Bank of New York Mellon CORP
Form S-4
February 23, 2007

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As filed with the Securities and Exchange Commission on February 23, 2007
Registration No. 333-[ ]

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE BANK OF NEW YORK MELLON CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**6711**	**56-2643194**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(IRS Employer Identification Number)*

One Wall Street
New York, NY 10286
(212) 495-1784
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Carl Krasik
One Mellon Center
500 Grant Street
Pittsburgh, PA 15258-0001
(412) 234-5000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

	Copies to:	
John M. Liftin	**H. Rodgin Cohen**	**Lee A. Meyerson**
The Bank of New York Company, Inc.	**Mitchell S. Eitel**	**Maripat Alpuche**
	Sullivan & Cromwell LLP	**Simpson Thacher & Bartlett LLP**
One Wall Street	**125 Broad Street**	**425 Lexington Avenue**
New York, NY 10286	**New York, NY 10004**	**New York, NY 10017-3954**
(212) 495-1784	**(212) 558-4000**	**(212) 455-2000**

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share of Common Stock	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, par value $0.01 per share	1,177,959,460 shares(1)	N/A	$53,312,625,000(2)	$1,636,697.59(3)

(1) Represents the maximum number of shares of The Bank of New York Mellon Corporation (Newco) common stock estimated to be issuable upon the consummation of the merger of each of The Bank of New York Company, Inc. (Bank of New York), a New York corporation, and Mellon Financial Corporation (Mellon), a Pennsylvania corporation, with and into Newco, based on the number of shares of Bank of New York common stock, par value $7.50 per share, and Mellon common stock, par value $0.50 per share, issued and outstanding, or reserved for issuance under various plans, immediately prior to the mergers and the exchange of each share of Bank of New York common stock for 0.9434 shares of Newco common stock and each share of Mellon common stock for one share of Newco common stock.

(2) Pursuant to Rule 457(f), and solely for the purpose of calculating the registration fee, the proposed maximum offering price per share is based upon the aggregate market value on February 20, 2007 of the shares of Bank of New York common stock and Mellon common stock expected to be cancelled in the mergers and computed by adding (x) the product of (A) the average of the high and the low sale prices of the Bank of New York common stock in the New York Stock Exchange on February 20, 2007 ($43.00) and (B) 756,900,000, representing the maximum number of shares of Bank of New York common stock expected to be cancelled in the Bank of New York merger and (y) the product of (A) the average of the high and low sale prices of Mellon common stock in the New York Stock Exchange on February 20, 2007 ($45.75) and (B) 453,900,000, representing the maximum number of shares of Mellon common stock expected to be cancelled in the Mellon merger.

(3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $30.70 per $1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information contained in this joint proxy statement/prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus is not an offer to sell these securities, and is not soliciting an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction where such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY DRAFT DATED FEBRUARY 23, 2007, SUBJECT TO COMPLETION

PROPOSED MERGER TRANSACTION YOUR VOTE IS VERY IMPORTANT

The Bank of New York Company, Inc. and Mellon Financial Corporation are proposing a business combination transaction, referred to in this joint proxy statement/prospectus as the transaction, involving the mergers of each of Bank of New York and Mellon with and into a newly formed holding company, The Bank of New York Mellon Corporation, referred to in this joint proxy statement/prospectus as Newco . After the transaction is complete, we believe the combined company will be one of the world s leading financial services growth companies, with global leadership positions in securities servicing and asset and wealth management.

Special meetings of shareholders of Bank of New York and Mellon will be held on **[ ]**, 2007 and **[ ]**, 2007, respectively, to vote on, among other things, a proposal to adopt the plan of merger. **The boards of directors of both companies have adopted the plan of merger.**

In the transaction, Mellon will merge with and into Newco and, immediately thereafter, Bank of New York will merge with and into Newco. When the transaction is completed, Bank of New York shareholders will receive 0.9434 shares of Newco common stock for each share of Bank of New York common stock then held, and Mellon shareholders will receive one share of Newco common stock for each share of Mellon common stock then held.

The exchange ratios are fixed and will not be adjusted to reflect stock price changes. Based on the closing prices of Bank of New York and Mellon common stock on December 1, 2006, the last trading day before public announcement of the transaction, the Bank of New York exchange ratio represented $37.78 in value for each share of Newco common stock and the Mellon exchange ratio represented $40.05 in value for each share of Newco common stock. Based on common stock closing prices on [ ], 2007, the latest practicable date before the date of this document, the Bank of New York exchange ratio represented $**[ ]** in value for each share of Newco common stock and the Mellon exchange ratio represented $**[ ]** in value for each share of Newco common stock.

You should obtain current market quotations for both Bank of New York and Mellon common stock. Bank of New York and Mellon are both listed on the New York Stock Exchange, under the symbols BK and MEL , respectively.

Upon completion of the transaction, Bank of New York and Mellon expect that former Bank of New York shareholders will own approximately 63.2 percent of Newco s outstanding common stock and former Mellon shareholders will own approximately 36.8 percent of Newco s outstanding common stock, based on the number of shares of Bank of New York and Mellon common stock issued and outstanding as of December 31, 2006.

The transaction is intended to be generally tax-free to both Bank of New York shareholders and Mellon shareholders, other than with respect to taxes on cash received by Bank of New York shareholders instead of fractional shares of Newco common stock.

YOUR VOTE IS IMPORTANT

Your vote is important regardless of the number of shares you own, and if you are a Bank of New York shareholder, your failure to vote or an abstention will have the same effect as a vote against the transaction. Whether or not you plan to attend the meeting, please submit your enclosed proxy at your earliest convenience. Internet and telephone voting options are also available and may be found on your proxy. **Your boards of directors unanimously recommend that you vote FOR adoption of the plan of merger.**

This joint proxy statement/prospectus describes the special shareholders meetings, the transaction, the documents related to the transaction and other related matters. Please read this document carefully and in its entirety, including the section entitled Risk Factors on page 23.

We appreciate your cooperation and continued support.

Thomas A. Renyi
Chairman and Chief Executive Officer
The Bank of New York Company, Inc.

Robert P. Kelly
Chairman, President and Chief Executive Officer
Mellon Financial Corporation

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE NEWCO COMMON STOCK TO BE ISSUED IN THE TRANSACTION OR DETERMINED IF THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. IT IS ILLEGAL TO TELL YOU OTHERWISE.

The securities to be issued in the transaction are not savings or deposit accounts and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is [ ], 2007, and it is first being mailed or otherwise delivered to Bank of New York shareholders and Mellon shareholders on or about [ ], 2007.

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Bank of New York and Mellon from documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference into this document through the Securities and Exchange Commission, or SEC, website at *www.sec.gov* or by requesting them in writing or by telephone from the appropriate company:

THE BANK OF NEW YORK COMPANY, INC.
One Wall Street, 9th Floor
New York, New York 10286
Attention: Corporate Secretary
Telephone: (212) 635-1787

If you would like to request documents, please do so by [ ], 2007 to receive them before Bank of New York s special meeting.

MELLON FINANCIAL CORPORATION
One Mellon Center, Room 4826
Pittsburgh, Pennsylvania 15258-0001
Attention: Secretary
Telephone: (800) 205-7699

If you would like to request documents, please do so by [ ], 2007 to receive them before Mellon s special meeting.

In addition, if you have questions about the transaction or the Bank of New York or Mellon special meeting, need additional copies of this document or to obtain proxy cards or other information related to the proxy solicitation, you may contact the appropriate contact listed below. You will not be charged for any of the documents that you request.

If you are a Bank of New York shareholder:
D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
(800) 578-5378 (toll-free)
or
(212) 269-5550 (call collect)

If you are a Mellon shareholder:
Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
(877) 300-2900 (toll-free)
or
(201) 680-5285 (call collect)

For additional information about documents incorporated by reference into this joint proxy statement/prospectus, see the section entitled Where You Can Find More Information on page 128.

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THE BANK OF NEW YORK COMPANY, INC.
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [ ], 2007

To the Shareholders of
The Bank of New York Company, Inc.:

We will hold a special meeting of shareholders at [ ], local time, on [ ], 2007 at The Bank of New York, 101 Barclay Street, New York, New York, 10007-2119 to consider and vote upon the following matters:

a proposal to adopt the plan of merger contained in the Amended and Restated Agreement and Plan of Merger, dated as of December 3, 2006, as amended and restated as of February 23, 2007, between The Bank of New York Company, Inc., Mellon Financial Corporation and The Bank of New York Mellon Corporation, as it may be further amended from time to time, pursuant to which Mellon will be merged with and into a newly formed holding company, named The Bank of New York Mellon Corporation , and immediately thereafter, Bank of New York will be merged into The Bank of New York Mellon Corporation, as more fully described in the attached joint proxy statement/prospectus. A copy of the Agreement and Plan of Merger is attached as Annex A to the joint proxy statement/prospectus; and

a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

The close of business on [ ], 2007 has been fixed as the record date for determining those Bank of New York shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only Bank of New York shareholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. In order to adopt the plan of merger, the holders of two thirds of the outstanding shares of Bank of New York common stock entitled to vote must vote in favor of approval of the proposal. As such, a failure to vote will have the same effect as a vote against adoption of the plan of merger. Abstentions and broker non-votes will also have the same effect as votes against adoption of the plan of merger. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

By Order of the Board of Directors,

Bart R. Schwartz
Corporate Secretary

[ ], 2007

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE YOUR PROXY BY TELEPHONE OR THROUGH THE INTERNET, AS DESCRIBED ON THE ENCLOSED PROXY CARD, OR COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE. IF YOU ATTEND THE SPECIAL MEETING, YOU MAY VOTE

IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD OR VOTED BY TELEPHONE OR THROUGH THE INTERNET. PLEASE VOTE AT YOUR FIRST OPPORTUNITY.

BANK OF NEW YORK S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE PLAN OF MERGER AND FOR APPROVAL OF ANY ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, INCLUDING TO PERMIT FURTHER SOLICITATION OF PROXIES.

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MELLON FINANCIAL CORPORATION
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [ ], 2007

To the Shareholders of
Mellon Financial Corporation:

We will hold a special meeting of shareholders at [ ], local time, on [ ], 2007 at The Omni William Penn Hotel, 530 William Penn Place, Pittsburgh, Pennsylvania, 15219 to consider and vote upon the following matters:

a proposal to adopt the plan of merger contained in the Amended and Restated Agreement and Plan of Merger, dated as of December 3, 2006, as amended and restated as of February 23, 2007, between The Bank of New York Company, Inc., Mellon Financial Corporation and The Bank of New York Mellon Corporation, as it may be further amended from time to time, pursuant to which Mellon will be merged with and into a newly formed holding company, named The Bank of New York Mellon Corporation , and, immediately thereafter, Bank of New York will be merged into The Bank of New York Mellon Corporation, as more fully described in the attached joint proxy statement/prospectus. A copy of the Agreement and Plan of Merger is attached as Annex A to the joint proxy statement/prospectus; and

a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies.

The close of business on [ ], 2007 has been fixed as the record date for determining those Mellon shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Only Mellon shareholders of record at the close of business on that date are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. In order for the plan of merger to be adopted by Mellon shareholders, a majority of the votes cast by Mellon shareholders entitled to vote must be voted in favor of approval of the proposal. If you wish to attend the special meeting and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

By Order of the Board of Directors,

Carl Krasik
Secretary

[ ], 2007

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE VOTE YOUR PROXY BY TELEPHONE OR THROUGH THE INTERNET, AS DESCRIBED ON THE ENCLOSED PROXY CARD, OR COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE. IF YOU ATTEND THE SPECIAL MEETING, YOU MAY VOTE IN PERSON IF YOU WISH, EVEN IF YOU HAVE PREVIOUSLY RETURNED YOUR PROXY CARD OR VOTED BY TELEPHONE OR THROUGH THE INTERNET. PLEASE VOTE AT YOUR FIRST OPPORTUNITY.

MELLON S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE PLAN OF MERGER AND FOR APPROVAL OF ANY ADJOURNMENT OR POSTPONEMENT OF THE SPECIAL MEETING, IF NECESSARY OR APPROPRIATE, INCLUDING TO PERMIT FURTHER SOLICITATION OF PROXIES.

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ANNEXES

ANNEX A Amended and Restated Agreement and Plan of Merger, dated December 3, 2006, as amended and restated as of February 23, 2007 between Mellon Financial Corporation, The Bank of New York Company, Inc. and The Bank of New York Mellon Corporation
ANNEX B Stock Option Agreement, dated December 3, 2006, between Mellon Financial Corporation (as issuer) and The Bank of New York Company, Inc. (as grantee)
ANNEX C Stock Option Agreement, dated December 3, 2006, between The Bank of New York Company, Inc. (as issuer) and Mellon Financial Corporation (as grantee)
ANNEX D Opinion (addressed to Bank of New York s Board of Directors) of Goldman, Sachs & Co., dated December 3, 2006
ANNEX E-1 Opinion (addressed to Mellon s Board of Directors) of UBS Securities LLC, dated December 3, 2006
ANNEX E-2 Opinion (addressed to Mellon s Board of Directors) of Lazard Frères & Co. LLC, dated December 3, 2006

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SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that may be important to you. You should read the entire document carefully and the other documents to which we refer you in order to fully understand the proposed transaction. In addition, we incorporate by reference into this document important business and financial information about Bank of New York and Mellon. You may obtain the information incorporated by reference into this document without charge by following the instructions in the section entitled Where You Can Find More Information on page 128. Each item in this summary includes a page reference directing you to a more complete description of that item.

The Transaction (Page 33)

We propose that Bank of New York and Mellon combine through the successive merger of each company with and into Newco, a Delaware corporation formed specifically for this purpose, with Newco surviving. Newco is incorporated in Delaware and, after the transaction, will have its corporate headquarters in New York, New York and the headquarters for its cash management and stock transfer businesses in Pittsburgh, Pennsylvania. In addition, Pittsburgh will be a primary location at which certain administrative functions of Newco, such as human resources, accounting, facilities management, technology and operations, will be conducted. Newco will apply to the New York Stock Exchange to list its common stock for trading under the symbol BK .

Bank of New York and Mellon currently expect to complete the transaction in the third quarter of 2007, subject, among other things, to receipt of required shareholder and regulatory approvals.

We encourage you to read the merger agreement, which is attached as **Annex A.**

Shareholders of Bank of New York and Mellon Will Receive Shares of Newco Common Stock in the Transaction (Page 33)

Bank of New York Shareholders. If you are a Bank of New York shareholder, each of your shares will be converted into the right to receive 0.9434 shares of Newco common stock upon the merger of Bank of New York with and into Newco. This 0.9434-to-1 ratio is sometimes referred to in this joint proxy statement/prospectus as the Bank of New York exchange ratio. The aggregate number of shares of Newco common stock that a Bank of New York shareholder will be entitled to receive in the transaction is equal to 0.9434 multiplied by the number of Bank of New York shares owned by that shareholder immediately prior to the completion of the transaction.

Newco will not issue any fractional shares in the transaction. Instead, it will pay cash for fractional Newco common shares based on the closing price of Mellon common stock on the trading day immediately preceding the date on which the transaction is completed.

For example, if you own 100 shares of Bank of New York common stock immediately prior to the merger of Bank of New York with and into Newco, when the transaction is completed, you will be entitled to receive:

- **94 shares of Newco common stock, and**
- **an amount in cash equal to 0.34 (the remaining fractional interest in a Newco common share) multiplied by the closing price of Mellon common stock on the trading day immediately preceding the date on which the transaction is completed.**

The Bank of New York exchange ratio is a fixed ratio. Therefore, the number of shares of Newco common stock to be received by holders of Bank of New York common stock in the transaction will not change between now and the time the transaction is completed to reflect changes in the trading price of Bank of New York common stock or share repurchases or issuances of common stock by Bank of New York, as permitted by the merger agreement in limited circumstances.

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Mellon Shareholders. If you are a Mellon shareholder, each of your shares will be converted into the right to receive one share of Newco common stock upon the merger of Mellon with and into Newco. This one-to-one ratio is sometimes referred to in this joint proxy statement/prospectus as the Mellon exchange ratio. The aggregate number of shares of Newco common stock that a Mellon shareholder will be entitled to receive in the transaction is equal to the number of Mellon shares owned by that shareholder immediately prior to the completion of the transaction.

For example, if you own 100 shares of Mellon common stock immediately prior to the merger of Mellon with and into Newco, when the transaction is completed you will be entitled to receive 100 shares of Newco common stock.

The Mellon exchange ratio is a fixed ratio. Therefore, the number of shares of Newco common stock to be received by holders of Mellon common stock in the transaction will not change between now and the time the transaction is completed to reflect changes in the trading price of Mellon common stock or share repurchases or issuances of common stock by Mellon, as permitted by the merger agreement in limited circumstances.

Combined Company. Upon completion of the transaction, Bank of New York and Mellon expect that former Bank of New York shareholders will own approximately 63.2 percent of Newco s outstanding common stock and former Mellon shareholders will own approximately 36.8 percent of Newco s outstanding common stock, based on the number of shares of Bank of New York and Mellon common stock issued and outstanding as of December 31, 2006.

Comparative Market Prices and Share Information (Page 106)

Bank of New York common stock is listed on the New York Stock Exchange under the symbol **BK** . Mellon common stock is listed on the New York Stock Exchange under the symbol **MEL** . The following table sets forth the closing sale prices per share of Bank of New York common stock and Mellon common stock in each case as reported on the New York Stock Exchange on December 1, 2006, the last trading day before Bank of New York and Mellon announced the transaction, and on [ ], 2007, the last practicable trading day before the distribution of this document.

	Bank of New York Common Stock Closing Price	Per Equivalent Newco Share	Mellon Common Stock Closing Price	Per Equivalent Newco Share
December 1, 2006 (the trading day prior to announcement of the transaction)	$ 35.48	$ 37.78	$ 40.05	$ 40.05
[ ], 2007	$ [ ]	$ [ ]	$ [ ]	$ [ ]

The market prices of both Bank of New York common stock and Mellon common stock will fluctuate prior to the completion of the transaction. You are encouraged to obtain current stock price quotations for Bank of New York common stock and Mellon common stock.

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Generally Tax-Free Transaction to Bank of New York and Mellon Shareholders (Page 51)

Each merger has been structured to qualify as a tax-free reorganization for federal income tax purposes, and it is a condition to our respective obligations to complete the transaction that Bank of New York and Mellon each receive a legal opinion that its merger with and into Newco will so qualify. In addition, in connection with the effectiveness of the registration statement of which this document is a part, Bank of New York and Mellon have each received a legal opinion to the same effect. Accordingly, holders of Bank of New York common stock and Mellon common stock generally will not recognize any gain or loss for federal income tax purposes on the exchange of their common stock for Newco common stock in the transaction, except for any gain or loss that may result from the receipt by Bank of New York shareholders of cash instead of fractional shares of Newco common stock.

The federal income tax consequences described above may not apply to some holders of Bank of New York common stock or Mellon common stock, including certain holders specifically referred to on page 52. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the tax consequences of the transaction in your particular circumstances, as well as any tax consequences that may arise from the laws of any other taxing jurisdiction.

Bank of New York s Board of Directors Unanimously Recommends that You Vote FOR the Adoption of the Plan of Merger (Page 38)

Bank of New York s board of directors determined that the transaction, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Bank of New York and its shareholders, and unanimously adopted the plan of merger contained in the merger agreement. For the factors considered by the Bank of New York board of directors in reaching its decision to adopt the plan of merger, see the section entitled The Transaction Bank of New York s Reasons for the Transaction; Recommendation of Bank of New York s Board of Directors beginning on page 38 Bank of New York s board of directors unanimously recommends that Bank of New York shareholders vote **FOR** the adoption of the plan of merger.

Mellon s Board of Directors Unanimously Recommends that You Vote FOR the Adoption of the Plan of Merger (Page 41)

Mellon s board of directors determined that the transaction, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Mellon and its shareholders and has unanimously adopted the plan of merger contained in the merger agreement. For the factors considered by the Mellon board of directors in reaching its decision to adopt the plan of merger, see the section entitled The Transaction Mellon s Reasons for the Transaction; Recommendation of Mellon s Board of Directors beginning on page 41. Mellon s board of directors unanimously recommends that Mellon shareholders vote **FOR** the adoption of the plan of merger.

Opinion of Bank of New York s Financial Advisor (Page 59)

In deciding to adopt the plan of merger contained in the merger agreement, Bank of New York s board of directors considered the opinion of its financial advisor, Goldman, Sachs & Co., which was given to Bank of New York s board of directors on December 3, 2006, that, as of the date of such opinion and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs set forth in its opinion, the Bank of New York exchange ratio was fair, from a financial point of view, to the holders of Bank of New York common stock. A copy of the opinion is attached to this joint proxy statement/prospectus as **Annex D.** Bank of New York shareholders should read the opinion completely and carefully to understand the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs in providing its opinion. **Goldman Sachs opinion was provided to Bank of New York s board of directors in its**

evaluation of the Bank of New York exchange ratio from a financial point of view, did not address any other aspect of the transaction and did not constitute a recommendation to any shareholder as to how to vote or act with respect to the transaction.

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Opinions of Mellon s Financial Advisors (Page 69)

In connection with the transaction, Mellon s board of directors received separate written opinions from Mellon s financial advisors, UBS Securities LLC and Lazard Frères & Co. LLC, as to the fairness, from a financial point of view and as of the date of such opinions, to holders of Mellon common stock of the Mellon exchange ratio. The written opinions of UBS and Lazard, each dated December 3, 2006, are attached to this joint proxy statement/prospectus as **Annex E-1** and **Annex E-2**, respectively. Holders of Mellon common stock are encouraged to read these opinions carefully in their entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. **UBS and Lazard s opinions were provided to Mellon s board of directors in its evaluation of the Mellon exchange ratio from a financial point of view, do not address any other aspect of the transaction and do not constitute a recommendation to any shareholder as to how to vote or act with respect to the transaction.**

Senior Management and Board of Directors of Newco Following the Transaction (Page 44)

Following completion of the transaction, Thomas A. Renyi, currently Chairman and Chief Executive Officer of Bank of New York, will serve as Executive Chairman of Newco; Robert P. Kelly, currently Chairman, President and Chief Executive Officer of Mellon, will serve as Chief Executive Officer of Newco; and Gerald L. Hassell, currently President of Bank of New York, will serve as President of Newco. Beginning 18 months after the completion of the transaction, or earlier should Mr. Renyi cease to serve as Executive Chairman, Mr. Kelly will succeed Mr. Renyi as Chairman of Newco.

Upon completion of the transaction, the Board of Directors of Newco will initially consist of ten current directors of Bank of New York to be designated by Bank of New York, and eight current directors of Mellon to be designated by Mellon. Beginning 18 months after completion of the transaction or earlier if Mr. Kelly earlier succeeds Mr. Renyi as Executive Chairman of Newco (as described above), the number of directors will be reduced to 16, of whom nine will be Bank of New York designees and seven will be Mellon designees.

Community Commitments Related to the Pittsburgh Area (Page 56)

In connection with the transaction, Bank of New York and Mellon have made certain commitments regarding the Pittsburgh area, including the following:

- establishment of an advisory board for the Pittsburgh area to advise Newco with respect to its Western Pennsylvania community development and reinvestment, civic and charitable activities in the greater Pittsburgh area and to focus on jobs, monitor the integration status of Newco and foster revenue growth with corporate and wealth management clients throughout Western Pennsylvania;

- designation of one or more senior executives to head the Pittsburgh office, advise Newco s Chief Executive Officer on Pennsylvania state and civic issues and represent Newco with major Pennsylvania business and civic organizations;

- establishment of a new $80 million Mellon Charitable Foundation to make grants in Western Pennsylvania;

- in addition to the activities of the Mellon Charitable Foundation, Newco will maintain a strong commitment to charitable giving in the greater Pittsburgh metropolitan area of not less than $1.2 million annually; and

subject to business needs, market conditions and other relevant factors, creation of jobs in the Western Pennsylvania area for a specified period after the completion of the transaction so that current Mellon employment levels in Pittsburgh are maintained or increased.

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Newco s Dividend Policy After the Transaction; Coordination of Dividends (Page 85)

Bank of New York and Mellon currently expect that Newco will pay quarterly cash dividends at the initial rate of $0.235 per share of Newco common stock after the completion of the transaction, subject to the discretion of Newco s Board of Directors.

The merger agreement permits each of us to continue to pay regular quarterly cash dividends on our common stock prior to completion of the transaction at a rate not to exceed $0.22 per share per quarter. We have also agreed in the merger agreement to coordinate with each other regarding dividend declarations and the related record dates and payment dates so that Bank of New York and Mellon shareholders do not receive more than one dividend, or fail to receive one dividend, for any quarter until the completion of the transaction.

The payment of dividends by Bank of New York or Mellon on our common stock in the future is subject to the determination of our respective boards of directors and depends on cash requirements, our financial condition and earnings, legal and regulatory considerations and other factors.

Conditions to Completion of the Transaction (Page 80)

The completion of the transaction depends on a number of conditions being satisfied or waived, including:

- adoption of the plan of merger contained in the merger agreement by the shareholders of both companies;
- receipt of required regulatory approvals, which must not be subject to any condition that would have a material adverse effect on Newco;
- the absence of any governmental action or other legal restraint or prohibition that would prohibit either merger;
- the listing of the shares of Newco common stock to be issued in the transaction on the New York Stock Exchange;
- the effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part;
- the receipt by each party of an opinion of their respective counsel that the merger of such party into Newco will constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;
- the accuracy of the other party s representations and warranties, subject to the material adverse effect standard in the merger agreement; and
- the other party having performed and complied with its covenants in the merger agreement in all material respects.

We cannot be certain when, or if, these conditions will be satisfied or waived.

Regulatory Approvals We Must Obtain to Complete the Transaction (Page 54)

We cannot complete the transaction unless we obtain the prior approval of various regulatory authorities, including the Board of Governors of the Federal Reserve System, or the Federal Reserve Board. We will make the necessary filings with the Federal Reserve Board. We also have made or will make filings with various other federal, state and foreign

regulatory agencies and self-regulatory organizations notifying, or requesting approval from, those agencies and organizations for the transaction.

Although we currently believe we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to Newco after the completion of the transaction.

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Termination of the Merger Agreement (Page 86)

We may agree to terminate the merger agreement before completing the transaction, even after adoption of the plan of merger by our shareholders, if both of our boards of directors authorize us to do so.

In addition, either party may terminate the merger agreement, even after adoption of the plan of merger by its shareholders, in various circumstances, including the following:

- if the transaction has not been completed by December 31, 2007;
- if the other party fails to recommend adoption of the plan of merger to its shareholders or withdraws, modifies or qualifies its recommendation in an adverse manner, materially breaches its non-solicitation covenant or its obligation to use reasonable best efforts to obtain its shareholders approval, negotiates with a third party regarding an acquisition proposal or recommends a third-party acquisition proposal;
- if a party s shareholders fail to adopt the plan of merger, and that party substantially engages in a bad faith breach of its obligation to restructure the transaction and/or to re-submit it to its shareholders for approval;
- if the other party recommends that its shareholders tender their shares or otherwise fails to recommend that its shareholders reject a third-party tender offer or exchange offer for 20 percent or more of the outstanding shares of the other party s common stock;
- if any of the required regulatory approvals are denied or any governmental order has been issued permanently restraining, enjoining or otherwise prohibiting the transaction, and the denial or order is final and nonappealable; or
- if there is an uncured breach of the other party s representations, warranties or covenants that would result in the failure of the terminating party s closing conditions.

Consideration of Third-Party Acquisition Proposals (Page 83)

We have each agreed not to initiate, solicit or encourage proposals from third parties regarding acquisition proposals. Each party also agreed not to engage in negotiations with or provide confidential information to a third party regarding such party or its business. If, however, either party receives an unsolicited acquisition proposal from a third party prior to that party s shareholders meeting, it can participate in negotiations with and provide confidential information to the third party if, among other steps, the party s board of directors concludes in good faith that the proposal is reasonably likely to be a superior proposal to the transaction, as such term is defined in the merger agreement, and the failure to take such actions would violate the board s fiduciary duties.

Certain Executive Officers and Directors Have Interests in the Transaction (Page 46)

Certain executive officers and directors of Bank of New York and Mellon have interests in the transaction in addition to, or different from, their interests as shareholders.

In the case of Bank of New York, these interests include rights of executive officers under executive employment arrangements with Bank of New York, rights under stock-based benefit programs of Bank of New York, and rights under supplemental retirement benefit and deferred compensation plans of Bank of New York. In the case of Mellon, these interests include rights of executive officers under change in control severance agreements with Mellon, rights

under stock-based benefit programs and awards of Mellon and rights under supplemental retirement benefit and deferred compensation plans of Mellon, and, in the case of certain officers of Mellon, rights under employment arrangements.

Both boards of directors considered these interests, among other matters, in recommending adoption of the plan of merger.

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Mellon Granted a Stock Option to Bank of New York (Page 89)

To induce Bank of New York to enter into the merger agreement, Mellon granted Bank of New York an option to purchase up to 82,641,656 shares of Mellon common stock at a price per share equal to the lesser of $40.05 and the closing sale price of Mellon common stock on the trading day immediately preceding the exercise date; but in no case may Bank of New York acquire more than 19.9 percent of the outstanding shares of Mellon common stock under this stock option agreement. Bank of New York cannot exercise the option unless specified triggering events occur. These events generally relate to business combinations or acquisition transactions involving Mellon and a third party.

The option could have the effect of discouraging a third party from trying to acquire Mellon prior to completion of the transaction or termination of the merger agreement. Upon the occurrence of certain triggering events, Mellon may be required to repurchase the option and/or any shares of Mellon common stock purchased by Bank of New York under the option at a predetermined price, or Bank of New York may choose to surrender the option to Mellon for a cash payment of $725 million. In no event will the total profit received by Bank of New York with respect to this option exceed $825 million.

The Mellon stock option agreement is attached as **Annex B.**

Bank of New York Granted a Stock Option to Mellon (Page 89)

To induce Mellon to enter into the merger agreement, Bank of New York granted Mellon an option to purchase up to 149,621,546 shares of Bank of New York common stock at a price per share equal to the lesser of $35.48 and the closing sale price of Bank of New York common stock on the trading day immediately preceding the exercise date; but in no case may Mellon acquire more than 19.9 percent of the outstanding shares of Bank of New York common stock under this stock option agreement. Mellon cannot exercise the option unless specified triggering events occur. These events generally relate to business combinations or acquisition transactions involving Bank of New York and a third party.

The option could have the effect of discouraging a third party from trying to acquire Bank of New York prior to completion of the transaction or termination of the merger agreement. Upon the occurrence of certain triggering events, Bank of New York may be required to repurchase the option and/or any shares of Bank of New York common stock purchased by Mellon under the option at a predetermined price, or Mellon may choose to surrender the option to Bank of New York for a cash payment of $1.15 billion. In no event will the total profit received by Mellon with respect to this option exceed $1.3 billion.

The Bank of New York stock option agreement is attached as **Annex C**.

Accounting Treatment of the Transaction by Newco (Page 56)

Newco will account for the transaction as a purchase by Bank of New York of Mellon under U.S. generally accepted accounting principles, or GAAP.

Appraisal or Dissenters Rights (Page 58)

Bank of New York is incorporated under New York law and Mellon is incorporated under Pennsylvania law. Under both New York and Pennsylvania law, because both companies are publicly traded, neither the shareholders of Bank of New York nor the shareholders of Mellon have appraisal or dissenters rights, or similar rights to a court determination of the fair value of their shares in connection with the transaction.

Bank of New York Special Meeting (Page 25)

The Bank of New York special meeting will be held at [ ] local time on [ ], 2007, at The Bank of New York, 101 Barclay Street in New York, New York. At the Bank of New York special meeting, Bank of New York shareholders will be asked:

to adopt the plan of merger contained in the merger agreement; and

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to approve the adjournment or postponement of the Bank of New York special meeting, if necessary or appropriate, including to solicit additional proxies.

Record Date. Bank of New York shareholders may cast one vote at the Bank of New York special meeting for each share of Bank of New York common stock that was owned at the close of business on [ ], 2007. At that date, there were [ ] shares of Bank of New York common stock entitled to be voted at the special meeting.

As of the Bank of New York record date, directors and executive officers of Bank of New York and their affiliates had the right to vote [ ] shares of Bank of New York common stock, or [ ] percent of the outstanding Bank of New York common stock entitled to be voted at the special meeting.

Required Vote. To adopt the plan of merger, the holders of two thirds of the outstanding shares of Bank of New York common stock entitled to vote must vote in favor of adoption of the plan of merger. We urge you to vote, because a Bank of New York shareholder s failure to vote, a broker non-vote or an abstention will have the same effect as a vote **against** the adoption of the plan of merger.

Mellon Special Meeting (Page 28)

The Mellon special meeting will be held at [ ] local time, on [ ], 2007, at The Omni William Penn Hotel, 530 William Penn Place in Pittsburgh, Pennsylvania. At the Mellon special meeting, Mellon shareholders will be asked:

to adopt the plan of merger contained in the merger agreement; and

to approve the adjournment or postponement of the Mellon special meeting, if necessary or appropriate, including to solicit additional proxies.

Record Date. Mellon shareholders may cast one vote at the Mellon special meeting for each share of Mellon common stock that was owned at the close of business on [ ], 2007. At that date, there were [ ] shares of Mellon common stock entitled to be voted at the special meeting.

As of the Mellon record date, directors and executive officers of Mellon and their affiliates had the right to vote [ ] shares of Mellon common stock, or [ ] percent of the outstanding Mellon common stock entitled to be voted at the special meeting.

Required Vote. In order for the plan of merger to be adopted by Mellon shareholders, a majority of the votes cast by Mellon shareholders entitled to vote must be voted in favor of the adoption of the plan of merger. We urge you to vote.

Information About the Companies (Page 31)

The Bank of New York Company, Inc.

Bank of New York (NYSE: BK), headquartered in New York, New York, is a global provider of securities servicing, treasury management, investment management and private banking products and services. As of December 31, 2006, Bank of New York had $103.5 billion in assets and shareholders equity of $11.6 billion. Based on assets, Bank of New York is one of the top 25 financial holding companies in the United States. Additional information about Bank of New York can be found at its website, *www.bankofny.com.* The information provided on Bank of New York s website is not part of this joint proxy statement/prospectus, and is not incorporated by reference.

Bank of New York s principal executive offices are located at One Wall Street, New York, New York, 10286 and its telephone number is (212) 495-1784.

Mellon Financial Corporation

Mellon (NYSE: MEL), headquartered in Pittsburgh, Pennsylvania, is a global provider of financial services for institutions, corporations and high net worth individuals, providing asset management, private

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wealth management, asset servicing and payment solutions and investor services. As of December 31, 2006, Mellon had $41.5 billion in assets and shareholders equity of $4.7 billion. Additional information about Mellon can be found at its website, *www.mellon.com.* The information provided on Mellon s website is not part of this joint proxy statement/prospectus, and is not incorporated by reference.

Mellon s principal executive offices are located at One Mellon Center, 500 Grant Street, Pittsburgh, Pennsylvania, 15258 and its telephone number is (412) 234-5000.

The Bank of New York Mellon Corporation

Bank of New York and Mellon formed Newco solely for the purpose of effecting the transaction. To date, Newco has not conducted any activities other than those incident to its formation, its adoption of the merger agreement and the preparation of this joint proxy statement/prospectus. Newco is jointly owned by Bank of New York and Mellon. Upon completion of the transaction, Bank of New York and Mellon will each have been merged with and into Newco, with Newco surviving. Following the closing, Newco will continue its corporate existence under the laws of the State of Delaware.

Newco s principal executive offices are located at One Wall Street, New York, New York, 10286 and its telephone number is (212) 495-1784.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BANK OF NEW YORK

Set forth below are highlights from Bank of New York s consolidated financial data as of and for the years ended December 31, 2002 through 2006. You should read this information in conjunction with Bank of New York s consolidated financial statements and related notes included in Bank of New York s Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this joint proxy statement/prospectus and from which this information is derived. For more information, see the section entitled Where You Can Find More Information on page 128.

	2006[a]	2005	2004	2003[c]	2002
(Dollars in millions, except per share amounts and unless otherwise noted)					
Net Interest Income	$ 1,499	$ 1,340	$ 1,157	$ 1,143	$ 1,159
Noninterest Income	5,322	4,698	4,377	3,723	2,875
Revenue	6,821	6,038	5,534	4,866	4,034
Provision for Credit Losses	(20)	(7)	(4)	132	634
Noninterest Expense	4,671	4,067	3,698	3,304	2,367
Income from Continuing Operations Before Income Taxes	2,170	1,978	1,840	1,430	1,033
Income Taxes	694	635	587	458	320
Income from Continuing Operations	1,476	1,343	1,253	972	713
Income from Discontinued Operations, Net of Taxes	1,535	228	187	185	189
Net Income	$ 3,011	$ 1,571	$ 1,440	$ 1,157	$ 902
Basic EPS:					
Income from Continuing Operations	$ 1.95	$ 1.75	$ 1.63	$ 1.29	$ 0.99
Net Income	3.98	2.05	1.87	1.54	1.25
Diluted EPS:					
Income from Continuing Operations	1.93	1.74	1.61	1.28	0.98
Net Income[b]	3.93	2.03	1.85	1.52	1.24
Cash Dividends Per Share	0.86	0.82	0.79	0.76	0.76
Dividends Paid On Common Stock	656	644	608	563	549
At December 31					
Securities	$ 21,106	$ 27,218	$ 23,770	$ 22,780	$ 18,233
Loans	37,793	32,927	28,375	28,414	24,743
Total Assets	103,370	102,118	94,529	92,397	77,740
Deposits	62,146	49,787	43,052	40,753	40,828
Long-Term Debt	8,773	7,817	6,121	6,121	5,440
Common Shareholders Equity	11,593	9,876	9,290	8,428	6,684
Market Capitalization (in billions)	29.8	24.6	26.0	25.7	17.4
Common Shares Outstanding (in thousands)	755,861	771,129	778,121	775,192	725,971

Ratios					
Performance Ratios					
Return on Average Common Shareholders Equity	29.14%	16.59%	16.37%	15.12%	13.96%
Return on Average Tangible Common Shareholders Equity	59.25	31.13	31.46	31.90	23.20
Return on Average Assets	2.82	1.55	1.45	1.27	1.13
Return on Average Tangible Assets	3.01	1.65	1.54	1.34	1.17
Net Interest Margin (Continuing Operations)	2.01	2.02	1.79	1.97	2.34
Pre-tax Operating Margin (Continuing Operations)	32	33	33	29	26
Common Equity to Assets Ratio	11.21	9.67	9.83	9.12	8.60
Capital Ratios					
Tier 1 Capital Ratio	8.19%	8.38%	8.31%	7.44%	7.58%
Total Capital Ratio	12.49	12.48	12.21	11.49	11.96
Leverage Ratio	6.67	6.60	6.41	5.82	6.48
Tangible Common Equity to Assets Ratio	5.13	5.57	5.56	4.91	5.47

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(Dollars in millions, except per share amounts and unless otherwise noted)	2006[a]	2005	2004	2003[c]	2002
Other Data					
Total Assets Under Custody (in trillions) Estimated	$ 13.0	$ 10.9	$ 9.7	$ 8.3	$ 6.8
Total Assets Under Management (in billions)					
Estimated	$ 190	$ 155	$ 137	$ 112	$ 80
S&P 500 Index year end	*1418*	*1248*	*1212*	*1112*	*880*
S&P 500 Index daily average	*1311*	*1207*	*1131*	*965*	*994*
Closing Common Stock Price Per Share at year-end	$ 39.37	$ 31.85	$ 33.42	$ 33.12	$ 23.96
Average Common Shares and Equivalents Outstanding					
Diluted (in thousands)	765,708	772,851	778,470	758,819	728,075

(a) Bank of New York s retail business, sold to JPMorgan Chase & Co. on October 1, 2006, has been accounted for as a discontinued operation.

(b) Excluding the $2,159 million of pre-tax gain on the sale of the retail business and $151 million of pre-tax merger and integration costs, diluted earnings per share would have been $2.26 in 2006.

(c) The 2003 results for Bank of New York reflect $96 million of pre-tax merger and integration costs associated with the Pershing acquisition as well as a $78 million pre-tax expense related to the settlement of a claim by General Motors Acceptance Corporation related to the 1999 sale of BNY Financial Corporation.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF MELLON

Set forth below are highlights from Mellon s consolidated financial data as of and for the years ended December 31, 2002 through 2006. You should read this information in conjunction with Mellon s consolidated financial statements and related notes included in Mellon s Annual Report on Form 10-K for the year ended December 31, 2006, which is incorporated by reference into this joint proxy statement/prospectus and from which this information is derived. For more information, see the section entitled Where You Can Find More Information on page 128.

(Dollars in millions, except per share amounts and unless otherwise noted)	2006	2005	2004	2003	2002
Net Interest Income	$ 463	$ 466	$ 453	$ 547	$ 589
Noninterest Income	4,852	4,215	3,662	3,269	3,229
Revenue	5,315	4,681	4,115	3,816	3,818
Provision for Credit Losses	2	17	(14)	5	170
Noninterest Expense	4,067	3,362	3,000	2,723	2,607
Income from Continuing Operations Before Income Taxes and Cumulative Effect of Change in Accounting Principle	1,246	1,302	1,129	1,088	1,041
Income Taxes	314	418	348	343	339
Income from Continuing Operations Before Cumulative Effect of Change in Accounting Principle	932	884	781	745	702
Cumulative Effect of Change in Accounting Principle, Net of Income Taxes				(7)	
Income from Continuing Operations	932	884	781	738	702
Income (Loss) from Discontinued Operations, Net of Taxes	(34)	(102)	15	(37)	(20)
Net Income	$ 898	$ 782	$ 796	$ 701	$ 682
Basic EPS:					
Income from Continuing Operations	$ 2.28	$ 2.13	$ 1.86	$ 1.73[(a)]	$ 1.61
Net Income	2.20	1.88	1.90	1.64[(a)]	1.56
Diluted EPS:					
Income from Continuing Operations	2.25	2.11	1.84	1.71[(a)]	1.60
Net Income	2.17	1.87	1.88	1.63[(a)]	1.55
Cash Dividends Per Share	0.86	0.78	0.70	0.57	0.49
Dividends Paid On Common Stock	355	327	297	243	213
At December 31					
Securities[(b)]	$ 18,667	$ 17,362	$ 13,540	$ 10,934	$ 11,536

Loans	5,989	6,573	6,754	7,467	8,438
Total Assets	41,478	38,678	37,115	33,983	36,231
Deposits	27,331	26,074	23,591	20,843	22,657
Long-Term Debt[(b)]	5,053	4,705	5,624	5,266	5,541
Common Shareholders Equity	4,676	4,202	4,102	3,702	3,395
Market Capitalization (in billions)	17.5	14.2	13.2	13.7	11.2
Common Shares Outstanding (in thousands)	415,237	415,479	423,354	427,032	430,782
Ratios					
Performance Ratios					
Return on Average Common Shareholders Equity[(c)]	21.51%	21.44%	20.37%	21.15%	20.94%
Return on Average Tangible Common Shareholders Equity[(c)]	50.82	48.34	44.75	46.24	44.96
Return on Average Assets[(c)]	2.42	2.47	2.43	2.35	2.29
Return on Average Tangible Assets[(c)]	2.57	2.57	2.48	2.34	2.23
Net Interest Margin[(c)(d)]	1.70	1.91	2.13	2.61	2.83
Pre-tax Operating Margin[(c)(d)]	24	29	28	30	28
Common Equity to Assets Ratio	11.27	10.86	11.05	10.89	9.37
Capital Ratios					
Tier 1 Capital Ratio	12.14%	10.90%	10.54%	8.55%	7.87%
Total Capital Ratio	18.54	16.87	16.47	13.46	12.48
Leverage Ratio	9.06	8.33	7.87	7.92	6.55
Tangible Common Equity to Assets Ratio	4.74	5.19	4.72	4.44	3.57

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(Dollars in millions, except per share amounts and unless otherwise noted)	2006	2005	2004	2003	2002
Other Data					
Total Assets Under Custody (in trillions)	$ 4.5	$ 3.9	$ 3.2	$ 2.7	$ 2.2
Total Assets Under Management (in billions)	$ 995	$ 781	$ 707	$ 657	$ 581
S&P 500 Index year-end	*1418*	*1248*	*1212*	*1112*	*880*
S&P 500 Index daily average	*1311*	*1207*	*1131*	*965*	*994*
Closing Common Stock Price Per Share at year-end	$ 42.15	$ 34.25	$ 31.11	$ 32.11	$ 26.11
Average Common Shares and Equivalents Outstanding Diluted (in thousands)	413,950	418,832	424,287	430,718	439,189

(a) Includes $(0.02) in basic earnings per share and $(0.01) in diluted earnings per common share from the cumulative effect of a change in accounting principle related to the adoption of SFAS No. 143, Accounting for Asset Retirement Obligations.

(b) Historical data have been reclassified from the presentation in the Annual Report on Form 10-K to the presentation to be used by Newco as explained in the Pro Forma Financial Information section.

(c) Continuing Operations. Continuing returns for 2003 are before the cumulative effect of a change in accounting principle.

(d) On a fully taxable equivalent basis.

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SELECTED UNAUDITED COMBINED CONSOLIDATED PRO FORMA FINANCIAL DATA

The following table shows information about our financial condition and operations, including per share data and financial ratios, after giving effect to the transaction. This information is called pro forma information in this joint proxy statement/prospectus. The table sets forth the information as if the transaction had become effective on December 31, 2006, with respect to financial condition, and on January 1, 2006, with respect to results of operations data. The pro forma data in the tables assume that the transaction is accounted for as a purchase transaction. For more information, see the section entitled The Transaction Accounting Treatment on page 56. The pro forma financial information includes adjustments to record the assets and liabilities of Mellon at their estimated fair values and is subject to further adjustment as additional information becomes available and as additional analyses are performed. The pro forma statement of operations does not include the impact of restructuring and transaction-related costs which are expected to be incurred subsequent to the transaction. This table should be read in conjunction with, and is qualified in its entirety by, the historical financial statements, including the notes thereto, of Bank of New York and Mellon that are incorporated by reference into this joint proxy statement/prospectus and the more detailed pro forma financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus. For more information, see the sections entitled Where You Can Find More Information on page 128 and Unaudited Pro Forma Combined Consolidated Financial Information beginning on page 107.

We anticipate that the transaction will provide Newco with certain financial benefits that include increased revenue opportunities and reduced operating expenses. The pro forma information does not reflect the benefits of expected cost savings, opportunities to earn additional revenue or the costs referred to in the preceding paragraph and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods.

(In millions)	**As of December 31, 2006**
Selected Balance Sheet Data:	
Total assets	$ 159,034
Securities available for sale	37,939
Securities held to maturity	1,824
Loans	43,575
Deposits	89,470
Long-term debt	13,921
Shareholders equity	28,417

(In millions, except per share data)	**For the year ended December 31, 2006**
Selected Income Statement Data:	
Interest income	$ 5,212
Interest expense	3,207
Net interest income	2,005
Provision for credit losses	(18)

Net interest income after provision for credit losses		2,023
Noninterest income		10,141
Noninterest expense		8,877
Income from continuing operations before income taxes		3,287
Provision for income taxes		959
Income from continuing operations	$	2,328
Weighted average common shares (in thousands):		
Basic		1,122,022
Diluted		1,136,319
Earnings per share from continuing operations:		
Basic	$	2.07
Diluted	$	2.05

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	For the year ended December 31, 2006
Selected Financial Ratios	
Return on average assets[a][b]	1.56%
Return on average shareholders equity[a][c]	8.68%
Shareholders equity to total assets	17.9%
Pre-tax operating margin (continuing operations)[d]	27%

(a) Return on average assets and return on average shareholders equity were calculated assuming the merger was consummated on January 1, 2006.

(b) Calculated by dividing pro forma net income on a continuing basis by pro forma average assets for the period.

(c) Calculated by dividing pro forma net income on a continuing basis by pro forma average shareholders equity for the period.

(d) Calculated by dividing pro forma pre-tax income on a continuing basis by the sum of net interest income after provision for credit losses and noninterest income.

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COMPARATIVE PER SHARE DATA

The following table sets forth certain historical, pro forma and pro forma-equivalent per share financial information for Bank of New York common stock and Mellon common stock. The pro forma and pro forma-equivalent per share information gives effect to the transaction as if it had been effective on December 31, 2006, in the case of the book value data presented, and as if the transaction had become effective on January 1, 2006, in the case of the net income and dividends declared data presented. The pro forma data in the tables assume that the transaction is accounted for as a purchase transaction. For more information, see the section entitled The Transaction Accounting Treatment on page 56. The information in the following table is based on, and should be read together with, the historical financial information that Bank of New York and Mellon have presented in their prior filings with the SEC and the pro forma financial information that appears elsewhere in this joint proxy statement/prospectus. For more information, see the sections entitled Where You Can Find More Information on page 128 and Unaudited Pro Forma Combined Consolidated Financial Information beginning on page 107.

We anticipate that the transaction will provide Newco with certain financial benefits that include increased revenue opportunities and reduced operating expenses. The pro forma information does not reflect the benefits of these expected cost savings, opportunities to earn additional revenue, the impact of restructuring and transaction-related costs and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods.

		Year ended December 31, 2006
Bank of New York		
Basic earnings per common share		
Income from continuing operations		
Historical	$	1.95
Pro forma	$	1.96(a)
Diluted earnings per common share		
Income from continuing operations		
Historical	$	1.93
Pro forma	$	1.93(a)
Dividends declared on common stock		
Historical	$	0.86
Pro forma	$	0.89(b)
Book value per common share		
Historical	$	15.34
Pro forma	$	23.76(c)

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	Year ended December 31, 2006
Mellon	
Basic earnings per common share	
Income from continuing operations	
Historical	$ 2.28
Equivalent pro forma	$ 2.07(d)
Diluted earnings per common share	
Income from continuing operations	
Historical	$ 2.25
Equivalent pro forma	$ 2.05(d)
Dividends declared on common stock	
Historical	$ 0.86
Equivalent pro forma	$ 0.94(b)
Book value per common share	
Historical	$ 11.26
Equivalent pro forma	$ 25.19(e)

(a) Represents pro forma earnings per share (shown on the Unaudited Pro Forma Combined Consolidated Income Statement) multiplied by the exchange ratio of 0.9434 share of Newco common stock for each common share of Bank of New York.

(b) As there is no historical dividend rate for Newco, the amount shown is the annualized amount of initial quarterly cash dividend that Bank of New York and Mellon currently expect Newco will pay, multiplied by their respective exchange ratios.

(c) Calculated by dividing the pro forma shareholders equity (shown on the Unaudited Pro Forma Combined Consolidated Balance Sheet) by the number of shares of Newco to be issued and outstanding to Bank of New York and Mellon shareholders (shown in Note 4 to Unaudited Pro Forma Combined Consolidated Financial Information), and multiplying the result by the exchange ratio of 0.9434 share of Newco common stock for each common share of Bank of New York.

(d) Represents pro forma earnings per share (shown on the Unaudited Pro Forma Combined Consolidated Income Statement). The exchange ratio is one share of Newco common stock for each common share of Mellon.

(e) Calculated by dividing the pro forma shareholders equity (shown on the Unaudited Pro Forma Combined Consolidated Balance Sheet) by the number of shares of Newco to be issued and outstanding to Bank of New York and Mellon shareholders (as shown in Note 4 to Unaudited Pro Forma Combined Consolidated Financial Information). The exchange ratio is one share of Newco common stock for each common share of Mellon.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

Q: ON WHAT AM I BEING ASKED TO VOTE?

A: Bank of New York, Mellon and Newco have entered into the merger agreement, pursuant to which each of Bank of New York and Mellon will merge with and into Newco. You are being asked to vote to adopt the plan of merger contained in the merger agreement. It is currently anticipated that Mellon will be merged into Newco first, followed immediately by Bank of New York, although the parties may agree to change the order of the mergers in the future. After each merger is completed, Newco will be the surviving entity, and will conduct its business as The Bank of New York Mellon Corporation . The completion of the mergers will not affect the separate existence of Bank of New York s or Mellon s subsidiaries.

In addition, you are being asked to vote to approve a proposal to adjourn or postpone the special meeting of Bank of New York or Mellon, as the case may be, if necessary or appropriate, including to solicit additional proxies in the event that there are not sufficient votes at the time of the relevant special meeting to adopt the plan of merger.

Q: IF THE TRANSACTION IS COMPLETED, WHAT WILL I RECEIVE IN EXCHANGE FOR MY SHARES?

A: If you are a Bank of New York shareholder, you will receive 0.9434 shares of Newco common stock for each share of Bank of New York common stock that you own. You will also receive a cash payment for fractional Newco shares equal to the fractional share of Newco multiplied by the closing price of Mellon common stock on the trading day immediately preceding the date on which the transaction is completed.

If you are a Mellon shareholder, you will receive one share of Newco common stock for each share of Mellon common stock that you own.

Q: WILL I BE TAXED ON THE CONSIDERATION THAT I RECEIVE IN EXCHANGE FOR MY SHARES?

A: The transaction is intended to be generally tax-free to Bank of New York and Mellon shareholders for U.S. federal income tax purposes, except with respect to any cash received by Bank of New York shareholders instead of fractional shares of Newco common stock. Holders of Bank of New York or Mellon common shares are urged to consult with their tax advisors regarding the tax consequences of the transaction to them, including the effects of United States federal, state and local, foreign and other tax laws.

Q: HOW DOES MY BOARD OF DIRECTORS RECOMMEND I VOTE ON THE TRANSACTION?

A: Your board of directors unanimously recommends that you vote **FOR** adoption of the plan of merger.

Q: WHY IS MY VOTE IMPORTANT?

A: The affirmative vote of (1) the holders of at least two thirds of the outstanding shares of Bank of New York common stock and (2) a majority of the votes cast by Mellon shareholders entitled to vote on adoption of the plan of merger is required to adopt the plan of merger. We urge you to vote. If a Bank of New York shareholder fails to vote or abstains, this will have the same effect as a vote **against** adoption of the plan of merger.

Q: WHAT DO I NEED TO DO NOW?

A: After you have carefully read this joint proxy statement/prospectus in its entirety, indicate on your proxy card how you want your shares to be voted with respect to the adoption of the plan of merger. Then complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. Alternatively, you may vote by telephone or through the internet. This will enable your shares to be represented and voted at the Bank of New York special meeting or the Mellon special meeting, as the case may be.

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Q: IF MY SHARES ARE HELD IN STREET NAME BY MY BROKER, WILL MY BROKER AUTOMATICALLY VOTE MY SHARES FOR ME?

A: **No.** Without instructions from you, your broker will not be able to vote your shares. You must instruct your broker to vote your shares, following the directions your broker provides. Most brokers also offer telephone and internet voting options. Please refer to your voting form for specific instructions. To make certain that all of your shares are voted, please return each voting form you receive from your broker.

Q: WHAT IF I FAIL TO INSTRUCT MY BROKER?

A: If you are a Bank of New York shareholder and fail to instruct your broker to vote shares held in street name , the resulting broker non-vote will have the same effect as a vote **against** adoption of the plan of merger. If you are a Mellon shareholder, a broker non-vote will have no effect on the vote to adopt the plan of merger.

Q: CAN I CHANGE MY VOTE?

A: Yes. If you have not voted through your broker, you may change your vote at any time before your proxy is voted at the special meeting. There are three ways you can change your vote after you have submitted your proxy (whether by mail, phone or through the internet):

First, you can send a written notice to the Corporate Secretary of Bank of New York or the Secretary of Mellon, as the case may be, at the addresses listed below, stating that you would like to revoke the proxy that you submitted in connection with the adoption of the plan of merger.

If you are a Bank of New York shareholder:

The Bank of New York Company, Inc.
One Wall Street
New York, NY 10286
Attention: Bart R. Schwartz
Corporate Secretary

If you are a Mellon shareholder:
Mellon Financial Corporation
One Mellon Center
500 Grant Street
Pittsburgh, PA 15258-0001
Attention: Carl Krasik
Secretary

Second, you can complete and submit a new proxy card or vote again by telephone or through the internet. Your latest vote actually received by Bank of New York or Mellon, as the case may be, before the special meeting will be counted, and any earlier votes will be revoked.

Third, you can attend the Bank of New York or Mellon special meeting, as the case may be, and vote in person. Any earlier proxy will thereby be revoked. However, simply attending the meeting without voting will not revoke an earlier proxy.

If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker in order to change or revoke your vote.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

A: **No.** Please do **NOT** send in your stock certificates at this time. You will be provided at a later date with instructions regarding the surrender of your stock certificates or, if you hold uncertificated shares, instructions

regarding how we will transfer your shares. You should then, in accordance with those instructions, send your Bank of New York or Mellon common stock certificates to the exchange agent.

Q: WHEN DO YOU EXPECT TO COMPLETE THE TRANSACTION?

A: We currently expect to complete the transaction in the third quarter of 2007. However, we cannot assure you when or if the transaction will be completed. Among other things, we must first obtain the approvals of our shareholders at the special meetings and the necessary regulatory approvals.

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Q: WHOM SHOULD I CALL WITH QUESTIONS?

A: If you are a Bank of New York shareholder and you have questions about the transaction or the Bank of New York special meeting or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy card, you should contact:

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
(800) 578-5378 (toll-free)
or
(212) 269-5550 (call collect)

If you are a Mellon shareholder and you have questions about the transaction or the Mellon special meeting or you need additional copies of this document, or if you have questions about the process for voting or if you need a replacement proxy card, you should contact:

Mellon Investor Services LLC
480 Washington Boulevard
Jersey City, New Jersey 07310
(877) 300-2900 (toll-free)
or
(201) 680-5285 (call collect)

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, including documents incorporated by reference into this document, contains forward-looking statements with respect to the financial condition, results of operations and business of Bank of New York and Mellon and, assuming the completion of the transaction, Newco. Those statements include, but are not limited to, statements relating to:

- synergies (including cost savings) and accretion/dilution to reported earnings expected to be realized from the transaction;
- business opportunities and strategies potentially available to Newco;
- transaction-related and restructuring costs expected to be incurred; and
- management, operations and policies of Newco after the transaction.

Forward-looking statements also include statements preceded by, followed by or that include the words believes , expects , anticipates , intends , estimates , should or similar expressions.

These forward-looking statements involve some risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by these forward-looking statements include, among other things, the following risks:

- the businesses of Bank of New York and Mellon, or businesses that either has recently acquired, may not be integrated successfully or the integration may be more difficult, time-consuming or costly than expected;
- expected cost savings from the transaction may not be fully realized or realized within the expected time frame;
- revenues following the transaction may be lower than expected;
- operating costs, customer loss and business disruption following the transaction, including, without limitation, difficulties in maintaining relationships with employees, may be greater than expected;
- competitive pressures among financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues;
- the strength of the United States economy in general and the strength of the local economies in which Newco will conduct operations may be different than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, and a negative effect on Newco s loan portfolio and allowance for loan losses;
- changes in the United States and foreign legal and regulatory framework;
- unanticipated regulatory or judicial proceedings or rulings;
- the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System or regulators located in other markets in which Newco

will operate;

potential or actual litigation;

inflation and interest rate, market and monetary fluctuations;

management s assumptions and estimates used in applying critical accounting policies may prove unreliable, inaccurate or not predictive of actual results;

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the design of Bank of New York s, Mellon s or Newco s disclosure controls and procedures or internal controls may prove inadequate, or may be circumvented, thereby causing losses or errors in information or a delay in the detection of fraud;

adverse conditions in the stock market, the public debt market and other capital markets both domestically and abroad (including changes in interest rate conditions) may negatively impact Bank of New York s, Mellon s or Newco s capital markets and asset management activities; and

various domestic or international military or terrorist activities or conflicts.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements, and the factors that will determine these results are beyond Bank of New York s or Mellon s ability to control or predict.

We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus, in the case of forward-looking statements contained in this joint proxy statement/prospectus, or the dates of the documents incorporated by reference into this joint proxy statement/prospectus, in the case of forward-looking statements made in those incorporated documents.

Except to the extent required by applicable law or regulation, Bank of New York, Mellon and Newco undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the reports that Bank of New York and Mellon have filed with the SEC, described under the section entitled Where You Can Find More Information on page 128, including the Annual Report on Form 10-K for the year ended December 31, 2006 of each of Bank of New York and Mellon.

All subsequent written or oral forward-looking statements concerning the transaction or other matters addressed in this joint proxy statement/prospectus and attributable to Bank of New York, Mellon or Newco or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Neither Bank of New York s nor Mellon s independent registered public accounting firms have compiled, examined or otherwise applied procedures to the prospective financial information presented in this joint proxy statement/prospectus and, accordingly, do not express any opinion or any other form of assurance on that information or its achievability.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, you should carefully consider the following risk factors in deciding how to vote on the transaction.

You cannot be sure of the market value of the Newco common stock to be issued upon completion of the transaction.

Upon completion of the transaction, each share of Bank of New York common stock will be converted into 0.9434 shares of Newco common stock and each share of Mellon common stock will be converted into one share of Newco common stock. The Bank of New York exchange ratio and Mellon exchange ratio will not be adjusted prior to completion of the transaction for changes in the market price of either Bank of New York common stock or Mellon common stock or for share repurchases or issuances of common stock by Bank of New York or Mellon, as permitted in limited circumstances by the merger agreement. Such market price fluctuations or changes in the number of outstanding shares of Bank of New York or Mellon common stock may affect the value that Bank of New York and Mellon shareholders will receive upon completion of the transaction. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our businesses, operations and prospects and regulatory considerations, many of which factors are beyond our control. Neither of us is permitted to terminate the merger agreement or resolicit the vote of our stockholders solely because of changes in the market price of either of our common stocks.

The prices of Bank of New York common stock and Mellon common stock at the completion of the transaction may vary from their respective prices on the date the merger agreement was executed, on the date of this document and on the date of the special meetings. As a result, the value represented by the Bank of New York exchange ratio and Mellon exchange ratio will also vary. For example, based on the range of closing prices of Mellon common stock during the period from December 1, 2006, the last trading day before public announcement of the transaction, through [ ], 2007, the Bank of New York exchange ratio represented a value ranging from a high of $[ ] to a low of $[ ] for each share of Bank of New York common stock, and the Mellon exchange ratio represented a value ranging from a high of $[ ] to a low of $[ ] for each share of Mellon common stock. **Because the date that the transaction is completed will be later than the date of the special meetings, at the time of your special meeting, you will not know the exact market value of the Newco common stock that you will receive upon completion of the transaction.**

We may fail to realize the cost savings we estimate for the transaction.

The success of the transaction will depend, in part, on our ability to realize the anticipated cost savings from combining the businesses of Bank of New York and Mellon. To realize the anticipated benefits from the transaction, we must successfully combine the businesses of Bank of New York and Mellon in a manner that permits those cost savings to be realized. If we are not able to achieve these objectives successfully, the anticipated benefits of the transaction may not be realized fully or at all or may take longer to realize than expected. Such a failure could result in dilution to Newco s earnings per share.

In addition, Bank of New York and Mellon have operated and, until the completion of the transaction, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with clients and employees or our ability to

achieve the anticipated benefits of the transaction or could reduce our earnings.

The market price of the Newco shares after the transaction may be affected by factors different from those affecting the shares of Bank of New York and Mellon currently.

The businesses of Bank of New York and Mellon differ and, accordingly, the results of operations of Newco and the market price of Newco s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of Bank of New York and Mellon. For a discussion of the businesses of Bank of New York and Mellon and of factors to consider in connection with

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those businesses, see the documents incorporated by reference into this document and referred to under Where You Can Find More Information beginning on page 128.

Newco may be subject to adverse regulatory conditions after completion of the transaction.

Before the transaction may be completed, various approvals or consents must be obtained from the Federal Reserve Board and various other bank regulatory, antitrust and other authorities in the United States and in foreign jurisdictions. The governmental entities from which these approvals are required, including the Federal Reserve Board, may impose conditions on the completion of the transaction or require changes to the terms of the transaction. These conditions or changes could have the effect of delaying completion of the transaction or imposing additional costs on or limiting the revenues of Newco following completion of the transaction, any of which might have a material adverse effect on Newco following the transaction.

Until the transaction is completed or the merger agreement is terminated in accordance with its terms, Bank of New York and Mellon are prohibited from entering into certain business combination transactions.

The failure of either Bank of New York or Mellon to obtain the shareholder vote required for the transaction will not by itself give either company the right to terminate the merger agreement. As long as no other termination event has occurred, both companies would remain obligated to continue to use their reasonable best efforts to complete the transaction until December 31, 2007, which, depending on the timing of any failure to obtain the vote, could include calling additional shareholder meetings.

During the period the merger agreement is in effect, neither the Bank of New York nor the Mellon board of directors may withdraw or adversely modify its respective recommendation of the transaction to its shareholders, recommend an acquisition proposal other than the transaction, or negotiate or authorize negotiations with a third party regarding an acquisition proposal other than the transaction, except as required by their fiduciary duties in the case of a superior proposal and subject to the other requirements of the merger agreement. The foregoing prohibitions could have the effect of delaying alternative strategic business combinations for a limited period of time.

In addition, Bank of New York and Mellon have entered into reciprocal stock option agreements pursuant to which each has granted to the other an option to purchase up to 19.9 percent of the number of shares of Bank of New York or Mellon common stock, as applicable, then issued and outstanding. In certain circumstances, these options could survive for 18 months after the termination of the merger agreement. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Bank of New York or Mellon from considering or proposing that acquisition.

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BANK OF NEW YORK SPECIAL MEETING

This section contains information for Bank of New York shareholders about the special shareholder meeting Bank of New York has called to allow its shareholders to consider and adopt the plan of merger contained in the merger agreement. Bank of New York is mailing this joint proxy statement/prospectus to its shareholders on or about [ ], 2007. Together with this joint proxy statement/prospectus, Bank of New York is sending a notice of the special meeting and a form of proxy that Bank of New York s board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the meeting.

Date, Time and Place

The Bank of New York special meeting will be held on [ ], 2007 at [ ] local time at The Bank of New York, 101 Barclay Street, New York, New York, 10007-2119.

Matters to be Considered

At the Bank of New York special meeting, Bank of New York shareholders will be asked to:

adopt the plan of merger; and

approve the adjournment or postponement of the Bank of New York special meeting, if necessary or appropriate, including to solicit additional proxies.

Proxies

If you are a Bank of New York shareholder, you should complete and return the proxy card accompanying this joint proxy statement/prospectus to ensure that your vote is counted at the Bank of New York special meeting, even if you plan to attend the Bank of New York special meeting. If you are a registered shareholder (that is, you hold stock certificates registered in your own name), you may also vote by telephone or through the internet by following the instructions described on your proxy card. If your shares are held in nominee or street name , you will receive separate voting instructions from your broker or nominee with your proxy materials. Although most brokers and nominees offer telephone and internet voting, availability and specific processes will depend on their voting arrangements. You can revoke a proxy at any time before the vote is taken at the Bank of New York special meeting by submitting to Bank of New York s Corporate Secretary written notice of revocation or a properly executed proxy of a later date, or by attending the Bank of New York special meeting and voting in person. Written notices of revocation and other communications about revoking Bank of New York proxies should be addressed to:

The Bank of New York Company, Inc.
One Wall Street
New York, NY 10286
Attention: Bart R. Schwartz
Corporate Secretary

If your shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

All shares represented by valid proxies that Bank of New York receives through this solicitation, and that are not revoked, will be voted in accordance with the instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted **FOR** adoption of the plan of merger and **FOR** the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies. Bank of New York s board of directors is currently unaware of any other matters that may be presented for action at the Bank of New York special meeting. If other matters properly come before the Bank of New York special meeting, or at any adjournment or postponement of the meeting, Bank of New York intends that shares represented by

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properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card.

Solicitation of Proxies

Bank of New York will bear the entire cost of soliciting proxies from its shareholders, except that Bank of New York and Mellon have agreed to each pay one half of the costs and expenses of printing and mailing this joint proxy statement/prospectus and all filing and other similar fees payable to the SEC in connection with the transaction. In addition to solicitation of proxies by mail, Bank of New York will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Bank of New York common stock and secure their voting instructions, if necessary. Bank of New York will reimburse the record holders for their reasonable expenses in taking those actions.

Bank of New York has also made arrangements with D.F. King & Co., Inc. to assist in soliciting proxies and in communicating with shareholders and has agreed to pay them a fee not expected to exceed $75,000 plus reasonable expenses for these services. If necessary, Bank of New York may also use several of its regular employees, who will not be specially compensated, to solicit proxies from Bank of New York shareholders, either personally or by telephone, the internet, facsimile or letter.

Record Date

Bank of New York s board of directors has fixed the close of business on [ ], 2007 as the record date for determining the Bank of New York shareholders entitled to receive notice of and to vote at the Bank of New York special meeting. At that time, [ ] shares of Bank of New York common stock were outstanding, held by approximately [ ] holders of record. As of the record date, directors and executive officers of Bank of New York and their affiliates had the right to vote [ ] shares of Bank of New York common stock, representing approximately [ ] percent of the shares entitled to vote at the Bank of New York special meeting. Bank of New York currently expects that its directors and executive officers will vote such shares **FOR** adoption of the plan of merger and **FOR** the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Bank of New York common stock is necessary to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted solely for the purpose of determining whether a quorum is present.

Adoption of the plan of merger requires the affirmative vote of the holders of two thirds of the outstanding shares of Bank of New York common stock entitled to vote at the Bank of New York special meeting. Approval of the proposal relating to the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies, requires that the votes cast in favor of the proposal exceed the votes cast in opposition. You are entitled to one vote for each share of Bank of New York common stock you held as of the record date.

Because the affirmative vote of the holders of two thirds of the outstanding shares of Bank of New York common stock entitled to vote on the adoption of the plan of merger at the Bank of New York special meeting is required to adopt the plan of merger, the failure to vote by proxy or in person will have the same effect as a vote against the plan of merger. Abstentions and broker non-votes also will have the same effect as a vote against the plan of merger. Accordingly, Bank of New York s board of directors urges Bank of New York shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope, or to vote by telephone or through the internet.

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Abstentions, failures to vote and broker non-votes will have no effect on the vote to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

Participants in Bank of New York Employee Plans

To the extent that you have any shares of Bank of New York common stock in Bank of New York s Employee Stock Ownership Plan, Employee Savings & Investment Plan, or the Retirement Savings Plan of BNY Securities Group, please note that an enclosed proxy card contains the voting instructions for shares allocated to you under those plans and covers all shares you are entitled to vote under those plans. Signing and returning this proxy card, or voting by telephone or through the internet as explained below, will enable voting of the shares held in such plans. To the extent you have any shares of Bank of New York common stock in Bank of New York s Employees Stock Purchase Plan, please note that an enclosed proxy card contains the voting instructions for that plan and covers all shares you are entitled to vote under that plan. Signing and returning this proxy card will be the sole method of voting the shares held in this plan. Please note that you will receive one or more proxy cards depending on how you own your shares. You must vote in accordance with the instructions provided with each proxy card in order to vote all of your shares.

Voting by Telephone or Through the Internet

Many shareholders of Bank of New York have the option to submit their proxies or voting instructions electronically by telephone or through the internet instead of submitting proxies by mail on the enclosed proxy card. Please note that there are separate arrangements for using the telephone and the internet depending on whether your shares are registered in Bank of New York s stock records in your name or in the name of a brokerage firm or bank. You should check your proxy card or the voting instruction form forwarded by your broker, bank or other holder of record to see which options are available.

Bank of New York holders of record may submit proxies:

- by telephone, by calling the toll-free number indicated on their proxy card and following the recorded instructions; or

- through the internet, by visiting the website indicated on their proxy card and following the instructions.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to Bank of New York shareholders, Bank of New York is relying upon SEC rules that permit us to deliver only one joint proxy statement/prospectus to multiple shareholders who share an address unless we receive contrary instructions from any shareholder at that address. If you share an address with another shareholder and have received only one joint proxy statement/prospectus, you may write or call us as specified below to request a separate copy of this document and we will promptly send it to you at no cost to you: Corporate Secretary, The Bank of New York Company, Inc., One Wall Street, 31st Floor, New York, New York, 10286, or by telephoning us at (212) 635-1787.

Recommendations of Bank of New York s Board of Directors

Bank of New York s board of directors has adopted the plan of merger. The board of directors believes that the transaction, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Bank of New York and its shareholders, and unanimously recommends that Bank of New York shareholders vote FOR adoption of the plan of merger and FOR any proposal to adjourn or

postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

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MELLON SPECIAL MEETING

This section contains information for Mellon shareholders about the special shareholder meeting Mellon has called to allow its shareholders to consider and adopt the plan of merger. Mellon is mailing this joint proxy statement/prospectus to its shareholders on or about [ ], 2007. Together with this joint proxy statement/prospectus, Mellon is sending a notice of the special meeting and a form of proxy that Mellon s board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the meeting.

Date, Time and Place

The Mellon special meeting will be held on [ ], 2007 at [ ] local time at The Omni William Penn Hotel, 530 William Penn Place, Pittsburgh, PA, 15219.

Matters to Be Considered

At the Mellon special meeting, Mellon shareholders will be asked to:

adopt the plan of merger; and

approve the adjournment or postponement of the Mellon special meeting, if necessary or appropriate, including to solicit additional proxies.

Proxies

If you are a Mellon shareholder, you should complete and return the proxy card accompanying this joint proxy statement/prospectus to ensure that your vote is counted at the Mellon special meeting, even if you plan to attend the Mellon special meeting. If you are a registered shareholder (that is, you hold stock certificates registered in your own name), you may also vote by telephone or through the internet by following the instructions described on your proxy card. If your shares are held in nominee or street name , you will receive separate voting instructions from your broker or nominee with your proxy materials. Although most brokers and nominees offer telephone and internet voting, availability and specific processes will depend on their voting arrangements. You can revoke a proxy at any time before the vote is taken at the Mellon special meeting by submitting to Mellon s Secretary written notice of revocation or a properly executed proxy of a later date, or by attending the Mellon special meeting and voting in person. Written notices of revocation and other communications about revoking Mellon proxies should be addressed to:

Mellon Financial Corporation
One Mellon Center
500 Grant Street, Room 4826
Pittsburgh, PA 15219-4403
Attention: Carl Krasik
Secretary

If your shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

All shares represented by valid proxies that Mellon receives through this solicitation, and that are not revoked, will be voted in accordance with the instructions on the proxy card. If you make no specification on your proxy card as to

how you want your shares voted before signing and returning it, your proxy will be voted **FOR** adoption of the plan of merger and **FOR** the proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies. Mellon s board of directors is currently unaware of any other matters that may be presented for action at the Mellon special meeting. If other matters properly come before the Mellon special meeting, or at any adjournment or postponement of the meeting, Mellon intends that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card.

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Solicitation of Proxies

Mellon will bear the entire cost of soliciting proxies from its shareholders, except that Bank of New York and Mellon have agreed to each pay one half of the costs and expenses of printing and mailing this joint proxy statement/prospectus and all filing and other similar fees payable to the SEC in connection with the transaction. In addition to solicitation of proxies by mail, Mellon will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Mellon common stock and secure their voting instructions, if necessary. Mellon will reimburse the record holders for their reasonable expenses in taking those actions.

Mellon has also made arrangements with Mellon Investor Services LLC to assist in soliciting proxies and in communicating with shareholders and has agreed to pay them a fee not expected to exceed $50,000 plus reasonable expenses for these services. If necessary, Mellon may also use several of its regular employees, who will not be specially compensated, to solicit proxies from Mellon shareholders, either personally or by telephone, the internet, facsimile or letter.

Record Date

Mellon s board of directors has fixed the close of business on [ ], 2007 as the record date for determining the Mellon shareholders entitled to receive notice of and to vote at the Mellon special meeting. At that time, [ ] shares of Mellon common stock were outstanding, held by approximately [ ] holders of record. As of the record date, directors and executive officers of Mellon and their affiliates had the right to vote [ ] shares of Mellon common stock, representing approximately [ ] percent of the shares entitled to vote at the Mellon special meeting. Mellon currently expects that its directors and executive officers will vote such shares **FOR** adoption of the plan of merger and **FOR** any adjournment or postponement, if necessary or appropriate, including to solicit additional proxies.

Quorum and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Mellon common stock is necessary to constitute a quorum at the special meeting.

Adoption of the plan of merger requires the affirmative vote of a majority of the votes cast by Mellon shareholders entitled to vote at the Mellon special meeting. Approval of the proposal relating to the adjournment or postponement of the special meeting, if necessary or appropriate, including to solicit additional proxies, requires the affirmative vote of a majority of the votes cast by Mellon shareholders entitled to vote at the special meeting. You are entitled to one vote for each share of Mellon common stock you held as of the record date.

Mellon s board of directors urges Mellon shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage paid envelope, or to vote by telephone or through the internet.

Abstentions, failures to vote and broker non-votes will have no effect on the vote to adopt the plan of merger or the vote to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

Participants in Mellon Employee Plans

If you have any shares of Mellon common stock in Mellon s 401(k) Retirement Savings Plan and Employee Stock Purchase Plan, please note that the enclosed proxy card also constitutes the voting instruction form for shares allocated to you under those plans and covers all shares you are entitled to vote under the plans, in addition to shares

you may hold directly. Signing and returning the proxy card, or voting by telephone or through the internet as explained below, will enable voting of all shares, including those held in such plans.

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Voting by Telephone or Through the Internet

Many shareholders of Mellon have the option to submit their proxies or voting instructions electronically by telephone or through the internet instead of submitting proxies by mail on the enclosed proxy card. Please note that there are separate arrangements for using the telephone and the internet depending on whether your shares are registered in Mellon s stock records in your name or in the name of a brokerage firm or bank. You should check your proxy card or the voting instructions forwarded by your broker, bank or other holder of record to see which options are available.

Mellon holders of record may submit proxies:

by telephone, by calling the toll-free number indicated on their proxy card and following the recorded instructions; or

through the internet, by visiting the website indicated on their proxy card and following the instructions.

Delivery of Proxy Materials

To reduce the expenses of delivering duplicate proxy materials to Mellon shareholders, Mellon is relying upon SEC rules that permit us to deliver only one joint proxy statement/prospectus to multiple shareholders who share an address unless we receive contrary instructions from any shareholder at that address. If you share an address with another shareholder and have received only one joint proxy statement/prospectus, you may write or call us as specified below to request a separate copy of this document and we will promptly send it to you at no cost to you: Investor Relations, Mellon Financial Corporation, One Mellon Center, 500 Grant Street, Pittsburgh, Pennsylvania, 15258, or by telephoning us at (412) 234-5000.

Recommendations of Mellon s Board of Directors

Mellon s board of directors has adopted the plan of merger. The board of directors believes that the transaction, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Mellon and its shareholders, and unanimously recommends that Mellon shareholders vote FOR adoption of the plan of merger and FOR any proposal to adjourn or postpone the special meeting, if necessary or appropriate, including to solicit additional proxies.

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INFORMATION ABOUT THE COMPANIES

The Bank of New York Company, Inc.
One Wall Street
New York, New York 10286
(212) 495-1784

The Bank of New York Company, Inc., a New York corporation, provides a broad array of banking and other financial services worldwide through its core competencies: securities servicing, treasury management, private banking and asset management. Bank of New York s extensive global client base includes a broad range of leading financial institutions, corporations, government entities, endowments and foundations. Bank of New York s principal wholly owned banking subsidiary, which was founded in 1784, was New York s first bank and is the nation s oldest bank. At December 31, 2006, Bank of New York had total assets of $103.5 billion, assets under management of $190 billion, assets under custody of $13 trillion and total shareholders equity of $11.6 billion. Net income for the year ended December 31, 2006 was $3.0 billion.

Bank of New York is a financial holding company registered with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. As such, Bank of New York and its subsidiaries are subject to the supervision, examination and reporting requirements of the Bank Holding Company Act and the regulations of the Federal Reserve.

Additional information about Bank of New York and its subsidiaries is included in documents incorporated by reference into this document. For more information, see the section entitled Where You Can Find More Information on page 128.

Mellon Financial Corporation
One Mellon Center
500 Grant Street
Pittsburgh, Pennsylvania 15258
(412) 234-5000

Mellon Financial Corporation is a global financial services company. Headquartered in Pittsburgh, Mellon is one of the world s leading providers of financial services for institutions, corporations and high net worth individuals, providing asset management, private wealth management, asset servicing and payment solutions and investor services. Mellon has approximately $5.5 trillion in assets under management, administration or custody, including $995 billion under management.

Mellon was originally formed as a holding company for Mellon Bank, N.A., which has its executive offices in Pittsburgh, Pennsylvania. With its predecessors, Mellon Bank has been in business since 1869. In addition to Mellon Bank, Mellon s banking subsidiaries include Mellon Trust of New England, National Association, headquartered in Boston, Massachusetts; Mellon United National Bank, headquartered in Miami, Florida; and Mellon 1st Business Bank, National Association, headquartered in Los Angeles, California. They engage in trust and custody activities, investment management services, banking services and various securities-related activities. The deposits of the banking subsidiaries are insured by the Federal Deposit Insurance Corporation to the extent provided by law.

Mellon is a financial holding company registered with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. As such, Mellon and its subsidiaries are subject to the

supervision, examination and reporting requirements of the Bank Holding Company Act and the regulations of the Federal Reserve.

Additional information about Mellon and its subsidiaries is included in documents incorporated by reference into this document. For more information, see the section entitled Where You Can Find More Information on page 128.

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The Bank of New York Mellon Corporation
One Wall Street
New York, New York 10286
(212) 495-1784

Newco, a Delaware corporation, was formed by Bank of New York and Mellon solely for the purpose of effecting the transaction, and is jointly owned by Bank of New York and Mellon. To date, Newco has not conducted any activities other than those incident to its formation, its adoption of the merger agreement and the preparation of this joint proxy statement/prospectus. Upon completion of the transaction, Bank of New York and Mellon will each have been merged with and into Newco, with Newco surviving. Following the completion of the transaction, Newco will continue its corporate existence under the laws of the State of Delaware under the name The Bank of New York Mellon Corporation and the business of Newco will be the business currently conducted by Bank of New York and Mellon. Newco will apply to the New York Stock Exchange to list its common stock on the New York Stock Exchange for trading under the symbol BK .

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THE TRANSACTION

The following discussion summarizes the material aspects of the transaction. This discussion is a summary only and may not contain all of the information that is important to you. A copy of the merger agreement is attached as ***Annex A*** *and is incorporated by reference. We encourage you to read the merger agreement in its entirety.*

Structure of the Transaction; Consideration

Structure

On the closing date of the transaction, it is currently anticipated that

Mellon will merge with and into Newco, with Newco surviving and, *immediately thereafter,*

Bank of New York will merge with and into Newco, with Newco surviving.

Thereafter, Newco will continue as a Delaware corporation conducting the combined businesses of Bank of New York and Mellon, and will be named The Bank of New York Mellon Corporation . Newco will apply to the New York Stock Exchange to list its common stock on the New York Stock Exchange for trading under the symbol BK . The parties may agree to change the order in which Bank of New York and Mellon are merged with and into Newco.

Newco will have its corporate headquarters in New York, New York. Newco s cash management and stock transfer businesses will be headquartered in Pittsburgh, Pennsylvania. In addition, Pittsburgh will be a primary location at which certain administrative functions of Newco, such as human resources, accounting, facilities management, technology and operations, will be conducted.

Consideration

Each share of Bank of New York common stock outstanding immediately prior to the completion of the transaction will automatically be converted, upon completion of the Bank of New York merger, into the right to receive 0.9434 shares of Newco common stock and a cash payment for any fractional shares of Newco based on the closing price of Mellon common stock on the trading day immediately preceding the date on which the transaction is completed.

Each share of Mellon common stock outstanding immediately prior to the completion of the transaction will automatically be converted, upon completion of the Mellon merger, into the right to receive one share of Newco common stock.

Bank of New York. If you own 100 shares of Bank of New York common stock immediately prior to the merger of Bank of New York with and into Newco, when the transaction is completed, you will be entitled to receive:

94 shares of Newco common stock, and

an amount in cash equal to 0.34 (the remaining fractional interest in a Newco common share) multiplied by the closing price of Mellon common stock on the trading day immediately preceding the date on which the transaction is completed.

Mellon. If you own 100 shares of Mellon common stock immediately prior to the merger of Mellon with and into Newco, when the transaction is completed you will be entitled to receive 100 shares of Newco common stock.

As a result of the transaction, Bank of New York shareholders immediately prior to the transaction will own approximately 63.2 percent, and Mellon shareholders immediately prior to the transaction will own approximately 36.8 percent, of the outstanding Newco common stock. These percentages are based on the

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number of shares of Bank of New York common stock and Mellon common stock issued and outstanding as of December 31, 2006.

The exchange ratios for Bank of New York and Mellon are fixed and will not be adjusted to reflect stock price changes prior to completion of the transaction. The exchange ratios will also not be adjusted to reflect share repurchases or issuances of common stock by either company prior to completion of the transaction, which are permitted under the terms of the merger agreement in limited circumstances. As such, the ownership percentages set forth above may change prior to completion of the transaction.

Background of the Transaction

From time to time, executives and representatives of Bank of New York and Mellon have spoken about the possibility of a business combination between the two companies. In 1998, following discussions between the parties, Bank of New York made a public proposal to acquire Mellon, which Mellon rejected. Nevertheless, executives and representatives of the two companies subsequently spoke, from time to time, about a possible transaction.

At a retreat on June 11-13, 2006, Bank of New York s board of directors discussed strategic alternatives, including the possibility that Bank of New York might serve as a catalyst for consolidation in the trust and custody sector of the banking business. In this connection, the Bank of New York board of directors discussed the possibility of pursuing a strategic transaction with Mellon.

At the September 11, 2006 meeting of the Planning Committee of Bank of New York s board of directors, Bruce W. Van Saun, one of Bank of New York s Vice-Chairmen, made a presentation outlining the potential merits of a business combination with Mellon in light of Bank of New York s recent strategic initiatives. Bank of New York s senior management regularly presents to the Planning Committee analyses of potential strategic combinations that might enhance shareholder value.

On September 26, Thomas A. Renyi, Bank of New York s Chairman of the Board and Chief Executive Officer, called Robert P. Kelly, Mellon s Chairman, President and Chief Executive Officer. Mr. Renyi stated that he had been reading about Mellon s reported bid for MFS Investment Management and suggested that it might be productive for Mellon and Bank of New York to consider a business combination.

On September 28, Mr. Kelly contacted Wesley W. von Schack, Mellon s lead non-management director, to inform him of Mr. Renyi s call.

On September 30, Messrs. Renyi and Kelly met for dinner in New York. They discussed the two companies business strategies and how they had evolved, potential revenue and expense synergies that such a combination might produce, and the possible executive leadership and board membership of a combined organization. They reached no conclusions but agreed to give further thought to the possibility of a business combination and to talk again. On or around the same day, Messrs. Renyi and Kelly also communicated concerning a possible exchange ratio.

On October 4, Messrs. Renyi and Kelly had a brief follow-up conversation and determined to continue to review the possibility of a business combination and to discuss the same with their respective boards of directors.

Over the next several days, senior executive officers of Bank of New York and senior executive officers of Mellon consulted with their respective legal and financial advisors and reviewed the strategic and financial aspects of a possible business combination between the two companies, including the proposed exchange ratios. Bank of New York and Mellon determined that these exchange ratios would be based on the one-year average of the daily closing price of each company s common stock. During this same period of time, Mr. Kelly contacted several members of

Mellon s board of directors to brief them regarding his discussions with Mr. Renyi, and Mr. Renyi had several conversations with Catherine A. Rein, Bank of New York s presiding non-management director, to brief her on his discussions with Mr. Kelly. In those conversations,

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Mr. Renyi and Ms. Rein agreed that it would be helpful for Ms. Rein and Mr. von Schack to meet and that Bank of New York would call a telephonic board meeting for later that week.

On the morning of October 6, Ms. Rein and Mr. von Schack met in New York. They discussed, among other things, the potential executive leadership of a combined company, structural issues and Mellon s commitment to the greater Pittsburgh area.

On the afternoon of October 6, Bank of New York s board of directors held a special telephonic meeting. Representatives of Sullivan & Cromwell LLP and Goldman Sachs, Bank of New York s legal and financial advisors, respectively, as well as John M. Liftin, Bank of New York s General Counsel, participated in the meeting. Ms. Rein reported on her meeting that morning with Mr. von Schack. Bank of New York s board of directors and its advisors discussed the possible terms of a business combination, its potential implications for Bank of New York, its shareholders and its other constituencies, and the manner in which such a transaction might be further explored.

On October 7, Mellon s board of directors held a special telephonic meeting. Mr. Kelly informed the board of the recent discussions with Bank of New York representatives, and the board of directors discussed the potential advantages and risks to Mellon, its shareholders and its other constituencies of such a transaction and endorsed continuing exploratory discussions with representatives of Bank of New York.

On the morning of October 9, Mr. Renyi and Gerald L. Hassell, President of Bank of New York, met with Mr. Kelly in New York. They discussed the business strategies of the two companies and how the two organizations might be combined, covering, among other things, board composition and executive leadership. On the same day, Mr. Kelly updated Mr. von Schack regarding the meeting with representatives of Bank of New York.

On the evening of October 9, Bank of New York s board of directors met with representatives of Sullivan & Cromwell and Goldman Sachs, as well as Mr. Liftin and Mr. Van Saun. Mr. Renyi briefed the board on recent discussions with Mellon, the representatives of Goldman Sachs addressed the financial implications of the potential combination, the representatives of Sullivan & Cromwell advised on legal and regulatory issues, and the board discussed the potential advantages and risks to Bank of New York and its shareholders of such a transaction.

On the morning of October 10, Bank of New York s board of directors resumed its meeting. The directors again discussed the possible business combination. Later that morning, Mr. Kelly met with Bank of New York s non-management directors. He discussed his views of the future of Bank of New York s and Mellon s businesses and the benefits of a possible transaction.

On the evening of October 10, Mr. Kelly met with Messrs. Renyi and Hassell, a partner of Sullivan & Cromwell and a partner of Simpson Thacher & Bartlett LLP, Mellon s legal advisor. The parties discussed a wide range of business, structural and governance issues, including the potential executive team for a combined company.

On October 11, Mellon s board of directors held a special telephonic meeting, which representatives of Simpson Thacher & Bartlett and its financial advisors, UBS and Lazard, attended. Mr. Kelly briefed the board regarding recent discussions with Bank of New York representatives, and the board of directors discussed the potential advantages and risks to Mellon, its shareholders and its other constituencies of such a transaction.

Between October 10 and October 12, the legal and financial representatives of the two companies and Ms. Rein and Mr. von Schack had several conversations relating to structural and governance issues.

On October 12, Ms. Rein and Mr. von Schack spoke by telephone. They discussed the extent to which a combined company would retain operations and employees in the Pittsburgh area, transition management, the composition of the

board of directors, and lines of reporting for senior executive management.

Bank of New York s board of directors had a special telephonic meeting the afternoon of October 12. Ms. Rein reported on her recent conversations with Mr. von Schack. After a full discussion, the board

determined that further discussions with Mellon would probably not be productive at that time and asked Ms. Rein to communicate that conclusion to Mr. von Schack. The next day, Ms. Rein called Mr. von Schack and conveyed the message. Mr. von Schack noted the points of disagreement but indicated that there was a basis for the discussions to continue.

Over the next few days, Messrs. Renyi and Kelly spoke again. After consulting with Ms. Rein, Mr. Renyi proposed that he and Mr. Hassell meet with Mellon s board of directors.

On October 17, Messrs. Renyi and Hassell met with Mellon s board of directors in Pittsburgh. Messrs. Renyi and Hassell discussed, among other things, Bank of New York s businesses, strategy, the potential revenue and expense synergies that a combination of the two companies could produce, the global reach of Bank of New York s business, and the potential commitment of Bank of New York relating to employees and operations in Pittsburgh. Messrs. Renyi and Hassell also discussed businesses in which Bank of New York has extensive operations but Mellon does not, including corporate trust, depositary receipts and securities clearance, and the complementary fit of those businesses with Mellon s existing business.

On October 25, Messrs. Hassell and Kelly met over dinner in New York. The purpose of the meeting was to enable the two to become better acquainted, to discuss the businesses of the two companies, and to share thoughts on the potential benefits to the companies and their shareholders and other constituencies of a business combination.

On October 27, Messrs. Kelly and Hassell had a telephone conversation to discuss a process for continuing to explore the possibility of a business combination between the two companies. On November 1, the two companies executed a confidentiality agreement.

On the weekend of November 4-5, Mr. Van Saun and Donald R. Monks, a Vice Chairman of Bank of New York, met with Steven G. Elliott, Mellon s Senior Vice Chairman, and Michael A. Bryson, Mellon s Chief Financial Officer. They reviewed information concerning the two companies businesses, identified potential revenue and expense synergies and developed a timeline for and an outline of the due diligence process and investor presentation.

At separate meetings on November 6, senior executives of Bank of New York met with representatives of Goldman Sachs, and senior executives of Mellon met with UBS and Lazard, to review what their senior management representatives had learned over the weekend and to review financial aspects of a business combination between the two companies.

Later that day, representatives of Goldman Sachs and UBS met to discuss certain terms of a proposed transaction, including the exchange ratio.

On November 8 and 9, Messrs. Kelly, Elliott, Renyi and Hassell met in New York. They discussed the potential combination of the two organizations, including where the companies administrative staffs and other operations would be located, the name of the combined organization and the executive team to lead the combined organization.

On November 12, Messrs. Renyi, Hassell, Van Saun, Monks and Gibbons met in New York with Messrs. Kelly and Elliott. The primary purpose of the meeting was for these senior executives to share ideas about a combined company and to become better acquainted.

On November 13, Bank of New York s board of directors had a special telephonic meeting with representatives of Goldman Sachs and Sullivan & Cromwell. Mr. Renyi and Goldman Sachs reported on the most recent discussions with Mellon and its representatives concerning transaction terms and potential expense savings. The board discussed open issues, timing and next steps and requested Mr. Renyi and the Bank of New York s representatives to continue

working toward an agreement with Mellon for the board to consider.

Throughout the course of the November discussions, Mr. Renyi and Mr. Kelly periodically updated individual directors on the status of the discussions.

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On November 18, Mellon s board of directors held a special meeting which representatives of UBS, Lazard and Simpson Thacher & Bartlett attended. Mr. Kelly and other members of Mellon s senior management reviewed the discussions with Bank of New York since the board s previous meeting, including discussions regarding the proposed financial terms of the transaction, proposed governance and executive management arrangements and the status of discussions regarding the corporate and operating names for the combined institution. Mr. Kelly also reported on the status of discussions regarding the combined company s continued presence in Pittsburgh as well as its other possible commitments to the greater Pittsburgh and Western Pennsylvania communities and Mellon s other constituencies. The board discussed the foregoing matters and the strategic benefits and risks of the proposed transaction and asked questions of Mellon s senior management and financial and legal advisors.

On November 20, three Bank of New York directors William C. Richardson, Richard J. Kogan and Samuel C. Scott met with Mr. Kelly over dinner. They discussed Mr. Kelly s ideas concerning business strategy and his experience.

On November 21, Messrs. Hassell, Van Saun and Timothy F. Keaney, a Senior Executive Vice President of Bank of New York, met in Boston with Messrs. Kelly, Elliott and Bryson, as well as with James P. Palermo, Ronald P. O Hanley and David F. Lamere, each a Vice Chairman of Mellon and, respectively, responsible for Mellon s asset servicing, asset management and private wealth management businesses. The executives reviewed Mellon s and Bank of New York s businesses, with particular attention to their financial performance and growth characteristics. The group also reviewed potential revenue synergies and expense savings.

In the following days, senior executives of the companies and the companies financial advisors had numerous conversations concerning financial and strategic matters surrounding the potential business combination.

On November 22, Simpson Thacher & Bartlett delivered a form of merger agreement to Sullivan & Cromwell. Over the following 10 days, the two companies and their legal and financial advisors negotiated the terms of the proposed merger agreement and related documents, including reciprocal stock option agreements.

During the week of November 27, representatives of each company and their legal advisors (including, in the case of Mellon, Reed Smith LLP), conducted detailed due diligence by reviewing documents and interviewing executives and representatives of the other company. Meetings were held both in Pittsburgh and New York. The results of these detailed reviews confirmed the soundness of the proposed business combination and the reasonableness of the synergy assumptions. In addition, discussions regarding the potential terms of the proposed transaction continued among the companies senior executives.

On November 29, Messrs. Hassell and Renyi had a dinner meeting with four of Mellon s independent directors. They discussed the results of the two companies due diligence investigations, cost and revenue synergies, potential commitments concerning employees and operations in Pittsburgh, and the process for integrating the two companies operations.

On December 1, the Mellon board held a special telephonic meeting regarding the proposed business combination. Representatives of Mellon s financial advisors, UBS and Lazard, and its legal advisors, Simpson Thacher & Bartlett and Reed Smith, attended the meeting. Mr. Kelly and other members of Mellon s senior management updated the board regarding the status of negotiations and the structure and terms of the proposed transaction. Mellon s senior management reported to the board regarding its due diligence investigation of Bank of New York and responded to questions from the board. A representative of Simpson Thacher & Bartlett reviewed with Mellon s board the terms of the proposed merger agreement and reciprocal stock option agreements, and a representative of Reed Smith reviewed with the board its fiduciary duties under Pennsylvania law in relation to the proposed transaction. Mr. Kelly reviewed the major expected impacts of the transaction on each of Mellon s constituencies. Mellon s financial advisors discussed

with the board their work to date in connection with the proposed transaction, and Mellon s legal and financial advisors responded to questions from directors. At the conclusion of this meeting, Mellon s board authorized its senior management to complete its negotiation of the terms of the definitive merger agreement and related agreements, including reciprocal stock option agreements, for presentation to the board for further consideration on December 3.

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On December 3, each company s board of directors met with that company s legal and financial advisors and certain of its senior executive officers. At Bank of New York s board meeting, Mr. Renyi reviewed the discussions with Mellon since September 26 and outlined the basic terms of the proposed transaction. Sullivan & Cromwell partners advised the directors on their fiduciary duties in connection with their consideration of the proposed transaction and on other legal issues. Representatives of Goldman Sachs reported on the work that Goldman Sachs had done in connection with the proposed transaction, reviewed the strategic and financial aspects of the proposed transaction, and discussed the terms of the proposed transaction. Representatives of Goldman Sachs orally advised Bank of New York s board of directors of its opinion, subsequently confirmed in writing, that, as of December 3, 2006, and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs, the proposed Bank of New York exchange ratio was fair, from a financial point of view, to the holders of Bank of New York s common stock. Messrs. Van Saun and Gibbons reported on the results of the due diligence investigation of Mellon. Messrs. Van Saun and Hassell discussed specific business issues and risks that the proposed transaction would present and steps that could be taken to manage those risks. Sullivan & Cromwell partners reviewed the terms of the proposed agreements and the proposed resolutions that the board was being asked to approve. The directors who had met with Mr. Kelly on November 20 commented on Mr. Kelly and on that meeting. The board discussed such matters and asked questions of Bank of New York s senior management, legal counsel and financial advisors. The management participants then left the meeting and the independent directors met in executive session. Following the discussion in executive session, the management participants returned and, after further discussion, on motion duly made and seconded, the board unanimously voted to adopt the proposed plan of merger set forth in the merger agreement, to approve the transactions it contemplates, and to recommend that Bank of New York s shareholders vote to adopt the plan of merger.

At Mellon s board meeting on December 3, the board received a description of the final proposed terms of the merger agreement and related agreements, and additional presentations from Mellon s senior management and legal and financial advisors regarding the financial, business, strategic, and legal issues related to the transaction. At the meeting, UBS and Lazard reviewed with Mellon s board their joint financial analysis of the Mellon exchange ratio, and each delivered to Mellon s board an oral opinion, confirmed by delivery of a written opinion, dated December 3, 2006, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in such opinion, the Mellon exchange ratio was fair, from a financial point of view, to holders of Mellon common stock. After deliberation, Mellon s board concluded that the transaction was fair to and in the best interests of Mellon and its shareholders and unanimously adopted the plan of merger contained in the merger agreement and the related agreements and resolved to recommend that its shareholders vote to adopt the plan of merger.

That evening, the two companies signed the merger agreement. The next morning, they issued a joint press release, filed Forms 8-K with the SEC, and held a joint meeting, conference call and webcast to announce the transaction.

On February 22, 2007, Newco became a party to the merger agreement by executing a supplement to the merger agreement. On February 23, 2007, the two companies and Newco entered into an amended and restated merger agreement to change the order of the two mergers, to reflect the complete Certificate of Incorporation and By-Laws of Newco and to make other technical amendments.

Bank of New York s Reasons for the Transaction; Recommendation of Bank of New York s Board of Directors

In reaching its decision to adopt the plan of merger and recommend adoption of the plan of merger to its shareholders, Bank of New York s board of directors consulted with management, as well as with its legal and financial advisors, and considered a number of factors, including:

each of Bank of New York s and Mellon s business, operations, financial condition, stock performance, asset quality, earnings and prospects. In reviewing these factors, including the information obtained through due diligence, the board of directors considered that Mellon s business and operations complement those of Bank of New York, that Mellon s financial condition and asset quality are sound, and that Mellon s earnings and prospects, and the synergies potentially available in the proposed

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transaction, create the opportunity for the combined company to have superior future earnings and prospects compared to Bank of New York s earnings and prospects on a stand-alone basis. In particular, the board of directors considered the following:

- the ability to leverage complementary business lines across a larger customer base in diverse markets;
- the opportunity to strengthen the combined company s presence in its core domestic markets and around the world and to take advantage of higher growth international operations; and
- the combined company s position as one of the largest financial services organizations in the United States in terms of assets under custody, assets under management, issuer services, clearing services, wealth management and cash management;

its knowledge of the current environment in the financial services industry, including economic conditions and the interest rate environment, the continuing consolidation of the industry, increased operating costs resulting from regulatory initiatives and compliance mandates, increasing nationwide competition and current financial market conditions and the likely effects of these factors on the companies potential growth, development, productivity and strategic options;

the structure of the transaction as a true merger in which Bank of New York s board of directors and management would have substantial participation in the combined company; in particular, Bank of New York s board of directors considered the following:

- that the Board of Directors of the combined company would consist initially of ten Bank of New York directors and eight Mellon directors;
- that the Executive Chairman of the combined company would initially be Bank of New York s current Chief Executive Officer, that the current Chief Executive Officer of Mellon would serve as the Chief Executive Officer of the combined company and the President of Bank of New York would continue to serve as President of the combined company; and
- the substantial participation of other Bank of New York officers in senior management of the combined company;

the consistency of the transaction with Bank of New York s business strategies, including achieving strong earnings growth, improving customer attraction and retention and focusing on cost management;

its conclusion after its analysis that Bank of New York and Mellon are a complementary fit because of the nature of the markets served and products offered by Bank of New York and Mellon and the expectation that the transaction would provide economies of scale, expanded product offerings, expanded opportunities for cross-selling, cost savings opportunities and enhanced opportunities for growth;

Bank of New York and Mellon s shared belief in a disciplined and thoughtful approach to the combination, structured to maximize the potential for synergies and minimize the loss of customers and to further diversify the combined company s operating risk profile versus those of the stand-alone companies;

its belief that the transaction is likely to increase value to shareholders, given that, from the perspective of a Bank of New York shareholder, the transaction is expected to be immediately accretive on a cash basis to Bank

of New York shareholders and accretive on a GAAP basis in 2008;

the expectation that the transaction will be generally tax-free for United States federal income tax purposes to Bank of New York s shareholders;

the financial analyses and presentation of Goldman Sachs, and its opinion, dated December 3, 2006, to the effect that, as of that date and based upon and subject to the assumptions made, procedures

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followed, matters considered and limitations on the review undertaken by Goldman Sachs set forth in its opinion, the Bank of New York exchange ratio was fair, from a financial point of view, to the holders of Bank of New York common stock;

the fact that the Bank of New York exchange ratio is fixed, which the Bank of New York board of directors believed was consistent with market practice for transactions of this type and with the strategic purpose of the transaction;

its review with its legal advisor, Sullivan & Cromwell, of the merger agreement and stock option agreements, including the provisions of the merger agreement and the stock option agreements designed to enhance the probability that the transaction will be completed;

its review and discussions with Bank of New York s management concerning the due diligence examination of the operations, financial condition and regulatory compliance programs and prospects of Mellon;

its expectation that the required regulatory approvals could be obtained; and

the perceived similarity in corporate cultures, which would facilitate integration and implementation of the transaction.

Bank of New York s board of directors also considered the potential risks related to the transaction but concluded that the anticipated benefits of combining with Mellon were likely to substantially outweigh these risks. These potential risks included:

the diversion of management focus and resources from other strategic opportunities, operational matters and integration of previous acquisitions by Bank of New York and Mellon while working to implement the transaction and integrate the two companies;

the possibility of encountering difficulties in achieving cost savings and synergies in the amounts currently estimated or in the time frame currently contemplated;

the transaction-related restructuring charges;

the regulatory and other approvals required in connection with the transaction and the likelihood that regulatory approvals will be received in a timely manner and without unacceptable conditions;

the possibility of heightened focus on clients by competitors; and

that Mellon would receive an option to purchase up to 19.9 percent of Bank of New York s outstanding common stock under certain conditions, as described in the section entitled The Stock Option Agreements on page 89.

Although each member of Bank of New York s board of directors individually considered these and other factors, the board of directors did not collectively assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. The board of directors collectively made its determination based on the conclusion reached by its members, in light of the factors that each of them considered appropriate, that the transaction is in the best interests of Bank of New York and its shareholders.

Bank of New York s board of directors realized that there can be no assurance about future results, including results expected or considered in the factors listed above, such as assumptions regarding anticipated cost savings and earnings accretion/dilution. The board of directors concluded, however, that the potential positive factors outweighed the potential risks of completing the transaction.

It should be noted that this explanation of the reasoning of Bank of New York s board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light

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of the factors discussed in the section entitled Cautionary Statement Regarding Forward-Looking Statements on page 21.

For the reasons set forth above, the Bank of New York board of directors determined that the transaction, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Bank of New York and its shareholders, and unanimously adopted the plan of merger contained in the merger agreement. The Bank of New York board of directors unanimously recommends that the Bank of New York shareholders vote FOR the adoption of the plan of merger.

Mellon s Reasons for the Transaction; Recommendation of Mellon s Board of Directors

Mellon s board of directors concluded, in reaching its decision to adopt the plan of merger and recommend the adoption of the plan of merger to Mellon s shareholders, that Mellon and Bank of New York have a unique strategic fit and that the transaction provides an exceptional opportunity for enhanced financial performance and shareholder value. The board of directors also took into consideration the fact that the terms of the transaction provide for substantial participation by Mellon s board and management in the operations of the combined company. In concluding that the transaction is in the best interests of Mellon and its shareholders, Mellon s board of directors considered, among other things, the following strategic and financial benefits of the transaction, all of which it viewed as supporting its decision to approve the transaction:

The balanced and complementary nature of the business lines and customer bases of Mellon and Bank of New York. In particular, the Mellon board of directors noted that, on a pro forma basis, the combined company would have leadership positions in a number of key businesses, including ranking first in the world in global custody, based on assets under custody as of September 30, 2006; first in the United States in corporate trust and depositary receipts services, based on assets under corporate trusteeship; among the top five asset management businesses in the United States, based on assets under management as of September 30, 2006; and among the top ten wealth management businesses in the United States based on assets under management as of June 30, 2006.

The greater scale and global reach to be derived from the merger. Mellon s board of directors noted that, on a pro forma basis, the combined company would be the 11th largest U.S. financial institution by market capitalization, with $149.3 billion in total assets as of September 30, 2006, and $15 billion in shareholders equity as of that date. Mellon s board also noted that the combined company would have operations in 100 markets in 37 countries, including businesses in 30 states of the United States as well as substantial operations in other key locations in North and South America, Europe and Asia.

The Mellon board of directors belief that the combined company will have a more balanced business mix, which will tend to reduce volatility in the operating results of the combined company.

The Mellon board of directors belief that, in light of the increasing globalization, scale and financial resources of the financial services institutions with which it competes, together with the likelihood of further industry consolidation, Mellon would be better positioned by pursuing a transaction with Bank of New York than in the absence of such a transaction. In particular, the Mellon board noted that the proposed transaction with Bank of New York represented a unique opportunity to achieve Mellon s strategic goals in the context of a transaction that incorporated and preserved Mellon s historic roots in Western Pennsylvania and also benefited Mellon s employees, customers and other constituencies.

The Mellon board of directors expectation that the transaction will produce significant value for Mellon s shareholders. In particular, Mellon believes that:

the transaction should be immediately accretive to Mellon shareholders on a GAAP basis;

the combined company will likely generate meaningful excess capital that may be reinvested and deployed for the benefit of its shareholders or used to buy back shares;

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the transaction is expected to result in annual cost savings of approximately 8.5 percent of the combined expenses of Mellon and Bank of New York, to be phased in over the three-year period following the closing of the merger; and

while revenue enhancements were not included in the synergies forecasted by Mellon s management, the transaction will create meaningful potential revenue opportunities, including opportunities to cross-sell expanded products and services to a larger combined customer base and to apply Bank of New York s greater distribution capabilities to distribute Mellon s asset and wealth management products and services.

The structure of the transaction as a true merger in which Mellon s current board of directors and management would have substantial participation in the combined company. This continued representation by Mellon in the new company enhances the likelihood that the strategic benefits that Mellon expects to achieve as a result of the merger will be realized and that the benefits and talents that Mellon brings to the combined institution will be appropriately valued and effectively utilized. In particular, Mellon s board of directors considered the following:

immediately after the transaction, the board of directors of Newco will consist of 18 directors, eight of whom will be current Mellon directors and ten of whom will be current Bank of New York directors, with a similar seven and nine combination to be continued after the resignation of Bank of New York s current Chairman from the board of directors after 18 months (or earlier, as the case may be);

committees of the Newco board of directors will be comprised of a combination of current Mellon and Bank of New York directors, with a sharing of committee chair positions and agreed-upon memberships that reflect a sharing of responsibilities and a balance between Mellon and Bank of New York continuing directors;

the chief executive officer of the combined company will be Mellon s current chief executive officer, with Mellon s chief executive officer to succeed to the chairmanship of the board at the end of an 18-month period;

Mellon s senior management will have substantial senior management positions in the combined company; and

the integration team will be co-headed by Mellon s current Senior Vice Chairman.

The provisions of the merger agreement ensuring Newco s continued commitment to Western Pennsylvania and the greater Pittsburgh metropolitan area, as further described under the caption The Transaction Pittsburgh-Area Community Commitments , including:

commitments in the merger agreement to locate substantial business operations of the combined company in Pittsburgh and to use reasonable best efforts to create jobs in the Western Pennsylvania area over the three- to five-year period after the transaction, so that the employment levels of the combined company in that area are equal to or greater than those of Mellon at the time the transaction is completed;

the formation of an Advisory Board to advise the combined company on various matters relating to the Western Pennsylvania area;

the appointment of senior executives responsible for advising the Chief Executive Officer of the combined company regarding issues affecting Pennsylvania and representing the combined company with major Pennsylvania business and civic organizations; and

the creation of an $80 million charitable foundation dedicated to grant-making in Western Pennsylvania and commitments designed to ensure that the combined company will continue Mellon s tradition of charitable giving to the greater Pittsburgh metropolitan area.

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The Mellon board of directors belief that the risks to achieving the strategic benefits of the transaction are relatively low. Although any integration of two large financial institutions poses challenges, Mellon s board of directors believes that management s plan to integrate the businesses of the combined company over a three-year period following the closing, and its emphasis on a disciplined and staged integration effort, will minimize any customer retention issues and disruption to the communities and employees of the combined company.

In addition to considering the strategic and financial factors outlined above, Mellon s board of directors considered the following additional factors, all of which it viewed as supporting its decision to adopt the plan of merger:

historical information concerning the respective businesses, financial condition, results of operations, prospects and stock performance of Mellon and Bank of New York, which Mellon s board of directors considered in its assessment of the relative values of Mellon, Bank of New York and the combined company;

current conditions, developments and trends in the banking industry, general economy and capital markets and the Mellon board s analysis of their potential impacts on Mellon, Bank of New York and the combined company;

results of the due diligence investigation of Bank of New York s businesses and operations, as presented by Mellon s senior management;

Mellon s legal advisors expectation that the transaction will be generally tax-free for United States federal income tax purposes to Mellon shareholders;

the terms and conditions of the merger agreement and stock option agreements, including their reciprocal nature and the provisions contained in those agreements designed to enhance the probability that the merger will be completed, which Mellon s board determined were appropriate in a strategic transaction of this type;

the fact that the exchange ratios in the merger agreement were fixed and would not fluctuate, as is customary in transactions of this nature, and the conclusion of the Mellon board of directors that this was appropriate in view of the long-term strategic purposes of the merger, fairly captures the respective ownership interests of the shareholders of Mellon and Bank of New York based on fundamental value assessments and avoids fluctuations based on near-term market volatility; and

UBS and Lazard s separate opinions, each dated December 3, 2006, to Mellon s board of directors as to the fairness, from a financial point of view and as of the date of the opinion, of the Mellon exchange ratio, as more fully described below under Opinions of Mellon s Financial Advisors .

Mellon s board of directors also considered the potential adverse consequences of the transaction, including the following:

the challenges of integrating two large financial services companies;

the risk of not achieving the expected cost savings, potential revenue synergies and other benefits in the amounts or on the time schedules contemplated;

the risk of diverting management s attention and resources from other strategic opportunities and operational matters to focus on combining the companies; and

the risks associated with possible delays in obtaining necessary approvals and the terms of those approvals.

Mellon s board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. Rather, Mellon s board of directors conducted an overall review of the factors described above, including thorough discussions with Mellon s senior management and legal and

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financial advisors. In considering the factors described above, individual members of Mellon s board of directors may have given different weight to different factors.

Mellon s board of directors realizes that there can be no assurance about future results, including results expected or considered in the factors listed above, such as assumptions regarding anticipated cost savings, potential revenue enhancements and earnings per share accretion. However, the board of directors concluded that the potential positive factors outweighed the potential risks of consummating the transaction.

It should be noted that this explanation of the reasoning of the Mellon board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section entitled Cautionary Statement Regarding Forward-Looking Statements on page 21.

For the reasons set forth above, the Mellon board of directors determined that the transaction, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Mellon and its shareholders, and unanimously adopted the plan of merger contained in the merger agreement. The Mellon board of directors unanimously recommends that the Mellon shareholders vote FOR the adoption of the merger agreement.

Senior Management and Board of Directors of Newco Following the Transaction

Senior Executive Officers of Newco

Following completion of the transaction, Thomas A. Renyi, currently Chairman of the Board of Directors and Chief Executive Officer of Bank of New York, will serve as Executive Chairman of Newco and Robert P. Kelly, currently Chairman of the Board of Directors, President and Chief Executive Officer of Mellon, will serve as Chief Executive Officer of Newco. Gerald L. Hassell, currently President of Bank of New York, will continue to serve as President of Newco. Beginning 18 months after the completion of the transaction, or earlier should Mr. Renyi cease to serve as Executive Chairman, Mr. Kelly will succeed Mr. Renyi as Chairman of Newco. In addition, other members of Bank of New York and Mellon management, including those listed below, will serve as senior managers of the combined company:

Torry Berntsen, Client Management	David F. Lamere, CEO, Private Wealth Management	Karen B. Peetz, Corporate Trust
Richard Brueckner, CEO, Pershing	Jonathan Little, Asset Management/Distribution	Lisa B. Peters, Human Resources
Steven G. Elliott, Co-Head, Integration	Donald R. Monks, CAO, Head of Operations and Technology, Co-Head, Integration	Brian G. Rogan, Issuer, Treasury and Clearing Services
Todd P. Gibbons, Chief Risk Officer	Mark Musi, Compliance	Jim Vallone, Audit
Timothy F. Keaney, Co-Head, Asset Servicing	Ronald P. O Hanley, Head, Asset Management	Bruce W. Van Saun, Chief Financial Officer
Carl Krasik, General Counsel	James P. Palermo, Co-Head, Asset Servicing	Kurt D. Woetzel, Chief Information Officer

For a period of 36 months following completion of the transaction, any of the following actions will require the affirmative vote of at least 75 percent of the entire Newco Board of Directors:

any removal of (or failure to re-elect) Messrs. Renyi, Kelly or Hassell from (or to) the positions described above or any failure to appoint or elect Mr. Kelly as Chairman of Newco as discussed above,

any amendment or modification to or termination of any employment or similar agreement of Messrs. Renyi, Kelly or Hassell in effect as of the completion of the transaction, or

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any modification of any of the duties of Messrs. Renyi, Kelly or Hassell as described in Article Five of Newco s bylaws.

During this 36-month period, if any of Messrs. Renyi, Kelly or Hassell is unable (whether by reason of death, permanent disability, retirement or otherwise) or unwilling to continue in the office described above (other than the succession of Mr. Kelly as Chairman), the vacancy created thereby may be filled only by the affirmative vote of at least 75 percent of the entire Newco Board of Directors.

In addition, during this 36-month period, the affirmative vote of the holders of at least 75 percent of the outstanding stock of Newco will be required for Newco stockholders to amend, repeal, or modify the bylaw provisions providing for the governance arrangements described above, or to adopt any bylaw provision or other resolution inconsistent with these arrangements.

Composition of the Board of Directors

Upon completion of the transaction, the Board of Directors of Newco will consist of 18 directors, ten of whom will be Bank of New York designees and eight of whom will be Mellon designees. The ten directors to be designated by Bank of New York will include Messrs. Renyi and Hassell, and the remaining eight will be independent directors chosen by Bank of New York. The eight directors to be designated by Mellon will include Mr. Kelly and Steven G. Elliott, the current Senior Vice Chairman of Mellon, and the remaining six will be independent directors chosen by Mellon.

Beginning 18 months after the completion of the transaction, or such earlier time as Mr. Renyi ceases to serve as Executive Chairman of Newco (as described above), the Board of Directors of Newco will consist of 16 directors. Nine of those directors will be designated by Bank of New York one will be Mr. Hassell, and the remaining eight will be independent directors chosen by Bank of New York. Seven of the directors will be designated by Mellon one will be Mr. Kelly, and the remaining six will be independent directors chosen by Mellon.

The Board of Directors will have a Lead Director, who will be chosen by the directors designated by the Bank of New York for the first 18 months following the completion of the transaction, by the directors designated by Mellon for the following 18 months and by the entire Board of Directors thereafter.

Committees of the Board of Directors

The Board of Directors of Newco will establish certain committees, the membership of which, for a period of 36 months following the completion of the transaction, will be as follows:

Executive Committee will consist of at least five members, with the number of continuing Bank of New York directors greater by one than the number of continuing Mellon directors on the Committee; and will be chaired by a continuing Bank of New York director;

Human Resources and Compensation Committee will consist of at least five members, with the number of continuing Mellon directors greater by one than the number of continuing Bank of New York directors; and will be chaired by a continuing Mellon director;

Corporate Governance and Nominating Committee will consist of at least five members, with the number of continuing Bank of New York directors greater by one than the number of continuing Mellon directors; and will be chaired by a continuing Bank of New York director;

Technology Committee will consist of at least five members, with the number of continuing Bank of New York directors greater by one than the number of continuing Mellon directors; and will be chaired by a continuing Bank of New York director;

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Risk Committee will consist of at least five members, with the number of continuing Bank of New York directors greater by one than the number of continuing Mellon directors; and will be chaired by a continuing Bank of New York director;

Audit and Examining Committee will consist of at least five members, with the number of continuing Bank of New York directors greater by one than the number of continuing Mellon directors; and will be chaired by a continuing Bank of New York director;

Corporate Responsibility Committee will consist of at least five members, with the number of continuing Mellon directors greater by one than the number of continuing Bank of New York directors; and will be chaired by a continuing Mellon director; and

Planning Committee will consist of at least five members, with the number of continuing Mellon directors greater by one than the number of continuing Bank of New York directors; and will be chaired by a continuing Mellon director.

In addition, for at least 18 months following the completion of the transaction (or less, should Mr. Renyi cease to serve as Executive Chairman), the Board of Directors will maintain an Integration Committee, which will consist of two continuing Mellon directors and two continuing Bank of New York directors and will be chaired by a continuing Mellon director.

Interests of Certain Persons in the Transaction

The executive officers and directors of both Bank of New York and Mellon have interests in the transaction that are in addition to, or different from, their interests as shareholders. The boards of directors of Bank of New York and Mellon, respectively, were aware of these interests (including the executive employment arrangements described below, which were contemplated and discussed at the time the merger agreement was entered into) and considered them, among other matters, in adopting the merger agreement.

Newco Board of Directors Positions

When the transaction is completed, ten current members of Bank of New York s board of directors, including Bank of New York s current Chairman and Chief Executive Officer and current President, will be appointed to Newco s Board of Directors. In addition, eight current members of Mellon s board of directors, including Mellon s current Chairman, President and Chief Executive Officer and current Senior Vice Chairman, will be appointed to Newco s Board of Directors.

Management Positions

The merger agreement provides that certain senior executive officers of Bank of New York and Mellon will be appointed to senior management positions at Newco upon completion of the transaction as more fully described in the section entitled Senior Management and Board of Directors of Newco Following the Transaction above. In addition, other members of Bank of New York and Mellon management will serve in senior management positions at the combined company.

Executive Employment Arrangements

On January 9, 2007, the Bank of New York board of directors approved the terms of (1) a Service Agreement for Thomas A. Renyi, current Chairman and Chief Executive Officer of the Bank of New York, who will serve for 18 months as Executive Chairman of Newco following the completion of the transaction, and (2) grants of options on 700,000 shares of Bank of New York common stock for Mr. Renyi, and on 500,000 shares of Bank of New York common stock for Gerald L. Hassell, current President of the Bank of New York, in each case conditioned on, and to be granted immediately before, the completion of the transaction.

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Renyi Service Agreement. Under Mr. Renyi s Service Agreement, he will continue to receive his current annual base salary and benefits, and annual and long-term incentives, under the same terms applicable to other Newco executives, for a period of 18 months after the completion of the transaction, at which point he will retire, unless earlier requested to retire by the Newco Board of Directors. Upon his retirement, either after 18 months, or earlier at the request of the Newco Board of Directors, he will receive a pro rata bonus for his year of termination and, subject to his compliance with certain restrictive covenants, he will be entitled, until age 80, to secretarial support and the use of a car and driver and of an office. If the transaction is not completed by December 31, 2007, the Service Agreement and any right to the foregoing benefits will terminate.

Special Renyi and Hassell Option Grants. The option grants, which are in recognition of the key roles Messrs. Renyi and Hassell played in facilitating the transaction and are expected to play in the integration process, will be made immediately before the completion of the transaction, will have an exercise price equal to the last closing price of Bank of New York common stock on the New York Stock Exchange before the effective time of the transaction, and will expire 10 years thereafter. In Mr. Renyi s case, they will vest 18 months after the completion of the transaction, or sooner if (1) the Newco Board of Directors terminates his employment without cause, (2) he leaves with the consent of the Newco Board of Directors or (3) he dies or becomes permanently disabled. In Mr. Hassell s case, one third of the options will vest on the first anniversary of the completion of the transaction and the remainder will vest in pro rata monthly installments over the following two years, or sooner if (x) the Newco Board of Directors terminates his employment without cause, (y) he leaves with the consent of the Newco Board of Directors or (z) he dies or becomes permanently disabled. The options will be forfeited, in Mr. Renyi s case, if he terminates his employment within 18 months of the completion of the transaction without the consent of the Newco Board of Directors and, in Mr. Hassell s case, if he terminates his employment within three years of the completion of the transaction without the consent of the Newco Board of Directors. In the case of both executives, the options will be forfeited upon involuntary termination of employment for cause. If the transaction is not completed by December 31, 2007, the options will not be granted and all rights to the options will terminate.

Change in Control Severance Agreements. On December 22, 2006, each of Messrs. Kelly, Elliott, and O Hanley, on January 24, 2007, Mr. Lamere, and on February 19, Mr. Palermo, and Mellon entered into amendments to their change in control severance agreements, employment letter agreements (in the case of Messrs. Kelly, O Hanley and Palermo) and employment agreements (in the case of Mr. Elliott) and various equity award agreements.

In the case of Messrs. Kelly, Lamere, O Hanley and Palermo, the amendments to their change in control severance agreements (1) eliminate the executive s ability to receive severance benefits by voluntarily terminating employment for any reason during the 13th month following the transaction and (2) modify the Good Reason definitions within the agreements to accommodate and permit changes in each executive s initial position following the completion of the transaction and, in the case of Mr. Kelly, future positions as described more fully in the section entitled Senior Management and Board of Directors of Newco Following the Transaction above. Mr. Lamere s and Mr. Palermo s change in control severance agreements were also amended to include a gross-up payment to the extent they incur additional taxes as a result of the amendments. Each executive would remain eligible to receive severance benefits if his employment is terminated under certain circumstances within three years following the completion of the transaction or other change in control. In the case of Mr. Elliott, his change in control severance agreement with Mellon was amended to provide that it is terminated solely with respect to the transaction.

In addition, each of Messrs. Kelly, Elliott, O Hanley and Palermo has entered into conforming amendments to his employment letter agreement (in the case of Messrs. Kelly, O Hanley and Palermo) and employment agreement (in the case of Mr. Elliott), under which the constructive discharge provisions were amended to accommodate and permit changes in each executive s initial, and in the case of Mr. Kelly, his future, position following the transaction. Mr. Kelly s employment letter agreement was also amended to eliminate the automatic vesting of supplemental

retirement benefits that would otherwise occur upon a change in control based upon the transaction, and to provide for vesting of such amounts upon his termination of

employment other than for cause or by constructive discharge. In addition, the employment agreement for Mr. Elliott was amended to provide that, for purposes of calculating supplemental retirement benefits, base salary paid and bonus award earned will be based upon the higher of (1) the highest amount paid for the final three full calendar years of Mr. Elliott s employment or (2) the average of the highest such amounts within any three full calendar years of the final five full calendar years of his employment.

Messrs. Kelly, Lamere, Elliott, O Hanley and Palermo have also agreed with Mellon to waive the automatic vesting of stock options and restricted stock, including performance-based restricted stock awards, that would otherwise occur upon a change in control based upon the transaction, and to defer receipt of certain performance share awards that would otherwise become payable in connection with the transaction. The amendments also provide that the above-referenced stock options and restricted stock awards (including performance share awards) would vest upon a termination without cause or resignation for good reason within the three-year period following the occurrence of the change in control based upon the transaction and, in the case of Mr. Elliott, upon his retirement with the consent of Mellon during that period. Mr. Palermo s agreement also provides for the automatic vesting of such awards if he voluntarily terminates employment for any reason during the six-month period following the third anniversary of the completion of the transaction, provided he gives advance notice of his termination and agrees to certain non-solicitation covenants with respect to certain awards. In such event, his awards will have a limited post-termination exercise period. These awards will remain outstanding and continue to vest in accordance with their terms other than those amended as described above. The amendments that were executed by the executives do not amend any benefits that would become vested or payable in connection with a change in control of Mellon or Newco other than a change in control of Mellon based upon the transaction.

New Severance and Other Compensation and Benefits Arrangements

The merger agreement with Mellon has authorized Bank of New York to create severance and other compensation and benefit arrangements for Bank of New York s executive officers who will be members of Newco s executive management team, so as to provide them with protections in connection with the transaction that will be comparable to the protections provided to the Mellon members of Newco s executive management team as a result of the transaction being a change in control of Mellon under Mellon s arrangements. In this respect, Bank of New York expects to enter into transition agreements with each of Messrs. Hassell, Van Saun, Gibbons, Monks, Rogan, Brueckner, Woetzel, Berntsen and Keaney and Ms. Peetz that will become effective (and will be assumed by Newco) upon the completion of the transaction and will provide the executives with severance protections during the three years immediately following the completion of the transaction that are substantially similar to those protections provided under Mellon s existing change in control severance arrangements, as well as certain other special benefits, as follows.

Bank of New York Transition Agreements. The new transition agreements with the executive officers will provide that if within three years of the completion of the transaction such person is terminated by Newco other than for cause (as defined in the transition agreement) or resigns for good reason (as defined in the transition agreement, based on his or her new position with Newco), Newco must provide the executive with: (1) a pro-rata portion of his or her annual bonus, based on the prior year s bonus (or if greater, the current year s expected bonus), (2) severance pay in an amount equal to a severance factor, which is three for Messrs. Hassell and Van Saun and two for the other executives, multiplied by the sum of the executive s annual salary and highest annual bonus earned in the last three completed fiscal years (the Bonus Amount) and (3) an amount designed to equal the lump sum actuarial equivalent of the additional benefit which the executive would have received under Bank of New York s Retirement, Excess Benefit and, in the case of Messrs. Hassell and Monks only, Supplemental Executive Retirement, plans had the executive s employment continued for a number of years equal to the severance factor (earning the same salary and the Bonus Amount per year). For a number of years equal to the severance factor or, if earlier, until the executive receives comparable welfare benefits from a new employer or attains age 65, Newco will also permit the executive and the

executive s dependants to participate in all medical and other welfare benefit plans in which the executive was entitled to participate immediately before termination (so long such participation is possible under the plans and the executive continues to pay Newco an amount equal to the executive s regular participation under

the plan). If the executive does not attain age 65 or receive comparable welfare benefits from a new employer before the end of the benefit continuation period, Newco will arrange to have such welfare benefits converted to individual policies or programs under the same terms as other employees of Newco may apply for such conversions. In the case of Messrs. Hassell, Van Saun, Gibbons, Monks, Rogan and Woetzel, the executives who have existing change in control agreements with Bank of New York, these benefits are substantially the same as the cash payment and other benefits they would have been entitled to if they qualified for severance pay and benefits under those existing change in control severance agreements, if the transaction were a change in control of Bank of New York, except under the transition agreements, Messrs. Van Saun, Gibbons, Rogan and Woetzel would not receive any additional benefits under the Supplemental Executive Retirement Plan. In addition, each of the executives would receive equity treatment substantially similar to the treatment that they would have been entitled to under the equity plans of Bank of New York, if the transaction were a change in control of Bank of New York, including full vesting of all Bank of New York and Newco options, restricted stock, restricted stock units and performance awards (other than unearned, unvested Bank of New York performance units, a pro-rata portion of which would be paid in cash, measured at 100% of target, based on the number of full months the executive was employed during the performance cycle) and a period of at least three years to exercise vested options following termination of employment, subject to the original term of the option (and in the case of the special option grant to Mr. Hassell described above, until the end of the original term of the option). Any team bonus awards held by the executive officers (other than Mr. Hassell), described below, would also vest in full.

In addition, the transition agreements for Messrs. Hassell, Van Saun, Gibbons and Monks will provide for a special retirement right, which, for each of Messrs. Hassell, Van Saun and Gibbons, would allow the executive to terminate his employment for any reason in the thirty-day period following a designated anniversary of the completion of the transaction (which is three-year anniversary for Mr. Hassell, the two-year anniversary for Mr. Van Saun and the thirty-month anniversary for Mr. Gibbons) and receive full vesting of all stock options, with a period of at least three years to exercise vested options following termination of employment, subject to the original term of the option (and in the case of the special option grant to Mr. Hassell described above, until the end of the original term of the option), pro-rata vesting of outstanding performance units based on actual performance achieved at the end of the applicable performance cycle, for Mr. Hassell only, a payment equal to his benefit under the Bank of New York s Supplemental Executive Retirement Plan calculated as though he had reached age 60, and for each of Messrs. Van Saun and Gibbons, pro-rata vesting of his team bonus award described below. The special retirement right for Mr. Monks would apply only upon his termination by Newco without cause before reaching age 60, in which case he would be entitled to a payment equal to his accrued benefit under Bank of New York s Supplemental Executive Retirement Plan, calculated as though he had reached age 60, and full vesting of his team bonus award, in addition to the other severance entitlements described above for a termination without cause.

All severance and special retirement benefits will be conditioned on the executive s execution of a release of claims in favor of Newco and its predecessors and compliance with non-competition and non-solicitation covenants through the 12 month anniversary of the executive s termination of employment. In addition, the special retirement benefits for each of Messrs. Hassell and Gibbons will be conditioned on the executive providing written notice to Newco of his intent to terminate his employment, in the case of Mr. Hassell six months in advance and, in the case of Mr. Gibbons, three months in advance. For those executives with existing change in control severance agreements, the transition agreements will be in addition to and not in lieu of those changes in control severance agreements. This means that in the event of a change in control of Newco during the three years after the completion of the transaction, Messrs. Hassell, Van Saun, Gibbons, Monks, Rogan and Woetzel may be eligible for severance protections under their existing change in control severance agreements and their transition agreements at the same time. However, the transition agreements provide that the executive officer may elect to receive benefits under either his change in control severance agreement or his transition agreement, but not both.

Bank of New York Team Bonus Awards. Bank of New York will also recommend to the Newco Board of Directors that it establish a special team equity award program in which certain Bank of New York executive officers who become members of Newco s executive management team upon the completion of the transaction

would participate, under which such individuals will be granted special team bonus awards in the form of restricted share units that will vest and become payable on the third anniversary of the completion of the transaction, subject to any accelerated vesting or forfeiture provisions contained in the program. The amount of team bonus awards to be proposed for Messrs. Van Saun, Gibbons, Monks, Rogan, Brueckner, Woetzel, Berntsen and Keaney and Ms. Peetz are $4,250,000, $3,750,000, $4,000,000, $3,750,000, $2,500,000, $3,750,000, $2,500,000, $3,750,000 and $3,500,000, respectively.

Mellon Additional Equity Awards. The Compensation and Management Succession Committee of Mellon s board of directors at its meeting on February 20, 2007 granted additional equity awards, in the form of Mellon stock options and/or restricted stock, to Messrs. Elliott, O Hanley, Lamere and Palermo, valued at $1,753,000 in the case of Mr. Elliott, $831,600 in the case of Mr. O Hanley, $600,900 in the case of Mr. Lamere and $469,100 in the case of Mr. Palermo. These awards are intended for retention purposes and to help mitigate the loss of the economic value of the immediate vesting being waived (as described above). In the case of Mr. Elliott, the awards vest upon the third anniversary of the closing of the transaction or, if earlier, upon his termination of employment after completion of the transaction by reason of death, disability, resignation for good reason or termination other than for cause or upon his retirement with the consent of Newco. In the case of Mr. O Hanley, Mr. Lamere and Mr. Palermo, the awards vest upon the third anniversary of the closing of the transaction or, if earlier, upon his termination of employment after completion of the transaction by reason of death, disability, resignation for good reason or termination other than for cause.

In addition, at the organizational meeting of the Human Resources and Compensation Committee of Newco, an equity incentive award will be proposed for Messrs. O Hanley, Lamere and Palermo in an amount equal to 1.5 times each executive s base salary and 2006 bonus, or target amount, if greater, estimated to be valued at $6,075,000, $3,750,000 and $3,750,000, respectively. These awards by Newco would be designed to vest upon the third anniversary of the closing of the transaction or, if earlier, upon the executive s termination of employment after the closing of the transaction by reason of death, disability, resignation for good reason or termination other than for cause. Also, the awards by Newco would be subject to conditions relating to non-solicitation of Newco customers and employees following a termination of employment and would require advance notice to Newco of any voluntary termination of employment that would occur within a specified period following the completion of the transaction, and any failure to comply with such conditions would require repayment of the awards to Newco.

At the organizational meeting of the Human Resources and Compensation Committee of Newco s Board of Directors, a stock option award will be proposed for Mr. Elliott in an amount between $4,000,000 and $6,000,000, which would be designed to vest ratably over three years, subject to earlier vesting in the event of a termination by Newco without cause, by constructive discharge or upon his retirement with the consent of Newco, and be exercisable for the entire term. In addition, Mr. Elliott s base salary will be at least equal to his 2006 base salary for the lesser of 36 months or the term of his employment and it will be proposed that Mr. Elliott s future bonus awards continue to correspond to his current matrix: 200 percent target, 300 percent strong and 400 percent outstanding. It will also be proposed that his long-term incentive awards be in an amount equal to that of similarly situated Newco executives and take into account his anticipated 18-month tenure as a member of the board of directors of Newco, and that future long-term incentive awards would be designed to become fully vested upon any termination by Newco without cause, by constructive discharge or upon his retirement with the consent of Newco, and be exercisable for the entire term in the case of stock options.

Until the completion of the transaction, the board of directors of Mellon may create severance and other compensation and benefit arrangements for the Mellon executives who will become members of the Newco executive management team that it determines in good faith are reasonable and appropriate and necessary to retain such Mellon executives through the completion of the transaction, in light of any other changes to such arrangements that Mellon may implement as part of or in connection with the parties efforts to create, as of the completion of the transaction,

comparable and appropriate severance and other compensation and benefit arrangements for all executives who will become members of the Newco executive management team.

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In addition, our boards of directors will work together in good faith to create appropriate retention bonus arrangements for the members of Newco executive management.

Director Compensation

Directors of Mellon have received awards of deferred share units from time to time. Current awards provide for vesting if the director s service is terminated upon or in connection with the transaction. Prior awards provide for vesting upon any change in control transaction, including this transaction, to the extent the awards are not already vested at such time.

Stock Options

Employees, including officers, of both our companies have received, from time to time, grants of stock options and other stock-based awards under applicable equity compensation plans of their employer. The merger agreement provides that the stock options and other stock-based awards granted under our equity compensation plans will automatically be converted in the transaction into stock options or stock-based awards, as applicable, with respect to Newco common stock.

For additional information on the treatment of Bank of New York s and Mellon s equity compensation awards, see the section entitled The Merger Agreement Treatment of Stock Options and Other Equity Awards on page 79.

Indemnification and Insurance

Following completion of the transaction, Newco will indemnify and hold harmless the directors and officers of Bank of New York and Mellon for all actions taken or omissions by them prior to the completion of the transaction to the same extent that Bank of New York or Mellon, as the case may be, currently provides for indemnification of its directors and officers. In addition, for a period of six years following the completion of the transaction, Newco will maintain directors and officers liability insurance for the directors and officers of Bank of New York and Mellon with respect to claims arising from facts or events occurring before the completion of the transaction; provided that Newco is not obligated to make annual premium payments for such insurance to the extent such premiums exceed 250 percent of Bank of New York s or Mellon s respective current premium for such insurance.

Material United States Federal Income Tax Consequences

The following is a summary of the material United States federal income tax consequences of the transaction to U.S. holders of Bank of New York or Mellon common shares. The summary is based on the Internal Revenue Code of 1986, as amended, which we refer to as the Code, Treasury regulations, administrative rulings and court decisions in effect as of the date of this document, any of which could change at any time, possibly with retroactive effect.

For purposes of this discussion, the term U.S. holder means:

a citizen or resident of the United States;

a corporation, or other entity taxable as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or any of its political subdivisions;

a trust if it

is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or

has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or

an estate that is subject to United States federal income tax on its income regardless of its source.

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If a partnership holds Bank of New York or Mellon common shares, the tax treatment of a partner in the partnership will generally depend on the status of the partners and the activities of the partnership. If a U.S. holder is a partner in a partnership holding Bank of New York or Mellon common shares, such holder should consult its tax advisor.

This discussion only addresses United States federal income tax consequences of the transaction to U.S. holders of Bank of New York or Mellon common shares that hold their Bank of New York or Mellon common shares as a capital asset within the meaning of Section 1221 of the Code. Further, this summary does not address all aspects of United States federal income taxation that may be relevant to a U.S. holder of Bank of New York or Mellon common shares in light of such holder s particular circumstances or that may be applicable to holders subject to special treatment under United States federal income tax law (including, for example, non-United States persons, financial institutions, dealers in securities or foreign currencies, insurance companies, tax-exempt entities, holders who acquired Bank of New York or Mellon common shares pursuant to the exercise of employee stock options or otherwise as compensation, holders subject to the alternative minimum tax provisions of the Code, holders who hold Bank of New York or Mellon common shares as part of a hedge, straddle, constructive sale or conversion transaction, S corporations or other pass-through entities, mutual funds, traders in securities who elect the mark-to-market method of accounting for their securities, holders that have a functional currency other than the U.S. dollar, and holders of options granted under any Bank of New York or Mellon benefit plan). In addition, no information is provided herein with respect to the tax consequences of the transaction under applicable state, local or foreign laws.

HOLDERS OF BANK OF NEW YORK OR MELLON COMMON SHARES ARE URGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE TRANSACTION TO THEM, INCLUDING THE EFFECTS OF UNITED STATES FEDERAL, STATE AND LOCAL, FOREIGN AND OTHER TAX LAWS.

The Transaction

The mergers of each of Mellon and Bank of New York with and into Newco have been structured to qualify as reorganizations under Section 368(a) of the Code for United States federal income tax purposes. It is a condition to the closing of the transaction that Bank of New York and Mellon receive opinions from Sullivan & Cromwell LLP and Simpson Thacher & Bartlett LLP, respectively, dated the closing date of the transaction, to the effect that (1) the mergers will constitute reorganizations within the meaning of Section 368(a) of the Code, (2) each of Mellon and Newco will be a party to the reorganization within the meaning of Section 368(b) of the Code in respect of the Mellon merger and each of Bank of New York and Newco will be a party to the reorganization within the meaning of Section 368(b) in respect of the Bank of New York merger and (3) no gain or loss will be recognized by holders of Bank of New York or Mellon common shares who exchange all of their Bank of New York or Mellon common shares solely for Newco common shares pursuant to the mergers. These opinions will be based on assumptions, representations, warranties and covenants, including those contained in the merger agreement and in tax representation letters, dated as of the closing date, to be provided by Bank of New York and Mellon. The accuracy of such assumptions, representations and warranties, and compliance with such covenants, could affect the conclusions set forth in such opinions.

In addition, Bank of New York and Mellon are receiving opinions from Sullivan & Cromwell LLP and Simpson Thacher & Bartlett LLP, respectively, dated on the date that the registration statement of which this joint proxy statement/prospectus forms a part becomes effective, to the effect that the material United States federal income tax consequences of the mergers are as follows:

- the mergers will constitute reorganizations within the meaning of Section 368(a) of the Code;

each of Mellon and Newco will be a party to the reorganization within the meaning of Section 368(b) of the Code in respect of the Mellon merger and each of Bank of New York and Newco will be a party to the reorganization within the meaning of Section 368(b) in respect of the Bank of New York merger;

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a U.S. holder will not recognize any gain or loss upon receipt of shares of Newco common stock solely in exchange for Bank of New York or Mellon common stock in the mergers, except with respect to cash received in lieu of fractional shares of Newco common stock (as discussed below);

a U.S. holder s aggregate tax basis in the shares of Newco common stock received in the mergers (including any fractional shares deemed received and redeemed as described below) will be equal to the U.S. holder s aggregate tax basis in the Bank of New York or Mellon common stock surrendered; and

a U.S. holder s holding period for the shares of Newco common stock received in the mergers (including any fractional shares deemed received and redeemed as described below) will include the U.S. holder s holding period of the Bank of New York or Mellon common stock surrendered.

These opinions described above are based on assumptions, representations, warranties and covenants, including those contained in the merger agreement and in tax representation letters, dated such date, to be provided by Bank of New York and Mellon. The accuracy of such assumptions, representations and warranties, and compliance with such covenants, could affect the conclusions set forth in such opinions.

For U.S. holders who acquired different blocks of Bank of New York or Mellon common shares at different times and at different prices, the tax basis and holding period of such U.S. holders common shares may be determined with reference to each block of Bank of New York or Mellon common shares.

Cash in Lieu of Fractional Shares

A U.S. holder of Bank of New York common stock who receives cash in lieu of a fractional share of Newco common stock in the Bank of New York merger generally will be treated as having received such fractional share in the Bank of New York merger and then as having received cash in redemption of such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the U.S. holder s aggregate tax basis in the Bank of New York common stock surrendered which is allocable to the fractional share. This gain or loss generally will be capital gain or loss, and long-term capital gain or loss if the holding period for the Bank of New York common shares is more than one year at the effective time of the mergers. Long-term capital gain of non-corporate U.S. holders generally will be taxed at a maximum U.S. federal income tax rate of 15 percent. The deductibility of capital losses is subject to limitations.

Ruling

No ruling has been or will be sought from the Internal Revenue Service as to the United States federal income tax consequences of the mergers, and the opinions of counsel described above are not binding upon the Internal Revenue Service or any court. Accordingly, there can be no assurances that the Internal Revenue Service will not disagree with or challenge any of the conclusions described herein.

Backup Withholding and Information Reporting

Payments of cash made to a U.S. holder in connection with the transaction may be subject to information reporting and backup withholding at a rate of 28 percent, unless the U.S. holder of Bank of New York or Mellon common stock:

provides a correct taxpayer identification number and any other required information to the exchange agent; or

is a corporation or comes within certain exempt categories and otherwise complies with applicable requirements of the backup withholding rules.

All non-corporate U.S. holders of Bank of New York or Mellon common stock should complete and sign the Substitute Form W-9 that will be included as part of the letter of transmittal to be delivered following

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completion of the mergers. Backup withholding does not constitute an additional tax, but merely an advance payment of tax, which may be refunded to the extent it results in an overpayment of tax if the required information is supplied to the Internal Revenue Service.

Reporting Requirements

A U.S. holder of Bank of New York or Mellon common shares who receives Newco common shares as a result of the transaction will be required to retain records pertaining to the transaction. Each U.S. holder of Bank of New York or Mellon common shares who is required to file a U.S. tax return and who is a significant holder that receives Newco common shares in the transaction will be required to file a statement with the holder s U.S. federal income tax return setting forth such holder s basis in the Bank of New York or Mellon common shares surrendered and the fair market value of the Newco common shares and cash, if any, received in the transaction. A significant holder is a holder of Bank of New York or Mellon common shares who, immediately before the transaction, owned at least 5 percent of the outstanding shares of Bank of New York or Mellon.

Regulatory Matters

Completion of the transaction is subject to the receipt of all required approvals and consents from regulatory authorities, and the expiration of any applicable statutory waiting periods, without any term or condition that would have a material adverse effect on Newco. Bank of New York and Mellon have agreed to use their reasonable best efforts to obtain all the required regulatory approvals. These include approval from the Federal Reserve Board and various other federal, state and foreign regulatory authorities.

We believe that we will be able to obtain all required regulatory approvals on a timely basis. However, Newco, Bank of New York and Mellon cannot make any assurances as to whether or when the required regulatory approvals will be obtained, or whether any such approval will contain a material adverse condition.

Federal Reserve Board

Completion of the transaction is subject, among other things, to approval by the Federal Reserve Board pursuant to Section 3 of the Bank Holding Company Act of 1956, as amended.

The Federal Reserve Board may not grant that approval if it determines that the transaction:

- would result in a monopoly or be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States or
- would substantially lessen competition in any part of the United States, or tend to create a monopoly or result in a restraint of trade,

unless the Federal Reserve Board finds that the anti-competitive effects of the transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served.

In reviewing the transaction, the Federal Reserve Board will consider

- the financial and managerial resources of both companies and their subsidiary banks,
- the convenience and needs of the communities to be served,

applicable overall capital and safety and soundness standards,

the effectiveness of both companies in combating money laundering activities and

each company s regulatory status, including legal and regulatory compliance.

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Under the Community Reinvestment Act of 1977, as amended, the Federal Reserve Board will take into account our two companies records of performance in meeting the credit needs of their respective communities, including low-and moderate-income neighborhoods. In considering this criterion, we believe the Federal Reserve Board will consider the fact that Bank of New York s principal banking subsidiary received a satisfactory regulatory rating, and Mellon s principal banking subsidiary received an outstanding regulatory rating, in their most recent respective Community Reinvestment Act examinations.

As previously reported, in April 2006, the Bank of New York s principal banking subsidiary entered into a written agreement with the Federal Reserve Bank of New York and the New York State Banking Department. We believe that one of the factors to be considered by the Federal Reserve Board in reaching a decision on the application will be its view as to Bank of New York s compliance with the written agreement.

Furthermore, the Bank Holding Company Act and Federal Reserve Board regulations require published notice of, and the opportunity for public comment on, our application, and authorize the Federal Reserve Board to hold a public hearing or meeting if the Federal Reserve Board determines that a hearing or meeting would be appropriate. Any hearing or meeting or comments provided by third parties could prolong the period during which the application is under review by the Federal Reserve Board.

The Bank Holding Company Act requires that we wait before completing the transaction until 30 days after Federal Reserve Board approval is received, during which time the Justice Department may challenge the transaction on antitrust grounds. With the approval of the Federal Reserve Board and the concurrence of the Justice Department, the waiting period may be reduced to no less than 15 days. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically ordered otherwise. In reviewing the transaction, the Justice Department could analyze the transaction s effect on competition differently than the Federal Reserve Board, and thus it is possible that the Justice Department could reach a different conclusion than the Federal Reserve Board does regarding the transaction s effects on competition. A determination by the Justice Department not to object to the transaction may not prevent the filing of antitrust actions by private persons or state attorneys general.

In connection with our application to the Federal Reserve Board, Newco will elect to be treated as a financial holding company under the Bank Holding Company Act. Both Bank of New York and Mellon are currently financial holding companies. We intend to make the necessary filings in the near future.

Department of Justice, Federal Trade Commission and Other Antitrust Authorities

In relation to some of our nonbanking activities, the transaction also requires clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and its related rules. Under that act, the transaction cannot be completed until each of Newco, Bank of New York and Mellon file notification of the proposed transaction with respect to these activities with the Justice Department and the Federal Trade Commission, or FTC, and the specified waiting periods have expired or been terminated. We will file the required notifications in the near future.

Private parties are permitted to take legal action under the antitrust laws under some circumstances. Based upon an examination of information available relating to the businesses in which the companies are engaged, we believe that the completion of the transaction will not violate U.S. antitrust laws. However, we can give no assurance that a challenge to the transaction on antitrust grounds will not be made, or, if such a challenge is made, that we would necessarily prevail.

In addition, the transaction could be reviewed by the state attorneys general in the various states in which we operate. While we believe there are substantial arguments to the contrary, these authorities may claim that there is authority,

under the applicable state and federal antitrust laws and regulations, to investigate and/or disapprove the transaction under the circumstances and based upon the review set forth in applicable state laws and regulations. We can give no assurance that one or more state attorneys general will not attempt to file an antitrust action to challenge the transaction.

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Other Regulatory Authorities

Applications and notifications are being filed with various other state and foreign regulatory authorities, including regulatory authorities in the United Kingdom, Canada, Ireland, Hong Kong and Luxembourg, and self-regulatory organizations, including the National Association of Securities Dealers, in connection with acquisitions or changes in control of subsidiaries of Bank of New York and/or Mellon, including banks, broker-dealers and insurance subsidiaries, that may be deemed to result from the transaction.

Pittsburgh-Area Community Commitments

The merger agreement contains provisions reflecting the parties belief that Newco should maintain a strong commitment to the Pittsburgh-area community. These provisions include the following:

Business Unit Headquarters. Pittsburgh will serve as the headquarters for the cash management and stock transfer business of Newco, and a Center of Excellence for Technology, Operations and Administration will be organized and based in Pittsburgh and will be a primary location at which administrative services such as human resources, accounting, facilities management, technology and operations will be conducted.

Job Creation. Newco will use its reasonable best efforts, subject to its business needs, market conditions and other relevant factors, to create jobs in the Western Pennsylvania area over the three- to five-year period following the transaction such that its level of employment within that area at the end of the period is equal to or greater than Mellon s at the time of completion of the transaction.

Advisory Board. Newco will establish an advisory board, which will be comprised of local Newco business heads and former Mellon directors in the Western Pennsylvania area, including Mr. Elliott, to advise Newco with respect to its Western Pennsylvania community development and reinvestment, civic and charitable activities in the greater Pittsburgh area and to focus on jobs, monitor the integration status of Newco and foster revenue growth with corporate and wealth management clients throughout Western Pennsylvania.

Charitable Foundation. On the closing date of the transaction, Newco will establish a new charitable foundation, called the Mellon Charitable Foundation, to make charitable grants in Western Pennsylvania. The Mellon Charitable Foundation will initially be endowed by a cash contribution from Newco of $60 million and a transfer of assets totaling $20 million from the Mellon Financial Foundation, a charitable foundation previously established by Mellon.

Charitable Giving. In addition to the activities of the Mellon Charitable Foundation, Newco will also maintain a strong commitment to charitable giving in the greater Pittsburgh metropolitan area totaling at least $1.2 million annually.

Senior Advisor. Newco will appoint one or more of its senior executives, to be designated by Mellon prior to the completion of the transaction, to manage the Pittsburgh office, advise Newco s management on Pennsylvania state and civic issues and represent Newco in its relationships with major Pennsylvania business and civic organizations.

Stock Repurchases

The merger agreement permits both Bank of New York and Mellon to continue to repurchase their own common stock in accordance with previously announced plans. In addition, the merger agreement provides for the redemption

of the issued and outstanding shares of Bank of New York s Series A Preferred Stock, which was completed on January 22, 2007.

Accounting Treatment

The transaction will be accounted for as a purchase by Bank of New York of Mellon, as that term is used under GAAP, for accounting and financial reporting purposes. As a result, the historical financial statements of Bank of New York will become the historical financial statements of Newco. The assets (including identifiable intangible assets) and liabilities of Mellon as of the closing of the transaction will be recorded at their respective fair values and added to those of Bank of New York. Any excess of purchase price over the net fair values of Mellon assets and liabilities is recorded as goodwill (excess purchase price).

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Financial statements of Newco issued after the transaction will reflect such fair values and will not be restated retroactively to reflect the historical financial position or results of operations of Mellon. The results of operations of Mellon will be included in the results of operations of Newco beginning on the closing date of the transaction. In the historical financial statements of Newco, all per share amounts related to periods prior to the transaction will be restated to give retroactive recognition to the effect of 0.9434 shares of Newco common stock being issued for each share of Bank of New York common stock.

Exchange of Certificates in the Transaction

At or prior to the completion of the transaction, Newco will cause to be deposited with an exchange agent certificates representing shares of Newco common stock for the benefit of the holders of certificates representing shares of Bank of New York or Mellon common stock and an amount in cash sufficient to deliver cash instead of any fractional shares that would otherwise be issued to Bank of New York shareholders in the transaction.

Promptly after the completion of the transaction, Newco will cause the exchange agent to send transmittal materials to each holder of a Bank of New York and Mellon stock certificate for use in exchanging Bank of New York or Mellon stock certificates for certificates representing shares of Newco common stock and, in the case of Bank of New York shareholders, cash instead of fractional shares. The exchange agent will deliver statements indicating book-entry ownership of Newco common stock and a check instead of any fractional shares, if applicable, once it receives the properly completed transmittal materials together with certificates representing a holder s shares of Bank of New York or Mellon common stock.

Bank of New York or Mellon stock certificates may be exchanged for statements indicating book-entry ownership of Newco common stock with the exchange agent for up to six months after the completion of the transaction. At the end of that period, any remaining Bank of New York or Mellon stock certificates and cash held by the exchange agent will be returned to Newco. Following that time, any holders of Bank of New York or Mellon stock certificates who have not exchanged their certificates will be entitled to look only to Newco, and only as general creditors of Newco, for Newco stock certificates and any cash to be received instead of fractional shares of Bank of New York common stock.

Starting 30 days after the completion of the transaction, until you exchange your Bank of New York or Mellon stock certificates, as the case may be, for statements indicating book-entry ownership of Newco common stock, you will not be able to vote on any matter on which Bank of New York or Mellon shareholders are entitled to vote. Once you exchange your Bank of New York or Mellon stock certificates for statements indicating book-entry ownership of Newco common stock, you will receive, without interest, any dividends or distributions with a record date after the closing date of the transaction and payable with respect to your shares, as well as any dividends with respect to Bank of New York or Mellon common stock declared before the closing date of the transaction but unpaid.

If your Bank of New York or Mellon stock certificate has been lost, stolen or destroyed, you may receive a statement indicating book-entry ownership of Newco common stock upon the making of an affidavit of that fact. Newco may require you to post a bond in a reasonable amount as an indemnity against any claim that may be made against Newco with respect to the lost, stolen or destroyed Bank of New York or Mellon stock certificate.

No interest will be paid by Newco to Bank of New York shareholders on the cash payments made instead of the issuance of fractional shares of Newco common stock, even if there is a delay in making the payment.

None of Bank of New York, Mellon or Newco, nor any other person, will be liable to any former holder of Bank of New York or Mellon common stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

Stock Exchange Listing

Bank of New York common stock is currently listed on the New York Stock Exchange under the symbol BK . Mellon common stock is currently listed on the New York Stock Exchange under the symbol MEL . Following completion of the transaction, shares of common stock of Bank of New York and Mellon will no

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longer be listed or traded on the New York Stock Exchange, and, subject to approval by the New York Stock Exchange, Newco common stock will be listed on the New York Stock Exchange under the symbol BK .

Fractional Shares

Based on the Bank of New York exchange ratio, Bank of New York shareholders may be entitled to fractional shares of Newco common stock in exchange for their Bank of New York shares. Newco will not, however, issue any fractional shares of common stock in the transaction. Instead, a Bank of New York shareholder who would otherwise have received a fraction of a share of Newco common stock will receive an amount of cash (without interest and rounded to the nearest cent) equal to the fractional share of Newco multiplied by the closing sale price of Mellon common stock on the NYSE Composite Transaction Tape on the trading day immediately preceding the date of the completion of the transaction as reported by *The Wall Street Journal* or, if not reported therein, in another authoritative source.

Because the Mellon exchange ratio is a one-to-one ratio, Mellon shareholders would not be entitled to fractional shares of Newco common stock.

No Appraisal or Dissenters Rights

Appraisal or dissenters rights are statutory rights that enable shareholders who object to extraordinary transactions, such as mergers, to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Appraisal rights are not available in all circumstances, and exceptions to these rights are set forth in the laws of New York and Pennsylvania, which are the states of incorporation of Bank of New York and Mellon, respectively, including an exception for transactions involving public companies. These exceptions are applicable with respect to the rights of Bank of New York shareholders and Mellon shareholders in the transaction.

Neither Bank of New York shareholders nor Mellon shareholders are entitled to appraisal or dissenters rights or similar rights to a court valuation of the fair value of their shares in connection with the transaction under New York and Pennsylvania law, respectively, in connection with the transaction because shares of Bank of New York common stock and shares of Mellon common stock are listed on the New York Stock Exchange.

Resales of Newco Stock; Stock Transfer Restrictions

This joint proxy statement/prospectus does not cover any resales of the Newco common stock to be received by the shareholders of Bank of New York or Mellon upon completion of the transaction, and no person is authorized to make use of this joint proxy statement/prospectus in connection with any such resale.

All shares of Newco common stock received by Bank of New York and Mellon shareholders in the transaction will be freely transferable, except that shares of Newco common stock received by persons who are deemed to be affiliates of either Bank of New York or Mellon under the Securities Act at the time of the special meeting may be resold by them only in transactions permitted by Rule 145 under the Securities Act or as otherwise permitted under the Securities Act. Persons who may be deemed to be affiliates of either Bank of New York or Mellon for such purposes generally include individuals or entities that control, are controlled by or are under common control with Bank of New York or Mellon, as the case may be, and may include directors and executive officers of Bank of New York and Mellon. The merger agreement requires Bank of New York and Mellon to use their reasonable efforts, prior to the mailing of this joint proxy statement/prospectus, to cause their respective affiliates to execute and deliver a written agreement to the effect that they will not sell, assign, transfer or otherwise dispose of any of the shares of Newco common stock issued to them in the transaction in violation of the Securities Act or the related SEC rules.

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OPINIONS OF FINANCIAL ADVISORS

Opinion of Bank of New York s Financial Advisor

Goldman Sachs was retained to act as financial advisor to Bank of New York in connection with the transaction. At a meeting of Bank of New York s board of directors held on December 3, 2006, Goldman Sachs rendered its oral opinion, which was subsequently confirmed in writing, to the effect that, based upon and subject to the considerations set forth in the opinion and based upon such other matters as Goldman Sachs considered relevant, as of December 3, 2006, the Bank of New York exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of Bank of New York common stock.

The full text of the written opinion of Goldman Sachs, dated December 3, 2006, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs in connection with the opinion, is attached as Annex D to this document and is incorporated herein by reference. Bank of New York s stockholders should read the opinion in its entirety. Goldman Sachs provided its opinion for the information and assistance of Bank of New York s board of directors in connection with its consideration of the transaction. Goldman Sachs opinion is not a recommendation as to how any holder of Bank of New York common stock should vote with respect to the transaction.

In connection with rendering its opinion and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the merger agreement;
- annual reports to shareholders and Annual Reports on Form 10-K of Bank of New York and Mellon for the five fiscal years ended December 31, 2005;
- certain interim reports to shareholders and Quarterly Reports on Form 10-Q of Bank of New York and Mellon;
- certain other communications from Bank of New York and Mellon to their respective shareholders;
- certain internal financial information for Bank of New York and Mellon prepared by their respective managements;
- certain publicly available research analyst reports with respect to the future financial performance of Bank of New York and Mellon, which Goldman Sachs discussed with the senior managements of Bank of New York and Mellon and which Bank of New York instructed Goldman Sachs to use for purposes of its opinion; and
- certain cost savings and operating synergies projected by the managements of Bank of New York and Mellon to result from the transaction.

Goldman Sachs also held discussions with members of the senior managements of Bank of New York and Mellon regarding their assessment of the strategic rationale for, and the potential benefits of, the transaction and the past and current business operations, financial condition and future prospects of their respective companies and Newco. In addition, Goldman Sachs:

reviewed the reported price and trading activity for shares of Bank of New York common stock and Mellon common stock;

compared certain financial and stock market information for Bank of New York and Mellon with similar information for certain other companies the securities of which are publicly traded;

reviewed the financial terms of certain recent business combinations in the banking industry specifically and in other industries generally; and

performed such other studies and analyses, and considered such other factors, as Goldman Sachs considered appropriate.

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Goldman Sachs relied upon the accuracy and completeness of all of the financial, accounting, legal, tax and other information discussed with or reviewed by it and assumed such accuracy and completeness for purposes of rendering its opinion. In that regard, Goldman Sachs assumed, with the consent of Bank of New York s board of directors, that the cost savings and operating synergies projected by the managements of Bank of New York and Mellon to result from the transaction were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Bank of New York and Mellon, as the case may be.

Goldman Sachs also assumed that all governmental, regulatory or other consents and approvals that are required in connection with the transaction will be obtained without any adverse effect on Bank of New York or Mellon or on the expected benefits of the transaction in any way meaningful to its analysis. Goldman Sachs advised Bank of New York s board of directors that it is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect thereto and, accordingly, Goldman Sachs assumed, with the consent of Bank of New York s board of directors, that such allowances for losses are in the aggregate adequate to cover such losses. In addition, Goldman Sachs did not review individual credit files nor did it make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Bank of New York or Mellon or any of their respective subsidiaries, and it was not furnished with any such evaluation or appraisal.

Goldman Sachs opinion does not address the underlying business decision of Bank of New York to engage in the transaction, nor did Goldman Sachs express any opinion as to the prices at which shares of Newco s common stock will trade at any time. Goldman Sachs opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of its opinion.

The following is a summary of the material financial analyses performed by Goldman Sachs in evaluating the fairness of the Bank of New York exchange ratio and rendering its opinion. The summary of the analyses of Goldman Sachs set forth below is not a complete description of the analyses underlying its opinion, and the order in which these analyses are described below is not indicative of any relative weight or importance given to those analyses by Goldman Sachs. **The following summaries of financial analyses include information presented in tabular format. You should read those tables together with the full text of the summary financial analyses, as the tables alone are not a complete description of the analyses.**

Unless otherwise indicated, quantitative information contained in the following summary, to the extent such information is based on market data, is based on market data as of December 1, 2006, the last trading day prior to the date on which Goldman Sachs made its presentation to Bank of New York s board of directors, and is not necessarily indicative of market conditions after such date. Earnings per share estimates used in the analyses described below were provided by Institutional Brokerage Estimate System, or IBES (a data service that compiles earnings estimates issued by securities analysts). Goldman Sachs analyses include the use of earnings on both a GAAP and cash basis. GAAP earnings are computed in accordance with U.S. generally accepted accounting principles. Cash earnings add back the after-tax amortization of any intangibles. Unless otherwise indicated, references to earnings are to earnings on a GAAP basis.

Unless otherwise indicated, Goldman Sachs made the following assumptions in conducting its analyses:

- earnings estimates for 2006 and 2007 based on IBES median estimates as of December 1, 2006; 2008-2010 EPS estimates apply the IBES median long-term growth rate for Bank of New York of 10.75 percent to both Bank of New York and Mellon 2007 IBES median earnings estimates as of December 1, 2006;

fully diluted shares outstanding for Bank of New York and Mellon will remain constant until the transaction closes;

target 5 percent ongoing pro forma ratio of tangible common equity to tangible assets (share repurchases assumed to the extent that capital exceeds such amount: $1.0 billion and $2.1 billion used for repurchases in 2008 and 2009, respectively);

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financial data as of September 30, 2006 for Mellon and October 31, 2006 for Bank of New York; financial data adjusted for recently closed transactions and pending charges;

balance sheet growth of 5 percent annually for Bank of New York and Mellon;

constant dividend payout ratio of 39 percent for Bank of New York and 41 percent for Mellon prior to the time the transaction closes; pro forma combined payout ratio of approximately 40 percent;

38 percent marginal tax rate applied to all transaction-related adjustments to net income, including cost savings, amortization of newly created identifiable intangibles, restructuring charge and related cost of cash, and interest expense related to share repurchases;

excess of purchase price over Mellon s tangible book value is allocated 80 percent to goodwill and 20 percent to identifiable intangibles, amortized using the straight-line method over 10 years;

pre-tax cost savings of $700 million: 15 percent in 2007 (assumes half year), 50 percent in 2008, 85 percent in 2009 and 100 percent in 2010;

restructuring charge of $1.3 billion: $600 million at close; $125 million in 2007; $400 million in 2008 and $175 million in 2009;

no net revenue synergies included; and

transaction closes on July 1, 2007.

Historical Exchange Ratio Analysis. Goldman Sachs calculated and reviewed the historical exchange ratios implied by dividing the daily closing price per share of Bank of New York common stock by the daily closing price per share of Mellon common stock for each trading day in the five-year period ended December 1, 2006, as well as the average of these exchange ratios for this five-year period and for other specified periods within the five-year period. For the market information set forth below, Goldman Sachs relied on information published by FactSet, a data service that monitors and publishes compilations of earnings estimates by research analysts and other financial information.

The results of this analysis are as follows:

Period	**Historical Exchange Ratio**
Five-year average	1.0085
Three-year average	0.9943
One-year average	0.9295

This compares with the proposed Bank of New York exchange ratio of 0.9434.

Selected Companies Analysis. Goldman Sachs reviewed and compared certain publicly available financial and stock market information, ratios and multiples for Bank of New York and Mellon to corresponding publicly available financial and stock market information, ratios and multiples for a group of two publicly traded custody banks and a group of nine publicly traded asset managers set forth below:

Custody Banks

State Street Corporation
Northern Trust Corporation

Asset Managers

Franklin Resources, Inc.
AllianceBernstein Holding L.P.
BlackRock, Inc.
Legg Mason, Inc.
T. Rowe Price Group, Inc.
AMVESCAP PLC
Eaton Vance Corp.
Nuveen Investments, Inc.
Janus Capital Group Inc.

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Goldman Sachs used balance sheet data as of September 30, 2006 for all companies except for Bank of New York, for which it used balance sheet data as of October 31, 2006. For the financial statistics set forth below, Goldman Sachs relied on information published by SNL DataSource, a recognized data service that collects, standardizes and disseminates relevant corporate, financial, market and mergers and acquisitions data for companies in the industries it covers. The selected multiples, statistics and ratios that were calculated and compared by Goldman Sachs were as follows:

closing share price as a percentage of 52-week high share price;

closing share price as a multiple of estimated 2006 earnings per share;

closing share price as a multiple of estimated 2007 earnings per share (referred to as the 2007 forward P/E multiple);

IBES long-term earnings growth rate estimate;

ratio of the 2007 forward P/E multiple to the IBES long-term earnings growth rate estimate;

dividend yield represented by closing share price; and

ratio of tangible common equity to tangible assets.

The results of this analysis are summarized as follows:

			Selected Companies	
	Bank of New York	Mellon	Custody Banks (Median)	Asset Managers (Median)
Closing share price as a percentage of 52-week high share price	96%	98%	93%	91%
Closing share price as a multiple of:				
estimated 2006 EPS	15.8x	18.8x	18.5x	22.0x
estimated 2007 EPS	14.8x	16.4x	16.5x	19.9x
IBES long-term earnings growth rate estimate	10.8%	10.5%	12.0%	14.3%
Ratio of the 2007 forward P/E multiple to the IBES long-term earnings growth rate estimate	1.4x	1.6x	1.4x	1.4x
Dividend yield represented by closing share price	2.5%	2.2%	1.5%	1.3%
Ratio of tangible common equity to tangible assets	5.14%	5.35%	5.45%	N.M.

Contribution Analysis. Goldman Sachs computed the relative contributions of Bank of New York and Mellon to (1) the fully diluted market capitalization of the combined company, based on the market prices of Bank of New York and Mellon common stock as of December 1, 2006, (2) the estimated 2006, 2007 and 2008 earnings of the combined company, (3) the net interest income, non-interest income, total net revenue, non-interest expense and net income of the combined company for the 9 months ended September 30, 2006, and (4) the total assets, net loans, deposits, common equity and tangible common equity of the combined company. Goldman Sachs then determined the exchange ratio that would be required to equate pro forma ownership in a combined company with each constituent company s contribution with respect to the particular financial criteria. Goldman Sachs also compared each such pro

forma exchange ratio to the exchange ratio implied by

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the market prices of Bank of New York and Mellon common stock as of December 1, 2006. The results of Goldman Sachs analysis are set forth in the following table ($ in millions):

	Bank of New York		Mellon		Implied (Bank of New York Per Share Value to Mellon Per Share Value) Exchange Ratio	Market Premium / (Discount)
Market capitalization based on market price as of December 1, 2006	$ 26,963	61.9%	$ 16,629	38.1%	0.89x	
2006 estimated earnings	1,710	66.0	881	34.0	1.06	(16.5)%
2007 estimated earnings	1,824	64.3	1,013	35.7	0.98	(9.9)
2008 estimated earnings	2,020	64.3	1,122	35.7	0.98	(9.9)
Net-interest income	1,273	78.7	344	21.3	2.02	(56.2)
Non-interest income	4,265	55.0	3,484	45.0	0.67	32.5
Total net revenue	5,538	59.1	3,828	40.9	0.79	12.1
Non-interest expense	3,708	56.2	2,885	43.8	0.70	26.2
Year-to-date net income	1,224	64.9	661	35.1	1.01	(12.4)
Total assets	101,858	70.5	42,666	29.5	1.30	(32.1)
Net loans	33,766	85.1	5,916	14.9	3.12	(71.6)
Deposits	60,512	67.6	28,976	32.4	1.14	(22.4)
Common equity	11,458	71.8	4,495	28.2	1.39	(36.4)
Tangible common equity	4,898	69.4	2,157	30.6	1.24	(28.6)

Accretion/Dilution Analysis. Goldman Sachs performed pro forma analyses of the financial impact of the transaction on Bank of New York s and Mellon s (1) estimated earnings per share on both a GAAP and cash basis for 2007, 2008, 2009 and 2010, and (2) annual dividend.

The results of Goldman Sachs analysis are set forth in the following tables:

EPS		**2007**	**2008**	**2009**	**2010**
Bank of New York					
Accretion/(Dilution)	GAAP	(1.0)%	1.3%	7.6%	11.7%
Accretion/(Dilution)	Cash	1.1%	5.3%	11.2%	15.0%
Mellon					
Accretion/(Dilution)	GAAP	1.0%	5.7%	12.2%	16.4%
Accretion/(Dilution)	Cash	4.5%	11.9%	17.9%	21.8%

Dividend Impact		**Bank of New York**	**Mellon**
Accretion/(Dilution)	Annual Dividend	0.8%	6.8%

Precedent Transactions Analysis. Goldman Sachs analyzed publicly available information for ten selected merger-of-equals transactions in the banking industry, consisting of:

Travelers Group Inc./Citicorp

NationsBank Corporation/BankAmerica Corporation

Norwest Corporation/Wells Fargo & Company

First Chicago NBD Corporation/Banc One Corporation

First Union Corporation/Wachovia Corporation

Chemical Banking Corporation/Chase Manhattan Corporation

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Regions Financial Corporation/AmSouth Bancorporation

Regions Financial Corporation/Union Planters Corporation

First Chicago Corporation/NBD Bancorp Inc.

KeyCorp/Society Corporation

Goldman Sachs calculated the premium to the stock price for the last trading day prior to the announcement of the transaction implied by the exchange ratio for the precedent transaction, compared the market value of each company in the precedent transaction and the pro forma ownership of the combined company, and reviewed certain non-financial terms of the precedent transactions, including the composition of the board of directors and management of the combined company and the name of the combined company. The results of these analyses and reviews are summarized in the following table:

	Date of Announcement	Premium to Market	Market Value	Ownership	Name	Mgt. Split	Board Split	Executiv Officer
velers/Citicorp	Apr-1998	7.9%	52%/48%	50%/50%	Citigroup	1/1	50%/50%	Co-CEOs Travelers a Citicorp
onsBank/BankAmerica	Apr-1998	0.0%	55%/45%	55%/45%	BankAmerica	3/5	53%/47%	Chairman CEO NationsBa President BankAmer
west/Wells Fargo	Jun-1998	9.3%	49%/51%	47%/53%	Wells Fargo	5/7	50%/50%	Chairman Wells Farg CEO No
c One/First cago NBD	Apr-1998	6.4%	62%/38%	60%/40%	Bank One	6/8	50%/50%	Chairman First Chica CEO & President Banc One
t Union/Wachovia	Apr-2001	7.9%	74%/26%	73%/27%	Wachovia	6/8	50%/50%	Chairman Wachovia CEO & President First Union
mical/Chase	Aug-1995	6.7%	59%/41%	58%/42%	Chase	12/8	57%/43%	Chairman CEO Chemical President & COO Ch
ions/AmSouth	May-2006	0.0%	62%/38%	62%/38%	Regions	3/2	57%/43%	Chairman Regions

ions/Union Planters	Jan-2004	0.0%	59%/41%	59%/41%	Regions	8/5	50%/50%	President a CEO AmSouth Chairman CEO Re CEO (6/05 and Chairm (6/06) U Planters
t Chicago/NBD	Jul-1995	0.0%	51%/49%	50%/50%	First Chicago NBD	8/8	50%/50%	Chairman First Chica CEO & President NBD
Corp/Society	Oct-1993	0.0%	52%/48%	52%/48%	KeyCorp	8/8	50%/50%	Chairman CEO KeyCorp President Society

Discounted Cash Flow Analysis. Goldman Sachs performed a discounted cash flow analysis to determine a range of estimated present values of Bank of New York common stock and Mellon common stock assuming each company continued to operate as a stand-alone company. This range was determined in each case by adding, respectively, (1) the present value of the estimated future excess capital of Bank of New York and Mellon and (2) the present value of the estimated terminal value of Bank of New York and Mellon common stock as of December 31, 2006. Terminal value refers to the value of a particular asset as at a specific future time. Present value refers to the current value of future cash flows obtained by discounting such future cash flows by an interest rate that takes into account risk, the opportunity cost of capital, expected returns and other appropriate factors.

Goldman Sachs estimated alternative reference ranges of per share values for Bank of New York on a stand-alone basis using:

median earnings estimates with respect to Bank of New York for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through

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2011, a target ratio of tangible common equity to tangible assets of 5.00 percent for 2008 through 2011, discount rates ranging from 9.0 percent to 13.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x;

median earnings estimates with respect to Bank of New York for 2006 and 2007, as reported by IBES, long-term EPS growth rates ranging from 8.5 percent to 12.5 percent for 2008 through 2011, a target ratio of tangible common equity to tangible assets of 5.00 percent for 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x; and

median earnings estimates with respect to Bank of New York for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through 2011, target ratios of tangible common equity to tangible assets ranging from 4.50 percent to 5.50 percent for 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x.

Goldman Sachs estimated alternative reference ranges of per share values for Mellon on a stand-alone basis using:

median earnings estimates with respect to Mellon for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through 2011, a target ratio of tangible common equity to tangible assets of 5.00 percent for 2008 through 2011, discount rates ranging from 9.0 percent to 13.0 percent, and a range of terminal P/E multiples of 14.4x to 18.4x;

median earnings estimates with respect to Mellon for 2006 and 2007, as reported by IBES, long-term EPS growth rates ranging from 8.5 percent to 12.5 percent for 2008 through 2011, a target ratio of tangible common equity to tangible assets of 5.00 percent for 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 14.4x to 18.4x; and

median earnings estimates with respect to Mellon for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through 2011, target ratios of tangible common equity to tangible assets ranging from 4.50 percent to 5.50 percent for 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x.

For purposes of this analysis, Goldman Sachs assumed that Bank of New York and Mellon repurchase shares of their common stock to achieve target ratios of tangible common equity to tangible assets of 5 percent.

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This analysis resulted in the following reference ranges of indicated per share values for Bank of New York and Mellon common stock:

	Reference Range Assuming Share Repurchases
Bank of New York Stand-Alone	
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; target ratio of tangible common equity to tangible assets of 5.00%; discount rates ranging from 9.0% to 13.0%; terminal P/E multiples ranging from 12.8x to 16.8x	$38.13 to $54.96
Median IBES earnings estimates for 2006 and 2007; long-term EPS growth rates ranging from 8.5% to 12.5%; target ratio of tangible common equity to tangible assets of 5.00%; discount rate of 11.0%; terminal P/E multiples ranging from 12.8x to 16.8x	$38.51 to $53.46
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; target ratios of tangible common equity to tangible assets ranging from 4.50% to 5.50%; discount rate of 11.0%; terminal P/E multiples ranging from 12.8x to 16.8x	$40.41 to $51.44
Mellon Stand-Alone	
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; target ratio of tangible common equity to tangible assets of 5.00%; discount rates ranging from 9.0% to 13.0%; terminal P/E multiples ranging from 14.4x to 18.4x	$41.76 to $59.58
Median IBES earnings estimates for 2006 and 2007; long-term EPS growth rates ranging from 8.5% to 12.5%; target ratio of tangible common equity to tangible assets of 5.00%; discount rate of 11.0%; terminal P/E multiples ranging from 14.4x to 18.4x	$42.18 to $57.94
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; target ratios of tangible common equity to tangible assets ranging from 4.50% to 5.50%; discount rate of 11.0%; terminal P/E multiples ranging from 14.8x to 18.4x	$44.68 to $55.37

Goldman Sachs also performed the foregoing discounted cash flow analysis assuming that Bank of New York and Mellon do not repurchase shares of their common stock.

In this case, Goldman Sachs estimated alternative reference ranges of per share values for Bank of New York on a stand-alone basis using:

- median earnings estimates with respect to Bank of New York for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75% for 2008 through 2011, increasing ratios of tangible common equity to tangible assets from 2008 through 2011, discount rates ranging from 9.0 percent to 13.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x;

- median earnings estimates with respect to Bank of New York for 2006 and 2007, as reported by IBES, long-term EPS growth rates ranging from 8.5 percent to 12.5 percent for 2008 through 2011, increasing ratios of tangible common equity to tangible assets from 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x; and

median earnings estimates with respect to Bank of New York for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through 2011, target ratios of tangible common equity to tangible assets ranging from 4.50 percent to 5.50 percent for 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x.

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In this case, Goldman Sachs estimated alternative reference ranges of per share values for Mellon on a stand-alone basis using:

median earnings estimates with respect to Mellon for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through 2011, increasing ratios of tangible common equity to tangible assets from 2008 through 2011, discount rates ranging from 9.0 percent to 13.0 percent, and a range of terminal P/E multiples of 14.4x to 18.4x;

median earnings estimates with respect to Mellon for 2006 and 2007, as reported by IBES, long-term EPS growth rates ranging from 8.5 percent to 12.5 percent for 2008 through 2011, increasing ratios of tangible common equity to tangible assets from 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 14.4x to 18.4x; and

median earnings estimates with respect to Mellon for 2006 and 2007, as reported by IBES, the median IBES long-term EPS growth rate for Bank of New York of 10.75 percent for 2008 through 2011, target ratios of tangible common equity to tangible assets ranging from 4.50 percent to 5.50 percent for 2008 through 2011, a discount rate of 11.0 percent, and a range of terminal P/E multiples of 12.8x to 16.8x.

This analysis resulted in the following reference ranges of indicated per share values for Bank of New York and Mellon common stock:

	Reference Range Excluding Share Repurchases
Bank of New York Stand-Alone	
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; increasing ratios of tangible common equity to tangible assets from 2008 through 2011; discount rates ranging from 9.0% to 13.0%; terminal P/E multiples ranging from 12.8x to 16.8x	$31.99 to $48.26
Median IBES earnings estimates for 2006 and 2007; long-term EPS growth rates ranging from 8.5% to 12.5%; increasing ratios of tangible common equity to tangible assets from 2008 through 2011; discount rate of 11.0%; terminal P/E multiples ranging from 12.8x to 16.8x	$32.27 to $46.93
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; target ratios of tangible common equity to tangible assets ranging from 4.50% to 5.50%; discount rate of 11.0%; terminal P/E multiples ranging from 12.8x to 16.8x	$34.77 to $44.26
Mellon Stand-Alone	
Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; increasing ratios of tangible common equity to tangible assets from 2008 through 2011; discount rates ranging from 9.0% to 13.0%; terminal P/E multiples ranging from 14.4x to 18.4x	$36.36 to $53.64
Median IBES earnings estimates for 2006 and 2007; long-term EPS growth rates ranging from 8.5% to 12.5%; increasing ratios of tangible common equity to tangible assets from 2008 through 2011; discount rate of 11.0%; terminal P/E multiples ranging from 14.4x to 18.4x	$36.68 to $52.16
	$39.54 to $49.19

Median IBES earnings estimates for 2006 and 2007; median IBES long-term EPS growth rate of 10.75%; target ratios of tangible common equity to tangible assets ranging from 4.50% to 5.50%; discount rate of 11.0%; terminal P/E multiples ranging from 14.8x to 18.4x

The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Goldman Sachs considered the results of all of the analyses and factors and did not isolate specific analyses or factors and reach separate conclusions as to whether or not

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any particular analysis or factor supported its opinion; rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the underlying analyses and factors. Accordingly, Goldman Sachs believes that its analyses must be considered as a whole and that selecting portions of its analyses or certain factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the processes underlying its opinion.

In its analyses, Goldman Sachs made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and various other matters, many of which are beyond the control of the parties and their advisors. Furthermore, no company or transaction used in Goldman Sachs analyses is identical to Bank of New York, Mellon, Newco or the proposed transaction. Rather, the analyses of comparable companies and transactions involve complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the acquisition, public trading or other values of the companies or transactions being compared.

Goldman Sachs prepared its analyses for purposes of providing its opinion to Bank of New York s board of directors as to the fairness from a financial point of view to holders of shares of Bank of New York common stock of the Bank of New York exchange ratio and to assist Bank of New York s board of directors in analyzing the proposed transaction. The analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties and their respective advisors, none of Bank of New York, Mellon, Newco, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecasted.

As described elsewhere in this document, Goldman Sachs opinion was one of many factors considered by the Bank of New York board of directors in its evaluation of the transaction and should not be viewed as determinative of the views of the board of directors of Bank of New York or management with respect to the transaction or the Bank of New York exchange ratio.

Goldman Sachs and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions as well as for estate, corporate and other purposes. Goldman Sachs acted as financial advisor to Bank of New York in connection with, and participated in certain of the negotiations leading to, the transaction. In addition, Goldman Sachs has provided certain investment banking services to Bank of New York from time to time, including having acted as:

sole manager with respect to the public offering of Bank of New York s Floating Rate CDs due in 2009 (aggregate principal amount $400,000,000) in October 2004;

sole manager with respect to the public offering of Bank of New York s Extendible Notes due in 2015 (aggregate principal amount $600,000,000) in March 2005;

lead manager with respect to the public offering of Bank of New York s 4.95% 10 Year Subordinated Notes (aggregate principal amount $500,000,000) in March 2005;

sole manager with respect to the public offering of Bank of New York s Floating Rate CDs due in 2010 (aggregate principal amount $400,000,000) in April 2005;

co-manager with respect to Bank of New York s medium-term note program (aggregate principal amount $1,000,000,000) in May 2005;

sole manager with respect to the public offering of Bank of New York s Floating Rate CDs due in 2007 (aggregate principal amount $600,000,000) in November 2005;

financial advisor in connection with the swap of Bank of New York s retail banking business in exchange for JPMorgan Chase s corporate trust business announced in April 2006; and

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joint book runner with respect to the public offering of Bank of New York s medium term note program (aggregate principal amount $500,000,000) in November 2006.

Goldman Sachs has also provided certain investment banking services to Mellon from time to time, including having acted as:

co-manager with respect to the public offering of Mellon s 3.25% 5 Year Senior Notes (aggregate principal amount $300,000,000) in March 2004; and

sole manager with respect to the public offering of Mellon s 5.45% 10 Year Subordinated Notes (aggregate principal amount $250,000,000) in March 2006.

Goldman Sachs may also provide investment banking services to Bank of New York, Mellon and Newco in the future. In connection with the above-described investment banking services, Goldman Sachs has received, and may receive, compensation.

Goldman Sachs is a full service securities firm engaged, either directly or through its affiliates, in securities trading, investment management, financial planning and benefits counseling, risk management, hedging, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, Goldman Sachs and its affiliates may provide such services to Bank of New York, Mellon and their respective affiliates, may actively trade the debt and equity securities (or related derivative securities) of Bank of New York and Mellon for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities.

Bank of New York selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the proposed transaction. Pursuant to an engagement letter dated October 1, 2006, Bank of New York engaged Goldman Sachs as financial advisor in connection with the contemplated transaction and has agreed to pay Goldman Sachs a transaction fee of $35 million upon completion of the transaction. Bank of New York has also agreed to reimburse Goldman Sachs for all reasonable out-of-pocket expenses, including fees of counsel, and to indemnify Goldman Sachs and certain related persons against specified liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement.

Opinions of Mellon s Financial Advisors

On December 3, 2006, at a meeting of Mellon s board of directors held to evaluate the proposed transaction, UBS and Lazard each delivered to Mellon s board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion, dated December 3, 2006, to the effect that, as of that date and based on and subject to various assumptions, matters considered and limitations described in such opinion, the Mellon exchange ratio was fair, from a financial point of view, to holders of Mellon common stock.

UBS and Lazard s opinions, the full texts of which describe the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS and Lazard, are attached as **Annexes E-1** and **E-2**, respectively, and are incorporated into this joint proxy statement-prospectus by reference. **UBS and Lazard s opinions were directed only to the fairness, from a financial point of view, of the Mellon exchange ratio and do not address any other aspect of the transaction. The opinions do not address the relative merits of the transaction as compared to other business strategies or transactions that might be available with respect to Mellon or Mellon s underlying business decision to effect the transaction. The opinions do not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters**

relating to the transaction. Holders of Mellon common stock are encouraged to read the opinions carefully in their entirety. The summaries of UBS and Lazard s opinions described below are qualified in their entirety by reference to the full texts of the opinions.

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Opinion of UBS Securities LLC

In arriving at its opinion, UBS, among other things:

- reviewed publicly available business and financial information relating to Mellon and Bank of New York that were reviewed and discussed with the managements of Mellon and Bank of New York, including publicly available financial forecasts and estimates for calendar years 2006 and 2007 and publicly available long-term earnings growth rate estimates;

- reviewed and discussed with the managements of Mellon and Bank of New York financial forecasts and estimates for Mellon and Bank of New York for calendar years 2008 through 2012 that were extrapolated, as directed by the managements of Mellon and Bank of New York, from the publicly available financial forecasts and estimates for calendar years 2006 and 2007 described above, using publicly available long-term earnings growth rate estimates and other estimates and assumptions with respect to Mellon and Bank of New York provided to or reviewed with UBS by the managements of Mellon and Bank of New York;

- reviewed estimates of synergies prepared by the managements of Mellon and Bank of New York that were provided to or reviewed with UBS by the managements of Mellon and Bank of New York and not publicly available;

- considered potential pro forma effects of the transaction on Mellon s and Bank of New York s combined financial statements relative to Mellon s financial statements on a standalone basis;

- conducted discussions with members of the senior managements of Mellon and Bank of New York concerning the businesses and financial prospects of Mellon and Bank of New York;

- reviewed publicly available financial and stock market data with respect to other companies UBS believed to be generally relevant;

- reviewed the publicly available financial and other terms of transactions in the financial services industry;

- reviewed current and historical market prices of Mellon common stock and Bank of New York common stock;

- reviewed the merger agreement (prior to its amendment); and

- conducted other financial studies, analyses and investigations, and considered other information, as UBS deemed necessary or appropriate.

In connection with its review, with Mellon s consent, UBS did not assume any responsibility for independent verification of any of the information provided to or reviewed by UBS for the purpose of its opinion and, with Mellon s consent, relied on that information being complete and accurate in all material respects. In addition, with Mellon s consent, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities, contingent or otherwise, of Mellon or Bank of New York and UBS was not furnished with any such evaluation or appraisal. In connection with UBS analyses, UBS was directed by the managements of Mellon and Bank of New York to utilize the publicly available financial forecasts and estimates and the extrapolated financial forecasts and estimates relating to Mellon and Bank of New York referred to above. UBS was advised by the managements of Mellon and Bank of New York and assumed, at Mellon s direction, that the publicly available financial forecasts and estimates, extrapolated financial forecasts and estimates and pro forma effects referred to above were a reasonable basis on

which to evaluate both the future performance of Mellon and Bank of New York and such pro forma effects, and were appropriate to utilize in UBS analyses. UBS assumed, at Mellon s direction, that the estimates of synergies prepared by the managements of Mellon and Bank of New York referred to above were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Mellon and Bank of New York as to such synergies. In addition, UBS assumed, with Mellon s approval, that the financial forecasts and estimates, including synergies, referred to above would be achieved at the times and in the amounts projected. UBS is not an expert in the evaluation of loan or lease portfolios or allowances for losses with

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respect to loan or lease portfolios, and UBS was not requested to conduct, and did not conduct, a review of individual credit files. UBS was advised and assumed that such allowances for Mellon and Bank of New York were, and on a pro forma basis would be, in the aggregate adequate to cover such losses. UBS assumed, with Mellon s consent, that the transaction would qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. UBS opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to UBS as of, the date of its opinion. Although subsequent developments may affect its opinion, UBS does not have any obligation to update, revise or reaffirm its opinion.

UBS was not authorized to, and did not, solicit indications of interest in a business combination with Mellon from any party. At Mellon s direction, UBS was not asked to, and did not, offer any opinion as to the terms, other than the Mellon exchange ratio to the extent expressly specified in its opinion, of the merger agreement or the form of the transaction. UBS expressed no opinion as to what the value of Newco common stock would be when issued in the transaction or the prices at which Mellon common stock, Bank of New York common stock or Newco common stock would trade at any time. In rendering its opinion, UBS assumed, with Mellon s consent, that Mellon and Bank of New York would comply with all material terms of the merger agreement, and that the transaction would be consummated in accordance with the terms of the merger agreement without any adverse waiver or amendment of any material term or condition. UBS also assumed that all governmental, regulatory or other consents and approvals necessary for the completion of the transaction would be obtained without any material adverse effect on Mellon, Bank of New York, Newco or the transaction. Except as described above, Mellon imposed no other instructions or limitations on UBS with respect to the investigations made or the procedures followed by UBS in rendering its opinion.

Opinion of Lazard Frères & Co. LLC

In connection with its opinion, Lazard:

- reviewed the financial terms and conditions of the merger agreement (prior to its amendment);
- analyzed publicly available historical business and financial information relating to Mellon and Bank of New York;
- reviewed and discussed with the managements of Mellon and Bank of New York publicly available financial forecasts, estimates and other data relating to Mellon and Bank of New York, including publicly available financial forecasts and estimates for calendar years 2006 and 2007 and publicly available long-term earnings growth rate estimates;
- reviewed and discussed with the managements of Mellon and Bank of New York financial forecasts and estimates for Mellon and Bank of New York for calendar years 2008 through 2012 that were extrapolated, as directed by the managements of Mellon and Bank of New York, from the publicly available financial forecasts and estimates for calendar years 2006 and 2007 described above, using publicly available long-term earnings growth rate estimates and other estimates and assumptions with respect to Mellon and Bank of New York provided to or reviewed with Lazard by the managements of Mellon and Bank of New York;
- reviewed the projected synergies and other strategic, financial and operational benefits, including the amount and timing of such synergies and other benefits, anticipated by the managements of Mellon and Bank of New York to be realized by Newco following the transaction;
- held discussions with members of the senior managements of Mellon and Bank of New York with respect to the businesses and prospects of Mellon and Bank of New York;

reviewed public information with respect to other companies in lines of businesses Lazard believed to be generally comparable to the businesses of Mellon and Bank of New York;

reviewed the financial and other transaction terms of business combination transactions in the financial services industry (although Lazard did not utilize such transactions or related information for purposes

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of its financial analysis given, among other things, the differences between the business composition of the companies involved in such transactions and that of Mellon and Bank of New York);

reviewed historical stock prices and trading volumes of Mellon common stock and Bank of New York common stock;

considered potential pro forma effects of the transaction on Mellon s and Bank of New York s combined financial statements relative to Mellon s financial statements on a standalone basis; and

conducted other financial studies, analyses and investigations as Lazard deemed appropriate.

Lazard relied on the accuracy and completeness of the foregoing information and did not assume any responsibility for any independent verification of such information. Lazard did not conduct any independent valuation or appraisal of any individual credit files, assets or liabilities, including, without limitation, any hedge, swap, foreign exchange, derivative or off-balance sheet assets or liabilities, contingent or otherwise, of Mellon or Bank of New York, or concerning the solvency or fair value of Mellon or Bank of New York, and Lazard was not furnished with any such valuation or appraisal. In connection with Lazard s analyses, Lazard was directed by the managements of Mellon and Bank of New York to utilize the publicly available and the extrapolated financial forecasts and estimates referred to above. Lazard assumed, at Mellon s and Bank of New York s direction, that such financial forecasts and estimates were a reasonable basis on which to evaluate the future financial performance of Mellon, Bank of New York and the combined company and were appropriate to utilize in Lazard s analyses. Lazard also assumed, at Mellon s and Bank of New York s direction, that the projected synergies and other strategic, financial and operational benefits anticipated by the managements of Mellon and Bank of New York to be realized by Newco following the transaction were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the managements of Mellon and Bank of New York as to such synergies and other benefits. In addition, Lazard assumed, with Mellon s consent, that such financial forecasts and estimates and projected synergies and other benefits would be realized in the amounts and at the times contemplated. Lazard assumed no responsibility for and expressed no view as to such forecasts or projections or the assumptions on which they were based. Lazard is not an expert in the evaluation of loan or lease portfolios or the allowances for losses with respect to loan or lease portfolios, and, accordingly, Lazard assumed, with Mellon s consent, that such allowances for losses for Mellon, Bank of New York or any of their respective subsidiaries were, and on a pro forma basis would be, in the aggregate, adequate to cover such losses.

Lazard s opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of its opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of its opinion. Lazard expressed no opinion as to the prices at which Mellon common stock or Bank of New York common stock would trade at any time after the announcement of the transaction or the prices at which Newco common stock would trade at any time after the completion of the transaction.

In rendering its opinion, Lazard was not authorized to, and did not, solicit indications of interest from third parties regarding a potential transaction with Mellon. Lazard assumed, with Mellon s consent, that the transaction would be consummated on the terms described in the merger agreement, without waiver or modification of any material terms or conditions. Lazard also assumed that obtaining the necessary regulatory or third-party approvals and consents for the transaction would not have an adverse effect on Mellon, Bank of New York, Newco or the transaction. Lazard further assumed that the representations and warranties of Mellon and Bank of New York contained in the merger agreement were true and that the transaction would qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Lazard expressed no opinion as to any tax or other consequences that might result from the transaction, and Lazard s opinion did not address any legal, tax, regulatory or accounting matters, as to which Lazard understood that Mellon and Bank of New York obtained such advice as each deemed

necessary from qualified professionals. Except as described above, Mellon imposed no other instructions or limitations on Lazard with respect to the investigations made or the procedures followed by Lazard in rendering its opinion.

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Summary of Joint Financial Analyses of Mellon s Financial Advisors

In connection with rendering their respective opinions to Mellon s board of directors, UBS and Lazard jointly performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all analyses performed and factors considered by UBS and Lazard in connection with their respective opinions. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected companies analysis summarized below, no company used as a comparison is identical or directly comparable to Mellon or Bank of New York. A selected companies analysis necessarily involves complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading values of the companies concerned.

UBS and Lazard believe that the analyses and the summary below must be considered as a whole and that selecting portions of the analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying UBS and Lazard s analyses and their respective opinions. UBS and Lazard did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken and assessed as a whole.

The estimates of the future performance of Mellon and Bank of New York provided by or reviewed with the managements of Mellon and Bank of New York in or underlying UBS and Lazard s analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing their analyses, UBS and Lazard considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Mellon and Bank of New York. Estimates of the financial value of companies do not necessarily purport to be appraisals or reflect the prices at which companies actually may be sold.

The exchange ratios were determined through negotiation between Mellon and Bank of New York and the decision to enter into the transaction was solely that of Mellon s board of directors. UBS and Lazard s opinions and financial analyses were only one of many factors considered by Mellon s board of directors in its evaluation of the transaction and should not be viewed as determinative of the views of Mellon s board of directors or management with respect to the transaction or the Mellon exchange ratio.

The following is a brief summary of the material financial analyses reflected in UBS and Lazard s joint financial presentation reviewed with Mellon s board of directors in connection with their respective opinions relating to the proposed transaction. **The financial analyses summarized below include information presented in tabular format. In order to fully understand UBS and Lazard s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS and Lazard s financial analyses.** Estimated financial data of Mellon and Bank of New York utilized for purposes of the analyses were based on:

- Publicly available financial forecasts and estimates, including publicly available research analysts estimates as compiled by the Institutional Brokers Estimate System, referred to as I/B/E/S estimates, relating to Mellon and Bank of New York for calendar years 2006 and 2007; and

Financial forecasts and estimates relating to Mellon and Bank of New York for calendar years 2008 through 2012 extrapolated, as directed by the managements of Mellon and Bank of New York, from the publicly available financial forecasts and estimates for calendar years 2006 and 2007 described above, using publicly available long-term earnings growth rate estimates and other estimates and assumptions with respect to Mellon and Bank of New York provided to or reviewed with UBS and Lazard by the managements of Mellon and Bank of New York, including a 5.0 percent targeted tangible common equity to tangible assets ratio and an annual asset growth rate of 5.0 percent.

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Historical Exchange Ratio Analysis. UBS and Lazard reviewed the closing prices of Mellon common stock and Bank of New York common stock on December 1, 2006 and the average daily closing prices of Mellon common stock and Bank of New York common stock for the 10-day, 30-day, 60-day, one-year, two-year, three-year and five-year periods ended December 1, 2006. UBS and Lazard calculated implied historical exchange ratios for Mellon and Bank of New York by dividing the closing prices of Mellon common stock and Bank of New York common stock on December 1, 2006 by the average daily closing prices over those periods. In order to compare the resulting exchange ratios with the Mellon exchange ratio, UBS and Lazard divided each of the resulting implied Mellon exchange ratios by 1.06 (the inverse of the Bank of New York exchange ratio).

This analysis indicated the following implied exchange ratios, as compared to the Mellon exchange ratio and the Bank of New York exchange ratio:

	Mellon Implied Exchange Ratio	**Bank of New York Implied Exchange Ratio**
Current (December 1, 2006)	1.0649x	0.8859x
10-Day Average	1.0682x	0.8832x
30-Day Average	1.0621x	0.8884x
60-Day Average	1.0552x	0.8943x
One-Year Average	1.0169x	0.9289x
Two-Year Average	0.9763x	0.9697x
Three-Year Average	0.9562x	0.9904x
Five-Year Average	0.9405x	1.0083x
Exchange Ratio	1.0x	0.9434x

Selected Companies Analysis. UBS and Lazard compared selected financial and stock market data of Mellon and Bank of New York with corresponding data of the following two publicly traded companies in the financial services industry:

Northern Trust Corporation

State Street Corporation

UBS and Lazard reviewed, among other things, closing stock prices of the selected companies on December 1, 2006 as multiples of:

Estimated earnings per share, referred to as GAAP EPS, and estimated cash EPS (calculated as GAAP EPS plus annualized latest quarter intangible amortization expense per share), for calendar years 2006 and 2007; and

Book value per share and tangible book value per share as of September 30, 2006, as adjusted, in the case of Bank of New York and based on Bank of New York s public filings, for the swap of Bank of New York s retail operations for the corporate trust operations of JPMorgan Chase & Co.

UBS and Lazard then compared these multiples derived from the selected companies with corresponding multiples implied for Mellon and Bank of New York based on closing stock prices on December 1, 2006. Financial data of the selected companies were based on I/B/E/S estimates, public filings and other publicly available information. This

analysis indicated the following implied average multiples for Mellon, Bank of

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New York and the selected companies, as compared to corresponding multiples implied for Mellon and Bank of New York:

Closing Stock Price as Multiples of:	Implied Average Multiples for Mellon, Bank of New York and the Selected Companies	Implied Multiples for Mellon	Implied Multiples for Bank of New York
2006E GAAP EPS	17.9x	18.8x	15.8x
2006E Cash EPS	17.4x	18.4x	15.1x
2007E GAAP EPS	16.1x	16.4x	14.8x
2007E Cash EPS	15.7x	16.1x	14.2x
Book Value Per Share	3.00x	3.67x	2.30x
Tangible Book Value Per Share	5.16x	7.65x	5.46x

Contribution Analysis. UBS and Lazard reviewed the relative contributions of Mellon and Bank of New York to the combined company s:

Estimated GAAP net income and cash net income for calendar years 2006 and 2007;

Book value and tangible book value as of September 30, 2006; and

Market capitalization as of December 1, 2006 and average market capitalization during the 60-day, one-year and three-year periods ended December 1, 2006.

UBS and Lazard then calculated the implied aggregate equity ownership percentages of Mellon s shareholders and Bank of New York s shareholders in the combined company based on the relative contributions of Mellon and Bank of New York. As more fully reflected in the following table, this analysis indicated an aggregate equity ownership reference range of Mellon s shareholders in the combined company implied from the relative contributions of Mellon and Bank of New York of 27.9% to 38.2%, as compared to the aggregate pro forma equity ownership of Mellon s shareholders in the combined company immediately upon completion of the transaction based on the Mellon exchange ratio of 36.7%. This analysis also indicated an aggregate equity ownership reference range of Bank of New York s shareholders in the combined company implied from the relative contributions of Mellon and Bank of New York of 61.8% to 72.1%, as compared to the aggregate pro forma equity ownership of Bank of New York s shareholders in the combined company immediately upon completion of the transaction based on the Bank of New York exchange ratio of 63.3%:

	Percentage Contribution		Aggregate Pro Forma Equity Ownership	
	Mellon	Bank of New York	Mellon	Bank of New York
Net Income:				
2006E GAAP	34.1%	65.9%	36.7%	63.3%
2006E Cash	33.6%	66.4%		
2007E GAAP	35.7%	64.3%		

2007E Cash	35.2%	64.8%
Balance Sheet:		
Common Equity	27.9%	72.1%
Tangible Common Equity	30.6%	69.4%
Market Capitalization:		
On December 1, 2006	38.2%	61.8%
60-Day Average	38.0%	62.0%
One-Year Average	36.8%	63.2%
Three-Year Average	35.6%	64.4%

Discounted Cash Flow Analysis. UBS and Lazard compared the per share equity reference range implied for Mellon based on the excess equity that Mellon could generate on a standalone basis over calendar years 2007 through 2011 relative to the per share equity reference range implied for the combined company

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based on the excess equity that Mellon and Bank of New York could generate on a combined basis during those calendar years after giving effect to potential cost savings and restructuring charges anticipated by the managements of Mellon and Bank of New York to result from the transaction.

Mellon. In calculating the estimated present value of the excess equity that Mellon could generate over calendar years 2007 through 2011 on a standalone basis, UBS and Lazard calculated a range of terminal values by applying forward price to earnings, referred to as P/E, terminal value multiples of 15.0x to 17.0x to Mellon s calendar year 2012 estimated cash earnings. The excess equity and terminal values were then discounted to present value using discount rates ranging from 10.0% to 12.0%.

Bank of New York. In calculating the estimated present value of the excess equity that Bank of New York could generate over calendar years 2007 through 2011 on a standalone basis, UBS and Lazard calculated a range of terminal values by applying forward P/E terminal value multiples of 14.0x to 16.0x to Bank of New York s calendar year 2012 estimated cash earnings. The excess equity and terminal values were then discounted to present value using discount rates ranging from 10.0% to 12.0%. This analysis resulted in an implied per share equity reference range for Bank of New York on a standalone basis of $38.47 to $46.63.

Combined Company. In calculating the estimated present value of the excess equity that Mellon and Bank of New York could generate over calendar years 2007 through 2011 on a combined basis after giving effect to potential cost savings and restructuring charges, UBS and Lazard calculated a range of terminal values by applying forward P/E terminal value multiples of 15.0x to 16.0x to Mellon s and Bank of New York s combined calendar year 2012 estimated cash earnings. The excess equity and terminal values were then discounted to present value using discount rates ranging from 10.0% to 12.0%.

This analysis resulted in the following implied per share equity reference range for Mellon on a standalone basis, as compared to the implied per share equity reference range for the combined company:

Implied per Share Equity Reference Range for Mellon	Implied per Share Equity Reference Range for the Combined Company
$ 41.86 - $50.35	$ 45.27 - $52.09

Accretion/Dilution Analysis. UBS and Lazard reviewed the potential pro forma effect of the transaction on Mellon s and Bank of New York s estimated GAAP EPS and cash EPS on a combined basis over calendar years 2007 through 2009 relative to, among other things, Mellon s estimated GAAP EPS and cash EPS on a standalone basis during those calendar years, after giving effect to potential cost savings but excluding restructuring and other one-time nonrecurring charges anticipated by the managements of Mellon and Bank of New York to result from the transaction. For purposes of this analysis, UBS and Lazard also assumed, at the direction of Mellon s management, that excess capital of the combined company would be utilized for share repurchases. Based on the exchange ratios provided for in the transaction and an assumed transaction closing date of July 1, 2007, this analysis indicated that the transaction could be accretive relative to Mellon s estimated GAAP EPS and cash EPS on a standalone basis over calendar years 2007 through 2009. UBS and Lazard also noted that the transaction could result in an increase relative to Mellon s tangible book value per share and dividend per share on a standalone basis. Actual results may vary from projected results and the variations may be material.

Other Factors. UBS and Lazard also reviewed selected financial and other transaction terms of the transaction and corresponding terms of the following five selected merger of equals transactions in the financial services industry:

Announcement Date	Larger Company	Smaller Company
May 25, 2006	Regions Financial Corporation	AmSouth Bancorporation
January 23, 2004	Regions Financial Corporation	Union Planters Corporation
January 14, 2004	J.P. Morgan Chase & Co.	Bank One Corporation
April 15, 2001	First Union Corporation	Wachovia Corporation
October 4, 2000	Firstar Corporation	U.S. Bancorp

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UBS and Lazard reviewed:

- The implied standalone ownership percentage of each company in the combined company based on the market capitalization of each company one trading-day prior to the announcement of the transaction;
- The pro forma ownership percentage of each company in the combined company immediately upon completion of the transaction; and
- Various corporate governance matters, including the pro forma representation in the combined company s board of directors, the name and headquarters of the combined company and the appointment of the combined company s chairman of the board of directors, the chairman designate, if any, the chief executive officer and the chief executive officer designate, if any.

The financial and other transaction terms were based on, in the case of the transaction, the merger agreement and, in the case of the selected transactions, publicly available information. UBS and Lazard did not utilize the selected transactions or related information for purposes of their financial analysis given, among other things, the differences between the business composition of the companies involved in the selected transactions and that of Mellon and Bank of New York.

Miscellaneous. Under the terms of separate letter agreements, Mellon has agreed to pay UBS and Lazard for their financial advisory services in connection with the transaction, separate fees equal to 0.15 percent and 0.10 percent, respectively, of the total consideration payable in connection with the transaction, portions of which were payable in connection with their respective opinions and significant portions of which are contingent on the completion of the transaction. UBS aggregate fee is currently estimated to be approximately $28.5 million and Lazard s aggregate fee is currently estimated to be approximately $19.0 million. In addition, Mellon has agreed to reimburse UBS and Lazard for their reasonable expenses, including reasonable fees, disbursements and other charges of legal counsel, and to indemnify each of UBS and Lazard and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement.

UBS and its affiliates in the past have provided and currently are providing services to Mellon and Bank of New York unrelated to the proposed transaction, for which UBS and its affiliates have received and expect to receive compensation. Mellon, Bank of New York and/or certain of their respective affiliates also provide UBS and its affiliates with services in the ordinary course of business, for which UBS and its affiliates pay fees. In the ordinary course of business, UBS, its successors and affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of Mellon and Bank of New York and, accordingly, may at any time hold a long or short position in such securities.

Lazard in the past has provided investment banking services to Mellon unrelated to the proposed transaction, for which Lazard has received and expects to receive customary compensation. Mellon, Bank of New York and/or certain of their respective affiliates also provide Lazard and its affiliates with services in the ordinary course of business, for which Lazard and its affiliates pay fees. In addition, in the ordinary course of their respective businesses, affiliates of Lazard and LFCM Holdings LLC (an entity indirectly owned in large part by managing directors of Lazard), may actively trade the securities of Mellon and/or the securities of Bank of New York for their own accounts or for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Mellon selected UBS and Lazard as its financial advisors in connection with the transaction because they are internationally recognized investment banking firms with substantial experience in similar transactions and because of their familiarity with Mellon and its business. UBS and Lazard are continually engaged in the valuation of businesses

and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

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THE MERGER AGREEMENT

*The following discussion summarizes the material provisions of the merger agreement, which is attached as **Annex A** and is incorporated by reference into this document. The rights and obligations of Bank of New York, Mellon and Newco and their respective shareholders are governed by the express terms and conditions of the merger agreement, which is attached as **Annex A**, and which is incorporated by reference into this document, and not by this summary or any other information contained in this document. We urge you to read the merger agreement carefully and in its entirety.*

Structure and Effective Time

Formation of Newco

In accordance with the terms of the merger agreement, Bank of New York and Mellon incorporated Newco under the laws of the State of Delaware on February 9, 2007. Each of Bank of New York and Mellon owns 50 percent of the issued and outstanding common stock of Newco. On February 22, 2007, Newco became a party to the merger agreement by executing a supplement to the merger agreement. On February 23, 2007, the two companies and Newco entered into an amended and restated merger agreement to change the order of the two mergers, to reflect the complete Certificate of Incorporation and By-Laws of Newco and to make other technical amendments.

Prior to the completion of the transaction, Newco will conduct no business and incur no obligations other than those incident to its formation, its adoption of the merger agreement and the preparation of this joint proxy statement/prospectus.

Structure of the Transaction

The Mellon Merger. As the first step of the transaction, Mellon will merge with and into Newco. We refer to this as the Mellon merger . In the Mellon merger, each share of Mellon common stock outstanding (except for certain shares cancelled as described below) will be converted into the right to receive one share of Newco common stock. All shares of Mellon common stock converted into shares of Newco common stock will automatically be cancelled and retired as of the effective time of the Mellon merger. In addition, any shares of Mellon common stock held by Mellon, other than certain trust account shares or shares held as a result of debts previously contracted, will be cancelled and retired and no consideration will be paid for them. As of the effective time of the Mellon merger, each share of Newco common stock held by Mellon immediately prior to the Mellon merger will be cancelled and retired, and no consideration will be paid for them.

The Bank of New York Merger. As the second step of the transaction, which will occur immediately following the Mellon merger, Bank of New York will merge with and into Newco. We refer to this as the Bank of New York merger . In the Bank of New York merger, each share of Bank of New York common stock outstanding (except for certain shares cancelled as described below) will be converted into the right to receive 0.9434 shares of common stock of Newco. All shares of Bank of New York common stock converted into shares of Newco common stock will automatically be cancelled and retired as of the effective time of the Bank of New York merger. In addition, any shares of Bank of New York common stock held by Bank of New York, other than certain trust account shares or shares held as a result of debts previously contracted, will be cancelled and retired and no consideration will be paid for them. As of the effective time of the Bank of New York merger, each share of Newco common stock held by Bank of New York immediately prior to the Bank of New York merger will be cancelled and retired, and no consideration will be paid for them.

Newco. Following both mergers, Newco will continue its corporate existence under the laws of the State of Delaware, and the separate corporate existence of Bank of New York and Mellon will terminate.

The parties may, if mutually agreed, and subject to certain limitations, change the structure of the transaction, including the order in which Bank of New York and Mellon are merged with and into Newco.

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Effect on Subsidiaries

The completion of the transaction will not affect the separate existence of Bank of New York s and Mellon s subsidiaries, including their banking subsidiaries. The parties do not currently intend to merge their banking subsidiaries at the time of completion of the transaction.

Closing; Effective Time

The closing of the transaction will take place after all closing conditions have been satisfied or waived. The Mellon merger will become effective when the parties file a certificate of merger with the Secretary of State of the State of Delaware and articles of merger with the Department of State of the Commonwealth of Pennsylvania, unless they agree to a later time for the completion of the Mellon merger and specify that time in the certificate and articles of merger. The Bank of New York merger will become effective when the parties file certificates of merger with the Secretary of State of the State of Delaware and the Department of State of the State of New York, unless they agree to a later time for the completion of the Bank of New York merger and specify that time in the certificates of merger.

Bank of New York and Mellon currently expect to complete the transaction in the third quarter of 2007, subject, among other things, to receipt of required shareholder and regulatory approvals.

Treatment of Stock Options and Other Equity Awards

Each stock option or other right to acquire common stock granted under a Bank of New York equity compensation plan, whether vested or unvested, that is outstanding and unexercised immediately prior to the Bank of New York merger will be converted automatically into, and will become, a stock option or right to purchase Newco common stock, and will continue to be governed by the terms of the Bank of New York equity compensation plans. The Bank of New York equity compensation plans will be assumed by Newco. In each case, (1) the number of shares of Bank of New York common stock subject to the Newco option or right will be equal to the product of the number of shares of Bank of New York common stock subject to the Bank of New York option or right and the Bank of New York exchange ratio, rounded to the nearest whole share, and (2) the exercise price per share of Newco common stock subject to the Newco option or right will be equal to the exercise price per share of Bank of New York common stock under the Bank of New York option or right divided by the Bank of New York exchange ratio, rounded to the nearest whole cent. The duration and other terms of each such Newco option or right will be substantially the same as the prior Bank of New York option or right. In any event, options or rights that are incentive stock options under the Internal Revenue Code will be adjusted in the manner prescribed by law.

Each stock option or other right to acquire common stock granted under a Mellon equity compensation plan, whether vested or unvested, that is outstanding and unexercised immediately prior to the Mellon merger will be converted automatically into, and will become, a stock option or right to purchase Newco common stock and will continue to be governed by the terms of the Mellon stock plans and related award agreements. The Mellon equity compensation plans will be assumed by Newco. In each case, the number of shares of Newco common stock subject to the Newco option or right will be equal to the number of shares of Mellon common stock subject to the Mellon option or right, and the exercise price per share of Newco common stock subject to the Newco option or right will be equal to the exercise price per share of Mellon common stock under the Mellon option or right. The duration and other terms of each such Newco option or right will be substantially the same as the prior Mellon option or right. In any event, options or rights that are incentive stock options under the Internal Revenue Code will be adjusted in the manner prescribed by law.

As soon as practicable following the completion of the transaction, Newco has agreed to file a registration statement with the SEC to register the shares of Newco common stock issuable upon the exercise of the Bank of New York and

Mellon stock options and other rights it assumed in the transaction.

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Conditions to Completion of the Transaction

Our respective obligations to complete the transaction are subject to the fulfillment or waiver of conditions set forth in the merger agreement, including:

- the adoption of the plan of merger by the holders of two thirds of the common stock of Bank of New York and the holders of a majority of the votes cast by Mellon shareholders entitled to vote;

- the Newco common stock that is to be issued in the transaction must be approved for listing on the New York Stock Exchange (including shares to be issued following the exercise of Bank of New York and Mellon stock options and rights assumed by Newco) and the registration statement filed with the SEC with this joint proxy statement/prospectus must be effective;

- the required regulatory approvals must be obtained without any conditions that could have a material adverse effect on the combined company and any waiting periods required by law must expire;

- there must be no government action or other legal restraint or prohibition preventing completion of the transaction;

- Bank of New York must receive an opinion of Sullivan & Cromwell LLP and Mellon must receive an opinion of Simpson Thacher & Bartlett LLP, each dated as of the date of the closing, that, on the basis of facts, representations and assumptions set forth in each of these opinions, the transaction will be treated as a tax-free reorganization under federal tax laws, Bank of New York and Mellon will be parties to the reorganization, and no gain or loss will be recognized by Bank of New York or Mellon shareholders who receive shares of Newco stock in exchange for all of their Bank of New York or Mellon common stock, except with respect to any cash received by Bank of New York shareholders instead of fractional shares of Newco; and

- the representations and warranties made by the other company in the merger agreement must be true and correct, except as would not or would not reasonably be expected to have a material adverse effect, as defined in the merger agreement, and the other company must have performed in all material respects all obligations required to be performed by it under the merger agreement.

No assurance can be provided whether, or when, all of the conditions to the transaction will be satisfied or waived. As discussed below, if the transaction is not completed on or before December 31, 2007, either company may terminate the merger agreement, unless the failure to complete the transaction by that date is due to the failure of the company seeking to terminate the merger agreement to perform or observe its covenants and agreements set forth in the merger agreement.

Conduct of Business Prior to Completion of the Transaction

With limited exceptions, we have agreed that, until the completion of the transaction, without the prior written consent of the other party, each of our companies and our subsidiaries will not:

- amend its constitutive documents or other similar governing instruments (except as provided by the merger agreement);

enter into a plan of consolidation, merger, share exchange, reorganization or similar business combination (other than with respect to those among its wholly owned subsidiaries), or a letter of intent or agreement in principle with respect thereto;

adjust, split, combine or reclassify any capital stock or authorize the issuance of any securities in respect of, in lieu of or in substitution for, shares of its capital stock;

make, declare or pay any dividends or other distributions on, or redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into or exercisable or exchangeable for any shares of its capital stock other than the regular quarterly dividends, certain permitted repurchases and other limited exceptions;

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issue any additional shares of capital stock or voting debt or grant any stock options, restricted shares or other equity-based awards, other than as permitted by the merger agreement;

make any change in any instrument or contract governing the terms of any of its securities;

make any material investment in or acquisition of any other person or entity, other than in the ordinary course of business consistent with past practice and certain other exceptions;

(1) enter into any new line of business, (2) change any of its or its subsidiaries material banking and operating policies, except as required by applicable law, or (3) make any application for the opening, relocation or closing of any, or open, relocate or close any, branch office, loan production office or other significant office or operations facility;

sell, transfer, mortgage, encumber or otherwise dispose of any part of its business or any of its properties or assets to any person, or cancel, release or assign any indebtedness of any person to any person or any claims against any person to any person, except in the ordinary course of business consistent with past practice, to a wholly owned subsidiary or pursuant to current contracts;

(1) incur any long-term indebtedness for borrowed money (or modify any of the material terms of any such outstanding long-term indebtedness), (2) assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any person or (3) make any loan or advance to any person, in all cases other than in the ordinary course of business consistent with past practice;

restructure or make any material change to its investment securities portfolio, its derivatives portfolio or its interest rate exposure, or the manner in which the portfolio is classified or reported, in any material respect, other than in consultation with the other party and Newco;

terminate, waive or knowingly fail to use reasonable best efforts to enforce any material provision of any material contract, other than normal renewals of contracts without materially adverse changes, additions or deletions of terms and other than in the ordinary course of business;

other than as required under current compensation and benefit plans or applicable law in the ordinary course of business or subject to certain other exceptions, (1) increase the compensation or benefits of any of its officers, employees or directors, (2) pay any pension or retirement allowance not required by any existing benefit plan or contract, (3) become a party to, amend or commit itself to any compensation or benefit plan or contract or employment agreement, other than with respect to employees who are not directors or executive officers and then only in the ordinary course of business consistent with past practice, or (4) accelerate the vesting of, or the lapsing of restrictions with respect to, any stock options or stock-based awards;

settle any material litigation;

change its financial accounting methods, other than as required by GAAP, regulatory accounting guidelines or law;

file or amend any material tax return other than in the ordinary course of business, settle or compromise any material tax liability, make, change or revoke any material tax election except to the extent consistent with past practice or as required by law or change any material method of tax accounting, except as required by applicable law;

knowingly take, or knowingly omit to take, any action that is reasonably likely to result in any of the conditions to the transaction not being satisfied on a timely basis except as may be required by applicable law;

take any action that would reasonably be expected to prevent either of the mergers from qualifying as a reorganization for federal income tax purposes;

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adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, restructuring, recapitalization or reorganization; or

agree to take any of the preceding actions.

Representations and Warranties

Both our companies have made reciprocal representations and warranties relating to our respective businesses, including representations and warranties relating to:

corporate organization, qualification to do business, standing and power, and subsidiaries,

requisite corporate authority to enter into the merger agreement and stock option agreements and to complete the contemplated transactions,

absence of conflicts with governing documents, applicable laws or certain agreements as a result of entering into the merger agreement or completing the transaction,

required regulatory consents necessary in connection with the transaction,

capitalization,

securities law filings, financial statements and liabilities,

absence of certain changes,

tax matters,

absence of any actions reasonably likely to prevent either of the mergers from qualifying as a tax-free reorganization or reasonably likely to materially impede or materially delay the receipt of any required regulatory approval,

environmental matters,

compliance with permits, laws and orders,

labor relations,

employee compensation and benefits matters,

material contracts,

litigation,

reports to governmental authorities,

intellectual property,

properties,

state takeover laws,

brokers and finders,

opinions from financial advisors,

insurance,

investment adviser subsidiaries, funds and clients, and

corporate trust agreements.

With the exception of (1) specified representations relating to capitalization, which must be true and correct in all material respects, and (2) representations relating to the conduct of the business and the absence of certain changes or events in respect of the period after September 30, 2006, which must be true and correct in all respects, no representation or warranty will be deemed untrue or incorrect as a consequence of the

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existence or absence of any fact, circumstance or event unless that fact, circumstance or event, individually or taken together with all other facts, circumstances or events inconsistent with any representation or warranty made by either party, has had or is reasonably likely to have a material adverse effect on the company making the representation or on Newco.

The term material adverse effect , as used with respect to Mellon, Bank of New York or Newco, means an individual or aggregate effect that (1) is materially adverse to the business, properties, financial condition or results of operations of either Bank of New York or Mellon and their respective subsidiaries or Newco (including, from and after completion of the transaction, its subsidiaries) taken as a whole, or (2) materially impairs the ability of Bank of New York, Mellon or Newco to complete the transaction on a timely basis. For these purposes, changes in laws, regulations, GAAP and regulatory accounting requirements, and economic conditions and trends that generally affect the financial services industries in which Bank of New York and Mellon operate would not be deemed a material adverse effect. Changes in political or social conditions, terrorist attacks, the effects of actions permitted or required by the merger agreement or the announcement of the transactions contemplated by the merger agreement would not constitute a material adverse effect. Further, a change in the trading prices of a party s common stock, by itself, would not constitute a material adverse effect.

The representations and warranties in the merger agreement were made for purposes of the merger agreement and are subject to qualifications and limitations agreed to by the respective parties in connection with negotiating the terms of the merger agreement. In addition, certain representations and warranties were made as of a specific date, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, or may have been used for purposes of allocating risk between the respective parties rather than establishing matters as facts. This description of the representations and warranties, and their reproduction in the copy of the merger agreement attached to this document as **Annex A**, are included solely to provide investors with information regarding the terms of the merger agreement. Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should only be read together with the information provided elsewhere in this document and in the documents incorporated by reference into this document, including the periodic and current reports and statements that Bank of New York and Mellon file with the SEC. For more information regarding these documents incorporated by reference, see the section entitled Where You Can Find More Information on page 128.

Reasonable Best Efforts to Obtain Required Shareholder Vote

Each of Bank of New York and Mellon has agreed to call a meeting of its shareholders as soon as reasonably practicable for the purpose of obtaining the required vote of its shareholders. In addition, each company has agreed to use its reasonable best efforts to obtain from its shareholders the required shareholder vote in favor of adoption of the plan of merger.

If either party fails to obtain the vote required for the adoption of the plan of merger by its shareholders, we have agreed in good faith to use our reasonable best efforts to negotiate a restructuring of the transaction and/or to resubmit the transaction to the shareholders of Bank of New York and Mellon. The obligation does not require either party to alter or change any material terms of the merger agreement, including the amount or kind of the transaction consideration, in a manner adverse to such party or its shareholders.

No Solicitation of Alternative Proposals

Each of Bank of New York and Mellon has agreed that it will not, and will cause its subsidiaries and its subsidiaries officers, directors, representatives and affiliates not to, initiate, solicit, encourage or knowingly facilitate any inquiries or proposals with respect to; or engage in any negotiations concerning; or provide any confidential or nonpublic

information or data to or have any discussions with any person relating to; or approve or recommend (or propose to do so); or execute or enter into any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to an acquisition proposal.

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Under the merger agreement, however, if either of our companies receives an unsolicited *bona fide* written acquisition proposal, the recipient of that proposal may, prior to but not after that company s shareholder meeting, furnish nonpublic information and participate in negotiations or discussions to the extent that its board of directors concludes, in good faith, (1) that the acquisition proposal constitutes or is reasonably likely to constitute a superior proposal and (2) after receiving the advice of its outside counsel and after consultation with its financial advisors, that the failure to do so would violate its fiduciary duties under applicable law. Before furnishing such nonpublic information or participating in such negotiations or discussions, the recipient of the acquisition proposal must enter into a confidentiality agreement with the third party on terms no less favorable than those of the confidentiality agreement we signed in connection with negotiating the merger agreement.

Each company has agreed to advise the other company within one day following receipt of any acquisition proposal or any inquiry which could reasonably be expected to lead to an acquisition proposal, including describing the substance of the acquisition proposal (including the identity of the proposing party and the material terms), and to keep the other party apprised on a current basis of any related developments, discussions and negotiations.

For purposes of the merger agreement, an acquisition proposal means, other than transactions contemplated by the merger agreement, any offer, proposal or any third-party indication of interest relating to:

- any acquisition or purchase, direct or indirect, of 20 percent or more of the consolidated assets of a party and its subsidiaries (including stock of its subsidiaries) or 20 percent or more of any class of equity or voting securities of a party or its subsidiaries whose assets, individually or in the aggregate, constitute more than 20 percent of the consolidated assets of the party;

- any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in a third party (or the shareholders of such third party) beneficially owning 20 percent or more of any class of equity or voting securities of a party or its subsidiaries whose assets, individually or in the aggregate, constitute more than 20 percent of the consolidated assets of the party; or

- a merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving a party or its subsidiaries whose assets, individually or in the aggregate, constitute more than 20 percent of the consolidated assets of the party.

For purposes of the merger agreement, a superior proposal means an acquisition proposal which the board of directors of a party concludes in good faith, after consultation with such party s outside legal counsel and financial advisors, taking into account all aspects of the proposal and the person making the proposal:

- is demonstrably more favorable to the shareholders of such party from a financial point of view than the transaction; and

- is fully financed, has no more than an immaterial risk of not receiving all required governmental approvals on a timely basis and is otherwise reasonably capable of being completed on the terms proposed,

provided, that, for purposes of the definition of superior proposal, the term acquisition proposal has the meaning stated above, except that each reference to 20 percent or more is deemed to be a reference to a majority and shall only be deemed to refer to a transaction involving Bank of New York or Mellon, as the case may be, and not any of their respective subsidiaries.

Other Covenants and Agreements

Our two companies have agreed to use reasonable best efforts to take or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, so as to permit the transaction to be completed as promptly as practicable and to cooperate fully with and furnish information to that end.

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Our companies have also agreed to cooperate and use reasonable best efforts to prepare and file as promptly as practicable all necessary documentation, to effect all filings and to obtain all permits, consents, approvals and authorizations of all third parties and governmental authorities necessary to complete the transaction, including all necessary filings as soon as practicable.

The merger agreement also contains covenants relating to cooperation in the preparation of this joint proxy statement/prospectus and additional agreements relating to, among other things, public announcements, filing required regulatory applications and obtaining required regulatory consents, access to information, and the notification of certain matters that would reasonably be likely to result in a material adverse effect or cause a material breach of any of the representations, warranties, covenants or agreements contained in the merger agreement.

Dividends

Bank of New York and Mellon have agreed that, until the transaction is completed, each will pay only regular quarterly dividends or distributions at a rate not to exceed $0.22 per share per quarter, with usual record and payment dates for such dividends in accordance with past practice. The companies have also agreed to coordinate the declaration of dividends so that holders of Bank of New York common stock or Mellon common stock will not receive two dividends, or fail to receive one dividend, for any quarter with respect to their Bank of New York common stock or Mellon common stock.

Bank of New York and Mellon currently expect that Newco will pay quarterly cash dividends at the initial rate of $0.235 per share of Newco common stock, subject to the discretion of Newco s Board of Directors.

The payment of dividends by Bank of New York, Mellon or Newco on their common stock in the future is subject to the determination of their respective boards of directors and depends on cash requirements, their respective financial condition and earnings, legal and regulatory considerations and other factors.

Employee Benefit Plans

The merger agreement provides that after the completion of the transaction, Newco, at its election, may, with respect to our employees who become Newco employees following the completion of the transaction, either:

- provide employee benefits under Newco compensation and benefit plans on terms and conditions that are the same for similarly situated continuing employees of Bank of New York and Mellon, and/or

- maintain for the benefit of those continuing employees the compensation and benefit plans maintained by Bank of New York or Mellon, as applicable, immediately prior to the completion of the transaction, subject to Newco s right to amend any such plan to comply with law or as necessary and appropriate for other business reasons.

As soon as practicable after the completion of the transaction, Newco will review, evaluate and analyze the Bank of New York and Mellon compensation and benefit plans with a view towards developing appropriate and effective compensation and benefit plans for the benefit of employees of Newco on a going forward basis that does not discriminate between employees who were covered by the benefit plans of Bank of New York and employees who were covered by the benefit plans of Mellon. Newco will recognize, for purposes of eligibility, participation, vesting and benefit accrual (but not for benefit accrual with respect to any plan in which such credit would result in a duplication of benefits), all service with (or credited by) Bank of New York and Mellon, as applicable, as service with Newco. Waiting period, pre-existing condition and insurability limitations will be waived (except to the extent those

limitations were applicable under each party s respective plans) and deductibles, co-insurance or out-of-pocket expenses incurred under each party s respective plans will be credited. Newco will cause each Bank of New York and Mellon medical and pension plan to remain in effect after the completion of the transaction until Bank of New York and Mellon employees who become Newco employees are eligible to participate in corresponding medical and pension plans of Newco. Effective as of the completion of the transaction, Newco will assume all compensation and benefit plans maintained by

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Bank of New York or Mellon, as applicable, that require express assumption by any successor to the Bank of New York or Mellon, as applicable.

Termination of the Merger Agreement

The merger agreement may be terminated, and the transaction abandoned, at any time before the transaction is completed if both of our boards of directors authorize us to do so. In addition, the merger agreement may be terminated, and the transaction abandoned, by either company s board of directors if:

there is a breach of the other company s representations, warranties or covenants that would result in the failure of the related closing conditions and that remains uncured for more than 30 days following notice;

any required regulatory approval is denied or any governmental order has been issued permanently restraining, enjoining or otherwise prohibiting the transaction, and the denial or order is final and nonappealable;

the transaction has not been completed by December 31, 2007, unless the failure to complete the transaction by such time is caused by a breach of the merger agreement by the terminating company;

(1) the board of directors of the other company fails to recommend that its shareholders vote in favor of adopting the plan of merger contained in the merger agreement, withdraws, modifies or qualifies its recommendation in a manner adverse to the terminating party or takes any other action or makes any other statement in connection with the shareholders meeting inconsistent with such recommendation (or resolves to take any of the foregoing actions), (2) the other company fails materially to comply with its obligation to call a meeting of its shareholders and to use its reasonable best efforts to cause its shareholders to adopt the plan of merger or (3) the other company materially breaches its no solicitation obligations described above;

the terminating party determines in good faith by a majority vote of its board of directors that the other company has substantially engaged in bad faith in breach of its obligation to restructure the transaction and/or to re-submit the transaction, after either company s shareholders have failed to vote to adopt the plan of merger; or

the other company recommends that its shareholders tender their shares with respect to or otherwise fails to recommend that its shareholders reject a third-party tender offer or exchange offer for 20 percent or more of the outstanding shares of the other company s common stock.

Effect of Termination. If the merger agreement is terminated and abandoned, it will become void and there will be no liability on the part of Newco, Bank of New York or Mellon or their respective subsidiaries, directors or officers, except that:

designated provisions of the merger agreement will survive the termination, including provisions relating to the payment of fees and expenses and non-survival of the representations and warranties, other than the representation of the parties with respect to brokers and finders;

termination will not relieve a breaching party from liability for any uncured willful and material breach of the merger agreement;

Bank of New York and Mellon, and their respective representatives, will keep confidential and will not use any information obtained from the other party for any purpose unrelated to the completion of the transaction. Bank of New York and Mellon will also promptly return or destroy all documents, copies of documents and work

papers containing confidential information and data regarding the other party; and

the stock option agreements will remain in effect in accordance with their terms.

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Corporate Governance

The merger agreement includes the bylaws of Newco that will become effective upon completion of the transaction. These bylaws will effect the corporate governance arrangements described below. Following completion of the transaction, the affirmative vote of at least 75 percent of the entire Board of Directors of Newco will be required to amend, repeal or modify the bylaw provisions providing for these governance arrangements, or to adopt any bylaw provision or other resolution inconsistent with these arrangements.

Composition of the Board of Directors. Upon completion of the transaction, the Newco Board of Directors will initially be composed as follows: ten directors designated by Bank of New York, including Thomas A. Renyi, the current Chairman and Chief Executive Officer of Bank of New York, Gerald L. Hassell, the current President of Bank of New York, and eight independent directors; and eight directors designated by Mellon, including Robert P. Kelly, the current Chairman, Chief Executive Officer and President of Mellon, Steven G. Elliott, the current Senior Vice Chairman of Mellon, and six independent directors. Eighteen months after completion of the transaction or on the date on which Mr. Kelly succeeds Mr. Renyi as Executive Chairman, the membership of the Board of Directors will be reduced to 16 directors, composed as follows: nine continuing directors designated by Bank of New York, including the President of Newco and eight independent directors; and seven continuing directors designated by Mellon, including the Chief Executive Officer of Newco and six independent directors. The Board of Directors will have a Lead Director, who will be chosen by the directors designated by the Bank of New York for the first 18 months following completion of the transaction, by the continuing directors designated by Mellon for the following 18 months, and by the entire Board of Directors thereafter.

Replacement of Vacant Directorships and Nominations of Directors. Until the third anniversary of the completion of the transaction, if there is a vacancy created by the cessation of service of a Bank of New York designee, a committee comprised of the Bank of New York designees will nominate a nominee to fill the vacant position, and if there is a vacancy created by the cessation of service of a Mellon designee, a committee comprised of the remaining Mellon designees will nominate a nominee to fill the vacant position. During this time, the Bank of New York designees will have the exclusive right to nominate, on behalf of the Board of Directors, directors for election at each annual meeting to fill a seat previously held by a Bank of New York designee. Likewise, the Mellon designees will have the exclusive right to nominate, on behalf of the Board of Directors, directors for election at each annual meeting to fill a seat previously held by a Mellon designee.

Committees of the Board of Directors. Until the third anniversary of the completion of the transaction, the following committees will be composed of at least five members, will include a majority (by one) of former Bank of New York directors and will be chaired by a former Bank of New York director: the Audit Committee, the Corporate Governance and Nominating Committee, the Executive Committee, the Technology Committee and the Risk Committee. Also until the third anniversary of the completion of the transaction, the following committees will be composed of at least five members, will include a majority (by one) of former Mellon directors and will be chaired by a former Mellon director: the Corporate Responsibility Committee, the Human Resources Committee and the Planning Committee. In addition, until the third anniversary of the completion of the transaction or the date on which the Board of Directors decides to terminate the Integration Committee, which in no event will be earlier than the date on which Mr. Kelly succeeds Mr. Renyi as Chairman (as discussed below), the total membership of the Integration Committee will include an equal number of former Bank of New York directors and former Mellon directors and will be chaired by a former Mellon director.

Senior Management of Newco. Mr. Renyi will serve as Executive Chairman of Newco following the completion of the transaction. Mr. Kelly will serve as Chief Executive Officer of Newco following the completion of the transaction. Mr. Hassell will serve as President of Newco following the completion of the transaction. Beginning 18 months after the completion of the transaction, or earlier should Mr. Renyi cease to serve as Executive Chairman, Mr. Kelly will succeed Mr. Renyi as Chairman of Newco. The Chairman (and the Executive Chairman, for so long as Mr. Renyi continues in that position) will

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preside at all meetings of the Board of Directors and shareholders. Until the third anniversary of the completion of the transaction, the removal of or failure to reelect any of Messrs. Renyi, Kelly or Hassell to their respective offices, any failure to appoint or elect Mr. Kelly to succeed Mr. Renyi as Chairman and any modification or amendment to any employment or similar agreement with any of Messrs. Renyi, Kelly or Hassell in effect at the time the transaction is completed would require the affirmative vote of not less than 75 percent of the full Board of Directors.

Expenses and Fees

In general, each party will be responsible for all expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the merger agreement. However, Bank of New York and Mellon will each pay one half of the costs incurred in connection with the preparation (including printing, mailing and filing) of this document and one half of the filing fees in connection with any filing under the Hart-Scott-Rodino Act.

Possible Alternative Merger Structure

The merger agreement provides that we may mutually agree to change the method or structure of the transaction, including the order in which the companies are merged with and into Newco. However, no change may be made that:

changes the number of shares of Newco common stock into which shares of either Bank of New York or Mellon common stock will be converted in the transaction;

adversely affects the tax treatment of Bank of New York or Mellon or their respective shareholders pursuant to the merger agreement; or

materially impedes or delays the timely completion of the transaction.

Amendments; Waivers

The merger agreement may be amended or modified, in accordance with applicable law, by the written agreement of the parties, except that any amendment that would require the approval of either Bank of New York s or Mellon s shareholders will not be made unless such required approval is first obtained. The provisions of the merger agreement may be waived by the person benefited by those provisions, except as would be prohibited under applicable law.

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THE STOCK OPTION AGREEMENTS

The following discussion summarizes the material provisions of the stock option agreements under which Mellon has granted an option to Bank of New York to purchase shares of Mellon common stock in specified circumstances, and Bank of New York has granted an option to Mellon to purchase shares of Bank of New York common stock in specified circumstances. The rights and obligations of Bank of New York and Mellon are governed by the express terms and conditions of the stock option agreements, which are attached as ***Annexes B*** *and* ***C****, respectively, and each of which is incorporated by reference into this document, and not by this summary or any other information contained in this document. We urge you to read the stock option agreements carefully and in their entirety, as they are the legal documents governing the stock options.*

The Stock Options

When we entered into the merger agreement, we also entered into reciprocal stock option agreements. Under the terms of the stock option granted by Mellon to Bank of New York, Bank of New York may purchase up to 82,641,656 shares of Mellon common stock at an exercise price equal to the lesser of $40.05 per share or the closing sale price of the common stock on the NYSE Composite Transaction Tape on the trading day immediately preceding the exercise date. Under the terms of the stock option granted by Bank of New York to Mellon, Mellon may purchase up to 149,621,546 shares of Bank of New York common stock at an exercise price equal to the lesser of $35.48 per share or the closing sale price of the common stock on the NYSE Composite Transaction Tape on the trading day immediately preceding the exercise date. In no case, however, can the number of shares issuable upon exercise of each option respectively exceed 19.9 percent of Bank of New York and Mellon common stock outstanding without giving effect to any shares issued under the option. In the event that any additional shares of common stock are either issued or redeemed after the date of the stock option agreements, the number of the relevant shares of common stock subject to the option will be adjusted so that such number equals 19.9 percent of the number of relevant shares of common stock then issued and outstanding without giving effect to any shares of common stock subject to or issued under the option.

The stock option agreements may have the effect of making an acquisition or other business combination of Bank of New York or Mellon by a third party more costly because of the need in any transaction to acquire any shares of common stock issued under the stock option agreements or because of any cash payments made under the stock option agreements. The stock option agreements may, therefore, discourage third parties from proposing an alternative transaction to the transaction.

To the knowledge of Bank of New York and Mellon, no event giving rise to the right to exercise either stock option has occurred as of the date of this document.

The terms of the stock option agreements are identical in most respects and are summarized below.

Exercise; Expiration

Each grantee of the option may exercise its respective option in whole or in part if both an initial triggering event and a subsequent triggering event occur prior to the occurrence of an exercise termination event, as these terms are defined below. The purchase of any shares of Bank of New York common stock or Mellon common stock under the options is subject to compliance with applicable law, which may require regulatory approval.

The term initial triggering event , in each stock option agreement, generally means the following:

the option issuer or any of its subsidiaries, without the grantee s prior written consent, enters into an agreement to engage in an acquisition transaction (as defined below) with a third party, or an option issuer s board of directors recommends that its shareholders approve or accept any acquisition transaction with any person other than the grantee;

the option issuer or any of its subsidiaries, without the grantee s prior written consent, authorizes, recommends, proposes or publicly announces its intention to authorize, recommend or propose, to

engage in an acquisition transaction with any person other than the grantee or a grantee subsidiary, or an option issuer s board of directors publicly withdraws or modifies, or publicly announces its intention to withdraw or modify, in a manner adverse to the grantee, its recommendation that its shareholders approve the transactions contemplated by the merger agreement;

any third party acquires beneficial ownership or the right to acquire beneficial ownership of 10 percent or more of the outstanding shares of the option issuer s common stock;

any person, other than the option grantee, publicly makes a *bona fide* proposal to the option issuer or its shareholders to engage in an acquisition transaction;

any person, other than the option grantee, files with the SEC a registration statement or tender offer materials with respect to an exchange or tender offer that would constitute an acquisition transaction with respect to the option issuer, or a preliminary proxy statement with respect to a potential vote by the option issuer s shareholders to approve the issuance of shares to be offered in such an exchange offer;

after the receipt by the option issuer or its shareholders of any *bona fide* inquiry or proposal from a third party to engage in an acquisition transaction, such option issuer breaches any covenant or obligation contained in the merger agreement, the breach entitles the grantee to terminate the merger agreement and the breach has not been cured prior to the date of written notice of the option grantee s intention to exercise the option; or

any third person, without the written consent of the option grantee, files an application or notice with the Federal Reserve Board or other federal or state bank regulatory authority, which application or notice has been accepted for processing, for approval to engage in an acquisition transaction with respect to the option issuer.

As used in each stock option agreement, the term acquisition transaction means:

a merger, consolidation or share exchange, or any similar transaction, involving the option issuer or any of its significant subsidiaries;

a purchase, lease or other acquisition or assumption of all or a substantial portion of the assets or deposits of the option issuer or any of its significant subsidiaries;

a purchase or other acquisition of securities representing 10 percent or more of the voting power of the option issuer; or

any substantially similar transaction, except that any substantially similar transaction involving only the option issuer and one or more of its wholly owned subsidiaries or involving only any two or more of these wholly owned subsidiaries will not be deemed to be an acquisition transaction, provided that it is not entered into in violation of the merger agreement.

Each stock option agreement generally defines the term subsequent triggering event to mean any of the following events or transactions:

the acquisition by a third party of beneficial ownership of 20 percent or more of the outstanding shares of the option issuer s common stock; or

the option issuer enters into an agreement to engage in an acquisition transaction with a third party, or its board of directors recommends that its shareholders approve or accept any acquisition transaction or proposed

acquisition transaction other than the transaction contemplated by the merger agreement. For this purpose, the percentage referred to in the definition of acquisition transaction is 20 percent instead of 10 percent.

Each stock option agreement defines the term exercise termination event to mean any of the following:

completion of the transaction;

termination of the merger agreement prior to the occurrence of an initial triggering event, other than a termination of the merger agreement described in clauses (1) and (2) in the next bullet;

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the passage of 18 months after termination of the merger agreement if termination occurred after the occurrence of an initial triggering event or is a termination of the merger agreement resulting from:

(1) the failure of the option issuer s board of directors to recommend that its shareholders vote in favor of adopting the plan of merger contained in the merger agreement or its withdrawal or modification of its recommendation in a manner adverse to the other party, the failure of the option issuer substantially to comply with its obligation to call a meeting of its shareholders and to cause its shareholders to adopt the plan of merger, a breach by the option issuer of its no-solicitation covenant, the option issuer s negotiation with a third party regarding an acquisition proposal which negotiations do not cease within 20 business days, or the recommendation by the option issuer s board of directors of an acquisition proposal other than the merger agreement, or

(2) the option issuer s breach of the merger agreement, which breach would, if it were occurring on the date of the completion of the transaction, result in the failure of the related condition to the other party s obligation to complete the transaction, and which cannot be or has not been cured within 30 days.

If an option becomes exercisable, it may be exercised, in whole or in part, within 180 days following the subsequent triggering event. The option grantee s right to exercise its option and certain other rights under the stock option agreements are subject to an extension to the extent necessary in order to obtain required regulatory approvals and comply with applicable regulatory waiting periods, to avoid liability under the short-swing trading restrictions contained in Section 16(b) of the Exchange Act, and when there exists an order that prohibits or delays exercise of such right.

Rights Under the Stock Option Agreements

In the event of a repurchase event (as defined below), and prior to an exercise termination event subject to extension as described above, following a request of the option grantee, the option issuer may be required to repurchase the option and all or any part of the shares issued under the option. The repurchase of the option will be at a price equal to the number of shares for which the option may be exercised multiplied by the amount by which the market/offer price, as that term is defined in the stock option agreements, exceeds the exercise price. At the request of the owner of option shares within 90 days of the occurrence of a repurchase event, the option issuer may be required to repurchase such number of the option shares from the owner as designated by the owner at a price equal to the market/offer price, as that term is defined in the stock option agreement, multiplied by the number of option shares so designated. The term repurchase event is defined to mean:

the completion of an acquisition transaction involving the option issuer, except that for this purpose the reference to 10 percent in the definition of acquisition transaction is deemed to be 50 percent; or

the acquisition by any person of beneficial ownership of 50 percent or more of the then-outstanding shares of common stock of the option issuer.

Each stock option agreement also provides that the option grantee may, at any time during which the option issuer would be required to repurchase the option or any option shares upon proper request or notice, subject to extension as described above, surrender the option and any shares issued under the option held by the grantee to the option issuer for a cash payment equal to $725 million, in the case of the option granted by Mellon to Bank of New York, or $1.15 billion, in the case of the option granted by Bank of New York to Mellon, in each case adjusted for the aggregate purchase price previously paid by such option grantee with respect to any option shares and gains on sales of stock purchased under the option. The option grantee may not, however, exercise its surrender right if the option issuer repurchases the option, or a portion of the option, in accordance with the option issuer s repurchase obligations

described above.

If, prior to an exercise termination event under a stock option agreement, the option issuer enters into certain mergers, consolidations or other transactions, certain fundamental changes in its capital stock occur, or it sells all or substantially all of its assets to any person other than the option grantee or one of the option

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grantee s subsidiaries, the option will be converted into, or be exchanged for, a substitute option, at the option grantee s election, of:

the continuing or surviving corporation of a consolidation or merger with the option issuer,

the option issuer in a merger in which it is the continuing or surviving person,

the transferee of all or substantially all of the assets of the option issuer, or

any person that controls any of these entities, as the case may be.

The substitute option will have the same terms as the original option (including a repurchase right, but based on the closing price of the common stock of the substitute issuer), except that it will be immediately exercisable without the occurrence of an additional triggering event. If, however, because of legal reasons, the terms of the substitute option cannot be the same as those of the original option, the terms of the substitute option will be as similar as possible and at least as advantageous to the grantee as the original option. Also, the number of shares exercisable under the substitute option is capped at 19.9 percent of the shares of common stock outstanding prior to exercise. In the event this cap would be exceeded, the issuer of the substitute option will pay the option grantee the difference between the value of a capped and non-capped option.

Each stock option agreement provides that the total profit, as defined in that stock option agreement, realized by the option grantee as a result of a stock option agreement may in no event exceed a specified amount. This maximum amount is $825 million, in the case of the option granted by Mellon to Bank of New York, and $1.3 billion, in the case of the option granted by Bank of New York to Mellon.

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DESCRIPTION OF NEWCO CAPITAL STOCK

The following discussion summarizes the material features and rights of Newco capital stock following completion of the transaction. This summary is qualified in its entirety by reference to applicable provisions of Delaware law and Newco s form of amended and restated certificate of incorporation and form of bylaws, which are Exhibits 2-A and 2-B to the merger agreement attached to this joint proxy statement/prospectus as ***Annex A****.*

Common Stock

Newco will be authorized to issue 3.5 billion shares of common stock having a par value of $0.01 per share. Each share of Newco common stock has the same relative rights as, and is identical in all respects to, each other share of Newco common stock.

As of February 22, 2007, there were two shares of common stock of Newco outstanding, with one share held by each of Bank of New York and Mellon, no shares of common stock of Newco held in treasury and no shares of common stock of Newco reserved for issuance pursuant to employee benefit plans. As of December 31, 2006, after giving effect to the transaction on a *pro forma* basis, approximately 1.13 billion shares of Newco common stock would have been outstanding.

Dividends. Subject to certain bank regulatory restrictions, Newco can pay dividends out of statutory surplus or from certain net profits if, as and when declared by its Board of Directors. Funds for Newco dividends generally will be provided through dividends and distributions from its subsidiaries. The payment of dividends or distributions by Newco s subsidiaries is subject to limitations which are imposed by applicable law. Following the completion of the transaction, the holders of Newco common stock will be entitled to receive and share equally in such dividends as may be declared by the Board of Directors of Newco out of funds legally available for this purpose. The holders of Newco preferred stock, if any, may have a priority over the holders of Newco common stock with respect to dividends.

Voting Rights. Subject to the rights of any holders of any class of preferred stock outstanding, holders of Newco common stock will be entitled to one vote per share, and, in general, a majority of votes cast with respect to a matter will be sufficient to authorize action upon routine matters. Directors are to be elected by a plurality of the votes cast, and Newco stockholders do not have the right to cumulate their votes in the election of directors. In connection with the election of directors, Newco intends to create a corporate governance policy to provide that any nominee for director who fails to receive more for votes than withhold votes in an uncontested election be required to submit his or her resignation to the Corporate Governance and Nominating Committee, which will recommend to the Board of Directors whether to accept the tendered resignation or reject it. The terms of the policy are expected to be consistent with those contained in Bank of New York s current policy.

Liquidation. In the event of liquidation, dissolution or winding up of Newco, the holders of its common stock would be entitled to receive, after payment or provision for payment of all of its debts and liabilities, all of the assets of Newco available for distribution. The holders of Newco preferred stock, if any, may have a priority over the holders of Newco common stock in the event of liquidation or dissolution.

Preemptive Rights. Holders of Newco common stock are not entitled to preemptive rights with respect to any shares which may be issued.

Preferred Stock

The certificate of incorporation of Newco will authorize the issuance of 100 million shares of preferred stock having a par value of $0.01 per share. There are no shares of Newco preferred stock outstanding. Newco s certificate of incorporation will authorize Newco s Board of Directors to provide, without further stockholder action, for the issuance of one or more series of preferred stock. The Newco Board of Directors will have the power to fix various terms with respect to each series, including voting powers, designations, preferences and relative, participating, optional and/or other special rights, and the qualifications, limitations and restrictions thereof.

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COMPARISON OF SHAREHOLDERS RIGHTS

The rights of Bank of New York shareholders are governed by the New York Business Corporation Law, or NYBCL, and Bank of New York s certificate of incorporation and bylaws. The rights of Mellon s shareholders are governed by the Pennsylvania Business Corporation Law, or PBCL, and Mellon s articles of incorporation and bylaws. After the transaction, your rights as stockholders of Newco will be governed by the Delaware General Corporation Law, or DGCL, and by Newco s amended and restated certificate of incorporation and bylaws.

The following discussion summarizes the material differences between the rights of Bank of New York and Mellon shareholders. We have also summarized the material rights of Newco stockholders after completion of the transaction. This summary contains a list of the material differences but is not meant to be relied upon as an exhaustive list or a detailed description of the provisions discussed and is qualified in its entirety by reference to the NYBCL, the PBCL and the DGCL and to the governing instruments of each company. We urge you to read the governing instruments of each company and the provisions of the NYBCL, the PBCL and the DGCL carefully and in their entirety.

Authorized Capital Stock

Bank of New York

The authorized capital stock of Bank of New York consists of 2.4 billion shares of common stock, par value $7.50 per share, five million shares of preferred stock, without par value, and five million shares of Class A preferred stock, par value $2.00 per share. At [ ], 2007, [ ] shares of Bank of New York common stock were issued and outstanding, and [ ] shares of Bank of New York common stock were held in treasury. No shares of Bank of New York preferred stock or Class A preferred stock were issued and outstanding on [ ], 2007.

Mellon

The authorized capital stock of Mellon consists of 800 million shares of common stock, par value $0.50 per share, and 50 million shares of preferred stock, par value $1.00 per share. At [ ], 2007, [ ] shares of Mellon common stock were issued and outstanding, and [ ] shares of Mellon common stock were held in treasury. No shares of Mellon preferred stock were issued and outstanding on [ ], 2007.

Newco

The authorized capital stock of Newco will consist of 3.5 billion shares of common stock, par value $0.01 per share, and 100 million shares of preferred stock, par value $0.01 per share.

At February 22, 2007, two shares of Newco common stock were issued and outstanding. After giving effect to the transaction, based on shares of Bank of New York and Mellon outstanding as of December 31, 2006, approximately 1.13 billion shares of Newco common stock would have been outstanding. No shares of Newco preferred stock are issued and outstanding.

Number of Directors

Bank of New York

Bank of New York s bylaws provide that the number of directors may be fixed from time to time by the affirmative vote of a majority of the total number of directors then in office, provided that the number of directors is not less than nine directors.

Mellon

Mellon s bylaws provide that the number of directors may be fixed from time to time by the affirmative vote of a majority of the total number of directors then in office.

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Newco

Newco s bylaws will provide that for the first 18 months following completion of the transaction, or such shorter period ending when Mr. Renyi ceases to serve as Executive Chairman, the number of directors will be 18 (of whom ten will be designated by Bank of New York and eight will be designated by Mellon), and thereafter until the 36-month anniversary of the completion of the transaction, the number of directors will be 16 (of whom nine will be continuing Bank of New York designees or their successors and seven will be continuing Mellon designees or their successors). Thereafter, Newco s bylaws will provide that the number of directors may be fixed from time to time by the affirmative vote of a majority of the total number of directors then in office.

Classes of Directors and Cumulative Voting

Bank of New York

Bank of New York has only one class of directors.

Shareholders are entitled to one vote for each share of Bank of New York common stock, and directors are elected by a plurality of all of the outstanding stock entitled to vote in director elections under Bank of New York s bylaws. Under Bank of New York s Corporate Governance Guidelines, any nominee for director who fails to receive more for votes than withhold votes in an uncontested election is required to submit his or her resignation to the Nominating and Governance Committee, which will recommend to the board of directors whether to accept the tendered resignation or reject it. Shareholders are not entitled to cumulative voting rights in the election of directors.

Mellon

Mellon s bylaws currently provide that the board of directors is divided into three classes, with each class to be as nearly equal in number as possible. The directors in each class currently serve three-year terms of office. At its annual meeting to be held on April 17, 2007, Mellon s shareholders will vote on a proposal to amend its bylaws to phase out the classified board structure beginning with Mellon s 2007 annual shareholders meeting, so that beginning with the 2009 annual meeting all directors will be elected for one-year terms.

Shareholders are entitled to one vote for each share of Mellon common stock, and directors are elected by a plurality of the votes cast in director elections. Under Mellon s articles of incorporation, shareholders are not entitled to cumulative voting rights in the election of directors.

Newco

Newco will have only one class of directors.

Stockholders are entitled to one vote for each share of Newco common stock, and directors will be elected by a plurality of the votes cast by the holders of shares entitled to vote in director elections under Newco s bylaws. In connection with the election of directors, Newco intends to create a corporate governance policy to provide that any nominee for director who fails to receive more for votes than withhold votes in an uncontested election be required to submit his or her resignation to the Corporate Governance and Nominating Committee, which will recommend to the Board of Directors whether to accept the tendered resignation or reject it. The terms of the policy are expected to be consistent with those contained in Bank of New York s current policy. Stockholders will not be entitled to cumulative voting rights in the election of directors.

Filling Vacancies on the Board of Directors

Bank of New York

Bank of New York s bylaws provide that vacancies on its board of directors occurring for any reason may be filled by an affirmative vote of a majority of the remaining directors. If the number of directors remaining in office constitutes fewer than a quorum, the vacancy may be filled by a vote of the majority of those directors then in office. The term of any director elected to fill a vacancy occurring between annual meetings will last until the next annual meeting and until such director s successor has been elected and qualified.

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Mellon

Mellon s bylaws provide that vacancies on its board of directors may be filled only by an affirmative vote of a majority of the remaining directors, provided that a vacancy resulting from removal of a director from office pursuant to a shareholder vote may also be filled by a vote of a majority of the votes cast by shareholders present at the same meeting at which the removal vote occurs. If the number of directors remaining in office constitutes fewer than a quorum, the vacancy may be filled by a vote of the majority of those directors then in office. The term of any director elected to fill a vacancy occurring between annual meetings will last until the next annual meeting at which the term of the class to which such director has been elected will expire.

Newco

Newco s bylaws will provide that until the third anniversary of completion of the transaction, vacancies on Newco s Board of Directors:

created by the cessation of service of a Bank of New York designee (or successor to such designee) may be filled only by a nominee selected by a committee comprised of the Bank of New York designees, and

created by the cessation of service of a Mellon designee (or successor to such designee) may be filled only by a nominee selected by a committee comprised of the Mellon designees.

Newco s bylaws will provide that, after the third anniversary of the completion of the transaction, vacancies on its Board of Directors occurring for any reason may be filled by an affirmative vote of a majority of the remaining directors, whether or not the number of remaining directors constitutes a quorum, provided that a vacancy resulting from removal of a director from office pursuant to a stockholder vote may be filled by a stockholder vote at the same meeting at which the removal vote occurs. The term of any director elected to fill a vacancy occurring between annual meetings will last until the next annual meeting.

Removal of Directors

Bank of New York

Bank of New York s bylaws provide that any director or the entire board of directors may be removed for cause by the affirmative vote of the holders of a majority of the outstanding common stock or by any action of the board of directors.

Mellon

Mellon s bylaws provide that directors may be removed for cause by the board of directors or by a majority of shareholder votes cast. Under the PBCL, subject to a contrary provision in the articles, shareholders of a Pennsylvania corporation with a classified board may not remove directors without cause. At its annual meeting to be held on April 17, 2007, Mellon s shareholders will vote on a proposal to amend its bylaws to phase out Mellon s classified board structure beginning with Mellon s 2007 annual shareholders meeting, so that beginning with the 2009 annual meeting all directors would be elected for one-year terms. Mellon s shareholders will also vote on a proposal to amend its bylaws so that when the phase out of the classified board structure has been completed, Mellon s shareholders would be able to remove directors without cause by a majority of votes cast, rather than a vote of 75 percent of the outstanding shares, as the bylaws would otherwise require.

Newco

Newco s bylaws will provide that any director may be removed for any reason, with or without cause, by the affirmative vote of a majority of the votes cast by Newco stockholders entitled to vote.

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Special Meetings of the Board

Bank of New York

Special meetings of Bank of New York s board of directors may be called at any time by the chairman of the board of directors or, in his or her absence, by the president, and must be called by the chairman, the president or the secretary upon the written request of any two directors.

Mellon

Special meetings of Mellon s board of directors may be called at any time by the chief executive officer, the chairman of the board of directors or the president, and must be called by any such individual or the secretary upon the written request of any three directors.

Newco

Newco s bylaws will provide that special meetings of Newco s Board of Directors may be called at any time by the chief executive officer, the chairman of the Board of Directors or the president, and must be called by any such individual or the secretary upon the written request of any three directors.

Shareholder Protection Rights Plans

Bank of New York

Bank of New York does not have a shareholder protection rights plan.

Mellon

Mellon does not have a shareholder protection rights plan.

Newco

Newco will not have a shareholder protection rights plan.

Special Meetings of Shareholders

Bank of New York

Bank of New York s bylaws provide that special meetings of shareholders may be called at any time by the board of directors or by the chairman of the board of directors or, in his absence, the president. In addition, under the NYBCL, if, for a period of one month after the date fixed by or under the bylaws for the annual meeting of shareholders, or for a period of 13 months after the last annual meeting if no such date has been fixed, there is a failure to elect a sufficient number of directors to conduct the business of the corporation, the board of directors is to call a special meeting for the election of directors. If the board of directors has not called such a meeting within two weeks of the expiration of such period or the failure to elect a sufficient number of directors otherwise continues for two months after the expiration of such period, holders of 10 percent of the outstanding common stock may give a written demand for a special meeting to be held 60 to 90 days after the date of the written demand.

Mellon

Mellon s bylaws provide that special meetings of shareholders may be called at any time by the board of directors, the chief executive officer, the chairman of the board of directors or the president. Under the PBCL, the shareholders may not call a special meeting of the shareholders.

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Newco

Newco s bylaws will provide that special meetings of stockholders may be called at any time by the Board of Directors, the chief executive officer or the chairman of the board of directors. Stockholders will not have the right to call a special meeting or to require that the Board of Directors call such a meeting.

Actions by Shareholders Without a Meeting

Bank of New York

Under the NYBCL, any action required or permitted to be taken at a shareholders meeting may also be taken by a unanimous written consent of the holders of the common stock, provided that all consents must be given within 60 days of the first consent.

Mellon

Under the PBCL, any action required or permitted to be taken at a shareholders meeting may also be taken by a unanimous written consent of the holders of the common stock. Action by less than unanimous written consent is not permitted.

Newco

Newco s certificate of incorporation will provide that any action required or permitted to be taken at a stockholders meeting may also be taken by a unanimous written consent of the holders of the common stock.

Amendment of Certificate/Articles of Incorporation and Bylaws

Bank of New York

Under the NYBCL, amendments to Bank of New York s certificate of incorporation may be approved only by a board of directors vote followed by the affirmative vote of a majority of all outstanding shares of common stock.

Bank of New York s bylaws may be amended either by the affirmative vote of a majority of the outstanding shares of common stock or by a resolution adopted by a majority of the entire board of directors, although any bylaw adopted by the board of directors is subject to amendment or repeal by a majority shareholder vote. If any bylaw regulating an impending election of directors is adopted, amended or repealed by the board of directors, the notice of the next meeting of shareholders must include the bylaw and a concise statement of the changes made.

Mellon

Under the PBCL, amendments to Mellon s articles of incorporation must be proposed by a resolution of the board of directors. Shareholders are not entitled to propose amendments to Mellon s articles of incorporation. Except for certain types of amendments for which shareholder approval is not required, an amendment must be approved by a majority of the shareholder votes cast at a shareholders meeting.

Mellon s bylaws may be amended either through a resolution of the board of directors or upon the vote of a majority of the votes cast at a shareholder meeting. Mellon s bylaws, however, require the affirmative vote of either a majority of the board of directors followed by a majority of the votes cast by holders of common stock or, absent such action of a

majority of the board of directors, at least 75 percent of the outstanding shares of Mellon common stock in order to amend or repeal the provisions related to director elections, nominations, vacancies or removal, or to amend such voting requirements. At its annual meeting to be held on April 17, 2007, Mellon s shareholders will vote on a proposal to amend its bylaws to eliminate the 75 percent voting requirement.

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Newco

Under the DGCL, amendments to Newco s certificate of incorporation must be proposed by a resolution of the Board of Directors and adopted by the affirmative vote of a majority of all outstanding shares of common stock.

In general, Newco s bylaws may be amended either through a resolution of the Board of Directors or upon the vote of a majority of the votes cast at a stockholders meeting. For 36 months following the completion of the transaction, however, (1) an affirmative vote of at least 75 percent of the entire Board of Directors is required to amend, repeal or modify, or adopt a bylaw or other resolution inconsistent with, the provisions described above under The Transaction Senior Management and Board of Directors of Newco Following the Transaction on page 44, as well as provisions relating to annual meetings of stockholders, regular meetings of the Board of Directors and the appointment of committees of the Board of Directors and (2) an affirmative vote of at least 75 percent of the voting power represented by all outstanding shares of capital stock of Newco is required for the stockholders to amend, repeal, or modify, or adopt a bylaw or other resolution inconsistent with, the provisions described above under The Transaction Senior Management and Board of Directors of Newco Following the Transaction on page 44, as well as provisions relating to the appointment of committees of the Board of Directors and brand names for Newco s product lines. In addition, for five years following the completion of the transaction, the unanimous affirmative vote of the entire Board of Directors is required to amend, repeal or modify provisions of Newco s bylaws relating to changes in the name of Newco or of certain of Newco s product line brand names.

Anti-Takeover Provisions

Bank of New York

Under the NYBCL, Bank of New York is prohibited from engaging in any business combination with an interested shareholder or any entity if the transaction is caused by the interested shareholder within five years after the person or entity first becomes an interested shareholder, unless:

- the business combination transaction or the transaction that caused the person to become an interested shareholder was approved by the Bank of New York s board of directors prior to the transaction;
- after the person becomes an interested shareholder, the business combination is approved by the holders of a majority of the Bank of New York s outstanding voting stock, excluding shares held by the interested shareholder; or
- the aggregate consideration paid by the interested shareholder meets certain minimum per share requirements, is in cash or the same form that the interested shareholder has used to acquire the largest number of shares acquired in the past, and the interested shareholder does not become the beneficial owner of additional shares of common stock between the date on which the interested shareholder became an interested shareholder and the consummation of the business combination transaction.

The NYBCL defines the term business combination to include transactions such as mergers, sales and leases of assets, issuances of securities, reclassifications of securities and similar transactions. The NYBCL defines the term interested shareholder generally as any person or entity who, together with certain affiliates, beneficially owns 20 percent or more of the corporation s voting stock.

A corporation can expressly elect not to be governed by the NYBCL s business combination provisions in its certificate of incorporation or bylaws, but Bank of New York has not done so.

Mellon

Mellon is subject to certain provisions of the PBCL relating to business combinations and control transactions.

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Business Combinations: Mellon is prohibited from engaging in any business combination with an interested shareholder at any time, unless:

the business combination transaction or the transaction that caused the person to become an interested shareholder was approved by Mellon s board of directors prior to the time the person became an interested shareholder;

the business combination is approved by the holders of all of the outstanding common shares;

the business combination is approved by the holders of a majority of the outstanding voting stock, excluding shares held by the interested shareholder, at a shareholders meeting called for such purpose no earlier than five years after the interested shareholder s share acquisition date; or

all of the following conditions are met: (1) the aggregate consideration paid by the interested shareholder meets certain minimum per share requirements, is in cash or the same form as the interested shareholder has used to acquire the largest number of shares acquired in the past and is distributed promptly; (2) the interested shareholder has not become the beneficial owner of additional shares of common stock between the date the interested shareholder became an interested shareholder and the business combination; and (3) the business combination (A) is approved by the holders of a majority of the outstanding voting stock, excluding shares held by the interested shareholder, at a meeting called for this purpose no earlier than three months after the interested shareholder became (and if at the time of the meeting the interested shareholder remains) the beneficial owner of at least 80 percent of the outstanding voting stock, or (B) is approved by a majority of votes cast by shareholders at a meeting called for this purpose no earlier than five years after the interested shareholder became an interested shareholder.

A business combination would include transactions such as mergers, sales and leases of assets, issuances of securities, reclassifications of securities and similar transactions. An interested shareholder generally is any person who, together with certain affiliates, beneficially owns 20 percent or more of Mellon s voting stock.

Control Transactions: If any person or group acquires at least 20 percent of the voting stock of Mellon (with certain exceptions for continuous ownership, shares acquired through stock splits or stock dividends, underwriting shares, shares held solely of record on behalf of a beneficial owner, and shares acquired in transactions exempt from the registration requirements of the Securities Act), each other holder of the voting stock of Mellon is entitled to an appraisal procedure under which the controlling shareholder is required to pay each other holder the fair value of his shares. Fair value is determined taking into account all relevant factors, including an increment representing a proportion of any value payable for acquisition of control of the corporation. The minimum fair value is the highest price per share paid by the controlling person or group within the 90-day period ending on and including the date of the control transaction.

A corporation can expressly elect not to be governed by the PBCL s business combination and control transaction provisions by amending its articles of incorporation with board of directors and shareholder approval, but Mellon has not done so.

The PBCL also includes control share acquisition provisions, together with disgorgement and severance compensation provisions, which provide for the recovery by a corporation of profits from the sale of the corporation s shares and severance payment to terminated employees, in the event of certain control share acquisitions (acquisitions of a corporation s stock by an interested shareholder). Mellon has opted out of these provisions.

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Newco

Under the DGCL, Newco is prohibited from engaging in any business combination with an interested stockholder or any entity if the transaction is caused by the interested stockholder within three years after the person or entity first becomes an interested stockholder, unless:

- the transaction that caused the person to become an interested stockholder was approved by the Board of Directors of Newco prior to the transaction;
- after the completion of the transaction in which the person becomes an interested stockholder, the interested stockholder holds at least 85 percent of the outstanding voting stock of Newco not including (1) shares held by persons who are both officers and directors of Newco and (2) shares held by specified employee benefit plans;
- after the person becomes an interested stockholder, the business combination is approved by the Board of Directors and holders of at least 662/3 percent of the outstanding voting stock, excluding shares held by the interested stockholder; or
- the transaction is one of certain business combinations that are proposed after Newco had received other acquisition proposals and that are approved or not opposed by a majority of certain continuing members of the Board of Directors, as specified in the DGCL.

The DGCL defines the term business combination to include transactions such as mergers, sales and leases of assets, issuances of securities and similar transactions. The DGCL defines the term interested stockholder generally as any person or entity who, together with certain affiliates and associates, beneficially owns 15 percent or more of the corporation s outstanding voting stock.

A corporation can expressly elect not to be governed by the DGCL s business combination provisions in its certificate of incorporation or bylaws, but Newco has not done so.

Shareholder Nominations of Director Candidates

Bank of New York

Bank of New York s bylaws set forth the procedures by which a shareholder may properly bring nominations of members of the board of directors before a meeting of shareholders. The shareholder must give advance written notice to the secretary of Bank of New York not fewer than 90 days or more than 120 days before the anniversary date of the previous year s annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or after the anniversary date of the previous year s annual meeting, notice by the shareholder will be timely if it is received by the 15th day (or the 10th day in the case of a special meeting at which directors are to be elected) following the earlier of the day on which public disclosure of the annual meeting date was made or the day on which notice of the meeting was mailed to the shareholders. The notice must also provide certain information set forth in Bank of New York s bylaws. Pursuant to Rule 14a-8 under the Exchange Act, the board of directors is not required to nominate in the annual proxy statement any person so proposed. Compliance with this procedure would permit a shareholder to nominate the individual(s) at the shareholders meeting, and any shareholder may vote in person or by proxy for any individual that shareholder desires.

Mellon

Mellon s bylaws set forth the procedures by which a shareholder may properly bring nominations of members of the board of directors before a meeting of shareholders. The shareholder must give advance written notice to the secretary of Mellon not later than 90 days before the anniversary date of the previous year s annual meeting of shareholders. The notice must also provide certain information set forth in Mellon s bylaws. Pursuant to Rule 14a-8 under the Exchange Act, the board of directors is not required to nominate in the annual proxy statement any person so proposed. Compliance with this procedure would permit a shareholder to nominate the individual(s) at the shareholders meeting, and any shareholder may vote in person or by proxy for any individual that shareholder desires.

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Newco

Newco s bylaws will set forth the procedures by which a stockholder may properly bring nominations of members of the Board of Directors before a meeting of stockholders. The stockholder must give advance written notice to the secretary of Newco:

in the case of an annual meeting, not fewer than 90 days or more than 120 days before the anniversary date of the previous year s proxy statement; provided, however, that in the event that the date of the annual meeting is more than 30 days before or after the anniversary date of the previous year s annual meeting, notice by the stockholder will be timely if it is received (1) on or before the later of 120 calendar days before the date of the annual meeting at which the election is to take place or 30 calendar days following the first public announcement by Newco of the annual meeting date and (2) not later than 15 days prior to the scheduled mailing date of Newco s proxy materials for that annual meeting; or

in the case of a special meeting at which directors are to be elected, not later than the close of business on the tenth calendar day following the earlier of the day on which notice of the meeting date was mailed and the day on which public announcement of the meeting date was made.

The notice must also provide certain information set forth in Newco s bylaws. Pursuant to Rule 14a-8 under the Exchange Act, the Board of Directors is not required to nominate in the annual proxy statement any person so proposed. Compliance with this procedure would permit a stockholder to nominate the individual(s) at the stockholders meeting, and any stockholder may vote in person or by proxy for any individual that stockholder desires.

Shareholder Proposals

Bank of New York

Bank of New York s procedures for shareholder proposals are generally the same as its procedures for shareholder nominations. The advance notice of the shareholder s proposal must set forth the text of the proposal, a brief written statement of the reasons why the shareholder supports the proposal and certain information regarding the proposing shareholder, including the name and address of the shareholder, the class and number of shares of Bank of New York s capital stock beneficially owned by each such shareholder and details on any financial assistance, funding or other consideration, if any, received by the shareholder in connection with the proposal.

Mellon

Mellon s bylaws set forth the procedures by which a shareholder may make a proposal to be considered at an annual meeting of shareholders. The shareholder must give advance written notice of the proposal to the secretary of Mellon not less than 90 days before the anniversary date of the previous year s proxy statement in connection with Mellon s annual meeting or, if none, its annual meeting; provided, however, that in the event that the date of the annual meeting has been changed by more than 30 days from the date of the most recent previous annual meeting, notice by the shareholder will be timely if it is received (1) on or before the later of 120 days before the date of the meeting at which the nomination is to be presented or 30 days following the first public announcement by Mellon of the date of the meeting and (2) not later than 15 days prior to the scheduled mailing date of Mellon s proxy materials for such meeting. The advance notice of the shareholder s proposal must set forth the text of the proposal and certain information regarding the proposing shareholder, including the name and address of the shareholder, a representation that the shareholder owns shares of common stock entitled to vote at the meeting and intends to appear at the meeting in person or by proxy in order to make the proposal, the reasons for conducting such business at the meeting, the name

and address of any beneficial owner on whose behalf the proposal is made and any material interest in such business of such shareholder or any such beneficial owner.

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Newco

Newco s procedures for stockholder proposals are generally the same as its procedures for stockholder nominations in connection with an annual meeting. The advance notice of the stockholder s proposal must set forth a description of the business that the stockholder intends to bring before the meeting, including the text of the proposal, the reasons for conducting such business at the meeting and certain information regarding the proposing stockholder, including the name and address of the stockholder, the class and number of shares of Newco s capital stock beneficially owned by each such stockholder and any material interest of the stockholder in the business proposed at the meeting.

Notice of Shareholders Meetings

Bank of New York

Bank of New York s bylaws require written notice of shareholders meetings stating the place, day, hour and purpose of the meeting and, unless the notice is given with respect to the annual meeting, the person or persons calling the meeting. If action is proposed which would, if taken, entitle shareholders who comply with applicable legal requirements to receive payment for their shares, the notice must include a statement to that effect. The notice must be delivered to shareholders not fewer than ten nor more than 50 days before the date of the meeting.

Mellon

Mellon s bylaws and the PBCL require written notice of shareholders meetings stating the place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted. The notice must be given to shareholders at least ten days prior to the date of any meeting at which a fundamental change (as defined in the PBCL) is to be considered or five days prior to the date of any other meeting.

Newco

Newco s bylaws and the DGCL require written notice of meetings of stockholders stating the place, date, and hour and, in the case of a special meeting, the purpose of the meeting. The notice must be given to stockholders entitled to vote at that meeting not fewer than ten nor more than 60 days before the date of the meeting.

Limitations on Director Liability

Bank of New York

Under Section 719 of the NYBCL, directors who vote for or concur in certain corporate actions will be jointly and severally liable to Bank of New York for the benefit of its creditors or shareholders, to the extent of any injury suffered by such persons as a result of such actions. The actions that will trigger such joint and several liability are (1) the declaration of a dividend or distribution in a manner contrary to the requirements of the NYBCL, (2) the purchase of any shares of Bank of New York capital stock in a manner contrary to the requirements of the NYBCL, (3) the distribution of corporate assets to the shareholders after dissolution of the corporation without paying or adequately providing for all known liabilities, subject to the requirement that creditors give notice of such liabilities in accordance with statutory procedures, and (4) the making of any loan to a director in a manner contrary to the requirements of the NYBCL. A director who is present at a meeting at which any of the above actions is taken is presumed to have concurred in the action unless such director registers his dissent at the meeting or delivers written notice of his dissent to the secretary of Bank of New York at the meeting or promptly thereafter. A successful claim against a director under Section 719 of the NYBCL is entitled to be subrogated to the rights of Bank of New York

against any person who received improper payments and, in the case of improper purchase of shares of Bank of New York capital stock, to have the corporation rescind such purchase.

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A director will not be liable under Section 719 if such director has discharged his or her duties (1) in good faith, (2) with the care of an ordinarily prudent person in a like position under similar circumstances and (3) in a manner the director reasonably believes to be in the best interests of Bank of New York.

Mellon

Mellon s articles of incorporation and bylaws provide that, to the fullest extent permitted by the PBCL, a Mellon director will not be personally liable for monetary damages on account of any action taken, or failure to take action, as a director.

Section 1713 of the PBCL provides that a director will not be personally liable for monetary damages for action taken as a director unless the director has breached or failed to perform his or her duties under the PBCL and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The limitation on liability does not apply to criminal responsibility or the liability of any director for the payment of any taxes.

Newco

Newco s certificate of incorporation will provide that, to the fullest extent permitted by the DGCL, a Newco director will not be personally liable for money damages for breach of fiduciary duty as a director.

Section 102 of the DGCL provides that a corporation can limit the personal liability of a director for breach of fiduciary duty as a director, but may not limit or eliminate liability for (1) any breach of the director s duty of loyalty, (2) any act or omission not in good faith or which involves intentional misconduct or a knowing violation of law, (3) breaches under Section 174 of the DGCL or (4) any transaction from which the director derived an improper personal benefit.

Indemnification

Bank of New York

Bank of New York s bylaws provide that Bank of New York will indemnify its officers and directors, and any other person who served at the request of Bank of New York, to the fullest extent permitted by the NYBCL, provided that indemnification will not be made if a judgment or other final adjudication establishes that such person s acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained a financial profit or other advantage to which he or she was not legally entitled; and provided further that no such indemnification will be required with respect to any settlement or other nonadjudicated disposition of any threatened or pending action or proceeding unless Bank of New York has given its prior consent to such settlement or other disposition. Under the NYBCL, other than in actions brought by or on behalf of Bank of New York, such indemnification would apply in any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, where the indemnitee has served in any capacity at the request of Bank of New York, if the proposed indemnitee acted in good faith for a purpose that such person reasonably believed to be not opposed to the best interests of Bank of New York and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. In actions brought by or on behalf of Bank of New York that are settled or in which the proposed indemnitee is found liable to Bank of New York, indemnification is not permitted except in the case of a judicial finding that despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper.

Mellon

Mellon s articles of incorporation provide that, except as prohibited by law, every director and officer of Mellon shall be entitled as of right to be indemnified by the corporation against expenses and any liability paid or incurred by such person in connection with any actual or threatened claim, action, suit or proceeding, whether civil, criminal, administrative, investigative or other, and whether brought by or in the right of Mellon

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or otherwise, in which such person may be involved (subject to certain limitations in the case of actions by such person against the corporation) by reason of such person being or having been a director or officer of Mellon or having served at the request of Mellon as a director, officer, employee, fiduciary or other representative of another entity. The articles also give to indemnitees the right to have their expenses in defending such actions paid in advance by Mellon, subject to any obligation imposed by law or otherwise to reimburse Mellon in certain events. Mellon has entered into an indemnity agreement with each director and certain of its officers which provides a contractual right to indemnification against such expenses and liabilities (subject to certain limitations and exceptions) and a contractual right to advancement of expenses and contains additional provisions regarding determination of entitlement, defense of claims, rights of contribution and other matters.

Under the PBCL indemnification is not permitted in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Newco

Newco s certificate of incorporation will provide that Newco will indemnify its officers and directors, and any other person who served at the request of Newco, to the fullest extent permitted by law, against all expenses, judgments, fines and settlement amounts incurred. Newco will indemnify any of the above persons in connection with a proceeding commenced or brought by that person only if the commencement or bringing of the proceeding was authorized by the Board of Directors. Newco will, to the fullest extent permitted by the DGCL, pay the expenses (including attorneys fees) of any person described above in defending a proceeding (other than a proceeding commenced or brought by the person without the specific authorization of the Board of Directors), provided that, to the extent required by the DGCL, advancement of expenses will only be made if such person provides an undertaking to repay all amounts advanced if it is determined that he is not entitled to indemnification.

Under the DGCL, other than in actions brought by or on behalf of Newco, indemnification would apply in any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, where the indemnitee has served in any capacity at the request of Newco, if the proposed indemnitee acted in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of Newco and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful. In actions brought by or on behalf of Newco that are settled or in which the proposed indemnitee is found liable to Newco, indemnification is not permitted except in the case of a judicial finding that despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expenses as the court deems proper.

With respect to advancement of expenses, the DGCL provides that Newco may advance expenses upon the receipt of an undertaking as described above, on such terms and conditions as it deems appropriate.

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COMPARATIVE MARKET PRICES AND DIVIDENDS

Bank of New York common stock and Mellon common stock are listed on the New York Stock Exchange and trade under the symbols BK and MEL , respectively. The following table sets forth the high and low reported closing sales prices per share of Bank of New York and Mellon common stock on the New York Stock Exchange, and the quarterly cash dividends declared per share for the periods indicated.

Bank of New York shareholders and Mellon shareholders are advised to obtain current market quotations for Bank of New York and Mellon common stock. The market prices of Bank of New York and Mellon common stock will fluctuate between the date of this joint proxy statement/prospectus and the completion of the transaction. No assurances can be given concerning the market prices of Bank of New York or Mellon common stock before the effective date of the registration statement, or the market price of Newco common stock after the completion of the transaction.

	Bank of New York Common Stock			Mellon Common Stock		
	High	Low	Dividend	High	Low	Dividend
2004						
First Quarter	$ 34.71	$ 30.58	$ 0.19	$ 33.93	$ 30.35	$ 0.16
Second Quarter	33.01	28.69	0.20	32.61	27.67	0.18
Third Quarter	30.26	27.55	0.20	29.43	27.00	0.18
Fourth Quarter	33.92	29.65	0.20	31.34	26.54	0.18
2005						
First Quarter	$ 33.31	$ 28.74	$ 0.20	$ 30.74	$ 28.02	$ 0.18
Second Quarter	29.58	27.25	0.20	28.75	26.47	0.20
Third Quarter	31.25	28.69	0.21	33.14	28.68	0.20
Fourth Quarter	32.96	28.83	0.21	34.82	30.68	0.20
2006						
First Quarter	$ 36.04	$ 31.30	$ 0.21	$ 37.00	$ 34.37	$ 0.20
Second Quarter	36.83	31.16	0.21	38.79	33.95	0.22
Third Quarter	35.67	31.46	0.22	39.35	33.04	0.22
Fourth Quarter	39.93	33.58	0.22	42.78	37.89	0.22
2007						
First Quarter (through February 22, 2007)	$ 43.31	$ 39.41	$ 0.22	$ 46.14	$ 42.21	$ 0.22

Bank of New York and Mellon may repurchase shares of their common stock prior to the completion of the transaction in accordance with applicable law and the terms of the merger agreement.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION
BANK OF NEW YORK AND MELLON

The following Unaudited Pro Forma Combined Consolidated Balance Sheet combines the respective historical Consolidated Balance Sheets of Bank of New York and Mellon giving effect to the transaction as if it had been completed on December 31, 2006. The pro forma balance sheet assumes that the proposed transaction is accounted for as a purchase of Mellon by Bank of New York and, accordingly, includes adjustments to record assets and liabilities of Mellon at their estimated fair values, which are subject to further adjustment as additional information becomes available and additional analyses are performed. The related pro forma adjustments are described in the accompanying Notes to the Unaudited Pro Forma Combined Consolidated Financial Information.

The following Unaudited Pro Forma Combined Consolidated Statement of Income for the year ended December 31, 2006 combines the respective historical Consolidated Statements of Income of Bank of New York and Mellon giving effect to the proposed transaction as if it had become effective at January 1, 2006 as an acquisition by Bank of New York of Mellon using the purchase method of accounting and giving effect to the related pro forma adjustments described in the accompanying notes to the Unaudited Pro Forma Combined Consolidated Financial Information.

We anticipate that the proposed transaction will provide Newco with financial benefits that include reduced operating expenses. The pro forma information does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and transaction-related costs and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of Newco would have been had the proposed transaction been completed during these periods.

The unaudited pro forma combined consolidated financial information and notes included in this joint proxy statement/prospectus are presented for illustrative purposes only. They include various estimates, which are subject to material change, and may not necessarily be indicative of the financial position or results of operations that would have occurred if the proposed transaction had been consummated as of the applicable date or which may be attained in the future. This pro forma financial information and notes should be read in conjunction with, and are qualified in their entirety by, the historical financial statements, including the notes thereto, of Bank of New York and Mellon that are incorporated by reference into this joint proxy statement/prospectus. For more information, see the section entitled Where You Can Find More Information on page 128.

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BANK OF NEW YORK AND MELLON

UNAUDITED PRO FORMA COMBINED CONSOLIDATED BALANCE SHEET
December 31, 2006

(In millions)	The Bank of New York (Note 8)	Mellon (Note 10)	Pro Forma Adjustments (Note 5)	Pro Forma Combined
ASSETS				
Cash and due from banks	$ 2,840	$ 2,854	$ (5)(P)	$ 5,689
Interest-bearing deposits with banks	13,172	2,409		15,581
Federal funds sold and securities purchased under resale agreements	5,114	1,133		6,247
Securities:				
Available for sale	19,377	18,573	(11)(P)	37,939
Held-to-maturity	1,729	94	1 (B)	1,824
Total securities	21,106	18,667	(10)	39,763
Trading assets	5,544	1,116	(5)(P)	6,655
Loans	37,793	5,989	(207)(C)	43,575
Reserve for loan losses	(287)	(56)	13 (C)	(330)
Net loans	37,506	5,933	(194)	43,245
Premises and equipment	1,050	560	(2)(D)	1,608
Accrued interest receivable	422	98		520
Goodwill	5,172	2,464	(2,464)(A) 11,855 (E)	17,027
Intangible assets	1,453	383	(383)(A) 4,623 (E)	6,076
Other assets	9,973	4,927	663 (F) (6)(P) 114 (G)	15,671
Assets of discontinued operations	18	934		952
Total assets	$ 103,370	$ 41,478	$ 14,186	$ 159,034
LIABILITIES				
Noninterest-bearing deposits in domestic offices	$ 19,554	$ 8,288	$ (5)(P)	$ 27,837
Interest-bearing deposits in domestic offices	10,041	13,758	(2)(H)	23,797
Interest-bearing deposits in foreign offices	32,551	5,285		37,836
Total deposits	62,146	27,331	(7)	89,470
Federal funds purchased and securities sold under repurchase agreements	790	1,140		1,930
Trading liabilities	2,507	461	(5)(P)	2,963

Payables to customers and broker-dealers	7,266			7,266
Other funds borrowed	1,625	90		1,715
Accrued taxes and other expenses	5,129	1,937	1,759 (L)	8,825
Other liabilities	3,477	758	(92)(J) 9 (K) 285 (M) (6)(P)	4,431
Long-term debt	8,773	5,053	106 (I) (11)(P)	13,921
Liabilities of discontinued operations	64	32		96
Total liabilities	$ 91,777	$ 36,802	$ 2,038	$ 130,617
SHAREHOLDERS EQUITY (NOTE 4)				
Common stock	7,903	294	(8,186)	11
Additional capital	2,142	1,983	15,157	19,282
Retained earnings	9,444	7,369	(7,369)	9,444
Accumulated other comprehensive income, net of tax	(317)	(146)	146	(317)
Treasury stock	(7,576)	(4,824)	12,400	
Loan to ESOP	(3)			(3)
Total shareholders equity	11,593	4,676	12,148	28,417
Total liabilities and shareholders equity	$ 103,370	$ 41,478	$ 14,186	$ 159,034

See accompanying Notes to Unaudited Pro Forma Combined Consolidated Financial Information.

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BANK OF NEW YORK AND MELLON

UNAUDITED PRO FORMA COMBINED CONSOLIDATED INCOME STATEMENT
For the Year Ended December 31, 2006

(In millions)	The Bank of New York (Note 9)	Mellon (Note 11)	Pro Forma Adjustments (Note 5)	Pro Forma Combined
Interest Income				
Loans	$ 1,449	$ 382	$ 24 (C)	$ 1,855
Margin loans	330	15		345
Securities				
Taxable	1,101	862		1,963
Exempt from federal income taxes	29	35		64
Total securities income	1,130	897		2,027
Deposits in banks	538	105		643
Federal funds sold and securities purchased under resale agreements	130	40		170
Trading assets	163	9		172
Total interest income	3,740	1,448	24	5,212
Interest Expense				
Deposits	1,434	641	2 (H)	2,077
Federal funds purchased and securities sold under repurchase agreements	104	79		183
Other borrowed funds	100	17		117
Customer payables	167			167
Long-term debt	436	297	(21)(I)	712
Funding of discontinued operations		(49)		(49)
Total interest expense	2,241	985	(19)	3,207
Net interest income	1,499	463	43	2,005
Provision for credit losses	(20)	2		(18)
Net interest income after provision for credit losses	1,519	461	43	2,023
Noninterest Income				
Securities servicing fees				
Asset servicing	1,401	945	(17)(T)	2,329
Issuer services	895	196		1,091
Clearing services	1,244	9	(33)(T)	1,220

Total securities servicing fees	3,540	1,150	(50)	4,640
Global payment services	209	271		480
Asset and wealth management fees	545	2,065		2,610
Performance fees	35	358		393
Distribution and servicing	6	415		421
Financing-related fees	250	45		295
Foreign exchange and other trading activities	425	275		700
Securities gains	2	3		5
Asset/investment income	150	84		234
Other	177	186		363
Total noninterest income	5,339	4,852	(50)	10,141
Noninterest Expense				
Staff	2,640	2,147	(60)(O) (56) (K)	4,671
Net occupancy	279	236	13 (G)	528
Furniture and equipment	190	106		296
Clearing	199			