	4.40	6,315	40	2.50
Loans						
Domestic Offices	22,955	271	4.69	21,333	218	4.06
Foreign Offices	10,561	121	4.53	9,939	72	2.89
Non-Margin Loans	33,516	392	4.64	31,272	290	3.69
Securities						
U.S. Government Obligations	228	2	3.55	450	3	2.64
U.S. Government Agency Obligations	3,956	41	4.19	3,560	30	3.37
Obligations of States and Political Subdivisions	231	4	6.59	227	4	8.29
Other Securities	21,227	224	4.23	18,137	162	3.57
Trading Securities	3,361	38	4.49	1,587	11	2.81
Total Securities	29,003	309	4.27	23,961	210	3.52
Total Interest-Earning Assets	82,005	878	4.25%	79,407	637	3.19%
Allowance for Credit Losses	(562)			(592)		
Cash and Due from Banks	2,974			3,027		
Other Assets	16,493			15,513		
TOTAL ASSETS	\$ 100,910			\$ 97,355		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 6,827	\$ 30	1.74%	\$ 6,474	\$ 13	0.83%
Savings	8,637	27	1.23	9,296	16	0.70
Certificates of Deposit						
\$100,000 & Over	3,137	28	3.56	3,640	14	1.56
Other Time Deposits	1,529	11	2.84	934	4	1.61
Foreign Offices	25,887	152	2.33	25,227	92	1.44
Total Interest-Bearing Deposits	46,017	248	2.14	45,571	139	1.22
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,245	9	2.96	1,572	4	1.12
Other Borrowed Funds	1,716	13	3.10	2,416	9	1.51
Payables to Customers and Broker-Dealers	5,714	35	2.41	5,785	14	0.95
Long-Term Debt	7,568	73	3.81	6,083	35	2.26
Total Interest-Bearing Liabilities	62,260	378	2.41%	61,427	201	1.31%
Noninterest-Bearing Deposits	15,815			14,576		
Other Liabilities	13,271			12,489		
Common Shareholders' Equity	9,564			8,863		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 100,910			\$ 97,355		
Net Interest Earnings and Interest Rate Spread		\$ 500	1.84%		\$ 436	1.88%
Net Yield on Interest-Earning Assets			2.42%			2.18%

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

	For the nine months ended September 30, 2005			For the nine months ended September 30, 2004		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<b>ASSETS</b>						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$ 9,207	\$ 206	2.99%	\$11,960	\$ 224	2.50%
Federal Funds Sold and Securities Purchased Under Resale Agreements	4,813	102	2.82	6,964	53	1.02
Margin Loans	6,380	188	3.94	6,330	108	2.29
Loans						
Domestic Offices	22,606	760	4.50	21,547	483	2.99
Foreign Offices	10,336	322	4.17	9,364	197	2.81
Non-Margin Loans	32,942	1,082	4.39	30,911	680	2.94
Securities						
U.S. Government Obligations	289	7	3.23	456	8	2.47
U.S. Government Agency Obligations	3,690	110	3.97	3,955	98	3.29
Obligations of States and Political Subdivisions	214	11	7.03	236	13	7.23
Other Securities	20,449	617	4.02	18,136	474	3.48
Trading Securities	3,084	98	4.30	2,139	34	2.17
Total Securities	27,726	843	4.06	24,922	627	3.36
Total Interest-Earning Assets	81,068	2,421	3.99%	81,087	1,692	2.79%
Allowance for Credit Losses	(578)			(633)		
Cash and Due from Banks	3,342			2,947		
Other Assets	16,379			15,728		
TOTAL ASSETS	\$100,211			\$ 99,129		
	=====			=====		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 6,939	\$ 77	1.49%	\$ 6,648	\$ 36	0.73%
Savings	8,824	72	1.09	9,267	47	0.68
Certificates of Deposit						
\$100,000 & Over	3,028	70	3.09	3,847	39	1.33
Other Time Deposits	1,101	20	2.37	967	11	1.55
Foreign Offices	25,896	413	2.13	25,874	251	1.30
Total Interest-Bearing Deposits	45,788	652	1.90	46,603	384	1.10
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,262	23	2.44	1,599	10	0.82
Other Borrowed Funds	1,831	33	2.43	2,400	27	1.50
Payables to Customers and Broker-Dealers	6,025	88	1.95	6,521	38	0.78
Long-Term Debt	7,223	187	3.21	6,143	95	2.04
Total Interest-Bearing Liabilities	62,129	983	2.12%	63,266	554	1.17%
Noninterest-Bearing Deposits	15,533			14,465		
Other Liabilities	13,152			12,701		
Common Shareholders' Equity	9,397			8,697		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$100,211			\$ 99,129		
	=====			=====		
Net Interest Earnings and Interest Rate Spread		\$ 1,438	1.87%		\$ 1,138	1.62%
		=====	=====		=====	=====
Net Yield on Interest-Earning Assets			2.37%			1.88%
			=====			=====