

STATE STREET'S FXCONNECT® TOPS \$30 BILLION IN DAILY TRADING VOLUME

Boston - December 21, 2004 — State Street Global Markets, the investment research and trading arm of State Street Corporation (NYSE:STT), announced today that its FXConnect multi-bank electronic foreign exchange trading system has surpassed \$30 billion in daily trading volume for the first time. FXConnect is available via State Street's Global Link network.

"While FX trading volume is subject to marked variability depending on worldwide currency market conditions and volatility, surpassing this important volume mark is a dramatic expression of our leadership position in the online foreign exchange trading market," said Simon Wilson-Taylor, managing director and worldwide head of Global Link at State Street Corporation. FXConnect also surpassed 9,400 trades per day within the month of November, with a monthly total of nearly 160,000 online foreign exchange transactions executed.* Only 6% of these transactions were swaps.

"These volumes demonstrate Global Link's leading position in the online institutional investor FX market," continued Wilson-Taylor, "Our clients worldwide are trading with more than 46 banks in 142 dealing room locations around the globe. FXConnect's banks supply 95 percent of the world's total foreign exchange requirements to institutional investors. Moreover, GTSS, our post-trade forex confirmation matching and settlement product, has also now reached a new record volume of nearly 20,000 matches per week, clearly establishing GTSS as the industry's settlements center of choice."

FXConnect was the first online FX platform when it was launched in 1996. Despite the emergence in recent years of several competing systems, FXConnect remains the market leader, demonstrating State Street's continuing commitment to enhance the platform to meet the growing needs of global institutional investors. State Street's fact-based research and multi-asset class trading platforms are unique among online trading services.

FXConnect is offered via State Street's proprietary Global Link network, delivering unique fact-based research, decision support tools and trading technology for five asset classes by clients around the world. Global Link is currently used by asset management companies who manage 75% of the world's professionally managed assets, including 19 of the world's 20 largest. It offers world market research and analytics for equities, fixed income and foreign exchange and secure, real-time trade execution services across multiple asset classes. More information about Global Link can be found at www.globallink.com.

Notes to editors:

About State Street Global Markets:

State Street Global Markets provides specialized investment research and trading services. Its goal is to enhance and preserve portfolio values for asset managers and asset owners. From its unique position at the crossroads of the global markets, it creates and unlocks value for its clients with original flow-based research, innovative portfolio strategies, trade process optimization, and global connectivity across multiple asset classes and markets.

About State Street Corporation:

State Street Corporation (NYSE: STT) is the world's leading specialist in providing institutional investors with investment servicing, investment management and investment research and trading. With \$9.0 trillion in assets under custody and \$1.2 trillion in assets under management (as of September 30, 2004), State Street operates in 24 countries and more than 100 markets worldwide. For more information, visit State Street's web site at www.statestreet.com.

*Foreign exchange trading volume is variable from period to period, with often wide swings depending on several factors, and foreign exchange trading volume is not necessarily indicative of derived revenue.

Forward Looking Statements:

This news announcement may contain forward-looking statements as defined by United States securities laws, including statements about business environment and financial outlook. Those statements are based on current expectations and involve a number of risks and uncertainties, including those relating the pace of cross-border investment activity, economic and political uncertainties, the extent of volatility in currency markets, the pace at which State Street clients use services, competitors' activities, and the dynamics of the markets State Street serves. Other important factors that could cause actual results to differ materially from those which may be indicated by any forward-looking statements are set forth in State Street's 2003 annual report on Form 10-K and subsequent SEC filings. State Street encourages investors to read the Corporation's 2003 Form 10-K, particularly the 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 news release speak only as of the date hereof, December 21 2004, and the Corporation will not undertake efforts to revise those forward-looking statements to reflect events after this date.