



## News Release

Investor Contact: Anthony Ostler  
+1 617/664-3477

Media Contact: Hannah Grove  
+1 617/664-3377

### **STATE STREET REPORTS SECOND-QUARTER 2017 GAAP-BASIS EPS OF \$1.53 AND ROE OF 12.6%**

**2Q17 GAAP-BASIS REVENUE AND FEE REVENUE UP 9% COMPARED TO 2Q16,  
REFLECTING HIGHER EQUITY MARKETS AND NEW CLIENT BUSINESS MOMENTUM**

**2Q17 GAAP-BASIS PRE-TAX MARGIN of 27.6% AND  
FEE OPERATING LEVERAGE OF -32 BASIS POINTS,  
TEMPERED BY RESTRUCTURING COSTS OF \$0.11 PER SHARE**

**On an operating-basis, results for 2Q17 compared to 2Q16 include:**

- **EPS was \$1.67, up 14%**
- **ROE of 13.7%, up 140 basis points**
- **Revenue up 10%; and Fee revenue up 9%**
- **Fee operating leverage of 189 basis points**
- **Pre-tax operating margin of 33.3%, up 180 basis points**

Boston, MA ...July 26, 2017

In announcing today's financial results, Joseph L. Hooley, State Street's Chairman and Chief Executive Officer, said, "We are very pleased with our second-quarter results, delivering a record level of quarterly earnings per share that reflect continued strength in global equity markets as well as momentum in our asset servicing and asset management businesses. We also for the first time exceeded \$31 trillion in assets under custody and administration this quarter fueled by a combination of new business activity and higher equity markets".

Hooley added, "In June we celebrated our 225th anniversary. We're proud to be in a rare category of companies whose success is measured not in years or decades, but in centuries. We've been able to achieve this success by focusing on our clients and on key markets, while delivering new solutions to address our clients' needs. We continue to invest and obtain long-term benefits from Beacon, which is core to our next phase of advancing State Street. We're making progress in digitizing our operations and providing new capabilities and information advantages to our clients".

Hooley concluded, "We continue to prioritize returning capital to our shareholders. In June, our Board of Directors approved a \$1.4 billion common stock purchase program following the Federal Reserve's review of our capital plan under its 2017 Comprehensive Capital Analysis and Review (CCAR) process. Our 2017 capital plan also includes an increase of approximately 11% in our quarterly common stock dividend to \$0.42 per share starting in the third quarter of 2017."

### 2Q17 Highlights:

- **Broad-based business momentum:** Strength in equity markets and new business lifted AUCA and AUM to record levels. Asset servicing AUCA grew 12% as compared to 2Q16 quarter-end (4% growth compared to 1Q17 quarter-end). Asset management AUM grew 13% as compared to 2Q16 quarter-end (2% growth compared to 1Q17 quarter-end).
- **New business:** New asset servicing mandates during 2Q17 totaled approximately \$135 billion. Servicing assets remaining to be installed in future periods totaled approximately \$370 billion at quarter-end.
- **The acquired GE Asset Management (GEAM) operations** delivered accretive earnings ahead of our announced plans, excluding merger and integration costs.
- **Strength in trading services and securities finance** reflecting multiple product offerings globally and higher client activity compared to 2Q16.
- **Growth in net interest income** driven by higher market interest rates in the U.S. and continued focus on the optimization of our liability mix.
- **To achieve future cost savings and efficiencies**, GAAP-basis 2Q17 results included \$62 million, or \$0.11 per share, in restructuring expenses related to State Street Beacon.
- **Carefully pacing investments** to support business expansion, while delivering positive operating-basis fee operating leverage of 189 basis-points.
- **Capital:** Our estimated Basel III common equity tier 1 ratio as of June 30, 2017 was 12.0% and our estimated supplementary leverage ratio was 6.2%, while delivering GAAP ROE of 12.6% and 13.7% on an operating basis.

## 2Q17 GAAP-Basis Results:

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

	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Total fee revenue	\$ 2,235	\$ 2,198	1.7 %	\$ 2,053	8.9 %
Net interest income	575	510	12.7	521	10.4
Total revenue	2,810	2,668	5.3	2,573	9.2
Provision for loan losses	3	(2)	nm	4	(25.0)
Total expenses	2,031	2,086	(2.6)	1,860	9.2
Net income available to common shareholders	584	446	30.9	585	(0.2)
<b>Earnings per common share:</b>					
Diluted earnings per share	1.53	1.15	33.0	1.47	4.1
<b>Financial ratios:</b>					
Quarterly average total assets	223,917	219,209	2.1	229,197	(2.3)
Fee operating leverage <sup>(1)</sup>			432 bps		(32) bps
Operating leverage <sup>(1)</sup>			796		2
Return on average common equity	12.6%	9.9%	270	12.4%	20

<sup>nm</sup> Not meaningful

<sup>(1)</sup> The financial ratio represents the rate of growth of total revenue (or fee revenue) less the rate of growth of expenses relative to the preceding or prior year period, as the case may be.

## 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 additional meaningful analysis and comparisons of trends with respect to State Street's business operations from period to period, as well as 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. Non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, financial measures determined in conformity with GAAP. 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.

## 2Q17 Operating-Basis (Non-GAAP) Results:

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

	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Total fee revenue <sup>(1)</sup>	\$ 2,324	\$ 2,268	2.5 %	\$ 2,130	9.1 %
Net interest income <sup>(2)</sup>	617	553	11.6	546	13.0
Total revenue <sup>(1)(2)</sup>	2,941	2,781	5.8	2,675	9.9
Provision for loan losses	3	(2)	nm	4	(25.0)
Total expenses	1,960	2,057	(4.7)	1,828	7.2
Net income available to common shareholders	635	468	35.7	582	9.1
<b>Earnings per common share:</b>					
Diluted earnings per share	1.67	1.21	38.0	1.46	14.4
<b>Financial ratios:</b>					
Fee operating leverage <sup>(3)</sup>			719 bps		189 bps
Operating leverage <sup>(3)</sup>			1,047		272
Return on average common equity	13.7%	10.4%	330	12.3%	140

<sup>nm</sup> Not meaningful

<sup>(1)</sup> The 1Q17 operating-basis results included a pre-tax gain of approximately \$30 million on the sale of State Street's interest in BFDS/IFDS, reflecting a change in our operating-basis presentation effective in 1Q17 to include gains/losses on sales of businesses. In 2Q16, under our historical presentation, operating-basis results excluded a \$53 million pre-tax gain on the sale of WM/Reuters business, and such results have not been revised.

<sup>(2)</sup> Beginning in 1Q17, management no longer presents discount accretion associated with former conduit securities as an operating-basis adjustment. Therefore, 2Q17 and 1Q17 GAAP and operating-basis results included \$6 million and \$5 million, respectively, of discount accretion. In 2Q16, operating-basis net interest income excluded \$15 million of discount accretion, and such results have not been revised.

<sup>(3)</sup> The financial ratio represents the rate of growth of total operating-basis revenue (or fee revenue) less the rate of growth of operating-basis expenses relative to the preceding or prior year period, as the case may be.

The following table reconciles select 2Q17 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.

## 2Q17 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	\$ 776	\$ 584	\$ 1.53
<i>Tax-equivalent non-operating adjustments</i>			
Tax-advantaged investments (processing fees and other revenue)	89		
Tax-exempt investment securities (net interest income)	42		
Total	131		
<i>Other non-operating adjustments</i>			
Acquisition & restructuring costs (expenses) <sup>(1)</sup>	71	46	.13
Effect on income tax of non-operating adjustments	—	5	.01
Total	71	51	.14
Operating-basis	\$ 978	\$ 635	\$ 1.67

<sup>(1)</sup> Includes a pre-tax charge of \$62 million (\$40 million after tax or \$0.11 per share) related to State Street Beacon.

## Selected Financial Information and Metrics

The tables below provide a summary of selected financial information and key ratios for the indicated periods.

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 and foreign exchange rates)</i>	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Assets under custody and administration <sup>(1)(2)</sup>	\$ 31,037	\$ 29,833	4.0%	\$ 27,786	11.7%
Assets under management <sup>(2)(3)</sup>	2,606	2,561	1.8	2,301	13.3
<i>Market Indices<sup>(4)</sup>:</i>					
S&P 500 <sup>®</sup> daily average	2,398	2,326	3.1	2,075	15.6
MSCI EAFE <sup>®</sup> daily average	1,856	1,749	6.1	1,648	12.6
MSCI <sup>®</sup> Emerging Markets daily average	993	927	7.1	819	21.2
HFRI Asset Weighted Composite <sup>®</sup> monthly average	1,339	1,323	1.2	1,250	7.1
Barclays Capital U.S. Aggregate Bond Index <sup>®</sup> period-end	2,021	1,993	1.4	2,028	(0.3)
Barclays Capital Global Aggregate Bond Index <sup>®</sup> period-end	471	459	2.6	482	(2.3)
Average Foreign Exchange Rate (Euro vs. USD)	1.101	1.065	3.4	1.129	(2.5)
Average Foreign Exchange Rate (GBP vs. USD)	1.280	1.239	3.3	1.434	(10.7)

<sup>(1)</sup> Includes assets under custody of \$23,362 billion, \$22,505 billion and \$21,354 billion, as of 2Q17, 1Q17, and 2Q16, 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 2Q17 activity in assets under management, by product category.

<i>(Dollars in billions)</i>	Equity	Fixed-Income	Cash <sup>(2)</sup>	Multi-Asset-Class Solutions	Alternative Investments <sup>(3)</sup>	Total
Balance as of March 31, 2017	\$ 1,559	\$ 381	\$ 335	\$ 132	\$ 154	\$ 2,561
Long-term institutional inflows <sup>(1)</sup>	63	23	—	9	4	99
Long-term institutional outflows <sup>(1)</sup>	(78)	(20)	—	(12)	(11)	(121)
Long-term institutional flows, net	(15)	3	—	(3)	(7)	(22)
ETF flows, net	(9)	4	—	—	1	(4)
Cash fund flows, net	—	—	(2)	—	—	(2)
Total flows, net	(24)	7	(2)	(3)	(6)	(28)
Market appreciation	50	6	—	—	—	56
Foreign exchange impact	9	4	1	2	1	17
Total market/foreign exchange impact	59	10	1	2	1	73
Balance as of June 30, 2017	\$ 1,594	\$ 398	\$ 334	\$ 131	\$ 149	\$ 2,606

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

<sup>(2)</sup> Includes both floating and constant-net-asset-value portfolios held in commingled structures or separate accounts.

<sup>(3)</sup> Includes real estate investment trusts, currency and commodities, including SPDR<sup>®</sup> Gold ETF and SPDR<sup>®</sup> Long Dollar Gold Trust ETF. State Street is not the investment manager for the SPDR<sup>®</sup> Gold ETF and the SPDR<sup>®</sup> Long Dollar Gold Trust ETF, but acts as the marketing agent.

The following table presents year-to-date activity for the period ending June 30, 2017 of assets under management, by product category.

<i>(Dollars in billions)</i>	Equity	Fixed-Income	Cash <sup>(2)</sup>	Multi-Asset-Class Solutions	Alternative Investments <sup>(3)</sup>	Total
Balance as of December 31, 2016	\$ 1,474	\$ 378	\$ 333	\$ 126	\$ 157	\$ 2,468
Long-term institutional inflows <sup>(1)</sup>	134	45	—	21	12	212
Long-term institutional outflows <sup>(1)</sup>	(163)	(45)	—	(23)	(29)	(260)
Long-term institutional flows, net	(29)	—	—	(2)	(17)	(48)
ETF flows, net	1	5	—	—	2	8
Cash fund flows, net	—	—	1	—	—	1
Total flows, net	(28)	5	1	(2)	(15)	(39)
Market appreciation	131	8	(2)	3	4	144
Foreign exchange impact	17	7	2	4	3	33
Total market/foreign exchange impact	148	15	—	7	7	177
Balance as of June 30, 2017	\$ 1,594	\$ 398	\$ 334	\$ 131	\$ 149	\$ 2,606

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

<sup>(2)</sup> Includes both floating and constant-net-asset-value portfolios held in commingled structures or separate accounts.

<sup>(3)</sup> Includes real estate investment trusts, currency and commodities, including SPDR<sup>®</sup> Gold ETF and SPDR<sup>®</sup> Long Dollar Gold Trust ETF. State Street is not the investment manager for the SPDR<sup>®</sup> Gold ETF and the SPDR<sup>®</sup> Long Dollar Gold Trust ETF, but acts as the marketing 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>	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Servicing fees	\$ 1,339	\$ 1,296	3.3%	\$ 1,239	8.1%
Management fees	397	382	3.9	293	35.5
Trading services revenue:					
Foreign exchange trading	178	164	8.5	157	13.4
Brokerage and other fees	111	111	—	110	0.9
Total trading services revenue	289	275	5.1	267	8.2
Securities finance revenue	179	133	34.6	156	14.7
Processing fees and other revenue	31	112	(72.3)	98	(68.4)
Total fee revenue	2,235	2,198	1.7	2,053	8.9
Net interest income	575	510	12.7	521	10.4
Gains (losses) related to investment securities, net	—	(40)	nm	(1)	nm
<b>Total Revenue</b>	<b>\$ 2,810</b>	<b>\$ 2,668</b>	<b>5.3</b>	<b>\$ 2,573</b>	<b>9.2</b>

<sup>nm</sup> Not meaningful

### Operating-Basis (Non-GAAP) Revenue

<i>(Dollars in millions)</i>	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Servicing fees	\$ 1,339	\$ 1,296	3.3%	\$ 1,287	4.0%
Management fees	397	382	3.9	288	37.8
Trading services revenue:					
Foreign exchange trading	178	164	8.5	157	13.4
Brokerage and other fees	111	111	—	110	0.9
Total trading services revenue	289	275	5.1	267	8.2
Securities finance revenue	179	133	34.6	156	14.7
Processing fees and other revenue <sup>(1)</sup>	120	182	(34.1)	132	(9.1)
Total fee revenue <sup>(1)</sup>	2,324	2,268	2.5	2,130	9.1
Net interest income <sup>(2)</sup>	617	553	11.6	546	13.0
Gains (losses) related to investment securities, net	—	(40)	nm	(1)	nm
<b>Total Revenue<sup>(1)(2)</sup></b>	<b>\$ 2,941</b>	<b>\$ 2,781</b>	<b>5.8</b>	<b>\$ 2,675</b>	<b>9.9</b>

<sup>nm</sup> Not meaningful

<sup>(1)</sup> The 1Q17 operating-basis results included a pre-tax gain of approximately \$30 million on the sale of State Street's interest in BFDS/IFDS, reflecting a change in our operating-basis presentation effective in 1Q17 to include gains/losses on sales of businesses. In 2Q16, under our historical presentation, operating-basis results excluded a \$53 million pre-tax gain on the sale of WM/Reuters business, and such results have not been revised.

<sup>(2)</sup> Beginning in 1Q17, management no longer presents discount accretion associated with former conduit securities as an operating-basis adjustment. Therefore, 2Q17 and 1Q17 GAAP and operating-basis results included \$6 million and \$5 million, respectively, of discount accretion. In 2Q16, operating-basis net interest income excluded \$15 million of discount accretion, and such results have not been revised.

The following highlights primary drivers of changes in our 2Q17 revenue for the noted periods, indicating differences between our GAAP-basis and operating-basis results as appropriate.

**Servicing fees** increased from 2Q16, primarily due to higher global equity markets and net new business. Compared to 1Q17, servicing fees increased, primarily due to higher global equity markets, the impact of the weaker U.S. dollar, and net new business.

**Management fees** increased from 2Q16, primarily due to an estimated \$72 million from the acquired GEAM business, higher global equity markets, and higher revenue-yielding net ETF flows. Compared to 1Q17, management fees increased, primarily due to higher global equity markets.

**Trading services revenue** increased from 2Q16 and 1Q17. The increase from both periods primarily reflects higher foreign exchange client-related volumes.

**Securities finance revenue** increased from 2Q16, reflecting higher revenue from enhanced custody. Compared to 1Q17, securities finance revenue increased, primarily due to seasonality and growth in enhanced custody.

**Processing fees and other revenue on a GAAP-basis** decreased from 2Q16, primarily reflecting the gain on the sale of the WM/Reuters business in 2Q16 and unfavorable foreign exchange swap costs. Compared to 1Q17, processing fees and other revenue decreased, primarily due to the 1Q17 gain associated with the sale of BFDS/IFDS and unfavorable foreign exchange swap costs.

**Processing fees and other revenue on an operating-basis** decreased from 2Q16, primarily reflecting unfavorable foreign exchange swap costs.

**Net interest income** increased from 2Q16, primarily due to higher market interest rates in the U.S. and disciplined liability pricing as well as improved liability mix, partially offset by a smaller investment portfolio. Compared to 1Q17, net interest income increased primarily due to higher U.S. market interest rates, disciplined liability pricing, and improved liability mix. GAAP-basis net interest income does not include a taxable equivalent adjustment. Net interest margin, calculated based on operating-basis, increased to 127 basis points in 2Q17 from 111 basis points in 2Q16 and 117 basis points in 1Q17.

## 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>	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Compensation and employee benefits	\$ 1,071	\$ 1,166	(8.1)%	\$ 989	8.3%
Information systems and communications	283	287	(1.4)	270	4.8
Transaction processing services	207	197	5.1	201	3.0
Occupancy	116	110	5.5	111	4.5
Acquisition and restructuring costs <sup>(1)</sup>	71	29	144.8	20	255.0
Other	283	297	(4.7)	269	5.2
<b>Total Expenses</b>	<b>\$ 2,031</b>	<b>\$ 2,086</b>	<b>(2.6)</b>	<b>\$ 1,860</b>	<b>9.2</b>
Effective income tax rate	20.1%	14.0%		12.9%	

<sup>(1)</sup> The 2Q16 and 1Q17 acquisition costs associated with the GEAM business acquired on July 1, 2016 were \$9 million and \$12 million, respectively. In 2Q17, 1Q17 and 2Q16, the restructuring costs associated with State Street Beacon were \$62 million, \$16 million and \$13 million, respectively.

### Operating-Basis (Non-GAAP) Expenses

<i>(Dollars in millions)</i>	2Q17	1Q17	Increase (Decrease)	2Q16	Increase (Decrease)
Compensation and employee benefits	\$ 1,071	\$ 1,166	(8.1)%	\$ 992	8.0%
Information systems and communications	283	287	(1.4)	270	4.8
Transaction processing services	207	197	5.1	201	3.0
Occupancy	116	110	5.5	111	4.5
Other	283	297	(4.7)	254	11.4
<b>Total Expenses</b>	<b>\$ 1,960</b>	<b>\$ 2,057</b>	<b>(4.7)</b>	<b>\$ 1,828</b>	<b>7.2</b>
Effective income tax rate	31.4%	27.8%		27.0%	

The following highlights primary drivers of changes in our 2Q17 expenses for the noted periods, indicating differences between our GAAP-basis and operating-basis results as appropriate.

**Compensation and employee benefits expenses** increased from 2Q16, primarily due to increased costs to support new business, higher incentive compensation and annual merit increases, costs related to the acquired GEAM business, and regulatory initiatives, partially offset by Beacon savings. Compared to 1Q17, compensation and employee benefits expenses decreased, primarily due to 1Q17 expenses associated with the seasonal deferred incentive compensation expense for retirement-eligible employees and payroll taxes as well as Beacon savings, partially offset by timing of incentive compensation and annual merit increases, increased costs to support new business, as well as the impact of the weaker U.S. dollar.

**Information systems and communications expenses** increased from 2Q16, primarily due to technology infrastructure costs, new business and State Street Beacon.

**Transaction processing services expenses** increased from 2Q16 and 1Q17. The increase from both periods reflects higher client volumes.

**Occupancy expenses** increased compared to 2Q16, primarily due to the acquired GEAM business and Beacon-related global footprint investments. Compared to 1Q17, occupancy expenses increased, primarily due to Beacon-related global footprint investments.



**Other expenses** increased from 2Q16, primarily reflecting increased costs associated with the acquired GEAM business and higher regulatory and insurance expenses, partially offset by lower legal related costs. Other expenses decreased from 1Q17, primarily due to lower legal related costs.

**2Q17 acquisition and restructuring costs** of \$71 million increased from \$20 million and \$29 million compared to 2Q16 and 1Q17, respectively.

**The 2Q17 GAAP-basis effective tax rate** was 20.1% compared to 12.9% in 2Q16 and 14.0% in 1Q17. The 2Q17 rate reflects a decrease in alternative energy investments compared to 2Q16. The 1Q17 rate included tax benefits for share-based compensation, and the disposition of BFDS. The 2Q17 operating-basis effective tax rate was 31.4% compared to 27.0% in 2Q16 and 27.8% in 1Q17. The variance in the operating-basis effective tax rate from 2Q16 and 1Q17 are the same as the above GAAP-basis commentary.

## Capital

The following table presents our regulatory capital ratios as of June 30, 2017 and March 31, 2017. 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. 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>June 30, 2017<sup>(1)</sup></b>				
Common equity tier 1 ratio	12.0%	11.3%	11.7%	11.0%
Tier 1 capital ratio	15.2	14.2	14.9	14.0
Total capital ratio	16.3	15.3	16.0	15.0
Tier 1 leverage ratio	7.0	7.0	6.9	6.9
<b>March 31, 2017</b>				
Common equity tier 1 ratio	11.2%	11.5%	10.9%	11.1%
Tier 1 capital ratio	14.4	14.7	14.0	14.4
Total capital ratio	15.4	15.9	15.1	15.5
Tier 1 leverage ratio	6.8	6.8	6.7	6.7

As of June 30, 2017 (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>	\$ 15,165	\$ 14,888	\$ 16,002	\$ 15,737
Total assets for SLR	243,692	243,487	240,734	240,536
<b>Supplementary Leverage Ratio</b>	6.2%	6.1%	6.6%	6.5%

As of March 31, 2017  
(Dollars in millions)

<b>Tier 1 Capital</b>	\$ 14,475	\$ 14,176	\$ 15,492	\$ 15,206
Total assets for SLR	238,146	237,877	235,141	234,880
<b>Supplementary Leverage Ratio</b>	6.1%	6.0%	6.6%	6.5%

<sup>(1)</sup> June 30, 2017 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 June 30, 2017 and March 31, 2017 (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 June 30, 2017 and March 31, 2017 (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.

## Investor Conference Call and Quarterly Website Disclosures

State Street will webcast an investor conference call today, Wednesday, July 26, 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 # 35907312.

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 # 35907312.

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, 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 2Q17, State Street expects to publish its updates during the period beginning today and ending on or about August 3, 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 \$31.0 trillion in assets under custody and administration and \$2.6 trillion\* in assets under management as of June 30, 2017, State Street operates globally in more than 100 geographic markets and employs 35,606 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 and the SPDR<sup>®</sup> Long Dollar Gold Trust ETF (approximately \$34 billion as of June 30, 2017), for which State Street Global Markets, LLC, an affiliate of SSgA, serves as the distribution agent.

## **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.
- 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 June 30, 2017. Distribution fees from the SPDR<sup>®</sup> Gold ETF and the SPDR<sup>®</sup> Long Dollar Gold Trust ETF are recorded in brokerage and other fee revenue and not in management fee revenue.
- State Street's common stock and other stock dividends, including the declaration, timing and amount thereof, remain subject to consideration and approval by its Board of Directors at the relevant times. Stock purchases may be made using various types of mechanisms, including open market purchases under our announced common stock purchase program, accelerated share repurchases, or transactions off market, and may be made under Rule

10b5-1 trading programs. The timing of stock purchases, types of transactions and number of shares purchased will depend on several factors, including market conditions and State Street's capital position, its financial performance and investment opportunities. The common stock purchase program does not have specific price targets and may be suspended at any time.

### **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 July 26, 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 income, 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; and the impact of monetary and fiscal policy in the United States and internationally on prevailing rates of interest and currency exchange rates in the markets in which we provide services to our clients;
- 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 or reevaluate changes to the regulatory framework applicable to our operations, including implementation or modification 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, compliance programs, and changes in governmental enforcement approaches to perceived failures to comply with regulatory or legal obligations;
  - our resolution plan, submitted to the Federal Reserve and FDIC in June 2017, 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 filed in June 2017 or 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;
  - requirements to obtain the prior approval or non-objection of the Federal Reserve or 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, investments in subsidiaries, 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 those which may result from recessions or political instability; for example, the U.K.'s decision 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 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 impact on our compliance and controls enhancement programs of the appointment of a monitor under the deferred prosecution agreement with the DOJ and compliance consultant expected to be appointed under a potential settlement with the SEC, including the potential for such monitor and compliance consultant to require changes to our programs or to identify other issues that require substantial expenditures, changes in our operations, or payments to clients or reporting to U.S. authorities;
  - 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;
  - 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;
  - the large institutional clients on which we focus are often able to exert considerable market influence, and this, combined with strong competitive market forces, subjects us to significant pressure to reduce the fees we charge, to potentially significant changes in our assets under custody and administration or our assets under management in the event of the acquisition or loss of a client, in whole or in part, and to potentially significant changes in our fee revenue in the event a client re-balances or changes its investment approach or otherwise re-directs assets to lower- or higher-fee asset classes;
  - 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;
- 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 evolving 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 2016 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**

June 30, 2017

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This financial information should be read in conjunction with State Street's news release dated July 26, 2017.



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

(Dollars in millions, except per share amounts, or where otherwise noted)	Quarters						% Change		Year-to-Date		% Change
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q16	2Q17	YTD 2Q17 vs. YTD 2Q16
	<b>Revenue:</b>										
Fee revenue	\$ 1,970	\$ 2,053	\$ 2,079	\$ 2,014	\$ 2,198	\$ 2,235	8.9%	1.7%	\$ 4,023	\$ 4,433	10.2%
Net interest income	512	521	537	514	510	575	10.4	12.7	1,033	1,085	5.0
Gains (losses) from sales of available-for-sale securities, net	2	(1)	6	2	(40)	—	nm	nm	1	(40)	nm
Losses from other-than-temporary impairment, net	—	—	(2)	—	—	—	—	—	—	—	—
<b>Total revenue</b>	<b>2,484</b>	<b>2,573</b>	<b>2,620</b>	<b>2,530</b>	<b>2,668</b>	<b>2,810</b>	<b>9.2</b>	<b>5.3</b>	<b>5,057</b>	<b>5,478</b>	<b>8.3</b>
Provision for loan losses	4	4	—	2	(2)	3	(25.0)	nm	8	1	(87.5)
<b>Total expenses</b>	<b>2,050</b>	<b>1,860</b>	<b>1,984</b>	<b>2,183</b>	<b>2,086</b>	<b>2,031</b>	<b>9.2</b>	<b>(2.6)</b>	<b>3,910</b>	<b>4,117</b>	<b>5.3</b>
Income before income tax expense	430	709	636	345	584	776	9.4	32.9	1,139	1,360	19.4
Income tax expense (benefit)	62	92	72	(248)	82	156	69.6	90.2	154	238	54.5
Net income (loss) from non-controlling interest	—	2	(1)	—	—	—	nm	—	2	—	nm
<b>Net income</b>	<b>368</b>	<b>619</b>	<b>563</b>	<b>593</b>	<b>502</b>	<b>620</b>	<b>0.2</b>	<b>23.5</b>	<b>987</b>	<b>1,122</b>	<b>13.7</b>
<b>Net income available to common shareholders</b>	<b>\$ 319</b>	<b>\$ 585</b>	<b>\$ 507</b>	<b>\$ 557</b>	<b>\$ 446</b>	<b>\$ 584</b>	<b>(0.2)</b>	<b>30.9</b>	<b>\$ 904</b>	<b>\$ 1,030</b>	<b>13.9</b>
<b>Diluted earnings per common share</b>	<b>\$ .79</b>	<b>\$ 1.47</b>	<b>\$ 1.29</b>	<b>\$ 1.43</b>	<b>\$ 1.15</b>	<b>\$ 1.53</b>	<b>4.1</b>	<b>33.0</b>	<b>\$ 2.25</b>	<b>\$ 2.69</b>	<b>19.6</b>
Average diluted common shares outstanding (in thousands)	403,615	398,847	393,212	389,046	386,417	380,915	(4.5)	(1.4)	401,113	383,489	(4.4)
Cash dividends declared per common share	\$ .34	\$ .34	\$ .38	\$ .38	\$ .38	\$ .38	11.8	—	\$ .68	\$ .76	11.8
Closing price per share of common stock (as of quarter end)	58.52	53.92	69.63	77.72	79.61	89.73	66.4	12.7	53.92	89.73	66.4
<b>Ratios:</b>											
Return on average common equity	6.8%	12.4%	10.6%	12.1%	9.9%	12.6%	20 bps	270 bps	9.6%	11.3%	170 bps
Pre-tax operating margin	17.3	27.6	24.3	13.6	21.9	27.6	—	570	22.5	24.8	230
Common equity tier 1 risk-based capital <sup>(1)</sup>	12.3	12.0	12.3	11.7	11.2	12.0	—	80	12.0	12.0	—
Tier 1 risk-based capital <sup>(1)</sup>	14.9	15.0	15.4	14.8	14.4	15.2	20	80	15.0	15.2	20
Total risk-based capital <sup>(1)</sup>	17.1	17.1	17.6	16.0	15.4	16.3	(80)	90	17.1	16.3	(80)
Tier 1 leverage <sup>(1)</sup>	6.9	7.0	6.8	6.5	6.8	7.0	—	20	7.0	7.0	—
Tangible common equity <sup>(2)</sup>	6.7	6.7	6.5	6.4	6.6	6.8	10	20	6.7	6.8	10
<b>At quarter-end:</b>											
Assets under custody and administration (in trillions) <sup>(3)</sup>	\$ 26.94	\$ 27.79	\$ 29.18	\$ 28.77	\$ 29.83	\$ 31.04	11.7%	4.1%	\$ 27.79	\$ 31.04	11.7%
Asset under management (in trillions)	2.30	2.30	2.45	2.47	2.56	2.61	13.5	2.0	2.30	2.61	13.5
Total assets	243,685	255,386	256,140	242,698	236,802	238,274	(6.7)	0.6	255,386	238,274	(6.7)
Investment securities	102,298	103,121	99,888	97,167	94,639	95,255	(7.6)	0.7	103,121	95,255	(7.6)
Deposits	185,516	193,130	198,766	187,163	183,465	181,416	(6.1)	(1.1)	193,130	181,416	(6.1)
Long-term debt	10,323	11,924	11,834	11,430	11,394	11,737	(1.6)	3.0	11,924	11,737	(1.6)
Total shareholders' equity	21,496	22,073	22,150	21,219	21,294	22,068	—	3.6	22,073	22,068	—

<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 Regulatory Capital within this package 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 the Reconciliation of Tangible Common Equity Ratio within this package for additional information.

<sup>(3)</sup> Included assets under custody of \$20.79 trillion, \$21.35 trillion, \$21.91 trillion, \$21.73 trillion, \$22.51 trillion and \$23.36 trillion as of March 31, 2016, June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017, respectively.

<sup>nm</sup> Not meaningful

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

	Quarters						% Change		Year-to-Date		% Change
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q16	2Q17	YTD 2Q17 vs. YTD 2Q16
(Dollars in millions, except per share amounts, or where otherwise noted)											
<b>Reported Results</b>											
<b>Fee revenue:</b>											
Servicing fees	\$ 1,242	\$ 1,239	\$ 1,303	\$ 1,289	\$ 1,296	\$ 1,339	8.1%	3.3%	\$ 2,481	\$ 2,635	6.2%
Management fees	270	293	368	361	382	397	35.5	3.9	563	779	38.4
Trading services:											
Direct sales and trading	90	87	94	115	98	100	14.9	2.0	177	198	11.9
Indirect foreign exchange trading <sup>(1)</sup>	66	70	65	67	66	78	11.4	18.2	136	144	5.9
Total foreign exchange trading	156	157	159	182	164	178	13.4	8.5	313	342	9.3
Electronic foreign exchange services	44	43	41	41	41	39	(9.3)	(4.9)	87	80	(8.0)
Other trading, transition management and brokerage	72	67	67	70	70	72	7.5	2.9	139	142	2.2
Total brokerage and other trading services	116	110	108	111	111	111	0.9	—	226	222	(1.8)
Total trading services	272	267	267	293	275	289	8.2	5.1	539	564	4.6
Securities finance	134	156	136	136	133	179	14.7	34.6	290	312	7.6
Processing fees and other	52	98	5	(65)	112	31	(68.4)	(72.3)	150	143	(4.7)
Total fee revenue	1,970	2,053	2,079	2,014	2,198	2,235	8.9	1.7	4,023	4,433	10.2
<b>Net interest income:</b>											
Interest income	629	620	647	616	650	700	12.9	7.7	1,249	1,350	8.1
Interest expense	117	99	110	102	140	125	26.3	(10.7)	216	265	22.7
Net interest income	512	521	537	514	510	575	10.4	12.7	1,033	1,085	5.0
<b>Gains (losses) related to investment securities, net:</b>											
Gains (losses) from sales of available-for-sale securities, net	2	(1)	6	2	(40)	—			1	(40)	
Losses from other-than-temporary impairment, net	—	—	(2)	—	—	—			—	—	
Gains (losses) related to investment securities, net	2	(1)	4	2	(40)	—	nm	nm	1	(40)	nm
Total revenue	2,484	2,573	2,620	2,530	2,668	2,810	9.2	5.3	5,057	5,478	8.3
Provision for loan losses	4	4	—	2	(2)	3	(25.0)	nm	8	1	(87.5)
<b>Expenses:</b>											
Compensation and employee benefits	1,107	989	1,013	1,244	1,166	1,071	8.3	(8.1)	2,096	2,237	6.7
Information systems and communications	272	270	285	278	287	283	4.8	(1.4)	542	570	5.2
Transaction processing services	200	201	200	199	197	207	3.0	5.1	401	404	0.7
Occupancy	113	111	107	109	110	116	4.5	5.5	224	226	0.9
Acquisition and restructuring costs	104	20	42	43	29	71	255.0	144.8	124	100	(19.4)
Other	254	269	337	310	297	283	5.2	(4.7)	523	580	10.9
Total expenses	2,050	1,860	1,984	2,183	2,086	2,031	9.2	(2.6)	3,910	4,117	5.3
Income before income tax expense	430	709	636	345	584	776	9.4	32.9	1,139	1,360	19.4
Income tax expense (benefit)	62	92	72	(248)	82	156	69.6	90.2	154	238	54.5
Net income (loss) from non-controlling interest	—	2	(1)	—	—	—	nm	—	2	—	nm
<b>Net income</b>	<b>\$ 368</b>	<b>\$ 619</b>	<b>\$ 563</b>	<b>\$ 593</b>	<b>\$ 502</b>	<b>\$ 620</b>	0.2	23.5	<b>\$ 987</b>	<b>\$ 1,122</b>	13.7
Effective tax rate	14.4%	12.9%	11.4%	(72.3)%	14.0%	20.1%			13.5%	17.5%	

**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
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q16	2Q17	YTD 2Q17 vs. YTD 2Q16
<b>Adjustments to net income:</b>											
Dividends on preferred stock	\$ (49)	\$ (33)	\$ (55)	\$ (36)	\$ (55)	\$ (36)	9.1%	(34.5)%	\$ (82)	\$ (91)	11.0 %
Earnings allocated to participating securities	—	(1)	(1)	—	(1)	—	nm	nm	(1)	(1)	—
<b>Net income available to common shareholders</b>	<b>\$ 319</b>	<b>\$ 585</b>	<b>\$ 507</b>	<b>\$ 557</b>	<b>\$ 446</b>	<b>\$ 584</b>	(0.2)	30.9	<b>\$ 904</b>	<b>\$ 1,030</b>	13.9
<b>Earnings per common share:</b>											
Basic	\$ .80	\$ 1.48	\$ 1.31	\$ 1.45	\$ 1.17	\$ 1.56	5.4	33.3	\$ 2.28	\$ 2.72	19.3
Diluted	.79	1.47	1.29	1.43	1.15	1.53	4.1	33.0	2.25	2.69	19.6
<b>Average common shares outstanding:</b>											
Basic	399,421	394,160	388,358	384,115	381,224	375,395	(4.8)	(1.5)	396,790	378,293	(4.7)
Diluted	403,615	398,847	393,212	389,046	386,417	380,915	(4.5)	(1.4)	401,113	383,489	(4.4)
Cash dividends declared per common share	\$ .34	\$ .34	\$ .38	\$ .38	\$ .38	\$ .38	11.8	—	\$ .68	\$ .76	11.8
Closing price per share of common stock (as of quarter end)	58.52	53.92	69.63	77.72	79.61	89.73	66.4	12.7	53.92	89.73	66.4
<b>Financial ratios:</b>											
Return on average common equity	6.8%	12.4%	10.6%	12.1%	9.9%	12.6%	20 bps	270 bps	9.6%	11.3%	170 bps
Pre-tax operating margin	17.3	27.6	24.3	13.6	21.9	27.6	—	570	22.5	24.8	230
After-tax margin	12.8	22.7	19.4	22.0	16.7	20.8	(190)	410	17.9	18.8	90
Common dividend payout ratio	42.5	22.7	28.9	26.1	32.1	24.4	7.5%	(24.0)%	29.7	27.7	(6.7)%

<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>nm</sup> Not meaningful

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

(Dollars in millions, except per share amounts)	As of Quarter End						% Change	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Assets:</b>								
Cash and due from banks	\$ 3,735	\$ 4,673	\$ 3,490	\$ 1,314	\$ 2,909	\$ 3,156	(32.5)%	8.5%
Interest-bearing deposits with banks	65,032	75,169	79,090	70,935	66,789	63,617	(15.4)	(4.7)
Securities purchased under resale agreements	3,722	2,010	2,442	1,956	2,181	3,172	57.8	45.4
Trading account assets	873	890	1,063	1,024	945	896	0.7	(5.2)
Investment securities:								
Investment securities available-for-sale	71,086	72,735	71,520	61,998	58,810	59,025	(18.8)	0.4
Investment securities held-to-maturity <sup>(1)</sup>	31,212	30,386	28,368	35,169	35,829	36,230	19.2	1.1
Total investment securities	102,298	103,121	99,888	97,167	94,639	95,255	(7.6)	0.7
Loans and leases, net <sup>(2)</sup>	19,140	19,788	21,451	19,704	22,486	24,307	22.8	8.1
Premises and equipment, net <sup>(3)</sup>	1,949	1,994	2,042	2,062	2,101	2,137	7.2	1.7
Accrued interest and fees receivable	2,371	2,399	2,594	2,644	2,690	2,805	16.9	4.3
Goodwill	5,733	5,671	5,911	5,814	5,855	5,945	4.8	1.5
Other intangible assets	1,749	1,682	1,849	1,750	1,710	1,693	0.7	(1.0)
Other assets	37,083	37,989	36,320	38,328	34,497	35,291	(7.1)	2.3
Total assets	\$ 243,685	\$ 255,386	\$ 256,140	\$ 242,698	\$ 236,802	\$ 238,274	(6.7)	0.6
<b>Liabilities:</b>								
Deposits:								
Non-interest-bearing	\$ 54,248	\$ 57,268	\$ 60,545	\$ 59,397	\$ 56,786	\$ 50,957	(11.0)	(10.3)
Interest-bearing -- U.S.	31,159	33,060	33,767	30,911	26,746	24,438	(26.1)	(8.6)
Interest-bearing -- Non-U.S.	100,109	102,802	104,454	96,855	99,933	106,021	3.1	6.1
Total deposits	185,516	193,130	198,766	187,163	183,465	181,416	(6.1)	(1.1)
Securities sold under repurchase agreements	4,224	4,350	4,364	4,400	4,003	3,856	(11.4)	(3.7)
Other short-term borrowings	1,706	1,712	1,413	1,585	1,177	1,465	(14.4)	24.5
Accrued expenses and other liabilities	20,388	22,166	17,582	16,901	15,469	17,732	(20.0)	14.6
Long-term debt	10,323	11,924	11,834	11,430	11,394	11,737	(1.6)	3.0
Total liabilities	222,157	233,282	233,959	221,479	215,508	216,206	(7.3)	0.3
<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	—	—
Series D, 7,500 shares issued and outstanding	742	742	742	742	742	742	—	—
Series E, 7,500 shares issued and outstanding	728	728	728	728	728	728	—	—
Series F, 7,500 shares issued and outstanding	742	742	742	742	742	742	—	—
Series G, 5,000 shares issued and outstanding	—	493	493	493	493	493	—	—
Common stock, \$1 par, 750,000,000 shares authorized <sup>(4)</sup>	504	504	504	504	504	504	—	—
Surplus	9,739	9,767	9,778	9,782	9,796	9,803	0.4	0.1
Retained earnings	16,233	16,686	17,047	17,459	17,762	18,202	9.1	2.5
Accumulated other comprehensive income (loss)	(964)	(997)	(993)	(2,040)	(1,805)	(1,270)	27.4	(29.6)
Treasury stock, at cost <sup>(5)</sup>	(6,719)	(7,083)	(7,382)	(7,682)	(8,159)	(8,367)	18.1	2.5
Total shareholders' equity	21,496	22,073	22,150	21,219	21,294	22,068	—	3.6
Non-controlling interest-equity	32	31	31	—	—	—	nm	—
Total equity	21,528	22,104	22,181	21,219	21,294	22,068	(0.2)	3.6
Total liabilities and equity	\$ 243,685	\$ 255,386	\$ 256,140	\$ 242,698	\$ 236,802	\$ 238,274	(6.7)	0.6

<sup>nm</sup> Not meaningful

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
<sup>(1)</sup> Fair value of investment securities held-to-maturity	\$ 31,555	\$ 30,895	\$ 28,780	\$ 34,994	\$ 35,694	\$ 36,169
<sup>(2)</sup> Allowance for loan losses	47	51	51	53	51	54
<sup>(3)</sup> Accumulated depreciation for premises and equipment	4,929	3,164	3,271	3,333	3,463	3,611
<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
<sup>(5)</sup> Treasury stock shares	108,316,401	114,229,535	118,309,341	121,940,502	127,520,264	129,773,003

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

	Quarters						% Change	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Average Balance Sheet Mix</b>								
Investment securities and short-duration instruments	78.5%	78.4%	78.7%	78.2%	78.3%	<b>77.8%</b>	(0.8)%	(0.6)%
Loans and leases	8.3	8.1	8.0	8.6	9.2	<b>9.4</b>	16.0	2.2
Non-interest-earning assets	13.2	13.5	13.3	13.2	12.5	<b>12.8</b>	(5.2)	2.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>		
Client funds bearing interest	59.0%	60.2%	60.3%	58.8%	59.9%	<b>60.7%</b>	0.8	1.3
Client funds not bearing interest	20.1	18.3	19.1	20.5	20.2	<b>18.9</b>	3.3	(6.4)
Other non-interest-bearing liabilities	6.3	7.0	6.0	6.4	4.8	<b>5.6</b>	(20.0)	16.7
Long-term debt and common shareholders' equity	13.4	13.1	13.2	12.9	13.6	<b>13.4</b>	2.3	(1.5)
Preferred shareholders' equity	1.2	1.4	1.4	1.4	1.5	<b>1.4</b>	—	(6.7)
Total	100.0%	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>		

(Dollars in millions)

	Quarters						% Change	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Average Asset Backed Securities</b>								
Fixed	\$ 2,045	\$ 2,023	\$ 1,904	\$ 1,702	\$ 1,285	<b>\$ 1,137</b>	(43.8)%	(11.5)%
Floating	24,795	24,313	22,988	22,470	21,324	<b>22,230</b>	(8.6)	4.2
Total	<b>\$ 26,840</b>	<b>\$ 26,336</b>	<b>\$ 24,892</b>	<b>\$ 24,172</b>	<b>\$ 22,609</b>	<b>\$ 23,367</b>		

(Dollars in millions)

	Quarters						% Change	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Investment Securities - Appreciation (Depreciation)</b>								
Held-to-maturity:								
Amortized cost (book value)	\$ 31,212	\$ 30,386	\$ 28,368	\$ 35,169	\$ 35,829	<b>\$ 36,230</b>	19.2%	1.1%
Fair value	31,555	30,895	28,780	34,994	35,694	<b>36,169</b>	17.1	1.3
Appreciation (depreciation)	343	509	412	(175)	(135)	<b>(61)</b>	(112.0)	(54.8)
Available-for-sale:								
Amortized cost	70,366	71,720	70,795	61,912	58,658	<b>58,714</b>	(18.1)	0.1
Fair value (book value)	71,086	72,735	71,520	61,998	58,810	<b>59,025</b>	(18.8)	0.4
Appreciation (depreciation)	720	1,015	725	86	152	<b>311</b>	(69.4)	104.6
Pre-tax appreciation (depreciation) related to securities available-for-sale transferred to held-to-maturity	(193)	(197)	35	(194)	(41)	<b>(35)</b>	(82.2)	(14.6)
Net pre-tax appreciation (depreciation) related to investment securities portfolio	870	1,327	1,172	(283)	(24)	<b>215</b>	(83.8)	(995.8)
Net after-tax appreciation (depreciation) related to investment securities portfolio	522	796	703	(170)	(14)	<b>129</b>	(83.8)	(1,021.4)

(Dollars in billions)

	Quarters						% Change	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Securities on Loan</b>								
Average securities on loan	\$ 334	\$ 348	\$ 347	\$ 353	\$ 368	<b>\$ 384</b>	10.3%	4.3%
End-of-period securities on loan	341	348	348	364	378	<b>376</b>	8.0	(0.5)

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

(Dollars in billions)	Quarters						% Change	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Assets Under Custody and Administration</b>								
By Product Classification:								
Mutual funds	\$ 6,728	\$ 6,734	\$ 6,906	\$ 6,841	\$ 7,033	\$ 7,123	5.8%	1.3%
Collective funds, including ETFs	7,000	7,234	7,541	7,501	8,024	8,560	18.3	6.7
Pension products	5,197	5,496	5,671	5,584	5,775	5,937	8.0	2.8
Insurance and other products	8,018	8,322	9,060	8,845	9,001	9,417	13.2	4.6
<b>Total Assets Under Custody and Administration</b>	<b>\$ 26,943</b>	<b>\$ 27,786</b>	<b>\$ 29,178</b>	<b>\$ 28,771</b>	<b>\$ 29,833</b>	<b>\$ 31,037</b>	11.7	4.0
By Financial Instrument:								
Equities	\$ 14,433	\$ 14,960	\$ 16,012	\$ 15,833	\$ 16,651	\$ 17,304	15.7	3.9
Fixed-income	9,199	9,530	9,891	9,665	9,786	10,117	6.2	3.4
Short-term and other investments	3,311	3,296	3,275	3,273	3,396	3,616	9.7	6.5
<b>Total Assets Under Custody and Administration</b>	<b>\$ 26,943</b>	<b>\$ 27,786</b>	<b>\$ 29,178</b>	<b>\$ 28,771</b>	<b>\$ 29,833</b>	<b>\$ 31,037</b>	11.7	4.0
By Geographic Location <sup>(1)</sup> :								
North America	\$ 20,505	\$ 21,072	\$ 21,561	\$ 21,544	\$ 22,361	\$ 23,020	9.2	2.9
Europe/Middle East/Africa	5,159	5,356	6,107	5,734	5,979	6,464	20.7	8.1
Asia/Pacific	1,279	1,358	1,510	1,493	1,493	1,553	14.4	4.0
<b>Total Assets Under Custody and Administration</b>	<b>\$ 26,943</b>	<b>\$ 27,786</b>	<b>\$ 29,178</b>	<b>\$ 28,771</b>	<b>\$ 29,833</b>	<b>\$ 31,037</b>	11.7	4.0
<b>Assets Under Custody<sup>(2)</sup></b>								
By Product Classification:								
Mutual funds	\$ 6,363	\$ 6,361	\$ 6,461	\$ 6,395	\$ 6,499	\$ 6,577	3.4	1.2
Collective funds, including ETFs	5,589	5,788	6,080	6,100	6,601	7,107	22.8	7.7
Pension products	4,673	4,947	5,107	5,039	5,212	5,399	9.1	3.6
Insurance and other products	4,163	4,258	4,262	4,191	4,193	4,279	0.5	2.1
<b>Total Assets Under Custody</b>	<b>\$ 20,788</b>	<b>\$ 21,354</b>	<b>\$ 21,910</b>	<b>\$ 21,725</b>	<b>\$ 22,505</b>	<b>\$ 23,362</b>	9.4	3.8
By Geographic Location <sup>(1)</sup> :								
North America	\$ 16,420	\$ 16,756	\$ 17,074	\$ 17,083	\$ 17,747	\$ 18,223	8.8	2.7
Europe/Middle East/Africa	3,422	3,584	3,698	3,508	3,635	3,969	10.7	9.2
Asia/Pacific	946	1,014	1,138	1,134	1,123	1,170	15.4	4.2
<b>Total Assets Under Custody</b>	<b>\$ 20,788</b>	<b>\$ 21,354</b>	<b>\$ 21,910</b>	<b>\$ 21,725</b>	<b>\$ 22,505</b>	<b>\$ 23,362</b>	9.4	3.8

<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	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Assets Under Management</b>								
By Asset Class and Investment Approach:								
Equity:								
Active	\$ 32	\$ 32	\$ 70	\$ 73	\$ 77	\$ 82	156.3 %	6.5%
Passive	1,295	1,275	1,340	1,401	1,482	1,512	18.6	2.0
<b>Total Equity</b>	<b>1,327</b>	<b>1,307</b>	<b>1,410</b>	<b>1,474</b>	<b>1,559</b>	<b>1,594</b>	<b>22.0</b>	<b>2.2</b>
Fixed-Income:								
Active	17	17	73	70	69	71	317.6	2.9
Passive	310	318	318	308	312	327	2.8	4.8
<b>Total Fixed-Income</b>	<b>327</b>	<b>335</b>	<b>391</b>	<b>378</b>	<b>381</b>	<b>398</b>	<b>18.8</b>	<b>4.5</b>
Cash <sup>(1)</sup>	381	380	351	333	335	334	(12.1)	(0.3)
Multi-Asset-Class Solutions:								
Active	17	17	19	19	19	18	5.9	(5.3)
Passive	92	100	106	107	113	113	13.0	—
<b>Total Multi-Asset-Class Solutions</b>	<b>109</b>	<b>117</b>	<b>125</b>	<b>126</b>	<b>132</b>	<b>131</b>	<b>12.0</b>	<b>(0.8)</b>
Alternative Investments <sup>(2)</sup> :								
Active	18	18	29	28	26	27	50.0	3.8
Passive	134	144	140	129	128	122	(15.3)	(4.7)
<b>Total Alternative Investments</b>	<b>152</b>	<b>162</b>	<b>169</b>	<b>157</b>	<b>154</b>	<b>149</b>	<b>(8.0)</b>	<b>(3.2)</b>
<b>Total Assets Under Management</b>	<b>\$ 2,296</b>	<b>\$ 2,301</b>	<b>\$ 2,446</b>	<b>\$ 2,468</b>	<b>\$ 2,561</b>	<b>\$ 2,606</b>	<b>13.3</b>	<b>1.8</b>
By Geographic Location <sup>(3)</sup> :								
North America	\$ 1,491	\$ 1,501	\$ 1,641	\$ 1,691	\$ 1,772	\$ 1,802	20.1	1.7
Europe/Middle East/Africa	496	492	495	482	486	496	0.8	2.1
Asia/Pacific	309	308	310	295	303	308	—	1.7
<b>Total Assets Under Management</b>	<b>\$ 2,296</b>	<b>\$ 2,301</b>	<b>\$ 2,446</b>	<b>\$ 2,468</b>	<b>\$ 2,561</b>	<b>\$ 2,606</b>	<b>13.3</b>	<b>1.8</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<sup>®</sup> Gold Fund and SPDR<sup>®</sup> Long Dollar Gold Trust Fund. State Street is not the investment manager for SPDR<sup>®</sup> Gold Fund and SPDR<sup>®</sup> Long Dollar Gold Trust Fund, but acts as marketing 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	\$ 45	\$ 54	\$ 54	\$ 42	\$ 46	\$ 46	(14.8)%	—%
Cash	3	2	2	2	2	2	—	—
Equity	349	348	370	426	457	460	32.2	0.7
Fixed-income	46	48	52	51	53	58	20.8	9.4
<b>Total Exchange-Traded Funds</b>	<b>\$ 443</b>	<b>\$ 452</b>	<b>\$ 478</b>	<b>\$ 521</b>	<b>\$ 558</b>	<b>\$ 566</b>	<b>25.2</b>	<b>1.4</b>

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

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

June 30, 2017

Ratings

(Dollars in billions, or where otherwise noted)	UST/ AGY	AAA	AA	A	BBB	<BBB	NR	Book Value <sup>(1)</sup>	Book Value (% Total)	Net Unrealized After-tax MTM Gain/(Loss) (In millions) <sup>(2)</sup>	Fixed Rate/ Floating Rate
<b>Government &amp; agency securities</b>	<b>72%</b>	<b>15%</b>	<b>9%</b>	<b>4%</b>	<b>—%</b>	<b>—%</b>	<b>—%</b>	<b>\$ 25.0</b>	<b>26.3%</b>	<b>\$ 23</b>	<b>98% / 2%</b>
<b>Asset-backed securities</b>	<b>—</b>	<b>70</b>	<b>19</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>—</b>	<b>23.7</b>	<b>24.9</b>	<b>50</b>	<b>5% / 95%</b>
Student loans	—	40	37	2	15	6	—	8.6	36.3	(2)	
Credit cards	—	100	—	—	—	—	—	3.1	13.1	(9)	
Auto & equipment	—	84	12	4	—	—	—	2.1	8.9	3	
Non-U.S. residential mortgage backed securities	—	86	9	3	—	2	—	8.0	33.7	57	
Collateralized loan obligation	—	100	—	—	—	—	—	1.2	5.1	4	
Sub-prime	—	10	16	18	4	52	—	0.3	1.2	(4)	
Other	—	27	73	—	—	—	—	0.4	1.7	1	
<b>Mortgage-backed securities</b>	<b>95</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>22.4</b>	<b>23.6</b>	<b>(123)</b>	<b>92% / 8%</b>
Agency MBS	100	—	—	—	—	—	—	21.2	94.6	(134)	
Non-Agency MBS	—	74	1	1	5	18	1	1.2	5.4	11	
<b>CMBS</b>	<b>46</b>	<b>54</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4.8</b>	<b>5.1</b>	<b>(12)</b>	<b>68% / 32%</b>
<b>Corporate bonds</b>	<b>—</b>	<b>—</b>	<b>13</b>	<b>50</b>	<b>36</b>	<b>1</b>	<b>—</b>	<b>4.1</b>	<b>4.3</b>	<b>—</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>4.0</b>	<b>4.2</b>	<b>14</b>	<b>13% / 87%</b>
<b>Municipal bonds</b>	<b>—</b>	<b>33</b>	<b>62</b>	<b>5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8.0</b>	<b>8.4</b>	<b>157</b>	<b>100% / 0%</b>
<b>Clipper tax-exempt bonds/other</b>	<b>—</b>	<b>43</b>	<b>40</b>	<b>14</b>	<b>1</b>	<b>—</b>	<b>2</b>	<b>3.0</b>	<b>3.2</b>	<b>20</b>	<b>33% / 67%</b>
<b>Total Portfolio</b>	<b>44%</b>	<b>33%</b>	<b>14%</b>	<b>5%</b>	<b>3%</b>	<b>1%</b>	<b>—%</b>	<b>\$ 95.0</b>	<b>100.0%</b>	<b>\$ 129</b>	<b>66% / 34%</b>
<b>Book Value</b>	<b>\$ 41.5</b>	<b>\$ 31.5</b>	<b>\$ 13.4</b>	<b>\$ 4.6</b>	<b>\$ 2.9</b>	<b>\$ 1.0</b>	<b>\$ 0.1</b>	<b>\$ 95.0</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 June 30, 2017 the after-tax unrealized MTM gain/(loss) includes after-tax unrealized gain on securities available-for-sale of \$187 million, after-tax unrealized loss on securities held-to-maturity of \$(37) million and after-tax unrealized loss primarily related to securities previously transferred from available-for-sale to held to maturity of \$(21) million.



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

June 30, 2017	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	\$ 6.0	AAA	\$ —	\$ 3.6	\$ 1.4	\$ 0.3	\$ 0.7	\$ —
Australia	4.9	AAA	0.8	1.9	0.3	0.3	0.6	1.0
Canada	3.7	AAA	2.5	—	—	0.1	1.1	—
Netherlands	1.6	AAA	—	1.3	—	0.2	0.1	—
France	1.6	AA	0.8	0.1	0.2	0.2	0.3	—
Japan	1.1	A	1.1	—	—	—	—	—
Italy	0.9	AA	0.1	0.5	0.3	—	—	—
Belgium	0.8	AA	0.5	0.1	—	—	0.2	—
Germany	0.8	AAA	0.1	—	0.7	—	—	—
Hong Kong	0.6	AA	0.6	—	—	—	—	—
Spain	0.6	AA	—	0.3	0.3	—	—	—
Norway	0.5	AAA	—	—	—	—	0.5	—
Sweden	0.4	AAA	—	—	—	0.1	0.3	—
Singapore	0.3	AAA	0.3	—	—	—	—	—
Other	0.8	AA	0.2	0.2	0.1	0.1	0.2	—
<b>Total Non-U.S. Investments<sup>(2)</sup></b>	<b>\$ 24.6</b>		<b>\$ 7.0</b>	<b>\$ 8.0</b>	<b>\$ 3.3</b>	<b>\$ 1.3</b>	<b>\$ 4.0</b>	<b>\$ 1.0</b>
U.S. Investments	70.4							
<b>Total Portfolio</b>	<b>\$ 95.0</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.

**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 additional meaningful analysis and comparisons of trends with respect to State Street's business operations from period to period, as well as information (such as capital ratios calculated under regulatory standards scheduled to be effective in the future or other standards) that management also uses in evaluating State Street's business and activities.

Our operating-basis financial results adjust our GAAP-basis financial results to both: (1) exclude the impact of revenue and expenses outside of State Street's normal course of business, such as restructuring charges; and (2) present revenue from non-taxable sources, such as interest income from tax-exempt investment securities and processing fees and other revenue associated with tax-advantaged adjustments, on a fully taxable-equivalent basis. Management believes that operating-basis financial information facilitates an investor's further understanding and analysis of State Street's financial performance and trends, including providing additional insight into our underlying margin and profitability, in addition to financial information prepared and reported in conformity with GAAP. The tax-equivalent adjustments allow for more meaningful comparisons of yields and margins on assets and the evaluation of investment opportunities with different tax profiles.

Beginning with the first quarter of 2017, we are simplifying our operating-basis presentation of our financial results and will no longer exclude, as part of the non-ordinary course adjustment, the effects of gains/losses on sales of businesses or the discount accretion associated with former conduit securities. In the first quarter of 2017, operating-basis results included a pre-tax gain of approximately \$30 million on the sale of our transfer agency joint venture interests. In the first and second quarters of 2017, operating-basis results included \$5 million and \$6 million, respectively, of discount accretion. These changes resulted in total increases in operating-basis revenue of \$35 million and \$6 million in the first and second quarters of 2017, respectively, relative to our historical operating-basis presentation. Note that in the second quarter of 2016, operating-basis results excluded a pre-tax gain of approximately \$53 million on the sale of the WM/Reuters business. We believe that these changes to our operating-basis presentation simplify the overall presentation of our financial results, making them easier to understand, while, overall, continuing to facilitate a useful and helpful additional understanding of our financial results.

We also believe 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 may present 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.

We provide forward-looking financial estimates and expectations on an operating basis (non-GAAP) because information needed to provide corresponding GAAP-basis information is primarily dependent on future events or conditions that may be uncertain and are difficult to predict or estimate. Management is therefore, in general, unable to provide a reconciliation of our operating-basis forward-looking financial estimates and expectations to a GAAP-basis presentation.

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.

**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
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q16	2Q17	YTD 2Q17 vs. YTD 2Q16
<b>Total Revenue<sup>(1)(2)(3)</sup>:</b>											
Total revenue, GAAP-basis	\$ 2,484	\$ 2,573	\$ 2,620	\$ 2,530	\$ 2,668	\$ 2,810	9.2 %	5.3 %	\$ 5,057	\$ 5,478	8.3 %
Adjustment to processing fees and other revenue (see below)	63	34	134	186	70	89			97	159	
Adjustment to net interest income (see below)	27	25	—	33	43	42			52	85	
Adjustment to servicing and management fee revenue (see below)	—	43	—	—	—	—			43	—	
Total revenue, operating-basis	\$ 2,574	\$ 2,675	\$ 2,754	\$ 2,749	\$ 2,781	\$ 2,941	9.9	5.8	\$ 5,249	\$ 5,722	9.0
<b>Fee Revenue<sup>(1)(3)</sup>:</b>											
Total fee revenue, GAAP-basis	\$ 1,970	\$ 2,053	\$ 2,079	\$ 2,014	\$ 2,198	\$ 2,235	8.9	1.7	\$ 4,023	\$ 4,433	10.2
Tax-equivalent adjustment associated with tax-advantaged investments	63	87	134	186	70	89			150	159	
Gain on sale of WM/Reuters Business	—	(53)	—	—	—	—			(53)	—	
Expense billing matter, net	—	43	—	—	—	—			43	—	
Total fee revenue, operating-basis	\$ 2,033	\$ 2,130	\$ 2,213	\$ 2,200	\$ 2,268	\$ 2,324	9.1	2.5	\$ 4,163	\$ 4,592	10.3
<b>Servicing Fees:</b>											
Total servicing fees, GAAP-basis	\$ 1,242	\$ 1,239	\$ 1,303	\$ 1,289	\$ 1,296	\$ 1,339	8.1	3.3	\$ 2,481	\$ 2,635	6.2
Expense billing matter	—	48	—	—	—	—			48	—	
Total servicing fees, operating-basis	\$ 1,242	\$ 1,287	\$ 1,303	\$ 1,289	\$ 1,296	\$ 1,339	4.0	3.3	\$ 2,529	\$ 2,635	4.2
<b>Management Fees:</b>											
Total management fees, GAAP-basis	\$ 270	\$ 293	\$ 368	\$ 361	\$ 382	\$ 397	35.5	3.9	\$ 563	\$ 779	38.4
Expense billing matter	—	(5)	—	—	—	—			(5)	—	
Total management fees, operating-basis	\$ 270	\$ 288	\$ 368	\$ 361	\$ 382	\$ 397	37.8	3.9	\$ 558	\$ 779	39.6
<b>Processing Fees and Other Revenue<sup>(1)</sup>:</b>											
Total processing fees and other revenue, GAAP-basis	\$ 52	\$ 98	\$ 5	\$ (65)	\$ 112	\$ 31	(68.4)	(72.3)	\$ 150	\$ 143	(4.7)
Tax-equivalent adjustment associated with tax-advantaged investments	63	87	134	186	70	89			150	159	
Gain on sale of WM/Reuters Business	—	(53)	—	—	—	—			(53)	—	
Total processing fees and other revenue, operating-basis	\$ 115	\$ 132	\$ 139	\$ 121	\$ 182	\$ 120	(9.1)	(34.1)	\$ 247	\$ 302	22.3
<b>Net Interest Income &amp; Net Interest Margin<sup>(2)(4)</sup>:</b>											
Net interest income, GAAP-basis	\$ 512	\$ 521	\$ 537	\$ 514	\$ 510	\$ 575	10.4 %	12.7 %	\$ 1,033	\$ 1,085	5.0 %
Tax-equivalent adjustment associated with tax-exempt investment securities	42	40	42	43	43	42			82	85	
Net interest income, fully taxable-equivalent basis	\$ 554	\$ 561	\$ 579	\$ 557	\$ 553	\$ 617			\$ 1,115	\$ 1,170	
Average interest earning assets	194,081	198,243	202,155	202,194	191,840	195,287			196,162	193,573	
Net interest margin, fully taxable-equivalent basis	1.15 %	1.14 %	1.14 %	1.09 %	1.17 %	1.27 %	13 bps	10 bps	1.14 %	1.22 %	8 bps
Net interest income, fully taxable-equivalent basis	\$ 554	\$ 561	\$ 579	\$ 557	\$ 553	\$ 617			\$ 1,115	\$ 1,170	
Discount accretion associated with former conduit securities	(15)	(15)	(42)	(10)	—	—			(30)	—	
Net interest income, operating-basis	\$ 539	\$ 546	\$ 537	\$ 547	\$ 553	\$ 617	13.0 %	11.6 %	\$ 1,085	\$ 1,170	7.8 %
Average interest earning assets	194,081	198,243	202,155	202,194	191,840	195,287			196,162	193,573	
Net interest margin, operating-basis	1.12 %	1.11 %	1.06 %	1.08 %	1.17 %	1.27 %	16 bps	10 bps	1.11 %	1.22 %	11 bps
Effect of discount accretion	0.03 %	0.03 %	0.08 %	0.01 %	— %	— %			0.03 %	— %	

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

	Quarters						% Change		Year-to-Date		% Change
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q16	2Q17	YTD 2Q17 vs. YTD 2Q16
	(Dollars in millions, except per share amounts, or where otherwise noted)										
<b>Expenses<sup>(3)</sup>:</b>											
Total expenses, GAAP-basis	\$ 2,050	\$ 1,860	\$ 1,984	\$ 2,183	\$ 2,086	\$ 2,031	9.2 %	(2.6)%	\$ 3,910	\$ 4,117	5.3 %
Severance costs associated with staffing realignment	(3)	3	9	2	—	—			—	—	
Provisions for legal contingencies	—	—	(42)	1	—	—			—	—	
Expense billing matter, net	—	(15)	—	—	—	—			(15)	—	
Acquisition costs	(7)	(7)	(33)	(22)	(12)	(9)			(14)	(21)	
Restructuring charges, net	(97)	(13)	(9)	(21)	(17)	(62)			(110)	(79)	
Total expenses, operating-basis	\$ 1,943	\$ 1,828	\$ 1,909	\$ 2,143	\$ 2,057	\$ 1,960	7.2	(4.7)	\$ 3,771	\$ 4,017	6.5
<b>Compensation and Employee Benefits Expenses:</b>											
Total compensation and employee benefits expenses, GAAP-basis	\$ 1,107	\$ 989	\$ 1,013	\$ 1,244	\$ 1,166	\$ 1,071	8.3	(8.1)	\$ 2,096	\$ 2,237	6.7
Severance costs associated with staffing realignment	(3)	3	9	2	—	—			—	—	
Total compensation and employee benefits expenses, operating-basis	\$ 1,104	\$ 992	\$ 1,022	\$ 1,246	\$ 1,166	\$ 1,071	8.0	(8.1)	\$ 2,096	\$ 2,237	6.7
<b>Other Expenses:</b>											
Total other expenses, GAAP-basis	\$ 254	\$ 269	\$ 337	\$ 310	\$ 297	\$ 283	5.2	(4.7)	\$ 523	\$ 580	10.9
Provisions for legal contingencies	—	—	(42)	1	—	—			—	—	
Expense billing matter, net	—	(15)	—	—	—	—			(15)	—	
Total other expenses, operating-basis	\$ 254	\$ 254	\$ 295	\$ 311	\$ 297	\$ 283	11.4	(4.7)	\$ 508	\$ 580	14.2
<b>Income Before Income Tax Expense:</b>											
Income before income tax expense, GAAP-basis	\$ 430	\$ 709	\$ 636	\$ 345	\$ 584	\$ 776	9.4	32.9	\$ 1,139	\$ 1,360	19.4
Net pre-tax effect of non-operating adjustments to revenue and expenses	197	134	209	259	142	202			331	344	
Income before income tax expense, operating-basis	\$ 627	\$ 843	\$ 845	\$ 604	\$ 726	\$ 978	16.0	34.7	\$ 1,470	\$ 1,704	15.9
<b>Pre-tax operating margin<sup>(6)</sup>:</b>											
Pre-tax operating margin, GAAP-basis	17.3 %	27.6 %	24.3 %	13.6 %	21.9 %	27.6 %	— bps	570 bps	22.5 %	24.8 %	230 bps
Net effect of non-operating adjustments	7.1	3.9	6.4	8.4	4.2	5.7			5.5	5.0	
Pre-tax operating margin, operating-basis	24.4 %	31.5 %	30.7 %	22.0 %	26.1 %	33.3 %	180 bps	720 bps	28.0 %	29.8 %	180 bps
<b>Income Tax Expense:</b>											
Income tax expense (benefit), GAAP-basis	\$ 62	\$ 92	\$ 72	\$ (248)	\$ 82	\$ 156	69.6 %	90.2 %	\$ 154	\$ 238	54.5 %
Aggregate tax-equivalent adjustments	105	127	176	229	113	131			232	244	
Net tax effect of non-operating adjustments	15	10	8	10	7	20			25	27	
Income tax expense (benefit), operating-basis	\$ 182	\$ 229	\$ 256	\$ (9)	\$ 202	\$ 307	34.1	52.0	\$ 411	\$ 509	23.8
<b>Effective Tax Rate:</b>											
Income before income tax expense, operating-basis	\$ 627	\$ 843	\$ 845	\$ 604	\$ 726	\$ 978	16.0	34.7	\$ 1,470	\$ 1,704	15.9
Income tax expense, operating-basis	182	229	256	(9)	202	307			411	509	
Effective tax rate, operating-basis	29.1 %	27.0 %	30.3 %	(1.5)%	27.8 %	31.4 %	440 bps	360 bps	27.9 %	29.9 %	200 bps
<b>Net Income Available to Common Shareholders:</b>											
Net income available to common shareholders, GAAP-basis	\$ 319	\$ 585	\$ 507	\$ 557	\$ 446	\$ 584	(0.2)%	30.9 %	\$ 904	\$ 1,030	13.9 %
Net after-tax effect of non-operating adjustments to processing fees and other revenue, net interest income, expenses and income tax expense	77	(3)	25	20	22	51			74	73	
Net income available to common shareholders, operating-basis	\$ 396	\$ 582	\$ 532	\$ 577	\$ 468	\$ 635	9.1	35.7	\$ 978	\$ 1,103	12.8

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

	Quarters						% Change		Year-to-Date		% Change
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q16	2Q17	YTD 2Q17 vs. YTD 2Q16
(Dollars in millions, except per share amounts, or where otherwise noted)											
<b>Diluted Earnings per Common Share<sup>(1)(2)</sup>:</b>											
Diluted earnings per common share, GAAP-basis	\$ .79	\$ 1.47	\$ 1.29	\$ 1.43	\$ 1.15	\$ 1.53	4.1 %	33.0 %	\$ 2.25	\$ 2.69	19.6 %
Severance costs associated with staffing realignment	.01	(.01)	(.01)	—	—	—			—	—	
Provisions for legal contingencies	—	—	.11	.02	—	—			—	—	
Expense billing matter, net	—	.10	—	—	—	—			.10	—	
Acquisition costs	.01	.01	.05	.03	.02	.02			.02	.03	
Restructuring charges, net	.15	.02	.01	.02	.03	.11			.17	.14	
Effect on income tax of non-operating adjustments	.04	(.01)	(.03)	(.01)	.01	.01			.04	.02	
Discount accretion associated with former conduit securities	(.02)	(.02)	(.07)	(.01)	—	—			(.04)	—	
Gain on sale of WM/Reuters Business	—	(.10)	—	—	—	—			(.10)	—	
Diluted earnings per common share, operating-basis	<u>\$ .98</u>	<u>\$ 1.46</u>	<u>\$ 1.35</u>	<u>\$ 1.48</u>	<u>\$ 1.21</u>	<u>\$ 1.67</u>	14.4	38.0	<u>\$ 2.44</u>	<u>\$ 2.88</u>	18.0
<b>Return on Average Common Equity<sup>(1)(2)</sup>:</b>											
Return on average common equity, GAAP-basis	6.8 %	12.4 %	10.6 %	12.1 %	9.9 %	12.6 %	20 bps	270 bps	9.6 %	11.3 %	170 bps
Severance costs associated with staffing realignment	—	(.1)	(.1)	—	—	—			—	—	
Provisions for legal contingencies	—	—	.9	.2	—	—			—	—	
Expense billing matter, net	—	.8	—	—	—	—			.4	—	
Acquisition costs	.1	.1	.3	.3	.2	.1			.1	.1	
Restructuring charges, net	1.3	.2	.1	.1	.2	.9			.7	.5	
Effect on income tax of non-operating adjustments	.4	(.1)	(.2)	(.1)	.1	.1			.2	.1	
Discount accretion associated with former conduit securities	(.2)	(.2)	(.5)	(.1)	—	—			(.2)	—	
Gain on sale of WM/Reuters Business	—	(.8)	—	—	—	—			(.4)	—	
Return on average common equity, operating-basis	<u>8.4 %</u>	<u>12.3 %</u>	<u>11.1 %</u>	<u>12.5 %</u>	<u>10.4 %</u>	<u>13.7 %</u>	140 bps	330 bps	<u>10.4 %</u>	<u>12.0 %</u>	160 bps
<b>Fee Operating Leverage, GAAP-Basis:</b>											
Total fee revenue, GAAP-basis (as reconciled above)	\$ 1,970	\$ 2,053	\$ 2,079	\$ 2,014	\$ 2,198	\$ 2,235	8.87 %	1.68 %	\$ 4,023	\$ 4,433	10.19 %
Total expenses, GAAP-basis (as reconciled above)	2,050	1,860	1,984	2,183	2,086	2,031	9.19	(2.64)	3,910	4,117	5.29
Fee operating leverage, GAAP-basis							(32) bps	432 bps			490 bps
<b>Fee Operating Leverage, Operating-Basis<sup>(1)</sup>:</b>											
Total fee revenue, operating-basis (as reconciled above)	\$ 2,033	\$ 2,130	\$ 2,213	\$ 2,200	\$ 2,268	\$ 2,324	9.11 %	2.47 %	\$ 4,163	\$ 4,592	10.31 %
Total expenses, operating-basis (as reconciled above)	1,943	1,828	1,909	2,143	2,057	1,960	7.22	(4.72)	3,771	4,017	6.52
Fee operating leverage, operating-basis							189 bps	719 bps			379 bps
<b>Operating Leverage, GAAP-Basis:</b>											
Total revenue, GAAP-basis (as reconciled above)	\$ 2,484	\$ 2,573	\$ 2,620	\$ 2,530	\$ 2,668	\$ 2,810	9.21 %	5.32 %	\$ 5,057	\$ 5,478	8.33 %
Total expenses, GAAP-basis (as reconciled above)	2,050	1,860	1,984	2,183	2,086	2,031	9.19	(2.64)	3,910	4,117	5.29
Operating leverage, GAAP-basis							2 bps	796 bps			304 bps
<b>Operating Leverage, Operating-Basis<sup>(1)(2)</sup>:</b>											
Total revenue, operating-basis (as reconciled above)	\$ 2,574	\$ 2,675	\$ 2,754	\$ 2,749	\$ 2,781	\$ 2,941	9.94 %	5.75 %	\$ 5,249	\$ 5,722	9.01 %
Total expenses, operating-basis (as reconciled above)	1,943	1,828	1,909	2,143	2,057	1,960	7.22	(4.72)	3,771	4,017	6.52
Operating leverage, operating-basis							272 bps	1,047 bps			249 bps

<sup>(1)</sup> The first quarter of 2017 GAAP and operating-basis results included a pre-tax gain of approximately \$30 million on the sale of State Street's interest in Boston Financial Data Services, Inc. (BFDS) and International Financial Data Services Limited (IFDS Ltd), reflecting a change in our operating-basis presentation effective the first quarter of 2017 to include gains/losses on sales of businesses. In the second quarter of 2016, under our historical presentation, operating-basis results excluded a \$53 million pre-tax gain on the sale of WM/Reuters business, and such results have not been revised.

<sup>(2)</sup> Beginning in the first quarter of 2017, management no longer presents discount accretion associated with former conduit securities as an operating-basis adjustment. Therefore, first and second quarter 2017 GAAP and operating-basis results included \$5 million and \$6 million, respectively, of discount accretion. In the first, second, third and fourth quarters of 2016, operating-basis net interest income excluded \$15 million, \$15 million, \$42 million and \$10 million of discount accretion, respectively, and such results have not been revised.

<sup>(3)</sup> The impact of acquired operations on total revenue and fee revenue contributed approximately \$65 million, \$64 million, \$71 million and \$72 million for the third and fourth quarters of 2016 and first and second quarters of 2017, respectively. The impact of acquired operations on expenses contributed approximately \$57 million, \$58 million, \$51 million and \$51 million for the third and fourth quarters of 2016 and first and second quarters of 2017, respectively, excluding merger and integration charges and financing costs.

<sup>(4)</sup> Fully taxable-equivalent net interest margin for the periods presented above represented fully taxable-equivalent net interest income composed of GAAP-basis net interest income plus tax-equivalent adjustments, on an annualized basis, as a percentage of average total interest-earning assets for the quarters presented.

<sup>(5)</sup> Pre-tax operating margin was calculated by dividing income before income tax expense by total revenue.

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

**GAAP-Basis Quarter Comparison**

(Dollars in millions)	Reported			Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency	
	2Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
<b>Fee revenue:</b>									
Servicing fees	\$ 1,239	\$ 1,296	\$ 1,339	\$ (10)	\$ 13	\$ 1,349	\$ 1,326	8.9%	2.3%
Management fees	293	382	397	(3)	2	400	395	36.5	3.4
Trading services	267	275	289	(5)	4	294	285	10.1	3.6
Securities finance	156	133	179	(1)	—	180	179	15.4	34.6
Processing fees and other	98	112	31	1	1	30	30	(69.4)	(73.2)
Total fee revenue	2,053	2,198	2,235	(18)	20	2,253	2,215	9.7	0.8
Net interest income	521	510	575	(7)	2	582	573	11.7	12.4
Gains (losses) related to investment securities, net	(1)	(40)	—	—	—	—	—	nm	nm
<b>Total revenue</b>	<b>\$ 2,573</b>	<b>\$ 2,668</b>	<b>\$ 2,810</b>	<b>\$ (25)</b>	<b>\$ 22</b>	<b>\$ 2,835</b>	<b>\$ 2,788</b>	<b>10.2</b>	<b>4.5</b>

**Expenses:**

Compensation and employee benefits	\$ 989	\$ 1,166	\$ 1,071	\$ (10)	\$ 10	\$ 1,081	\$ 1,061	9.3	(9.0)
Information systems and communications	270	287	283	(1)	1	284	282	5.2	(1.7)
Transaction processing services	201	197	207	(2)	1	209	206	4.0	4.6
Occupancy	111	110	116	(1)	1	117	115	5.4	4.5
Other	289	326	354	(2)	3	356	351	23.2	7.7
<b>Total expenses</b>	<b>\$ 1,860</b>	<b>\$ 2,086</b>	<b>\$ 2,031</b>	<b>\$ (16)</b>	<b>\$ 16</b>	<b>\$ 2,047</b>	<b>\$ 2,015</b>	<b>10.1</b>	<b>(3.4)</b>

**GAAP-Basis YTD Comparison**

(Dollars in millions)	Reported		Currency Translation Impact	Excluding Currency Impact	% Change Constant Currency
	2016	2017	YTD 2017 vs. YTD 2016	2017	YTD 2017 vs. YTD 2016
<b>Fee revenue:</b>					
Servicing fees	\$ 2,481	\$ 2,635	\$ (22)	\$ 2,657	7.1%
Management fees	563	779	(7)	786	39.6
Trading services	539	564	(10)	574	6.5
Securities finance	290	312	(1)	313	7.9
Processing fees and other	150	143	(4)	147	(2.0)
Total fee revenue	4,023	4,433	(44)	4,477	11.3
Net interest income	1,033	1,085	(13)	1,098	6.3
Gains (losses) related to investment securities, net	1	(40)	—	(40)	nm
<b>Total revenue</b>	<b>\$ 5,057</b>	<b>\$ 5,478</b>	<b>\$ (57)</b>	<b>\$ 5,535</b>	<b>9.5</b>

**Expenses:**

Compensation and employee benefits	\$ 2,096	\$ 2,237	\$ (26)	\$ 2,263	8.0
Information systems and communications	542	570	(2)	572	5.5
Transaction processing services	401	404	(4)	408	1.7
Occupancy	224	226	(4)	230	2.7
Other	647	680	(8)	688	6.3
<b>Total expenses</b>	<b>\$ 3,910</b>	<b>\$ 4,117</b>	<b>\$ (44)</b>	<b>\$ 4,161</b>	<b>6.4</b>

<sup>nm</sup> Not meaningful

**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	
	2Q16	1Q17	2Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17	2Q17 vs. 2Q16	2Q17 vs. 1Q17
(Dollars in millions)									
<b>Fee revenue:</b>									
Servicing fees	\$ 1,287	\$ 1,296	\$ 1,339	\$ (10)	\$ 13	\$ 1,349	\$ 1,326	4.8%	2.3%
Management fees	288	382	397	(3)	2	400	395	38.9	3.4
Trading services	267	275	289	(5)	4	294	285	10.1	3.6
Securities finance	156	133	179	(1)	—	180	179	15.4	34.6
Processing fees and other	132	182	120	1	1	119	119	(9.8)	(34.6)
Total fee revenue	2,130	2,268	2,324	(18)	20	2,342	2,304	10.0	1.6
Net interest income	546	553	617	(7)	2	624	615	14.3	11.2
Gains (losses) related to investment securities, net	(1)	(40)	—	—	—	—	—	nm	nm
<b>Total revenue</b>	<b>\$ 2,675</b>	<b>\$ 2,781</b>	<b>\$ 2,941</b>	<b>\$ (25)</b>	<b>\$ 22</b>	<b>\$ 2,966</b>	<b>\$ 2,919</b>	<b>10.9</b>	<b>5.0</b>
<b>Expenses:</b>									
Compensation and employee benefits	\$ 992	\$ 1,166	\$ 1,071	\$ (10)	\$ 10	\$ 1,081	\$ 1,061	9.0	(9.0)
Information systems and communications	270	287	283	(1)	1	284	282	5.2	(1.7)
Transaction processing services	201	197	207	(2)	1	209	206	4.0	4.6
Occupancy	111	110	116	(1)	1	117	115	5.4	4.5
Other	254	297	283	(2)	2	285	281	12.2	(5.4)
<b>Total expenses</b>	<b>\$ 1,828</b>	<b>\$ 2,057</b>	<b>\$ 1,960</b>	<b>\$ (16)</b>	<b>\$ 15</b>	<b>\$ 1,976</b>	<b>\$ 1,945</b>	<b>8.1</b>	<b>(5.4)</b>

**Operating-Basis YTD Comparison**

	Reported		Currency Translation Impact		Excluding Currency Impact		% Change Constant Currency	
	2016	2017	YTD 2017 vs. YTD 2016	YTD 2017 vs. YTD 2016	2017	YTD 2017 vs. YTD 2016	YTD 2017 vs. YTD 2016	YTD 2017 vs. YTD 2016
(Dollars in millions)								
<b>Fee revenue:</b>								
Servicing fees	\$ 2,529	\$ 2,635	\$ (22)	\$ (22)	\$ 2,657	5.1%		
Management fees	558	779	(7)	(7)	786	40.9		
Trading services	539	564	(10)	(10)	574	6.5		
Securities finance	290	312	(1)	(1)	313	7.9		
Processing fees and other	247	302	(4)	(4)	306	23.9		
Total fee revenue	4,163	4,592	(44)	(44)	4,636	11.4		
Net interest income	1,085	1,170	(13)	(13)	1,183	9.0		
Gains (losses) related to investment securities, net	1	(40)	—	—	(40)	nm		
<b>Total revenue</b>	<b>\$ 5,249</b>	<b>\$ 5,722</b>	<b>\$ (57)</b>	<b>\$ (57)</b>	<b>\$ 5,779</b>	<b>10.1</b>		
<b>Expenses:</b>								
Compensation and employee benefits	\$ 2,096	\$ 2,237	\$ (26)	\$ (26)	\$ 2,263	8.0		
Information systems and communications	542	570	(2)	(2)	572	5.5		
Transaction processing services	401	404	(4)	(4)	408	1.7		
Occupancy	224	226	(4)	(4)	230	2.7		
Other	508	580	(7)	(7)	587	15.6		
<b>Total expenses</b>	<b>\$ 3,771</b>	<b>\$ 4,017</b>	<b>\$ (43)</b>	<b>\$ (43)</b>	<b>\$ 4,060</b>	<b>7.7</b>		

<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 within the Reconciliation of Tangible Common Equity Ratio within this package.

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

	Quarters											
	1Q16		2Q16		3Q16		4Q16		1Q17		2Q17	
	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	12.3%	12.5%	12.0%	12.0%	12.3%	12.5%	11.7%	11.6%	11.2%	11.5%	12.0%	11.3%
Tier 1 capital	14.9	15.1	15.0	15.0	15.4	15.7	14.8	14.7	14.4	14.7	15.2	14.2
Total capital	17.1	17.3	17.1	17.1	17.6	17.9	16.0	16.0	15.4	15.9	16.3	15.3
Tier 1 leverage	6.9	6.9	7.0	7.0	6.8	6.8	6.5	6.5	6.8	6.8	7.0	7.0
<b>Supporting Calculations:</b>												
Common equity tier 1 capital	\$ 12,404	\$ 12,404	\$ 12,518	\$ 12,518	\$ 12,269	\$ 12,269	\$ 11,624	\$ 11,624	\$ 11,319	\$ 11,319	\$ 12,007	\$ 12,007
Total risk-weighted assets	100,633	99,617	104,012	104,492	99,736	98,374	99,301	99,876	100,843	98,494	99,897	106,595
Common equity tier 1 risk-based capital	12.3%	12.5%	12.0%	12.0%	12.3%	12.5%	11.7%	11.6%	11.2%	11.5%	12.0%	11.3%
Tier 1 capital	\$ 15,032	\$ 15,032	\$ 15,642	\$ 15,642	\$ 15,407	\$ 15,407	\$ 14,717	\$ 14,717	\$ 14,475	\$ 14,475	\$ 15,165	\$ 15,165
Total risk-weighted assets	100,633	99,617	104,012	104,492	99,736	98,374	99,301	99,876	100,843	98,494	99,897	106,595
Tier 1 risk-based capital ratio	14.9%	15.1%	15.0%	15.0%	15.4%	15.7%	14.8%	14.7%	14.4%	14.7%	15.2%	14.2%
Total capital	\$ 17,191	\$ 17,248	\$ 17,794	\$ 17,869	\$ 17,560	\$ 17,632	\$ 15,909	\$ 15,967	\$ 15,542	\$ 15,617	\$ 16,243	\$ 16,314
Total risk-weighted assets	100,633	99,617	104,012	104,492	99,736	98,374	99,301	99,876	100,843	98,494	99,897	106,595
Total risk-based capital ratio	17.1%	17.3%	17.1%	17.1%	17.6%	17.9%	16.0%	16.0%	15.4%	15.9%	16.3%	15.3%
Tier 1 capital	\$ 15,032	\$ 15,032	\$ 15,642	\$ 15,642	\$ 15,407	\$ 15,407	\$ 14,717	\$ 14,717	\$ 14,475	\$ 14,475	\$ 15,165	\$ 15,165
Adjusted quarterly average assets	217,029	217,029	222,666	222,666	226,093	226,093	226,310	226,310	212,361	212,361	216,940	216,940
Tier 1 leverage ratio	6.9%	6.9%	7.0%	7.0%	6.8%	6.8%	6.5%	6.5%	6.8%	6.8%	7.0%	7.0%

<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					
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Consolidated total assets	\$ 243,685	\$ 255,386	\$ 256,140	\$ 242,698	\$ 236,802	\$ 238,274
Less:						
Goodwill	5,733	5,671	5,911	5,814	5,855	5,945
Other intangible assets	1,749	1,682	1,849	1,750	1,710	1,693
Cash balances held at central banks in excess of required reserves	58,639	67,710	67,571	62,037	59,780	56,326
Adjusted assets	177,564	180,323	180,809	173,097	169,457	174,310
Plus related deferred tax liabilities	698	688	685	655	649	651
Total tangible assets	<b>A</b> \$ 178,262	\$ 181,011	\$ 181,494	\$ 173,752	\$ 170,106	\$ 174,961
<b>Consolidated total common shareholders' equity</b>	<b>\$ 18,793</b>	<b>\$ 18,877</b>	<b>\$ 18,954</b>	<b>\$ 18,023</b>	<b>\$ 18,098</b>	<b>\$ 18,872</b>
Less:						
Goodwill	5,733	5,671	5,911	5,814	5,855	5,945
Other intangible assets	1,749	1,682	1,849	1,750	1,710	1,693
Adjusted equity	11,311	11,524	11,194	10,459	10,533	11,234
Plus related deferred tax liabilities	698	688	685	655	649	651
Total tangible common equity	<b>B</b> \$ 12,009	\$ 12,212	\$ 11,879	\$ 11,114	\$ 11,182	\$ 11,885
<b>Tangible common equity ratio</b>	<b>B/A</b> 6.7%	6.7%	6.5%	6.4%	6.6%	6.8%

**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 June 30, 2017 (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	\$ 12,007	\$ (315)	\$ 11,692	\$ 12,007	\$ (315)	\$ 11,692
Tier 1 capital	15,165	(277)	14,888	15,165	(277)	14,888
Total capital	16,243	(278)	15,965	16,314	(277)	16,037
Risk weighted assets	99,897	65	99,962	106,595	61	106,656
Adjusted quarterly average assets	216,940	(205)	216,735	216,940	(205)	216,735

**Capital ratios:**

Common equity tier 1 capital	12.0%	11.7%	11.3%	11.0%
Tier 1 capital	15.2	14.9	14.2	14.0
Total capital	16.3	16.0	15.3	15.0
Tier 1 leverage	7.0	6.9	7.0	6.9

As of March 31, 2017 (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	\$ 11,319	\$ (339)	\$ 10,980	\$ 11,319	\$ (339)	\$ 10,980
Tier 1 capital	14,475	(299)	14,176	14,475	(299)	14,176
Total capital	15,542	(299)	15,243	15,617	(299)	15,318
Risk weighted assets	100,843	134	100,977	98,494	127	98,621
Adjusted quarterly average assets	212,361	(270)	212,091	212,361	(270)	212,091

**Capital ratios:**

Common equity tier 1 capital	11.2%	10.9%	11.5%	11.1%
Tier 1 capital	14.4	14.0	14.7	14.4
Total capital	15.4	15.1	15.9	15.5
Tier 1 leverage	6.8	6.7	6.8	6.7

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

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	\$ (769)	\$ 10,855	\$ 11,624	\$ (769)	\$ 10,855
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	99,301	33	99,334	99,876	31	99,907
Adjusted quarterly average assets	226,310	(474)	225,836	226,310	(474)	225,836

**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 quarterly 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

**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 quarterly 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 quarterly 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**  
**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 26, 2017 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 June 30, 2017 (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>	\$ 15,165	A \$ 14,888	\$ 16,002	\$ 15,737
On-and off-balance sheet leverage exposure	250,325	250,325	246,971	246,971
Less: regulatory deductions	(6,633)	(6,838)	(6,237)	(6,435)
Total assets for SLR	243,692	B 243,487	240,734	240,536
<b>Supplementary Leverage Ratio</b>	6.2%	A/B 6.1%	6.6%	6.5%

As of March 31, 2017 (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>	\$ 14,475	C \$ 14,176	\$ 15,492	\$ 15,206
On-and off-balance sheet leverage exposure	244,964	244,964	241,563	241,563
Less: regulatory deductions	(6,818)	(7,087)	(6,422)	(6,683)
Total assets for SLR	238,146	D 237,877	235,141	234,880
<b>Supplementary Leverage Ratio</b>	6.1%	C/D 6.0%	6.6%	6.5%

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	E \$ 14,051	\$ 15,805	\$ 15,169
On-and off-balance sheet leverage exposure	257,509	257,509	253,487	253,487
Less: regulatory deductions	(6,476)	(6,950)	(6,078)	(6,532)
Total assets for SLR	251,033	F 250,559	247,409	246,955
<b>Supplementary Leverage Ratio</b>	5.9%	E/F 5.6%	6.4%	6.1%

**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 September 30, 2016 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 15,407	G	\$ 14,928	\$ 15,817		\$ 15,374
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	H	250,694	246,306		246,032
<b>Supplementary Leverage Ratio</b>	6.1%	G/H	6.0%	6.4%		6.2%
As of June 30, 2016 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 15,642	I	\$ 15,249	\$ 15,742		\$ 15,385
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	J	248,767	244,483		244,226
<b>Supplementary Leverage Ratio</b>	6.3%	I/J	6.1%	6.4%		6.3%
As of March 31, 2016 (Dollars in millions)						
<b>Tier 1 Capital</b>	\$ 15,032	K	\$ 14,546	\$ 15,071		\$ 14,628
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	L	241,436	237,292		236,970
<b>Supplementary Leverage Ratio</b>	6.2%	K/L	6.0%	6.4%		6.2%