

The Bank of New York

Merrill Lynch 2006 Banking & Financial Services Conference

November 14, 2006



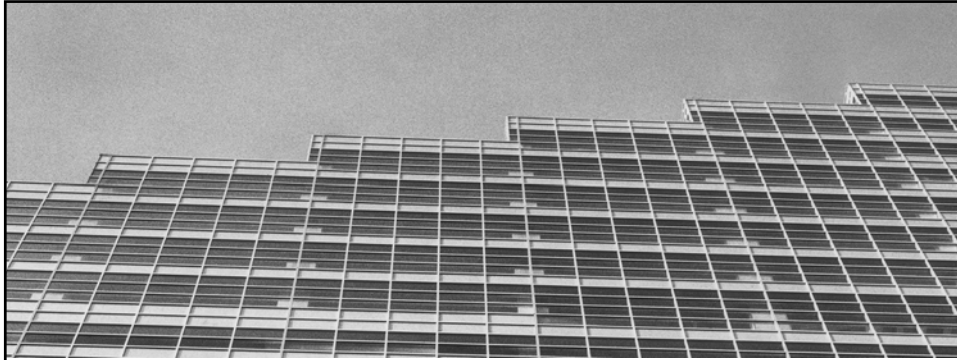
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Cautionary Language

The forward looking statements presented today including, among other things, projections with respect to revenue and earnings growth and the Company's plans and objectives are subject to risks and uncertainties that could cause actual results to differ materially from the projections. 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, inaccuracies in management projections or market forecasts, the actions that management could take in response to these changes and other factors described in the SEC filings referred to below.

For additional detailed information, we refer you to the discussions under the heading "Forward Looking Statements" in the Company's 2005 10-K and our most recent 10-Q filed with the SEC.

The forward looking statements speak only as of November 14, 2006. We will not update forward looking statements to reflect facts, assumptions, circumstances, or events which have changed after they were made.



The “New” Bank of New York

Thomas Renyi

Chairman & Chief Executive Officer

The “New” Bank of New York

- **Model focused on securities servicing and asset management**
- **Emphasis on higher-growth, higher-margin businesses where we have scale, skill and competitive advantages**
- **Improved corporate risk profile through reduced exposure to credit portfolio**
- **Positioned to realize benefits of investments in infrastructure**

Generate attractive long-term returns for shareholders

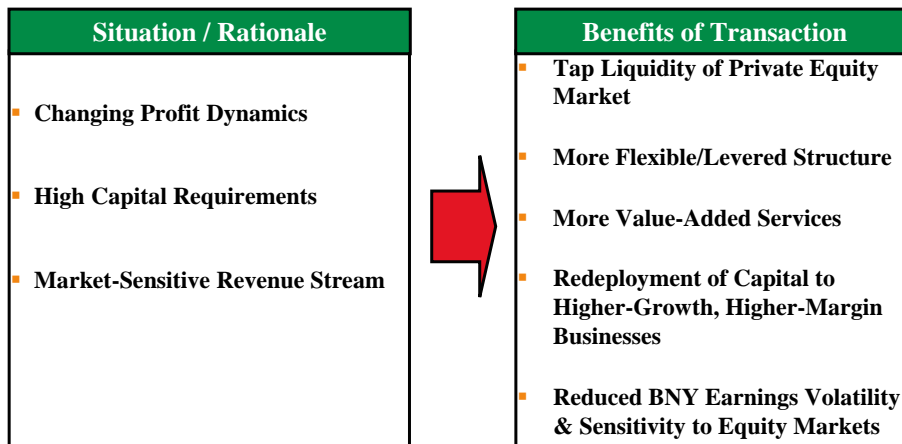
Benefits of Swap Transaction

- **The Bank of New York is the global leader in corporate trust**
- **Increased presence in high growth regions – 15 incremental offices in Europe, Asia and Latin America**
- **Expanded presence in faster-growing structured finance and CDO debt markets**
- **Corporate risk profile improved through reduced credit exposure**
- **Removes slow/no growth business from mix**

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Rationale & Benefits of BNY ConvergeEx Transaction



Better Return on Invested Capital

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We Have a Focused Business Model...

% of pre-tax income	1995	2000	2005	2005PF*
Institutional Services	51%	74%	77%	92%
Private Bank & Asset Mgmt.	7%	9%	8%	8%
Retail and Middle Market	19%	17%	15%	0%
Credit Cards	15%	0%	0%	0%
Asset-Based Lending	8%	0%	0%	0%
	100 %	100 %	100 %	100 %

*Reflecting swap transaction

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With Global Reach

1995	Today
<ul style="list-style-type: none"> U.S.-focused business 	<ul style="list-style-type: none"> Global enterprise in 30+ countries
<ul style="list-style-type: none"> Servicing securities in 50 markets 	<ul style="list-style-type: none"> Servicing securities in >100 markets
<ul style="list-style-type: none"> Operations centers in NY, London 	<ul style="list-style-type: none"> Operations centers in NY, London, Brussels, Dublin, Singapore
<ul style="list-style-type: none"> \$2.3T assets under custody 	<ul style="list-style-type: none"> \$12.2 trillion assets under custody
<ul style="list-style-type: none"> 15,000 staff (4% non-U.S.) 	<ul style="list-style-type: none"> Over 23,000 staff (~25% non-U.S.)
<ul style="list-style-type: none"> 12% of revenues non-U.S. 	<ul style="list-style-type: none"> 25% of revenues non-U.S.

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And Market Leadership in Securities Servicing

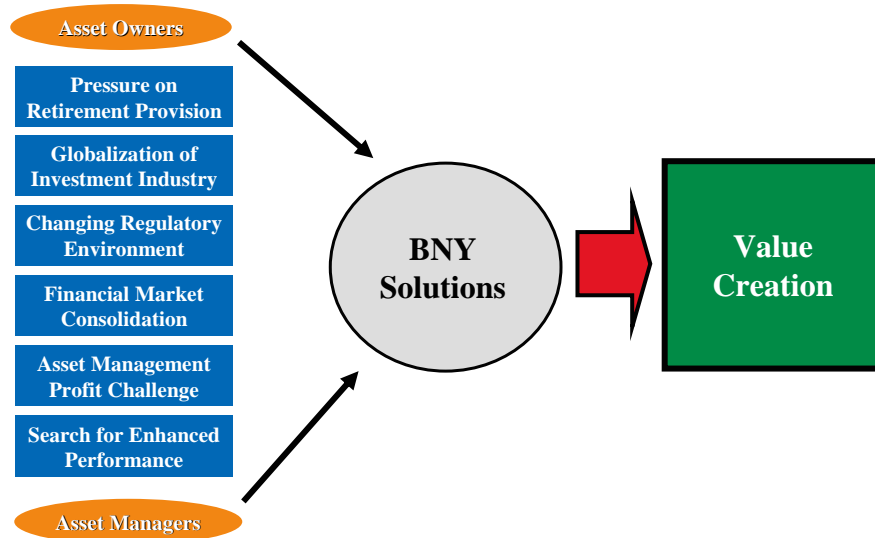
Category	Measure	Rank	Market Share
Global Custody & Fund Services	Assets under custody	1	15%
Depository Receipts	Total sponsored programs	1	64%
Global Corporate Trust*	Global debt issuance	1	34%
Correspondent Clearing	IBD relationships	1	20%
Government Security Clearance	Average U.S. volume	1	50%
Collateral Management	Average U.S. volume	1	58%
Securities Lending	Loans outstanding	2	15%

*Pro Forma for swap transaction at 6/30/06

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Global Trends Create Opportunities to Drive Growth at BNY



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BNY Growth Model

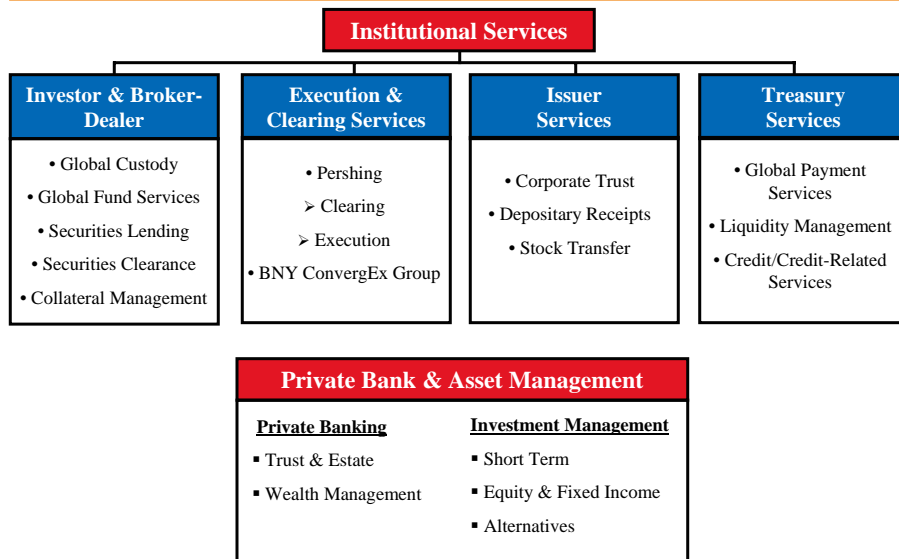
Keys to Delivering on Our Growth Objectives



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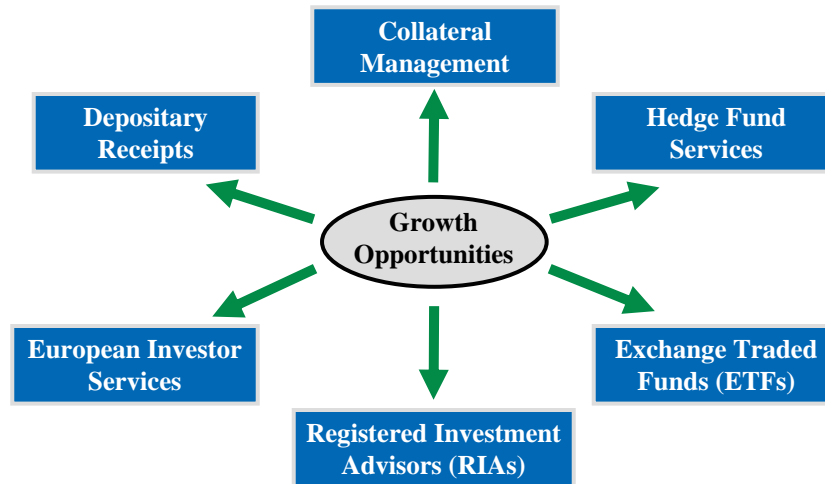
Our Businesses



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Major Growth Opportunities



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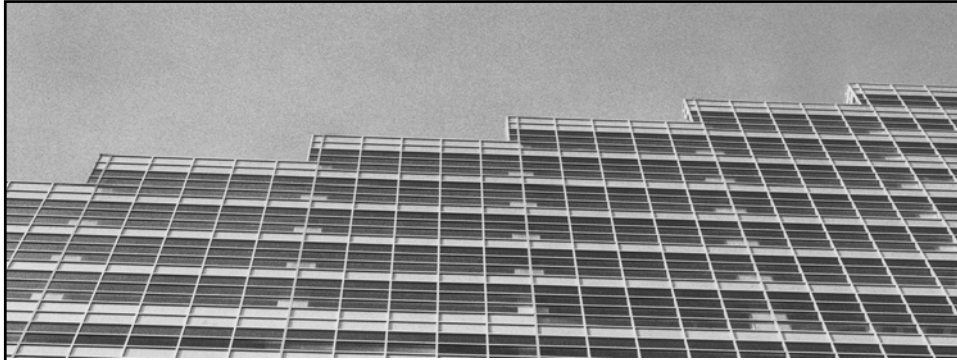
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Our Priorities

- **Focus on execution: meet performance objectives**
- **Successfully integrate and realize ‘deal model’ benefits of Corporate Trust and BNY ConvergEx deals**
- **Balance sheet positioning**
- **Capital planning**

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Risk Management Overview

Todd P. Gibbons

Chief Financial Officer

Risk Management – Delivering on Our Strategy

- **Significant risk taken out of the Company**
- **Reduced earnings volatility/increased profitability**
- **Not at the mercy of the credit cycle**
- **Trading and net interest income driven by growth in securities servicing business**
- **Investment in Business Continuity is a competitive advantage**
- **Better positioned to leverage our business and create shareholder value**

Processing Banks' Credit Trends

(\$ billions)	BK ³	MEL	NTRS	STT
Loans¹	\$26.8	\$6.6	\$20.0	\$6.5
5-year CAGR ²	-5.6%	-8.6%	1.5%	4.2%
Off-Balance Sheet Commitments¹	44.4	15.3	20.8	43.8
5-year CAGR ²	-4.8%	-14.3%	3.4%	14.0%
Total Exposure¹	\$71.2	\$21.9	\$40.8	\$50.3
5-year CAGR ²	-5.1%	-12.8%	2.4%	12.4%

1) At 12/31/05 2) 12/31/00 – 12/31/05

3) Continuing operations; excludes margin loans (see reconciliation table in Appendix)

Source: SEC filings

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Credit: A Tool to Drive Revenue Growth

- **Promotes cross-sell of multiple products into existing clients**
 - ▶ Clients receptive to marketing calls and awarding additional business
 - ▶ Size of credit commitment impacts access and revenue opportunities
- **Protects and defends existing non-credit revenues**
 - ▶ Credit clients more reluctant to move business
- **Provides entry into new client relationships**
 - ▶ Opens the door to new relationships
 - ▶ New clients are critical for top-line revenue growth

Cross-Selling Additional Services, Defending Existing Business,
and Establishing New Relationships

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Improved Exposure Profile

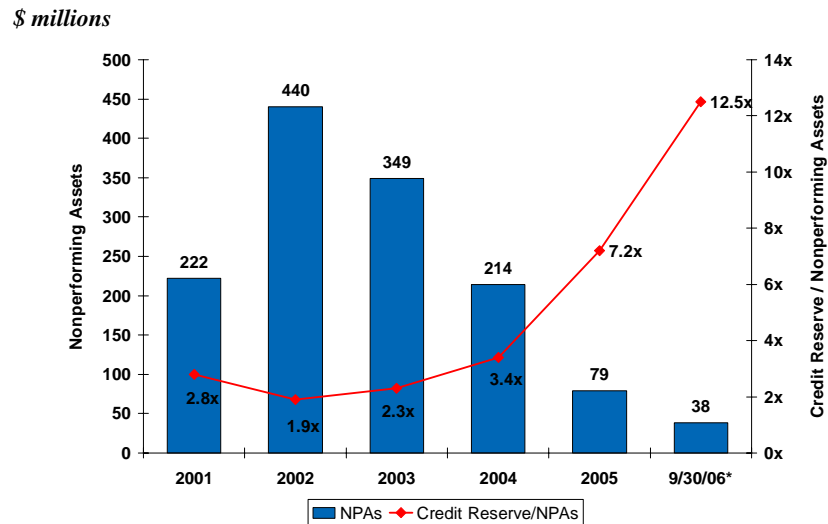
<i>\$ billions</i>	2001	2005	9/30/06 ¹
Financial Institutions	\$32.2	\$35.5	\$40.0
Corporate	39.4	23.3	24.3
	71.6	58.8	64.3
Consumer & Middle Market ²	12.1	15.1	4.3
Lease Financings	5.1	5.5	5.6
Commercial Real Estate	3.6	3.5	2.8
Total³	\$92.4	\$82.9	\$77.0

1) Continuing operations 2) Continuing operations at 9/30/06 consists of Treasury, Private Banking, Mortgage, and CRA
 3) Excludes margin loans (see reconciliation table in Appendix)

19 Source: SEC filings

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Reducing NPAs and Improving Reserve Adequacy

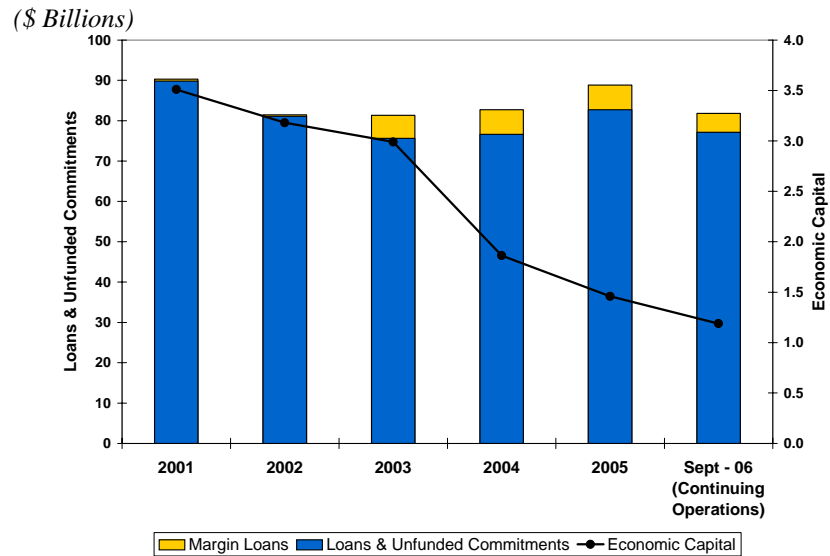


* Continuing operations
 Source: SEC filings

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Credit Economic Capital Trends



21 Source: SEC filings, internal data

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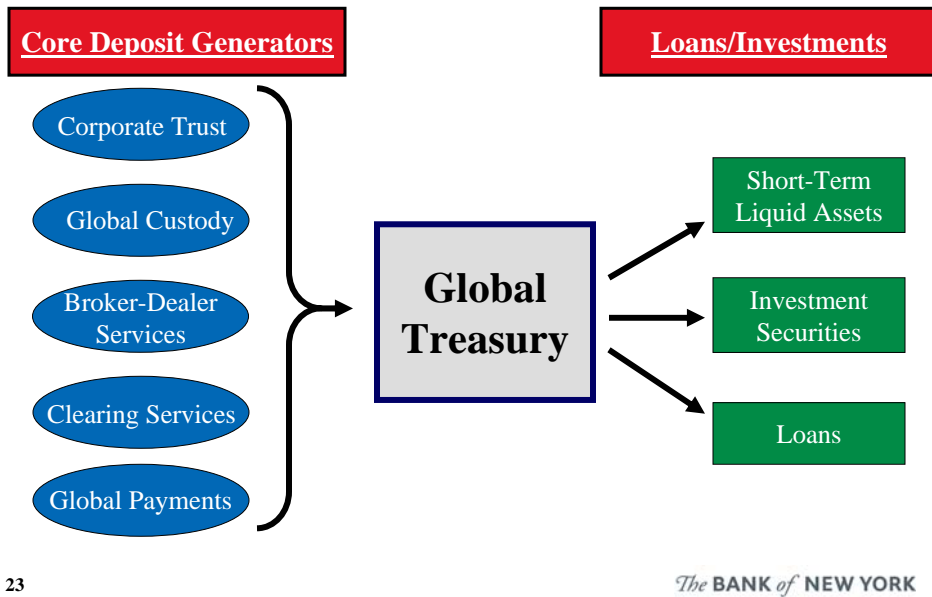
Future Credit Costs

- Retail and Middle Market portfolio had average annual net charge-offs of \$38MM (2001-2005)
 - ▶ Portfolio exited with asset swap
- Financial Institutions portfolio had average annual net charge-offs of \$6.4MM (2001-2005) – 1.6 bps
 - ▶ Financial Institutions represent 50% of exposures
- Given the rebalanced portfolio, average through-the-cycle net charge-offs will be significantly lower than historic levels
 - ▶ Approximately \$50MM annually through-the-cycle
- Expect to beat the through-the-cycle average in most periods

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Core Deposits Drive the Balance Sheet



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A Changing Balance Sheet

Average Liabilities (\$ billions)	3Q06*	Swap Impact
Domestic Deposits	18	- 9 Retail
Foreign Deposits	34	+ 7-10 Corp Trust
Non-Interest Bearing Deposits	16	- 5 Retail + 4 Corp Trust
Total Deposits	68	
Other Interest Bearing Liabilities	18	
Other Liabilities	13	} + 2 Gain on Sale
Equity	10	
Total	109	

* Adjusted
(see reconciliation table in Appendix)

Source: SEC filings

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A Changing Balance Sheet

<u>Average Assets (\$ billions)</u>	<u>3Q06*</u>	<u>Swap Impact</u>
Margin Loans	5	
Loans	36	- 8 Retail
Total Loans	41	
Foreign Placements/Fed Funds Sold	19	+ 9-11 Corp Trust
Securities	28	- 3 BNY Reposition
Total Earning Assets	88	
All Other	21	+ 2 Goodwill & Intangibles
Total	109	

* Adjusted

(see reconciliation table in Appendix)

Source: SEC filings

New Mix Will Result in NIM Between 1.80 – 2.00%

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NII Sensitivity Remains Relatively Neutral

(\$ in millions)	Dec 31, 2005		June 30, 2006		Sept 30, 2006*	
	\$	%	\$	%	\$	%
+200 BPs vs. Stable Rate	\$(65)	(3.3%)	\$(62)	(3.0)%	\$(4)	(.2)%
+100 BPs vs. Stable Rate	(29)	(1.5)	(28)	(1.3)	7	.4
-100 BPs vs. Stable Rate	(8)	(0.4)	15	0.7	(11)	(.6)
-200 BPs vs. Stable Rate	(32)	(1.6)	9	0.5	(37)	(2.0)

* Pro forma for swap transaction

Source: SEC filings

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Capital Forecast

	Actual	Forecast*	Forecast*
	9/30/06	12/31/06	12/31/07
Tier 1	8.2%	7.9%	8.1%
Total	12.4%	12.4%	11.9%
TCE	5.6%	5.0%	5.0%
RWA/Total	78%	75%	71%

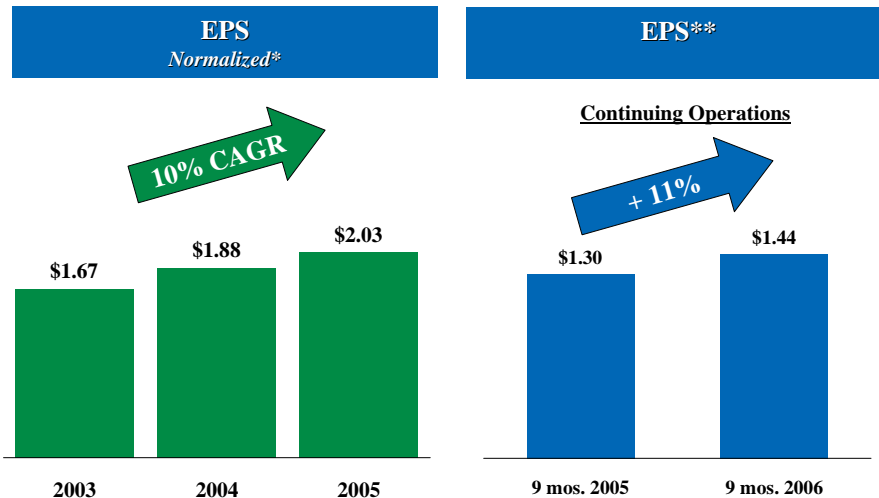
TCE Low Point is 1Q'07, Around 4.25% to 4.75%

* Forecast at 12/31/06 reflects JPM swap, BNY ConvergEx transaction, and estimated pension accounting charge. Forecast at 12/31/07 also includes estimated LIFO accounting charge.

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Delivering Earnings Growth



* Normalized EPS for 2003 reflects the exclusion of the GMAC settlement and merger & integration expenses related to the Pershing acquisition, which together reduced reported EPS by \$0.15; normalized EPS for 2004 reflects the exclusion of certain revenue and expense items outlined in the *Other 2004 Developments* section of the 2004 10-K. See Normalized EPS reconciliation tables in Appendix.

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** Excluding Merger & Integration Charges

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Long-Term Earnings Growth Model

Total revenue growth	8-10%
Noninterest income growth	9-11%
NII growth	5-6%
Positive operating leverage	+2-3%
Capital management	+0-2%
<i>Long-term EPS growth</i>	<i>10-15%</i>

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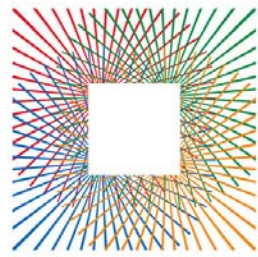
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Summary – The “New” Bank of New York

- **Sharper focus**
- **Enhanced growth and profitability dynamics**
- **Improved risk profile**
- **Greater consistency in performance**

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Appendix

Reconciliation Tables

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Processing Banks' Credit Trends (\$ billions)	Continuing Operations 12/31/05
Net Loans (net of allowance for loan losses)	32.6
Allowance for loan losses	0.3
Loans	32.9
Margin loans	6.1
Loans, excluding margin loans	26.8
Lending commitments	33.4
Standby letters of credit	9.9
Commercial letters of credit	1.1
Off-balance sheet commitments	44.4

Slide 19

Improved Exposure Profile (\$ billions)	2001	2005	Continuing Operations 9/30/06
Financial Institutions	32.2	35.5	40.0
Corporate	39.4	23.3	24.3
	71.6	58.8	64.3
Consumer & Middle Market	12.1	15.1	4.3
Lease Financings	5.1	5.5	5.6
Commercial Real Estate	3.6	3.5	2.8
Margin Loans	0.5	6.1	4.7
Total	92.9	89	81.7
Margin Loans	0.5	6.1	4.7
Total (excluding margin loans)	92.4	82.9	77.0

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Reconciliation Tables

Slide 24

A Changing Balance Sheet Average Liabilities (\$ billions)	Adjusted 3Q06
Money Market Rate Accounts	6
Savings	7
CDs of \$100,000 & Over	4
Other Time Deposits	1
Domestic Deposits	18
Foreign Offices (Deposits)	34
Fed Funds Purchased & Securities Sold Under Repurchase Agreements	3
Other Borrowed Funds	2
Payables to Customers & Broker-dealers	5
Long-term Debt	8
Other Interest Bearing Liabilities	18
Total Interest Bearing Liabilities	70
Non-interest Bearing Deposits	16
Other Liabilities	13
Equity	10
Total	109

Slide 25

A Changing Balance Sheet Average Assets (\$ billions)	Adjusted 3Q06
Interest-Bearing Deposits in Banks	16
Fed Funds Purchased & Securities Sold Under Repurchase Agreements	3
Foreign Placements/Fed Funds Sold	19
Margin Loans	5
Non-Margin Loans	
Domestic Offices	25
Foreign Offices	11
Loans	36
Total Securities	28
Total Earning Assets	88
Allowance for Credit Losses	-0.4
Cash and Due from Banks	3
Other Assets	18
All Other	20
Total	109

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Reconciliation of Normalized EPS for 2004

Noninterest income adjustments – Banking Related/Other includes a \$48 million gain on sale of a portion of the Company's holdings of Wing Hang Bank, \$19 million of realized securities gains on sponsor fund investments, and \$3 million in income related to gain on an aircraft lease residual.

Net interest income adjustments – Reported net interest income was reduced by \$66 million related to SFAS 13 income adjustments on the Company's lease portfolio.

Expense adjustments –Salaries and benefits include \$10 million of severance tied to staff relocations. All Other Expenses include a \$30 million reserve related to the possible settlement of the RW Leasing matter, and an \$8 million lease termination expense.

Income tax adjustments - In addition to the tax impact of the aforementioned adjustments, income tax expense was also increased by \$50 million related to an increase in the Company's reserve for its LILLO tax exposure.

For a full description of these adjustments, refer to the Company's 8K filed January 19, 2005.

\$ in Millions	Non GAAP		
	2004 Reported	Non GAAP Adjustments	2004 Normalized
Noninterest Income	4,691	(70)	4,621
Net Interest Income	1,645	66	1,711
Total Revenue (before prov.)	6,336	(4)	6,332
Provision for Credit Losses	15	7	22
Total Expense	4,122	(48)	4,074
Pretax Income	2,199	37	2,236
Income Tax Expense	759	13	772
Net Income	1,440	24	1,464
EPS	\$1.85	\$0.03	\$1.88
Execution and Clearing	1,146	-	1,146
Investor Services	921	-	921
Issuer Services	582	-	582
Broker-Dealer Services	209	-	209
Total Fee Revenue	2,858	-	2,858
PCS & Asset Management	448	-	448
FX & Other Trading	364	-	364
Global Payment Services	317	-	317
Banking Related/Other	704	(70)	634
Salaries & Benefits	2,324	(10)	2,314
All Other	1,798	(38)	1,760
Total	4,122	(48)	4,074

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Reconciliation of Normalized EPS for 2003

Expense adjustments – All Other Expense includes \$96 million of Pershing merger and integration costs and \$78 million in costs related to the GMAC settlement, net of reserves.

Pershing annualization – The Company acquired Pershing on May 1, 2003. Supplemental data is adjusted to approximate results for the Company as if it had owned Pershing for all of 2003. The Company believes the economic conditions in the third quarter of 2003 most closely resembled the January – April 2003 period. Accordingly, the Company used third quarter data to estimate the January – April 2003 time period.

\$ in Millions	Non GAAP			2003 Normalized
	2003 Reported	Non GAAP Adjustments	Pershing Annualization	
Noninterest Income	4,006	-	239	4,245
Net Interest Income	1,609	-	26	1,635
Total Revenue (before prov.)	5,615	-	265	5,880
Provision for Credit Losses	155	-	-	155
Total Expense	3,698	(174)	230	3,754
Pretax Income	1,762	(174)	385	1,973
Income Tax Expense	605	65	6	676
Net Income	1,157	109	31	1,297
EPS	\$1.52	\$0.15	\$0.00	\$1.67
Execution and Clearing	885	-	216	1,101
Investor Services	830	-	-	830
Issuer Services	522	-	-	522
Broker-Dealer Services	175	-	-	175
Total Fee Revenue	2,412	-	216	2,628
PCS & Asset Management	384	-	-	384
FX & Other Trading	327	-	17	344
Global Payment Services	314	-	-	314
Banking Related/Other	569	-	7	576
Salaries & Benefits	2,002	-	120	2,122
All Other	1,696	(174)	110	1,632
Total	3,698	(174)	230	3,754

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