

# News Release

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**STATE STREET REPORTS FOURTH-QUARTER 2016 GAAP-BASIS EPS OF \$1.43 AND ROE OF 12.1%, ON REVENUE OF \$2.5 BILLION; FULL-YEAR 2016 GAAP-BASIS EPS OF \$4.97 AND ROE OF 10.5%, ON REVENUE OF \$10.2 BILLION**

**On an operating-basis, fourth-quarter 2016 EPS was \$1.48 and ROE of 12.5%, on revenue of \$2.7 billion; Full-year 2016 operating-basis EPS was \$5.27 and ROE of 11.1%, on revenue of \$10.8 billion**

**Two notable items during the fourth quarter of 2016 which affected both GAAP and operating-basis results, with a net benefit of \$0.13 per share, were an acceleration of deferred compensation expense of \$0.41 per share and an aggregate reduction of accrued tax expense of \$0.54 per share, attributable to indefinitely invested foreign earnings and benefits attributable to incremental foreign tax credits and a foreign affiliate tax loss**

Boston, MA ...January 25, 2017

In announcing today's financial results, Joseph L. Hooley, State Street's Chairman and Chief Executive Officer, said, "Our fourth-quarter and full-year 2016 results reflect the strength of our business and our commitment to advancing key strategic priorities that support State Street's growth. Highlights for full-year 2016 include:

- New asset servicing commitments of \$1.4 trillion, including \$180 billion in the fourth quarter, reflecting strong growth with significant participation from Europe;
- Strong expense management and continued focus on positive fee operating leverage;
- Advancement of our strategic priority to become a digital leader in financial services through our State Street Beacon initiative, delivering tangible benefits to clients and more than doubling the expected annual pre-tax savings in 2016 to \$175 million;
- Significant progress across all of our other strategic priorities - driving growth from our core franchise; continuing to invest in new products and solutions; and leveraging our strong capital position to return capital to shareholders.

Hooley concluded, "We are focused on our 2017 strategic priorities, which include: advancing our digital leadership through State Street Beacon; driving growth from core franchises; continuous investment in new products and solutions; and achieving our financial goals, including

generating positive fee operating leverage and continuing to return capital to shareholders. We look forward to updating you on our progress throughout the year."

#### **Fourth-Quarter 2016 and Full-Year 2016 Highlights:**

- **New business:** New asset servicing mandates during the fourth-quarter of 2016 and full-year 2016 totaled approximately \$180 billion and \$1.4 trillion, respectively. In our asset management business, we experienced fourth quarter net inflows of \$16 billion and net outflows of \$42 billion during full-year 2016. Notably, ETFs experienced \$36 billion and \$52 billion of net inflows during the fourth-quarter and full-year 2016, respectively.
- **Currency impact:** Compared to third-quarter 2016 and fourth-quarter of 2015, the strengthening of the U.S. dollar reduced our fee revenue outside of the U.S. in the fourth-quarter of 2016 by approximately \$21 million and \$27 million, respectively. Compared to full-year 2015, the strengthening U.S. dollar reduced our fee revenue outside the U.S. for full-year 2016 by approximately \$67 million. A corresponding benefit to expenses in 2016 largely offset the currency impact on our fee revenues in each of the comparisons.
- **Capital<sup>(a)</sup>:** Our common equity tier 1 ratios as of December 31, 2016 were 11.7% and 11.6%, calculated under the advanced approaches and standardized approach, respectively, in conformity with the Basel III final rule. On a fully phased-in basis, our estimated pro forma Basel III common equity tier 1 ratios as of December 31, 2016 were 10.9% and 10.9%, calculated under both the advanced approaches and standardized approach, respectively, in conformity with the Basel III final rule.
- **Return of capital to shareholders:** We purchased approximately \$325 million of our common stock at an average price of \$76.70 per share in the fourth-quarter of 2016. In addition, we declared a quarterly common stock dividend of \$0.38 per share in the fourth-quarter of 2016.

<sup>(a)</sup> Estimated pro forma fully phased-in Basel III common equity tier 1 ratios calculated under the Basel III advanced approaches and standardized approach (in each case, fully phased in as of January 1, 2019, as per Basel III phase-in requirements for capital) are preliminary estimates. Refer to the "Capital" section of this news release for important information about the Basel III final rule, our calculations of our common equity tier 1 ratios thereunder, factors that could influence State Street's calculations of its common equity tier 1 ratios and other information about our capital ratios. Unless otherwise specified, all capital ratios referenced in this news release refer to State Street Corporation and not State Street Bank and Trust Company. Refer to the addendum included with this news release for a further description of these ratios.

Fourth-quarter of 2016 GAAP-basis and operating-basis results included the following notable items:

- A \$145 million (\$0.37 per share) tax benefit from the designation of certain of our foreign earnings as indefinitely invested overseas, based on a review of our need for capital, liquidity and future investment.
- Income taxes were also impacted by a \$66 million (\$0.17 per share) tax benefit attributable to incremental foreign tax credits and a foreign affiliate tax loss.
- A pre-tax charge of \$249 million (\$161 million after-tax, or \$0.41 per share) associated with an amendment of the terms of outstanding deferred cash-settled incentive compensation awards for employees below executive vice president to remove continued service requirements, thereby accelerating the future expense that would have been recognized over the remaining term of the awards (1-4 years, depending on the award) had the continued service requirement not been removed. The deferred portion of many of our

bonus-eligible employees' total compensation had become disproportionate relative to our peer organizations hindering our efforts to attract and retain talent. The expense that would otherwise have been associated with the amended awards will no longer be reflected in future periods. We expect that the acceleration of the expense will financially allow us to increase the immediate cash component of our mix of incentive compensation in future periods relative to what we have had in recent years and that the impact of increased immediate cash awards in 2017 will offset the going-forward effects of the 2016 expense acceleration in 2017. The expense impact of future immediate and deferred incentive compensation awards will depend upon corporate performance and market, regulatory, and other factors and conditions, including the form of those awards.

- Fourth-quarter results included estimated revenue of \$64 million and estimated expenses of \$58 million associated with the GE Asset Management (GEAM) business acquired on July 1, 2016. In addition to the estimated \$58 million of fourth-quarter expenses, fourth-quarter results included \$25 million of non-recurring acquisition costs related to the acquired GEAM business.

#### Fourth-Quarter 2016 GAAP-Basis Results:

*(Table presents summary results, dollars in millions, except per share amounts, or where otherwise noted)*

	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Total fee revenue	\$ 2,014	\$ 2,079	(3.1)%	\$ 2,044	(1.5)%
Net interest revenue	514	537	(4.3)	494	4.0
Total revenue	2,530	2,620	(3.4)	2,538	(0.3)
Provision for loan losses	2	—	nm	1	nm
Total expenses	2,183	1,984	10.0	1,857	17.6
Net income available to common shareholders	557	507	9.9	547	1.8
<b>Earnings per common share:</b>					
Diluted	1.43	1.29	10.9	1.34	6.7
<b>Financial ratios:</b>					
Return on average common equity	12.1%	10.6%	150 bps	11.6%	50 bps
Total assets as of period-end	\$ 242,698	\$ 256,140	(5.2)%	\$ 245,155	(1.0)%
Quarterly average total assets	232,999	233,017	—	228,163	2.1

<sup>nm</sup> Not meaningful

## Full-Year 2016 GAAP-Basis Results:

(Table presents summary results, dollars in millions, except per share amounts, or where otherwise noted)

	2016	2015	Increase (Decrease)
Total fee revenue	\$ 8,116	\$ 8,278	(2.0)%
Net interest revenue	2,084	2,088	(0.2)
Total revenue	10,207	10,360	(1.5)
Provision for loan losses	10	12	nm
Total expenses	8,077	8,050	0.3
Net income available to common shareholders	1,968	1,848	6.5
<b>Earnings per common share<sup>(1)</sup>:</b>			
Diluted	4.97	4.47	11.2
<b>Financial ratios:</b>			
Return on average common equity	10.5%	9.8%	70 bps
Total assets as of year-end	\$ 242,698	\$ 245,155	(1.0)%
Average total assets	229,727	250,432	(8.3)

<sup>(1)</sup> The 2016 and 2015 results included net after-tax charges of \$83 million and \$4 million, respectively, or \$0.21 and \$0.01 per share, respectively, primarily related to State Street Beacon.

<sup>nm</sup> Not meaningful

## Operating-Basis (Non-GAAP) Financial Measures:

In addition to presenting State Street's financial results in conformity with U.S. generally accepted accounting principles, or GAAP, management also presents results on a non-GAAP, or operating-basis, as it believes this presentation supports meaningful analysis and comparisons of trends with respect to State Street's normal ongoing business operations from period to period, as well as additional information (such as capital ratios calculated under regulatory standards scheduled to be effective in the future) that management uses in evaluating State Street's business and activities. Non-GAAP information is not a substitute for, and is not superior to, information presented on a GAAP-basis. Summary results presented on a GAAP-basis, descriptions of our non-GAAP, or operating-basis, financial measures, and reconciliations of operating-basis information to GAAP-basis information are provided in the addendum included with this news release.

## Fourth-Quarter 2016 Operating-Basis (Non-GAAP) Results:

(Table presents summary results, dollars in millions, except per share amounts, or where otherwise noted)

	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Total fee revenue	\$ 2,200	\$ 2,213	(0.6)%	\$ 2,075	6.0 %
Net interest revenue	547	537	1.9	513	6.6
Total revenue	2,749	2,754	(0.2)	2,588	6.2
Provision for loan losses	2	—	nm	1	nm
Total expenses	2,143	1,909	12.3	1,820	17.7
Net income available to common shareholders	577	532	8.5	494	16.8
Total assets as of period-end	242,698	256,140	(5.2)	245,155	(1.0)
Quarterly average total assets	232,999	233,017	—	228,163	2.1
Diluted Earnings per Share	1.48	1.35	9.6	1.21	22.3
Return on average common equity	12.5%	11.1%	140 bps	10.5%	200 bps
Net unrealized (losses) gains on investment securities, after-tax, as of period-end <sup>(1)</sup>	\$ (170)	\$ 703	(124.2)%	\$ 58	(393.1)%

<sup>nm</sup> Not meaningful

<sup>(1)</sup> Includes net unrealized (losses) gains on investment securities, after tax, for securities classified as available for sale (included in accumulated other comprehensive income) of \$(35) million, and held-to-maturity, representing the unrecognized difference between amortized cost and fair value, of \$(135) million as of December 31, 2016.

The growth rate of operating-basis total expenses exceeded the growth rate of operating-basis fee revenue during the fourth-quarter of 2016 relative to the fourth-quarter of 2015, representing negative fee operating leverage of 1,173 basis points. The growth rate of operating-basis total expenses exceeded the growth rate of operating-basis fee revenue by 280 basis points during full-year 2016 relative to full-year 2015.

Excluding the expense associated with the acceleration of deferred cash awards and the impact of the acquired GEAM business<sup>1</sup>, the growth rate of operating-basis fee revenue exceeded the growth rate of operating-basis expenses during the fourth-quarter of 2016 relative to the fourth-quarter of 2015, representing positive fee operating leverage of 206 basis points. Excluding the items noted above<sup>1</sup>, the growth rate of operating-basis total fee revenue exceeded the growth rate of operating-basis total expenses by 51 basis points during full-year 2016 relative to full-year 2015.

State Street Beacon, our multi-year transformation program, delivered \$175 million in estimated annual pre-tax savings in 2016.

<sup>1</sup> Please refer to the addendum for a reconciliation of operating leverage on a stated basis to operating leverage excluding the impact of the acceleration of deferred cash awards and the acquired GEAM business.

## Full-Year 2016 Operating-Basis (Non-GAAP) Results:

(Table presents summary results, dollars in millions, except per share amounts, or where otherwise noted)

	2016	2015	Increase (Decrease)
Total fee revenue	\$ 8,576	\$ 8,472	1.2 %
Net interest revenue	2,169	2,163	0.3
Total revenue	10,752	10,629	1.2
Provision for loan losses	10	12	nm
Total expenses	7,823	7,520	4.0
Net income available to common shareholders	2,087	2,022	3.2
Total assets as of year-end	242,698	245,155	(1.0)
Average total assets	229,727	250,432	(8.3)
Diluted Earnings per Share	5.27	4.89	7.8
Return on average common equity	11.1%	10.7%	40 bps
Net unrealized (losses) gains on investment securities, after-tax, as of period-end <sup>(1)</sup>	\$ (170)	\$ 58	(393.1)%

<sup>nm</sup> Not meaningful

<sup>(1)</sup> Includes net unrealized (losses) gains on investment securities, after tax, for securities classified as available for sale (included in accumulated other comprehensive income) of \$(35) million, and held-to-maturity, representing the unrecognized difference between amortized cost and fair value, of \$(135) million as of December 31, 2016.

The following tables reconcile select fourth-quarter 2016 and full-year 2016 operating-basis financial information to financial information prepared and reported in conformity with GAAP for the same period. The addendum included with this news release includes additional reconciliations.

#### Fourth-Quarter 2016 Selected Operating-Basis (Non-GAAP) Reconciliations:

<i>(In millions, except per share amounts)</i>	Income Before Income Tax Expense	Net Income Available to Common Shareholders	Earnings Per Common Share
GAAP-basis	\$ 345	\$ 557	\$ 1.43
<i>Tax-equivalent adjustments</i>			
Tax-advantaged investments (processing fees and other revenue)	186		
Tax-exempt investment securities (net interest revenue)	43		
Total	229		
<i>Non-operating adjustments</i>			
Discount accretion associated with former conduit securities (net interest revenue)	(10)	(6)	(.01)
Severance costs associated with staffing realignment (compensation and employee benefits expenses)	(2)	(1)	—
Provision for legal contingencies	(1)	9	.02
Acquisition & restructuring costs (expenses) <sup>(1)</sup>	43	23	.05
Effect on income tax of non-operating adjustments	—	(5)	(.01)
Total	30	20	.05
Operating-basis	\$ 604	\$ 577	\$ 1.48

<sup>(1)</sup> Includes a pre-tax charge of \$21 million (\$8 million after tax or \$0.02 per share) primarily related to State Street Beacon.

#### Full-Year 2016 Selected Operating-Basis (Non-GAAP) Reconciliations:

<i>(In millions, except per share amounts)</i>	Income Before Income Tax Expense	Net Income Available to Common Shareholders	Earnings Per Common Share
GAAP-basis	\$ 2,120	\$ 1,968	\$ 4.97
<i>Tax-equivalent adjustments</i>			
Tax-advantaged investments (processing fees and other revenue)	470		
Tax-exempt investment securities (net interest revenue)	167		
Total	637		
<i>Non-operating adjustments</i>			
Discount accretion associated with former conduit securities (net interest revenue)	(82)	(50)	(.13)
Severance costs associated with staffing realignment (compensation and employee benefits expenses)	(11)	(6)	(.02)
Provision for legal contingencies	41	51	.13
Acquisition & restructuring costs (expenses) <sup>(1)</sup>	209	126	.32
Gain on sale of WM/Reuters	(53)	(40)	(.10)
Expense billing matter <sup>(2)</sup>	58	38	.10
Total	162	119	.30
Operating-basis	\$ 2,919	\$ 2,087	\$ 5.27

<sup>(1)</sup> Includes a pre-tax charge of \$140 million (\$83 million after tax or \$0.21 per share) primarily related to State Street Beacon.

<sup>(2)</sup> Expense billing matter, net, includes a charge of \$48 million to servicing fee revenue, a credit of \$5 million to management fee revenue and \$15 million of other expenses. Refer to reconciliations of GAAP to operating-basis expenses on the following pages.

## Selected Financial Information and Ratios

The tables below provide a summary of selected financial information and key ratios for the indicated periods. Amounts are presented in millions of dollars, except for per-share amounts or where otherwise noted

### Assets Under Custody and Administration

The following table presents assets under custody and administration, assets under management, market indices and average foreign exchange rates for the periods indicated.

#### Assets Under Custody and Administration and Assets Under Management

<i>(Dollars in billions, except market indices)</i>	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Assets under custody and administration <sup>(1)(2)</sup>	\$ 28,771	\$ 29,178	(1.4)%	\$ 27,508	4.6%
Assets under management <sup>(2)(3)</sup>	2,468	2,446	0.9	2,245	9.9
<b>Market Indices<sup>(4)</sup>:</b>					
S&P 500 <sup>®</sup> daily average	2,185	2,162	1.1	2,052	6.5
MSCI EAFE <sup>®</sup> daily average	1,660	1,678	(1.1)	1,732	(4.2)
MSCI <sup>®</sup> Emerging Markets daily average	877	887	(1.1)	828	5.9
S&P 500 <sup>®</sup> average of month-end	2,188	2,171	0.8	2,068	5.8
MSCI EAFE <sup>®</sup> average of month-end	1,660	1,692	(1.9)	1,743	(4.8)
MSCI <sup>®</sup> Emerging Markets average of month-end	877	890	(1.5)	819	7.1
Barclays Capital U.S. Aggregate Bond Index <sup>®</sup> period-end	1,976	2,037	(3.0)	1,925	2.6
Barclays Capital Global Aggregate Bond Index <sup>®</sup> period-end	451	486	(7.2)	442	2.0
Average Foreign Exchange Rate (Euro vs. USD)	1.078	1.116	(3.4)	1.095	(1.6)
Average Foreign Exchange Rate (GBP vs. USD)	1.242	1.312	(5.3)	1.517	(18.1)

<sup>(1)</sup> Includes assets under custody of \$21,725 billion, \$21,910 billion and \$21,258 billion, as of December 31, 2016, September 30, 2016 and December 31, 2015, respectively.

<sup>(2)</sup> As of period-end.

<sup>(3)</sup> Includes assets under management as part of the GEAM business acquired on July 1, 2016.

<sup>(4)</sup> The index names listed in the table are service marks of their respective owners.

### Assets Under Management

The following table presents fourth-quarter 2016 activity in assets under management, by product category.

<i>(Dollars in billions)</i>	Equity	Fixed- Income	Cash <sup>(3)</sup>	Multi-Asset- Class Solutions	Alternative Investments <sup>(4)</sup>	Total
Balance as of September 30, 2016	\$ 1,410	\$ 391	\$ 351	\$ 125	\$ 169	\$ 2,446
Long-term institutional inflows <sup>(1)</sup>	83	29	—	14	4	130
Long-term institutional outflows <sup>(1)</sup>	(95)	(25)	—	(9)	(6)	(135)
Long-term institutional flows, net	(12)	4	—	5	(2)	(5)
ETF flows, net	41	1	—	—	(6)	36
Cash fund flows, net	—	—	(15)	—	—	(15)
Total flows, net	29	5	(15)	5	(8)	16
Market appreciation	56	(9)	(1)	(1)	(1)	44
Foreign exchange impact	(21)	(9)	(2)	(3)	(3)	(38)
Total market/foreign exchange impact	35	(18)	(3)	(4)	(4)	6
Balance as of December 31, 2016	\$ 1,474	\$ 378	\$ 333	\$ 126	\$ 157	\$ 2,468

The following table presents year-to-date activity for the period ending December 31, 2016 of assets under management, by product category.

<i>(Dollars in billions)</i>	Equity	Fixed-Income	Cash <sup>(3)</sup>	Multi-Asset-Class Solutions	Alternative Investments <sup>(4)</sup>	Total
Balance as of December 31, 2015	\$ 1,326	\$ 312	\$ 368	\$ 103	\$ 136	\$ 2,245
Long-term institutional inflows <sup>(1)</sup>	244	90	—	48	13	395
Long-term institutional outflows <sup>(1)</sup>	(301)	(96)	—	(34)	(21)	(452)
Long-term institutional flows, net	(57)	(6)	—	14	(8)	(57)
ETF flows, net	37	9	—	—	6	52
Cash fund flows, net	—	—	(37)	—	—	(37)
Total flows, net	(20)	3	(37)	14	(2)	(42)
Market appreciation	140	10	—	9	14	173
Foreign exchange impact	(10)	(3)	(2)	(3)	(2)	(20)
Total market/foreign exchange impact	130	7	(2)	6	12	153
Acquisitions and transfers <sup>(2)</sup>	38	56	4	3	11	112
Balance as of December 31, 2016	\$ 1,474	\$ 378	\$ 333	\$ 126	\$ 157	\$ 2,468

<sup>(1)</sup> Amounts represent long-term portfolios, excluding ETFs.

<sup>(2)</sup> Includes assets under management acquired as part of the acquisition of GEAM.

<sup>(3)</sup> Includes both floating- and constant-net-asset-value portfolios held in commingled structures or separate accounts.

<sup>(4)</sup> Includes real estate investment trusts, currency and commodities, including SPDR<sup>®</sup> Gold Fund, for which State Street is not the investment manager, but acts as distribution agent.

## Revenue

The following tables provide the components of our GAAP-basis and operating-basis revenue for the periods noted:

### GAAP- basis Revenue

<i>(Dollars in millions)</i>	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Servicing fees	\$ 1,289	\$ 1,303	(1.1)%	\$ 1,277	0.9 %
Management fees	361	368	(1.9)	282	28.0
Trading services revenue:					
Foreign exchange trading	182	159	14.5	143	27.3
Brokerage and other fees	111	108	2.8	104	6.7
Total trading services revenue	293	267	9.7	247	18.6
Securities finance revenue	136	136	—	127	7.1
Processing fees and other revenue	(65)	5	nm	111	(158.6)
Total fee revenue	2,014	2,079	(3.1)	2,044	(1.5)
Net interest revenue	514	537	(4.3)	494	4.0
Gains (losses) related to investment securities, net	2	4	nm	—	nm
<b>Total Revenue</b>	<b>\$ 2,530</b>	<b>\$ 2,620</b>	<b>(3.4)%</b>	<b>\$ 2,538</b>	<b>(0.3)%</b>

<sup>nm</sup> Not meaningful.



## Operating-Basis (non-GAAP) Revenue

<i>(Dollars in millions)</i>	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Servicing fees	\$ 1,289	\$ 1,303	(1.1)%	\$ 1,277	0.9%
Management fees	361	368	(1.9)	282	28.0
Trading services revenue:					
Foreign exchange trading	182	159	14.5	143	27.3
Brokerage and other fees	111	108	2.8	104	6.7
Total trading services revenue	293	267	9.7	247	18.6
Securities finance revenue	136	136	—	127	7.1
Processing fees and other revenue	121	139	(12.9)	142	(14.8)
Total fee revenue	2,200	2,213	(0.6)	2,075	6.0
Net interest revenue	547	537	1.9	513	6.6
Gains (losses) related to investment securities, net	2	4	nm	—	nm
<b>Total Revenue</b>	<b>\$ 2,749</b>	<b>\$ 2,754</b>	<b>(0.2)%</b>	<b>\$ 2,588</b>	<b>6.2%</b>

<sup>nm</sup> Not meaningful.

The following highlights primary drivers of changes in our revenue for the noted periods, indicating (where relevant) differences between our GAAP-basis and operating-basis results.

**Servicing fees** decreased from the third-quarter of 2016, primarily due to the impact of the stronger U.S. dollar. Compared to the fourth-quarter of 2015, servicing fees increased primarily due to net new business, partially offset by the stronger U.S. dollar.

**Management fees** decreased from the third-quarter of 2016, primarily due to the impact of the stronger U.S. dollar and cash outflows, partially offset by ETF inflows. Compared to the fourth-quarter of 2015, management fees increased primarily due to an estimated \$64 million from the acquired GEAM business, lower money market fee waivers, higher global equity markets, and ETF inflows, partially offset by the stronger U.S. dollar and cash outflows.

**Foreign exchange trading revenue** increased from the third-quarter of 2016 and the fourth-quarter of 2015, in each case reflecting higher volatility and client-related volumes.

**Brokerage and other fees** increased slightly from the third-quarter of 2016. Compared to the fourth-quarter of 2015, brokerage and other fees increased, primarily due to higher transition management revenue.

**Securities finance revenue** was flat from the third-quarter of 2016. Compared to the fourth-quarter of 2015, securities finance revenue increased, primarily due to increased revenue from enhanced custody, partially offset by lower agency revenue.

**Processing fees and other revenue on a GAAP-basis** decreased compared to the third-quarter of 2016, primarily due to increased amortization related to the tax advantaged investment business, unfavorable valuation adjustments (including the impact of foreign exchange swaps), and lower revenue from joint ventures. Compared to the fourth-quarter of 2015, processing fees and other revenue decreased, reflecting a gain recorded in the fourth-quarter of 2015 related to the sale of commercial real estate acquired as a result of the Lehman Brothers bankruptcy, increased amortization related to the tax advantaged investment business, unfavorable valuation adjustments, and lower revenue from joint ventures.

**Processing fees and other revenue on an operating basis** decreased compared to the third-quarter of 2016 and the fourth-quarter of 2015. The decrease from both periods reflects unfavorable valuation adjustments (including the impact of foreign exchange swaps) and lower revenue from joint ventures, partially offset by higher revenue associated with tax advantaged investments.

**Net interest revenue on a GAAP-basis** in the fourth-quarter of 2016 reflects lower discount accretion associated with the former conduit securities compared to the third-quarter of 2016 and the fourth-quarter of 2015.

**Net interest revenue on an operating basis** increased from the third-quarter of 2016, primarily due to a decrease in wholesale funding from elevated levels in the third-quarter of 2016 and several discrete security prepayments in the investment portfolio that represented \$8 million net interest revenue. These benefits were partially offset by continued declines in foreign security yields. Compared to the fourth-quarter of 2015, net interest revenue increased, primarily due to higher market interest rates in the U.S., disciplined liability pricing and several discrete security prepayments in the investment portfolio that represented \$8 million in net interest revenue. Net interest margin, calculated based on operating-basis net interest revenue, increased to 108 basis points in the fourth-quarter of 2016 from 106 and 101 basis points in the third-quarter of 2016 and the fourth-quarter of 2015, respectively.

## Expenses

The following tables provide the components of our GAAP-basis and operating-basis expenses for the periods noted:

### GAAP-basis Expenses

<i>(Dollars in millions)</i>	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Compensation and employee benefits	\$ 1,244	\$ 1,013	22.8%	\$ 939	32.5%
Information systems and communications	278	285	(2.5)	261	6.5
Transaction processing services	199	200	(0.5)	194	2.6
Occupancy	109	107	1.9	112	(2.7)
Acquisition and restructuring costs <sup>(1)</sup>	43	42	2.4	6	616.7
Other	310	337	(8.0)	345	(10.1)
<b>Total Expenses</b>	<b>\$ 2,183</b>	<b>\$ 1,984</b>	<b>10.0%</b>	<b>\$ 1,857</b>	<b>17.6%</b>

<sup>(1)</sup> The acquisition costs associated with the GEAM business acquired on July 1, 2016 were \$25 million and \$29 million for the fourth-quarter and third-quarter of 2016, respectively.

### Operating-basis (non-GAAP) Expenses

<i>(Dollars in millions)</i>	4Q16	3Q16	Increase (Decrease)	4Q15	Increase (Decrease)
Compensation and employee benefits	\$ 1,246	\$ 1,022	21.9%	\$ 940	32.6%
Information systems and communications	278	285	(2.5)	261	6.5
Transaction processing services	199	200	(0.5)	194	2.6
Occupancy	109	107	1.9	112	(2.7)
Other	311	295	5.4	313	(0.6)
<b>Total Expenses</b>	<b>\$ 2,143</b>	<b>\$ 1,909</b>	<b>12.3%</b>	<b>\$ 1,820</b>	<b>17.7%</b>

**Compensation and employee benefits expenses** increased from the third-quarter of 2016, primarily due to \$249 million associated with the acceleration of certain deferred cash settled awards, partially offset by the impact of the stronger U.S. dollar, one fewer payroll day in the fourth quarter of 2016, and State Street Beacon savings. Compensation and employee benefits expenses increased from the fourth-quarter of 2015, primarily due to costs associated with the acceleration of certain deferred cash settled awards, higher incentive compensation, costs associated with the acquired GEAM business, and higher costs to support regulatory initiatives and new business, partially offset by State Street Beacon savings.

**Information systems and communications expenses** decreased slightly from the third-quarter of 2016. Compared to the fourth-quarter of 2015, Information systems and communication expenses increased, due to investments supporting new business and State Street Beacon, and the impact of the acquired GEAM business.

**Occupancy expenses** increased slightly compared to the third-quarter of 2016. Compared to fourth-quarter of 2015, occupancy expenses decreased, reflecting the impact of the stronger U.S. dollar.

**Other expenses on a GAAP-basis** decreased from the third-quarter of 2016, primarily due to lower litigation-related expenses, partially offset by higher professional services fees and securities processing costs. Other expenses decreased compared to the fourth-quarter of 2015, reflecting lower litigation-related expenses and higher expenses in the fourth quarter of 2015 associated with the previously disclosed expense billing matter.

**Other expenses on an operating-basis** increased from the third-quarter of 2016, primarily due to higher professional service fees and securities processing costs, partially offset by lower insurance expenses. Other expenses decreased slightly from the fourth-quarter of 2015, reflecting lower professional services fees and travel expenses, partially offset by costs associated with the acquired GEAM business and higher securities processing costs.

**Fourth-quarter of 2016 GAAP-basis effective tax rate** was -72.3% compared to 11.4% in the third-quarter of 2016 and 15.1% in the fourth-quarter of 2015. The fourth-quarter of 2016 reflects a reduction of \$145 million in accrued tax expense attributable to the designation of certain of our foreign earnings as indefinitely invested overseas and tax benefits of \$66 million from incremental foreign tax credits and a foreign affiliate tax loss.

**Fourth-quarter of 2016 operating-basis effective tax rate** was -1.5% compared to 30.3% in the third-quarter of 2016 and 31.8% in the fourth-quarter of 2015. Excluding the \$145 million reduction of accrued tax expense and the \$66 million of tax benefits from capital actions, the operating-basis effective tax rate in the fourth-quarter of 2016 was 34% which was higher than both the third-quarter of 2016 and the fourth-quarter of 2015 due to an increase in alternative energy investments.

## Capital

The following table presents our regulatory capital ratios as of December 31, 2016 and September 30, 2016. The lower of our capital ratios calculated under the Basel III advanced approaches and under the Basel III standardized approach are applied in the assessment of our capital adequacy for regulatory purposes. Also presented is the calculation of State Street's and State Street Bank's supplementary leverage ratio (SLR) under final U.S. banking regulator rules adopted in 2014, as of December 31, 2016 and September, 2016. Unless otherwise noted, all capital ratios presented in the table and elsewhere in this news release refer to State Street Corporation and not State Street Bank and Trust Company.

	Basel III Advanced Approaches <sup>(2)</sup>	Basel III Standardized Approach	Basel III Fully Phased-In Advanced Approaches (Estimated) Pro-Forma <sup>(2)(3)</sup>	Basel III Fully Phased-In Standardized Approach (Estimated) Pro-Forma <sup>(3)</sup>
<b>December 31, 2016<sup>(1)</sup></b>				
Common equity tier 1 ratio	11.7%	11.6%	10.9%	10.9%
Tier 1 capital ratio	14.8	14.7	14.1	14.1
Total capital ratio	16.0	16.0	15.3	15.3
Tier 1 leverage ratio	6.5	6.5	6.2	6.2
<b>September, 2016</b>				
Common equity tier 1 ratio	12.3%	12.5%	11.8%	12.0%
Tier 1 capital ratio	15.4	15.7	15.0	15.3
Total capital ratio	17.6	17.9	17.2	17.5
Tier 1 leverage ratio	6.8	6.8	6.6	6.6

As of December 31, 2016 (Dollars in millions) <sup>(1)</sup>	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR <sup>(4)</sup>	Transitional SLR	Fully Phased-In SLR <sup>(4)</sup>
<b>Tier 1 Capital</b>	\$ 14,717	\$ 14,051	\$ 15,805	\$ 15,169
Total assets for SLR	251,032	250,558	247,410	246,956
<b>Supplementary Leverage Ratio</b>	5.9%	5.6%	6.4%	6.1%
<b>As of September 30, 2016 (Dollars in millions)</b>				
<b>Tier 1 Capital</b>	\$ 15,407	\$ 14,928	15,817	15,374
Total assets for SLR	250,991	250,694	246,306	246,032
<b>Supplementary Leverage Ratio</b>	6.1%	6.0%	6.4%	6.2%

<sup>(1)</sup> December 31, 2016 capital ratios are preliminary estimates.

<sup>(2)</sup> The advanced approaches-based ratios (actual and estimated) included in this presentation reflect calculations and determinations with respect to our capital and related matters, based on State Street and external data, quantitative formulae, statistical models, historical correlations and assumptions, collectively referred to as "advanced systems." Refer to the addendum included with this news release for a description of the advanced approaches and a discussion of related risks.

<sup>(3)</sup> Estimated pro-forma fully phased-in ratios as of December 31, 2016 and September, 2016 (fully phased in as of January 1, 2019, as per Basel III phase-in requirements for capital) reflect capital and total risk-weighted assets calculated under the Basel III final rule. Refer to the addendum included with this news release for reconciliations of these estimated pro-forma fully phased-in ratios to our capital ratios calculated under the currently applicable regulatory requirements.

<sup>(4)</sup> Estimated pro-forma fully phased-in SLRs as of December 31, 2016 and September, 2016 (fully phased-in as of January 1, 2018, as per the phase-in requirements of the SLR final rule) are preliminary estimates as calculated under the SLR final rule. Refer to the addendum included with this news release for reconciliations of these estimated pro-forma fully phased-in SLRs to our SLRs under currently applicable regulatory requirements.

## **Additional Information**

In this news release:

- All earnings per share amounts (EPS) represent fully diluted earnings per common share.
- Return on average common shareholders' equity (ROE) is determined by dividing annualized net income available to common equity by average common shareholders' equity for the period. Operating-basis return on average common equity utilizes annualized operating-basis net income available to common equity in the calculation.
- References to expense savings associated with State Street Beacon are: (1) estimated pre-tax expense savings and relate only to State Street Beacon, our multi-year transformation program; and (2) are based on projected improvement from our full-year 2015 operating-basis expenses, all else equal. In addition, 2016 State Street Beacon expense savings include targeted staff reductions announced in October 2015. The full effect of the savings generated each year will be reflected the following year. Actual expenses may increase or decrease in the future due to other factors.
- New business in assets to be serviced is reflected in our assets under custody and administration after we begin servicing the assets, and new business in assets to be managed is reflected in our assets under management after we begin managing the assets. As such, only a portion of any new asset servicing and asset management mandates is reflected in our assets under custody and administration and assets under management, as of December 31, 2016. Distribution fees from the SPDR® Gold Exchange-Traded Fund, or ETF, are recorded in brokerage and other fee revenue and not in management fee revenue.
- The fourth-quarter 2016 charge associated with an amendment of the terms of outstanding deferred cash-settled incentive compensation awards was accomplished by removing the continued service requirement associated with those awards for employees below the executive vice president level. The change did not affect deferred equity-settled incentive compensation awards (which, in the aggregate, represents a majority of the outstanding deferred compensation awards for the relevant employees), and we expect that future deferred cash-settled incentive compensation awards will retain the continued service requirement. The payment schedule associated with the recent deferred cash-settled incentive compensation awards will no longer be reflected in future periods.

## **Investor Conference Call and Quarterly Website Disclosures**

State Street will webcast an investor conference call today, Wednesday, January 25, 2017, at 9:30 a.m. EST, available at <http://investors.statestreet.com/>. The conference call will also be available via telephone, at +1 877-423-4013 inside the U.S. or at +1 706-679-5594 outside of the U.S. The Conference ID is # 46613806.

Recorded replays of the conference call will be available on the website, and by telephone at +1 855-859-2056 inside the U.S. or at +1 404-537-3406 outside the U.S. beginning approximately two hours after the call's completion. The Conference ID is # 46613806.

The telephone replay will be available for approximately two weeks following the conference call. This news release, presentation materials referred to on the conference call (including those concerning our investment portfolio), and additional financial information are available on State

Street's website, at <http://investors.statestreet.com/> under "Investor Relations--Investor News & Events" and under the title "Events and Presentations."

State Street intends to publish updates to its public disclosure regarding regulatory capital, as required by the Basel III final rule, on a quarterly basis on its website at <http://investors.statestreet.com/>, under "Filings & Reports." Those updates will be published each quarter, during the period beginning after State Street's public announcement of its quarterly results of operations and ending on or prior to the due date under applicable bank regulatory requirements (i.e., ordinarily, ending no later than 60 days following year-end or 45 days following each other quarter-end, as applicable). For the fourth-quarter of 2016, State Street expects to publish its updates during the period beginning today and ending on or about February 16, 2017.

State Street Corporation (NYSE: STT) is the world's leading provider of financial services to institutional investors including investment servicing, investment management and investment research and trading. With \$29 trillion in assets under custody and administration and \$2 trillion\* in assets under management as of December 31, 2016, State Street operates globally in more than 100 geographic markets and employs 33,783 worldwide. For more information, visit State Street's website at [www.statestreet.com](http://www.statestreet.com).

\* Assets under management include the assets of the SPDR<sup>®</sup> Gold ETF (approximately \$31 billion as of December 31, 2016), for which State Street Global Markets, LLC, an affiliate of SSgA, serves as the distribution agent.

## **Forward-Looking Statements**

This news release contains forward-looking statements within the meaning of United States securities laws, including statements about our goals and expectations regarding our business, financial and capital condition, results of operations, strategies, the financial and market outlook, dividend and stock purchase programs, governmental and regulatory initiatives and developments, and the business environment. Forward-looking statements are often, but not always, identified by such forward-looking terminology as "outlook," "expect," "priority," "objective," "intend," "plan," "forecast," "believe," "anticipate," "estimate," "seek," "may," "will," "trend," "target," "strategy" and "goal," or similar statements or variations of such terms. These statements are not guarantees of future performance, are inherently uncertain, are based on current assumptions that are difficult to predict and involve a number of risks and uncertainties. Therefore, actual outcomes and results may differ materially from what is expressed in those statements, and those statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to January 25, 2017.

Important factors that may affect future results and outcomes include, but are not limited to:

- the financial strength and continuing viability of the counterparties with which we or our clients do business and to which we have investment, credit or financial exposure, including, for example, the direct and indirect effects on counterparties of the sovereign-debt risks in the U.S., Europe and other regions;
- increases in the volatility of, or declines in the level of, our net interest revenue, changes in the composition or valuation of the assets recorded in our consolidated statement of condition (and our ability to measure the fair value of investment securities) and the possibility that we may change the manner in which we fund those assets;
- the liquidity of the U.S. and international securities markets, particularly the markets for fixed-income securities and inter-bank credits, and the liquidity requirements of our clients;

- the level and volatility of interest rates, the valuation of the U.S. dollar relative to other currencies in which we record revenue or accrue expenses and the performance and volatility of securities, credit, currency and other markets in the U.S. and internationally;
- the credit quality, credit-agency ratings and fair values of the securities in our investment securities portfolio, a deterioration or downgrade of which could lead to other-than-temporary impairment of the respective securities and the recognition of an impairment loss in our consolidated statement of income;
- our ability to attract deposits and other low-cost, short-term funding, our ability to manage levels of such deposits and the relative portion of our deposits that are determined to be operational under regulatory guidelines and our ability to deploy deposits in a profitable manner consistent with our liquidity needs, regulatory requirements and risk profile;
- the manner and timing with which the Federal Reserve and other U.S. and foreign regulators implement changes to the regulatory framework applicable to our operations, including implementation of the Dodd-Frank Act, the Basel III final rule and European legislation (such as the Alternative Investment Fund Managers Directive, Undertakings for Collective Investment in Transferable Securities Directives and Markets in Financial Instruments Directive II); among other consequences, these regulatory changes impact the levels of regulatory capital we must maintain, acceptable levels of credit exposure to third parties, margin requirements applicable to derivatives, and restrictions on banking and financial activities. In addition, our regulatory posture and related expenses have been and will continue to be affected by changes in regulatory expectations for global systemically important financial institutions applicable to, among other things, risk management, liquidity and capital planning, resolution planning, and compliance programs, and changes in governmental enforcement approaches to perceived failures to comply with regulatory or legal obligations;
- we may not successfully implement our plans to have a credible resolution plan by July 2017, or that plan may not be considered to be sufficient by the Federal Reserve and the FDIC, due to a number of factors, including, but not limited to challenges we may experience in interpreting and addressing regulatory expectations, failure to implement remediation in a timely manner, the complexities of development of a comprehensive plan to resolve a global custodial bank and related costs and dependencies. If we fail to meet regulatory expectations to the satisfaction of the Federal Reserve and the FDIC in our resolution plan submission to be filed on July 1, 2017 or in any future submission, we could be subject to more stringent capital, leverage or liquidity requirements, or restrictions on our growth, activities or operations;
- adverse changes in the regulatory ratios that we are required or will be required to meet, whether arising under the Dodd-Frank Act or the Basel III final rule, or due to changes in regulatory positions, practices or regulations in jurisdictions in which we engage in banking activities, including changes in internal or external data, formulae, models, assumptions or other advanced systems used in the calculation of our capital ratios that cause changes in those ratios as they are measured from period to period;
- increasing requirements to obtain the prior approval or non-objection of the Federal Reserve or our other U.S. and non-U.S. regulators for the use, allocation or distribution of our capital or other specific capital actions or corporate activities, including, without limitation, acquisitions, dividends and stock purchases, without which our growth plans, distributions to shareholders, share repurchase programs or other capital or corporate initiatives may be restricted;
- changes in law or regulation, or the enforcement of law or regulation, that may adversely affect our business activities or those of our clients or our counterparties, and the products

or services that we sell, including additional or increased taxes or assessments thereon, capital adequacy requirements, margin requirements and changes that expose us to risks related to the adequacy of our controls or compliance programs;

- economic or financial market disruptions in the U.S. or internationally, including that which may result from recessions or political instability, for example, the U.K.'s referendum to exit from the European Union may continue to disrupt financial markets or economic growth in Europe or similarly, financial markets may react sharply or abruptly to actions taken by the new Presidential Administration in the United States;
- our ability to develop and execute State Street Beacon, our multi-year transformation program to digitize our business, deliver significant value and innovation for our clients and lower expenses across the organization, any failure of which, in whole or in part, may among other things, reduce our competitive position, diminish the cost-effectiveness of our systems and processes or provide an insufficient return on our associated investment;
- our ability to promote a strong culture of risk management, operating controls, compliance oversight, ethical behavior and governance that meets our expectations and those of our clients and our regulators, and the financial, regulatory, reputation and other consequences of our failure to meet such expectations;
- the results of our review of our billing practices, including additional amounts we may be required to reimburse clients, as well as potential consequences of such review, including damage to our client relationships and adverse actions by governmental authorities;
- the results of, and costs associated with, governmental or regulatory inquiries and investigations, litigation and similar claims, disputes or civil or criminal proceedings, including, without limitation, that a resolution of the SEC's previously disclosed investigation concerning six EMEA-based (Europe, Middle-East and Africa) clients that were overcharged for transition management services in 2010 and 2011, on the previously disclosed terms agreed upon in principle with the SEC Staff or otherwise, is not final and is subject to completion of negotiations with the SEC Staff, followed by review and consideration by the SEC, and the terms of any such settlement, including, without limitation, the amount of the related penalty, remain subject to change;
- due to the large pools of assets controlled by our institutional clients, we are subject to the risk of potentially significant variability in our assets under custody and administration and assets under management, and correspondingly in our fee revenue and results of operations, in the event of the loss or gain of any one client or the re-balancing or re-investment of a significant portion of any one or more clients' assets into lower- or higher-fee asset classes, and we are subject to significant pressure to reduce the fees we charge for our services as a result of the considerable market influence exerted by those clients and other competitive forces;
- the potential for losses arising from our investments in sponsored investment funds;
- the possibility that our clients will incur substantial losses in investment pools for which we act as agent, and the possibility of significant reductions in the liquidity or valuation of assets underlying those pools;
- our ability to anticipate and manage the level and timing of redemptions and withdrawals from our collateral pools and other collective investment products;
- the credit agency ratings of our debt and depositary obligations and investor and client perceptions of our financial strength;
- adverse publicity, whether specific to State Street or regarding other industry participants or industry-wide factors, or other reputational harm;
- our ability to control operational risks, data security breach risks and outsourcing risks, our ability to protect our intellectual property rights, the possibility of errors in the quantitative



models we use to manage our business and the possibility that our controls will prove insufficient, fail or be circumvented;

- our ability to expand our use of technology to enhance the efficiency, accuracy and reliability of our operations and our dependencies on information technology and our ability to control related risks, including cyber-crime and other threats to our information technology infrastructure and systems (including those of our third-party service providers) and their effective operation both independently and with external systems, and complexities and costs of protecting the security of such systems and data;
- our ability to grow revenue, manage expenses, attract and retain highly skilled people and raise the capital necessary to achieve our business goals and comply with regulatory requirements and expectations;
- changes or potential changes to the competitive environment, including changes due to regulatory and technological changes, the effects of industry consolidation and perceptions of State Street as a suitable service provider or counterparty;
- changes or potential changes in the amount of compensation we receive from clients for our services, and the mix of services provided by us that clients choose;
- our ability to complete acquisitions, joint ventures and divestitures, including the ability to obtain regulatory approvals, the ability to arrange financing as required and the ability to satisfy closing conditions;
- the risks that our acquired businesses and joint ventures will not achieve their anticipated financial and operational benefits or will not be integrated successfully, or that the integration will take longer than anticipated, that expected synergies will not be achieved or unexpected negative synergies or liabilities will be experienced, that client and deposit retention goals will not be met, that other regulatory or operational challenges will be experienced, and that disruptions from the transaction will harm our relationships with our clients, our employees or regulators;
- our ability to recognize emerging needs of our clients and to develop products that are responsive to such trends and profitable to us, the performance of and demand for the products and services we offer, and the potential for new products and services to impose additional costs on us and expose us to increased operational risk;
- changes in accounting standards and practices; and
- changes in tax legislation and in the interpretation of existing tax laws by U.S. and non-U.S. tax authorities that affect the amount of taxes due.

Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in our 2015 Annual Report on Form 10-K and our subsequent SEC filings. We encourage investors to read these filings, particularly the sections on risk factors, 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 should not be relied on as representing our expectations or beliefs as of any time subsequent to the time this news release is first issued, and we do not undertake efforts to revise those forward-looking statements to reflect events after that time.

**STATE STREET CORPORATION  
EARNINGS RELEASE ADDENDUM**

December 31, 2016

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This financial information should be read in conjunction with State Street's news release dated January 25, 2017.

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**

	Quarters								% Change		Year-to-Date		% Change
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015
(Dollars in millions, except per share amounts, or where otherwise noted)													
<b>Revenue:</b>													
Fee revenue	\$ 2,055	\$ 2,076	\$ 2,103	\$ 2,044	\$ 1,970	\$ 2,053	\$ 2,079	\$ 2,014	(1.5)%	(3.1)%	\$ 8,278	\$ 8,116	(2.0)%
Net interest revenue	546	535	513	494	512	521	537	514	4.0	(4.3)	2,088	2,084	(0.2)
Net gains (losses) from sales of available-for-sale securities	—	(3)	(2)	—	2	(1)	6	2	nm	nm	(5)	9	nm
Net losses from other-than-temporary impairment	(1)	—	—	—	—	—	(2)	—	nm	nm	(1)	(2)	nm
<b>Total revenue</b>	<b>2,600</b>	<b>2,608</b>	<b>2,614</b>	<b>2,538</b>	<b>2,484</b>	<b>2,573</b>	<b>2,620</b>	<b>2,530</b>	<b>(0.3)</b>	<b>(3.4)</b>	<b>10,360</b>	<b>10,207</b>	<b>(1.5)</b>
Provision for loan losses	4	2	5	1	4	4	—	2	nm	nm	12	10	nm
<b>Total expenses</b>	<b>2,097</b>	<b>2,134</b>	<b>1,962</b>	<b>1,857</b>	<b>2,050</b>	<b>1,860</b>	<b>1,984</b>	<b>2,183</b>	<b>17.6</b>	<b>10.0</b>	<b>8,050</b>	<b>8,077</b>	<b>0.3</b>
Income before income tax expense	499	472	647	680	430	709	636	345	(49.3)	(45.8)	2,298	2,120	(7.7)
Income tax expense	94	54	67	103	62	92	72	(248)	(340.8)	(444.4)	318	(22)	(106.9)
Net income (loss) from non-controlling interest	—	—	1	(1)	—	2	(1)	—	nm	nm	—	1	nm
<b>Net income</b>	<b>405</b>	<b>418</b>	<b>581</b>	<b>576</b>	<b>368</b>	<b>619</b>	<b>563</b>	<b>593</b>	<b>3.0</b>	<b>5.3</b>	<b>1,980</b>	<b>2,143</b>	<b>8.2</b>
<b>Net income available to common shareholders</b>	<b>\$ 373</b>	<b>\$ 389</b>	<b>\$ 539</b>	<b>\$ 547</b>	<b>\$ 319</b>	<b>\$ 585</b>	<b>\$ 507</b>	<b>\$ 557</b>	<b>1.8</b>	<b>9.9</b>	<b>\$ 1,848</b>	<b>\$ 1,968</b>	<b>6.5</b>
<b>Diluted earnings per common share<sup>(4)</sup></b>	<b>\$ .89</b>	<b>\$ .93</b>	<b>\$ 1.31</b>	<b>\$ 1.34</b>	<b>\$ .79</b>	<b>\$ 1.47</b>	<b>\$ 1.29</b>	<b>\$ 1.43</b>	<b>6.7</b>	<b>10.9</b>	<b>\$ 4.47</b>	<b>\$ 4.97</b>	<b>11.2</b>
Average diluted common shares outstanding (in thousands)	418,750	416,712	412,167	407,012	403,615	398,847	393,212	389,046	(4.4)	(1.1)	413,638	396,090	(4.2)
Cash dividends declared per common share	\$ .30	\$ .34	\$ .34	\$ .34	\$ .34	\$ .34	\$ .38	\$ .38	11.8	—	\$ 1.32	\$ 1.44	9.1
Closing price per share of common stock (as of quarter end)	73.53	77.00	67.21	66.36	58.52	53.92	69.63	77.72	17.1	11.6	66.36	77.72	17.1
<b>Ratios:</b>													
Return on average common equity	7.9%	8.2%	11.3%	11.6%	6.8%	12.4%	10.6%	12.1%	4.3	14.2	9.8%	10.5%	7.1
Pre-tax operating margin	19.2	18.1	24.8	26.8	17.3	27.6	24.3	13.6	(49.3)	(44.0)	22.2	20.8	(6.3)
Common equity tier 1 risk-based capital <sup>(1)</sup>	12.0	12.0	12.0	12.5	12.3	12.0	12.3	11.7	(6.4)	(4.9)	12.5	11.7	(6.4)
Tier 1 risk-based capital <sup>(1)</sup>	14.0	14.7	14.7	15.3	14.9	15.0	15.4	14.8	(3.3)	(3.9)	15.3	14.8	(3.3)
Total risk-based capital <sup>(1)</sup>	16.1	16.8	16.8	17.4	17.1	17.1	17.6	16.0	(8.0)	(9.1)	17.4	16.0	(8.0)
Tier 1 leverage <sup>(1)</sup>	5.8	6.0	6.3	6.9	6.9	7.0	6.8	6.5	(5.8)	(4.4)	6.9	6.5	(5.8)
Tangible common equity <sup>(2)</sup>	6.0	6.5	6.6	6.8	6.7	6.7	6.5	6.4	(5.9)	(1.5)	6.8	6.4	(5.9)
<b>At quarter-end:</b>													
Assets under custody and administration (in trillions) <sup>(3)</sup>	\$ 28.49	\$ 28.65	\$ 27.27	\$ 27.51	\$ 26.94	\$ 27.79	\$ 29.18	\$ 28.77	4.6	(1.4)	\$ 27.51	\$ 28.77	4.6
Asset under management (in trillions)	2.44	2.37	2.20	2.25	2.30	2.30	2.45	2.47	9.8	0.8	2.25	2.47	9.8
Total assets	279,448	294,544	247,235	245,155	243,685	255,386	256,140	242,698	(1.0)	(5.2)	245,155	242,698	(1.0)
Investment securities	112,857	101,463	97,560	100,022	102,298	103,121	99,888	97,167	(2.9)	(2.7)	100,022	97,167	(2.9)
Deposits	211,352	230,591	186,367	191,627	185,516	193,130	198,766	187,163	(2.3)	(5.8)	191,627	187,163	(2.3)
Long-term debt	9,146	9,058	11,986	11,497	10,323	11,924	11,834	11,430	(0.6)	(3.4)	11,497	11,430	(0.6)
Total shareholders' equity	20,670	21,347	21,343	21,103	21,496	22,073	22,150	21,219	0.5	(4.2)	21,103	21,219	0.5

<sup>(1)</sup> In early 2014, we announced that we had completed our Basel III qualification period. As a result, our regulatory capital ratios for each period presented in the table above have been calculated under the advanced approaches provisions of the Basel III final rule. Refer to page 21 of this earnings release addendum for additional information about our regulatory capital ratios for each period.

<sup>(2)</sup> Tangible common equity ratio is a non-GAAP measure. Refer to accompanying reconciliations on page 22 for additional information.

<sup>(3)</sup> Included assets under custody of \$21.98 trillion, \$22.06 trillion, \$20.95 trillion, \$21.26 trillion, \$20.79 trillion, \$21.35 trillion, \$21.91 trillion and \$21.73 trillion as of March 31, 2015, June 30, 2015, September 30, 2015, December 31, 2015, March 31, 2016, June 30, 2016, September 30, 2016 and December 31, 2016, respectively.

<sup>(4)</sup> Diluted earnings per common share for year to date December 31, 2016 does not equal the sum of the quarters.

<sup>nm</sup> Not meaningful

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**CONSOLIDATED RESULTS OF OPERATIONS**

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters								% Change		Year-to-Date		% Change
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015
<b>Reported Results</b>													
<b>Fee revenue:</b>													
Servicing fees	\$ 1,268	\$ 1,319	\$ 1,289	\$ 1,277	\$ 1,242	\$ 1,239	\$ 1,303	\$ 1,289	0.9%	(1.1)%	\$ 5,153	\$ 5,073	(1.6)%
Management fees	301	304	287	282	270	293	368	361	28.0	(1.9)	1,174	1,292	10.1
Trading services:													
Direct sales and trading	135	88	108	79	90	87	94	115	45.6	22.3	410	386	(5.9)
Indirect foreign exchange trading <sup>(1)</sup>	68	79	69	64	66	70	65	67	4.7	3.1	280	268	(4.3)
Total foreign exchange trading	203	167	177	143	156	157	159	182	27.3	14.5	690	654	(5.2)
Electronic foreign exchange services	48	44	46	37	44	43	41	41	10.8	—	175	169	(3.4)
Other trading, transition management and brokerage	73	70	71	67	72	67	67	70	4.5	4.5	281	276	(1.8)
Total brokerage and other trading services	121	114	117	104	116	110	108	111	6.7	2.8	456	445	(2.4)
Total trading services	324	281	294	247	272	267	267	293	18.6	9.7	1,146	1,099	(4.1)
Securities finance	101	155	113	127	134	156	136	136	7.1	—	496	562	13.3
Processing fees and other	61	17	120	111	52	98	5	(65)	nm	nm	309	90	nm
Total fee revenue	2,055	2,076	2,103	2,044	1,970	2,053	2,079	2,014	(1.5)	(3.1)	8,278	8,116	(2.0)
<b>Net interest revenue:</b>													
Interest revenue	642	629	614	603	629	620	647	616	2.2	(4.8)	2,488	2,512	1.0
Interest expense	96	94	101	109	117	99	110	102	(6.4)	(7.3)	400	428	7.0
Net interest revenue	546	535	513	494	512	521	537	514	4.0	(4.3)	2,088	2,084	(0.2)
<b>Gains (losses) related to investment securities, net:</b>													
Net gains (losses) from sales of available-for-sale securities	—	(3)	(2)	—	2	(1)	6	2			(5)	9	
Losses from other-than-temporary impairment	(1)	—	—	—	—	—	(2)	—			(1)	(2)	
Gains (losses) related to investment securities, net	(1)	(3)	(2)	—	2	(1)	4	2			(6)	7	
Total revenue	2,600	2,608	2,614	2,538	2,484	2,573	2,620	2,530	(0.3)	(3.4)	10,360	10,207	(1.5)
Provision for loan losses	4	2	5	1	4	4	—	2			12	10	
<b>Expenses:</b>													
Compensation and employee benefits	1,087	984	1,051	939	1,107	989	1,013	1,244	32.5	22.8	4,061	4,353	7.2
Information systems and communications	247	249	265	261	272	270	285	278	6.5	(2.5)	1,022	1,105	8.1
Transaction processing services	197	201	201	194	200	201	200	199	2.6	(0.5)	793	800	0.9
Occupancy	113	109	110	112	113	111	107	109	(2.7)	1.9	444	440	(0.9)
Acquisition and restructuring costs	6	3	10	6	104	20	42	43	616.7	2.4	25	209	736.0
Other	447	588	325	345	254	269	337	310	(10.1)	(8.0)	1,705	1,170	(31.4)
Total expenses	2,097	2,134	1,962	1,857	2,050	1,860	1,984	2,183	17.6	10.0	8,050	8,077	0.3
Income before income tax expense	499	472	647	680	430	709	636	345	(49.3)	(45.8)	2,298	2,120	(7.7)
Income tax expense	94	54	67	103	62	92	72	(248)	(340.8)	(444.4)	318	(22)	(106.9)
Net income (loss) from non-controlling interest	—	—	1	(1)	—	2	(1)	—	nm	nm	—	1	nm
<b>Net income</b>	<b>\$ 405</b>	<b>\$ 418</b>	<b>\$ 581</b>	<b>\$ 576</b>	<b>\$ 368</b>	<b>\$ 619</b>	<b>\$ 563</b>	<b>\$ 593</b>	3.0	5.3	<b>\$ 1,980</b>	<b>\$ 2,143</b>	8.2
Effective tax rate	18.8%	11.3%	10.5%	15.1%	14.4%	12.9%	11.4%	(72.3)%			13.8%	(1.1)%	

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**CONSOLIDATED RESULTS OF OPERATIONS (Continued)**

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters								% Change		Year-to-Date		% Change
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015
	<b>Adjustments to net income:</b>												
Dividends on preferred stock	\$ (31)	\$ (29)	\$ (42)	\$ (28)	\$ (49)	\$ (33)	\$ (55)	\$ (36)	28.6%	(34.5)%	\$ (130)	\$ (173)	33.1%
Earnings allocated to participating securities	(1)	—	—	(1)	—	(1)	(1)	—	nm	nm	(2)	(2)	nm
<b>Net income available to common shareholders</b>	<b>\$ 373</b>	<b>\$ 389</b>	<b>\$ 539</b>	<b>\$ 547</b>	<b>\$ 319</b>	<b>\$ 585</b>	<b>\$ 507</b>	<b>\$ 557</b>	1.8	9.9	<b>\$ 1,848</b>	<b>\$ 1,968</b>	6.5
<b>Earnings per common share<sup>(2)</sup>:</b>													
Basic	\$ .90	\$ .95	\$ 1.33	\$ 1.36	\$ .80	\$ 1.48	\$ 1.31	\$ 1.45	6.6	10.7	\$ 4.53	\$ 5.03	11.0
Diluted	.89	.93	1.31	1.34	.79	1.47	1.29	1.43	6.7	10.9	4.47	4.97	11.2
<b>Average common shares outstanding:</b>													
Basic	412,225	410,674	406,612	402,041	399,421	394,160	388,358	384,115	(4.5)	(1.1)	407,856	391,485	(4.0)
Diluted	418,750	416,712	412,167	407,012	403,615	398,847	393,212	389,046	(4.4)	(1.1)	413,638	396,090	(4.2)
Cash dividends declared per common share	\$ .30	\$ .34	\$ .34	\$ .34	\$ .34	\$ .34	\$ .38	\$ .38	11.8	—	\$ 1.32	\$ 1.44	9.1
Closing price per share of common stock (as of quarter end)	73.53	77.00	67.21	66.36	58.52	53.92	69.63	77.72	17.1	11.6	66.36	77.72	17.1
<b>Financial ratios:</b>													
Return on average common equity	7.9%	8.2%	11.3%	11.6%	6.8%	12.4%	10.6%	12.1%	4.3	14.2	9.8%	10.5%	7.1
Pre-tax operating margin	19.2	18.1	24.8	26.8	17.3	27.6	24.3	13.6	(49.3)	(44.0)	22.2	20.8	(6.3)
After-tax margin	15.6	16.0	22.2	22.7	12.8	22.7	19.4	22.0	(3.1)	13.4	19.1	19.3	1.0
Common dividend payout ratio	33.1	35.6	25.5	24.9	42.5	22.7	28.9	26.1	4.8	(9.7)	29.0	28.5	(1.7)

<sup>(1)</sup> We calculate revenue for indirect foreign exchange using an attribution methodology. This methodology takes into consideration estimated effective mark-ups/downs and observed client volumes. Direct sales and trading revenue is total foreign exchange trading revenue excluding the revenue attributed to indirect foreign exchange.

<sup>(2)</sup> Basic and diluted earnings per common share for year to date December 31, 2016 does not equal the sum of the quarters.

nm Not meaningful

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**CONSOLIDATED STATEMENT OF CONDITION**

As of Quarter End

(Dollars in millions, except per share amounts)									% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Assets:</b>										
Cash and due from banks	\$ 3,149	\$ 3,084	\$ 3,660	\$ 1,207	\$ 3,735	\$ 4,673	\$ 3,490	\$ 1,314	8.9%	(62.3)%
Interest-bearing deposits with banks	83,398	116,728	68,361	75,338	65,032	75,169	79,090	70,935	(5.8)	(10.3)
Securities purchased under resale agreements	11,331	4,447	9,155	3,404	3,722	2,010	2,442	1,956	(42.5)	(19.9)
Trading account assets	1,145	1,373	1,223	849	873	890	1,063	1,024	20.6	(3.7)
Investment securities:										
Investment securities available for sale	96,612	85,308	80,097	70,070	71,086	72,735	71,520	61,998	(11.5)	(13.3)
Investment securities held to maturity <sup>(1)</sup>	16,245	16,155	17,463	29,952	31,212	30,386	28,368	35,169	17.4	24.0
Total investment securities	112,857	101,463	97,560	100,022	102,298	103,121	99,888	97,167	(2.9)	(2.7)
Loans and leases, net <sup>(2)</sup>	18,278	18,547	19,019	18,753	19,140	19,788	21,451	19,704	5.1	(8.1)
Premises and equipment, net <sup>(3)</sup>	1,933	2,035	1,984	1,894	1,949	1,994	2,042	2,062	8.9	1.0
Accrued interest and fees receivable	2,281	2,385	2,271	2,346	2,371	2,399	2,594	2,644	12.7	1.9
Goodwill	5,663	5,729	5,716	5,671	5,733	5,671	5,911	5,814	2.5	(1.6)
Other intangible assets	1,892	1,871	1,820	1,768	1,749	1,682	1,849	1,750	(1.0)	(5.4)
Other assets	37,521	36,882	36,466	33,903	37,083	37,989	36,320	38,328	13.1	5.5
<b>Total assets</b>	<b>\$ 279,448</b>	<b>\$ 294,544</b>	<b>\$ 247,235</b>	<b>\$ 245,155</b>	<b>\$ 243,685</b>	<b>\$ 255,386</b>	<b>\$ 256,140</b>	<b>\$ 242,698</b>	<b>(1.0)</b>	<b>(5.2)</b>
<b>Liabilities:</b>										
Deposits:										
Non-interest-bearing	\$ 72,704	\$ 83,120	\$ 58,426	\$ 65,800	\$ 54,248	\$ 57,268	\$ 60,545	\$ 59,397	(9.7)	(1.9)
Interest-bearing -- U.S.	30,769	32,839	30,407	29,958	31,159	33,060	33,767	30,911	3.2	(8.5)
Interest-bearing -- Non-U.S.	107,879	114,632	97,534	95,869	100,109	102,802	104,454	96,855	1.0	(7.3)
Total deposits	211,352	230,591	186,367	191,627	185,516	193,130	198,766	187,163	(2.3)	(5.8)
Securities sold under repurchase agreements	10,158	10,978	7,760	4,499	4,224	4,350	4,364	4,400	(2.2)	0.8
Federal funds purchased	17	15	25	6	23	29	28	—	(100.0)	(100.0)
Other short-term borrowings	4,346	4,756	3,761	1,748	1,683	1,683	1,385	1,585	(9.3)	14.4
Accrued expenses and other liabilities	23,759	17,799	15,961	14,643	20,388	22,166	17,582	16,901	15.4	(3.9)
Long-term debt	9,146	9,058	11,986	11,497	10,323	11,924	11,834	11,430	(0.6)	(3.4)
<b>Total liabilities</b>	<b>258,778</b>	<b>273,197</b>	<b>225,860</b>	<b>224,020</b>	<b>222,157</b>	<b>233,282</b>	<b>233,959</b>	<b>221,479</b>	<b>(1.1)</b>	<b>(5.3)</b>
<b>Shareholders' equity:</b>										
Preferred stock, no par, 3,500,000 shares authorized:										
Series C, 5,000 shares issued and outstanding	491	491	491	491	491	491	491	491	—	—
Series D, 7,500 shares issued and outstanding	742	742	742	742	742	742	742	742	—	—
Series E, 7,500 shares issued and outstanding	728	728	728	728	728	728	728	728	—	—
Series F, 7,500 shares issued and outstanding	—	742	742	742	742	742	742	742	—	—
Series G, 5,000 shares issued and outstanding	—	—	—	—	—	493	493	493	nm	—
Common stock, \$1 par, 750,000,000 shares authorized <sup>(4)</sup>	504	504	504	504	504	504	504	504	—	—
Surplus	9,744	9,744	9,742	9,746	9,739	9,767	9,778	9,782	0.4	—
Retained earnings	14,986	15,237	15,638	16,049	16,233	16,686	17,047	17,459	8.8	2.4
Accumulated other comprehensive income (loss)	(1,006)	(1,011)	(1,101)	(1,442)	(964)	(997)	(993)	(2,040)	41.5	105.4
Treasury stock, at cost <sup>(5)</sup>	(5,519)	(5,830)	(6,143)	(6,457)	(6,719)	(7,083)	(7,382)	(7,682)	19.0	4.1
<b>Total shareholders' equity</b>	<b>20,670</b>	<b>21,347</b>	<b>21,343</b>	<b>21,103</b>	<b>21,496</b>	<b>22,073</b>	<b>22,150</b>	<b>21,219</b>	<b>0.5</b>	<b>(4.2)</b>
Non-controlling interest-equity	—	—	32	32	32	31	31	—	—	—
<b>Total equity</b>	<b>20,670</b>	<b>21,347</b>	<b>21,375</b>	<b>21,135</b>	<b>21,528</b>	<b>22,104</b>	<b>22,181</b>	<b>21,219</b>	<b>0.4</b>	<b>(4.3)</b>
<b>Total liabilities and equity</b>	<b>\$ 279,448</b>	<b>\$ 294,544</b>	<b>\$ 247,235</b>	<b>\$ 245,155</b>	<b>\$ 243,685</b>	<b>\$ 255,386</b>	<b>\$ 256,140</b>	<b>\$ 242,698</b>	<b>(1.0)</b>	<b>(5.2)</b>

<sup>nm</sup> Not meaningful

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
<sup>(1)</sup> Fair value of investment securities held to maturity	\$ 16,417	\$ 16,198	\$ 17,536	\$ 29,798	\$ 31,555	\$ 30,895	\$ 28,780	\$ 34,994
<sup>(2)</sup> Allowance for loan losses	41	43	48	46	47	51	51	53
<sup>(3)</sup> Accumulated depreciation for premises and equipment	4,653	4,780	4,768	4,820	4,929	3,164	3,271	3,333
<sup>(4)</sup> Common stock shares issued	503,879,642	503,879,642	503,879,642	503,879,642	503,879,642	503,879,642	503,879,642	503,879,642
<sup>(5)</sup> Treasury stock shares	92,569,079	96,125,524	100,086,970	104,227,647	108,316,401	114,229,535	118,309,341	121,940,502

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**AVERAGE AND PERIOD-END BALANCE SHEET TRENDS**

	Quarters								% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Average Balance Sheet Mix</b>										
Investment securities and short-duration instruments	80.4%	81.8%	81.2%	79.9%	78.5%	78.4%	78.7%	<b>78.2%</b>	(2.1)%	(0.6)%
Loans and leases	7.0	6.6	7.0	8.2	8.3	8.1	8.0	<b>8.6</b>	4.9	7.5
Non-interest-earning assets	12.6	11.6	11.8	11.9	13.2	13.5	13.3	<b>13.2</b>	10.9	(0.8)
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>		
Client funds bearing interest	59.9%	61.5%	61.6%	60.4%	59.0%	60.2%	60.3%	<b>58.8%</b>	(2.6)	(2.5)
Client funds not bearing interest	21.2	21.3	20.4	19.4	20.1	18.3	19.1	<b>20.5</b>	5.7	7.3
Other non-interest-bearing liabilities	6.9	5.6	5.1	5.6	6.3	7.0	6.0	<b>6.4</b>	14.3	6.7
Long-term debt and common shareholders' equity	11.2	10.7	11.8	13.4	13.4	13.1	13.2	<b>12.9</b>	(3.7)	(2.3)
Preferred shareholders' equity	0.8	0.9	1.1	1.2	1.2	1.4	1.4	<b>1.4</b>	16.7	—
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>		

(Dollars in millions)

	Quarters								% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Average Asset Backed Securities</b>										
Fixed	\$ 1,293	\$ 1,748	\$ 2,231	\$ 2,151	\$ 2,045	\$ 2,023	\$ 1,904	<b>\$ 1,702</b>	(20.9)%	(10.6)%
Floating	40,306	36,931	29,973	26,891	24,795	24,313	22,988	<b>22,470</b>	(16.4)	(2.3)
Total	<b>\$ 41,599</b>	<b>\$ 38,679</b>	<b>\$ 32,204</b>	<b>\$ 29,042</b>	<b>\$ 26,840</b>	<b>\$ 26,336</b>	<b>\$ 24,892</b>	<b>\$ 24,172</b>	(16.8)	(2.9)

(Dollars in millions)

	Quarters								% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Investment Securities - Appreciation (Depreciation)</b>										
Held to maturity:										
Amortized cost (book value)	\$ 16,245	\$ 16,155	\$ 17,463	\$ 29,952	\$ 31,212	\$ 30,386	\$ 28,368	<b>\$ 35,169</b>	17.4%	24.0%
Fair value	16,417	16,198	17,536	29,798	31,555	30,895	28,780	<b>34,994</b>	17.4	21.6
Appreciation (depreciation)	172	43	73	(154)	343	509	412	<b>(175)</b>	13.6	(142.5)
Available for sale:										
Amortized cost	95,524	84,689	79,415	69,843	70,366	71,720	70,795	<b>61,912</b>	(11.4)	(12.5)
Fair value (book value)	96,612	85,308	80,097	70,070	71,086	72,735	71,520	<b>61,998</b>	(11.5)	(13.3)
Appreciation (depreciation)	1,088	619	682	227	720	1,015	725	<b>86</b>	(62.1)	(88.1)
Pre-tax appreciation (depreciation) related to securities available for sale transferred to held to maturity	(95)	(86)	(70)	23	(193)	(197)	35	<b>(194)</b>	(943.5)	(654.3)
Total pre-tax appreciation (depreciation) related to investment securities portfolio	1,165	576	685	96	870	1,327	1,172	<b>(283)</b>	(394.8)	(124.1)
Total after-tax appreciation (depreciation) related to investment securities portfolio	699	346	411	58	522	796	703	<b>(170)</b>	(393.1)	(124.2)

(Dollars in billions)

	Quarters								% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Securities on Loan</b>										
Average securities on loan	\$ 350	\$ 356	\$ 331	\$ 341	\$ 334	\$ 348	\$ 347	<b>\$ 353</b>	3.5%	1.7%
End-of-period securities on loan	350	333	332	323	341	348	348	<b>364</b>	12.7	4.6



**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**ASSETS UNDER CUSTODY AND ADMINISTRATION**

(Dollars in billions)	Quarters								% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Assets Under Custody and Administration</b>										
By Product Classification:										
Mutual funds	\$ 7,073	\$ 7,107	\$ 6,698	\$ 6,768	\$ 6,728	\$ 6,734	\$ 6,906	\$ 6,841	1.1%	(0.9)%
Collective funds	7,113	7,189	6,883	7,088	7,000	7,234	7,541	7,501	5.8	(0.5)
Pension products	5,745	5,830	5,497	5,510	5,197	5,496	5,671	5,584	1.3	(1.5)
Insurance and other products	8,560	8,524	8,187	8,142	8,018	8,322	9,060	8,845	8.6	(2.4)
<b>Total Assets Under Custody and Administration</b>	<b>\$ 28,491</b>	<b>\$ 28,650</b>	<b>\$ 27,265</b>	<b>\$ 27,508</b>	<b>\$ 26,943</b>	<b>\$ 27,786</b>	<b>\$ 29,178</b>	<b>\$ 28,771</b>	4.6	(1.4)
By Financial Instrument:										
Equities	\$ 15,660	\$ 16,006	\$ 14,223	\$ 14,888	\$ 14,433	\$ 14,960	\$ 16,012	\$ 15,833	6.3	(1.1)
Fixed-income	9,157	8,939	9,470	9,264	9,199	9,530	9,891	9,665	4.3	(2.3)
Short-term and other investments	3,674	3,705	3,572	3,356	3,311	3,296	3,275	3,273	(2.5)	(0.1)
<b>Total Assets Under Custody and Administration</b>	<b>\$ 28,491</b>	<b>\$ 28,650</b>	<b>\$ 27,265</b>	<b>\$ 27,508</b>	<b>\$ 26,943</b>	<b>\$ 27,786</b>	<b>\$ 29,178</b>	<b>\$ 28,771</b>	4.6	(1.4)
By Geographic Location <sup>(1)</sup> :										
North America	\$ 21,554	\$ 21,667	\$ 20,536	\$ 20,842	\$ 20,505	\$ 21,072	\$ 21,561	\$ 21,544	3.4	(0.1)
Europe/Middle East/Africa	5,590	5,621	5,452	5,387	5,159	5,356	6,107	5,734	6.4	(6.1)
Asia/Pacific	1,347	1,362	1,277	1,279	1,279	1,358	1,510	1,493	16.7	(1.1)
<b>Total Assets Under Custody and Administration</b>	<b>\$ 28,491</b>	<b>\$ 28,650</b>	<b>\$ 27,265</b>	<b>\$ 27,508</b>	<b>\$ 26,943</b>	<b>\$ 27,786</b>	<b>\$ 29,178</b>	<b>\$ 28,771</b>	4.6	(1.4)
<b>Assets Under Custody<sup>(2)</sup></b>										
By Product Classification:										
Mutual funds	\$ 6,786	\$ 6,744	\$ 6,369	\$ 6,413	\$ 6,363	\$ 6,361	\$ 6,461	\$ 6,395	(0.3)	(1.0)
Collective funds	5,626	5,674	5,412	5,642	5,589	5,788	6,080	6,100	8.1	0.3
Pension products	5,160	5,243	4,921	4,944	4,673	4,947	5,107	5,039	1.9	(1.3)
Insurance and other products	4,406	4,403	4,245	4,259	4,163	4,258	4,262	4,191	(1.6)	(1.7)
<b>Total Assets Under Custody</b>	<b>\$ 21,978</b>	<b>\$ 22,064</b>	<b>\$ 20,947</b>	<b>\$ 21,258</b>	<b>\$ 20,788</b>	<b>\$ 21,354</b>	<b>\$ 21,910</b>	<b>\$ 21,725</b>	2.2	(0.8)
By Geographic Location <sup>(1)</sup> :										
North America	\$ 17,221	\$ 17,255	\$ 16,379	\$ 16,664	\$ 16,420	\$ 16,756	\$ 17,074	\$ 17,083	2.5	0.1
Europe/Middle East/Africa	3,732	3,779	3,615	3,635	3,422	3,584	3,698	3,508	(3.5)	(5.1)
Asia/Pacific	1,025	1,030	953	959	946	1,014	1,138	1,134	18.2	(0.4)
<b>Total Assets Under Custody</b>	<b>\$ 21,978</b>	<b>\$ 22,064</b>	<b>\$ 20,947</b>	<b>\$ 21,258</b>	<b>\$ 20,788</b>	<b>\$ 21,354</b>	<b>\$ 21,910</b>	<b>\$ 21,725</b>	2.2	(0.8)

<sup>(1)</sup> Geographic mix is based on the location at which the assets are serviced.

<sup>(2)</sup> Assets under custody are a component of assets under custody and administration presented above.

**STATE STREET CORPORATION  
EARNINGS RELEASE ADDENDUM  
ASSETS UNDER MANAGEMENT**

(Dollars in billions)	Quarters								% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
<b>Assets Under Management</b>										
By Asset Class and Investment Approach:										
Equity:										
Active	\$ 38	\$ 36	\$ 29	\$ 32	\$ 32	\$ 32	\$ 70	\$ 73	128.1%	4.3 %
Passive	1,434	1,386	1,237	1,294	1,295	1,275	1,340	1,401	8.3	4.6
<b>Total Equity</b>	<b>1,472</b>	<b>1,422</b>	<b>1,266</b>	<b>1,326</b>	<b>1,327</b>	<b>1,307</b>	<b>1,410</b>	<b>1,474</b>	<b>11.2</b>	<b>4.5</b>
Fixed-Income:										
Active	17	17	16	18	17	17	73	70	288.9	(4.1)
Passive	306	303	300	294	310	318	318	308	4.8	(3.1)
<b>Total Fixed-Income</b>	<b>323</b>	<b>320</b>	<b>316</b>	<b>312</b>	<b>327</b>	<b>335</b>	<b>391</b>	<b>378</b>	<b>21.2</b>	<b>(3.3)</b>
Cash <sup>(1)</sup>	393	376	380	368	381	380	351	333	(9.5)	(5.1)
Multi-Asset-Class Solutions:										
Active	31	29	26	17	17	17	19	19	11.8	—
Passive	84	89	85	86	92	100	106	107	24.4	0.9
<b>Total Multi-Asset-Class Solutions</b>	<b>115</b>	<b>118</b>	<b>111</b>	<b>103</b>	<b>109</b>	<b>117</b>	<b>125</b>	<b>126</b>	<b>22.3</b>	<b>0.8</b>
Alternative Investments <sup>(2)</sup> :										
Active	17	18	17	17	18	18	29	28	64.7	(3.4)
Passive	123	120	113	119	134	144	140	129	8.4	(7.9)
<b>Total Alternative Investments</b>	<b>140</b>	<b>138</b>	<b>130</b>	<b>136</b>	<b>152</b>	<b>162</b>	<b>169</b>	<b>157</b>	<b>15.4</b>	<b>(7.1)</b>
<b>Total Assets Under Management</b>	<b>\$ 2,443</b>	<b>\$ 2,374</b>	<b>\$ 2,203</b>	<b>\$ 2,245</b>	<b>\$ 2,296</b>	<b>\$ 2,301</b>	<b>\$ 2,446</b>	<b>\$ 2,468</b>	<b>9.9</b>	<b>0.9</b>
By Geographic Location <sup>(3)</sup> :										
North America	\$ 1,549	\$ 1,486	\$ 1,409	\$ 1,452	\$ 1,491	\$ 1,501	\$ 1,641	\$ 1,691	16.5	3.0
Europe/Middle East/Africa	566	563	500	489	496	492	495	482	(1.4)	(2.6)
Asia/Pacific	328	325	294	304	309	308	310	295	(3.0)	(4.8)
<b>Total Assets Under Management</b>	<b>\$ 2,443</b>	<b>\$ 2,374</b>	<b>\$ 2,203</b>	<b>\$ 2,245</b>	<b>\$ 2,296</b>	<b>\$ 2,301</b>	<b>\$ 2,446</b>	<b>\$ 2,468</b>	<b>9.9</b>	<b>0.9</b>

<sup>(1)</sup> Includes both floating- and constant-net-asset-value portfolios held in commingled structures or separate accounts.

<sup>(2)</sup> Includes real estate investment trusts, currency and commodities, including SPDR® Gold Fund for which State Street is not the investment manager, but acts as distribution agent.

<sup>(3)</sup> Geographic mix is based on client location or fund management location.

**Exchange-Traded Funds<sup>(1)</sup>**

By Asset Class:

Alternative investments	\$ 40	\$ 37	\$ 35	\$ 34	\$ 45	\$ 54	\$ 54	\$ 42	23.5%	(22.2)%
Cash	1	2	3	3	3	2	2	2	(33.3)	—
Equity	356	342	323	350	349	348	370	426	21.7	15.1
Fixed-income	43	41	39	41	46	48	52	51	24.4	(1.9)
<b>Total Exchange-Traded Funds</b>	<b>\$ 440</b>	<b>\$ 422</b>	<b>\$ 400</b>	<b>\$ 428</b>	<b>\$ 443</b>	<b>\$ 452</b>	<b>\$ 478</b>	<b>\$ 521</b>	<b>21.7</b>	<b>9.0</b>

<sup>(1)</sup> Exchange-traded funds are a component of assets under management presented above.

**STATE STREET CORPORATION  
EARNINGS RELEASE ADDENDUM  
INVESTMENT PORTFOLIO CREDIT RATINGS**

(Dollars in billions, book value)	U.S. Treasuries & Agencies	AAA	AA	A	BBB	<BBB	Not Rated	Total	Unrealized After-tax MTM Gain/(Loss) (in millions) <sup>(1)</sup>
<b>12/31/2016</b>	<b>\$ 45.5</b>	<b>\$ 30.5</b>	<b>\$ 12.8</b>	<b>\$ 4.5</b>	<b>\$ 2.8</b>	<b>\$ 1.2</b>	<b>\$ —</b>	<b>\$ 97.3</b>	<b>\$ (170)</b>
	<b>47%</b>	<b>31%</b>	<b>13%</b>	<b>5%</b>	<b>3%</b>	<b>1%</b>	<b>—%</b>	<b>100%</b>	
12/31/2015	\$ 45.3	\$ 34.7	\$ 12.5	\$ 4.7	\$ 1.6	\$ 1.0	\$ —	\$ 99.8	\$ 58
	45%	35%	12%	5%	2%	1%	—%	100%	
12/31/2014	\$ 36.4	\$ 45.8	\$ 18.6	\$ 7.2	\$ 2.2	\$ 1.6	\$ 0.1	\$ 111.9	\$ 487
	32%	41%	17%	6%	2%	2%	—%	100%	
12/31/2013	\$ 29.6	\$ 51.7	\$ 22.4	\$ 7.7	\$ 3.4	\$ 2.2	\$ 0.1	\$ 117.1	\$ (213)
	26%	44%	19%	6%	3%	2%	—%	100%	
12/31/2012	\$ 37.6	\$ 46.0	\$ 22.7	\$ 8.5	\$ 3.2	\$ 2.1	\$ 0.1	\$ 120.2	\$ 697
	31%	38%	19%	7%	3%	2%	—%	100%	

<sup>(1)</sup> As of December 31, 2016 the after tax unrealized MTM gain/(loss) includes after-tax unrealized loss on securities available for sale of \$(35) million, after-tax unrealized loss on securities held to maturity of \$(105) million and after-tax unrealized loss primarily related to securities previously transferred from available for sale to held to maturity of \$(30) million.

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**INVESTMENT PORTFOLIO HOLDINGS BY ASSET CLASS**

December 31, 2016	Ratings							Book Value (In billions) <sup>(1)</sup>	Book Value (% Total)	Unrealized After-tax MTM Gain/(Loss) (In millions) <sup>(2)</sup>	Fixed Rate/ Floating Rate
	UST/ AGY	AAA	AA	A	BBB	<BBB	NR				
<b>Government &amp; agency securities</b>	<b>78%</b>	<b>11%</b>	<b>6%</b>	<b>5%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>\$ 27.8</b>	<b>28.6%</b>	<b>\$ 16</b>	<b>98% / 2%</b>
<b>Asset-backed securities</b>	<b>—</b>	<b>70</b>	<b>17</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>—</b>	<b>22.8</b>	<b>23.4</b>	<b>(47)</b>	<b>7% / 93%</b>
Student loans	—	41	33	4	16	6	—	8.6	37.7	(74)	
Credit cards	—	100	—	—	—	—	—	2.8	12.3	(14)	
Auto & equipment	—	92	8	—	—	—	—	2.1	9.2	1	
Non-US residential mortgage backed securities	—	86	8	3	1	2	—	7.7	33.8	43	
Collateralized loan obligation	—	99	1	—	—	—	—	1.0	4.4	7	
Sub-prime	—	9	15	21	2	53	—	0.3	1.3	(10)	
Other	—	23	77	—	—	—	—	0.3	1.3	—	
<b>Mortgage-backed securities</b>	<b>95</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>24.0</b>	<b>24.7</b>	<b>(185)</b>	<b>92% / 8%</b>
Agency MBS	100	—	—	—	—	—	—	22.6	94.2	(191)	
Non-Agency MBS	—	72	2	1	5	20	—	1.4	5.8	6	
<b>CMBS</b>	<b>29</b>	<b>68</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>3.8</b>	<b>3.9</b>	<b>(18)</b>	<b>72% / 28%</b>
<b>Corporate bonds</b>	<b>—</b>	<b>—</b>	<b>16</b>	<b>48</b>	<b>35</b>	<b>1</b>	<b>—</b>	<b>3.5</b>	<b>3.6</b>	<b>(5)</b>	<b>91% / 9%</b>
<b>Covered bonds</b>	<b>—</b>	<b>100</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3.8</b>	<b>3.9</b>	<b>13</b>	<b>14% / 86%</b>
<b>Municipal bonds</b>	<b>—</b>	<b>33</b>	<b>62</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8.3</b>	<b>8.5</b>	<b>53</b>	<b>99% / 1%</b>
<b>Clipper tax-exempt bonds/other</b>	<b>—</b>	<b>45</b>	<b>41</b>	<b>12</b>	<b>1</b>	<b>—</b>	<b>1</b>	<b>3.3</b>	<b>3.4</b>	<b>3</b>	<b>24% / 76%</b>
<b>Total Portfolio</b>	<b>47%</b>	<b>31%</b>	<b>13%</b>	<b>5%</b>	<b>3%</b>	<b>1%</b>	<b>—%</b>	<b>\$ 97.3</b>	<b>100.0%</b>	<b>\$ (170)</b>	<b>68% / 32%</b>

<sup>(1)</sup> Portfolio amounts are expressed at book value; book value includes the amortized cost of transferred securities at the time they were transferred.

<sup>(2)</sup> At December 31, 2016 the after-tax unrealized MTM gain/(loss) includes after-tax unrealized loss on securities available for sale of \$(35) million, after-tax unrealized loss on securities held to maturity of \$(105) million and after-tax unrealized loss primarily related to securities previously transferred from available for sale to held to maturity of \$(30) million.

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**INVESTMENT PORTFOLIO NON-U.S. INVESTMENTS**

December 31, 2016	Book Value (In billions)	Average Rating	Book Value (In billions)					
			Gov't/Agency <sup>(1)</sup>	ABS FRMBS	ABS All Other	Corporate Bonds	Covered Bonds	Other
United Kingdom	\$ 5.6	AAA	\$ —	\$ 3.6	\$ 1.1	\$ 0.2	\$ 0.7	\$ —
Australia	4.7	AAA	0.8	1.7	0.3	0.3	0.7	0.9
Canada	3.0	AAA	1.9	—	—	0.1	1.0	—
Netherlands	1.8	AAA	—	1.5	0.1	0.1	0.1	—
Japan	1.3	A	1.3	—	—	—	—	—
Germany	1.0	AAA	0.1	—	0.9	—	—	—
France	1.0	AA	0.2	—	0.2	0.2	0.4	—
Italy	0.7	AA	0.1	0.4	0.2	—	—	—
Korea	0.6	AA	0.6	—	—	—	—	—
Norway	0.5	AAA	—	—	—	—	0.5	—
Spain	0.4	A	—	0.2	0.2	—	—	—
Finland	0.2	AAA	—	—	—	—	0.2	—
Ireland	0.1	AAA	—	0.1	—	—	—	—
Other	1.6	AA	1.0	0.1	—	0.2	0.3	—
<b>Total Non-U.S. Investments<sup>(2)</sup></b>	<b>\$ 22.5</b>		<b>\$ 6.0</b>	<b>\$ 7.6</b>	<b>\$ 3.0</b>	<b>\$ 1.1</b>	<b>\$ 3.9</b>	<b>\$ 0.9</b>
U.S. Investments	74.8							
<b>Total Portfolio</b>	<b>\$ 97.3</b>							

<sup>(1)</sup> Sovereign debt is reflected in the government agency column.

<sup>(2)</sup> Country of collateral used except for corporates where country of issuer is used; excludes equity securities of approximately \$18.3 million.

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATIONS OF OPERATING-BASIS (NON-GAAP) FINANCIAL INFORMATION**

In addition to presenting State Street's financial results in conformity with U.S. generally accepted accounting principles, or GAAP, management also presents results on a non-GAAP, or "operating" basis, as it believes that this presentation supports meaningful analysis and comparisons of trends with respect to State Street's normal ongoing business operations from period to period, as well as additional information (such as capital ratios calculated under regulatory standards scheduled to be effective in the future or other standards) that management uses in evaluating State Street's business and activities.

Management believes that operating-basis financial information, which excludes the impact of revenue and expenses outside of State Street's normal course of business (such as acquisitions and restructuring charges), facilitates an investor's understanding and analysis of State Street's underlying financial performance and trends in addition to financial information prepared and reported in conformity with GAAP. Excluding the impact of revenue and expenses outside of State Street's normal course of business (such as acquisition and restructuring charges) provides additional insight into our underlying margin and profitability. Our operating-basis presentation also reports revenue from non-taxable sources, such as interest revenue from tax-exempt investment securities and processing fees and other revenue associated with tax-advantaged investments, on a fully taxable-equivalent basis. Taxable-equivalent revenue allows management to provide more meaningful comparisons of yields and margins on assets and to evaluate investment opportunities with different tax profiles. Management also, where notable, presents operating-basis financial information which also excludes the estimated results of operations of the GE Asset Management business (acquired on July 1, 2016) and other metrics (e.g. the fourth quarter 2016 acceleration of compensation expense or the effects of changes in foreign expense rates), as this presentation aids the comparability of financial results to prior periods that did not include those events. Management also believes that the use of other non-GAAP financial measures in the calculation of identified capital ratios is useful to understanding State Street's capital position and is of interest to investors. Additionally, management presents revenue and expense measures on a constant currency (non-GAAP) basis to identify the significance of changes in foreign currency exchange rates (which often are variable) in period-to-period comparisons. This presentation represents the effects of applying prior period weighted average foreign currency exchange rates to current period results. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in conformity with GAAP.

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters								% Change		Year-to-Date		% Change
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015
<b>Total Revenue:</b>													
Total revenue, GAAP-basis	\$2,600	\$2,608	\$2,614	\$2,538	\$2,484	\$2,573	\$ 2,620	\$ 2,530	(0.3)%	(3.4)%	\$ 10,360	\$ 10,207	(1.5)%
Adjustment to processing fees and other revenue (see below)	53	98	12	31	63	34	134	186			194	417	
Adjustment to net interest revenue (see below)	19	21	16	19	27	25	—	33			75	85	
Adjustment to servicing and management fee revenue (see below)	—	—	—	—	—	43	—	—			—	43	
Total revenue, operating-basis	<u>\$2,672</u>	<u>\$2,727</u>	<u>\$2,642</u>	<u>\$2,588</u>	<u>\$2,574</u>	<u>\$2,675</u>	<u>\$ 2,754</u>	<u>\$ 2,749</u>	6.2	(0.2)	<u>\$ 10,629</u>	<u>\$ 10,752</u>	1.2
<b>Fee Revenue:</b>													
Total fee revenue, GAAP-basis	\$2,055	\$2,076	\$2,103	\$2,044	\$1,970	\$2,053	\$ 2,079	\$ 2,014	(1.5)	(3.1)	\$ 8,278	\$ 8,116	(2.0)
Tax-equivalent adjustment associated with tax-advantaged investments	53	98	95	113	63	87	134	186			359	470	
Gain on sale of CRE and CRE loan extinguishment / paydown	—	—	(83)	(82)	—	—	—	—			(165)	—	
Gain on sale of WM/Reuters Business	—	—	—	—	—	(53)	—	—			—	(53)	
Expense billing matter, net	—	—	—	—	—	43	—	—			—	43	
Total fee revenue, operating-basis	<u>\$2,108</u>	<u>\$2,174</u>	<u>\$2,115</u>	<u>\$2,075</u>	<u>\$2,033</u>	<u>\$2,130</u>	<u>\$ 2,213</u>	<u>\$ 2,200</u>	6.0	(0.6)	<u>\$ 8,472</u>	<u>\$ 8,576</u>	1.2
<b>Servicing Fees:</b>													
Total servicing fees, GAAP-basis	\$1,268	\$1,319	\$1,289	\$1,277	\$1,242	\$1,239	\$ 1,303	\$ 1,289	0.9	(1.1)	\$ 5,153	\$ 5,073	(1.6)
Expense billing matter	—	—	—	—	—	48	—	—			—	48	
Total servicing fees, operating-basis	<u>\$1,268</u>	<u>\$1,319</u>	<u>\$1,289</u>	<u>\$1,277</u>	<u>\$1,242</u>	<u>\$1,287</u>	<u>\$ 1,303</u>	<u>\$ 1,289</u>	0.9	(1.1)	<u>\$ 5,153</u>	<u>\$ 5,121</u>	(0.6)
<b>Management Fees:</b>													
Total management fees, GAAP-basis	\$ 301	\$ 304	\$ 287	\$ 282	\$ 270	\$ 293	\$ 368	\$ 361	28.0	(1.9)	\$ 1,174	\$ 1,292	10.1
Expense billing matter	—	—	—	—	—	(5)	—	—			—	(5)	
Total management fees, operating-basis	<u>\$ 301</u>	<u>\$ 304</u>	<u>\$ 287</u>	<u>\$ 282</u>	<u>\$ 270</u>	<u>\$ 288</u>	<u>\$ 368</u>	<u>\$ 361</u>	28.0	(1.9)	<u>\$ 1,174</u>	<u>\$ 1,287</u>	9.6
<b>Processing Fees and Other Revenue:</b>													
Total processing fees and other revenue, GAAP-basis	\$ 61	\$ 17	\$ 120	\$ 111	\$ 52	\$ 98	\$ 5	\$ (65)	(158.6)	(1,400.0)	\$ 309	\$ 90	(70.9)
Tax-equivalent adjustment associated with tax-advantaged investments	53	98	95	113	63	87	134	186			359	470	
Gain on sale of CRE and CRE loan extinguishment / paydown	—	—	(83)	(82)	—	—	—	—			(165)	—	
Gain on sale of WM/Reuters Business	—	—	—	—	—	(53)	—	—			—	(53)	
Total processing fees and other revenue, operating-basis	<u>\$ 114</u>	<u>\$ 115</u>	<u>\$ 132</u>	<u>\$ 142</u>	<u>\$ 115</u>	<u>\$ 132</u>	<u>\$ 139</u>	<u>\$ 121</u>	(14.8)	(12.9)	<u>\$ 503</u>	<u>\$ 507</u>	0.8

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATIONS OF OPERATING-BASIS (NON-GAAP) FINANCIAL INFORMATION (Continued)**

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters								% Change		Year-to-Date		% Change
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015
<b>Net Interest Revenue &amp; Net Interest Margin:</b>													
Net interest revenue, GAAP-basis	\$ 546	\$ 535	\$ 513	\$ 494	\$ 512	\$ 521	\$ 537	\$ 514	4.0 %	(4.3)%	\$ 2,088	\$ 2,084	(0.2)%
Tax-equivalent adjustment associated with tax-exempt investment securities	44	44	43	42	42	40	42	43			173	167	
Net interest revenue, fully taxable-equivalent basis <sup>(1)</sup>	\$ 590	\$ 579	\$ 556	\$ 536	\$ 554	\$ 561	\$ 579	557			\$ 2,261	\$ 2,251	
Average interest earning assets <sup>(1)</sup>	226,359	233,411	221,424	200,899	194,081	198,243	202,155	202,194			220,456	199,184	
Net interest margin, fully taxable-equivalent basis <sup>(1)</sup>	1.06 %	1.00 %	1.00 %	1.06 %	1.15 %	1.14 %	1.14 %	1.09 %	3 bps	(5) bps	1.03 %	1.13 %	10 bps
Net interest revenue, fully taxable-equivalent basis <sup>(1)</sup>	\$ 590	\$ 579	\$ 556	\$ 536	\$ 554	\$ 561	579	557			\$ 2,261	\$ 2,251	
Discount accretion associated with former conduit securities	(25)	(23)	(27)	(23)	(15)	(15)	(42)	(10)			(98)	(82)	
Net interest revenue, operating-basis <sup>(1)</sup>	\$ 565	\$ 556	\$ 529	\$ 513	\$ 539	\$ 546	\$ 537	\$ 547	6.6 %	1.9 %	\$ 2,163	\$ 2,169	0.3 %
Average interest earning assets <sup>(1)</sup>	226,359	233,411	221,424	200,899	194,081	198,243	202,155	202,194			220,456	199,184	
Net interest margin, operating-basis <sup>(1)</sup>	1.01 %	0.96 %	0.95 %	1.01 %	1.12 %	1.11 %	1.06 %	1.08 %	7 bps	2 bps	0.98 %	1.09 %	11 bps
Effect of discount accretion	0.05 %	0.04 %	0.05 %	0.05 %	0.03 %	0.03 %	0.08 %	0.01 %			0.05 %	0.04 %	
<b>Expenses:</b>													
Total expenses, GAAP-basis	\$2,097	\$2,134	\$1,962	\$1,857	\$2,050	\$1,860	\$ 1,984	\$ 2,183	17.6 %	10.0 %	\$ 8,050	\$ 8,077	0.3 %
Severance costs associated with staffing realignment	1	—	(75)	1	(3)	3	9	2			(73)	11	
Provisions for legal contingencies	(150)	(250)	—	(15)	—	—	(42)	1			(415)	(41)	
Expense billing matter, net	—	—	—	(17)	—	(15)	—	—			(17)	(15)	
Acquisition costs	(5)	(3)	(7)	(5)	(7)	(7)	(33)	(22)			(20)	(69)	
Restructuring charges, net	(1)	—	(3)	(1)	(97)	(13)	(9)	(21)			(5)	(140)	
Total expenses, operating-basis	\$1,942	\$1,881	\$1,877	\$1,820	\$1,943	\$1,828	\$ 1,909	\$ 2,143	17.7	12.3	\$ 7,520	\$ 7,823	4.0
<b>Compensation and Employee Benefits Expenses:</b>													
Total compensation and employee benefits expenses, GAAP-basis	\$1,087	\$ 984	\$1,051	\$ 939	\$1,107	\$ 989	\$ 1,013	\$ 1,244	32.5	22.8	\$ 4,061	\$ 4,353	7.2
Severance costs associated with staffing realignment	1	—	(75)	1	(3)	3	9	2			(73)	11	
Total compensation and employee benefits expenses, operating-basis <sup>(2)</sup>	\$1,088	\$ 984	\$ 976	\$ 940	\$1,104	\$ 992	\$ 1,022	\$ 1,246	32.6	21.9	\$ 3,988	\$ 4,364	9.4
<b>Other Expenses:</b>													
Total other expenses, GAAP-basis	\$ 447	\$ 588	\$ 325	\$ 345	\$ 254	\$ 269	\$ 337	\$ 310	(10.1)	(8.0)	\$ 1,705	\$ 1,170	(31.4)
Provisions for legal contingencies	(150)	(250)	—	(15)	—	—	(42)	1			(415)	(41)	
Expense billing matter, net	—	—	—	(17)	—	(15)	—	—			(17)	(15)	
Total other expenses, operating-basis	\$ 297	\$ 338	\$ 325	\$ 313	\$ 254	\$ 254	\$ 295	\$ 311	(0.6)	5.4	\$ 1,273	\$ 1,114	(12.5)
<b>Income Before Income Tax Expense:</b>													
Income before income tax expense, GAAP-basis	\$ 499	\$ 472	\$ 647	\$ 680	\$ 430	\$ 709	\$ 636	\$ 345	(49.3)	(45.8)	\$ 2,298	\$ 2,120	(7.7)
Net pre-tax effect of non-operating adjustments to revenue and expenses	227	372	113	87	197	134	209	259			799	799	
Income before income tax expense, operating-basis	\$ 726	\$ 844	\$ 760	\$ 767	\$ 627	\$ 843	\$ 845	\$ 604	(21.3)	(28.5)	\$ 3,097	\$ 2,919	(5.7)

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATIONS OF OPERATING-BASIS (NON-GAAP) FINANCIAL INFORMATION (Continued)**

	Quarters								% Change		Year-to-Date		% Change		
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015		
(Dollars in millions, except per share amounts, or where otherwise noted)															
<b>Pre-tax operating margin:</b>															
Pre-tax operating margin, GAAP-basis	19.2 %	18.1 %	24.8 %	26.8 %	17.3 %	27.6 %	24.3 %	13.6 %	(1,320)	bps	(1,070)	bps	22.2 %	20.8 %	(140) bps
Net effect of non-operating adjustments	8.0	12.8	4.0	2.8	7.1	3.9	6.4	8.4					6.9	6.3	
Pre-tax operating margin, operating-basis <sup>(3)</sup>	27.2 %	30.9 %	28.8 %	29.6 %	24.4 %	31.5 %	30.7 %	22.0 %	(760)	bps	(870)	bps	29.1 %	27.1 %	(200) bps
<b>Income Tax Expense:</b>															
Income tax expense, GAAP-basis	\$ 94	\$ 54	\$ 67	\$ 103	\$ 62	\$ 92	\$ 72	\$ (248)	(340.8)%		(444.4)%		\$ 318	\$ (22)	(106.9)%
Aggregate tax-equivalent adjustments	97	142	138	155	105	127	176	229					532	637	
Italian deferred tax liability	—	—	25	(33)	—	—	—	—					(8)	—	
Net tax effect of non-operating adjustments	16	54	13	18	15	10	8	10					101	43	
Income tax expense, operating-basis	\$ 207	\$ 250	\$ 243	\$ 243	\$ 182	\$ 229	\$ 256	\$ (9)	(103.7)		(103.5)		\$ 943	\$ 658	(30.2)
<b>Effective Tax Rate:</b>															
Income before income tax expense, operating-basis	\$ 726	\$ 844	\$ 760	\$ 767	\$ 627	\$ 843	\$ 845	\$ 604	(21.3)		(28.5)		\$ 3,097	\$ 2,919	(5.7)
Income tax expense, operating-basis	207	250	243	243	182	229	256	(9)					943	658	
Effective tax rate, operating-basis <sup>(4)</sup>	28.4 %	29.6 %	32.0 %	31.8 %	29.1 %	27.0 %	30.3 %	(1.5)%	(3,330.0) bps		(3,180.0) bps		30.4 %	22.5 %	(790.0) bps
<b>Net Income Available to Common Shareholders:</b>															
Net income available to common shareholders, GAAP-basis	\$ 373	\$ 389	\$ 539	\$ 547	\$ 319	\$ 585	\$ 507	\$ 557	1.8 %		9.9 %		\$ 1,848	\$ 1,968	6.5 %
Net after-tax effect of non-operating adjustments to processing fees and other revenue, net interest revenue, expenses and income tax expense	114	176	(63)	(53)	77	(3)	25	20					174	119	
Net income available to common shareholders, operating-basis	\$ 487	\$ 565	\$ 476	\$ 494	\$ 396	\$ 582	\$ 532	\$ 577	16.8		8.5		\$ 2,022	\$ 2,087	3.2
<b>Diluted Earnings per Common Share<sup>(5)</sup>:</b>															
Diluted earnings per common share, GAAP-basis	\$ .89	\$ .93	\$ 1.31	\$ 1.34	\$ .79	\$ 1.47	\$ 1.29	\$ 1.43	6.7		10.9		\$ 4.47	\$ 4.97	11.2
Severance costs associated with staffing realignment	—	—	.11	—	.01	(.01)	(.01)	—					.11	(.02)	
Provisions for legal contingencies	.36	.37	—	.02	—	—	.11	.02					.76	.13	
Expense billing matter, net	—	—	—	.03	—	.10	—	—					.03	.10	
Acquisition costs	.01	—	.01	.01	.01	.01	.05	.03					.03	.11	
Restructuring charges, net	—	—	—	—	.15	.02	.01	.02					.01	.21	
Effect on income tax of non-operating adjustments	(.06)	.08	.02	(.04)	.04	(.01)	(.03)	(.01)					—	—	
Discount accretion associated with former conduit securities	(.04)	(.02)	(.04)	(.03)	(.02)	(.02)	(.07)	(.01)					(.14)	(.13)	
Gain on sale of CRE and CRE loan extinguishment / paydown	—	—	(.12)	(.12)	—	—	—	—					(.24)	—	
Italian deferred tax liability	—	—	(.14)	—	—	—	—	—					(.14)	—	
Gain on sale of WM/Reuters Business	—	—	—	—	—	(.10)	—	—					—	(.10)	
Diluted earnings per common share, operating-basis	\$ 1.16	\$ 1.36	\$ 1.15	\$ 1.21	\$ .98	\$ 1.46	\$ 1.35	\$ 1.48	22.3		9.6		\$ 4.89	\$ 5.27	7.8



**STATE STREET CORPORATION  
EARNINGS RELEASE ADDENDUM**

**RECONCILIATIONS OF OPERATING-BASIS (NON-GAAP) FINANCIAL INFORMATION (Continued)**

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters								% Change				Year-to-Date		% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015			
<b>Return on Average Common Equity:</b>																
Return on average common equity, GAAP-basis	7.9 %	8.2 %	11.3 %	11.6 %	6.8 %	12.4 %	10.6 %	12.1 %	50	bps	150	bps	9.8 %	10.5 %	70	bps
Severance costs associated with staffing realignment	—	—	1.0	—	—	(.1)	(.1)	—					.2	—		
Provisions for legal contingencies	3.2	3.3	—	.2	—	—	.9	.2					1.6	.3		
Expense billing matter, net	—	—	—	.3	—	.8	—	—					.1	.2		
Acquisition costs	.1	—	.1	.1	.1	.1	.3	.3					.1	.2		
Restructuring charges, net	—	—	—	—	1.3	.2	.1	.1					—	.4		
Effect on income tax of non-operating adjustments	(.5)	.7	.1	(.3)	.4	(.1)	(.2)	(.1)					—	—		
Discount accretion associated with former conduit securities	(.3)	(.3)	(.3)	(.3)	(.2)	(.2)	(.5)	(.1)					(.3)	(.3)		
Gain on sale of CRE and CRE loan extinguishment / paydown	—	—	(1.0)	(1.1)	—	—	—	—					(.5)	—		
Italian deferred tax liability	—	—	(1.2)	—	—	—	—	—					(.3)	—		
Gain on sale of WM/Reuters Business	—	—	—	—	—	(0.8)	—	—					—	(.2)		
Return on average common equity, operating-basis <sup>(6)</sup>	<u>10.4 %</u>	<u>11.9 %</u>	<u>10.0 %</u>	<u>10.5 %</u>	<u>8.4 %</u>	<u>12.3 %</u>	<u>11.1 %</u>	<u>12.5 %</u>	200	bps	140	bps	<u>10.7 %</u>	<u>11.1 %</u>	40	bps
<b>Fee Operating Leverage:</b>																
Total fee revenue, operating-basis (as reconciled above)	\$2,108	\$2,174	\$2,115	\$2,075	\$2,033	\$2,130	\$ 2,213	\$ 2,200	6.02%				\$ 8,472	\$ 8,576	1.23%	
Total expenses, operating-basis (as reconciled above)	1,942	1,881	1,877	1,820	1,943	1,828	1,909	2,143	17.75				7,520	7,823	4.03	
Fee operating leverage									(1,173)	bps					(280)	bps
<b>Operating Leverage:</b>																
Total revenue, operating-basis (as reconciled above)	\$2,672	\$2,727	\$2,642	\$2,588	\$2,574	\$2,675	\$ 2,754	\$ 2,749	6.22%				\$ 10,629	\$ 10,752	1.16%	
Total expenses, operating-basis (as reconciled above)	1,942	1,881	1,877	1,820	1,943	1,828	1,909	2,143	17.75				7,520	7,823	4.03	
Operating leverage									(1,153)	bps					(287)	bps
<b>Fee Operating Leverage excluding acquired operations and accelerated compensation expense:</b>																
Total fee revenue, operating-basis (as reconciled above)	\$2,108	\$2,174	\$2,115	\$2,075	\$2,033	\$2,130	\$ 2,213	\$ 2,200					\$ 8,472	\$ 8,576		
Impact of acquired operations	—	—	—	—	—	—	(65)	(64)					—	(129)		
Total fee revenue, operating-basis excluding acquired operations	<u>\$2,108</u>	<u>\$2,174</u>	<u>\$2,115</u>	<u>\$2,075</u>	<u>\$2,033</u>	<u>\$2,130</u>	<u>\$ 2,148</u>	<u>\$ 2,136</u>	2.94%				<u>\$ 8,472</u>	<u>\$ 8,447</u>	(0.30)%	
Total expenses, operating-basis (as reconciled above)	\$1,942	\$1,881	\$1,877	\$1,820	\$1,943	\$1,828	\$ 1,909	\$ 2,143					\$ 7,520	\$ 7,823		
Impact of accelerated compensation expense	—	—	—	—	—	—	—	(249)					—	(249)		
Impact of acquired operations	—	—	—	—	—	—	(57)	(58)					—	(115)		
Total expenses, operating-basis excluding accelerated compensation expense	<u>\$1,942</u>	<u>\$1,881</u>	<u>\$1,877</u>	<u>\$1,820</u>	<u>\$1,943</u>	<u>\$1,828</u>	<u>\$ 1,852</u>	<u>\$ 1,836</u>	0.88				<u>\$ 7,520</u>	<u>\$ 7,459</u>	(0.81)	
Fee operating leverage excluding acquired operations and accelerated compensation expense									206	bps					51	bps

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATIONS OF OPERATING-BASIS (NON-GAAP) FINANCIAL INFORMATION (Continued)**

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters								% Change		Year-to-Date		% Change	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	2015	2016	2016 vs. 2015	
<b>Operating Leverage excluding acquired operations and accelerated compensation expense:</b>														
Total revenue, operating-basis (as reconciled above)	\$2,672	\$2,727	\$2,642	\$2,588	\$2,574	\$2,675	\$ 2,754	\$ 2,749			\$ 10,629	\$ 10,752		
Impact of acquired operations	—	—	—	—	—	—	(65)	(64)			—	(129)		
Total revenue, operative-basis excluding acquired operations	\$2,672	\$2,727	\$2,642	\$2,588	\$2,574	\$2,675	\$ 2,689	\$ 2,685	3.75%		\$ 10,629	\$ 10,623	(0.06)%	
Total expenses, operating-basis (as reconciled above)	\$1,942	\$1,881	\$1,877	\$1,820	\$1,943	\$1,828	\$ 1,909	\$ 2,143			\$ 7,520	\$ 7,823		
Impact of accelerated compensation expense	—	—	—	—	—	—	—	(249)			—	(249)		
Impact of acquired operations	—	—	—	—	—	—	(57)	(58)			—	(115)		
Total expenses, operating-basis excluding accelerated compensation expense	\$1,942	\$1,881	\$1,877	\$1,820	\$1,943	\$1,828	\$ 1,852	\$ 1,836	0.88		\$ 7,520	\$ 7,459	(0.81)	
Operating leverage excluding acquired operations and accelerated compensation expense									287	bps			75	bps

<sup>(1)</sup> Fully taxable-equivalent net interest margin for the periods presented above represented fully taxable-equivalent net interest revenue composed of GAAP-basis net interest revenue plus tax-equivalent adjustments, on an annualized basis, as a percentage of average total interest-earning assets for the quarters presented.

<sup>(2)</sup> Compensation and employee benefits includes \$249 million of accelerated compensation expense (\$161 million after tax) for the fourth quarter and year to date December 31, 2016.

<sup>(3)</sup> Pre-tax operating margin for the first, second, third and fourth quarters of 2015 and first, second, third and fourth quarters of 2016 was calculated by dividing income before income tax expense by total revenue.

<sup>(4)</sup> Excluding tax benefits related to accelerated compensation expense and acquired operations the effective tax rate was 30.2% for year to date December 31, 2016.

<sup>(5)</sup> Diluted earnings per common share information for year to date December 31, 2015 do not equal the sum of the quarters.

<sup>(6)</sup> Excluding the effects of accelerated compensation expense and acquired operations the return on average common equity was 11.4% for year to date December 31, 2016.

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF CONSTANT CURRENCY FX IMPACTS**

**GAAP-Basis Quarter Comparison**

	Reported			Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency	
	4Q15	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
(Dollars in millions)									
<b>Fee revenue:</b>									
Servicing fees	\$ 1,277	\$ 1,303	\$ 1,289	\$ (16)	\$ (14)	\$ 1,305	\$ 1,303	2.2%	—%
Management fees	282	368	361	(7)	(4)	368	365	30.5	(0.8)
Trading services	247	267	293	(2)	(1)	295	294	19.4	10.1
Securities finance	127	136	136	—	—	136	136	7.1	—
Processing fees and other	111	5	(65)	(2)	(2)	(63)	(63)	nm	nm
Total fee revenue	2,044	2,079	2,014	(27)	(21)	2,041	2,035	(0.1)	(2.1)
Net interest revenue	494	537	514	(7)	(3)	521	517	5.5	(3.7)
Gains (losses) related to investment securities, net	—	4	2	—	—	2	2	nm	(50.0)
<b>Total revenue</b>	<b>\$ 2,538</b>	<b>\$ 2,620</b>	<b>\$ 2,530</b>	<b>\$ (34)</b>	<b>\$ (24)</b>	<b>\$ 2,564</b>	<b>\$ 2,554</b>	<b>1.0</b>	<b>(2.5)</b>
<b>Expenses:</b>									
Compensation and employee benefits	\$ 939	\$ 1,013	\$ 1,244	\$ (18)	\$ (12)	\$ 1,262	\$ 1,256	34.4	24.0
Information systems and communications	261	285	278	—	(2)	278	280	6.5	(1.8)
Transaction processing services	194	200	199	(3)	(2)	202	201	4.1	0.5
Occupancy	112	107	109	(3)	(1)	112	110	—	2.8
Other	351	379	353	(3)	(3)	356	356	1.4	(6.1)
<b>Total expenses</b>	<b>\$ 1,857</b>	<b>\$ 1,984</b>	<b>\$ 2,183</b>	<b>\$ (27)</b>	<b>\$ (20)</b>	<b>\$ 2,210</b>	<b>\$ 2,203</b>	<b>19.0</b>	<b>11.0</b>

**GAAP-Basis YTD Comparison**

	Reported		Currency Translation Impact	Excluding Currency Impact	% Change
	2015	2016	YTD 2016 vs. YTD 2015	2016	YTD 2016 vs. YTD 2015
(Dollars in millions)					
<b>Fee revenue:</b>					
Servicing fees	\$ 5,153	\$ 5,073	\$ (42)	\$ 5,115	(0.7)%
Management fees	1,174	1,292	(17)	1,309	11.5
Trading services	1,146	1,099	(5)	1,104	(3.7)
Securities finance	496	562	—	562	13.3
Processing fees and other	309	90	(3)	93	(69.9)
Total fee revenue	8,278	8,116	(67)	8,183	(1.1)
Net interest revenue	2,088	2,084	(18)	2,102	0.7
Gains (losses) related to investment securities, net	(6)	7	—	7	(216.7)
<b>Total revenue</b>	<b>\$ 10,360</b>	<b>\$ 10,207</b>	<b>\$ (85)</b>	<b>\$ 10,292</b>	<b>(0.7)</b>
<b>Expenses:</b>					
Compensation and employee benefits	\$ 4,061	\$ 4,353	\$ (44)	\$ 4,397	8.3
Information systems and communications	1,022	1,105	(8)	1,113	8.9
Transaction processing services	793	800	(5)	805	1.5
Occupancy	444	440	(6)	446	0.5
Other	1,730	1,379	(5)	1,384	(20.0)
<b>Total expenses</b>	<b>\$ 8,050</b>	<b>\$ 8,077</b>	<b>\$ (68)</b>	<b>\$ 8,145</b>	<b>1.2</b>

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF CONSTANT CURRENCY FX IMPACTS (Continued)**

**Operating-Basis Quarter Comparison**

	Reported			Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency	
	4Q15	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
(Dollars in millions)									
<b>Fee revenue:</b>									
Servicing fees	\$ 1,277	\$ 1,303	\$ 1,289	\$ (16)	\$ (14)	\$ 1,305	\$ 1,303	2.2%	—%
Management fees	282	368	361	(7)	(4)	368	365	30.5	(0.8)
Trading services	247	267	293	(2)	(1)	295	294	19.4	10.1
Securities finance	127	136	136	—	—	136	136	7.1	—
Processing fees and other	142	139	121	(2)	(2)	123	123	(13.4)	(11.5)
Total fee revenue	2,075	2,213	2,200	(27)	(21)	2,227	2,221	7.3	0.4
Net interest revenue	513	537	547	(7)	(3)	554	550	8.0	2.4
Gains (losses) related to investment securities, net	—	4	2	—	—	2	2	nm	(50.0)
<b>Total revenue</b>	<b>\$ 2,588</b>	<b>\$ 2,754</b>	<b>\$ 2,749</b>	<b>\$ (34)</b>	<b>\$ (24)</b>	<b>\$ 2,783</b>	<b>\$ 2,773</b>	<b>7.5</b>	<b>0.7</b>
<b>Expenses:</b>									
Compensation and employee benefits	\$ 940	\$ 1,022	\$ 1,246	\$ (18)	\$ (12)	\$ 1,264	\$ 1,258	34.5	23.1
Information systems and communications	261	285	278	—	(2)	278	280	6.5	(1.8)
Transaction processing services	194	200	199	(3)	(2)	202	201	4.1	0.5
Occupancy	112	107	109	(3)	(1)	112	110	—	2.8
Other	313	295	311	(3)	(3)	314	314	0.3	6.4
<b>Total expenses</b>	<b>\$ 1,820</b>	<b>\$ 1,909</b>	<b>\$ 2,143</b>	<b>\$ (27)</b>	<b>\$ (20)</b>	<b>\$ 2,170</b>	<b>\$ 2,163</b>	<b>19.2</b>	<b>13.3</b>

**Operating-Basis YTD Comparison**

	Reported		Currency Translation Impact	Excluding Currency Impact	% Change
	2015	2016	YTD 2016 vs. YTD 2015	2016	YTD 2016 vs. YTD 2015
(Dollars in millions)					
<b>Fee revenue:</b>					
Servicing fees	\$ 5,153	\$ 5,121	\$ (42)	\$ 5,163	0.2%
Management fees	1,174	1,287	(17)	1,304	11.1
Trading services	1,146	1,099	(5)	1,104	(3.7)
Securities finance	496	562	—	562	13.3
Processing fees and other	503	507	(3)	510	1.4
Total fee revenue	8,472	8,576	(67)	8,643	2.0
Net interest revenue	2,163	2,169	(18)	2,187	1.1
Gains (losses) related to investment securities, net	(6)	7	—	7	(216.7)
<b>Total revenue</b>	<b>\$ 10,629</b>	<b>\$ 10,752</b>	<b>\$ (85)</b>	<b>\$ 10,837</b>	<b>2.0</b>
<b>Expenses:</b>					
Compensation and employee benefits	\$ 3,988	\$ 4,364	\$ (44)	\$ 4,408	10.5
Information systems and communications	1,022	1,105	(8)	1,113	8.9
Transaction processing services	793	800	(5)	805	1.5
Occupancy	444	440	(6)	446	0.5
Other	1,273	1,114	(5)	1,119	(12.1)
<b>Total expenses</b>	<b>\$ 7,520</b>	<b>\$ 7,823</b>	<b>\$ (68)</b>	<b>\$ 7,891</b>	<b>4.9</b>

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF CONSTANT CURRENCY FX IMPACTS (Continued)**

**Operating-Basis Quarter Comparison Excluding Acquired Operations**

(Dollars in millions)	Reported Excluding Acquired Operations			Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency		
	4Q15	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	
<b>Fee revenue:</b>										
Servicing fees	\$ 1,277	\$ 1,303	\$ 1,289	\$ (16)	\$ (14)	\$ 1,305	\$ 1,303	2.2%	—%	
Management fees	282	303	297	(7)	(4)	304	301	7.8	(0.7)	
Trading services	247	267	293	(2)	(1)	295	294	19.4	10.1	
Securities finance	127	136	136	—	—	136	136	7.1	—	
Processing fees and other	142	139	121	(2)	(2)	123	123	(13.4)	(11.5)	
Total fee revenue	2,075	2,148	\$ 2,136	(27)	(21)	2,163	2,157	4.2	0.4	
Net interest revenue	513	537	547	(7)	(3)	554	550	8.0	2.4	
Gains (losses) related to investment securities, net	—	4	2	—	—	2	2	nm	(50.0)	
<b>Total revenue</b>	<b>\$ 2,588</b>	<b>\$ 2,689</b>	<b>\$ 2,685</b>	<b>\$ (34)</b>	<b>\$ (24)</b>	<b>\$ 2,719</b>	<b>\$ 2,709</b>	<b>5.1</b>	<b>0.7</b>	
<b>Expenses:</b>										
Compensation and employee benefits	\$ 940	\$ 996	\$ 1,222	\$ (18)	\$ (12)	\$ 1,240	\$ 1,234	31.9	23.9	
Information systems and communications	261	279	272	—	(2)	272	274	4.2	(1.8)	
Transaction processing services	194	197	196	(3)	(2)	199	198	2.6	0.5	
Occupancy	112	105	106	(3)	(1)	109	107	(2.7)	1.9	
Other	313	275	289	(3)	(3)	292	292	(6.7)	6.2	
<b>Total expenses</b>	<b>\$ 1,820</b>	<b>\$ 1,852</b>	<b>\$ 2,085</b>	<b>\$ (27)</b>	<b>\$ (20)</b>	<b>\$ 2,112</b>	<b>\$ 2,105</b>	<b>16.0</b>	<b>13.7</b>	

**Operating Basis YTD Comparison Excluding Acquired Operations**

(Dollars in millions)	Reported Excluding Acquired Operations		Currency Translation Impact	Excluding Currency Impact	% Change
	2015	2016	YTD 2016 vs. YTD 2015	2016	YTD 2016 vs. YTD 2015
<b>Fee revenue:</b>					
Servicing fees	\$ 5,153	\$ 5,121	\$ (42)	\$ 5,163	0.2%
Management fees	1,174	1,158	(17)	1,175	0.1
Trading services	1,146	1,099	(5)	1,104	(3.7)
Securities finance	496	562	—	562	13.3
Processing fees and other	503	507	(3)	510	1.4
Total fee revenue	8,472	8,447	(67)	8,514	0.5
Net interest revenue	2,163	2,169	(18)	2,187	1.1
Gains (losses) related to investment securities, net	(6)	7	—	7	(216.7)
<b>Total revenue</b>	<b>\$ 10,629</b>	<b>\$ 10,623</b>	<b>\$ (85)</b>	<b>\$ 10,708</b>	<b>0.7</b>
<b>Expenses:</b>					
Compensation and employee benefits	\$ 3,988	\$ 4,314	\$ (44)	\$ 4,358	9.3
Information systems and communications	1,022	1,093	(8)	1,101	7.7
Transaction processing services	793	794	(5)	799	0.8
Occupancy	444	435	(6)	441	(0.7)
Other	1,273	1,072	(5)	1,077	(15.4)
<b>Total expenses</b>	<b>\$ 7,520</b>	<b>\$ 7,708</b>	<b>\$ (68)</b>	<b>\$ 7,776</b>	<b>3.4</b>

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF CONSTANT CURRENCY FX IMPACTS (Continued)**

**Operating-Basis Quarter Comparison Excluding Accelerated Compensation Expense**

(Dollars in millions)	Reported Excluding Accelerated Compensation Expense			Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency		
	4Q15	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	
<b>Fee revenue:</b>										
Servicing fees	\$ 1,277	\$ 1,303	\$ 1,289	\$ (16)	\$ (14)	\$ 1,305	\$ 1,303	2.2%	—%	
Management fees	282	368	361	(7)	(4)	368	365	30.5	(0.8)	
Trading services	247	267	293	(2)	(1)	295	294	19.4	10.1	
Securities finance	127	136	136	—	—	136	136	7.1	—	
Processing fees and other	142	139	121	(2)	(2)	123	123	(13.4)	(11.5)	
Total fee revenue	2,075	2,213	2,200	(27)	(21)	2,227	2,221	7.3	0.4	
Net interest revenue	513	537	547	(7)	(3)	554	550	8.0	2.4	
Gains (losses) related to investment securities, net	—	4	2	—	—	2	2	nm	(50.0)	
<b>Total revenue</b>	<b>\$ 2,588</b>	<b>\$ 2,754</b>	<b>\$ 2,749</b>	<b>\$ (34)</b>	<b>\$ (24)</b>	<b>\$ 2,783</b>	<b>\$ 2,773</b>	<b>7.5</b>	<b>0.7</b>	
<b>Expenses:</b>										
Compensation and employee benefits	\$ 940	\$ 1,022	\$ 997	\$ (18)	\$ (12)	\$ 1,015	\$ 1,009	8.0	(1.3)	
Information systems and communications	261	285	278	—	(2)	278	280	6.5	(1.8)	
Transaction processing services	194	200	199	(3)	(2)	202	201	4.1	0.5	
Occupancy	112	107	109	(3)	(1)	112	110	—	2.8	
Other	313	295	311	(3)	(3)	314	314	0.3	6.4	
<b>Total expenses</b>	<b>\$ 1,820</b>	<b>\$ 1,909</b>	<b>\$ 1,894</b>	<b>\$ (27)</b>	<b>\$ (20)</b>	<b>\$ 1,921</b>	<b>\$ 1,914</b>	<b>5.5</b>	<b>0.3</b>	

**Operating Basis YTD Comparison Excluding Accelerated Compensation Expense**

(Dollars in millions)	Reported Excluding Accelerated Compensation Expense		Currency Translation Impact		Excluding Currency Impact		% Change	
	2015	2016	YTD 2016 vs. YTD 2015		2016		YTD 2016 vs. YTD 2015	
<b>Fee revenue:</b>								
Servicing fees	\$ 5,153	\$ 5,121	\$ (42)	\$ 5,163	0.2%			
Management fees	1,174	1,287	(17)	1,304	11.1			
Trading services	1,146	1,099	(5)	1,104	(3.7)			
Securities finance	496	562	—	562	13.3			
Processing fees and other	503	507	(3)	510	1.4			
Total fee revenue	8,472	8,576	(67)	8,643	2.0			
Net interest revenue	2,163	2,169	(18)	2,187	1.1			
Gains (losses) related to investment securities, net	(6)	7	—	7	(216.7)			
<b>Total revenue</b>	<b>\$ 10,629</b>	<b>\$ 10,752</b>	<b>\$ (85)</b>	<b>\$ 10,837</b>	<b>2.0</b>			
<b>Expenses:</b>								
Compensation and employee benefits	\$ 3,988	\$ 4,115	\$ (44)	\$ 4,159	4.3			
Information systems and communications	1,022	1,105	(8)	1,113	8.9			
Transaction processing services	793	800	(5)	805	1.5			
Occupancy	444	440	(6)	446	0.5			
Other	1,273	1,114	(5)	1,119	(12.1)			
<b>Total expenses</b>	<b>\$ 7,520</b>	<b>\$ 7,574</b>	<b>\$ (68)</b>	<b>\$ 7,642</b>	<b>1.6</b>			

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF CONSTANT CURRENCY FX IMPACTS (Continued)**

**AUCA and AUM Quarter Comparison**

	Reported			Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency	
	4Q15	3Q16	4Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16	4Q16 vs. 4Q15	4Q16 vs. 3Q16
(Dollars in billions)									
Assets Under Custody and Administration	\$ 27,508	\$ 29,178	\$ 28,771	\$ (431)	\$ (298)	\$ 29,202	\$ 29,069	6.2%	(0.4)%
Assets Under Management	2,245	2,446	2,468	(20)	(38)	2,488	2,506	10.8	2.5

<sup>nm</sup> Not meaningful

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**REGULATORY CAPITAL**

The accompanying materials present capital ratios in addition to, or adjusted from, those calculated in conformity with applicable regulatory requirements. These include capital ratios based on tangible common equity, as well as capital ratios adjusted to reflect our estimate of the impact of the relevant Basel III requirements, as specified in the July 2013 final rule issued by the Board of Governors of the Federal Reserve System, referred to as the Basel III final rule. These non-regulatory and adjusted capital measures are non-GAAP financial measures. Management currently calculates the non-GAAP capital ratios presented in the news release to aid in its understanding of State Street's capital position under a variety of standards, including currently applicable and transitioning regulatory requirements. Management believes that the use of the non-GAAP capital ratios presented in the accompanying materials similarly aids in an investor's understanding of State Street's capital position and therefore is of interest to investors.

The common equity tier 1 risk-based capital, or CET1, tier 1 risk-based capital, total risk-based capital and tier 1 leverage ratios have each been calculated in conformity with applicable regulatory requirements as of the dates that each was first publicly disclosed. The capital component, or numerator, of these ratios was calculated in conformity with the provisions of the Basel III final rule. For the periods below the total risk-weighted assets component, or denominator, used in the calculation of the CET1, tier 1 risk-based capital and total risk-based capital ratios were each calculated in conformity with the advanced approaches and standardized approach provisions of Basel III, as the case may be.

The advanced approaches-based ratios (actual and estimated) included in this presentation reflect calculations and determinations with respect to our capital and related matters, based on State Street and external data, quantitative formula, statistical models, historical correlations and assumptions, collectively referred to as "advanced systems," in effect and used by us for those purposes as of the respective date of each ratio's first public announcement. Significant components of these advanced systems involve the exercise of judgment by us and our regulators, and these advanced systems may not, individually or collectively, precisely represent or calculate the scenarios, circumstances, outputs or other results for which they are designed or intended. Due to the influence of changes in these advanced systems, whether resulting from changes in data inputs, regulation or regulatory supervision or interpretation, State Street-specific or market activities or experiences or other updates or factors, we expect that our advanced systems and our capital ratios calculated in conformity with the Basel III framework will change and may be volatile over time, and that those latter changes or volatility could be material as calculated and measured from period to period.

The tangible common equity, or TCE, ratio is an additional capital ratio that management believes provides context useful in understanding and assessing State Street's capital adequacy. The TCE ratio is calculated by dividing consolidated total common shareholders' equity by consolidated total assets, after reducing both amounts by goodwill and other intangible assets net of related deferred taxes. Total assets reflected in the TCE ratio also exclude cash balances on deposit at the Federal Reserve Bank and other central banks in excess of required reserves. The TCE ratio is not required by GAAP or by banking regulations, but is a metric used by management to evaluate the adequacy of State Street's capital levels. Since there is no authoritative requirement to calculate the TCE ratio, our TCE ratio is not necessarily comparable to similar capital measures disclosed or used by other companies in the financial services industry. Tangible common equity and adjusted tangible assets are non-GAAP financial measures and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP or other applicable requirements. Reconciliations with respect to the calculation of the TCE ratios are provided on page 22 of this earnings release addendum.

The following table presents State Street's regulatory capital ratios and underlying components, calculated in conformity with applicable regulatory requirements as described above.

(Dollars in millions)	Quarters															
	1Q15		2Q15		3Q15		4Q15		1Q16		2Q16		3Q16		4Q16	
	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>	Basel III Advanced Approaches <sup>(1)</sup>	Basel III Standardized Approach <sup>(2)</sup>
<b>RATIOS:</b>																
Common equity tier 1 capital	12.0%	10.2%	12.0%	11.4%	12.0%	11.8%	12.5%	13.0%	12.3%	12.5%	12.0%	12.0%	12.3%	12.5%	11.7%	11.6%
Tier 1 capital	14.0	12.0	14.7	14.0	14.7	14.5	15.3	15.9	14.9	15.1	15.0	15.0	15.4	15.7	14.8	14.7
Total capital	16.1	13.7	16.8	16.0	16.8	16.6	17.4	18.1	17.1	17.3	17.1	17.1	17.6	17.9	16.0	16.0
Tier 1 leverage	5.8	5.8	6.0	6.0	6.3	6.3	6.9	6.9	6.9	6.9	7.0	7.0	6.8	6.8	6.5	6.5
<b>Supporting Calculations:</b>																
Common equity tier 1 capital	\$ 12,494	\$ 12,494	\$ 12,559	\$ 12,559	\$ 12,515	\$ 12,515	\$ 12,433	\$ 12,433	\$ 12,404	\$ 12,404	\$ 12,518	\$ 12,518	\$ 12,269	\$ 12,269	\$ 11,624	\$ 11,624
Total risk-weighted assets	103,998	121,946	104,533	109,788	104,365	105,765	99,552	95,893	100,633	99,617	104,012	104,492	99,736	98,374	99,374	99,954
Common equity tier 1 risk-based capital	12.0%	10.2%	12.0%	11.4%	12.0%	11.8%	12.5%	13.0%	12.3%	12.5%	12.0%	12.0%	12.3%	12.5%	11.7%	11.6%
Tier 1 capital	\$ 14,598	\$ 14,598	\$ 15,401	\$ 15,401	\$ 15,361	\$ 15,361	\$ 15,264	\$ 15,264	\$ 15,032	\$ 15,032	\$ 15,642	\$ 15,642	\$ 15,407	\$ 15,407	\$ 14,717	\$ 14,717
Total risk-weighted assets	103,998	121,946	104,533	109,788	104,365	105,765	99,552	95,893	100,633	99,617	104,012	104,492	99,736	98,374	99,374	99,954
Tier 1 risk-based capital ratio	14.0%	12.0%	14.7%	14.0%	14.7%	14.5%	15.3%	15.9%	14.9%	15.1%	15.0%	15.0%	15.4%	15.7%	14.8%	14.7%
Total capital	\$ 16,752	\$ 16,752	\$ 17,554	\$ 17,554	\$ 17,526	\$ 17,583	\$ 17,349	\$ 17,403	\$ 17,191	\$ 17,248	\$ 17,794	\$ 17,869	\$ 17,560	\$ 17,632	\$ 15,909	\$ 15,967
Total risk-weighted assets	103,998	121,946	104,533	109,788	104,365	105,765	99,552	95,893	100,633	99,617	104,012	104,492	99,736	98,374	99,374	99,954
Total risk-based capital ratio	16.1%	13.7%	16.8%	16.0%	16.8%	16.6%	17.4%	18.1%	17.1%	17.3%	17.1%	17.1%	17.6%	17.9%	16.0%	16.0%
Tier 1 capital	\$ 14,598	\$ 14,598	\$ 15,401	\$ 15,401	\$ 15,361	\$ 15,361	\$ 15,264	\$ 15,264	\$ 15,032	\$ 15,032	\$ 15,642	\$ 15,642	\$ 15,407	\$ 15,407	\$ 14,717	\$ 14,717
Adjusted quarterly average assets	252,406	252,406	257,227	257,227	244,553	244,553	221,880	221,880	217,029	217,029	222,666	222,666	226,093	226,093	226,310	226,310
Tier 1 leverage ratio	5.8%	5.8%	6.0%	6.0%	6.3%	6.3%	6.9%	6.9%	6.9%	6.9%	7.0%	7.0%	6.8%	6.8%	6.5%	6.5%

<sup>(1)</sup> CET1, tier 1 capital, total capital and tier 1 leverage ratios for each period above were calculated in conformity with the advanced approaches provisions of the Basel III final rule.

<sup>(2)</sup> CET1, tier 1 capital, total capital, and tier 1 leverage ratios for each period above were calculated in conformity with the standardized approach provisions of the Basel III final rule.



**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF TANGIBLE COMMON EQUITY RATIO**

The following table presents the calculation of State Street's ratios of tangible common equity to total tangible assets.

(Dollars in millions)	Quarters							
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Consolidated total assets	\$ 279,448	\$ 294,544	\$ 247,235	\$ 245,155	\$ 243,685	\$ 255,386	\$ 256,140	\$ 242,698
Less:								
Goodwill	5,663	5,729	5,716	5,671	5,733	5,671	5,911	5,814
Other intangible assets	1,892	1,871	1,820	1,768	1,749	1,682	1,849	1,750
Cash balances held at central banks in excess of required reserves	71,740	106,202	60,160	66,259	58,639	67,710	67,571	62,037
Adjusted assets	200,153	180,742	179,539	171,457	177,564	180,323	180,809	173,097
Plus related deferred tax liabilities	814	834	713	694	698	688	685	655
Total tangible assets	<b>A</b> \$ 200,967	\$ 181,576	\$ 180,252	\$ 172,151	\$ 178,262	\$ 181,011	\$ 181,494	\$ 173,752
<b>Consolidated total common shareholders' equity</b>	\$ 18,709	\$ 18,643	\$ 18,640	\$ 18,399	\$ 18,793	\$ 18,877	\$ 18,954	\$ 18,023
Less:								
Goodwill	5,663	5,729	5,716	5,671	5,733	5,671	5,911	5,814
Other intangible assets	1,892	1,871	1,820	1,768	1,749	1,682	1,849	1,750
Adjusted equity	11,154	11,043	11,104	10,960	11,311	11,524	11,194	10,459
Plus related deferred tax liabilities	814	834	713	694	698	688	685	655
Total tangible common equity	<b>B</b> \$ 11,968	\$ 11,877	\$ 11,817	\$ 11,654	\$ 12,009	\$ 12,212	\$ 11,879	\$ 11,114
<b>Tangible common equity ratio</b>	<b>B/A</b> 6.0%	6.5%	6.6%	6.8%	6.7%	6.7%	6.5%	6.4%

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF FULLY PHASED-IN CAPITAL RATIOS**

Fully phased-in pro-forma estimates of common equity tier 1 capital include 100% of the accumulated other comprehensive income component of common shareholder's equity, including accumulated other comprehensive income attributable to available-for-sale securities, cash flow hedges and defined benefit pension plans, as well as 100% of applicable deductions, including but not limited to, intangible assets net of deferred tax liabilities. Fully phased-in pro-forma estimates of tier 1 and total capital both reflect the transition of trust preferred capital securities from tier 1 capital to total capital. For both Basel III advanced and standardized approaches, fully phased-in pro-forma estimates of risk-weighted assets reflect the exclusion of intangible assets, offset by additions related to non-significant equity exposures and deferred tax assets related to temporary differences. All fully phased-in ratios are preliminary estimates, based on our interpretations of the Basel III final rule as of the date each such ratio was first announced publicly and as applied to our businesses and operations as of the date of such ratio.

The following tables reconcile our fully phased-in estimated pro-forma common equity tier 1 capital, tier 1 capital, total capital and tier 1 leverage ratios, calculated in conformity with the Basel III final rule, as of the dates indicated, to those same ratios calculated in conformity with the applicable regulatory requirements as of such dates.

As of December 31, 2016 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 11,624	\$ (770)	\$ 10,854	\$ 11,624	\$ (770)	\$ 10,854
Tier 1 capital	14,717	(666)	14,051	14,717	(666)	14,051
Total capital	15,909	(667)	15,242	15,967	(667)	15,300
Risk weighted assets	99,374	34	99,408	99,954	31	99,985
Adjusted average assets	226,310	(475)	225,835	226,310	(475)	225,835

**Capital ratios:**

Common equity tier 1 capital	11.7%	10.9%	11.6%	10.9%
Tier 1 capital	14.8	14.1	14.7	14.1
Total capital	16.0	15.3	16.0	15.3
Tier 1 leverage	6.5	6.2	6.5	6.2

As of September 30, 2016 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,269	\$ (537)	\$ 11,732	\$ 12,269	\$ (537)	\$ 11,732
Tier 1 capital	15,407	(479)	14,928	15,407	(479)	14,928
Total capital	17,560	(525)	17,035	17,632	(525)	17,107
Risk weighted assets	99,736	(528)	99,208	98,374	(497)	97,877
Adjusted average assets	226,093	(297)	225,796	226,093	(297)	225,796

**Capital ratios:**

Common equity tier 1 capital	12.3%	11.8%	12.5%	12.0%
Tier 1 capital	15.4	15.0	15.7	15.3
Total capital	17.6	17.2	17.9	17.5
Tier 1 leverage	6.8	6.6	6.8	6.6

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF FULLY PHASED-IN CAPITAL RATIOS (Continued)**

As of June 30, 2016 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,518	\$ (452)	\$ 12,066	\$ 12,518	\$ (452)	\$ 12,066
Tier 1 capital	15,642	(393)	15,249	15,642	(393)	15,249
Total capital	17,794	(438)	17,356	17,869	(438)	17,431
Risk weighted assets	104,012	65	104,077	104,492	62	104,554
Adjusted average assets	222,666	(283)	222,383	222,666	(283)	222,383

**Capital ratios:**

Common equity tier 1 capital	12.0%	11.6%	12.0%	11.5%
Tier 1 capital	15.0	14.7	15.0	14.6
Total capital	17.1	16.7	17.1	16.7
Tier 1 leverage	7.0	6.9	7.0	6.9

As of March 31, 2016 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,404	\$ (547)	\$ 11,857	\$ 12,404	\$ (547)	\$ 11,857
Tier 1 capital	15,032	(486)	14,546	15,032	(486)	14,546
Total capital	17,191	(532)	16,659	17,248	(532)	16,716
Risk weighted assets	100,633	95	100,728	99,617	89	99,706
Adjusted average assets	217,029	(357)	216,672	217,029	(357)	216,672

**Capital ratios:**

Common equity tier 1 capital	12.3%	11.8%	12.5%	11.9%
Tier 1 capital	14.9	14.4	15.1	14.6
Total capital	17.1	16.5	17.3	16.8
Tier 1 leverage	6.9	6.7	6.9	6.7

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF FULLY PHASED-IN CAPITAL RATIOS (Continued)**

As of December 31, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,433	\$ (929)	\$ 11,504	\$ 12,433	\$ (929)	\$ 11,504
Tier 1 capital	15,264	(1,076)	14,188	15,264	(1,076)	14,188
Total capital	17,349	(946)	16,403	17,403	(946)	16,457
Risk weighted assets	99,552	(406)	99,146	95,893	(382)	95,511
Adjusted average assets	221,880	(545)	221,335	221,880	(545)	221,335

**Capital ratios:**

Common equity tier 1 capital	12.5%	11.6%	13.0%	12.0%
Tier 1 capital	15.3	14.3	15.9	14.9
Total capital	17.4	16.5	18.1	17.2
Tier 1 leverage	6.9	6.4	6.9	6.4

As of September 30, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,515	\$ (855)	\$ 11,660	\$ 12,515	\$ (855)	\$ 11,660
Tier 1 capital	15,361	(998)	14,363	15,361	(998)	14,363
Total capital	17,526	(868)	16,658	17,583	(868)	16,715
Risk weighted assets	104,365	(478)	103,887	105,765	(451)	105,314
Adjusted average assets	244,553	(488)	244,065	244,553	(488)	244,065

**Capital ratios:**

Common equity tier 1 capital	12.0%	11.2%	11.8%	11.1%
Tier 1 capital	14.7	13.8	14.5	13.6
Total capital	16.8	16.0	16.6	15.9
Tier 1 leverage	6.3	5.9	6.3	5.9

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATION OF FULLY PHASED-IN CAPITAL RATIOS (Continued)**

As of June 30, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased- In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,559	\$ (846)	\$ 11,713	\$ 12,559	\$ (846)	\$ 11,713
Tier 1 capital	15,401	(985)	14,416	15,401	(985)	14,416
Total capital	17,554	(855)	16,699	17,554	(855)	16,699
Risk weighted assets	104,533	(481)	104,052	109,788	(453)	109,335
Adjusted average assets	257,227	(295)	256,932	257,227	(295)	256,932

**Capital ratios:**

Common equity tier 1 capital	12.0%	11.3%	11.4%	10.7%
Tier 1 capital	14.7	13.9	14.0	13.2
Total capital	16.8	16.0	16.0	15.3
Tier 1 leverage	6.0	5.6	6.0	5.6

As of March 31, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased- In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro- Forma Estimate
Common equity tier 1 capital	\$ 12,494	\$ (684)	\$ 11,810	\$ 12,494	\$ (684)	\$ 11,810
Tier 1 capital	14,598	(827)	13,771	14,598	(827)	13,771
Total capital	16,752	(697)	16,055	16,752	(697)	16,055
Risk weighted assets	103,998	(552)	103,446	121,946	(520)	121,426
Adjusted average assets	252,406	(215)	252,191	252,406	(215)	252,191

**Capital ratios:**

Common equity tier 1 capital	12.0%	11.4%	10.2%	9.7%
Tier 1 capital	14.0	13.3	12.0	11.3
Total capital	16.1	15.5	13.7	13.2
Tier 1 leverage	5.8	5.5	5.8	5.5

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATIONS OF SUPPLEMENTARY LEVERAGE RATIOS**

In 2014, U.S. banking regulators issued final rules implementing a supplementary leverage ratio, or SLR, for certain bank holding companies, like State Street, and their insured depository institution subsidiaries, like State Street Bank. We refer to these final rules as the SLR final rule. Under the SLR final rule, upon implementation as of January 1, 2018, (i) State Street Bank must maintain an SLR of at least 6% to be well capitalized under the U.S. banking regulators' Prompt Corrective Action framework and (ii) if State Street maintains an SLR of at least 5%, it is not subject to limitations on distribution and discretionary bonus payments under the SLR final rule. Beginning with reporting for March 31, 2015, State Street was required to include SLR disclosures with its other Basel disclosures.

Estimated pro forma fully phased-in SLR ratios for the periods below are preliminary estimates by State Street (in each case, fully phased-in as of January 1, 2018, as per the phase-in requirements of the SLR final rule), calculated based on our interpretations of the SLR final rule as of July 27, 2016 and as applied to our businesses and operations for the periods below.

The following tables reconcile our estimated pro forma fully-phased in SLR ratios for the periods below calculated in conformity with the SLR final rule, as described, to our SLR ratios calculated in conformity with applicable regulatory requirements as of the dates indicated.

As of December 31, 2016 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
	<b>Tier 1 Capital</b>	\$ 14,717 A	\$ 14,051	\$ 15,805
On-and off-balance sheet leverage exposure	257,508	257,508	253,488	253,488
Less: regulatory deductions	(6,476)	(6,950)	(6,078)	(6,532)
Total assets for SLR	251,032 B	250,558	247,410	246,956
<b>Supplementary Leverage Ratio</b>	5.9% A/B	5.6%	6.4%	6.1%

As of September 30, 2016 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
	<b>Tier 1 Capital</b>	\$ 15,407 C	\$ 14,928	\$ 15,817
On-and off-balance sheet leverage exposure	257,179	257,179	252,104	252,104
Less: regulatory deductions	(6,188)	(6,485)	(5,798)	(6,072)
Total assets for SLR	250,991 D	250,694	246,306	246,032
<b>Supplementary Leverage Ratio</b>	6.1% C/D	6.0%	6.4%	6.2%

As of June 30, 2016 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
	<b>Tier 1 Capital</b>	\$ 15,642 E	\$ 15,249	\$ 15,742
On-and off-balance sheet leverage exposure	254,999	254,999	250,061	250,061
Less: regulatory deductions	(5,949)	(6,232)	(5,578)	(5,835)
Total assets for SLR	249,050 F	248,767	244,483	244,226
<b>Supplementary Leverage Ratio</b>	6.3% E/F	6.1%	6.4%	6.3%

As of March 31, 2016 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
	<b>Tier 1 Capital</b>	\$ 15,032 G	\$ 14,546	\$ 15,071
On-and off-balance sheet leverage exposure	247,923	247,923	243,043	243,043
Less: regulatory deductions	(6,130)	(6,487)	(5,751)	(6,073)
Total assets for SLR	241,793 H	241,436	237,292	236,970
<b>Supplementary Leverage Ratio</b>	6.2% G/H	6.0%	6.4%	6.2%

**STATE STREET CORPORATION**  
**EARNINGS RELEASE ADDENDUM**  
**RECONCILIATIONS OF SUPPLEMENTARY LEVERAGE RATIOS (Continued)**

	State Street			State Street Bank		
	Transitional SLR		Fully Phased-In SLR	Transitional SLR		Fully Phased-In SLR
As of December 31, 2015 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 15,264	I	\$ 14,188	\$ 14,647		\$ 13,869
On-and off-balance sheet leverage exposure	252,752		252,752	247,736		247,736
Less: regulatory deductions	(5,895)		(6,440)	(5,536)		(6,036)
Total assets for SLR	246,857	J	246,312	242,200		241,700
<b>Supplementary Leverage Ratio</b>	6.2%	I/J	5.8%	6.0%		5.7%
As of September 30, 2015 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 15,361	K	\$ 14,363	\$ 14,863		\$ 14,162
On-and off-balance sheet leverage exposure	276,673		276,673	271,347		271,347
Less: regulatory deductions	(5,911)		(6,399)	(5,550)		(5,993)
Total assets for SLR	270,762	L	270,274	265,797		265,354
<b>Supplementary Leverage Ratio</b>	5.7%	K/L	5.3%	5.6%		5.3%
As of June 30, 2015 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 15,401	M	\$ 14,416	\$ 14,352		\$ 13,667
On-and off-balance sheet leverage exposure	291,875		291,875	286,851		286,851
Less: regulatory deductions	(6,138)		(6,930)	(5,776)		(6,515)
Total assets for SLR	285,737	N	284,945	281,075		280,336
<b>Supplementary Leverage Ratio</b>	5.4%	M/N	5.1%	5.1%		4.9%
As of March 31, 2015 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 14,598	O	\$ 13,772	\$ 13,770		\$ 13,245
On-and off-balance sheet leverage exposure	288,932		288,932	284,060		284,060
Less: regulatory deductions	(6,088)		(6,898)	(5,734)		(6,489)
Total assets for SLR	282,844	P	282,034	278,326		277,571
<b>Supplementary Leverage Ratio</b>	5.2%	O/P	4.9%	4.9%		4.8%