MELLON FINANCIAL CORP
Form 425
December 05, 2006

Filed by The Bank of New York Company, Inc.

Pursuant to Rule 425

under the Securities Act of 1933 and

deemed filed pursuant to Rule 14a-12 under

the Securities Exchange Act of 1934

Subject Companies: The Bank of New York Company, Inc. (Commission File No.: 1-06152)

Mellon Financial Corporation (Commission File No.: 1-07410)

The information presented below may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current beliefs and expectations and are subject to significant risks and uncertainties. The following risks, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of The Bank of New York Company, Inc. and Mellon Financial Corporation may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected; (2) the combined company may not realize, to the extent or at the time we expect, revenue synergies and cost savings from the transaction; (3) revenues following the transaction may be lower than expected as a result of losses of customers or other reasons; (4) deposit attrition, operating costs, customer loss and business disruption following the transaction, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected; and (5) governmental or shareholder approvals of the transaction may not be obtained on the proposed terms or expected timeframe or at all. Additional factors that could cause The Bank of New York Company, Inc. s and Mellon Financial Corporation s results to differ materially from those described in the forward-looking statements can be found in The Bank of New York Company, Inc. s and Mellon Financial Corporation s reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the Securities and Exchange Commission.

**Additional Information About this Transaction**

The proposed transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation will be submitted to The Bank of New York Company, Inc. s and Mellon Financial Corporation s shareholders for their consideration. Shareholders are urged to read the joint proxy statement/prospectus regarding the proposed transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation because it will contain important information. Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about The Bank of New York Company, Inc. and Mellon Financial Corporation, without charge, at the SEC s Internet site (http://www.sec.gov). Copies of the joint proxy statement/prospectus and other SEC filings that will be incorporated by reference in the joint proxy statement/prospectus will also be available, without charge, from Mellon Financial Corporation, Secretary of Mellon Financial Corporation, One Mellon Center, Pittsburgh, Pennsylvania 15258-0001 (800-205-7699), or from The Bank of New York Company, Inc., Investor Relations, One Wall Street, 31st Floor, New York, New York 10286 (212-635-1578).

Directors and executive officers of The Bank of New York Company, Inc. and Mellon Financial Corporation and other persons may be deemed to be participants in the solicitation of proxies from the shareholders of Mellon Financial Corporation and/or The Bank of New York Company, Inc. in respect of the proposed transaction. Information about the directors and executive officers of Mellon Financial Corporation is set forth in the proxy statement for Mellon Financial Corporation s 2006 annual meeting of shareholders, as filed with the SEC on March 15, 2006. Information about the directors and executive officers of The Bank of New York Company, Inc. is set forth in the proxy statement for The Bank of New York Company, Inc. s annual meeting of shareholders, as filed with the SEC on March 24, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.

***

Below is a revised version of the investor presentation which was previously filed on December 4, 2006.

A Global Financial Services
Growth Company
December 4, 2006

1
Disclosure and Cautionary Statement
The proposed transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation will be submitted Inc.'s and Mellon Financial Corporation's shareholders for their consideration. **Shareholders are urged to read the joint proxy statement/prospectus** regarding the proposed transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation because important information.

Shareholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about The Bank of New York Company, Inc. and Mellon Financial Corporation, without charge, at the SEC's Inter Copies of the joint proxy statement/prospectus and other SEC filings that will be incorporated by reference in the joint proxy s available, without charge, from Mellon Financial Corporation, Secretary of Mellon Financial Corporation, One Mellon Center, 0001 (800-205-7699), or from The Bank of New York Company, Inc., Investor Relations, One Wall Street, 31st Floor, New Y 1578).

Directors and executive officers of The Bank of New York Company, Inc. and Mellon Financial Corporation and other persons may be deemed to be participants in the solicitation of proxies from the shareholders of Mellon Financial Corporation and/or The Bank of New York Company, transaction. Information about the directors and executive officers of Mellon Financial Corporation is set forth in the proxy sta Corporation s 2006 annual meeting of shareholders, as filed with the SEC on March 15, 2006. Information about the directors Bank of New York Company, Inc. is set forth in the proxy statement for The Bank of New York Company, Inc. s annual meet the SEC on March 24, 2006. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available.

The information herein contains forward-looking statements within the meaning of the Private Securities Litigation Reform Ac limitation: (i) statements about the benefits of the transaction between The Bank of New York Company, Inc. and Mellon Financial Corporation, including future financial and operating results, cost savings, enhanced revenues, expected market position of the combined company, and the a earnings and to cash earnings that may be realized from the transaction; (ii) statements with respect to The Bank of New York Financial Corporation's plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "projects" and similar expressions. These statements are based upon the current beliefs and expectations of The Bank of New York Company, Inc.'s and Mellon Financial Corporation's mana significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. We will n result of changes in circumstances or new facts, or for any other reason.

The following

risks, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of The Bank of New York Company, Inc. and Mellon Financial Corporation may not be integration may be more difficult, time-consuming or costly than expected; (2) the combined company may not realize, to the e revenue synergies and cost savings from the transaction; (3) revenues following the transaction may be lower than expected as or other reasons; (4) deposit attrition, operating costs, customer loss and business disruption following the transaction, includin in maintaining relationships with employees, may be greater than expected; (5) governmental approvals of the transaction may not be obtained on the proposed terms or expected timeframe; (6) The Bank of New York Company, Inc.'s and Mellon Financial Corporation's shareh transaction; (7) a weakening of the economies in which the combined company will conduct operations may adversely affect o and foreign legal and regulatory framework could adversely affect the operating results of the combined company; and (9) fluc currency exchange rates and securities prices may adversely affect the operating results of the combined company.  Additional

Bank of New York Company, Inc.'s and Mellon Financial Corporation's results to differ materially from those described in the
found in The Bank of New York Company, Inc.'s and Mellon Financial Corporation's reports (such as Annual Reports on Form
10-Q and Current Reports on Form 8-K) filed with the Securities and Exchange Commission and available at the SEC's Interne

2
Strategic
Financial
Operational
Integration
Global leadership in Securities Servicing and Asset
Management
Strongly accretive transaction
Excellent global growth opportunities
Highly complementary businesses with strong leadership
positions
Focused and experienced management team
Disciplined and thoughtful approach
Dedicated and experienced team with proven track record
The Bank of New York Mellon
Delivering superior shareholder value through accelerated growth

3
Compelling Strategic Attributes
Capitalizing on the growth of global financial markets
Strong Market
Positions in
High Growth
Businesses
#1
global custodian with over $16 trillion in AUC
Top 10
asset manager globally and
Top 5
in the U.S
., with more than
$1.0
trillion in AUM
#1
provider of all issuer services
Corporate Trust,

Depositary
Receipts
and Stock Transfer
#1
provider of clearing services
Top 10
in wealth management with 81 offices in the U
.S.
and UK
Top 10
U.S.
cash management
and global payments
provider
Leading client service scores
in asset servicing, wealth management,
i
ssuer, clearing
,
and treasury services
Experienced, deep and well balanced management team
Business &
Geographic
Diversification
Focused
on high return businesses with strong organic growth track
records
and
enhanced
revenue opportunities
Balanced
synergistic
business mix
no individual b
usiness
contributes
more than 35
% of pre-tax earnings
Operations in
37
countries worldwide
approximately 25%
of revenue
derived from higher growth international operations
Reduced volatility through combination of comp
lementary, stable and
synergistic
revenue sources

4
Compelling Financial Rationale
Capitalizing on the growth of global financial markets
Financially
Compelling
Immediately accretive on a cash basis to all shareholders and on a GAAP basis in 2008
Significant excess capital generation allows for meaningful reinvestment in organic growth, share repurchases and attractive dividend payout ratio
Attractive IRR, materially exceeding cost of capital for all shareholders
Potential for multiple expansion over time
Potential for significant revenue synergies, **not** incorporated in financial projections
Low Risk
Transaction
Disciplined and thoughtful approach to integration three year process managed by a dedicated and experienced integration team
Starting from a position of strength both companies have significant revenue and earnings momentum

Combination further diversifies operating risk profile versus
stand alone entities
Best in breed systems with proven and scaleable operating platforms
many legacy businesses not impacted

5
Transaction Summary
Name:
The Bank of New York Mellon
Overlapping businesses branded BNY Mellon
Exchange Ratio:
New holding company formed:
1:1 Mellon share, 0.9434:1 The Bank of New York share
Relative Ownership:
63% The Bank of New York/37% Mellon
Board of Directors:
18 Directors 10 The Bank of New York/8 Mellon; includes two executives from each party
Corporate Headquarters:
New York, NY
Pittsburgh:
HQ for key business units and a Center of Excellence for Technology, Operations and Administration
Executive Management:
Senior management positions identified
Anticipated Closing:
Approximately July 1, 2007
Dividend:
Quarterly dividend of $0.235 per share
Cost Savings:
Approximately $700 million, phased-in over three years
Revenue Synergies:
Meaningful potential revenue synergies have been identified, but have **not** been incorporated into the financial model
Restructuring Charge:
Approximately $1.3 billion, pre-tax
Due Diligence:
Completed

6
Steve Elliott
Co-Head, Integration
Don Monks
Co-Head, Integration
Lisa Peters
Human Resources
Mark Musi
Compliance
Jim Vallone *
Audit
Gerald Hassell
President
Management Depth and Experience
Senior management positions identified
Tom Renyi

Executive Chairman
Bob Kelly
CEO
Gerald Hassell
President
Bruce Van Saun
CFO
Ron O'Hanley
CEO, Asset Management
Todd Gibbons
CRO
Dave Lamere
CEO, Wealth Management
Jon Little
Asset Management
Carl Krasik
General Counsel
* Direct reporting line to Audit Committee of the Board
Note:
Tom Renyi to retire as Executive Chairman and from the Board of Directors 18 months following the close,
at
which
time
Bob
Kelly
will
succeed
him
as
Chairman
of
the
Board.
Steve Elliott to resign from the Board in conjunction with Tom Renyi's retirement
Karen Peetz
Corporate Trust
Tim Keaney
Co-CEO, Asset Servicing
Jim Palermo
Co-CEO, Asset Servicing
Don Monks
CAO, Head of Operations & Technology
Kurt Woetzel
Chief Information Officer
Brian Rogan
Issuer & Treasury Services
Torry Berntsen
Client Management
Richard Brueckner
CEO, Pershing

7
Enhanced Global Reach and Scale
Approximately 25% of combined revenue derived internationally

36 countries

54 cities

Serving clients in over
100 markets
International Presence
Capitalizing on the Growth
of Global Financial Markets
The Bank of New York Mellon

8
43
27
27
20
20
18
16
13
12
11
0
10
20
30
40
50
243

241
160
119
109
83
81
76
70
59
43
42
39
37
30
27
27
27
27
25
23
23
22
22
20
20
16
12
0
25
50
75
100
125
150
175
200
225
250
275
Scale Enhances Ability to Invest, Compete
and Outperform Globally
Top Trust & Asset Management Providers
by Market Capitalization[1]
Notes: Pro forma for pending transactions
1
Market capitalization as of 12/1/06. Excludes insurers
2
Equal
to
combined

market
capitalizations
of
The
Bank
of
New
York
and
Mellon
as
of
12/1/06
3
Mellon currently ranks #28 and Northern Trust #36 among largest U.S. financial services institutions
Top 25 U.S. Financial Services Institutions
by Market Capitalization[1]
#1
#11
#18
#28

9
Integration Thorough and Thoughtful
Process
A True Merger combination of best of both companies
Lose no Customers
philosophy
Commitment to maintaining our #1 customer service standards/levels
Continued emphasis on risk management and compliance
Open communication with all employees
Dedicated integration team led by key senior executives minimizes
impact on day to day operations
Measured integration process 3 year integration timeframe
Detailed
integration
planning
Integration
complete
1H07
2H07
1H08
2H08
1H09
2H09
Transaction close
Integration of overlapping businesses and shared services
Applications / systems conversions and data center consolidations

10
Clearly Defined Operating Strategy
Focus on high-growth global businesses Securities Servicing and Asset Management
Maintain superior client service, investment performance and the highest fiduciary standards
Achieve competitive margins in each business line
Deploy capital effectively to accelerate long-term growth and returns
A Global Financial Services Growth Company

11
Business Line
($bn)
(%)
Asset Management &
Wealth Management
1.2
31
Asset Servicing
0.9
24
Issuer Services
1.0
27
Treasury Services &
Clearing Services

0.9
23
Other
(0.2)
(5)
Total
$3.8
100
Balanced & Complementary Business Lines
Pro Forma Revenue Mix[1]
Pro Forma Pre-Tax Earnings Mix[1]
High Return, Low Capital Intensive Business Model Allows
for Significant Reinvestment and Share Repurchases
Note:
1
Represents results through 9/30/06 annualized. The Bank of New York pro forma for Corporate Trust swap transaction
$4.5bn
with cost savings
Business Line
($bn)
(%)
Asset Management &
Wealth Management
3.6
29
Asset Servicing
3.5
28
Issuer Services
2.2
18
Treasury Services &
Clearing Services
2.5
20
Other
0.7
5
Total
$12.5
100

12
BNY Mellon Asset Management
Combined global AUM of greater than $1.0 trillion as of 9/30/06
Ranking
Manager
Assets
($bn)
1
UBS
2,016
2
Barclays Global Investors
1,513
3
Allianz Group
1,493
4

State Street Global
1,441
5
Fidelity
1,442
6
AXA Group
1,260
7
Capital Group
1,166
8
Credit Suisse
1,128
9
Deutsche Bank
1,027
10
BNY Mellon[2]
1,011
11
BlackRock[3]
991
12
Vanguard Group
958
13
Mellon[2]
856

The Bank of New York
155
Global Asset
Management
1
Notes:
Revenue CAGR represents growth rate from 2003 through year to date 2006 annualized
1
Source: Pensions & Investments; data as of 12/31/05
2
Pro forma for acquisition of Mellon West LB and Walter Scott
3
Based on MLIM and BlackRock s AUM; consolidated as of 12/31/05

Top ten global asset manager
(P&I, September 2006)

Top 5 U.S. asset manager
(Institutional Investor, July 2006)
A global leader

with strong
international
presence

$176 billion in assets for non-U.S.
clients
1

7th largest asset manager in Europe
(Investments & Pensions Europe, June 2006)

Over $50 billion in alternative
assets
1
an expertise
in alternatives

46% of 50 largest global retirement plans
(P&I December 2005)

58% of top 50 U.S. corporate plans
(P&I December 2005)

46% of top 50 U.S. public plans
(P&I December 2005)

40% of top 20 U.S. endowments; 45% of
top 20 foundations
(P&I December 2005)
and broad
client reach
Greater Opportunity to Drive Growth Globally
from Expanded Presence in Asset Servicing
3 Year Revenue
CAGR of 18%

13
BNY Mellon Wealth Management
Greater than $150 billion in client assets

Over 350 years combined experience
serving financially successful families
and a shared
heritage

Industry leading retention and client
satisfaction
with
outstanding
reputation for
client service

Broad institutional asset class

expertise brought to all clients
with deep
and broad
capabilities

Top Ten U.S. Wealth Manager with
over $150 billion in client assets

81 offices 77 domestic and
4 international

Complementary geography
represented in large metropolitan
wealth markets including NYC
A national
leader
High Growth, High Margin
Business with Expanded Opportunities
Notes:
Fee revenue CAGR represents growth rate from 2003 through year to date 2006 annualized
1 Source: Barron s; data as of 6/30/06
2 Pro forma for Bank of America s announced acquisition of U.S. Trust

| Ranking | Manager | Assets ($bn) |
|---|---|---|
| 1 | Merrill Lynch | 879 |
| 2 | Citigroup | 825 |
| 3 | Bank of America[2] | 507 |
| 4 | UBS | 378 |
| 5 | Morgan Stanley | 350 |
| 6 | Wachovia | 324 |
| 7 | Fidelity | 299 |
| 8 | J.P. Morgan | 237 |
| 9 | | |

BNY Mellon
152
10
Goldman Sachs
148
17
Mellon
92
20
The Bank of New York
60
Top U.S. Wealth Managers[1]
3 Year Fee Revenue
CAGR of 7%

14
BNY Mellon Asset Servicing
$16.6 trillion AUC as of 9/30/06
Broad Product Capabilities

Global Custody

Global Fund Services

Foreign Exchange

Securities Lending

Global Liquidity Services

Transfer Agency

Transition Management

Trustee/Depot Bank Services

Offshore Fund Administration

Benefit Disbursements

Performance Analytics

Hedge Fund Administration

## Scale and Market Leadership

$16.6 trillion of assets under custody[1]

$1.7 trillion in mutual funds under custody[2]

Largest global provider of performance and analytics

16% of exchange-traded funds[2]

Largest lender of U.S. Treasury securities and depository receipts[2]

#1 ranked for service quality and technology

#1 ranked provider of FX globally

Leading offshore fund administrator

## Global Custody Ranking[1]

| Ranking | Provider | Assets Under Custody ($tn) |
|---|---|---|
| 1 | BNY Mellon | 16.6 |
| 2 | JPMorgan | 12.9 |
| 3 | The Bank of New York | 12.2 |
| 4 | State Street | 11.3 |
| 5 | Citigroup | 9.6 |

Mellon
4.4
6
BNP Paribas
4.3
7
Northern Trust
3.3
8
HSBC
3.0[2]
9
UBS
2.8[2]
10
U.S. Bancorp
2.3[2]
Notes:
Revenue CAGR represents growth rate from 2003 through year to date 2006 annualized
1 Data as of 9/30/06
2 Data as of 6/30/06
Increased Scale and Market Leadership Leading to
Greater Growth and Efficiency Globally
3 Year Revenue
CAGR of 13%

15
BNY Mellon Asset Servicing
Highly complementary businesses
The Bank of New York Strengths
Mellon Strengths
Combining Best of Breed Resulting in
Greater Growth and Efficiency Globally
Culture of Quality Service & Delivery
Culture of Disciplined Cost Management
Financial Institution Relationships
Pension Relationships
Custody
Accounting, Performance
& Risk Analytics
Low Cost Locations: Syracuse
& Manchester
Low Cost Locations: Pittsburgh & India

Real-time Global Technology
Client Information Front End
FX, Securities Lending, &
Execution Services
Asset Management Offerings
Hedge Fund Administration
Hedge Fund Administration

16
BNY Mellon Asset Servicing
Complementary client bases
Market Segment Leadership
The Bank of
New York
Mellon
Combined
Corporate Pensions
Endowments & Foundations
U.S. Public Funds
Mutual Funds
Central Banks
ETFs/UITs
Broker Dealers
Hedge Funds

Increased Scale and Market Leadership Leading to
Greater Growth and Efficiency Globally

17
The Bank of New York Mellon Issuer Services
Global Corporate Trust

#1 Overall Global Trustee and #1 Trustee in nearly all domestic and international debt categories

Over $8 trillion in outstanding debt and over 90,000 clients worldwide

Well positioned for continued growth of global debt markets and structured products

Corporate Trust swap transaction closed on 10/1/06
Depositary Receipts

Market leader with over 1,200 sponsored programs from 900 issuers in 60 countries

#1 market share by all DR programs, trading value,
capital raisings, and successorships

Well positioned to benefit from continued market
growth in all geographies and industries
Leadership in High Growth,
High Margin Businesses
3 Year Revenue
CAGR of 14%
3 Year Revenue
CAGR of 28%
Note:
Revenue
CAGR
represents
growth
rate
from
2003
through
year
to
date
2006
annualized.
Global
Corporate
Trust
revenue
CAGR
excludes
revenues
from
Corporate
Trust
swap transaction

18
The Bank of New York Mellon Clearing Services
Pershing

Leading provider of clearing and financial advisory solutions to IBDs and RIAs

Over $825 billion in client assets

Well positioned to grow RIA market share through Pershing Advisor Solutions

#1 ranked provider of correspondent securities clearing
Broker-Dealer Services

One of two U.S. securities clearing agents

#1 ranked provider of global collateral management
products

Well positioned to benefit from continued growth in
global securities trading
3 Year Revenue
CAGR of 11%
3 Year Fee Revenue
CAGR of 14%
Leadership in High Growth,
High Margin Businesses
Note:
Revenue CAGR represents growth rate from 2003 through year to date 2006 annualized. For Pershing, 2003 amount equal to a

19
Transaction Close:
July 1, 2007
Consideration Mix:
100% stock
Structure:
New Holdco formed; 1:1 Mellon share, 0.9434:1 The Bank of New York share
EPS Estimates:
The Bank of New York
I/B/E/S median EPS estimate of $2.40 for 2007; thereafter, EPS grown at long-term growth rate of 10.8%
Mellon
I/B/E/S median EPS estimate of $2.44 for 2007; thereafter, EPS grown at long-term growth rate of 10.8%
Share Repurchases:
Share repurchases assumed with capital in excess of 5% TCE/TA

Represents share repurchases of approximately $1.0 billion in 2008 and $2.1 billion in 2009
Cost Savings:

$700 million, phased-in 15% in 2007, 50% in 2008, 85% in 2009 and 100% thereafter
Revenue Synergies:
No net revenue synergies or attrition assumed
Restructuring Charge:
$1.3 billion, which equates to 185% of one year fully phased-in cost savings

85% or $1.1 billion is cash related and funded at 5.25% (pre-tax)

$600 million capitalized at close, remaining $700 million incurred over 3 year period
Identified Intangibles:
Identified intangibles of $2.7 billion created

Amortized utilizing straight-line methodology over 10 years
Incremental Tax Rate:
38%
Financial Assumptions

20
Realistic, Deliverable Expense Synergies
Synergies in-line with precedent financial services transactions
Represents approximately **8.5%**
of the combined estimated 2006 expenses

Approximately 3,900 FTEs
Disciplined Integration Process:
15% realized in 07, 50% in 08 and 85% in 09
Date
Transaction
% of
Combined
05/25/2006
Regions/AmSouth

10.0
02/15/2006
BlackRock/MLIM
6.8
01/23/2004
Regions/Union Planters
7.0
01/14/2004
JPMorgan/Bank One
7.4
04/15/2001
First Union/Wachovia
8.5
10/04/2000
Firstar/US Bancorp
5.4
03/20/2000
National Commerce/CCB
12.6
03/15/1999
Fleet/BankBoston
8.3
07/01/1998
Star Banc/Firstar
15.0
06/08/1998
Norwest/Wells Fargo
7.7
04/13/1998
NationsBank/BofA
10.0
04/13/1998
Banc One/First Chicago
10.1

Average
9.1%
Business Line
Cost Savings
($mm)
Asset & Wealth Management
50
Securities Servicing
290
Total Direct Expenses
340
Technology
240
Shared Services & Other[1]
120

Total
700
Note:
1
Includes other allocated expenses

21

Merger Related Costs $1.3 Billion Pre-tax

(Dollars in millions)

| | Total |
|---|---|
| Personnel-Related | 625 |
| Technology & Facilities | 350 |
| Transaction Fees | 100 |
| Other[1] | 225 |
| Total Pre-tax | 1,300 |
| Total After-tax | 805 |

Phase-in
Total
2007
725
2008
400
2009
175
Total Pre-tax
1,300
Total After-tax
805
Note:
1
Other primarily includes asset write-offs, vendor contract modifications and rebranding

22
Pro Forma Impact EPS
Strongly accretive transaction
Notes:
Operating EPS represents EPS before merger related expenses. Operating cash EPS is equal to operating EPS plus after-tax pe
intangible amortization
1 Assumes transaction close on 7/1/07
2 Assumes 100% of cost savings are phased-in
Financial Rationale is Compelling
Year Ended,
2007/2009
Illustrative
2007
1
2008

2009
CAGR (%)
2009
2
EPS Impact to The Bank of New York
The Bank of New YorkOperating
EPS
$2.40
$2.66
$2.94
10.8
$2.94
Pro Forma Operating
EPS
2.37
2.70
3.17
15.6
3.23
Operating
EPS Accretion/(Dilution) (%)
(1.0)
1.4
7.7
9.8
Pro Forma Operating Cash EPS
$2.52
$2.90
$3.38
15.8
$3.44
Operating Cash EPS Accretion
(%)
1.1
5.3
11.3
13.3
EPS Impact to Mellon
Mellon
Operating
EPS
$2.44
$2.70
$2.99
10.8
$2.99
Pro forma Operating
EPS
2.47
2.86

3.36
16.8
3.43
Operating
EPS Accretion (%)
1.0
5.7
12.3
14.5
Pro Forma Operating Cash EPS
$2.59
$3.07
$3.58
17.5
$3.65
Operating Cash EPS Accretion (%)
4.5
11.9
18.0
20.2
Memo:
Average FD Shares Outstanding
924
1,121
1,091
1,091

23

Meaningful Revenue Synergy Opportunities
(**not**
assumed in financial model)

Accelerates Revenue Growth
and Enhances Operating Leverage

Breadth of Mellon s asset management products and services to The Bank of New York s securities servicing clients

Breadth of The Bank of New York s global markets products to Mellon s asset servicing and wealth management clients

Breadth of Mellon s risk services to The Bank of New York s servicing clients

Leverage Pershing s distribution platform to deliver Mellon s asset and wealth management products

Leverage The Bank of New York s credit relationships to distribute Mellon s domestic cash management services and stock transfer

Enhanced Income Realization from Existing Client Base

24
The Bank of New York Mellon
Delivering superior shareholder value through accelerated growth
The Bank of New York Mellon
A Global Financial Services Growth Company
Strategic
Financial
Operational
Integration
Global leadership in Securities Servicing and Asset
Management
Strongly accretive transaction
Excellent global growth opportunities
Highly complementary businesses with strong leadership
positions
Focused and experienced management team
Disciplined and thoughtful approach

Dedicated and experienced team with proven track record

25
Appendix
THE BANK

26

Timeline

Time Period

Agenda

January

File S-4 with SEC

Late February/Early March

SEC review completed, estimated 6-8 weeks after filing of S-4

Mid-March

Proxy mailed to shareholders

Second Quarter

Shareholder/regulatory approvals

July 1

st

Estimated Transaction close

27
Combined Balance Sheet
As of September 30, 2006
(Dollars in billions)
The Bank
of New York
Mellon
Combined[1]
Cash and Investment Securities
$49.9
$27.2
$77.1
Loans
41.3
5.9
47.2

Goodwill and Intangibles
4.8
2.3
7.1
Other Assets
10.6
7.2
17.8
Total Assets
106.6
42.7
149.3
Deposits
67.9
29.0
96.9
Borrowings
10.6
6.3
16.9
Other Liabilities
17.6
2.9
20.6
Total Liabilities
96.2
38.2
134.3
Total Equity
10.5
4.5
15.0
Total Liabilities and Equity
$106.6
$42.7
$149.3
Source: Publicly available financial statements
Note:
1
Does not include purchase accounting adjustments

28

Pro Forma Income Statement

Notes: Operating net income represents net income before merger related expenses. Operating cash net income is equal to ope
after-tax impact of intangible amortization

1

Reflects pro forma earnings for six months of The Bank of New York Mellon, assuming transaction close on 7/1/07

2

Assumes 100% of cost savings phased-in

3

Includes restructuring charge funding, share repurchase funding and addback of Mellon s existing identified intangible amorti

4

Excludes accounting impact of future merger related expenses realized through income statement

Year Ended,

Illustrative

(Dollars in millions)

2007

1

2008
2009
2009
2
The Bank of New York
Stand Alone Net Income
$912
$2,020
$2,237
$2,237
Mellon
Stand Alone Net Income
507
1,122
1,243
1,243
Pro Forma
Net Income Before Adjustments
1,418
3,142
3,480
3,480
After-tax Adjustments:
Cost Savings
67
230
403
474
Transaction Identified Intangible Amortization
(85)
(169)
(169)
(169)
Other
3
9
0
(47)
(47)
Total After-tax Adjustments
4
(9)
61
187
258
Pro Forma Operating
Net Income
$1,409
$3,203
$3,666

$3,738
Pro Forma Operating
Cash Net Income
$1,529
$3,443
$3,906
$3,978

29
Pro Forma Operating Metrics
(%)
The Bank
of New York
Mellon
Pro Forma
Combined
1
2008 Estimated
Return on Common Equity
16.1
20.7
11.4
Cash Return on Tangible Common Equity
33.7
43.1
49.2

Last Twelve Months[2]
Fee Income Ratio
76.9
90.5
83.0
Pre-tax Margin
36.2
25.3
36.8
Pro Forma Capital
TCE/TA at 9/30/07
5.05
5.60
4.20
TCE/TA at 12/31/07
5.30
5.90
4.50
TCE/TA at 12/31/08
6.25
7.35
5.00
3
Notes:
1
Pro forma figures reflect purchase accounting adjustments. Adjustments to the income statement are detailed on page 28
2
Pro forma for recent The Bank of New York acquisitions. Adjusted for fully phased-in cost savings and restructuring charge and share repurchase funding

costs
3
Includes estimated share repurchases of approximately $1.0 billion in 2008

30
$1,290
$1,490
$1,680
$2,130
$560[1]
$770[1]
4.50%
5.65%
7.00%
0.00
1.00
2.00
3.00
4.00
5.00

6.00
7.00
8.00
12/31/07
12/31/08
12/31/09
0
500
1,000
1,500
2,000
2,500
3,000
3,500
4,000
4,500
5,000
Dividends[2]
Incremental Annual Retained Earnings[3]
TCE/TA
Pro Forma Capital Generation
Notes:
1
For the six months ended 12/31/07
2
Assumes 40% dividend payout ratio
3
Assumes no share repurchases
4 TCE/TA ratios as of year-end
4

31
(Dollars in millions)
At Close
2007
2008
2009
2010
2011
Combined Value[1]
(45,210)
Combined Cash Net Income
1,460
3,230
3,570
3,940
4,360
After-tax Cost Savings
67
230

403
488
503
After-tax Cash Restructuring Costs[2]
(382)
(211)
(92)

Capital Requirements, Net of Funding Costs[3]
(140)
(300)
(360)
(430)
(500)
Terminal Value (15.4x 1-year Forward GAAP)
4
76,270
Net Cash Flows
(45,210)
1,005
2,949
3,521
3,998
80,633
Internal Rate of Return
Materially exceeds cost of capital
19% Internal Rate of Return
Notes:
1
Based on closing stock prices as of 12/1/06
2
Assumes 85% of merger related and restructuring costs are cash related
3
Assumes
5%
asset
growth
per
annum
and
target
TCE/TA
of
5.00%
net
of
funding
benefit/(cost)
from

restructuring
charge,
cost
savings
and
change
in
capital
assuming
5.25%
pre-tax rate
4
Based on blended GAAP P/E multiple using I/B/E/S median EPS estimates for 2007 applied to 2012 estimated GAAP net inco

32
The bank