State Street to Acquire Charles River Development for $2.6 Billion

Charles River Development is a Premier Provider of Investment Management Front Office Tools and Solutions

Acquisition Complements State Street's Existing Back, Middle and Front Office Capabilities to Enable First-Ever Global Front-to-Back Client Servicing Platform[i]

Acquisition Expected to be Accretive in 2020 and Offers Long-Term Revenue Growth and Cost Reduction Opportunities[ii]

Boston, July 20, 2018 – State Street Corporation (NYSE: STT) today announced that it has entered into a definitive agreement to acquire Charles River Systems, Inc. (Charles River Development), a premier provider of investment management front office tools and solutions. Under the terms of the agreement, State Street will purchase Charles River Development in an all cash transaction for $2.6 billion. The acquisition, which is subject to regulatory approvals and customary closing conditions, is expected to be completed in the fourth quarter of 2018.

When integrated with State Street's existing front, middle and back office capabilities, Charles River Development's front-office systems will enable State Street to deliver a global front-to-back platform for asset managers and asset owners that will be unique in the investment servicing industry. This interoperable platform, supported by deep enterprise data management capabilities, will enable investment workflows, provide advanced data aggregation, analytics and compliance tools, and connect and exchange data with other industry platforms and providers.

"Today's announcement represents an important milestone in our digital and technology transformation aimed at providing clients with differentiated solutions and data. This acquisition will also enable us to address a large adjacent $8 billion revenue pool for front office services," said Jay Hooley, chairman and CEO of State Street. "Clients today want solutions that can add value and achieve efficiencies from portfolio modeling and construction all the way through to custody as they face increasing

complexity and regulatory expectations, and the need to manage costs and achieve product or geographic expansion."

Charles River Development is a privately held company headquartered in Burlington, Massachusetts with offices in North America, Europe and the Asia-Pacific region. With total revenues of more than $300 million in 2017, its primary focus is providing solutions that automate front and middle office investment management functions across asset classes on a single platform. Today, Charles River Development serves more than 300 clients across institutional, wealth, asset owner and alternative market segments, including 49 of the top 100 asset managers that in aggregate have more than $25 trillion in assets under management.[iii]

"State Street is an ideal partner for us as we share a common focus on helping clients achieve better investment outcomes," said Charles River Development CEO Peter Lambertus. "We are excited about the opportunities ahead and what the combination of our two firms can do for the industry overall."

"This acquisition represents not only a significant investment in our future but also the recognition that the ability to assist clients in managing their data needs and extract insights from their data is increasingly the most important differentiator for our industry," said Ron O'Hanley, president and chief operating officer of State Street. "Our interoperable platform will enable clients to integrate and align their preferred systems utilizing State Street provided data, and access liquidity, insights, data and technology infrastructure. We are confident that this acquisition will enable us to deepen and grow our client base and deliver positive results for our shareholders."

The $2.6 billion purchase price is expected to be financed through the suspension of approximately $950 million of share repurchases in the second quarter of 2018 and during the remainder of 2018, and, subject to market conditions, the remainder of the purchase price through the issuance of equity, with approximately two-thirds of such equity expected to be in the form of common stock and one-third in preferred stock.

State Street yesterday announced an increase to its quarterly common stock dividend for the third quarter of 2018 to $0.47 per share, an increase of 12 percent over the second quarter of 2018. The acquisition is expected to be accretive to earnings in

2020, excluding acquisition and restructuring costs and based on anticipated revenue growth and cost synergies. The Charles River Development acquisition was included in CCAR as a potential strategic change and the Fed granted a conditional non objection.

State Street's second quarter financial results will be released on Friday, July 20, 2018 and reviewed, along with the proposed acquisition, via webcast and teleconference at 8:00 a.m. EDT.

The conference call will be accessible on State Street's Investor Relations website at http://investors.statestreet.com and by telephone at +1 (877) 423-4013 (Conference ID# 5069567) inside the U.S. and +1 (706) 679-5594 (Conference ID# 5069567) outside the U.S. The press release announcing the second-quarter financial results, presentation materials referred to on the conference call, including both with respect to State Street's financial results and the proposed acquisition of Charles River Development announced in this news release, and additional financial information will be available on State Street's Investor Relations website prior to the conference call.

A replay of the conference call will be available for approximately two weeks following the conference call on State Street's Investor Relations website http://investors.statestreet.com and by telephone at +1 (855) 859-2056 (Conference ID# 5069567) inside the U.S. or +1 (404) 537-3406 (Conference ID# 5069567) outside the U.S.

Forward Looking Disclaimer

This news release contains forward-looking statements as defined by United States securities laws, including statements relating to State Street's planned acquisition of Charles River Development and related business, financial, capital and operational effects and considerations. Forward-looking statements are often, but not always, identified by such forward-looking terminology as "will," "opportunity," "expect," "estimate," "project," "anticipate," "plan," "strategy," "propose," "priority," "intend," "may," "objective," "forecast," "outlook," "believe," "seek," "trend," "target," 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 time subsequent to the time this news release is first issued.

Factors that could cause changes in the expectations or assumptions on which forward-looking statements are based cannot be foreseen with certainty and include, but are not limited to:

- the possibility that some or all of the anticipated financial, operational, product innovation or other benefits or synergies of the acquisition will not be realized when expected or at all, including as a result of the impact of, additional costs or unanticipated negative synergies associated with, or problems arising from, the integration of Charles River Development, as a result of regulatory or operational challenges we may experience, as a result of disruptions from the transaction harming relationships with our clients, employees or regulators, or as a result of the strength of the economy and competitive factors in the areas where we and Charles River Development do business;
- the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect us or the expected benefits of the transaction), to satisfy any of the other conditions to the acquisition on a timely basis or at all or to arrange financing consistent with our expectations or at all;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive purchase agreement in respect of the acquisition;
- potential adverse reactions or changes to client, regulatory, business or employee relationships, including those resulting from the announcement or completion of the acquisition;
- demand for our and Charles River Development's services and product offerings;
- requirements to obtain the prior approval or non-objection of the Federal Reserve or other U.S. and non-U.S. regulators for, or other market, business or other factors that could challenge our execution or implementation of or cause changes to, the use, allocation or distribution of our capital or other specific capital actions or corporate activities, including, without limitation, acquisitions, dividends, stock purchases and redemptions and investments in subsidiaries;
- the large institutional clients on which we focus are often able to exert considerable market influence and have diverse investment activities, and this, combined with strong competitive market forces, subjects us to significant pressure to reduce the fees we charge for our or may charge for Charles River Development's products or services and to potentially significant changes in our fee revenue;
- our ability to recognize evolving needs of our and Charles River Development's 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 and Charles River Development offer; and the potential for new products and services to impose additional costs on us and expose us to increased operational risk;
- 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;

- adverse changes in the regulatory ratios that we are, or will be, required to meet, whether arising under the Dodd-Frank Act or implementation of international standards applicable to financial institutions, such as those proposed by the Basel Committee, 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 or liquidity ratios that cause changes in those ratios as they are measured from period to period;
- changes in law or regulation, or the enforcement of law or regulation, that may adversely affect our or Charles River Development's business activities or those of our or Charles River Development's clients or counterparties, and the products or services that we or Charles River Development sell, including additional or increased taxes or assessments thereon, capital adequacy requirements, margin requirements and changes that expose us or Charles River Development to risks related to the adequacy of our or Charles River Development's controls or compliance programs;
- adverse publicity, whether specific to State Street or Charles River Development or regarding other industry participants or industry-wide factors, or other reputational harm;
- 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; and
- changes in accounting standards and practices.

Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in State Street's 2017 Annual Report on Form 10-K and its subsequent SEC filings. Investors are encouraged 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 State Street's expectations or beliefs as of any time subsequent to the time this news release is first issued, and State Street does not undertake efforts to revise those forward-looking statements to reflect events after that time.

About State Street Corporation

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 $33.9 trillion in assets under custody and administration and $2.7 trillion* in assets under management as of June 30, 2018, State Street operates globally in more than 100 geographic markets and

employs over 38,000 worldwide. For more information, visit State Street's website at www.statestreet.com/platformforgrowth

* Assets under management include the assets of the SPDR® Gold ETF and the SPDR® Long Dollar Gold Trust ETF (approximately $33 billion as of June 30, 2018), for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

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[i] Offered by a single provider

[ii] Excluding acquisition and restructuring costs

[iii] PwC Strategy & Analysis, WillisTowersWatson; Prequin Hedge Fund Online; Swifi; PIO Online; Cerulli Associates; Scorpio Partnership; PwC Market Research Center