



PRESS RELEASE

Date: August 15, 2002

MELLON AND SHINSEI JOIN FORCES TO OFFER INVESTMENT MANAGEMENT SERVICES TO THE JAPANESE PENSIONS MARKET

Mellon Financial Corporation and Shinsei Bank, Limited, have agreed to the formation of a new joint venture investment advisory and trust company to provide investment management services to the Japanese pensions market, subject to regulatory approval. The joint venture will be headquartered in Tokyo and launched in late 2002.

Shinsei and Mellon will each own 50 percent of the new company, which will offer investment management services to Japanese public and corporate pension funds. These services will be supplied from Mellon's 16 investment management subsidiaries and affiliates. Mellon is the sixth largest asset manager in the US and ranks fourteenth worldwide.

The joint venture will focus on offering global and international asset management for Japanese pension funds. The strengths of the joint venture will derive from each partners' unique intellectual assets.

Shinsei's deep relationships with Japanese corporate and public sector institutions will enable the venture to position itself well in this market. Mellon's wide range of investment management skills across global asset classes, including alternative investment management strategies, will enable the joint venture to add significant value to these institutions.

The joint venture complements the activities of Mellon's existing asset management distribution subsidiary, Mellon Global Investments Japan Co. Ltd, which will continue to offer Mellon asset management services to the Japanese retail and institutional non-pension markets.

Total assets invested in Japanese pension funds is approximately ¥270,000 billion. According to Cerrulli Associates, investment advisory companies currently have only 13.5 per cent of the market amounting to approximately ¥35,000 billion. The market is expected to grow around 12 per cent per annum to 2005.

Commenting on the agreement, Masamoto Yashiro, Chairman and President of Shinsei Bank said:

"We are extremely pleased that two such respected companies have joined forces to provide a local service to the Japanese pensions market. We believe the shared skills and experiences of Mellon and Shinsei will prove to be key in the decision making process of our prospective Japanese clients"

Martin G. McGuinn, Chairman and Chief Executive of Mellon Financial Corporation said:

"Japanese pension plans are increasingly interested in high quality global investment skills. With Mellon they will find a broad array of best in class investment managers covering the full range of investment styles. The experience and success that Mellon has had in the U.S. and U.K. pension markets will be translated with our partner into a dynamic business that will provide a high quality service to the Japanese market."



Ronald P. O'Hanley, Vice Chairman of Mellon Financial Corporation and President of Mellon Institutional Asset Management, said:

“We are pleased to be joining forces and furthering our relationship with Shinsei. Japan is an important market for Mellon and by leveraging our partnership with Shinsei we will be even more effective, combining Mellon’s asset management expertise with Shinsei Bank’s solid corporate relationships and advanced approach to this market.”

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Notes to editors

Mellon Financial Corporation

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 affluent individuals, providing institutional asset management, mutual funds, private wealth management, asset servicing, human resources services and treasury services. Mellon has approximately \$2.8 trillion in assets under management, administration or custody, including \$588 billion under management. Its asset management companies include The Dreyfus Corporation and U.K.-based Newton Investment Management Limited. News and other information about Mellon is available at www.mellon.com.

Mellon Financial Corporation is part of a consortium of global financial institutions that owns Shinsei Bank. Martin G. McGuinn is a member of the Board of Shinsei Bank, Limited.

Shinsei Bank Limited

Shinsei Bank, Limited is a leading innovator in Japan’s financial services industry. Shinsei Bank is the first Japanese bank operating under international ownership. Leveraging long-term customer relationships and knowledge, Shinsei Bank aims to create new benchmarks for investment and retail banking in Japan. The Bank provides a wide range of services, from state-of-the-art consumer banking products and technology, to cutting-edge advisory services including asset management, securitization, non-recourse loans, syndicated loans, corporate advisory and enhanced financial market activities. News and other information about Shinsei is available at www.shinseibank.co.jp.