STATE STREET.

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March 6, 2015

Disclosure of Company-Run Stress Test Results

State Street Corporation (State Street or the Company), like other "covered companies" governed by the provisions of Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), is required to conduct company-run stress tests semi-annually (an "annual stress test" and a "mid-cycle stress test") and disclose the results under the severely adverse scenario. Under the "Supervisory and Company-Run Stress Test Requirements for Covered Companies" Final Rule, and as applied by State Street, a stress test represents a process to assess the potential impact of scenarios (representing hypothetical economic conditions) on State Street's consolidated financial position and consolidated results of operations and regulatory capital over a defined period (known as a "planning horizon"), taking into account State Street's current financial condition, risks, exposures, strategies and activities.

The annual stress test differs from the mid-cycle stress test in several principal ways. The annual stress test is conducted in coordination with the Comprehensive Capital Analysis and Review (CCAR) conducted by the Board of Governors of the Federal Reserve System (Federal Reserve), and the mid-cycle stress test is conducted two quarters later, or between each annual CCAR exercise, utilizing a different as-of-date. In addition, the annual stress test disclosures by the Federal Reserve and each covered company represent the results of the supervisory severely adverse scenario while the mid-cycle stress test reflects the results of an internally-developed severely adverse scenario. State Street's stress test disclosures can be found in the Investor Relations section of its website, at http://investors.statestreet.com/.

The results of a stress test represent estimates of potential outcomes based on hypothetical economic conditions. State Street's stress testing efforts seek to incorporate loss events tailored to its unique risk profile, which differs from that of a traditional commercial bank due to the nature of the business model and consolidated statement of condition. The hypothetical economic conditions applied during any stress test do not represent State Street's projections of expected economic conditions, and the estimates representing the results of the stress test are not forecasts of expected revenues, expenses, losses, regulatory capital ratios or other results, or of State Street's financial condition, for any future period. Further, because the methodologies, models and tools used by State Street to project estimates of revenues, expenses, losses, regulatory capital ratios and other results under stress tests are proprietary to State Street, the results of company-run stress tests may differ in material respects from the results of stress tests performed on State Street by other parties, including the Federal Reserve in its annual supervisory stress test conducted in coordination with CCAR.

Additional financial and other information about State Street and its principal business activities can be found in its 2014 Annual Report on Form 10-K (the 2014 Form 10-K) and subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings, referred to as SEC filings, with the Securities and Exchange Commission (the SEC), which are made available on the Investor Relations section of State Street's corporate website at http://investors.statestreet.com/. All stakeholders are encouraged to review these SEC filings. The information presented below may differ, in presentation, form, content or otherwise, from similar information, or disclosures on similar topics, presented in SEC filings. Differences could occur, for example, because SEC filings are based on applicable SEC rules and

U.S. generally accepted accounting principles (GAAP), which may differ from the regulatory standards or requirements for company-run stress tests under Section 165 of the Dodd-Frank Act. In addition, the information presented in this disclosure may also differ, and would not be comparable to, similar disclosures made by other companies.

Stress Testing Framework

State Street has a robust company-wide stress testing program that executes multiple stress tests each year and is overseen by management and its Board of Directors (the Board). The stress testing program is structured around what State Street determines to be its key risks. These key risks serve as an organizing principle for much of State Street's risk management framework, as well as reporting. In connection with the focus on these key risks, State Street's stress tests that are internally-developed incorporate idiosyncratic loss events tailored to its unique risk profile. Due to the nature of State Street's business model and consolidated statement of condition, these key risks differ from those of a traditional commercial bank.

In the normal course of our global business activities, we are exposed to a variety of risks, some inherent in the financial services industry, others more specific to our business activities. State Street's risk management framework focuses on material risks, which include the following:

- credit and counterparty risk;
- liquidity risk, funding and management;
- operational risk;
- market risk associated with our trading activities;
- market risk associated with our non-trading activities, which we refer to as asset-and-liability management, and which consists primarily of interest rate risk;
- business risk, including reputational, fiduciary and business conduct; and
- model risk.

Many of these risks, as well as certain of the factors underlying each of these risks that could affect our businesses and our consolidated financial statements, are discussed in detail under Item 1A, "Risk Factors," included in our 2014 Annual Report on Form 10-K.

For the 2015 annual stress test, State Street executed company-run tests incorporating stress impacts to estimates of its revenues, expenses, losses, and provisions for loan losses, and the resultant changes in regulatory capital and related capital ratios. To execute the stress tests, State Street applied multiple macroeconomic scenarios and parameters, including those prescribed by the Federal Reserve, to its internal stress testing methodologies, models, and tools.

Although State Street ran stress tests using multiple scenarios, the sections below describe the methodologies used in the stress test as required under the supervisory severely adverse scenario. This scenario, along with the supervisory baseline and supervisory adverse scenarios, is set forth and described in the document entitled "2015 Supervisory Scenarios for Annual Stress Tests Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule" published on the Federal Reserve website on October 23, 2014,
http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20141023a1.pdf.

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General Description of Methodologies

Pre-provision net revenue
Pre-provision net revenue (PPNR) is calculated as net interest revenue (NIR) plus non-interest revenue minus non-interest expense. The following is a description of the methodologies used to calculate the components of PPNR under the supervisory severely adverse scenario.

State Street's NIR is sensitive to changes in balance sheet volume and interest rates due to economic conditions or business actions, movements in foreign exchange rates and spreads earned on interest earning assets or paid on interest bearing liabilities, among other factors. Under the supervisory severely adverse scenario in the 2015 annual stress test, the interest rate paths across the nine-quarter planning horizon were the primary macroeconomic drivers used to estimate NIR. In addition, State Street used U.S. and foreign policy rates, the equity market volatility index (VIX), and stress projections for Assets Under Custody, to project deposit volumes across the planning horizon. Furthermore, scenario-specific management overlays were applied to balance sheet projections capturing changes in client behavior and investment portfolio reinvestment assumptions during the planning horizon.

State Street also stressed non-interest revenue, which includes servicing fees, management fees, securities finance, trading services, and processing fees and other revenue. In most cases, macroeconomic factors (e.g., equities, fixed income, GDP, currencies, volatility) identified in the scenario were linked to asset and activity levels through regression based analysis. In cases where fee revenue lacked sensitivity to the macroeconomic factors, State Street used historical time series analysis to determine the impact of stress.

State Street's PPNR projections of non-interest expense incorporated projected losses related to operational risk events such as processing errors and increased litigation expenses. In addition to these losses, State Street incorporated a reduction to incentive compensation, salaries & benefits, transaction processing, and professional services expense due to the impacts of lower activity levels and/or lower performance.

Loan Loss Provisions
Loan losses under the supervisory severely adverse scenario represent the sum of the provisions associated with corporate and insurance lending, leveraged loans, and other loan types. For the 2015 annual stress test, State Street stressed its loan losses using a stressed expected loss (stressed EL) framework. Expected loss (EL) can be expressed as the product of the probability of default (PD), the loss given default (LGD), and the dollar exposure at the time of default (EAD).To capture the stress impacts to each of the components of EL, State Street stressed the PD, LGD, and EAD parameters through macroeconomic factor regression models which allowed State Street to capture the projected impacts of the scenario on each parameter. In addition to the stressed EL approach, a qualitative overlay was used to incorporate other macroeconomic scenario and subjective matter expert considerations.

Also, under the scenario, State Street assumed that the defaulted loan losses experienced during the planning horizon would be charged off on the balance sheet, with the incremental EL resulting in an increase to the projected allowance for loan and lease losses.

Realized Gains/Losses on Securities (Available for sale/Held to maturity)

Pursuant to GAAP, other-than-temporary impairment (OTTI) projections incorporate projected other-than temporary changes in credit expectations. For the supervisory severely adverse scenario, OTTI was projected for structured securities using forecasts from externally sourced econometric models. These models utilized relevant stressed macroeconomic factors (e.g., GDP growth, unemployment, housing price index) together with loan- and pool-level collateral characteristics to generate prepayment rates, recovery rates, and default rates, each of which were used as inputs in generating bond-specific cash flows.

For non-structured securities, State Street utilized loss rates that were derived from the stressed EL approach described above. Again, the stressed EL approach included the estimation of stressed PDs, LGDs, and EADs across the nine quarter planning horizon. This calculation, combined with qualitative overlays, determined the overall impact to non-structured securities under the supervisory severely adverse scenario.

Trading and Counterparty Losses

For the 2015 annual stress test, the Federal Reserve required eight bank holding companies (BHCs), including State Street, to incorporate a counterparty default scenario component into their prescribed supervisory scenarios. In connection with the counterparty default scenario component, the BHCs were required to estimate and report the potential losses and related effects on capital associated with the instantaneous and unexpected default of the counterparty that would generate the largest losses across their derivatives and securities financing activities. Each of these BHCs was instructed to determine its largest counterparty by net stressed losses, estimated by revaluing exposures and collateral using the global market shocks provided by the Federal Reserve, http://www.federalreserve.gov/bankinforeg/ccar.htm (see related data). The as-of-date for the counterparty default scenario component was October 6, 2014.

Available for Sale (AFS) Mark-to-Market (MTM) on the Investment Portfolio

AFS MTM is the unrealized gain or loss composed of the difference between the fair value and amortized cost of AFS securities. Under the Basel III final rule, the AFS MTM, which is a component of accumulated other comprehensive income (AOCI) within shareholders' equity, is reflected in regulatory capital according to a phase-in schedule which began on January 1, 2014. For the 2015 annual stress test, State Street derived the stressed AOCI using forecasts from externally sourced econometric models consistent with those utilized in the OTTI projections. Also, the models were linked to the same set of macroeconomic factors, including GDP growth, housing price index, and unemployment, in addition to other financial indicators, like interest rates and credit spreads. The estimated impact to AOCI as a result of non-credit OTTI on held-to-maturity (HTM) securities was also included in the AOCI projections.

For the 2015 annual stress test, 20% of AOCI is reflected in capital calculations for 2014, 40% of AOCI is reflected in capital calculations for 2015, and 60% of AOCI is reflected in capital calculations for 2016.

Risk-Weighted Assets

For the 2015 annual stress test, BHCs were required to calculate both Basel I risk-weighted assets (RWA) and Basel III standardized RWA.

Under Basel I, stressed RWA were primarily impacted by downgrades of asset securitizations in the investment portfolio and changes in balance sheet growth relative to baseline expectations. RWA for asset securitizations were directly linked to macroeconomic factors by utilizing externally sourced econometric models consistent with those used in the OTTI and AOCI projections. In addition, changes under stress for securities finance RWA contributed to overall stressed RWA.

Under the Basel III standardized approach, stressed RWA were primarily impacted by RWA for asset securitizations using the Simplified Supervisory Formula Approach (SSFA). In applying the SSFA, State Street utilized the macroeconomic factors and externally sourced econometric models consistent with those used in the approaches for Basel I RWA, OTTI, and AOCI. In addition, changes in balance sheet growth relative to baseline expectations and in securities finance RWA contributed to overall stressed RWA. Furthermore, Basel III standardized RWA was impacted by credit risk RWA from State Street's derivatives exposures. The impacts to RWA were applied consistent with changes in PPNR and balance sheet positions underlying the various exposures.

State Street also estimated the stress impact on market risk RWA in accordance with the market risk capital rule issued by the Federal Reserve in 2012, which requires banking organizations with significant trading activities, including State Street, to explicitly incorporate the market risks of those activities into determination of the capital requirements. This approach incorporated market risk factors, including interest rates, foreign exchanges (FX) rates, and the VIX index.

Impact to Regulatory Capital Ratios

Impacts to regulatory capital ratios incorporate the capital actions prescribed by Section 165 of the Dodd-Frank Act (Dodd-Frank prescribed capital actions), including:

- For the fourth quarter of 2014, the actual capital actions (*e.g.,* common stock dividends and stock repurchases) occurring during that period; and
- For each of the second through ninth quarters in the planning horizon:
    - common stock dividends equal the quarterly average dollar amount of common stock dividends paid in 2014;
    - payments on any other instrument that are eligible for inclusion in the numerator of a regulatory capital ratio equal to the stated dividend, interest, or principal due on such instrument during the quarter;
    - an assumption of no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio; and
    - an assumption of no issuances of common stock or preferred stock, except for issuances related to expensed employee compensation.

For the 2015 annual stress test, BHCs were subject to transitional provisions for the Q4 2014 projection quarter. These transitional provisions required State Street to use Basel I RWA and Basel III capital for the Q4 2014 regulatory capital ratio. For the 2015 and 2016 projection quarters, State Street was required to report Basel III regulatory capital ratios using Basel III standardized RWA. In addition, the Basel I tier 1 common ratio was also required to be reported throughout the entire nine quarter planning horizon.

Under the supervisory severely adverse scenario, the stress projections resulted in a decline in regulatory capital ratios. However, State Street exceeded all Basel I and Basel III minimum regulatory capital ratio

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requirements in the 2015 annual stress test. Under the supervisory severely adverse scenario, the changes in regulatory capital were primarily driven by the stressed declines in non-interest revenue relative to baseline expectations, counterparty losses, legal and operational losses in PPNR, and the phase-in impacts for Basel III capital.

Summary of Stressed Capital Ratio Results in the Company-Run 2015 Annual Stress Test under the Supervisory Severely Adverse Scenario with Dodd-Frank Act Prescribed Capital Actions

Projected Stressed Regulatory Capital Ratios through Q4 2016 under the Supervisory Severely Adverse Scenario

	Regulatory Minimum Ratios (1)	Actual	Stressed Capital Ratios	
		September 30, 2014 (2)	December 31, 2016	Minimum (3)
Tier 1 Common Ratio	5.0%	13.7%	10.8%	9.6%
Common Equity Tier 1 Capital Ratio	4.0/4.5	15.0	9.6	8.2
Tier 1 Risk-based Capital Ratio	5.5/6.0	16.7	11.1	9.7
Total Risk-based Capital Ratio	8.0	19.1	12.9	11.5
Tier 1 Leverage Ratio	4.0	6.4	5.5	4.9

(1) Regulatory minimum ratios as prescribed by the CCAR 2015 Instructions, “Comprehensive Capital Analysis and Review 2015 Summary Instructions and Guidance” published on the Federal Reserve website in October 2014
(2) With the exception of the tier 1 common ratio, all other ratios were calculated using Basel III transitional provisions as set forth in the Basel III final rule
(3) Represents the projected minimum quarter-end ratio at any point during the nine quarter planning horizon of the supervisory severely adverse scenario.

Projected losses, revenue, and net income before taxes for Q4 2014 through Q4 2016 under the Supervisory Severely Adverse scenario

	$ Billions	% of Projected Average Assets (1)
Pre-provision Net Revenue	2.1	0.7%
Other Revenue	-	
Less		
Provisions	0.3	
Realized Gains/Losses on Securities (AFS/HTM)	0.1	
Trading and Counterparty Losses	2.0	
Other Losses/Gains	0.3	
Net Income Before Taxes	-0.7	-0.2%

(1) Average assets are averaged over the nine quarter planning horizon.

Projected Loan Losses, by type of loan, for Q4 2014 through Q4 2016 under the Supervisory Severely Adverse Scenario		
	$ Billions	Portfolio Loss Rates (%)(1)
Loan Losses	0.3	1.6%
First Lien Mortgages, Domestic	-	
Junior Liens and HELOCs, Domestic	-	
Commercial and Industrial	0.1	5.1%
Commercial Real Estate	-	0.0%
Credit Cards	-	
Other Consumer	-	0.0%
Other Loans	0.2	1.3%

(1) Percentage of average balance of the identified type of loans represented by projected aggregate loan losses. Average balances are averaged over the nine-quarter planning horizon.

Stress Test Results for State Street Bank and Trust

In accordance with Section 165 of the Dodd-Frank Act, State Street also conducted a stress test of State Street Bank and Trust Company (SSBT), the principal banking subsidiary of State Street, under the supervisory scenarios and the internally-developed BHC stress scenario. Due to the fact that there are no prescribed Dodd-Frank capital actions for SSBT, a specific set of capital actions was assumed for the SSBT stress test which is reflective of efforts to conserve capital at SSBT under stress.

Although the SSBT stress test was conducted for each stress scenario, disclosure is only required under the supervisory severely adverse scenario. State Street used the same estimation tools in its stress test of SSBT as for the Company, but generated SSBT-specific impacts after identifying business activities performed specifically by SSBT. In addition, the regulatory capital ratios varied between stress tests as the SSBT baseline forecast and capital actions differ. These differences, combined with the stress impacts, drive the change in regulatory capital.

Summary of Stressed Capital Ratio Results for SSBT in the Company-run stress test under the Supervisory Severely Adverse Scenario

Projected Stressed SSBT Capital Ratios through Q4 2016 under the Supervisory Severely Adverse Scenario			
	Actual	Stressed Capital Ratios	
	September 30, 2014	December 31, 2016	Minimum
Tier 1 Common Ratio	15.0%	12.8%	11.4%
Common Equity Tier 1 Capital Ratio	16.2	11.0	9.3
Tier 1 Risk-based Capital Ratio	16.2	11.0	9.3
Total Risk-based Capital Ratio	18.1	12.1	10.5
Tier 1 Leverage Ratio	6.1	5.4	4.7