

STATE STREET GLOBAL ADVISORS PRESS RELEASE

MAY 12, 2005

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STATE STREET GLOBAL ADVISORS SELECTED TO MANAGE PAN ASIA BOND INDEX FUND, A KEY COMPONENT OF ASIA BOND FUND 2

HONG KONG and SINGAPORE — May 12, 2005 — State Street Global Advisors (SSgA), the investment management arm of State Street Corporation (NYSE: STT) and the largest institutional fund manager in the world, today announced it has been selected to manage the ABF Pan Asia Bond Index Fund (PAIF). PAIF is a key component of the Asian Bond Fund 2 (ABF2), an initiative developed by the Executives' Meeting of East-Asia and Pacific Central Banks (EMEAP), a group of 11 Asian central banks and monetary authorities.

With a significant presence in the Asia-Pacific region and extensive experience as a fixed-income manager with more than US\$550 billion under management in global fixed income products,* SSgA will run PAIF as a listed open-ended index fund investing in domestic currency sovereign and quasi-sovereign bonds from eight EMEAP economies – China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand. iBoxx ABF Pan Asia Index—a new index launched concurrently by International Index Company—will be the benchmark for the PAIF.

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“Modeled on cost-effective and efficient exchange-traded funds, PAIF brings the opportunity to enhance development of the bond and capital markets in the Asia-Pacific region--one of the most dynamic and exciting areas of today’s global financial landscape,” said Vincent Duhamel, chief executive of SSgA Asia. “As an active participant in these markets for more than 20 years, State Street is honored to be selected to manage this fund which, with its modest cost and planned accessibility to a larger group of investors, can help to broaden and deepen the region’s investor base.”

During the initial phase, EMEAP central banks provided funding of US\$1 billion. In its next phase, the fund is expected to be authorized in Hong Kong and Singapore, and open to other public and private sector investors. Subject to approval from relevant authorities, PAIF is intended to be domiciled in Singapore and initially listed in Hong Kong, with additional listings on other EMEAP stock exchanges to be considered at a later stage.

State Street has a long history of commitment to Asia-Pacific. The firm opened its first Asian office in Hong Kong in 1982 and today has a significant presence in Tokyo, Sydney and Singapore. A global leader in index products, State Street helped to bring five exchange-traded funds (ETFs) to market in Asia: the Hong Kong Tracker Fund, which launched in 1999 and is now among the 15 largest ETFs in the world; Singapore’s streetTRACKS STI Fund in 2002; Korea’s KOSEF (KOSPI 200 ETF) in 2002; the Taiwan Top 50 Tracker Fund in 2003; and, most recently, collaborated with China Asset Management and the Shanghai Stock Exchange on the development of the China 50 ETF—China’s first domestic ETF.

(including cash, as of March 31, 2005)

About State Street Global Advisors

State Street Global Advisors, the investment management group of State Street Corporation, delivers investment strategies and integrated solutions to clients worldwide across every asset class, investment approach and style. With US\$1.4 trillion in investment programs and portfolios (as of March 31, 2005), State Street Global Advisors has investment centers in Boston, Hong Kong, London, Milan, Montreal, Munich, Paris, Singapore, Sydney, Tokyo, and Zurich, and offices in 28 cities worldwide. For more information, visit State Street Global Advisors at www.ssga.com.

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This news announcement contains forward-looking statements as defined by United States securities laws, including statements about the financial outlook and business environment. Those statements are based on current expectations and involve a number of risks and uncertainties, including those related to the pace at which State Street adds new clients or at which existing clients use additional services, the value of global and regional financial markets, the pace of cross-border investment activity, changes in interest rates, the pace of worldwide economic growth and rates of inflation, the extent of volatility in currency markets, consolidations among clients and competitors, State Street's business mix, the dynamics of markets State Street serves, and State Street's success at integrating and converting acquisitions into its business. Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in State Street's 2004 annual report and subsequent SEC filings. State Street encourages investors to read the corporation's annual report, particularly the section on factors that may affect financial results, and its subsequent SEC filings for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this press release speak only as of the date hereof, May 12, 2005, and the company will not undertake efforts to revise those forward-looking statements to reflect events after this date.