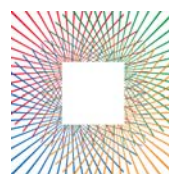


news release



The **BANK**
of **NEW YORK**[™]

For Immediate Release

**THE BANK OF NEW YORK COMPANY, INC. REPORTS
18% INCREASE IN FOURTH QUARTER EARNINGS PER SHARE;
POSITIVE CORE OPERATING LEVERAGE AND
STRONG GROWTH IN SECURITIES SERVICING REVENUE AND NET INTEREST INCOME**

NEW YORK, N.Y., January 18, 2006 -- The Bank of New York Company, Inc. (NYSE: BK) reported today fourth quarter net income of \$405 million compared with \$351 million in the year-ago quarter and diluted earnings per share of 53 cents, up 18% over the 45 cents earned in the fourth quarter of 2004. Third quarter 2005 earnings were \$389 million and 51 cents. Full-year 2005 net income was \$1,571 million compared to \$1,440 million in 2004 while diluted earnings per share was up 10% to \$2.03 from \$1.85 in 2004. Reported EPS reflects a reduction of 3 cents for the fourth quarter 2004 and full-year 2004 due to items detailed in Note 1.

Performance Highlights

- Positive core operating leverage over year-ago and sequential quarters. See Note 4.
- Securities servicing fees up 10% versus the year-ago quarter and on a full-year basis. The growth was led by strong performance in investor, issuer and broker-dealer services.
- Strong net interest income, driven by the Company's sound interest rate positioning and strong liquidity generated by its core servicing businesses.
- Foreign exchange and other trading revenues up 10% from the year-ago quarter.
- Private client services and asset management revenues were up 10% from the year-ago quarter.

Chairman and Chief Executive Officer Thomas A. Renyi stated, "Our fourth quarter and full-year results reflect the accelerating earnings power of our franchise. We are achieving double-digit revenue growth in many of our key business lines and are positioned to generate positive operating leverage on a consistent basis – a primary goal for us.

We have good momentum entering 2006 and continue to position our Company for long-term growth and success. During 2005 we formed strategic alliances to penetrate faster-growing markets in France, Germany, the Nordic and Baltic region, Japan, Australia, and India. We also continued to expand our market presence in high-growth areas such as hedge fund servicing and collateral management, while extending our capabilities in the rapidly growing area of alternative investments. Through these initiatives, our strengthened marketing programs, and the gains we are making in service quality and client-focused technology, we will create new growth opportunities in the year ahead."

SECURITIES SERVICING FEES

(In millions)	4Q05	3Q05	4Q04	Percent Inc/(Dec)		Year-to-date		Percent Inc/ (Dec)
				4Q05 vs. 3Q05	4Q05 vs. 4Q04	2005	2004	
Execution and Clearing Services	\$ 321	\$ 314	\$ 301	2 %	7 %	\$ 1,222	\$ 1,145	7 %
Investor Services	265	265	240	-	10	1,060	924	15
Issuer Services	171	170	150	1	14	639	583	10
Broker-Dealer Services	58	57	50	2	16	227	205	11
Securities Servicing Fees	<u>\$ 815</u>	<u>\$ 806</u>	<u>\$ 741</u>	1	10	<u>\$ 3,148</u>	<u>\$ 2,857</u>	10

Double-digit securities servicing fee growth over the fourth quarter and full-year 2004 periods reflects solid growth across all businesses. On a sequential-quarter basis, fees were marginally higher, reflecting modest growth in execution & clearing, issuer services, and broker-dealer services.

Execution and clearing fees increased from both the fourth quarter and full-year 2004, reflecting organic growth at Pershing and in the execution businesses as well as the additional revenues from the LJR acquisition. Pershing's revenues were up on a sequential basis, while the execution business also improved reflecting higher activity levels and continued strength in transition management. The execution and clearing businesses include institutional agency brokerage, electronic trading, transition management services, independent research and, through Pershing, correspondent clearing services such as clearing, execution, financing, and custody for introducing broker-dealers.

Investor services fees rose significantly from the year-ago quarter due to strong performance in key business lines. Global and domestic fund services and custody were favorably impacted by new customer wins and strong organic growth, while securities lending improved year-over-year due to higher loan volumes driven by new business wins as well as a favorable spread environment. Sequential performance reflects solid results across most businesses offset by the impact of business lost through client consolidation. Investor services includes global fund services, global custody, securities lending, global liquidity services and outsourcing.

Issuer services fees increased versus the year-ago periods due to higher levels of trading activity and greater corporate actions in depositary receipts, as well as continued strength in international issuance and structured products in corporate trust. The sequential quarter increase from the strong third quarter reflects higher depositary receipt revenue resulting from a greater number of corporate actions and strong investment flows into the international markets, which drove increased depositary receipt issuance. In corporate trust, growth was led by fees from international issuance.

Broker-dealer services fees improved versus the year-ago periods as a result of increased collateral management activity and greater volumes in government securities clearance. Sequential performance improved due to higher fees in collateral management.

NONINTEREST INCOME

(In millions)	4Q05	3Q05	4Q04	Percent Inc/(Dec)		Year-to-date		Percent Inc/ (Dec)
				4Q05 vs. 3Q05	4Q05 vs. 4Q04	2005	2004	
Servicing Fees								
Securities	\$ 815	\$ 806	\$ 741	1 %	10 %	\$ 3,148	\$ 2,857	10 %
Global Payment Services	68	75	72	(9)	(6)	294	319	(8)
	883	881	813	-	9	3,442	3,176	8
Private Client Services and Asset Management Fees								
	127	120	115	6	10	490	448	9
Service Charges and Fees								
	94	93	98	1	(4)	382	384	(1)
Foreign Exchange and Other Trading Activities								
	99	93	90	6	10	391	364	7
Securities Gains								
	18	15	18	20	-	68	78	(13)
Other*								
	53	46	42	15	26	183	200	(9)
Total Noninterest Income	<u>\$ 1,274</u>	<u>\$ 1,248</u>	<u>\$ 1,176</u>	2	8	<u>\$ 4,956</u>	<u>\$ 4,650</u>	7

* See Note (3).

The increase in noninterest income versus the fourth quarter and year-to-date periods of 2004 reflects broadly stronger performance in securities servicing, foreign exchange and other trading, and private client services and asset management. The sequential increase in noninterest income primarily reflects increases in foreign exchange and other trading, private client services and asset management, and other income.

Global payment services fees decreased from the fourth quarter and full-year of 2004 and on a sequential-quarter basis. The declines reflect customers choosing to pay with higher compensating balances, which benefits net interest income. On an invoiced services basis, total revenue was up 3% over the fourth quarter of 2004 and 5% for the full year.

Private client services and asset management fees for the fourth quarter were up from the fourth quarter of 2004 reflecting higher fees at the Company's asset management subsidiaries including Gannett, Welsh and Kotler, Estabrook, and Ivy Asset Management. The sequential quarter increase reflects growth in private banking fees and in revenue at Ivy Asset Management. Total assets under management were \$105 billion, up from \$102 billion a year ago and marginally lower from \$106 billion at September 30, 2005.

Service charges and fees were down from the fourth quarter of 2004 and were up slightly from the third quarter of 2005. Full year service charges and fees decreased slightly from 2004 due to lower retail transaction fees. The sequential quarter increase reflects higher loan syndication fees.

Foreign exchange and other trading revenues were up significantly from the fourth quarter of 2004 and on a sequential-quarter basis. The positive variances result from higher client activity in foreign exchange as well as improved results in interest rate derivatives. The increase in the year 2005 compared with 2004 was due to higher customer-driven foreign exchange and increased interest rate derivative trading, partially offset by weaker trading results at Pershing.

Securities gains in the fourth quarter were flat from the fourth quarter of 2004 and were up compared with the third quarter of 2005. The sequential quarter increase reflects higher gains in the Company's sponsor fund portfolio. For the year ended December 31, 2005, securities gains declined versus a year ago, reflecting \$19 million of realized gains on four sponsor fund investments recorded in the first quarter of 2004. See Note 1.

Other noninterest income increased versus the fourth quarter of 2004 and the third quarter of 2005. The fourth quarter of 2005 included the sale of a building for a \$10 million pre-tax gain and four New York Stock Exchange seats for a \$6 million pre-tax gain. On a year-to-date basis, other noninterest income included a \$17 million gain on the second quarter 2005 sale of the Company's interest in Financial Models Company, Inc., a \$12 million gain on the sale of certain Community Reinvestment Act investments in the third quarter, a \$12 million gain on the sale of eight New York Stock Exchange seats in the third and fourth quarters and the above gain on the sale of a building. For the year ended December 31, 2005, other noninterest income was down from the year ended December 31, 2004, primarily reflecting a 2004 pre-tax gain of \$48 million on the sale of a portion of the Company's investment in Wing Hang Bank Limited. See Note 1.

NET INTEREST INCOME

(Dollars in millions)	4Q05	3Q05	4Q04 Reported	4Q04 Core**	Percent Inc/ (Dec)			Year-to-date			Percent Inc/ (Dec)	
					4Q05 vs. 3Q05	4Q05 vs. 4Q04	4Q05 vs. 4Q04	2005	2004 Reported	2004 Core**	2005	2004 Reported
Net Interest Income	\$ 492	\$ 492	\$ 527	\$ 448	- %	(7) %	10 %	\$ 1,909	\$ 1,645	\$ 1,711	16 %	12 %
Tax Equivalent Adjustment*	7	8	9	9				29	30	30		
Net Interest Income on a Tax Equivalent Basis	<u>\$ 499</u>	<u>\$ 500</u>	<u>\$ 536</u>	<u>\$ 457</u>	-	(7)	9	<u>\$ 1,938</u>	<u>\$ 1,675</u>	<u>\$ 1,741</u>	16	11
Net Interest Rate Spread	1.71 %	1.84 %	2.26 %	1.87 %				1.83 %	1.78 %	1.86 %		
Net Yield on Interest Earning Assets	2.35	2.42	2.64	2.25				2.36	2.07	2.15		

* See Note (2).

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

Net interest income on a reported basis decreased on a year-over-year quarterly basis reflecting the leasing adjustment recorded in the fourth quarter of 2004. See Note 1. On a core basis, net interest income increased over the fourth quarter and year 2004 reflecting strong liquidity generated by the Company's securities servicing businesses and sound interest rate positioning. Net interest income was flat on a sequential quarter basis, reflecting higher earning assets offset by the aggregate \$14 million impact of a cumulative adjustment in the Company's reserve position with the Federal Reserve and the interest impact of depositing funds with the IRS related to the anticipated LILO settlement. The fourth quarter 2005 compared to the third quarter had lower interest income related to nonperforming assets.

NONINTEREST EXPENSE AND INCOME TAXES

(In millions)	4Q05	3Q05	4Q04	Percent Inc/(Dec)		Year-to-date		Percent Inc/(Dec)
				4Q05 vs. 3Q05	4Q05 vs. 4Q04	2005	2004	
Salaries and Employee Benefits	\$ 647	\$ 644	\$ 617	- %	5 %	\$ 2,549	\$ 2,324	10 %
Net Occupancy	84	79	75	6	12	323	305	6
Furniture and Equipment	53	52	51	2	4	208	204	2
Clearing	50	49	45	2	11	187	176	6
Sub-custodian Expenses	24	25	22	(4)	9	96	87	10
Software	53	54	43	(2)	23	215	193	11
Communications	26	24	23	8	13	95	93	2
Amortization of Intangibles	12	10	9	20	33	40	34	18
Other	199	198	212	1	(6)	770	706	9
Total Noninterest Expense	<u>\$ 1,148</u>	<u>\$ 1,135</u>	<u>\$ 1,097</u>	1	5	<u>\$ 4,483</u>	<u>\$ 4,122</u>	9

Noninterest expense was up compared with the fourth quarter of 2004 and the third quarter of 2005. The increase versus the year-ago quarter reflects increased staffing and clearing costs associated with new business and acquisitions, as well as higher pension and option expenses, expanded occupancy costs associated with business continuity, and higher legal costs. Other expenses in the 2004 fourth quarter included the \$30 million reserve associated with the RW Leasing matter.

Relative to the year-ago quarter, salaries rose 2% as tight headcount control and reengineering and relocation projects offset the impact of business wins, acquisitions and additional legal and compliance personnel. Benefit expense increased due to higher stock options, pension, medical, and incentive payments. Salaries and employee benefits expense for the fourth quarter increased slightly on a sequential quarter basis, reflecting higher incentive compensation as well as increased medical costs. For the full-year 2005, salaries and employee benefit expense also was higher compared to the full-year 2004, reflecting many of these same factors affecting the year-over-year quarterly comparison.

Occupancy expenses were up sequentially reflecting the costs associated with the Company's new out-of-region data center in the mid-south region of the U.S. and the growth center in Manchester, England. On an annual basis, occupancy expenses were up from 2004, primarily reflecting the same factors affecting the sequential quarter comparison as well as higher energy costs. Occupancy expense in 2004 included lease termination expenses of \$8 million recorded in the first quarter of 2004.

The increase in clearing expenses in the year-over-year periods reflects higher expenses associated with acquisitions within the execution business.

On a sequential-quarter basis, other expenses in the fourth quarter of 2005 increased due to higher costs for legal, seasonal travel, and employment agencies tied to hiring. On a year-to-date basis, other expenses included \$14 million (both pre- and after-tax) of expenses set aside for the settlement of the previously disclosed Russian funds transfer matter in the third quarter of 2005,

while the second quarter included \$10 million (\$7 million after-tax) for the potential settlement of certain regulatory matters. In the fourth quarter of 2004, other expenses included \$30 million (\$22 million after-tax) of expenses accrued for the settlement of the RW Leasing matter.

The effective tax rate for the fourth quarter of 2005 was 33.3%, compared to 42.8% in the fourth quarter of 2004 and 34.7% in the third quarter of 2005. The effective tax rate for the year ended December 31, 2005, was 33.6%, compared with 33.3% for the year ended December 31, 2004. The decrease from the fourth quarter of 2004 primarily reflects the expensing in 2004 of the potential LIFO settlement. The sequential quarter decrease principally reflects the impact on the third quarter of 2005 of the non-deductibility of the amount associated with the settlement referenced above and the tax impact on the sale of the CRA investments. The increase in the year 2005 compared with 2004 is due to higher state and local income taxes. The effective tax rates in all periods reflect a reclassification related to Section 42 tax credits. See Note 3.

CREDIT LOSS PROVISION AND NET CHARGE-OFFS

(In millions)	4Q05	3Q05	4Q04	Year-to-date	
				2005	2004
Provision	\$ 10	\$ 10	\$ (7)	\$ 15	\$ 15
Net Charge-offs:					
Commercial	\$ (139)	\$ (2)	\$ (1)	\$ (143)	\$ (22)
Foreign	(1)	(2)	2	(7)	(24)
Regional Commercial	(3)	(3)	(8)	(9)	(9)
Consumer	(8)	(6)	(5)	(27)	(28)
Total	\$ (151)	\$ (13)	\$ (12)	\$ (186)	\$ (83)

During the fourth quarter of 2005 the Company charged-off \$139 million of leases with two bankrupt airline customers.

LOANS

(Dollars in millions)	December 31, 2005	September 30, 2005	December 31, 2004
Margin Loans	\$ 6,089	\$ 6,320	\$ 6,059
Non-Margin Loans	34,637	35,823	29,722
Total Loans	<u>\$ 40,726</u>	<u>\$ 42,143</u>	<u>\$ 35,781</u>
Allowance for Loan Losses	\$ 411	\$ 561	\$ 591
Allowance for Lending-Related Commitments	154	146	145
Total Allowance for Credit Losses	<u>\$ 565</u>	<u>\$ 707</u>	<u>\$ 736</u>
Allowance for Loan Losses As a Percent of Total Loans	1.01 %	1.33 %	1.65 %
Allowance for Loan Losses As a Percent of Non-Margin Loans	1.19	1.57	1.99
Total Allowance for Credit Losses As a Percent of Total Loans	1.39	1.68	2.06
Total Allowance for Credit Losses As a Percent of Non-Margin Loans	1.63	1.97	2.48

NONPERFORMING ASSETS

(Dollars in millions)	12/31/2005	9/30/2005	Change 12/31/2005 vs. 9/30/2005	Percent Inc/(Dec)
Loans:				
Commercial	\$ 17	\$ 35	\$ (18)	(51) %
Foreign	14	15	(1)	(7)
Other	35	57	(22)	(39)
Total Nonperforming Loans	66	107	(41)	(38)
Other Assets Owned	13	-	13	-
Total Nonperforming Assets	<u>\$ 79</u>	<u>\$ 107</u>	<u>\$ (28)</u>	<u>(26)</u>
Nonperforming Assets Ratio	0.2 %	0.3 %		
Allowance for Loan Losses /Nonperforming Loans	629.7 %	524.9 %		
Allowance for Loan Losses /Nonperforming Assets	524.0	524.9		
Total Allowance for Credit Losses /Nonperforming Loans	865.4	661.2		
Total Allowance for Credit Losses /Nonperforming Assets	720.2	661.2		

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

OTHER DEVELOPMENTS

On January 3, 2006, the Company acquired Alcentra Group Limited, an international asset management group focused on funds that invest in non-investment grade debt. Alcentra's management team will retain a 20 percent interest. Alcentra has operations in London and Los Angeles and currently manages 15 different investment funds with over \$6.2 billion of assets.

On January 17, 2006, the Company announced a definitive agreement to acquire Urdang Capital Management, Inc., a real estate investment management firm that manages more than \$2.7 billion in direct investments and portfolios of REIT securities. The transaction is expected to close by the end of the first quarter, pending regulatory approval and other customary conditions of closing.

If these acquisitions had closed prior to December 31, 2005, the tangible common equity ratio would have been reduced by approximately 33 basis points from 5.57% to 5.24%.

In the fourth quarter of 2005, the Company's new data center in the mid-south region of the U.S. became operational. The new data center will improve the geographic diversification and resilience of the Company's operations and will support the processing needs of the Company's institutional and retail customers.

CONFERENCE CALL INFORMATION

Thomas A. Renyi, chairman and chief executive officer, and Bruce W. Van Saun, vice chairman and chief financial officer, will review the quarterly results in a live conference call and audio webcast today at 10:30 a.m. ET.

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.
- Passcode is “The Bank of New York.”
- Replay of the call will be available through the Company’s website and also by telephone at (866)515-1614 within the United States or (203)369-2024 internationally.

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

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

<u>Quarter</u>	<u>December 31,</u> <u>2005</u>	<u>September 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
Revenue (tax equivalent basis)	\$ 2,237	\$ 2,126	\$ 1,967
Net Income	405	389	351
Basic EPS	0.53	0.51	0.45
Diluted EPS	0.53	0.51	0.45
Cash Dividends Per Share	0.21	0.21	0.20
Return on Average Common Shareholders' Equity	16.57%	16.15%	15.34%
Return on Average Assets	1.53	1.53	1.40
Efficiency Ratio	65.4	65.5	64.8
<u>Year-to-date</u>			
Revenue (tax equivalent basis)	\$ 8,341	\$ 6,103	\$ 7,133
Net Income	1,571	1,166	1,440
Basic EPS	2.05	1.52	1.87
Diluted EPS	2.03	1.51	1.85
Cash Dividends Per Share	0.82	0.61	0.79
Return on Average Common Shareholders' Equity	16.59%	16.59%	16.37%
Return on Average Assets	1.55	1.56	1.45
Efficiency Ratio	65.7	65.8	66.0
Assets	\$ 102,074	\$ 101,766	\$ 94,529
Loans	40,726	42,143	35,781
Securities	27,326	26,230	23,802
Deposits - Domestic	37,374	34,807	35,558
- Foreign	27,050	26,270	23,163
Long-Term Debt	7,819	7,529	6,121
Common Shareholders' Equity	9,864	9,608	9,290
Common Shareholders' Equity Per Share	\$ 12.79	\$ 12.48	\$ 11.94
Market Value Per Share of Common Stock	31.85	29.41	33.42
Allowance for Loan Losses as a Percent of Total Loans	1.01%	1.33%	1.65%
Allowance for Loan Losses as a Percent of Non-Margin Loans	1.19	1.57	1.99
Total Allowance for Credit Losses as a Percent of Total Loans	1.39	1.68	2.06
Total Allowance for Credit Losses as a Percent of Non-Margin Loans	1.63	1.97	2.48
Tier 1 Capital Ratio	8.35	7.93	8.31
Total Capital Ratio	12.44	12.20	12.21
Leverage Ratio	6.59	6.59	6.41
Tangible Common Equity Ratio	5.57	5.32	5.56
Employees	23,451	23,081	23,363

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

	December 31, 2005	September 30, 2005	December 31, 2004
Assets Under Custody (In trillions)			

Assets Under Custody	\$ 10.9	\$ 10.3	\$ 9.7
Equity Securities	32%	31%	35%
Fixed Income Securities	68	69	65
Cross-Border Assets Under Custody	\$ 3.4	\$ 3.1	\$ 2.7
Assets Under Management (In billions)			

Total Assets Under Management	105	106	102
Equity Securities	35%	34%	36%
Fixed Income Securities	20	21	21
Alternative Investments	14	14	15
Liquid Assets	31	31	28

Notes:

(1) 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.

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

(a) An after-tax charge of \$32 million resulting from a cumulative adjustment to the leasing portfolio 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.

An after-tax benefit of \$52 million resulted from a SFAS 13 cumulative adjustment to the leasing portfolio for customers exercising their early buy-out (“EBO”) options. The Company’s leasing portfolio contains a number of large cross-border leveraged leases where the lessee has 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. 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.

Net investment in aircraft leases was impacted by a \$6 million after-tax adjustment related to aircraft leased to two airlines. The Company recorded a \$7 million reduction in the provision for credit losses which largely reflects release of reserves on the aircraft leases.

(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, was recorded in other income, and \$19 million (\$12 million after-tax) of higher than anticipated securities gains in the first quarter resulted from realized gains on sponsor fund investments in Kinkos, Inc., Bristol West Holdings, Inc., Willis Group Holdings, Ltd., and True Temper Sports, Inc.

The Company also had an after-tax gain of \$2 million on the sale of a leased aircraft.

(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.

The Company recorded an after-tax expense of \$22 million in connection with the settlement of the RW Professional Leasing Services Corp. matter (“RW Matter”). This expense is only partially tax deductible.

The Company had several appellate conferences with the IRS related to the Company’s cross-border leveraged lease transactions in December of 2004 and January 2005. Based on a revision to the probabilities and costs assigned to litigation and settlement outcomes, the Company recorded a \$50 million expense associated with increasing the tax reserve on these transactions.

(2) 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.

(3) The Company participates in unconsolidated investments that own real estate qualifying for low income housing tax credits based on Section 42 of the Internal Revenue Code. The Company’s share of operating losses generated by these investments is recorded as other income. The Company has historically netted the tax credits generated by these investments against the related operating losses. The Company has reviewed this accounting method and has decided to record these tax credits as a reduction of income tax expense. Prior period results for other income and income tax expense have been reclassified and did not have an impact on net income. See pages 43 to 45 of the Company’s September 30, 2005 Form 10-Q.

(4) 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 core numbers reflect adjustment for the items detailed in Note 1.

Operating Leverage

(Dollars in millions)	4Q 2005			4Q 2004			% Change <u>Reported</u>	% Change <u>Core</u>
	<u>Reported</u>	<u>Adj</u>	<u>Core</u>	<u>Reported</u>	<u>Adj</u>	<u>Core</u>		
Noninterest Income	\$ 1,274	\$ -	\$ 1,274	\$ 1,176	\$ (3)	\$ 1,173	8.3 %	8.6 %
Net Interest Income	492	-	492	527	(79)	448	(6.6)	9.8
Total Revenue	1,766	-	1,766	1,703	(82)	1,621	3.7	8.9
Total Expense	1,148	-	1,148	1,097	(30)	1,067	4.6	7.6
Operating Leverage							<u>(0.9) %</u>	<u>1.3 %</u>

(Dollars in millions)	4Q 2005			3Q 2005			% Change <u>Reported</u>	% Change <u>Core</u>
	<u>Reported</u>	<u>Adj</u>	<u>Core</u>	<u>Reported</u>	<u>Adj</u>	<u>Core</u>		
Noninterest Income	\$ 1,274	\$ -	\$ 1,274	\$ 1,248	\$ -	\$ 1,248	2.1 %	2.1 %
Net Interest Income	492	-	492	492	-	492	-	-
Total Revenue	1,766	-	1,766	1,740	-	1,740	1.5	1.5
Total Expense	1,148	-	1,148	1,135	-	1,135	1.1	1.1
Operating Leverage							<u>0.4 %</u>	<u>0.4 %</u>

(Dollars in millions)	2005			2004			% Change <u>Reported</u>	% Change <u>Core</u>
	<u>Reported</u>	<u>Adj</u>	<u>Core</u>	<u>Reported</u>	<u>Adj</u>	<u>Core</u>		
Noninterest Income	\$ 4,956	\$ -	\$ 4,956	\$ 4,650	\$ (70)	\$ 4,580	6.6 %	8.2 %
Net Interest Income	1,909	-	1,909	1,645	66	1,711	16.0	11.6
Total Revenue	6,865	-	6,865	6,295	(4)	6,291	9.1	9.1
Total Expense	4,483	-	4,483	4,122	(48)	4,074	8.8	10.0
Operating Leverage							<u>0.3 %</u>	<u>(0.9) %</u>

FORWARD LOOKING STATEMENTS

All statements in this press release other than statements of historical fact are forward looking statements including, among other things, projections with respect to revenue and earnings and the Company's plans and objectives and as such are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward looking statements. These include lower than expected performance or higher than expected costs in connection with acquisitions and integration of acquired businesses, the level of capital market and trading activity, changes in customer credit quality, market performance, the effects of capital reallocation, portfolio performance, changes in regulatory expectations and standards, ultimate differences from management projections or market forecasts, the actions that management could take in response to these changes and other factors described under the heading "Forward Looking Statements and Factors That Could Affect Future Results" in the Company's 2004 Form 10-K and Third Quarter 2005 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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THE BANK OF NEW YORK COMPANY, INC.
Consolidated Statements of Income
(Dollars in millions, except per share amounts)
(Unaudited)

	For the three months ended		Percent Inc/ (Dec)	For the year ended		Percent Inc/ (Dec)
	December 31, 2005	December 31, 2004		December 31, 2005	December 31, 2004	
<u>Interest Income</u>						
Loans	\$ 423	\$ 401	5%	\$1,505	\$1,080	39%
Margin loans	79	48	65	267	156	71
Securities						
Taxable	282	197	43	976	741	32
Exempt from Federal Income Taxes	10	11	(9)	40	40	-
	292	208	40	1,016	781	30
Deposits in Banks	68	81	(16)	274	305	(10)
Federal Funds Sold and Securities Purchased						
Under Resale Agreements	40	27	48	142	80	78
Trading Assets	54	17	218	152	51	198
	956	782	22	3,356	2,453	37
<u>Interest Expense</u>						
Deposits	303	164	85	955	548	74
Federal Funds Purchased and Securities Sold						
Under Repurchase Agreements	12	6	100	35	15	133
Other Borrowed Funds	25	25	-	58	52	12
Customer Payables	40	19	111	128	57	125
Long-Term Debt	84	41	105	271	136	99
	464	255	82	1,447	808	79
Net Interest Income	492	527	(7)	1,909	1,645	16
Provision for Credit Losses	10	(7)	(243)	15	15	-
Net Interest Income After Provision for Credit Losses	482	534	(10)	1,894	1,630	16
<u>Noninterest Income</u>						
Servicing Fees						
Securities	815	741	10	3,148	2,857	10
Global Payment Services	68	72	(6)	294	319	(8)
	883	813	9	3,442	3,176	8
Private Client Services and Asset Management Fees	127	115	10	490	448	9
Service Charges and Fees	94	98	(4)	382	384	(1)
Foreign Exchange and Other Trading Activities	99	90	10	391	364	7
Securities Gains	18	18	-	68	78	(13)
Other	53	42	26	183	200	(9)
	1,274	1,176	8	4,956	4,650	7
<u>Noninterest Expense</u>						
Salaries and Employee Benefits	647	617	5	2,549	2,324	10
Net Occupancy	84	75	12	323	305	6
Furniture and Equipment	53	51	4	208	204	2
Clearing	50	45	11	187	176	6
Sub-custodian Expenses	24	22	9	96	87	10
Software	53	43	23	215	193	11
Communications	26	23	13	95	93	2
Amortization of Intangibles	12	9	33	40	34	18
Other	199	212	(6)	770	706	9
	1,148	1,097	5	4,483	4,122	9
Income Before Income Taxes	608	613	(1)	2,367	2,158	10
Income Taxes	203	262	(23)	796	718	11
Net Income	\$ 405	\$ 351	15	\$1,571	\$1,440	9
	=====	=====		=====	=====	
<u>Per Common Share Data:</u>						
Basic Earnings	\$ 0.53	\$ 0.45	18	\$ 2.05	\$ 1.87	10
Diluted Earnings	0.53	0.45	18	2.03	1.85	10
Cash Dividends Paid	0.21	0.20	5	0.82	0.79	4
Diluted Shares Outstanding	771	780	(1)	773	778	(1)

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

	December 31, 2005	December 31, 2004
	-----	-----
Assets		

Cash and Due from Banks	\$ 3,515	\$ 3,886
Interest-Bearing Deposits in Banks	8,644	8,192
Securities		
Held-to-Maturity	1,977	1,886
Available-for-Sale	25,349	21,916
Total Securities	27,326	23,802
Trading Assets at Fair Value	5,930	4,627
Federal Funds Sold and Securities Purchased Under Resale Agreements	2,425	5,708
Loans (less allowance for loan losses of \$411 in 2005 and \$591 in 2004)	40,315	35,190
Premises and Equipment	1,060	1,097
Due from Customers on Acceptances	233	137
Accrued Interest Receivable	391	285
Goodwill	3,619	3,477
Intangible Assets	811	793
Other Assets	7,805	7,335
Total Assets	\$ 102,074	\$ 94,529
	=====	=====
Liabilities and Shareholders' Equity		

Deposits		
Noninterest-Bearing (principally domestic offices)	\$ 18,236	\$ 17,442
Interest-Bearing		
Domestic Offices	19,522	18,692
Foreign Offices	26,666	22,587
Total Deposits	64,424	58,721
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	834	1,205
Trading Liabilities	2,401	2,873
Payables to Customers and Broker-Dealers	8,623	8,664
Other Borrowed Funds	860	533
Acceptances Outstanding	235	139
Accrued Taxes and Other Expenses	4,135	4,452
Accrued Interest Payable	170	113
Other Liabilities (including allowance for lending-related commitments of \$154 in 2005 and \$145 in 2004)	2,709	2,418
Long-Term Debt	7,819	6,121
Total Liabilities	92,210	85,239
	-----	-----
Shareholders' Equity		
Common Stock-par value \$7.50 per share, authorized 2,400,000,000 shares, issued 1,049,865,076 shares in 2005 and 1,044,841,603 shares in 2004	7,874	7,836
Additional Capital	1,909	1,790
Retained Earnings	7,089	6,162
Accumulated Other Comprehensive Income	(146)	(6)
	16,726	15,782
Less: Treasury Stock (278,532,777 shares in 2005 and 266,720,629 shares in 2004), at cost	6,855	6,492
Loan to ESOP (203,507 shares in 2005), at cost	7	-
Total Shareholders' Equity	9,864	9,290
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 102,074	\$ 94,529
	=====	=====

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

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

	For the three months ended December 31, 2005			For the three months ended December 31, 2004		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$ 8,369	\$ 68	3.20%	\$ 10,825	\$ 81	2.99%
Federal Funds Sold and Securities Purchased Under Resale Agreements	4,305	40	3.72	5,364	27	2.03
Margin Loans	6,470	79	4.87	6,378	48	2.98
Loans						
Domestic Offices	23,396	291	4.94	22,766	316	5.52
Foreign Offices	10,885	132	4.81	10,234	86	3.33
Non-Margin Loans	34,281	423	4.90	33,000	402	4.84
Securities						
U.S. Government Obligations	226	2	4.17	291	2	3.08
U.S. Government Agency Obligations	3,992	43	4.27	3,550	31	3.47
Obligations of States and Political Subdivisions	219	4	6.71	209	4	8.01
Other Securities	22,428	249	4.46	19,308	178	3.69
Trading Securities	4,929	55	4.40	1,962	18	3.56
Total Securities	31,794	353	4.44	25,320	233	3.68
Total Interest-Earning Assets	85,219	963	4.50%	80,887	791	3.89%
Allowance for Credit Losses	(562)			(595)		
Cash and Due from Banks	3,401			3,759		
Other Assets	17,009			15,916		
TOTAL ASSETS	\$ 105,067			\$ 99,967		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 6,260	\$ 32	2.03%	\$ 6,648	\$ 17	1.04%
Savings	8,310	29	1.39	9,095	18	0.80
Certificates of Deposit						
\$100,000 & Over	3,579	38	4.16	3,285	17	2.02
Other Time Deposits	2,199	16	2.86	919	4	1.62
Foreign Offices	28,536	188	2.62	25,410	108	1.70
Total Interest-Bearing Deposits	48,884	303	2.46	45,357	164	1.44
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,348	12	3.55	1,407	6	1.58
Other Borrowed Funds	1,966	25	4.95	3,494	25	2.81
Payables to Customers and Broker-Dealers	5,979	40	2.65	5,886	19	1.26
Long-Term Debt	7,577	84	4.36	6,176	41	2.64
Total Interest-Bearing Liabilities	65,754	464	2.79%	62,320	255	1.63%
Noninterest-Bearing Deposits	15,986			15,659		
Other Liabilities	13,628			12,892		
Common Shareholders' Equity	9,699			9,096		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 105,067			\$ 99,967		
Net Interest Earnings and Interest Rate Spread		\$ 499	1.71%		\$ 536	2.26%
Net Yield on Interest-Earning Assets			2.35%			2.64%

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, 2005			For the year ended December 31, 2004		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS						
Interest-Bearing						
Deposits in Banks (primarily foreign)	\$ 8,996	\$ 274	3.04%	\$11,675	\$ 305	2.62%
Federal Funds Sold and Securities Purchased Under Resale Agreements	4,685	142	3.03	6,562	80	1.22
Margin Loans	6,403	267	4.17	6,342	156	2.46
Loans						
Domestic Offices	22,805	1,051	4.61	21,853	799	3.65
Foreign Offices	10,474	454	4.33	9,583	283	2.95
Non-Margin Loans	33,279	1,505	4.52	31,436	1,082	3.44
Securities						
U.S. Government Obligations	273	9	3.43	415	11	2.58
U.S. Government Agency Obligations	3,766	153	4.05	3,853	128	3.33
Obligations of States and Political Subdivisions	215	15	6.95	229	17	7.41
Other Securities	20,948	867	4.14	18,455	652	3.53
Trading Securities	3,549	153	4.34	2,094	52	2.50
Total Securities	28,751	1,197	4.16	25,046	860	3.43
Total Interest-Earning Assets	82,114	3,385	4.12%	81,061	2,483	3.06%
Allowance for Credit Losses	(574)			(623)		
Cash and Due from Banks	3,357			3,151		
Other Assets	16,538			15,751		
TOTAL ASSETS	\$101,435			\$ 99,340		
	=====			=====		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-Bearing Deposits						
Money Market Rate Accounts	\$ 6,767	\$ 109	1.62%	\$ 6,648	\$ 54	0.81%
Savings	8,695	101	1.16	9,224	65	0.71
Certificates of Deposit \$100,000 & Over	3,167	108	3.40	3,706	55	1.49
Other Time Deposits	1,378	35	2.57	955	15	1.57
Foreign Offices	26,561	602	2.26	25,757	359	1.39
Total Interest-Bearing Deposits	46,568	955	2.05	46,290	548	1.18
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	1,284	35	2.73	1,551	15	0.99
Other Borrowed Funds	1,865	58	3.10	2,675	52	1.93
Payables to Customers and Broker-Dealers	6,014	128	2.12	6,361	57	0.89
Long-Term Debt	7,312	271	3.67	6,152	136	2.19
Total Interest-Bearing Liabilities	63,043	1,447	2.29%	63,029	808	1.28%
Noninterest-Bearing Deposits	15,647			14,766		
Other Liabilities	13,272			12,748		
Common Shareholders' Equity	9,473			8,797		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$101,435			\$ 99,340		
	=====			=====		
Net Interest Earnings and Interest Rate Spread		\$ 1,938	1.83%		\$ 1,675	1.78%
		=====	=====		=====	=====
Net Yield on Interest-Earning Assets			2.36%			2.07%
			=====			=====