



For Immediate Release

**THE BANK OF NEW YORK COMPANY, INC. REPORTS
STRONG GROWTH IN OPERATING EARNINGS;
ISSUER SERVICES BUSINESS REMAINS ROBUST; GOOD EXPENSE DISCIPLINE**

NEW YORK, N.Y., October 19, 2006 -- The Bank of New York Company, Inc. (NYSE: BK) reported today third quarter net income of \$352 million and diluted earnings per share of 46 cents, including after-tax charges of \$74 million, or 10 cents per share, for merger and integration costs. On an operating basis, excluding the merger and integration costs, third quarter net income was \$426 million and diluted earnings per share was 56 cents, an increase of 10% from net income of \$389 million and diluted earnings per share of 51 cents in the third quarter of 2005.

For the nine months ended September 30, 2006, net income was \$1,222 million and diluted earnings per share was \$1.59, including after-tax charges of \$74 million, or 10 cents per share, for merger and integration costs. On an operating basis, excluding merger and integration costs, year-to-date net income was \$1,296 million compared with \$1,166 million last year and diluted earnings per share was \$1.69, an increase of 12% over \$1.51 in the prior year period.

Performance Highlights

- Strong revenue growth in issuer services and broker-dealer services, both up 14% over last year's third quarter.
- Private banking and asset management revenues up 23% from the year-ago quarter, led by the Alcentra and Urdang acquisitions.
- Disciplined expense control, as adjusted expenses excluding merger and integration costs declined sequentially by \$40 million.
- Continued excellent asset quality, with a 15% sequential decline in adjusted nonperforming assets.
- Completion of balance sheet repositioning actions tied to the JPMorgan Chase swap, taking advantage of favorable market conditions.
- Closed the swap with JPMorgan Chase and the BNY ConvergEx transaction on schedule in early October.

“The breadth of our securities servicing platform was instrumental in achieving strong growth in operating earnings, despite a pronounced seasonal decline in market activity and exceptionally low market volatility,” stated Thomas A. Renyi, Chairman and Chief Executive Officer. “We benefited from our market-leading positions in global depositary receipts and broker-dealer services as well as our continued focus on managing our expense base, which helped offset

the impact of lower transaction volumes. Credit quality remained excellent, reflecting the actions we have taken over the past few years to improve our risk profile and realign our use of credit in support of our core businesses.

“Of great importance to our future results was the recent completion of two strategic transactions that sharpen our focus on securities servicing and asset management, and enhance our ability to grow and generate attractive returns for our shareholders. We anticipate a smooth integration and are enthusiastic about the long-term potential of our franchise.”

On October 1, 2006, the Company acquired JPMorgan Chase’s corporate trust business and sold to JPMorgan Chase the Company’s retail and regional middle market banking businesses. In the second quarter of 2006, the Company adopted discontinued operations accounting for its retail and regional middle market banking businesses. Therefore, the results from continuing operations through September 30, 2006 exclude the results of the Company’s retail and regional middle market banking businesses but do not include the operations of the JPMorgan Chase corporate trust business, since the transaction did not close until October 1, 2006. Adjusted financial statements combining continuing and discontinued operations are presented in “Supplemental Financial Information.”

The following tables show the impact of the merger and integration costs associated with the JPMorgan Chase transaction on diluted earnings per share for the three months and nine months ended September 30, 2006:

	Diluted Earnings Per Share					
	Three Months Ended September 30, 2006			Nine Months Ended September 30, 2006		
	Continuing Operations	Discontinued Operations	Adjusted ⁽¹⁾	Continuing Operations	Discontinued Operations	Adjusted ⁽¹⁾
(In dollars)						
Including Merger & Integration Costs	\$ 0.39	\$ 0.07	\$ 0.46	\$ 1.36	\$ 0.23	\$ 1.59
Merger & Integration Costs	0.08	0.02	0.10	0.08	0.02	0.10
Excluding Merger & Integration Costs	\$ 0.47	\$ 0.09	\$ 0.56	\$ 1.44	\$ 0.25	\$ 1.69

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

Merger and integration costs include investment portfolio restructuring costs, employee-related costs, and other transaction-related expenses.

Third quarter 2006 income from continuing operations excluding merger and integration costs was 47 cents of diluted earnings per share, up 7% from the 44 cents of diluted earnings per share in the third quarter of 2005. Net income on a continuing operations basis, excluding merger and integration costs, was \$360 million in the third quarter of 2006, compared with \$333 million last year. Net income from continuing operations was \$391 million or 52 cents of diluted earnings per share in the second quarter of 2006. On a year-to-date basis, excluding merger and integration costs, income from continuing operations was \$1,111 million, or \$1.44 of diluted earnings per share, compared to \$1,004 million, or \$1.30 of diluted earnings per share in 2005, up 11%.

SUPPLEMENTAL FINANCIAL INFORMATION

On October 1, 2006, the Company acquired JPMorgan Chase's corporate trust business and sold to JPMorgan Chase the Company's retail and regional middle market banking businesses. The transaction further increases the Company's focus on the securities services and asset management businesses that are at the core of its long-term business strategy.

For the quarters and nine months ended September 30, 2006 and 2005, the Company has prepared supplemental financial information as follows:

- Full income statements and balance sheets for continuing operations, which exclude the results of substantially all of the Retail & Regional Middle Market Banking Business
- Full income statements and balance sheets for the Retail & Regional Middle Market Banking Business, which is reflected as discontinued operations
- Adjusted results, which combine continuing and discontinued operations to provide continuity with historical results
- Continuing operations and adjusted results including and excluding merger and integration costs

The Company believes that providing supplemental adjusted non-GAAP financial information is useful to investors in understanding the underlying operating performance of the Company and its businesses and performance trends, particularly in view of the materiality and strategic significance of the JPMorgan Chase transaction. Specifically, the Company believes that the results of continuing operations are of limited value in projecting future results because they do not include the net income associated with the acquisition of the JPMorgan Chase corporate trust business, which closed on October 1, 2006. By combining the results of continuing and discontinued operations and comparing the results with prior periods, the Company believes investors can obtain greater insight into the current performance of the Company in relation to historical results. By excluding merger and integration costs, the Company believes investors can gain greater insight into the operating performance of the Company. Although the Company believes that the non-GAAP financial measures presented in this report enhance investors' understanding of the Company's business and performance, these non-GAAP measures should not be considered an alternative to GAAP. A reconciliation of the Company's non-GAAP and GAAP financial results for the quarters and nine-month periods ended September 30, 2006 and 2005 are included in Appendix I.

Income statements for both continuing operations and adjusted results are provided on the following two pages.

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

Continuing Operations

	Quarter Ended			Nine Months Ended	
	September 30, 2006	June 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Net Interest Income	\$ 351	\$ 358	\$ 346	\$1,048	\$ 996
Provision for Credit Losses	(4)	(1)	10	(5)	(10)
Net Interest Income After Provision for Credit Losses	355	359	336	1,053	1,006
Noninterest Income					
Servicing Fees					
Securities	839	909	806	2,579	2,330
Global Payment Services	66	63	67	191	200
	905	972	873	2,770	2,530
Private Banking and Asset Management Fees	134	138	109	402	334
Service Charges and Fees	52	53	54	157	172
Foreign Exchange and Other Trading Activities	84	130	90	327	283
Securities Gains	21	23	15	61	50
Other	63	50	44	169	126
Total Noninterest Income	1,259	1,366	1,185	3,886	3,495
Noninterest Expense					
Salaries and Employee Benefits	644	656	585	1,904	1,721
Net Occupancy	70	68	60	206	184
Furniture and Equipment	46	48	50	145	149
Clearing	47	53	49	150	137
Sub-custodian Expenses	31	36	25	101	72
Software	53	53	54	161	160
Communications	26	22	23	74	66
Amortization of Intangibles	14	15	10	42	28
Merger and Integration Costs	89	-	-	89	-
Other	172	183	175	519	506
Total Noninterest Expense	1,192	1,134	1,031	3,391	3,023
Income Before Income Taxes, Including Merger and Integration Costs	422	591	490	1,548	1,478
Income Taxes	124	200	157	499	474
Net Income Including Merger and Integration Costs	298	391	333	1,049	1,004
Merger and Integration Costs, Net of Taxes	62	-	-	62	-
Net Income Excluding Merger and Integration Costs	\$ 360 =====	\$ 391 =====	\$ 333 =====	\$1,111 =====	\$1,004 =====
Diluted Earnings Per Share	\$0.39	\$0.52	\$0.44	\$1.36	\$1.30
Diluted Earnings Per Share Excluding Merger and Integration Costs	0.47	0.52	0.44	1.44	1.30

Diluted earnings per share from continuing operations excluding merger and integration costs for the third quarter of 2006 were 47 cents, up from 44 cents a year ago. On the same basis for the year-to-date period, diluted earnings per share grew 11% from a year ago to \$1.44.

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

Adjusted Income Statement ⁽¹⁾

	Quarter Ended		September 30, 2005	Nine Months Ended September 30,	
	September 30, 2006	June 30, 2006		2006	2005
Net Interest Income	\$ 506	\$ 512	\$ 492	\$1,506	\$1,417
Provision for Credit Losses	(5)	-	10	-	5
Net Interest Income After Provision for Credit Losses	511	512	482	1,506	1,412
Noninterest Income					
Servicing Fees					
Securities	839	909	806	2,579	2,330
Global Payment Services	74	70	75	214	226
	913	979	881	2,793	2,556
Private Banking and Asset Management Fees	145	150	120	436	366
Service Charges and Fees	90	91	93	270	288
Foreign Exchange and Other Trading Activities	86	132	93	333	292
Securities Gains	21	23	15	61	50
Other	70	51	46	190	130
Total Noninterest Income	1,325	1,426	1,248	4,083	3,682
Noninterest Expense					
Salaries and Employee Benefits	706	723	644	2,097	1,902
Net Occupancy	88	86	79	262	239
Furniture and Equipment	48	50	52	151	155
Clearing	47	53	49	150	137
Sub-custodian Expenses	31	36	25	101	72
Software	54	53	54	163	162
Communications	27	23	24	77	69
Amortization of Intangibles	14	15	10	42	28
Merger and Integration Costs	110	-	-	110	-
Other	193	209	198	591	571
Total Noninterest Expense	1,318	1,248	1,135	3,744	3,335
Income Before Income Taxes, Including Merger and Integration Costs	518	690	595	1,845	1,759
Income Taxes	166	242	206	623	593
Net Income Including Merger and Integration Costs	352	448	389	1,222	1,166
Merger and Integration Costs, Net of Taxes	74	-	-	74	-
Net Income Excluding Merger and Integration Costs	\$ 426	\$ 448	\$ 389	\$1,296	\$1,166
	=====	=====	=====	=====	=====
Diluted Earnings Per Share	\$0.46	\$0.59	\$0.51	\$1.59	\$1.51
Diluted Earnings Per Share, Excluding Merger and Integration Costs	0.56	0.59	0.51	1.69	1.51

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

Diluted earnings per share from adjusted results excluding merger and integration costs for the third quarter of 2006 were 56 cents, up from 51 cents a year ago. On the same basis for the year-to-date period, diluted earnings per share grew 12% from a year ago to \$1.69.

SECURITIES SERVICING FEES

(In millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/ (Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Execution and Clearing Services	\$ 298	\$ 334	\$ 314	(11) %	(5) %	\$ 971	\$ 901	8 %
Issuer Services	194	207	170	(6)	14	555	468	19
Investor Services	282	302	265	(7)	6	861	792	9
Broker-Dealer Services	65	66	57	(2)	14	192	169	14
Securities Servicing Fees	<u>\$ 839</u>	<u>\$ 909</u>	<u>\$ 806</u>	(8)	4	<u>\$ 2,579</u>	<u>\$ 2,330</u>	11

Securities servicing fee growth over the third quarter and year-to-date periods of 2005 reflects double-digit growth in issuer and broker-dealer services. Securities servicing fees were down sequentially reflecting the pronounced seasonality that occurred during the third quarter.

The increase in execution and clearing fees on a year-to-date basis reflect growth in value-added fees at Pershing and an acquisition as well as increased cross-border trading activity in execution services. The decline in third quarter execution and clearing fees from the year-ago quarter reflect the previously disclosed loss of a significant customer at Pershing, as well as a shift from traditional broker-assisted execution to lower-commission electronic and program trading. The sequential-quarter decline in execution and clearing services reflects a seasonal reduction in trading volumes, as well as lower transition management activity. 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.

Issuer services fees continued to exhibit strong growth, up 14% for the quarter compared with last year's third quarter and 19% for the first nine months of 2006 compared with the first nine months of 2005. The depositary receipts business continues to benefit from both a higher level of net issuance, reflecting the continued growth in cross-border investing activity, as well as increased corporate actions related to mergers, acquisitions and spin-offs. On a sequential-quarter basis, depositary receipts were down modestly from the seasonally strong second quarter when the depositary receipts business reported its best results ever. Growth in corporate trust fees over last year's third quarter was primarily attributable to continued strong results in global trust products and structured finance, notably asset-backed and mortgage-backed securities. Corporate trust fees were essentially flat sequentially. Issuer services includes corporate trust, depositary receipts, employee investment plan services, stock transfer, and credit-related services.

The growth in investor services fees from the year-ago periods reflects improved performance in global custody activities, consistent with higher volumes of cross-border transactions, as well as continued strong performance in securities lending. The decline in fees from the second quarter is consistent with seasonally lower securities lending revenue and lower transaction volumes in global custody and fund services. Investor services includes global fund services, global custody, securities lending, global liquidity services and outsourcing.

Broker-dealer services fees were up 14% from both the third quarter and first nine months of 2005, as a result of continued strong performance in domestic and global collateral management fees, an increase in transaction volumes and strong net new business flows. Broker-dealer services fees were down modestly from the second quarter of 2006 consistent with the seasonal slowdown in fixed income trading.

NONINTEREST INCOME

Continuing Operations

(In millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/ (Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Servicing Fees								
Securities	\$ 839	\$ 909	\$ 806	(8) %	4 %	\$ 2,579	\$ 2,330	11 %
Global Payment Services	66	63	67	5	(1)	191	200	(5)
	<u>905</u>	<u>972</u>	<u>873</u>	(7)	4	<u>2,770</u>	<u>2,530</u>	9
Private Banking and								
Asset Management Fees	134	138	109	(3)	23	402	334	20
Service Charges and Fees	52	53	54	(2)	(4)	157	172	(9)
Foreign Exchange and								
Other Trading Activities	84	130	90	(35)	(7)	327	283	16
Securities Gains	21	23	15	(9)	40	61	50	22
Other	63	50	44	26	43	169	126	34
Total Noninterest Income	<u>\$ 1,259</u>	<u>\$ 1,366</u>	<u>\$ 1,185</u>	(8)	6	<u>\$ 3,886</u>	<u>\$ 3,495</u>	11

Adjusted ⁽¹⁾

(In millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/ (Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Servicing Fees								
Securities	\$ 839	\$ 909	\$ 806	(8) %	4 %	\$ 2,579	\$ 2,330	11 %
Global Payment Services	74	70	75	6	(1)	214	226	(5)
	<u>913</u>	<u>979</u>	<u>881</u>	(7)	4	<u>2,793</u>	<u>2,556</u>	9
Private Banking and								
Asset Management Fees	145	150	120	(3)	21	436	366	19
Service Charges and Fees	90	91	93	(1)	(3)	270	288	(6)
Foreign Exchange and								
Other Trading Activities	86	132	93	(35)	(8)	333	292	14
Securities Gains	21	23	15	(9)	40	61	50	22
Other	70	51	46	37	52	190	130	46
Total Noninterest Income	<u>\$ 1,325</u>	<u>\$ 1,426</u>	<u>\$ 1,248</u>	(7)	6	<u>\$ 4,083</u>	<u>\$ 3,682</u>	11

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

Unless otherwise indicated, the discussion below refers to noninterest income on both a continuing operations basis and on an adjusted basis.

The increase in noninterest income versus the year-ago quarter reflects growth in securities servicing and private banking and asset management fees, as well as a higher level of securities gains and other income, partially offset by declines in service charges and fees and foreign

exchange and other trading activities. Most of these same trends explain the year-to-date increase in noninterest income, with the exception of foreign exchange and other trading activities, which were up significantly for the first nine months of the year. The sequential decline in noninterest income reflects a pronounced seasonal slowdown across several businesses.

On a continuing operations basis, global payment services fees increased sequentially, reflecting increased funds transfer volume. On the same basis, global payment service fees were down from the year-ago quarter and on a year-to-date basis. While the payments business continues to grow, reflecting increases in funds transfer volume and net new business, the level of fees has been impacted by customers paying with higher compensatory balances in lieu of fees. On an invoiced services basis, total revenue was up 7% over the third quarter of 2005 and 4% on a sequential-quarter basis. Performance trends on an adjusted basis were relatively consistent with the continuing operations basis.

Private banking and asset management fees increased significantly from the third quarter and year-to-date periods of 2005 primarily due to acquisitions and higher fees in private banking. The sequential-quarter decline in fees is attributable to a decline in activity-based fees in the private bank and lower performance fees for certain asset management activities. Total assets under management for private banking and asset management were \$120 billion, up from \$106 billion at September 30, 2005 and \$116 billion at June 30, 2006.

Service charges and fees were down sequentially and from prior year periods principally due to lower capital market fees.

Foreign exchange and other trading revenues were down sequentially and from the third quarter of 2005, but up significantly from last year on a year-to-date basis. Foreign exchange results were particularly weak in the third quarter, as the typical seasonal slowdown was exacerbated by an eight year historical low in volatility. Other trading was down from the 2005 periods and sequentially primarily due to weaker results in interest rate derivatives and fixed income trading.

Securities gains in the third quarter were up significantly from the year-ago quarter and down on a sequential-quarter basis. The gains in the quarter were primarily attributable to continued strong returns on investments in the sponsor fund portfolio. Securities gains were up in the first nine months of 2006 versus a year ago reflecting favorable market conditions and liquidity in the private equity markets.

Other noninterest income increased versus the third quarter of 2005 and the second quarter of 2006. The current quarter results include a higher level of asset-related gains. The year-to-date period of 2006 includes a pre-tax gain of \$35 million related to the conversion of the Company's New York Stock Exchange seats into cash and shares of NYSE Group, Inc. common stock. The year-to-date period of 2005 includes a \$17 million gain on the sale of the Company's interest in Financial Models Company, Inc.

NET INTEREST INCOME

Continuing Operations

(Dollars in millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Net Interest Income	\$ 351	\$ 358	\$ 346	(2) %	1 %	\$ 1,048	\$ 996	5 %
Tax Equivalent Adjustment*	7	7	7			21	22	
Net Interest Income on a Tax Equivalent Basis	\$ 358	\$ 365	\$ 353	(2)	1	\$ 1,069	\$ 1,018	5
Interest Rate Spread	1.14 %	1.29 %	1.52 %			1.26 %	1.56 %	
Net Interest Margin	1.89	1.95	2.09			1.93	2.04	

* See Note (1).

Adjusted**

(Dollars in millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Net Interest Income	\$ 506	\$ 512	\$ 492	(1) %	3 %	\$ 1,506	\$ 1,417	6 %
Tax Equivalent Adjustment*	8	9	8			23	21	
Net Interest Income on a Tax Equivalent Basis	\$ 514	\$ 521	\$ 500	(1)	3	\$ 1,529	\$ 1,438	6
Interest Rate Spread	1.54 %	1.65 %	1.84 %			1.64 %	1.87 %	
Net Interest Margin	2.33	2.36	2.42			2.34	2.37	

* See Note (1).

** Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

Net interest income on a continuing operations basis and on an adjusted basis increased from the year-ago quarter and year-to-date periods reflecting higher interest earning assets and the higher value of interest-free balances in a rising rate environment. Net interest income decreased on a sequential-quarter basis reflecting a seasonal decline in interest-free balances.

NONINTEREST EXPENSE AND INCOME TAXES

Continuing Operations

(In millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Salaries and								
Employee Benefits	\$ 644	\$ 656	\$ 585	(2) %	10 %	\$ 1,904	\$ 1,721	11 %
Net Occupancy	70	68	60	3	17	206	184	12
Furniture and Equipment	46	48	50	(4)	(8)	145	149	(3)
Clearing	47	53	49	(11)	(4)	150	137	9
Sub-custodian Expenses	31	36	25	(14)	24	101	72	40
Software	53	53	54	-	(2)	161	160	1
Communications	26	22	23	18	13	74	66	12
Amortization of Intangibles	14	15	10	(7)	40	42	28	50
Merger and Integration Costs	89	-	-			89	-	
Other	172	183	175	(6)	(2)	519	506	3
Total Noninterest Expense Including Merger and Integration Costs	1,192	1,134	1,031	5	16	3,391	3,023	12
Merger and Integration Costs	(89)	-	-			(89)	-	
Total Noninterest Expense Excluding Merger and Integration Costs	\$ 1,103	\$ 1,134	\$ 1,031	(3)	7	\$ 3,302	\$ 3,023	9

Adjusted ⁽¹⁾

(In millions)	3Q06	2Q06	3Q05	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				3Q06 vs. 2Q06	3Q06 vs. 3Q05	2006	2005	
Salaries and Employee Benefits	\$ 706	\$ 723	\$ 644	(2) %	10 %	\$ 2,097	\$ 1,902	10 %
Net Occupancy	88	86	79	2	11	262	239	10
Furniture and Equipment	48	50	52	(4)	(8)	151	155	(3)
Clearing	47	53	49	(11)	(4)	150	137	9
Sub-custodian Expenses	31	36	25	(14)	24	101	72	40
Software	54	53	54	2	-	163	162	1
Communications	27	23	24	17	13	77	69	12
Amortization of Intangibles	14	15	10	(7)	40	42	28	50
Merger and Integration Costs	110	-	-			110	-	
Other	193	209	198	(8)	(3)	591	571	4
Total Noninterest Expense Including Merger and Integration Costs	1,318	1,248	1,135	6	16	3,744	3,335	12
Merger and Integration Costs	(110)	-	-			(110)	-	
Total Noninterest Expense Excluding Merger and Integration Costs	\$ 1,208	\$ 1,248	\$ 1,135	(3)	6	\$ 3,634	\$ 3,335	9

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

Unless otherwise indicated, the discussion below refers to noninterest expense on both a continuing operations basis and on an adjusted basis.

Excluding merger and integration costs, noninterest expense for the third quarter and first nine months was up over last year reflecting increased costs associated with new business and acquisitions as well as higher pension costs. On a sequential-quarter basis excluding merger and integration costs, noninterest expense was down reflecting disciplined expense control, lower incentive compensation and a decline in expenses related to lower transaction volumes.

Relative to the year-ago periods, salaries and benefits increased reflecting higher staff levels tied to new business and acquisitions. Pension expense was also higher on a year-over-year basis. The sequential-quarter decline in salaries and employee benefits reflected a lower level of incentive compensation tied to revenues in the current quarter as well as an adjustment in the second quarter of 2006 related to SFAS 123(R).

Clearing and sub-custodian expenses were higher on a year-to-date basis reflecting increased asset values and transaction volumes. On a sequential-quarter basis, clearing and sub-custodian expenses declined reflecting the seasonal slowdown in activity.

Other adjusted expenses were lower compared with the third quarter of 2005 reflecting lower costs for claims, settlements, legal fees, and advertising. On a sequential-quarter basis, other adjusted expenses in the third quarter of 2006 decreased due to lower claims, advertising, and consulting costs.

Merger and integration costs primarily included a loss in connection with the restructuring of the Company's investment portfolio and employee-related costs such as severance. The swap of the corporate trust business for the retail and regional middle market business is expected to result in a more liability-sensitive balance sheet because corporate trust liabilities reprice more quickly than retail deposits. The Company sold \$5.5 billion of investment portfolio securities during the period to reduce interest rate sensitivity going forward.

The effective tax rate for the third quarter of 2006 on a continuing operations basis was 29.4%, compared to 32.0% in the third quarter of 2005 and 33.8% in the second quarter of 2006. The effective tax rate for the nine-month period ended September 30, 2006 was 32.2%, compared with 32.1% for the nine-month period ended September 30, 2005. The effective tax rate for the third quarter of 2006 on an adjusted basis was 32.0%, compared to 34.6% in the third quarter of 2005 and 35.1% in the second quarter of 2006. The effective tax rate for the nine-month period ended September 30, 2006 was 33.8% compared with 33.7% for the nine-month period ended September 30, 2005. The decreases on both a sequential and year-over-year quarterly basis primarily reflect increased tax credits related to synthetic fuels. The sequential quarter increase in synthetic fuel tax credits was driven by the decline in the price of oil.

CAPITAL

The Company's estimated Tier 1 and Total Capital ratios were 8.21% and 12.38% at September 30, 2006, compared with 7.93% and 12.20% at September 30, 2005 and 7.96% and 12.06% at June 30, 2006. The estimated leverage ratio was 6.55% at September 30, 2006, compared with 6.59% at September 30, 2005 and 6.22% at June 30, 2006. The Company's estimated tangible common equity as a percentage of total assets was 5.58% at September 30, 2006, compared with 5.32% at September 30, 2005 and 5.07% at June 30, 2006.

After quarter end, the Company's capital ratios declined following the close of the swap transaction.

The Company repurchased 12.1 million shares of its common stock on October 3, 2006.

Return on average common equity for the third quarter of 2006 was 13.70%, (16.56% excluding merger and integration costs) compared with 16.15% in the third quarter of 2005 and 18.17% in the second quarter of 2006.

Return on average assets for the third quarter of 2006 was 1.29%, (1.55% excluding merger and integration costs) compared with 1.53% in the third quarter of 2005 and 1.63% in the second quarter of 2006.

CREDIT PERFORMANCE

The Company's loan portfolio continues to experience high credit quality.

The provision for credit losses for the third quarter of 2006 on a continuing operations basis was a credit of \$4 million, compared with a provision of \$10 million for the third quarter of 2005 and a credit of \$1 million in the second quarter of 2006. Charge-offs in the third quarter of 2006 on a continuing operations basis were zero, compared with charge-offs of \$4 million in the third quarter of 2005 and a recovery of \$7 million in the second quarter of 2006. The allowance for credit losses on a continuing operations basis was \$476 million at September 30, 2006, compared with \$607 million at September 30, 2005 and \$480 million at June 30, 2006.

The provision for credit loss for the third quarter of 2006 on an adjusted basis was a credit of \$5 million, compared with a provision of \$10 million in the third quarter of 2005 and zero in the second quarter of 2006. Charge-offs in the third quarter of 2006 on an adjusted basis were \$9 million, compared with charge-offs of \$13 million in the third quarter of 2005 and recovery of \$1 million in the second quarter of 2006. The allowance for credit losses on an adjusted basis was \$553 million at September 30, 2006, compared with \$706 million at September 30, 2005 and \$567 million at June 30, 2006.

OTHER DEVELOPMENTS

On October 1, 2006, the Company completed its acquisition of the corporate trust business and the sale of its retail and regional middle market banking businesses to JPMorgan Chase. The transaction significantly strengthens the Company's leadership position in corporate trust both in the U.S. and internationally, serving a combined client base with \$8 trillion in total debt outstanding in 20 countries. In addition, it sharpens the Company's focus on the faster growing securities services, asset management and private banking businesses that form the core of the Company. The acquisition also diversifies the Company's growing revenue base by both geography and product and expands its global footprint with the addition of seven new offices in Europe, five in Asia, and three in Latin America. As part of the transaction, JPMorgan Chase acquired the Company's retail bank, which consists of 338 branches in the tri-state region, serving approximately 700,000 consumer households and small businesses with \$14.5 billion in deposits. Also included were the Company's regional middle-market businesses that provide financing, banking and treasury services for middle market clients, serving more than 2,000 clients in the tri-state region.

On October 2, 2006, the Company completed the transaction that resulted in the formation of BNY ConvergEx Group, LLC. The Company joined forces with Eze Castle Software, LLC and GTCR Golder Rauner, LLC, a private equity firm, to form BNY ConvergEx Group, in which the Company retains a 35% interest. BNY ConvergEx Group brings together the Company's trade execution, commission management, independent research and transition management businesses with Eze Castle Software, a leading provider of trade order management and related investment technologies. BNY ConvergEx Group's comprehensive suite of services, advanced technology offerings and breadth of distribution channels enable its customers to manage all aspects of the investment cycle, including idea generation, research, trade analysis, execution and wholesale clearing, risk management, commission management, transition management, compliance and portfolio management. With approximately 635 employees worldwide, BNY ConvergEx Group has a global presence in New York, Boston, San Francisco, Chicago, Dallas, Stamford, London, Bermuda, Tokyo, Hong Kong, and Sydney.

On September 7, 2006, the Company reached an agreement to sell its transfer agency software business, Rufus, to Bravura Solutions Limited ("Bravura"), a leading global supplier of wealth management applications and professional services, for a maximum of £32 million. Under the agreement, Bravura will acquire all of the software and intellectual property comprising Rufus, and all existing employees will transfer to Bravura. The transaction is expected to be completed in the fourth quarter of 2006, and is subject to approval by Bravura Solutions' shareholders.

CONFERENCE CALL INFORMATION

Thomas A. Renyi, chairman and chief executive officer, Bruce W. Van Saun, vice chairman, and Todd Gibbons, 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. EDT.

The presentation will be accessible:

- From the Company's website at www.bankofny.com/earnings and
- By telephone at (888) 677-2456 within the United States or (517) 623-4161 internationally; the passcode is "The Bank of New York."
- A replay of the call will be available through the Company's website and also by telephone at (888) 296-6947 within the United States or (402) 998-0538 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, asset management, and private banking. 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. Additional information is available at www.bankofny.com.

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 and the ConvergeEx transaction, the completion and timing of potential transactions, 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 Risk Factors That Could Affect Future Results" in the Company's 2005 Form 10-K and Second Quarter 2006 Form 10-Q, which have been filed with the SEC and are available at the SEC's website (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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Notes:

(1) A number of amounts related to net interest income are presented on a “tax 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.

(2) Operating leverage is measured by comparing the rate of increase in revenue to the rate of increase in expenses. The chart below shows the computation of operating leverage. The 2006 results exclude merger and integration costs and one-time costs associated with SFAS 123(R). The Company believes excluding these costs provides the reader with supplemental information with which to assess the Company’s future performance.

Operating Leverage

Excluding Merger and Integration Costs

3Q06 vs. 3Q05

(Dollars in millions)	Continuing Operations			Adjusted ^(a)		
	3Q 2006	3Q 2005	% Change	3Q 2006	3Q 2005	% Change
Noninterest Income	\$ 1,259	\$ 1,185	6.2 %	\$ 1,325	\$ 1,248	6.2 %
Net Interest Income	351	346	1.4	506	492	2.8
Total Revenue	1,610	1,531	5.2	1,831	1,740	5.2
Total Expense	1,103	1,031	7.0	1,208	1,135	6.4
Operating Leverage			<u>(1.8) %</u>			<u>(1.2) %</u>

3Q06 vs. 2Q06

(Dollars in millions)	Continuing Operations			Adjusted ^(a)		
	3Q 2006	2Q 2006 ^(b)	% Change	3Q 2006	2Q 2006 ^(b)	% Change
Noninterest Income	\$ 1,259	\$ 1,366	(7.8) %	\$ 1,325	\$ 1,426	(7.1) %
Net Interest Income	351	358	(2.0)	506	512	(1.2)
Total Revenue	1,610	1,724	(6.6)	1,831	1,938	(5.5)
Total Expense	1,103	1,122	(1.7)	1,208	1,231	(1.9)
Operating Leverage			<u>(4.9) %</u>			<u>(3.6) %</u>

YTD 2006 vs. YTD 2005

(Dollars in millions)	Continuing Operations			Adjusted ^(a)		
	YTD 2006 ^(b)	YTD 2005	% Change	YTD 2006 ^(b)	YTD 2005	% Change
Noninterest Income	\$ 3,886	\$ 3,495	11.2 %	\$ 4,083	\$ 3,682	10.9 %
Net Interest Income	1,048	996	5.2	1,506	1,417	6.3
Total Revenue	4,934	4,491	9.9	5,589	5,099	9.6
Total Expense	3,285	3,023	8.7	3,617	3,335	8.5
Operating Leverage			<u>1.2 %</u>			<u>1.1 %</u>

(a) Adjusted combines continuing and discontinued operations.

(b) Excludes the \$12 million impact related to SFAS 123 (R) and charges and accounting changes resulting from the JPMorgan Chase transaction.

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

<u>Continuing Operations</u> ⁽¹⁾	September 30, 2006	June 30, 2006	September 30, 2005
<u>Quarter</u>			
Net Interest Income	\$ 351	\$ 358	\$ 346
Noninterest Income	1,259	1,366	1,185
	-----	-----	-----
	1,610	1,724	1,531
Tax Equivalent Adjustment	7	7	7
	-----	-----	-----
Revenue (tax equivalent basis)	\$ 1,617	\$ 1,731	\$ 1,538
	=====	=====	=====
Income from Continuing Operations Before Income Taxes	\$ 422	\$ 591	\$ 490
Income Taxes	124	200	157
	-----	-----	-----
Income from Continuing Operations	298	391	333
Income from Discontinued Operations, Net of Taxes	54	57	56
	-----	-----	-----
Net Income	\$ 352	\$ 448	\$ 389
	=====	=====	=====
Basic EPS:			
Income from Continuing Operations	\$ 0.40	\$ 0.52	\$ 0.44
Income from Discontinued Operations, Net	0.07	0.07	0.07
Net Income	0.47	0.59	0.51
Diluted EPS:			
Income from Continuing Operations	0.39	0.52	0.44
Income from Discontinued Operations, Net	0.07	0.07	0.07
Net Income	0.46	0.59	0.51
Cash Dividends Per Share	0.22	0.21	0.21
Return on Average Common Shareholders' Equity	11.61%	15.85%	13.82%
Return on Average Assets	1.19	1.54	1.43
Efficiency Ratio Excluding Merger and Integration Costs	69.1	66.4	67.7

(1) Continuing operations exclude the Company's retail and regional middle market banking businesses sold to JPMorgan Chase & Co on October 1, 2006, which are accounted for as discontinued operations.

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

<u>Continuing Operations</u> ⁽¹⁾	September 30, <u>2006</u>	June 30, <u>2006</u>	September 30, <u>2005</u>
<u>Year-to-date</u>			
Net Interest Income	\$ 1,048	\$ 697	\$ 996
Noninterest Income	3,886	2,627	3,495
	-----	-----	-----
	4,934	3,324	4,491
Tax Equivalent Adjustment	21	14	22
	-----	-----	-----
Revenue (tax equivalent basis)	\$ 4,955	\$ 3,338	\$ 4,513
	=====	=====	=====
Income from Continuing Operations			
Before Income Taxes	\$ 1,548	\$ 1,126	\$ 1,478
Income Taxes	499	375	474
	-----	-----	-----
Income from Continuing Operations	1,049	751	1,004
Income from Discontinued Operations, Net of Taxes	173	119	162
	-----	-----	-----
Net Income	\$ 1,222	\$ 870	\$ 1,166
	=====	=====	=====
Basic EPS:			
Income from Continuing Operations	\$ 1.38	\$ 0.99	\$ 1.31
Income from Discontinued Operations, Net	0.23	0.15	0.21
Net Income	1.61	1.14	1.52
Diluted EPS:			
Income from Continuing Operations	1.36	0.98	1.30
Income from Discontinued Operations, Net	0.23	0.15	0.21
Net Income	1.59	1.13	1.51
Cash Dividends Per Share	0.64	0.42	0.61
Return on Average Common Shareholders' Equity	14.03%	15.30%	14.28%
Return on Average Assets	1.41	1.52	1.46
Efficiency Ratio Excluding Merger and Integration Costs	67.5	66.7	67.7
Assets	\$ 97,808	\$ 99,935	\$ 93,081
Loans	33,958	35,650	34,358
Securities	22,015	27,355	26,127
Deposits - Domestic	20,837	25,602	19,775
- Foreign	34,116	31,139	26,270
Long-Term Debt	8,434	8,207	7,529
Common Shareholders' Equity	10,467	10,056	9,608
Employees	20,340	20,109	19,664
Allowance for Loan Losses as a Percent of Total Loans	1.00%	0.95%	1.37%
Allowance for Loan Losses as a Percent of Non-Margin Loans	1.16	1.10	1.68
Total Allowance for Credit Losses as a Percent of Total Loans	1.40	1.35	1.77
Total Allowance for Credit Losses as a Percent of Non-Margin Loans	1.63	1.57	2.16

(1) Continuing operations exclude the Company's retail and regional middle market banking businesses sold to JPMorgan Chase & Co on October 1, 2006, which are accounted for as discontinued operations.

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

<u>Adjusted Results</u> ⁽¹⁾	September 30, 2006	June 30, 2006	September 30, 2005
<u>Quarter</u>			
Net Interest Income	\$ 506	\$ 512	\$ 492
Noninterest Income	1,325	1,426	1,248
	<u>1,831</u>	<u>1,938</u>	<u>1,740</u>
Tax Equivalent Adjustment	8	9	8
Revenue (tax equivalent basis)	<u>\$ 1,839</u>	<u>\$ 1,947</u>	<u>\$ 1,748</u>
	=====	=====	=====
Net Income Including			
Merger and Integration Costs	\$ 352	\$ 448	\$ 389
Merger and Integration Costs	74	-	-
Net Income Excluding			
Merger and Integration Costs	426	448	389
Diluted EPS Including			
Merger and Integration Costs	0.46	0.59	0.51
Merger and Integration Costs	0.10	-	-
Diluted EPS Excluding			
Merger and Integration Costs	0.56	0.59	0.51
Cash Dividends Per Share	0.22	0.21	0.21
Efficiency Ratio Excluding			
Merger and Integration Costs	66.5%	64.9%	65.5%
<u>Year-to-date</u>			
Net Interest Income	\$ 1,506	\$ 1,000	\$ 1,417
Noninterest Income	4,083	2,758	3,682
	<u>5,589</u>	<u>3,758</u>	<u>5,099</u>
Tax Equivalent Adjustment	23	15	21
Revenue (tax equivalent basis)	<u>\$ 5,612</u>	<u>\$ 3,773</u>	<u>\$ 5,120</u>
	=====	=====	=====
Net Income Including			
Merger and Integration Costs	\$ 1,222	\$ 870	\$ 1,166
Merger and Integration Costs	74	-	-
Net Income Excluding			
Merger and Integration Costs	1,296	870	1,166
Diluted EPS Including			
Merger and Integration Costs	1.59	1.13	1.51
Merger and Integration Costs	0.10	-	-
Diluted EPS Excluding			
Merger and Integration Costs	1.69	1.13	1.51
Cash Dividends Per Share	0.64	0.42	0.61
Efficiency Ratio Excluding			
Merger and Integration Costs	65.5%	65.0%	65.8%

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

<u>Adjusted Results</u> ⁽¹⁾	September 30, 2006	June 30, 2006	September 30, 2005
Assets	\$ 106,636	\$ 108,881	\$ 101,766
Loans	41,726	43,622	42,143
Securities	22,135	27,459	26,230
Deposits - Domestic	33,818	39,280	34,807
- Foreign	34,116	31,139	26,270
Long-Term Debt	8,434	8,207	7,529
Common Shareholders' Equity	10,467	10,056	9,608
Allowance for Loan Losses as a Percent of Total Loans	0.98%	0.96%	1.33%
Allowance for Loan Losses as a Percent of Non-Margin Loans	1.11	1.08	1.57
Total Allowance for Credit Losses as a Percent of Total Loans	1.33	1.30	1.68
Total Allowance for Credit Losses as a Percent of Non-Margin Loans	1.49	1.47	1.97
Employees	23,808	23,575	23,081

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results. See "Appendix I."

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

	September 30, 2006	June 30, 2006	September 30, 2005
<u>Assets Under Custody</u> ⁽¹⁾			
(In trillions)			
Assets Under Custody	\$ 12.2	\$ 12.0	\$ 10.3
Equity Securities	31%	32%	31%
Fixed Income Securities	69	68	69
Cross-Border Assets Under Custody	\$ 4.2	\$ 4.1	\$ 3.1
<u>Assets Under Management</u> ⁽¹⁾			
(In billions)			
Asset Management Sector	\$ 120	\$ 116	\$ 106
Equity Securities	36	36	37
Fixed Income Securities	20	21	22
Alternative Investments	30	28	15
Liquid Assets	34	31	32
Foreign Exchange Overlay	11	11	10
Securities Lending Short-term Investment Funds	48	43	41
Total Assets Under Management	\$ 179	\$ 170	\$ 157
<u>Capital Ratios</u>			
Tier 1 Capital Ratio	8.21% ⁽¹⁾	7.96%	7.93%
Total Capital Ratio	12.38 ⁽¹⁾	12.06	12.20
Leverage Ratio	6.55 ⁽¹⁾	6.22	6.59
Tangible Common Equity Ratio	5.58 ⁽¹⁾	5.07	5.32
<u>Performance Ratios</u>			
<u>Quarter</u>			
Return on Average Common Shareholders' Equity	13.70%	18.17%	16.15%
Return on Average Common Shareholders' Equity Excluding Merger & Integration Costs	16.56	18.17	16.15
Return on Average Assets	1.29	1.63	1.53
Return on Average Assets Excluding Merger & Integration Costs	1.55	1.63	1.53
<u>Year-to-date</u>			
Return on Average Common Shareholders' Equity	16.35%	17.74%	16.59%
Return on Average Common Shareholders' Equity Excluding Merger & Integration Costs	17.33	17.74	16.59
Return on Average Assets	1.51	1.62	1.56
Return on Average Assets Excluding Merger & Integration Costs	1.60	1.62	1.56
<u>Other Data</u>			
Common Shareholders' Equity Per Share	\$ 13.70	\$ 13.18	\$ 12.48
Market Value Per Share of Common Stock	35.26	32.20	29.41

(1) Estimated

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

	For the three months ended September 30, 2006		For the nine months ended September 30, 2005		Percent 3Q06 vs. 3Q05	Inc/(Dec) YTD 2006 vs. YTD 2005
<u>Interest Income</u>						
Loans	\$ 367	\$ 272	\$1,027	\$ 749	35%	37%
Margin loans	85	71	247	188	20	31
Securities						
Taxable	282	216	827	576	31	44
Exempt from Federal Income Taxes	10	10	28	28	-	-
	292	226	855	604	29	42
Deposits in Banks	166	68	372	206	144	81
Federal Funds Sold and Securities Purchased						
Under Resale Agreements	22	18	52	51	22	2
Trading Assets	28	38	130	98	(26)	33
	960	693	2,683	1,896	39	42
<u>Interest Expense</u>						
Deposits	391	217	1,037	569	80	82
Federal Funds Purchased and Securities Sold						
Under Repurchase Agreements	34	9	88	23	278	283
Other Borrowed Funds	27	13	69	33	108	109
Customer Payables	42	35	124	88	20	41
Long-Term Debt	115	73	317	187	58	70
	609	347	1,635	900	76	82
Net Interest Income	351	346	1,048	996	1	5
Provision for Credit Losses	(4)	10	(5)	(10)		
Net Interest Income After Provision for Credit Losses	355	336	1,053	1,006	6	5
<u>Noninterest Income</u>						
Servicing Fees						
Securities	839	806	2,579	2,330	4	11
Global Payment Services	66	67	191	200	(1)	(5)
	905	873	2,770	2,530	4	9
Private Banking and Asset Management Fees	134	109	402	334	23	20
Service Charges and Fees	52	54	157	172	(4)	(9)
Foreign Exchange and Other Trading Activities	84	90	327	283	(7)	16
Securities Gains	21	15	61	50	40	22
Other	63	44	169	126	43	34
	1,259	1,185	3,886	3,495	6	11
<u>Noninterest Expense</u>						
Salaries and Employee Benefits	644	585	1,904	1,721	10	11
Net Occupancy	70	60	206	184	17	12
Furniture and Equipment	46	50	145	149	(8)	(3)
Clearing	47	49	150	137	(4)	9
Sub-custodian Expenses	31	25	101	72	24	40
Software	53	54	161	160	(2)	1
Communications	26	23	74	66	13	12
Amortization of Intangibles	14	10	42	28	40	50
Merger and Integration Costs	89	-	89	-		
Other	172	175	519	506	(2)	3
	1,192	1,031	3,391	3,023	16	12
Income from Continuing Operations before Income Taxes	422	490	1,548	1,478	(14)	5
Income Taxes	124	157	499	474	(21)	5
Income from Continuing Operations	298	333	1,049	1,004	(11)	4

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

	For the three months ended		For the nine months ended		Percent Inc/(Dec)	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005	3Q06 vs. 3Q05	YTD 2006 vs. YTD 2005
Discontinued Operations						
Income from Discontinued Operations	\$ 96	\$ 105	\$ 297	\$ 281	(9)%	6%
Income Taxes	42	49	124	119	(14)	4
Discontinued Operations, Net	54	56	173	162	(4)	7
<u>Net Income</u>	<u>\$ 352</u>	<u>\$ 389</u>	<u>\$1,222</u>	<u>\$1,166</u>	(10)	5
	=====	=====	=====	=====		
<u>Per Common Share Data:</u>						
Basic Earnings						
Income from Continuing Operations	\$ 0.40	\$ 0.44	\$ 1.38	\$ 1.31	(9)	5
Income from Discontinued Operations, Net	0.07	0.07	0.23	0.21	-	10
Net Income	0.47	0.51	1.61	1.52	(8)	6
Diluted Earnings						
Income from Continuing Operations	\$ 0.39	\$ 0.44	\$ 1.36	\$ 1.30	(11)	5
Income from Discontinued Operations, Net	0.07	0.07	0.23	0.21	-	10
Net Income	0.46	0.51	1.59	1.51	(10)	5
Cash Dividends Paid	0.22	0.21	0.64	0.61	5	5
Diluted Shares Outstanding	767	769	768	773	-	(1)

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

	September 30, 2006	December 31, 2005
Assets		
Cash and Due from Banks	\$ 2,072	\$ 2,882
Interest-Bearing Deposits in Banks	16,753	8,644
Securities		
Held-to-Maturity (fair value of \$1,716 in 2006 and \$1,847 in 2005)	1,737	1,872
Available-for-Sale	20,278	25,346
Total Securities	22,015	27,218
Trading Assets at Fair Value	3,266	5,930
Federal Funds Sold and Securities Purchased Under Resale Agreements	5,139	2,425
Loans (less allowance for loan losses of \$339 in 2006 and \$326 in 2005)	33,619	32,601
Premises and Equipment	1,009	960
Due from Customers on Acceptances	311	212
Accrued Interest Receivable	406	363
Goodwill	3,801	3,510
Intangible Assets	872	811
Other Assets	8,545	7,710
Assets of Discontinued Operations Held for Sale	8,828	8,808
Total Assets	\$ 106,636	\$ 102,074
Liabilities and Shareholders' Equity		
Deposits		
Noninterest-Bearing (principally domestic offices)	\$ 11,451	\$ 12,706
Interest-Bearing		
Domestic Offices	9,785	10,415
Foreign Offices	33,717	26,666
Total Deposits	54,953	49,787
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,040	834
Trading Liabilities	2,102	2,401
Payables to Customers and Broker-Dealers	6,673	8,623
Other Borrowed Funds	1,121	860
Acceptances Outstanding	318	212
Accrued Taxes and Other Expenses	4,140	4,123
Accrued Interest Payable	201	163
Other Liabilities (including allowance for lending-related commitments of \$137 in 2006 and \$144 in 2005)	4,152	2,697
Long-Term Debt	8,434	7,817
Liabilities of Discontinued Operations Held for Sale	13,035	14,681
Total Liabilities	96,169	92,198
Shareholders' Equity		
Common Stock-par value \$7.50 per share, authorized 2,400,000,000 shares, issued 1,049,888,635 shares in 2006 and 1,044,994,517 shares in 2005	7,874	7,838
Additional Capital	2,015	1,826
Retained Earnings	7,820	7,089
Accumulated Other Comprehensive Income	(66)	(134)
	17,643	16,619
Less: Treasury Stock (285,692,282 shares in 2006 and 273,662,218 shares in 2005), at cost	7,169	6,736
Loan to ESOP (203,507 shares in 2006 and 203,507 shares in 2005), at cost	7	7
Total Shareholders' Equity	10,467	9,876
Total Liabilities and Shareholders' Equity	\$ 106,636	\$ 102,074

Note: The balance sheet at December 31, 2005 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, 2006

For the three months
ended September 30, 2005

	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$ 16,033	\$ 166	4.11%	\$ 8,629	\$ 68	3.13%
Federal Funds Sold and Securities						
Purchased Under Resale Agreements	1,907	22	4.63	2,197	18	3.32
Margin Loans	5,158	85	6.54	6,392	71	4.40
Non-Margin Loans						
Domestic Offices	17,258	199	4.61	15,293	151	3.96
Foreign Offices	11,136	168	5.96	10,561	121	4.53
Total Non-Margin Loans	28,394	367	5.14	25,854	272	4.19
Securities						
U.S. Government Obligations	198	2	4.24	228	2	3.55
U.S. Government Agency Obligations	3,427	42	4.95	3,956	41	4.19
Obligations of States and Political Subdivisions	99	2	8.67	134	3	9.40
Other Securities	18,395	251	5.48	17,109	187	4.38
Trading Securities	2,477	30	4.69	3,361	38	4.49
Total Securities	24,596	327	5.33	24,788	271	4.38
Total Interest-Earning Assets	76,088	967	5.07	67,860	700	4.12
Allowance for Credit Losses	(346)			(471)		
Cash and Due from Banks	2,226			2,423		
Other Assets	17,611			16,170		
Assets of Discontinued Operations						
Held for Sale	13,285	193	5.83	14,929	177	4.70
TOTAL ASSETS	\$ 108,864	\$ 1,160		\$ 100,911	\$ 877	
	=====	=====		=====	=====	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 5,117	\$ 36	2.83%	\$ 6,210	\$ 29	1.84%
Savings	460	1	0.74	614	1	0.77
Certificates of Deposit of \$100,000 & Over	4,310	59	5.42	3,124	28	3.57
Other Time Deposits	294	4	5.03	783	7	3.37
Foreign Offices	33,724	291	3.43	25,887	152	2.33
Total Interest-Bearing Deposits	43,905	391	3.54	36,618	217	2.35
Federal Funds Purchased and Securities Sold Under Repurchase Agreements						
Other Borrowed Funds	2,728	34	5.02	1,245	9	2.96
Payables to Customers and Broker-Dealers	1,834	27	5.99	1,716	13	3.10
Long-Term Debt	4,657	42	3.62	5,714	35	2.41
	8,339	115	5.37	7,568	73	3.81
Total Interest-Bearing Liabilities	61,463	609	3.93	52,861	347	2.60
Noninterest-Bearing Deposits						
Other Liabilities	10,687			10,333		
Common Shareholders' Equity	13,167			13,224		
Liabilities of Discontinued Operations Held for Sale	10,262			9,564		
	13,285	38	1.15	14,929	31	0.83
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 108,864	\$ 647		\$ 100,911	\$ 378	
	=====	=====		=====	=====	
Interest Earnings and Interest Rate Spread (Continuing)						
		\$ 358	1.14%		\$ 353	1.52%
		=====	=====		=====	=====
Net Interest Margin (Continuing)						
			1.89%			2.09%
			=====			=====

1) Average balances and rates have been impacted by allocations made to match assets of discontinued operations held for sale with liabilities of discontinued operations held for sale.

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, 2006			For the nine months ended September 30, 2005		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$ 12,720	\$ 372	3.91%	\$ 9,207	\$ 206	2.99%
Federal Funds Sold and Securities Purchased Under Resale Agreements	1,775	52	3.99	2,610	51	2.59
Margin Loans	5,438	247	6.08	6,380	188	3.94
Non-Margin Loans						
Domestic Offices	16,453	559	4.54	15,054	427	3.78
Foreign Offices	11,140	468	5.61	10,336	322	4.16
Total Non-Margin Loans	27,593	1,027	4.97	25,390	749	3.94
Securities						
U.S. Government Obligations	213	7	4.23	289	7	3.23
U.S. Government Agency Obligations	3,795	132	4.65	3,690	110	3.97
Obligations of States and Political Subdivisions	109	7	8.42	147	10	9.06
Other Securities	18,717	728	5.19	15,732	498	4.22
Trading Securities	3,878	132	4.55	3,084	99	4.30
Total Securities	26,712	1,006	5.03	22,942	724	4.21
Total Interest-Earning Assets	74,238	2,704	4.87	66,529	1,918	3.85
Allowance for Credit Losses	(341)			(473)		
Cash and Due from Banks	3,187			2,752		
Other Assets	17,532			16,095		
Assets of Discontinued Operations Held for Sale	13,856	568	5.48	15,309	504	4.40
TOTAL ASSETS	\$ 108,472	\$ 3,272		\$ 100,212	\$ 2,422	
	=====	=====		=====	=====	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 5,251	\$ 101	2.57%	\$ 6,263	\$ 74	1.57%
Savings	461	4	1.29	624	4	0.84
Certificates of Deposit of \$100,000 & Over	4,221	159	5.03	3,016	70	3.10
Other Time Deposits	629	22	4.67	352	8	3.08
Foreign Offices	32,176	751	3.12	25,896	413	2.13
Total Interest-Bearing Deposits	42,738	1,037	3.25	36,151	569	2.10
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	2,532	88	4.65	1,262	23	2.44
Other Borrowed Funds	2,045	69	4.54	1,831	33	2.43
Payables to Customers and Broker-Dealers	4,972	124	3.34	6,025	88	1.95
Long-Term Debt	8,167	317	5.13	7,223	187	3.43
Total Interest-Bearing Liabilities	60,454	1,635	3.61	52,492	900	2.29
Noninterest-Bearing Deposits	10,561			9,910		
Other Liabilities	13,589			13,104		
Common Shareholders' Equity	10,012			9,397		
Liabilities of Discontinued Operations Held for Sale	13,856	111	1.07	15,309	83	0.73
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 108,472	\$ 1,746		\$ 100,212	\$ 983	
	=====	=====		=====	=====	
Interest Earnings and Interest Rate Spread (Continuing)		\$ 1,069	1.26%		\$ 1,018	1.56%
		=====	=====		=====	=====
Net Interest Margin (Continuing)			1.93%			2.04%
			=====			=====

1) Average balances and rates have been impacted by allocations made to match assets of discontinued operations held for sale with liabilities of discontinued operations held for sale.

THE BANK OF NEW YORK COMPANY, INC.
 Credit Loss Provision and Net Charge-Offs
 (In millions)

	<u>Year-to-date</u>				
	3Q06	2Q06	3Q05	2006	2005
Provision					
Continuing Operations	\$ (4)	\$ (1)	\$ 10	\$ (5)	\$ (10)
Discontinued Operations	(1)	1	-	5	15
Adjusted Total Provision	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 5</u>
Net (Charge-offs)/Recoveries:					
Commercial	\$ -	\$ 2	\$ (2)	\$ 2	\$ (4)
Foreign	-	4	(2)	7	(6)
Other	-	1	-	1	-
Total Continuing Operations	<u>-</u>	<u>7</u>	<u>(4)</u>	<u>10</u>	<u>(10)</u>
Discontinued Operations	<u>(9)</u>	<u>(6)</u>	<u>(9)</u>	<u>(22)</u>	<u>(24)</u>
Adjusted Total Net (Charge-offs)/Recoveries	<u><u>\$ (9)</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ (13)</u></u>	<u><u>\$ (12)</u></u>	<u><u>\$ (34)</u></u>

The sequential increase in the credit to the provision for continuing operations reflects a continued strong credit environment. During the third quarter of 2006, nonperforming loans remained at low levels.

THE BANK OF NEW YORK COMPANY, INC.

Loans

(Dollars in millions)

	September 30, 2006	June 30, 2006	September 30, 2005
Margin Loans	\$ 4,719	\$ 5,096	\$ 6,320
Non-Margin Loans	29,239	30,554	28,038
Loans on a Continuing Operations Basis	33,958	35,650	34,358
Margin Loans	-	-	-
Non-Margin Loans	7,768	7,972	7,785
Loans Related to Discontinued Operations	7,768	7,972	7,785
Adjusted Total Loans	<u>\$ 41,726</u>	<u>\$ 43,622</u>	<u>\$ 42,143</u>
Allowance for Loan Losses	\$ 339	\$ 337	\$ 471
Allowance for Lending-Related Commitments	137	143	136
Allowance for Credit Losses on a on a Continuing Operations Basis	476	480	607
Allowance for Loan Losses	71	80	90
Allowance for Lending-Related Commitments	6	7	9
Allowance for Credit Losses related to Discontinued Operations	77	87	99
Adjusted Total Allowance for Credit Losses	<u>\$ 553</u>	<u>\$ 567</u>	<u>\$ 706</u>

The decrease in loans from June 30, 2006 primarily reflects fewer margin loans, overdrafts and loans to securities industry clients.

	September 30, 2006		June 30, 2006		September 30, 2005
<u>Continuing Operations</u>					
Allowance for Loan Losses					
As a Percent of Total Loans	1.00	%	0.95	%	1.37
Allowance for Loan Losses					
As a Percent of Non-Margin Loans	1.16		1.10		1.68
Total Allowance for Credit Losses					
As a Percent of Total Loans	1.40		1.35		1.77
Total Allowance for Credit Losses					
As a Percent of Non-Margin Loans	1.63		1.57		2.16
<u>Adjusted</u>					
Allowance for Loan Losses					
As a Percent of Total Loans	0.98	%	0.96	%	1.33
Allowance for Loan Losses					
As a Percent of Non-Margin Loans	1.11		1.08		1.57
Total Allowance for Credit Losses					
As a Percent of Total Loans	1.33		1.30		1.68
Total Allowance for Credit Losses					
As a Percent of Non-Margin Loans	1.49		1.47		1.97

THE BANK OF NEW YORK COMPANY, INC.
Nonperforming Assets
(Dollars in millions)

	<u>9/30/2006</u>	<u>6/30/2006</u>	Change 9/30/2006 vs. <u>6/30/2006</u>	Percent Inc/(Dec)
Loans:				
Commercial	\$ 28	\$ 10	\$ 18	180 %
Foreign	<u>10</u>	<u>10</u>	<u>-</u>	-
Total Nonperforming Loans	38	20	18	90
Other Assets Owned	<u>-</u>	<u>12</u>	<u>(12)</u>	
Total Nonperforming Assets on a Continuing Operations Basis	<u>38</u>	<u>32</u>	<u>6</u>	19
Nonperforming Assets related to Discontinued Operations	<u>25</u>	<u>42</u>	<u>(17)</u>	(40)
Adjusted Total Nonperforming Assets	<u>\$ 63</u>	<u>\$ 74</u>	<u>\$ (11)</u>	(15)

Continuing Operations

Nonperforming Assets Ratio	0.1 %	0.1 %
Allowance for Loan Losses /Nonperforming Loans	892	1,685
Allowance for Loan Losses /Nonperforming Assets	892	1,053
Total Allowance for Credit Losses /Nonperforming Loans	1,253	2,400
Total Allowance for Credit Losses /Nonperforming Assets	1,253	1,500

Adjusted

Nonperforming Assets Ratio	0.2 %	0.2 %
Allowance for Loan Losses /Nonperforming Loans	651	673
Allowance for Loan Losses /Nonperforming Assets	651	564
Total Allowance for Credit Losses /Nonperforming Loans	878	915
Total Allowance for Credit Losses /Nonperforming Assets	878	766

The sequential quarter increase in continuing nonperforming assets primarily reflects the addition of an automotive supplier partially offset by the sale of an aircraft.

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

Quarter Ended September 30, 2006

	Continuing Operations	Discontinued Operations	Adjusted Results ⁽¹⁾
Net Interest Income	\$ 351	\$ 155	\$ 506
Provision for Credit Losses	(4)	(1)	(5)
Net Interest Income After Provision for Credit Losses	355	156	511
Noninterest Income			
Servicing Fees			
Securities	839	-	839
Global Payment Services	66	8	74
	905	8	913
Private Banking and			
Asset Management Fees	134	11	145
Service Charges and Fees	52	38	90
Foreign Exchange and Other			
Trading Activities	84	2	86
Securities Gains	21	-	21
Other	63	7	70
Total Noninterest Income	1,259	66	1,325
Noninterest Expense			
Salaries and Employee Benefits	644	62	706
Net Occupancy	70	18	88
Furniture and Equipment	46	2	48
Clearing	47	-	47
Sub-custodian Expenses	31	-	31
Software	53	1	54
Communications	26	1	27
Amortization of Intangibles	14	-	14
Merger and Integration Costs	89	21	110
Other	172	21	193
Total Noninterest Expense	1,192	126	1,318
Income Before Income Taxes, Including Merger and Integration Costs	422	96	518
Income Taxes	124	42	166
Net Income Including Merger and Integration Costs	298	54	352
Merger and Integration Costs, Net of Taxes	62	12	74
Net Income Excluding Merger and Integration Costs	\$ 360 =====	\$ 66 =====	\$ 426 =====
Diluted Earnings Per Share	\$0.39	\$0.07	\$0.46
Diluted Earnings Per Share Excluding Merger and Integration Costs	\$0.47	\$0.09	\$0.56

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

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THE BANK OF NEW YORK COMPANY, INC.
Consolidated Statements of Income
(Dollars in millions, except per share amounts)
(Unaudited)
Quarter Ended September 30, 2005

	Continuing Operations	Discontinued Operations	Adjusted Results ⁽¹⁾
<u>Net Interest Income</u>	\$ 346	\$ 146	\$ 492
Provision for Credit Losses	10	-	10
<u>Net Interest Income After Provision for Credit Losses</u>	<u>336</u>	<u>146</u>	<u>482</u>
<u>Noninterest Income</u>			
Servicing Fees			
Securities	806	-	806
Global Payment Services	67	8	75
	<u>873</u>	<u>8</u>	<u>881</u>
Private Banking and			
Asset Management Fees	109	11	120
Service Charges and Fees	54	39	93
Foreign Exchange and Other			
Trading Activities	90	3	93
Securities Gains	15	-	15
Other	44	2	46
	<u>1,185</u>	<u>63</u>	<u>1,248</u>
<u>Noninterest Expense</u>			
Salaries and Employee Benefits	585	59	644
Net Occupancy	60	19	79
Furniture and Equipment	50	2	52
Clearing	49	-	49
Sub-custodian Expenses	25	-	25
Software	54	-	54
Communications	23	1	24
Amortization of Intangibles	10	-	10
Other	175	23	198
	<u>1,031</u>	<u>104</u>	<u>1,135</u>
Income Before Income Taxes	490	105	595
Income Taxes	157	49	206
<u>Net Income</u>	<u>\$ 333</u>	<u>\$ 56</u>	<u>\$ 389</u>
	=====	=====	=====
Diluted Earnings Per Share	\$0.44	\$0.07	\$0.51

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

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

Quarter Ended June 30, 2006

	Continuing Operations	Discontinued Operations	Adjusted Results ⁽¹⁾
Net Interest Income	\$ 358	\$ 154	\$ 512
Provision for Credit Losses	(1)	1	-
Net Interest Income After Provision for Credit Losses	359	153	512
Noninterest Income			
Servicing Fees			
Securities	909	-	909
Global Payment Services	63	7	70
	972	7	979
Private Banking and Asset Management Fees	138	12	150
Service Charges and Fees	53	38	91
Trading Activities	130	2	132
Securities Gains	23	-	23
Other	50	1	51
Total Noninterest Income	1,366	60	1,426
Noninterest Expense			
Salaries and Employee Benefits	656	67	723
Net Occupancy	68	18	86
Furniture and Equipment	48	2	50
Clearing	53	-	53
Sub-custodian Expenses	36	-	36
Software	53	-	53
Communications	22	1	23
Amortization of Intangibles	15	-	15
Other	183	26	209
Total Noninterest Expense	1,134	114	1,248
Income Before Income Taxes	591	99	690
Income Taxes	200	42	242
Net Income	\$ 391	\$ 57	\$ 448
	=====	=====	=====
Diluted Earnings Per Share	\$0.52	\$0.07	\$0.59

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

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

Adjusted Results⁽¹⁾

	September 30, 2006	Quarter Ended September 30, 2005	June 30, 2006	9/30/06 vs. 9/30/05	9/30/06 vs. 6/30/06
Net Interest Income	\$ 506	\$ 492	\$ 512	3%	(1)%
Provision for Credit Losses	(5)	10	-		
Net Interest Income After Provision for Credit Losses	511	482	512	6	-
Noninterest Income					
Servicing Fees					
Securities	839	806	909	4	(8)
Global Payment Services	74	75	70	(1)	6
	913	881	979	4	(7)
Private Banking and Asset Management Fees	145	120	150	21	(3)
Service Charges and Fees	90	93	91	(3)	(1)
Foreign Exchange and Other Trading Activities	86	93	132	(8)	(35)
Securities Gains	21	15	23	40	(9)
Other	70	46	51	52	37
Total Noninterest Income	1,325	1,248	1,426	6	(7)
Noninterest Expense					
Salaries and Employee Benefits	706	644	723	10	(2)
Net Occupancy	88	79	86	11	2
Furniture and Equipment	48	52	50	(8)	(4)
Clearing	47	49	53	(4)	(11)
Sub-custodian Expenses	31	25	36	24	(14)
Software	54	54	53	-	2
Communications	27	24	23	13	17
Amortization of Intangibles	14	10	15	40	(7)
Merger and Integration Costs	110	-	-		
Other	193	198	209	(3)	(8)
Total Noninterest Expense	1,318	1,135	1,248	16	6
Income Before Income Taxes, Including Merger and Integration Costs	518	595	690	(13)	(25)
Income Taxes	166	206	242	(19)	(31)
Net Income Including Merger and Integration Costs	352	389	448	(10)	(21)
Merger and Integration Costs, net of Taxes	74	-	-		
Net Income Excluding Merger and Integration Costs	\$ 426	\$ 389	\$ 448	10	(5)
	=====	=====	=====		
Diluted Earnings Per Share	\$0.46	\$0.51	\$0.59	(10)	(22)
Diluted Earnings Per Share, excluding Merger and Integration Costs	\$0.56	\$0.51	\$0.59	10	(5)

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

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

Nine Months Ended September 30,

	Continuing Operations	Discontinued Operations	2006 Adjusted Results ⁽¹⁾	2005 Adjusted Results ⁽¹⁾	9/30/06 vs. 9/30/05
Net Interest Income	\$1,048	\$ 458	\$1,506	\$1,417	6%
Provision for Credit Losses	(5)	5	-	5	
Net Interest Income After Provision for Credit Losses	1,053	453	1,506	1,412	7
Noninterest Income					
Servicing Fees					
Securities	2,579	-	2,579	2,330	11
Global Payment Services	191	23	214	226	(5)
	2,770	23	2,793	2,556	9
Private Banking and					
Asset Management Fees	402	34	436	366	19
Service Charges and Fees	157	113	270	288	(6)
Foreign Exchange and Other					
Trading Activities	327	6	333	292	14
Securities Gains	61	-	61	50	22
Other	169	21	190	130	46
Total Noninterest Income	3,886	197	4,083	3,682	11
Noninterest Expense					
Salaries and Employee Benefits	1,904	193	2,097	1,902	10
Net Occupancy	206	56	262	239	10
Furniture and Equipment	145	6	151	155	(3)
Clearing	150	-	150	137	9
Sub-custodian Expenses	101	-	101	72	40
Software	161	2	163	162	1
Communications	74	3	77	69	12
Amortization of Intangibles	42	-	42	28	50
Merger and Integration Costs	89	21	110	-	
Other	519	72	591	571	4
Total Noninterest Expense	3,391	353	3,744	3,335	12
Income Before Income Taxes, Including					
Merger and Integration Costs	1,548	297	1,845	1,759	5
Income Taxes	499	124	623	593	5
Net Income Including Merger and Integration Costs	1,049	173	1,222	1,166	5
Merger and Integration Costs, Net of Taxes	62	12	74	-	
Net Income Excluding Merger and Integration Costs	\$1,111	\$ 185	\$1,296	\$1,166	11
Diluted Earnings Per Share	\$1.36	\$0.23	\$1.59	\$1.51	5
Diluted Earnings Per Share, Excluding Merger and Integration Costs	1.44	0.25	1.69	1.51	12

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

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

Nine Months Ended September 30, 2005

	Continuing Operations	Discontinued Operations	2005 Adjusted Results ⁽¹⁾
Net Interest Income	\$ 996	\$ 421	\$1,417
Provision for Credit Losses	(10)	15	5
Net Interest Income After Provision for Credit Losses	1,006	406	1,412
Noninterest Income			
Servicing Fees			
Securities	2,330	-	2,330
Global Payment Services	200	26	226
	2,530	26	2,556
Private Banking and Asset Management Fees	334	32	366
Service Charges and Fees	172	116	288
Foreign Exchange and Other Trading Activities	283	9	292
Securities Gains	50	-	50
Other	126	4	130
Total Noninterest Income	3,495	187	3,682
Noninterest Expense			
Salaries and Employee Benefits	1,721	181	1,902
Net Occupancy	184	55	239
Furniture and Equipment	149	6	155
Clearing	137	-	137
Sub-custodian Expenses	72	-	72
Software	160	2	162
Communications	66	3	69
Amortization of Intangibles	28	-	28
Other	506	65	571
Total Noninterest Expense	3,023	312	3,335
Income Before Income Taxes	1,478	281	1,759
Income Taxes	474	119	593
Net Income	\$1,004	\$ 162	\$1,166
	=====	=====	=====
Diluted Earnings Per Share	\$1.30	\$0.21	\$1.51

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

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THE BANK OF NEW YORK COMPANY, INC.
Consolidated Balance Sheets
(In millions)
(Unaudited)

	September 30, 2006			December 31, 2005		
	Continuing Operations	Discontinued Operations	Adjusted	Continuing Operations	Discontinued Operations	Adjusted
Assets						
Cash and Due from Banks	\$ 2,072	\$ 578	\$ 2,650	\$ 2,882	\$ 633	\$ 3,515
Interest-Bearing Deposits in Banks	16,753	-	16,753	8,644	-	8,644
Securities	22,015	120	22,135	27,218	108	27,326
Trading Assets at Fair Value	3,266	-	3,266	5,930	-	5,930
Federal Funds Sold and Securities Purchased Under Resale Agreements	5,139	-	5,139	2,425	-	2,425
Loans	33,619	7,697	41,316	32,601	7,714	40,315
Premises and Equipment	1,009	113	1,122	960	100	1,060
Due from Customers on Acceptances	311	-	311	212	21	233
Accrued Interest Receivable	406	49	455	363	28	391
Goodwill	3,801	109	3,910	3,510	109	3,619
Intangible Assets	872	-	872	811	-	811
Other Assets	8,545	162	8,707	7,710	95	7,805
Total Assets	\$ 97,808	\$ 8,828	\$106,636	\$ 93,266	\$ 8,808	\$ 102,074
	=====	=====	=====	=====	=====	=====
Liabilities and Shareholders' Equity						
Deposits	\$ 54,953	\$12,981	\$ 67,934	\$ 49,787	\$ 14,637	\$ 64,424
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,040	-	1,040	834	-	834
Trading Liabilities	2,102	-	2,102	2,401	-	2,401
Payables to Customers and Broker-Dealers	6,673	-	6,673	8,623	-	8,623
Other Borrowed Funds	1,121	-	1,121	860	-	860
Acceptances Outstanding	318	-	318	212	23	235
Accrued Taxes and Other Expenses	4,140	34	4,174	4,123	1	4,124
Accrued Interest Payable	201	12	213	163	9	172
Other Liabilities	4,152	8	4,160	2,697	11	2,708
Long-Term Debt	8,434	-	8,434	7,817	-	7,817
Total Liabilities	83,134	13,035	96,169	77,517	14,681	92,198
Shareholders' Equity	10,467	-	10,467	9,876	-	9,876
Total Liabilities and Shareholders' Equity	\$ 93,601	\$13,035	\$106,636	\$ 87,393	\$ 14,681	\$ 102,074
	=====	=====	=====	=====	=====	=====

Note: The balance sheet at December 31, 2005 has been derived from the audited financial statements at that date.

APPENDIX I

Supplemental Information

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THE BANK OF NEW YORK COMPANY, INC.

Adjusted⁽¹⁾ Average Balances and Rates on a Taxable Equivalent Basis
(Preliminary)
(Dollars in millions)

	For the three months ended September 30, 2006			For the three months ended September 30, 2005		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing Deposits in Banks (primarily foreign)	\$ 16,033	\$ 166	4.11%	\$ 8,629	\$ 68	3.13%
Federal Funds Sold and Securities Purchased Under Resale Agreements	3,006	37	4.89	4,465	38	3.37
Margin Loans	5,158	85	6.54	6,392	71	4.40
Non-Margin Loans						
Domestic Offices	25,174	343	5.44	22,955	271	4.69
Foreign Offices	11,135	168	5.96	10,561	121	4.53
Total Non-Margin Loans	36,309	511	5.60	33,516	392	4.64
Securities						
U.S. Government Obligations	198	2	4.24	228	2	3.55
U.S. Government Agency Obligations	3,427	42	4.95	3,956	41	4.19
Obligations of States and Political Subdivisions	220	4	7.06	231	4	6.59
Other Securities	21,616	284	5.26	21,227	224	4.23
Trading Securities	2,477	30	4.69	3,361	38	4.49
Total Securities	27,938	362	5.18	29,003	309	4.27
Total Interest-Earning Assets	88,444	1,161	5.23	82,005	878	4.25
Allowance for Credit Losses	(417)			(562)		
Cash and Due from Banks	2,777			2,974		
Other Assets	18,060			16,494		
TOTAL ASSETS	\$108,864			\$100,911		
	=====			=====		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 5,586	\$ 37	2.64%	\$ 6,827	\$ 30	1.74%
Savings	7,379	32	1.71	8,637	27	1.23
Certificates of Deposit of \$100,000 & Over	4,323	59	5.41	3,137	28	3.56
Other Time Deposits	1,052	10	3.74	1,529	11	2.84
Foreign Offices	33,724	291	3.43	25,887	152	2.33
Total Interest-Bearing Deposits	52,064	429	3.27	46,017	248	2.14
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	2,728	34	5.02	1,245	9	2.96
Other Borrowed Funds	1,834	27	5.99	1,716	13	3.10
Payables to Customers and Broker-Dealers	4,657	42	3.62	5,714	35	2.41
Long-Term Debt	8,340	115	5.37	7,568	73	3.81
Total Interest-Bearing Liabilities	69,623	647	3.69	62,260	378	2.41
Noninterest-Bearing Deposits	15,743			15,815		
Other Liabilities	13,236			13,272		
Common Shareholders' Equity	10,262			9,564		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$108,864			\$100,911		
	=====			=====		
Interest Earnings and Interest Rate Spread		\$ 514	1.54%	\$ 500		1.84%
		=====	=====	=====		=====
Net Interest Margin			2.33%			2.42%
			=====			=====

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.

APPENDIX I

Supplemental Information

(Page 9 of 9)

THE BANK OF NEW YORK COMPANY, INC.

Adjusted ⁽¹⁾ Average Balances and Rates on a Taxable Equivalent Basis
(Preliminary)
(Dollars in millions)

	For the nine months ended September 30, 2006			For the nine months ended September 30, 2005		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing Deposits in Banks (primarily foreign)	\$ 12,720	\$ 372	3.91%	\$ 9,207	\$ 206	2.99%
Federal Funds Sold and Securities						
Purchased Under Resale Agreements	3,098	102	4.42	4,813	102	2.82
Margin Loans	5,438	247	6.08	6,380	188	3.94
Non-Margin Loans						
Domestic Offices	24,349	973	5.34	22,606	760	4.50
Foreign Offices	11,140	468	5.61	10,336	322	4.17
Total Non-Margin Loans	35,489	1,441	5.43	32,942	1,082	4.39
Securities						
U.S. Government Obligations	213	7	4.23	289	7	3.23
U.S. Government Agency Obligations	3,795	132	4.65	3,690	110	3.97
Obligations of States and Political Subdivisions	220	11	6.87	214	11	7.03
Other Securities	22,395	831	4.94	20,449	617	4.02
Trading Securities	3,878	132	4.55	3,084	98	4.30
Total Securities	30,501	1,113	4.87	27,726	843	4.06
Total Interest-Earning Assets	87,246	3,275	5.01	81,068	2,421	3.99
Allowance for Credit Losses	(418)			(578)		
Cash and Due from Banks	3,784			3,342		
Other Assets	17,860			16,380		
TOTAL ASSETS	\$108,472			\$100,212		
	=====			=====		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 5,795	\$ 103	2.40%	\$ 6,939	\$ 77	1.49%
Savings	7,786	95	1.63	8,824	72	1.09
Certificates of Deposit of						
\$100,000 & Over	4,233	159	5.02	3,028	70	3.09
Other Time Deposits	1,377	39	3.77	1,101	20	2.37
Foreign Offices	32,176	751	3.12	25,896	413	2.13
Total Interest-Bearing Deposits	51,367	1,147	2.99	45,788	652	1.90
Federal Funds Purchased and Securities						
Sold Under Repurchase Agreements	2,532	88	4.65	1,262	23	2.44
Other Borrowed Funds	2,045	70	4.54	1,831	33	2.43
Payables to Customers and Broker-Dealers	4,972	124	3.34	6,025	88	1.95
Long-Term Debt	8,166	317	5.12	7,223	187	3.42
Total Interest-Bearing Liabilities	69,082	1,746	3.37	62,129	983	2.12
Noninterest-Bearing Deposits	15,733			15,533		
Other Liabilities	13,645			13,153		
Common Shareholders' Equity	10,012			9,397		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$108,472			\$100,212		
	=====			=====		
Interest Earnings and Interest Rate Spread		\$ 1,529	1.64%	\$ 1,438	1.87%	
		=====	=====	=====	=====	
Net Interest Margin			2.34%		2.37%	
			=====		=====	

Note:

(1) Adjusted results combine continuing and discontinued operations to provide continuity with historical results.