

**THE
BANK OF
NEW
YORK
COMPANY, INC.**

NEWS

One Wall Street, New York, N.Y. 10286

Contact:

FOR RELEASE:

PUBLIC AND INVESTOR RELATIONS

IMMEDIATELY

Media:

R. Jeep Bryant, MD
(212) 635-1569

Investors:

Joseph F. Murphy, MD
(212) 635-7740
Gregg A. Scheuing, VP
(212) 635-1578

**THE BANK OF NEW YORK COMPANY, INC. REPORTS
FOURTH QUARTER EPS OF 45 CENTS, UP 13% OVER LAST YEAR;
YEAR 2004 EPS OF \$1.85, UP 22%;
SEQUENTIAL QUARTER SECURITIES SERVICING REVENUE UP 8%**

NEW YORK, N.Y., January 19, 2005 -- The Bank of New York Company, Inc. (NYSE: BK) reports fourth quarter net income of \$351 million and diluted earnings per share of 45 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 \$307 million and diluted earnings per share of 40 cents in the fourth quarter of 2003. Full year net income for 2004 was \$1,440 million, or \$1.85 diluted earnings per share, compared to \$1,157 million, or \$1.52 diluted earnings per share in 2003. A charge related to a reserve for the cost of the anticipated settlement of the RW Professional Leasing Services Corp. matter ("RW Matter"), as well as certain items detailed in "Other Fourth Quarter Developments" reduced EPS by 3 cents for the fourth quarter and full year 2004. Fourth quarter and full year 2003 results included merger and integration costs associated with the Pershing acquisition of 4 cents and 8 cents per share

while the full year also included 7 cents per share related to the GMAC settlement.

Fourth quarter highlights include strong performance in securities servicing fees and foreign exchange and other trading revenues. Securities servicing fees increased 8% sequentially in the fourth quarter to \$742 million, reflecting more active equity markets and the conversion of new business wins. Execution and clearing services revenues increased 15% sequentially, reflecting a strong rebound in equity market volumes from the weak third quarter. Issuer services fees increased 6% relative to the third quarter to \$149 million, reflecting strong results in depositary receipts, and modest growth in corporate trust. Investor services fees were up 5% sequentially, reflecting higher global funds services fees driven by new business wins. Foreign exchange and other trading revenues increased 34% sequentially, reflecting higher levels of client activity and an increase in volatility.

For the full year, the growth in earnings was paced by securities servicing growth of 19% (8% adjusted for full year impact of Pershing), core net interest income growth of 6%, strong credit performance, and higher than expected securities gains. Performance was strong across nearly all the Company's securities servicing businesses. Both investor and issuer services increased by 11%. The growth in investor services was driven largely by new business wins and improvements year-over-year in asset values and volumes. Issuer services benefited from increased cross-border activity in depositary receipts and improving market share in global products within corporate trust. Broker-dealer services was up 19% primarily due to strong growth in collateral management. In addition, private client services and asset management fees were up 17%, primarily due to exceptional growth at the Company fund of funds manager, Ivy Asset Management ("Ivy").

This strength in revenue was partially offset by upward pressure on the Company's expense base. Higher option and pension expenses, business continuity spending, costs associated with legal and regulatory matters, and costs associated with converting new business opportunities in investor services all contributed to higher expense levels.

Chairman and Chief Executive Officer Thomas A. Renyi stated, "Our securities servicing and fiduciary businesses responded well to the better market environment this quarter, which improved considerably following the November elections. In particular, our equity-linked and foreign exchange businesses benefited from a significant rebound in market volumes and increased cross-border flows and volatility. Net interest income continues to benefit from a well positioned balance sheet and the credit environment remains highly favorable.

"We did experience a noticeable uptick in expenses as we recognized costs associated with the conversion of new outsourcing wins, hiring of customer service personnel in some of our faster growing businesses, higher incentive compensation in light of the sharp rebound in performance in the last two months of the quarter as well as continuing high costs associated with responding to regulatory inquiries.

"On balance, I am quite encouraged by our top line growth this quarter which gives evidence to the positive effect an improving investment environment has on our business model. We look forward to 2005 which should offer a stronger operating environment and the revenue momentum it brings along. Our challenge in the new year is to contain the more significant cost pressures we face in order to bring more of our revenue growth to the bottom line."

SECURITIES SERVICING FEES

	4th Quarter	3rd Quarter	4th Quarter	Year-to-date	
(In millions)	2004	2004	2003	2004	2003
Execution and Clearing Services	\$ 302	\$ 262	\$ 290	\$1,146	\$ 885
Investor Services	239	228	210	921	830
Issuer Services	149	141	136	582	522
Broker-Dealer Services	52	54	48	209	175
Securities Servicing Fees	\$ 742	\$ 685	\$ 684	\$2,858	\$2,412

Securities servicing fees were \$742 million in the fourth quarter, an increase of \$57 million, or 8%, from the third quarter of 2004 and \$58 million, or 8%, from a year ago. For the full year of 2004, securities

servicing fees were \$2,858 million, an increase of \$446 million from \$2,412 million in 2003, principally due to the full year impact of the Pershing acquisition and good organic growth in the remaining business segments.

Execution and clearing services fees increased \$40 million sequentially, or 15%, in the fourth quarter, and were up 4% from the fourth quarter of 2003. The execution business benefited sequentially from increased client activity as well as strong growth in transition management. Pershing's correspondent clearing business benefited sequentially from higher retail activity which increased billable trades. The increase relative to the fourth quarter of 2003 reflects organic growth in both the execution business and Pershing.

Investor services fees were up \$11 million, or 5%, over the third quarter, and \$29 million, or 14%, from the fourth quarter of 2003. Both sequential and prior year results reflect higher global funds services fees driven by new business wins and a moderate increase in securities lending fees. As of December 31, 2004, assets under custody rose to \$9.7 trillion, from \$8.9 trillion at September 30, 2004 and \$8.3 trillion at December 31, 2003.

Issuer services fees recorded a strong quarter, increasing 6% sequentially and 10% versus the fourth quarter of 2003. The sequential quarter increase reflects strong performance in depositary receipts and modest growth in corporate trust. Depositary receipts benefited primarily from increased cross-border investing, a higher level of corporate actions, and higher dividend activity. Corporate trust activity benefited from continued strength in international issuance and corporate specialty products. The increase versus the fourth quarter of 2003 reflects good organic growth in both corporate trust and depositary receipts.

Broker-dealer services fees declined from \$54 million to \$52 million, as a result of a seasonal slowdown in collateral management activity. However, fees were up 8% versus the fourth quarter of 2003 primarily due to new business in collateral management.

OTHER FOURTH QUARTER DEVELOPMENTS

During the fourth quarter, the Company recorded several gains and charges that in the aggregate reduced reported earnings by 3 cents per share. These items are described in the following table:

(In millions)

Item	Income Statement Caption	Pre-Tax Income	Tax	After-Tax Income
SFAS 13 cumulative lease adjustment - (cross-border rail equipment leases)	Net Interest Income	\$ 89	\$ (37)	\$ 52
Lease adjustment - aircraft leases	Net Interest Income	(10)	4	(6)
	Other Income	3	(1)	2
	Net	(7)	3	(4)
	Provision for Credit Losses	7	(3)	4
Charge for the RW Matter	Other Expense	(30)	8	(22)
Federal tax reserve adjustment related to LILLO exposure	Income Tax	-	(50)	(50)
Total		\$ 59	\$ (79)	\$ (20)
		=====	=====	=====

The first item relates to an after-tax benefit of \$52 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 customers committing to exercising their early buy-out ("EBO") options. The Company's leasing portfolio contained a number of large cross-border leveraged leases in which the lessee had an early buy-out option to purchase the leased assets, generally railcars and related assets. Given a confluence of economic factors, the value of the leased equipment currently exceeds the exercise price of the early buy-out option. During the fourth quarter the Company offered financial incentives to these lessees to accelerate the exercise of their early buy-out options. As a result, several lessees agreed to this proposal, triggering the after-tax \$52 million gain. The gain results from the recognition of lease income over a shorter time frame, since the term of the lease has been shortened to the early buy-out date.

In addition, the Company's net investment in aircraft leases was impacted by a \$4 million after-tax adjustment related to aircraft leased to two airlines. This adjustment reduced the amount required for the aircraft-related allowance for credit losses. The Company recorded a \$7 million reduction in the provision for credit losses which largely reflects release of reserves on the aircraft leases.

Although there can be no assurance that a settlement will be reached, in the fourth quarter of 2004, the Company recorded an after-tax expense of \$22 million in connection with the cost of the anticipated settlement of the RW Matter. This expense is only partially tax deductible.

In December of 2004, the Company had several appellate conferences with the IRS related to the Company's cross-border leveraged lease transactions. Based on these conferences, the Company believes it may be possible to settle the proposed IRS tax adjustments related to the portfolio. However, negotiations are continuing and the matter may still be litigated. Based on a revision to the probabilities and costs assigned to litigation and settlement outcomes, the Company recorded an increased fourth quarter tax expense of \$50 million associated with increasing the tax reserve on these transactions.

NONINTEREST INCOME

(In millions)	4th	3rd	4th	Year-to-date	
	Quarter	Quarter	Quarter	2004	2003
	2004	2004	2003	2004	2003
Servicing Fees					
Securities	\$ 742	\$ 685	\$ 684	\$2,858	\$2,412
Global Payment Services	71	84	76	317	314
	813	769	760	3,175	2,726
Private Client Services and Asset Management Fees	115	113	103	448	384
Service Charges and Fees	98	98	97	385	375
Foreign Exchange and Other Trading Activities	90	67	81	364	327
Securities Gains	18	14	9	78	35
Other	52	49	52	241	159
Total Noninterest Income	\$ 1,186	\$ 1,110	\$ 1,102	\$4,691	\$4,006

Total noninterest income for the fourth quarter of 2004 was \$1,186 million, an increase of 7% sequentially and 8% from a year ago, reflecting stronger performance in securities servicing and foreign exchange and other

trading versus both prior periods as well as higher fees in asset management versus the prior year. Noninterest income for the year ended December 31, 2004 was \$4,691 million, an increase of 17% over the comparable 2003 period. The year 2004 result reflects the full year impact of the Pershing acquisition, the \$48 million pre-tax gain on the sale of a portion of the Company's investment in Wing Hang Bank Limited and the \$19 million gain on four sponsor fund investments recorded in 2004.

Global payment services fees decreased \$13 million, or 15%, compared with the third quarter of 2004 and decreased \$5 million, or 7%, from the fourth quarter of 2003. The sequential decline reflects a shift by clients to using compensating balances to pay for services given the increased value of deposits in a rising interest rate environment. The decline versus the fourth quarter of 2003 reflects higher compensating balances partially offset by new business. Global payment services increased by 1% on a year-to-date basis over 2003.

Private client services and asset management fees for the fourth quarter were up 2% from the prior quarter and 12% from the fourth quarter of 2003. The sequential quarter increase reflects continued growth at Ivy Asset Management and higher fees in private client services. The increase from the fourth quarter of 2003 reflects the same factors involved in the sequential quarter increase as well as higher equity price levels. For the full year 2004, private client and asset management fees increased by \$64 million, or 17%, to \$448 million. Total assets under management were \$102 billion at December 31, 2004, up from \$97 billion at September 30, 2004 and \$89 billion a year ago.

Service charges and fees remained flat from the third quarter of 2004 and increased 1% from the fourth quarter of 2003. Service charges and fees on a full year basis were up 3% over 2003, reflecting higher syndication and advisory fees.

Foreign exchange and other trading revenues increased \$23 million, or 34%, sequentially and \$9 million, or 11%, from the fourth quarter of 2003. The strong sequential performance this quarter reflects renewed interest in cross-border investing and increased volatility in foreign exchange. For the

full year 2004, foreign exchange and other trading activities were up 11% over the year ended December 31, 2003.

Securities gains in the fourth quarter were \$18 million, compared with \$14 million in the third quarter of 2004 and \$9 million in the fourth quarter of 2003. For the year ended December 31, 2004, securities gains were \$78 million, up \$43 million from the year ended December 31, 2003, primarily reflecting improvement in the private equity portfolio including \$19 million of realized gains on four sponsor fund investments in the first quarter of 2004.

Other noninterest income was \$52 million, compared with \$49 million in the prior quarter and \$52 million in the fourth quarter of 2003. For the full year 2004, other noninterest income was \$241 million, an increase of \$82 million from \$159 million for the full year 2003, primarily reflecting the gain on the sale of a portion of the Company's investment in Wing Hang Bank Limited.

NET INTEREST INCOME

(Dollars in millions)	4th	4th	3rd	4th	Year-to-date		
	Quarter	Quarter	Quarter	Quarter	Reported	Core**	Reported
	Reported	Core**	Reported	Reported	Reported	Core**	Reported
	2004	2004	2004	2003	2004	2004	2003
Net Interest Income	\$ 527	\$ 448	\$ 428	\$ 418	\$ 1,645	\$1,711	\$ 1,609
Tax Equivalent Adjustment*	9	9	8	8	30	30	35
Net Interest Income on a Tax Equivalent Basis	\$ 536	\$ 457	\$ 436	\$ 426	\$ 1,675	\$1,741	\$ 1,644
Net Interest Rate Spread	2.26%	1.87%	1.88%	1.92%	1.78%	1.86%	1.97%
Net Yield on Interest Earning Assets	2.64	2.25	2.18	2.16	2.07	2.15	2.22

* See Note (1)

** Excludes SFAS 13 adjustments

Net interest income on a taxable equivalent basis was \$536 million in the fourth quarter of 2004, which reflects a net interest rate spread of 2.26% and a net yield on interest earning assets of 2.64%. Excluding the impact of the SFAS 13 leasing adjustments on the leveraged lease portfolio, net interest income on a taxable equivalent basis was up on a sequential quarter basis to \$457 million, compared with \$436 million in the third quarter of 2004 and \$426

million in the fourth quarter of 2003. On the same basis, the net interest income rate spread was 1.87% in the fourth quarter of 2004, compared with 1.88% in the third quarter of 2004, and 1.92% in the fourth quarter of 2003 while the net yield on interest earning assets was 2.25% in the fourth quarter of 2004, compared with 2.18% in the third quarter of 2004 and 2.16% in the fourth quarter of 2003.

The increase in core net interest income from the third quarter of 2004 is primarily due to the higher value of interest free deposits given the rise in short term rates and an increase in liquid assets. The increase in liquid assets resulted from higher deposit levels reflecting a shift by clients to using compensating balances to pay for services as well as higher activity levels in securities servicing. The increase in core net interest income from the fourth quarter of 2003 reflects the same factors affecting the sequential quarter impact.

For the full year 2004, reported net interest income on a taxable equivalent basis was \$1,675 million, which reflects a net interest rate spread of 1.78% and a net yield on interest earning assets of 2.07%. Excluding the SFAS 13 leasing adjustments on the leveraged lease portfolio, net interest income was \$1,741 million compared with \$1,644 million for the full year 2003, reflecting the full year impact of the Pershing acquisition and the benefit of rising rates. The core year-to-date net interest income spread was 1.86% in 2004 compared with 1.97% in 2003, while the net yield on interest earning assets was 2.15% in 2004 and 2.22% in 2003.

NONINTEREST EXPENSE AND INCOME TAXES

	4th Quarter	3rd Quarter	4th Quarter	Year-to-date	
(In millions)	2004	2004	2003	2004	2003
Salaries and Employee Benefits	\$ 617	\$ 564	\$ 548	\$2,324	\$2,002
Net Occupancy	75	77	70	305	261
Furniture and Equipment	51	51	49	204	185
Clearing	45	39	44	176	154
Sub-custodian Expenses	22	21	21	87	74
Software	43	52	46	193	170
Communications	23	22	24	93	92
Amortization of Intangibles	9	9	7	34	25
Merger and Integration Costs	-	-	48	-	96
Other	212	164	159	706	639
Total Noninterest Expense	\$ 1,097	\$ 999	\$ 1,016	\$4,122	\$3,698
	=====	=====	=====	=====	=====

Noninterest expense for the fourth quarter of 2004 was \$1,097 million, compared with \$999 million in the prior quarter and \$1,016 million in the fourth quarter of 2003. The sequential increase principally reflects higher variable costs associated with revenue growth and higher staffing costs. Fourth quarter of 2004 also included \$30 million of expenses associated with the RW Matter while the fourth quarter of 2003 results included \$48 million of merger and integration costs related to the Pershing acquisition.

Salaries and employee benefits expense for the fourth quarter was up 9% to \$617 million on a sequential quarter basis, reflecting higher costs associated with new business conversions, increased staffing in key growth areas, and higher compensation tied to performance.

Clearing expenses were up 15% sequentially reflecting higher levels of business activity. Other expenses increased by \$48 million sequentially including \$30 million of expenses associated with the RW Matter and an additional \$18 million primarily related to higher costs for legal, consulting, and employment agencies tied to hiring as well as an increase in travel expenses.

For the year ended December 31, 2004, noninterest expense was \$4,122 million in 2004, up 11% compared to \$3,698 million in 2003. Noninterest expense in 2004 includes lease termination and severance costs of \$18 million recognized in the first quarter and expenses associated with the RW Matter of \$30 million recognized in the fourth quarter. In 2003, merger and integration costs related to the Pershing acquisition and the GMAC settlement costs aggregated \$174 million. Noninterest expense for the full year 2004 also

reflects the full year impact of the Pershing acquisition, higher stock option expense, a lower pension credit, the upfront expenses associated with the implementation of cost reduction initiatives, higher volume related sub-custodian and clearing expenses and higher technology and business continuity spending.

The effective tax rate for the fourth quarter of 2004 was 43.7%, compared to 34.3% in the third quarter of 2004 and 34.6% in the fourth quarter of 2003. The effective tax rate for the year ended December 31, 2004 was 34.5%, compared with 34.3% for the year ended December 31, 2003. For the quarter and full year 2004, the increase in the effective tax rate reflects the net of the increase in the tax reserve related to LILo exposures and the impact of the SFAS 13 leasing adjustments.

BALANCE SHEET RETURN AND CAPITAL RATIOS

Total assets were \$94.5 billion at December 31, 2004, compared with \$93.2 billion at September 30, 2004, and \$92.4 billion at December 31, 2003. The increase in assets from September 30, 2004 reflects an increase in client activity during the quarter, which resulted in a higher level of deposits and liquid investments. Total shareholders' equity increased to \$9.3 billion at December 31, 2004, compared with \$9.1 billion at September 30, 2004, and \$8.4 billion at December 31, 2003. The increase in shareholders' equity from the prior quarter reflects the retention of earnings partially offset by a decline in the securities valuation allowance. The major reason for the increase in shareholders' equity from a year ago is the retention of earnings.

Return on average common equity for the fourth quarter of 2004 was 15.34%, compared with 15.90% in the third quarter of 2004, and 14.81% in the fourth quarter of 2003. Return on average assets for the fourth quarter of 2004 was 1.40%, compared with 1.45% in the third quarter of 2004, and 1.26% in the fourth quarter of 2003. For the year 2004, return on average common equity was 16.37% compared with 15.12% in 2003, while return on average assets was 1.45% compared with 1.27% in 2003.

The Company's estimated regulatory Tier 1 capital and Total capital ratios were 8.28% and 12.25% at December 31, 2004, compared with 8.09% and 12.09% at September 30, 2004, and 7.44% and 11.49% at December 31, 2003. The regulatory leverage ratio was 6.41% at December 31, 2004, compared with 6.38%

at September 30, 2004, and 5.82% at December 31, 2003. The Company's tangible common equity as a percentage of total assets was 5.57% at December 31, 2004, up from 5.49% at September 30, 2004 reflecting retained earnings partially offset by a decrease in the mark-to-market on the investment portfolio.

CREDIT LOSS PROVISION AND NET CHARGE-OFFS

(In millions)	4th	3rd	4th	Year-to-date	
	Quarter	Quarter	Quarter	2004	2003
	2004	2004	2003	2004	2003
Provision	\$ (7)	\$ -	\$ 35	\$ 15	\$ 155
Net Charge-offs:					
Commercial	\$ (1)	\$ (4)	\$ (24)	\$ (22)	\$ (109)
Foreign	2	(9)	(7)	(24)	(25)
Other	(8)	(1)	(5)	(9)	(20)
Consumer	(5)	(5)	(12)	(28)	(28)
Total	\$ (12)	\$ (19)	\$ (48)	\$ (83)	\$ (182)
Other Real Estate Expenses	\$ -	\$ -	\$ -	\$ -	\$ -

The Company recorded a \$7 million credit to the provision in the fourth quarter of 2004, compared to no provision in the third quarter of 2004 and \$35 million in the fourth quarter of 2003. The fourth quarter 2004 provision includes a credit of \$7 million primarily due to the reduction in exposure associated with the restructuring of a lease to a bankrupt airline. For the full year 2004, the provision was \$15 million compared with \$155 million in 2003. The lower provision compared with the 2003 periods reflects the Company's improved asset quality and a stronger credit environment. Nonperforming assets and charge-offs have declined, borrower ratings have improved, and large exposures have been reduced.

The allowance for credit losses was \$736 million at December 31, 2004, \$756 million at September 30, 2004, and \$804 million at December 31, 2003. The allowance for credit losses as a percent of non-margin loans were 2.48% at December 31, 2004, compared with 2.42% at September 30, 2004, and 2.72% at December 31, 2003.

(Dollars in millions)	December 31, 2004	September 30, 2004	December 31, 2003
	-----	-----	-----
Margin Loans	\$ 6,059	\$ 5,911	\$ 5,712
Non-Margin Loans	29,722	31,208	29,571
Total Loans	35,781	37,119	35,283
Allowance for Loan Losses	591	598	668
Allowance for Lending-Related Commitments	145	158	136
Total Allowance for Credit Losses*	736	756	804
Allowance for Loan Losses As a Percent of Total Loans	1.65%	1.61%	1.89%
Allowance for Loan Losses As a Percent of Non-Margin Loans	1.99	1.92	2.26
Allowance for Credit Losses As a Percent of Total Loans	2.06	2.04	2.28
Allowance for Credit Losses As a Percent of Non-Margin Loans	2.48	2.42	2.72

* See Note (2)

NONPERFORMING ASSETS

(Dollars in millions)	12/31/04	9/30/04	Change 12/31/04 vs. 9/30/04
	-----	-----	-----
Loans:			
Commercial	\$ 132	\$ 209	\$ (77)
Foreign	28	27	1
Other	53	50	3
Total Nonperforming Loans	213	286	(73)
Other Real Estate	1	1	-
Total Nonperforming Assets	\$ 214	\$ 287	\$ (73)
	=====	=====	=====
Nonperforming Assets Ratio	0.7%	0.9%	
Allowance for Loan Losses/Nonperforming Loans	277.5	209.0	
Allowance for Loan Losses/Nonperforming Assets	276.5	208.1	
Allowance for Credit Losses/Nonperforming Loans	345.6	264.4	
Allowance for Credit Losses/Nonperforming Assets	344.3	263.3	

Nonperforming assets declined by \$73 million, or 25%, during the fourth quarter to \$214 million and are down 39% from a year ago. The sequential quarter decrease reflects the sale of \$43 million of loans to the operating subsidiaries of a major cable company as well as charge-offs and paydowns of domestic loans. The ratio of the allowance for credit losses to nonperforming assets increased to 344.3% at December 31, 2004, compared with 263.3% at September 30, 2004, and 230.2% at December 31, 2003.

OTHER FULL YEAR 2004 DEVELOPMENTS

In 2004, the Company recorded several gains and charges that in the aggregate reduced reported earnings by 3 cents per share. These items were recorded in the first and fourth quarters of 2004 and are summarized in the table below. A fuller description of the first quarter items is included in Note 3.

(In millions)

Item	Applicable Quarter	Income Statement Caption	Pre-Tax Income	Tax	After-Tax Income
Net Interest Income					
SFAS 13 cumulative lease adjustment - (leasing portfolio)	First	Net Interest Income	\$ (145)	\$ 113	\$ (32)
SFAS 13 cumulative lease adjustment - (cross-border rail equipment leases)	Fourth	Net Interest Income	89	(37)	52
lease adjustment - aircraft leases	Fourth	Net Interest Income	(10)	4	(6)
Subtotal-Net Interest Income			(66)	80	14
Aircraft leases/other	Fourth	Provision for Credit Losses	7	(3)	4
Subtotal-Net Interest Income After Provision for Credit Losses			(59)	77	18
Noninterest Income					
Aircraft leases	Fourth	Other Income	3	(1)	2
Gain on sale of Wing Hang	First	Other Income	48	(21)	27
Gain on sponsor fund investments	First	Securities Gains	19	(7)	12
Subtotal-Noninterest Income			70	(29)	41
Noninterest Expense					
Charge for the RW Matter	Fourth	Other Expense	(30)	8	(22)
Severance tied to relocations	First	Salaries and Employee Benefits	(10)	4	(6)
Lease terminations	First	Net Occupancy	(8)	3	(5)
Subtotal-Noninterest Expense			(48)	15	(33)
Federal tax reserve adjustment related to LILLO exposure	Fourth	Income Tax	-	(50)	(50)
Total			\$ (37)	\$ 13	\$ (24)

ADDITIONAL 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 10:00 am ET. The presentation will be accessible from the Company's website at www.bankofny.com/earnings and also by telephone at (888)790-0319 within the United States or (610)769-3531 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 (866) 485-0038 within the United States or (203)369-1610 internationally.

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

Notes:

(1) 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.

(2) The Company adopts new accounting policies as they become accepted as a best practice or required by generally accepted accounting principles. Accordingly, at December 31, 2003, the Company split its allowance for credit losses into an allowance for loan losses and an allowance for lending-related commitments such as unfunded loan commitments and standby letters of credit. This resulted in a decrease in the allowance for loan losses of \$136 million and a corresponding increase in other liabilities (which includes the allowance for lending-related commitments). Prior period balance sheets have been restated. Credit expenses related to the allowance for loan losses and the allowance for lending-related commitments are reported in the provision for credit losses in the income statement. To aid in the comparison of the Company's results with other companies that have not yet adopted this

practice, the Company provides various credit ratios based both on the allowance for credit losses and the allowance for loan losses.

(3) A description of Other First Quarter Developments follows:

(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.

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 activity, changes in customer credit quality, 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 2003 Form 10-K and Third Quarter 2004 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 which have changed after a forward looking statement was made.

(Financial highlights and detailed financial statements are attached.)

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

	December 31, 2004 -----	September 30, 2004 -----	December 31, 2003 -----
<u>Quarter</u>			
Revenue (tax equivalent basis)	\$ 1,977	\$ 1,747	\$ 1,694
Net Income	351	354	307
Basic EPS	0.45	0.46	0.40
Diluted EPS	0.45	0.46	0.40
Cash Dividends Per Share	0.20	0.20	0.19
Return on Average Common Shareholders' Equity	15.34%	15.90%	14.81%
Return on Average Assets	1.40	1.45	1.26
Efficiency Ratio	64.4	65.2	66.9
<u>Year-to-date</u>			
Revenue (tax equivalent basis)	\$ 7,174	\$ 5,197	\$ 6,371
Net Income	1,440	1,089	1,157
Basic EPS	1.87	1.41	1.54
Diluted EPS	1.85	1.40	1.52
Cash Dividends Per Share	0.79	0.59	0.76
Return on Average Common Shareholders' Equity	16.37%	16.73%	15.12%
Return on Average Assets	1.45	1.47	1.27
Efficiency Ratio	65.5	66.0	65.8
Assets	\$ 94,534	\$ 93,175	\$ 92,397
Loans	35,781	37,119	35,283
Securities	23,808	23,147	22,807
Deposits - Domestic	35,558	34,786	33,730
- Foreign	23,163	23,654	22,676
Long-Term Debt	5,821	6,137	6,121
Common Shareholders' Equity	9,293	9,054	8,428
Common Shareholders' Equity Per Share	\$ 11.94	\$ 11.66	\$ 10.85
Market Value Per Share of Common Stock	33.42	29.17	33.12
Allowance for Loan Losses as a Percent of Total Loans	1.65%	1.61%	1.89%
Allowance for Loan Losses as a Percent of Non-Margin Loans	1.99	1.92	2.26
Allowance for Credit Losses as a Percent of Total Loans	2.06	2.04	2.28
Allowance for Credit Losses as a Percent of Non-Margin Loans	2.48	2.42	2.72
Tier 1 Capital Ratio	8.28	8.09	7.44
Total Capital Ratio	12.25	12.09	11.49
Leverage Ratio	6.41	6.38	5.82
Tangible Common Equity Ratio	5.57	5.49	4.91
Employees	23,363	23,034	22,901
Assets Under Custody (In trillions)			
Total Assets Under Custody	\$ 9.7	\$ 8.9	\$ 8.3
Equity Securities	35 %	33%	34%
Fixed Income Securities	65	67	66
Cross-Border Assets Under Custody	\$ 2.7	\$ 2.5	\$ 2.3
Assets Under Administration (In billions)	\$ 33	\$ 31	\$ 32
Assets Under Management (In billions)			
Total Assets Under Management	102	97	89
Equity Securities	36%	35%	34%
Fixed Income Securities	21	21	22
Alternative Investments	15	15	10
Liquid Assets	28	29	34

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

	For the three months ended December 31,		For the year ended December 31,	
	2004	2003	2004	2003
<u>Interest Income</u>				
Loans	\$ 401	\$ 283	\$ 1,080	\$ 1,187
Margin loans	48	32	156	86
Securities				
Taxable	197	174	741	651
Exempt from Federal Income Taxes	11	11	40	48
	208	185	781	699
Deposits in Banks	81	41	305	150
Federal Funds Sold and Securities Purchased				
Under Resale Agreements	27	17	80	79
Trading Assets	17	26	51	129
	782	584	2,453	2,330
<u>Interest Expense</u>				
Deposits	164	110	548	507
Federal Funds Purchased and Securities Sold				
Under Repurchase Agreements	6	3	15	13
Other Borrowed Funds	25	8	52	21
Customer Payables	19	11	57	30
Long-Term Debt	41	34	136	150
	255	166	808	721
Net Interest Income	527	418	1,645	1,609
Provision for Credit Losses	(7)	35	15	155
Net Interest Income After Provision for Credit Losses	534	383	1,630	1,454
<u>Noninterest Income</u>				
Servicing Fees				
Securities	742	684	2,858	2,412
Global Payment Services	71	76	317	314
	813	760	3,175	2,726
Private Client Services and Asset Management Fees	115	103	448	384
Service Charges and Fees	98	97	385	375
Foreign Exchange and Other Trading Activities	90	81	364	327
Securities Gains	18	9	78	35
Other	52	52	241	159
	1,186	1,102	4,691	4,006
<u>Noninterest Expense</u>				
Salaries and Employee Benefits	617	548	2,324	2,002
Net Occupancy	75	70	305	261
Furniture and Equipment	51	49	204	185
Clearing	45	44	176	154
Sub-custodian Expenses	22	21	87	74
Software	43	46	193	170
Communications	23	24	93	92
Amortization of Intangibles	9	7	34	25
Merger and Integration Costs	-	48	-	96
Other	212	159	706	639
	1,097	1,016	4,122	3,698
Income Before Income Taxes	623	469	2,199	1,762
Income Taxes	272	162	759	605
Net Income	\$ 351	\$ 307	\$ 1,440	\$ 1,157
<u>Per Common Share Data:</u>				
Basic Earnings	\$ 0.45	\$ 0.40	\$ 1.87	\$ 1.54
Diluted Earnings	0.45	0.40	1.85	1.52
Cash Dividends Paid	0.20	0.19	0.79	0.76
Diluted Shares Outstanding	780	776	778	759

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

	December 31, 2004	December 31, 2003
	-----	-----
Assets		
Cash and Due from Banks	\$ 3,886	\$ 3,843
Interest-Bearing Deposits in Banks	8,192	8,286
Securities		
Held-to-Maturity	1,886	261
Available-for-Sale	21,922	22,546
Total Securities	23,808	22,807
Trading Assets at Fair Value	4,627	5,406
Federal Funds Sold and Securities Purchased		
Under Resale Agreements	5,708	4,829
Loans (less allowance for loan losses of \$591 in 2004 and \$668 in 2003)	35,190	34,615
Premises and Equipment	1,097	1,079
Due from Customers on Acceptances	137	170
Accrued Interest Receivable	285	214
Goodwill	3,477	3,276
Intangible Assets	793	816
Other Assets	7,334	7,056
Total Assets	\$ 94,534	\$ 92,397
	=====	=====
Liabilities and Shareholders' Equity		
Deposits		
Noninterest-Bearing (principally domestic offices)	\$ 17,442	\$ 14,789
Interest-Bearing		
Domestic Offices	18,692	19,282
Foreign Offices	22,587	22,335
Total Deposits	58,721	56,406
Federal Funds Purchased and Securities		
Sold Under Repurchase Agreements	1,205	1,039
Trading Liabilities	2,873	2,519
Payables to Customers and Broker-Dealers	8,664	10,192
Other Borrowed Funds	833	834
Acceptances Outstanding	139	172
Accrued Taxes and Other Expenses	4,454	4,256
Accrued Interest Payable	113	82
Other Liabilities (including allowance for lending-related commitments of \$145 in 2004 and \$136 in 2003)	2,418	2,348
Long-Term Debt	5,821	6,121
Total Liabilities	85,241	83,969
	-----	-----
Shareholders' Equity		
Class A Preferred Stock - par value \$2.00 per share, authorized 5,000,000 shares, outstanding 3,000 shares in 2004 and 3,000 shares in 2003	-	-
Common Stock-par value \$7.50 per share, authorized 2,400,000,000 shares, issued 1,044,841,603 shares in 2004 and 1,039,968,482 shares in 2003	7,836	7,800
Additional Capital	1,790	1,647
Retained Earnings	6,162	5,330
Accumulated Other Comprehensive Income	(3)	72
Total Shareholders' Equity	15,785	14,849
	-----	-----
Less: Treasury Stock (266,720,629 shares in 2004 and 264,649,827 shares in 2003), at cost	6,492	6,420
Loan to ESOP (126,960 shares in 2003), at cost	-	1
Total Shareholders' Equity	9,293	8,428
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 94,534	\$ 92,397
	=====	=====

Note: The balance sheet at December 31, 2003 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 December 31, 2004			For the three months ended December 31, 2003		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$10,825	\$ 81	2.99%	\$ 7,605	\$ 41	2.12%
Federal Funds Sold and Securities						
Purchased Under Resale Agreements	5,364	27	2.03	7,124	17	0.97
Margin Loans	6,378	48	2.98	5,758	32	2.18
Loans						
Domestic Offices	22,766	316	5.52	21,449	212	3.93
Foreign Offices	10,234	86	3.33	10,096	71	2.77
Non-Margin Loans	33,000	402	4.84	31,545	283	3.56
Securities						
U.S. Government Obligations	291	2	3.08	444	3	2.31
U.S. Government Agency Obligations	3,550	31	3.47	4,319	36	3.30
Obligations of States and Political Subdivisions	209	4	8.01	274	4	6.29
Other Securities	19,308	178	3.69	17,220	150	3.48
Trading Securities	1,962	18	3.56	4,019	26	2.59
Total Securities	25,320	233	3.68	26,276	219	3.32
Total Interest-Earning Assets	80,887	791	3.89%	78,308	592	2.99%
Allowance for Credit Losses	(595)			(821)		
Cash and Due from Banks	3,759			2,861		
Other Assets	15,916			16,117		
TOTAL ASSETS	\$99,967			\$96,465		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 6,648	\$ 17	1.04%	\$ 7,049	\$ 12	0.68%
Savings	9,095	18	0.80	9,142	16	0.71
Certificates of Deposit \$100,000 & Over	3,285	17	2.02	3,518	12	1.32
Other Time Deposits	919	4	1.62	1,224	4	1.35
Foreign Offices	25,410	108	1.70	24,302	66	1.07
Total Interest-Bearing Deposits	45,357	164	1.44	45,235	110	0.96
Federal Funds Purchased and Securities Sold Under Repurchase Agreements						
	1,407	6	1.58	1,756	3	0.72
Other Borrowed Funds	3,588	25	2.82	2,084	8	1.43
Payables to Customers and Broker-Dealers						
	5,886	19	1.26	6,274	11	0.70
Long-Term Debt	6,082	41	2.63	6,179	34	2.19
Total Interest-Bearing Liabilities	62,320	255	1.63%	61,528	166	1.07%
Noninterest-Bearing Deposits						
	15,659			13,646		
Other Liabilities						
	12,892			13,079		
Common Shareholders' Equity						
	9,096			8,212		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$99,967			\$96,465		
Net Interest Earnings and Interest Rate Spread						
		\$ 536	2.26%	\$ 426		1.92%
Net Yield on Interest-Earning Assets						
			2.64%			2.16%

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

	For the year ended December 31, 2004			For the year ended December 31, 2003		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$11,675	\$ 305	2.62%	\$ 6,690	\$ 150	2.24%
Federal Funds Sold and Securities						
Purchased Under Resale Agreements	6,562	80	1.22	7,326	79	1.07
Margin Loans	6,342	156	2.46	3,795	86	2.27
Loans						
Domestic Offices	21,853	799	3.65	20,458	855	4.18
Foreign Offices	9,583	283	2.95	11,370	332	2.93
Non-Margin Loans	31,436	1,082	3.44	31,828	1,187	3.73
Securities						
U.S. Government Obligations	415	11	2.58	323	10	3.12
U.S. Government Agency Obligations	3,853	128	3.33	3,516	129	3.66
Obligations of States and Political Subdivisions	229	17	7.41	329	23	6.94
Other Securities	18,455	652	3.53	15,682	571	3.64
Trading Securities	2,094	52	2.50	4,605	130	2.81
Total Securities	25,046	860	3.43	24,455	863	3.53
Total Interest-Earning Assets	81,061	2,483	3.06%	74,094	2,365	3.19%
Allowance for Credit Losses	(623)			(825)		
Cash and Due from Banks	3,151			2,834		
Other Assets	15,751			15,211		
TOTAL ASSETS	\$99,340			\$91,314		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 6,648	\$ 54	0.81%	\$ 7,381	\$ 60	0.82%
Savings	9,224	65	0.71	9,014	71	0.78
Certificates of Deposit						
\$100,000 & Over	3,706	55	1.49	4,179	65	1.56
Other Time Deposits	955	15	1.57	1,257	20	1.55
Foreign Offices	25,757	359	1.39	24,114	291	1.21
Total Interest-Bearing Deposits	46,290	548	1.18	45,945	507	1.10
Federal Funds Purchased and Securities Sold Under Repurchase Agreements						
	1,551	15	0.99	1,542	13	0.85
Other Borrowed Funds	2,699	52	1.94	1,654	21	1.26
Payables to Customers and Broker-Dealers						
	6,361	57	0.89	3,945	30	0.75
Long-Term Debt	6,128	136	2.19	6,103	150	2.45
Total Interest-Bearing Liabilities	63,029	808	1.28%	59,189	721	1.22%
Noninterest-Bearing Deposits						
	14,766			12,670		
Other Liabilities						
	12,748			11,801		
Common Shareholders' Equity						
	8,797			7,654		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$99,340			\$91,314		
Net Interest Earnings and Interest Rate Spread						
		\$ 1,675	1.78%		\$ 1,644	1.97%
Net Yield on Interest-Earning Assets						
			2.07%			2.22%