

Annual Meeting of Shareholders

16 May 2012



STATE STREET®

Building from Strength

Joseph L. Hooley

Chairman, President and Chief Executive Officer



STATE STREET®

Building from Strength

Reminder

This presentation contains forward-looking statements as defined by United States securities laws, including statements relating to our goals and expectations regarding our business, financial and capital condition, results of operations, investment portfolio performance and strategies, the financial and market outlook, 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 "plan," "program," "expect," "look," "believe," "anticipate," "estimate," "seek," "may," "will," "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 date subsequent to May 16, 2012.

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 current sovereign debt risks in Europe and other regions; financial market disruptions or economic recession, whether in the U.S., Europe or other regions internationally; increases in the volatility of, or declines in the level of, our net interest revenue, changes in the composition of the assets on our consolidated statement of condition and the possibility that we may be required to 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 and the performance and volatility of securities, credit, currency and other markets in the U.S. and internationally; the credit quality, credit agency ratings and fair values of the securities in our investment securities portfolio, a deterioration or downgrade of which could lead to other-than-temporary impairment of the respective securities and the recognition of an impairment loss in our consolidated statement of income; our ability to attract deposits and other low-cost, short-term funding, and our ability to deploy deposits in a profitable manner consistent with our liquidity requirements and risk profile; the manner in which the Federal Reserve and other regulators implement the Dodd-Frank Act, Basel III, European directives with respect to banking and financial instruments and other regulatory initiatives in the U.S. and internationally, including regulatory developments that result in changes to our operating model or other changes to the provision of our services; adverse changes in required regulatory capital ratios, whether arising under the Dodd-Frank Act, Basel II or Basel III, or due to changes in regulatory positions or regulations in jurisdictions in which we engage in banking activities; approvals required by the Federal Reserve or other regulators for the use, allocation or distribution of our capital or other specific capital actions or programs, including acquisitions, dividends and equity repurchases, that may restrict or limit our growth plans, distributions to shareholders, equity purchase programs or other capital initiatives; changes in law or regulation that may adversely affect our, our clients' or our counterparties' business activities and the products or services that we sell, including additional or increased taxes or assessments thereon, capital adequacy requirements and changes that expose us to risks related to compliance; the maintenance of credit agency ratings for our debt and depository obligations as well as the level of credibility of credit agency ratings; delays or difficulties in the execution of our previously announced business operations and information technology transformation program, which could lead to changes in our estimates of the charges, expenses or savings associated with the planned program, resulting in increased volatility of our earnings; the results of, and costs associated with, government investigations, litigation and similar claims, disputes, or proceedings; the possibility that our clients will incur substantial losses in investment pools where we act as agent, and the possibility of significant reductions in the valuation of assets; adverse publicity or other reputational harm; dependencies on information technology, complexities and costs of protecting the security of our systems and difficulties with protecting our intellectual property rights; our ability to grow revenue, attract and/or retain and compensate highly skilled people, control expenses and attract the capital necessary to achieve our business goals and comply with regulatory requirements; potential changes to the competitive environment, including changes due to regulatory and technological changes, the effects of consolidation, and perceptions of State Street as a suitable service provider or counterparty; potential changes in how clients compensate us for our services, and the mix of services that clients choose from us; the risks that 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 dis synergies 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 relationships with clients, employees or regulators; the ability to complete acquisitions, divestitures and joint ventures, including the ability to obtain regulatory approvals, the ability to arrange financing as required and the ability to satisfy closing conditions; our ability to recognize emerging clients' needs and to develop products that are responsive to such trends and profitable to State Street; the performance of and demand for the products and services we offer, including the level and timing of redemptions and withdrawals from our collateral pools and other collective investment products; and the potential for new products and services to impose additional costs on us and expose us to increased operational risk; our ability to measure the fair value of the investment securities recorded in our consolidated statement of condition; our ability to control operating risks, data security breach risks, information technology systems risks and outsourcing risks, and 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; 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 2011 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 presentation speak only as of the date hereof, May 16, 2012, and we do not undertake efforts to revise those forward-looking statements to reflect events after that date.

Building from Strength

Agenda

2011: A Year of Focus

Strategic Direction

Investing in Communities and Corporate Responsibility

2012: Progress



STATE STREET.

2011: A Year of Focus

Building from Strength 2011: A Year of Focus

Deepened Client Relationships and Expanded Market Share

- Added \$1.4TN in assets to be serviced and \$39BN¹ in net new long-term assets to be managed
- Advanced State Street's market share in Europe and with key client segments through strategic acquisitions

Calibrated Expenses to Environment

- Accelerated execution of multi-year strategic transformation plan to achieve \$86MN in estimated pre-tax, run-rate expense savings^{2,3}

Increased Return to Shareholders

- Raised quarterly common stock dividend to \$0.18 per share; initiated a \$675MN re-purchase program
- Tier 1 common ratio under Basel III estimated to exceed 2019 requirements (12.1% at 12/31/11)³

Outperformed Peers and Grew Full-Year Operating-Basis EPS by ~10%³

¹ Excludes \$31BN of asset sales from accounts managed for the Department of the U.S. Treasury. ² Estimated pre-tax, run-rate expense savings relate only to the Business Operations and Information Technology Transformation program and are based on improvement from 2010 operating-basis expenses, all else equal; actual operating expenses of the Company may increase or decrease due to other factors. ³ Financial data and capital ratios presented on a non-GAAP basis. For a description and reconciliations of our non-GAAP presentation, which differs from presentation required under GAAP and by regulatory requirements, please see the Appendix on State Street's website (www.statestreet.com) or State Street's current report on Form 8-K filed with the SEC on the date hereof. Regarding capital ratios, Also, see page 11.

Building from Strength

2011: A Year of Focus

DEEPENED CLIENT RELATIONSHIPS

	Average Number of Products Used	Average Length of Relationship
Top 100 Clients	14.2 Products	20.3 Years
Top 1,000 Clients	8.5 Products	11.4 Years
	Expanded Relationships	New Clients
Investment Servicing	<ul style="list-style-type: none"> • Alliance Bernstein • Lloyds Banking Group • Manulife • PIMCO • Russell Investments 	<ul style="list-style-type: none"> • First State Investments • Fundsmith • Stichting PensioenfondS SABIC • Sunsuper
Investment Management	<ul style="list-style-type: none"> • Reynolds American • Rio Tinto Alcan Canada • Taiwan Labour Pension Fund • Brunei Ministry of Finance • Bank of America (DC plan) • The Court Services 	<ul style="list-style-type: none"> • State of Nevada UPromise Plan (ETFs) • Pfizer Ireland Pension Fund • Proctor & Gamble Ireland Pension Fund • CARE Superannuation Pty, Ltd. • Timor L'Este – SWF fund • Family Investments (UK) • Ontario Teachers' Pension Plan

Growing Momentum in Core Businesses

Building from Strength

2011: A Year of Focus

DEEPENED CLIENT RELATIONSHIPS – INDUSTRY RECOGNITION

Custodian of the Year
2011 *European Pensions Awards*

**European PE Fund
Administrator of the Year**
**European Property Fund
Administrator of the Year**
ICFA 2011 European Awards

**Most Recognized
ETF Brand, Americas**
exchangetradedfunds.com
2011 Global ETF Awards

**Outsourcing Provider of the Year,
Mutual Fund Administrator of the Year**
*ICFA 2011 Americas Service
Provider Awards*

No. 1 Equity Lender
Global Investor / isf
2011 Equity Lending Survey

**Transition Management
Award Winner**
aiCIO
2011 Industry Innovation Awards

**No. 2 Manager of Worldwide
Institutional Assets**
Pensions & Investments
2011 Money Manager Survey

**Best Liquidity Management
(Currenex)**
Profit & Loss
2011 Digital Markets Awards

Best in Securities Lending
The Asset
2011 Triple A Transaction
Banking Awards

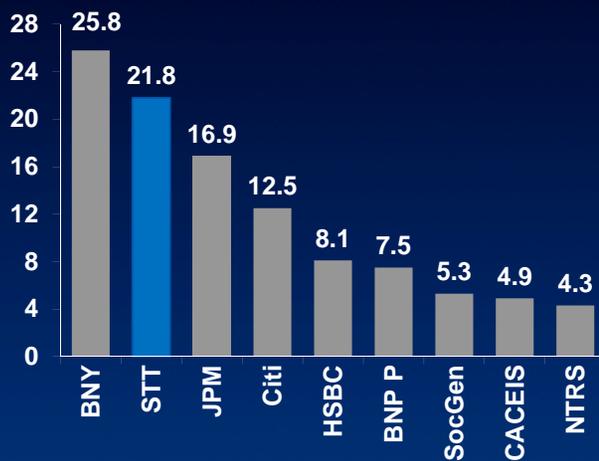
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2011: A Year of Focus

EXPANDED MARKET SHARE

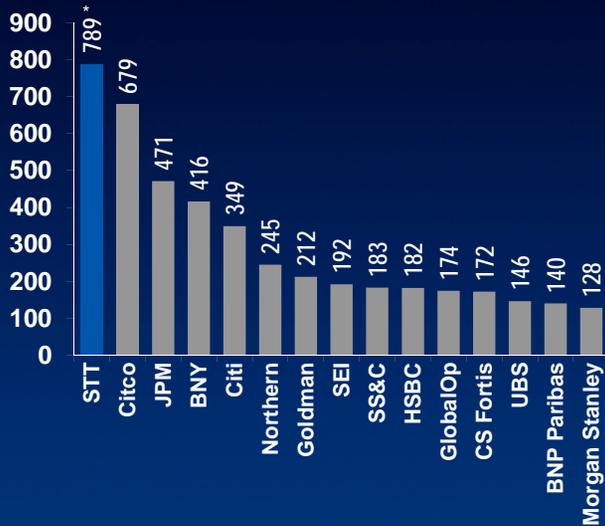
Custody Assets Held by Global Custodians as of 12/31/11

AUA / AUC, \$TN



Alternative Assets Under Administration as of 6/30/11

AUA, \$BN



Global Middle Office Outsourcing as of 12/31/11

Outsourced Assets, \$TN



Source: Company reports and Globalcustody.net
Data for BNY, State Street, reflect AUA as of 12/31/2011; as of 9/30/11 for BNP Paribas and Societe Generale; as of 12/31/10 for HSBC; all others reflect AUC data: JP Morgan, Citi, & Northern Trust, as of 12/31/11; CACEIS as of 3/31/11.

Source: ICFA Annual Fund Admin Survey 2011.
*STT AuA at 12/31/2011 was \$816BN.

Source: Scrip Issue Global Report (3/2012).
* As of 6/30/11

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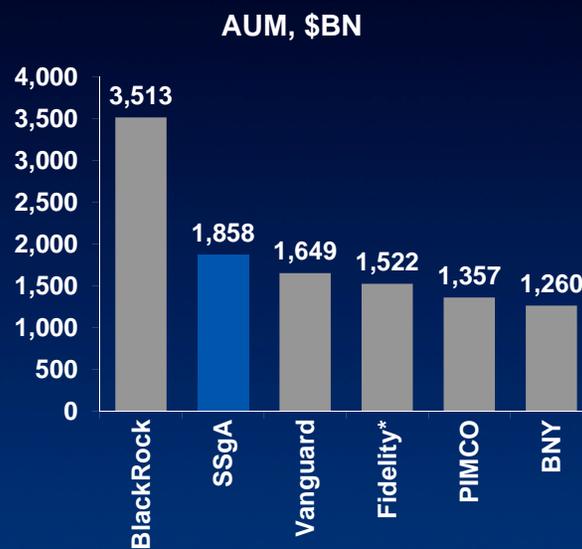
2011: A Year of Focus

EXPANDED MARKET SHARE

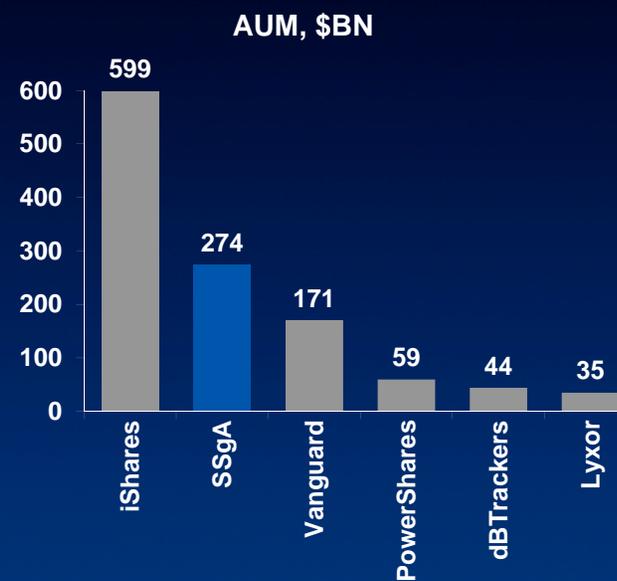
Global Securities Lending
Q4 2011 Average Assets on Loan



Global Assets
Managed as of 12/31/11



Global ETF Assets
Managed as of 12/31/11



Source: Company reports
*BlackRock as of 12/31/10.

Source: Company reports/websites; Strategic Insight for Vanguard.
*Fidelity as of 11/2011.

Source: ETF Landscape Report (12/2011).

Building from Strength

2011: A Year of Focus

INCREASED RETURN TO SHAREHOLDERS

- Common-share dividend payout ratio increased to 19.1%¹
- Repurchased 16.3MN common shares

State Street Corporation			
	“Well Capitalized” ²	12/31/11 Actual under Basel I	12/31/11 Adjusted to Reflect Basel III Proposal ³
Tier 1 Capital	6.0%	18.8%	13.3%
Tier 1 Common Ratio ⁴	--	16.8%	12.1%
Tier 1 Leverage	5.0% ⁵	7.3%	5.6%
Total Capital	10.0%	20.5%	14.9%
Tangible Common Equity ⁶	--	7.2%	7.2%

¹ Financial results presented on an operating or non-GAAP basis (which is adjusted to exclude, among other things, discount accretion). For a description of GAAP- and operating-basis results and related reconciliations, please see the Appendix on State Street's website (www.statestreet.com) or State Street's current Report on Form 8-K filed with the SEC on the date hereof.

² Except as noted in note 4 below, minimum ratios for “Well Capitalized” are defined by Federal regulators under Basel I.

³ Calculated based on State Street's estimates, based on published statements of the Basel Committee and the Federal Reserve, of the effects of the requirements under Basel III affecting capital. See Appendix for a description of the specified capital ratios and related reconciliations of these ratios to ratios calculated under currently applicable regulatory requirements.

⁴ The tier 1 common ratio is not required by GAAP or on a recurring basis by bank regulations. See Appendix for a description of this ratio and related reconciliations.

⁵ Minimum ratio for “Well Capitalized,” as defined by Federal regulators, applies to State Street Bank and Trust only and is therefore stated only as a reference point.

⁶ As defined by State Street. The Tangible Common Equity ratio is not required by GAAP or on a recurring basis by bank regulations. See Appendix for a description of this ratio and related reconciliations.

Building from Strength

2011: A Year of Focus

PERFORMANCE FOR THE TWELVE MONTHS ENDED¹

<i>\$ in millions</i>	12/31/11	12/31/10	% Change
Revenue	\$9,502	\$8,714	9.0%
Expenses	\$6,789	\$6,176	9.9%
EPS	\$3.73	\$3.40	9.7%
ROE	9.9%	10.4%	(0.5)%

¹ Financial results presented on an operating or non-GAAP basis (which is adjusted to exclude, among other things, discount accretion). For a description of GAAP- and operating-basis results and related reconciliations, please see the Appendix on State Street's website (www.statestreet.com) or State Street's current Report on Form 8-K filed with the SEC on the date hereof.

Building from Strength

2011: A Year of Focus

OUTPERFORMING PEERS¹

Operating / Adjusted-Basis Results Full-Year 2011 vs. 2010	STT	BK	NTRS
Revenue Growth	9.0%	6.3%	3.3%
EPS Growth	9.7%	(7.0)%	(9.1)%
Pre-tax Margin	28.6%	25.0%	23.6%
Return on Equity	9.9%	8.6%	8.5%
Net Interest Margin	1.52%	1.36%	1.27%
Tier 1 Common	16.8%	13.4%	12.1%
Tier 1 Common (under Basel III)	12.1%	7.1%	12.3%

¹ Tier 1 common and Tier 1 common (under Basel III) data stated as of 12/31/11. Each company's operating/adjusted (non-GAAP) presentation may be calculated differently and therefore may not be comparable to other companies' operating/adjusted (non-GAAP) presentations. Please review each company's public filings and earnings reports for a description, to the extent contained therein, of their respective operating/adjusted presentations (including capital ratios). For STT, financial data is presented on an operating, (non-GAAP) basis, and tier 1 common ratios include non-GAAP data in their calculation (in addition to Basel III ratios based upon various estimates). For a description of this operating-basis presentation, as well as a description of referenced ratios and related reconciliations, see the Appendix.



STATE STREET.

Strategic Direction

Building from Strength Strategic Direction

LONG-TERM TRENDS

Globalization

Retirement Savings

Complexity

Consolidation

GOALS

Double Non-US Revenues Over Five Years¹

Accelerate Global Market-Share Growth
Organically and Through Acquisitions

Drive Innovation

Leverage Capital Strength

Building from Strength

Strategic Direction

GLOBALIZATION

- Globalization of asset pools continues to accelerate
- Europe 10-year asset growth = 1024%¹
- Asia Pacific 10-year asset growth = 403%¹

	Year Ended 12/31/01 ²	Year Ended 12/31/11	% Change
Revenue ³	\$3.8BN	\$9.5BN	150%
Non-US Revenue ³	\$1.0BN	\$3.9BN	290%
Employees ⁴	18,840	29,740	58%
Non-US Employees ⁴	4,200	13,350	218%

41% of 2011 Total Revenue³ Came from Non-US Sources

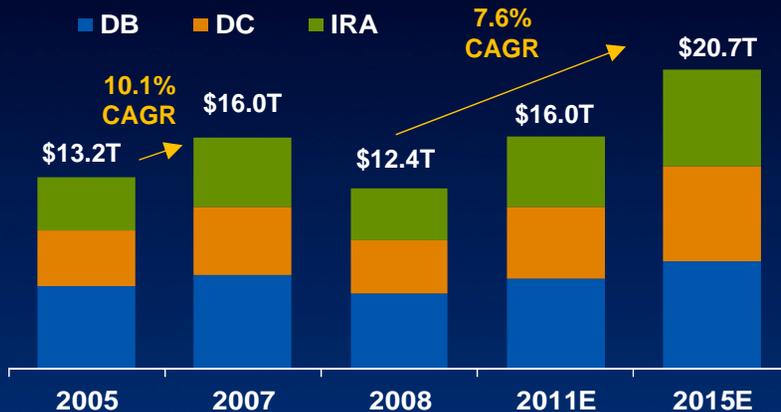
¹ Based on AUA; Company data as of 12/31/11. ² Data exclude the revenue and employees associated with the Corporate Trust and Private Asset Management businesses divested in 2002 and 2003, respectively. ³ Financial information presented on an operating, or non-GAAP, basis (which is adjusted to exclude, among other things, conduit-related discount accretion). For a description of GAAP and operating-basis revenue, and related reconciliations, please see the Appendix. ⁴ At period end.

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Strategic Direction

RETIREMENT SAVINGS

US Retirement Growth



DC and IRA assets expected to lead US retirement growth, with 8.7% and 9.3% expected CAGRs (2008 – 2015), respectively

Non-US Retirement Growth



Almost 50% of non-US retirement asset growth (2011 – 2015) expected to come from Europe

Global Retirement Assets are Expected to Grow at a CAGR of 7.4% from 2011 through 2015

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Strategic Direction

COMPLEXITY

- DRIVEN BY**
- Globalization
 - Regulation
 - Need for transparency around risk management

Hedge Fund Servicing

- Largest servicer in the world¹ in a market sized at \$2.0TN² and growing at an estimated 12% CAGR from 2010 through 2014³

Investment Manager Operations Outsourcing

- No.1 provider⁴ in a market of about \$65TN⁵

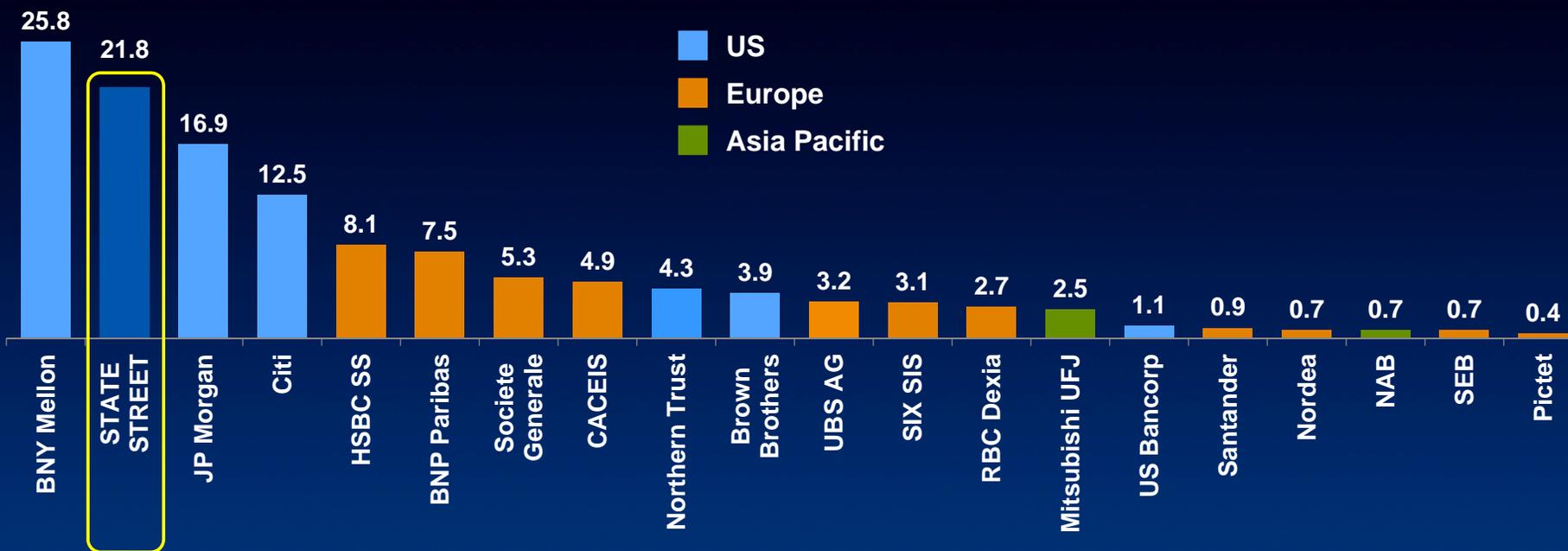
Investment Management Solutions

- Offer customized strategic and tactical asset allocation solutions globally

1 ICFA Annual Fund Administration Survey, 2011.
2 Hedge Fund Research, 9/30/11.
3 BCG, Global Asset Management Report, 7/2011.
4 Scrip Issue Global Report, 9/2011.
5 Data as of 12/31/10 in Pensions & Investment/Wyatt Watson, 10/31/11.

Building from Strength Strategic Direction

CONSOLIDATION: TOP 20 CUSTODIANS BY AUA / AUC¹ (\$TN)



Driven by Global Scale and Capital Requirements

Source: Company reports, Global Custody.net.

¹ Data for BNY, State Street, reflect AUA as of 12/31/2011; as of 9/30/11 for BNP Paribas, Societe Generale, RBC Dexia; as of 12/31/10 for HSBC; all others reflect AUC data: JP Morgan, Citi, & Northern Trust, as of 12/31/11; UBS, Nordea, Pictet as of 9/30/11; CACEIS as of 3/31/11; SEB as of 1/31/11; Brown Brothers, SIX SIS, Santander, NAB as of 12/31/10.



STATE STREET.

Investing in Communities and Corporate Responsibility

Building from Strength

Investing in Communities and Corporate Responsibility

Foundation Primarily Focused on Education with Emphasis on Workforce Development

- Highlights**
- \$20.6MN in Foundation grants to organizations globally
 - Invested nearly \$1MN in MA in Adult Job Readiness and Employment Programs with focus on those providing career track training for specific industries (Year Up)
 - Funded nearly \$1.5MN in MA Youth Career Development Programs and hired or supported approximately 500 jobs with focus on using employment as a lever for youth violence prevention (YVP Funder Collaborative)
 - Allocated more than \$2MN in MA for Academic Achievement Programs with focus on nonprofits aligned with the Boston Public Schools to close the achievement gap (Teach for America)
 - \$3.5MN in employee matching gifts and proceeds raised through inaugural Global Giving Campaign focused on education initiatives
 - 85,000 hours of employee volunteer time for non-profit organizations including City Year, Posse Foundation, Network for Teaching Entrepreneurship

Building from Strength Investing in Communities and Corporate Responsibility

www.statestreet.com/better

STATE STREET

GIVING | VOLUNTEERING | SUSTAINABILITY

MAKING LIFE BETTER

State Street is one of the world's leading providers of financial services to institutional investors for a reason – we are committed to adding value to every group we serve. That includes our shareholders, customers, employees, communities and environment. Through our corporate social responsibility (CSR) initiatives and our diversity and inclusion efforts, we seek to make a positive impact with everything we do.

State Street's strong commitment to social and environmental responsibility and our belief in giving back to the communities in which we live and work are critical to our long-term success. We recognize that sustainable growth comes from operating with absolute integrity and in a

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Building from Strength

Investing in Communities and Corporate Responsibility – Industry Recognition

Organization	Ranking
Carbon Disclosure Project	Listed on the S&P 500 Business Leadership Index
Dow Jones Sustainability World and North America Indices	One of only four U.S. financial services companies listed on both indices
CR Magazine's 100 Best Corporate Citizens	One of only three financial services companies listed
STOXX® Global ESG Leaders	One of the few financial services companies to be listed on all four STOXX® global ESG indices (environmental, social, and governance (ESG) equity indices based on a completely transparent selection process)

Annual CR Report: One of the Only Independently Verified Reports Among US-based Financial Services Firms



STATE STREET.

2012: Progress

Building from Strength

2012: Progress – Recent Update

Q1 2012 PERFORMANCE

Revenue Growth

- Achieved solid growth in fee and total revenue
- Momentum in new business wins continued

Expense Management

- Business Operations and IT Transformation program on track
- Expenses impacted by seasonality in compensation costs

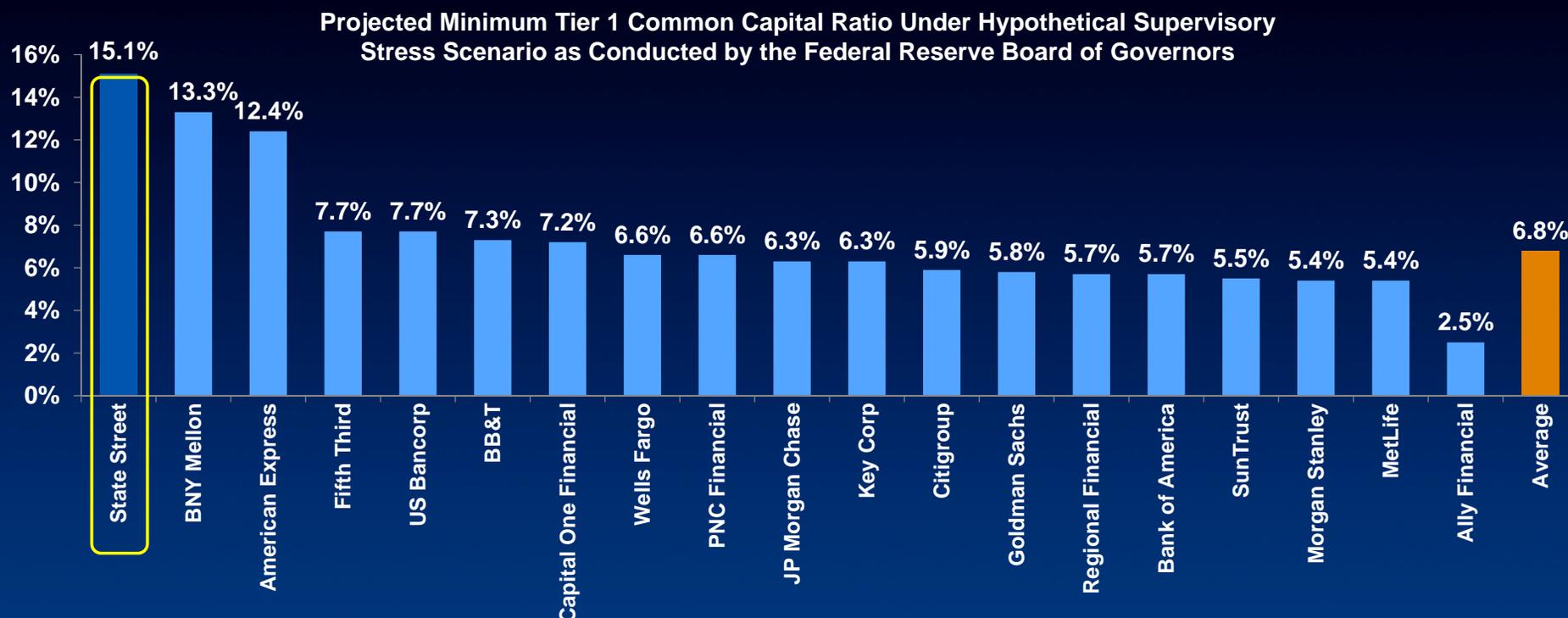
Capital Strength

- Strong performance in 2012 Federal Reserve stress test (CCAR)

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2012: Progress – Recent Update

RESULTS OF FEDERAL RESERVE'S 2012 CCAR STRESS TEST*



*Source: Board of Governors of the Federal Reserve System, "Comprehensive Capital Analysis and Review 2012: Methodology and Results for Stress Scenario Projections," March 13, 2012 (the "2012 FRB CCAR Results"). See the 2012 FRB CCAR Results for a description of the methodology and results of the 2012 Federal Reserve CCAR Stress Test, including a more complete description of the hypothetical stress scenario, related hypothetical stresses, projections and results. The projected capital ratios presented represent hypothetical estimates that involve an economic outcome that is more adverse than expected. The estimates are not forecasts of expected losses, reserves, net income before taxes or capital ratios. The capital ratio presented represents the minimum for the period Q4 2011 through Q4 2013 and assumes no capital actions (common dividends, common share repurchases and common share issuances) after Q1 2012. See, 26 specifically, page 24 of the 2012 FRB CCAR Results.

Building from Strength

2012: Progress – Recent Update

INCREASED CAPITAL RETURN TO SHAREHOLDERS

Dividend Payout

- Increased quarterly common stock dividend to \$0.24 per share

Share Repurchase Program

- Board approved a common-stock purchase program of up to \$1.8BN through March 31, 2013

Business Investments

- Fund organic growth
- Continue to evaluate accretive acquisition opportunities to expand our global footprint, accelerate our growth, and extend our product capabilities

Building from Strength

2012: Progress – Outperformed Peers



STT Total Return Significantly Outperformed Primary Peers and Broader Financial Index

Building from Strength Summary

Navigating Environmental Challenges

Well-Positioned Against Secular Growth Trends

Financial and Capital Strength

Executing our Strategic Plan

**Delivering Long-Term
Shareholder Value**



STATE STREET.

APPENDIX

STATE STREET CORPORATION

RECONCILIATIONS OF TANGIBLE COMMON EQUITY AND TIER 1 COMMON RATIOS
December 31, 2011

The ratio of tangible common equity to adjusted tangible assets, or 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 bank 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.

The tier 1 risk-based common, or tier 1 common, ratio is calculated by dividing tier 1 capital, which is calculated in accordance with currently applicable regulatory requirements, less non-common elements, including preferred stock and qualifying trust preferred securities, by total risk-weighted assets, which assets are also calculated in accordance with currently applicable regulatory requirements. The tier 1 common ratio is not required by GAAP or on a recurring basis by bank regulations. However, this ratio has been used by the Federal Reserve in connection with its evaluation of the capital adequacy of certain large U.S. bank holding companies. In addition, management is currently monitoring this ratio, along with the other capital ratios, in evaluating State Street's capital levels and believes that, at this time, the ratio may be of interest to investors.

The table set forth below presents the calculations of State Street's ratios of tangible common equity to total tangible assets, and tier 1 common capital to total risk-weighted assets.

(Dollars in millions)	December 31, 2011
Consolidated Total Assets	\$ 216,827
Less:	
Goodwill	5,645
Other intangible assets	2,459
Excess reserves held at central banks	50,094
Adjusted assets	158,629
Plus deferred tax liabilities	757
Total tangible assets	A \$ 159,386
 Consolidated Total Common Shareholders' Equity	 \$ 18,898
Less:	
Goodwill	5,645
Other intangible assets	2,459
Adjusted equity	10,794
Plus deferred tax liabilities	757
Total tangible common equity	B \$ 11,551
 Tangible common equity ratio	 B/A 7.2%
 Tier 1 Capital	 \$ 13,644
Less:	
Trust preferred securities	950
Preferred stock	500
Tier 1 common capital	C \$ 12,194
 Total risk-weighted assets	 D \$ 72,418
 Ratio of tier 1 common capital to total risk-weighted assets	 C/D 16.8%

STATE STREET CORPORATION

**RECONCILIATIONS OF BASEL III CAPITAL RATIOS
December 31, 2011**

The table set forth below reconciles State Street's estimated ratios calculated in accordance with Basel III, as State Street currently understands the impact of the Basel III requirements, to capital ratios calculated in accordance with currently applicable regulatory requirements, as well as the tier 1 common ratio.

(Dollars in millions)	Current Requirements ⁽¹⁾		Basel III Requirements ⁽²⁾	
Tier 1 capital	\$	13,644	A	\$ 13,049
Less:				
Trust preferred securities		950		637
Preferred stock		500		500
Tier 1 common capital		12,194	B	11,912
Total capital		14,842	C	14,701
Total risk-weighted assets		72,418	D	98,519
Adjusted quarterly average assets		186,336	E	232,239
Tier 1 capital ratio		18.8%	A/D	13.3%
Total capital ratio		20.5%	C/D	14.9%
Tier 1 common ratio		16.8%	B/D	12.1%
Tier 1 leverage ratio		7.3%	A/E	5.6%

⁽¹⁾ Actual (unaudited) total capital, tier 1 capital and tier 1 leverage ratios were calculated in accordance with currently applicable regulatory requirements. Tier 1 common ratio was calculated by dividing (a) tier 1 capital less non-common elements including qualifying perpetual preferred stock, qualifying minority interest in subsidiaries and qualifying trust preferred securities (tier 1 common capital), by (b) total risk-weighted assets, which were calculated in accordance with currently applicable regulatory requirements.

⁽²⁾ For purposes of the calculations in accordance with Basel III (see below), total capital, tier 1 capital and tier 1 leverage ratios, total risk-weighted assets and adjusted quarterly average assets were calculated based on State Street's estimates, based on published statements of the Basel Committee and the Federal Reserve, of the effects of the requirements under Basel III affecting capital. The tier 1 common ratio was calculated by dividing (a) tier 1 common capital (as described in footnote (1)), but with tier 1 capital calculated in accordance with Basel III by, (b) total risk-weighted assets, which are calculated in accordance with Basel III. State Street calculates its capital ratios in accordance with the requirements of the Board of Governors of the Federal Reserve System, which has not yet adopted Basel III. There remains considerable uncertainty concerning the timing for adoption and implementation of Basel III by the Federal Reserve. When adopted, the Federal Reserve may implement Basel III with some or more modifications or adjustments. Therefore, State Street's current understanding of Basel III, as reflected in the table above, may be different from the ultimate application of Basel III by the Federal Reserve to State Street.

- Tier 1 capital used in the calculation of the tier 1 capital and tier 1 leverage ratios decreased by \$595 million, as a result of applying estimated Basel III requirements to tier 1 capital of \$13.644 billion as of December 31, 2011. Total capital used in the calculation of the total capital ratio decreased by \$141 million, as a result of applying estimated Basel III requirements to total capital of \$14.842 billion as of December 31, 2011.

- Tier 1 common capital used in the calculation of the tier 1 common ratio was \$11.912 billion, reflecting the adjustments to tier 1 capital described in the first bullet above. Tier 1 common capital used in the calculation is therefore calculated as adjusted tier 1 capital of \$13.049 billion less non-common elements of capital, composed of trust preferred securities of \$637 million and preferred stock of \$500 million as of December 31, 2011, resulting in tier 1 common capital of \$11.912 billion. At December 31, 2011, there was no qualifying minority interest in subsidiaries.

- Total risk-weighted assets used in the calculation of the total capital, tier 1 capital and tier 1 common ratios increased by \$26.101 billion as a result of applying estimated Basel III requirements to total risk-weighted assets of \$72.418 billion as of December 31, 2011.

- Consolidated adjusted quarterly average assets used in the calculation of the leverage ratio increased by \$45.903 billion as a result of applying estimated Basel III requirements to the actual consolidated adjusted quarterly average assets of \$186.336 billion as of December 31, 2011.

STATE STREET CORPORATION

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

In addition to presenting State Street's financial results in conformity with GAAP, management also presents results on a non-GAAP, or "operating," basis, as it believes that this presentation supports meaningful comparisons from period to period and the analysis of comparable financial trends with respect to State Street's normal ongoing business operations. The following tables reconcile operating-basis financial information disclosed elsewhere in this presentation to financial information prepared and reported in conformity with GAAP.

	Years Ended		% Change 2011 vs. 2010
	December 31, 2011	December 31, 2010	
(Dollars in millions, except per share amounts)			
Total Revenue:			
Total revenue, GAAP basis	\$ 9,594	\$ 8,953	7.2 %
Add: Tax-equivalent adjustment not included in reported results	128	129	
Loss related to repositioning of the investment portfolio	-	344	
Less: Discount accretion related to former conduit securities	(220)	(712)	
Total revenue, operating basis	<u>\$ 9,502</u>	<u>\$ 8,714</u>	9.0
Expenses:			
Total expenses, GAAP basis	\$ 7,058	\$ 6,842	3.2
Add: Tax indemnification benefit for an income tax claim related to the 2010 acquisition of the Italian securities service business	55	-	
Less: Acquisition costs	(71)	(89)	
Restructuring charges	(253)	(156)	
Securities lending charge	-	(414)	
Tax on bonus payments to employees in the U.K.	-	(7)	
Total expenses, operating basis	<u>\$ 6,789</u>	<u>\$ 6,176</u>	9.9
Income Before Income Tax Expense:			
Income before income tax expense, GAAP basis	\$ 2,536		
Less: Net adjustments to revenue	(92)		
Add: Net adjustments to expenses	269		
Income before income tax expense, operating basis	<u>\$ 2,713</u>		
Diluted Earnings per Common Share:			
Diluted earnings per common share, GAAP basis	\$ 3.79	\$ 3.09	22.7
Add: Acquisition costs, net of income taxes	.10	.14	
Restructuring charges, net of income taxes	.32	.21	
Loss related to repositioning of the investment portfolio, net of income taxes	-	.67	
Securities lending charge, net of income taxes	-	.50	
Tax on bonus payments to employees in the U.K., net of income taxes	-	.01	
Less: Discount accretion related to former conduit securities, net of income taxes	(.27)	(.86)	
Effect of discrete tax benefit related to former conduit assets	(.21)	(.36)	
Diluted earnings per common share, operating basis	<u>\$ 3.73</u>	<u>\$ 3.40</u>	9.7
Return on Average Common Equity:			
Return on average common equity, GAAP basis	10.0 %	9.5 %	
Add: Acquisition costs	0.3	0.4	
Restructuring charges	0.8	0.6	
Loss related to repositioning of the investment portfolio	-	2.1	
Securities lending charge	-	1.5	
Less: Discount accretion related to former conduit securities	(0.7)	(2.6)	
Effect of discrete tax benefit related to former conduit assets	(0.5)	(1.1)	
Return on average common equity, operating basis	<u>9.9 %</u>	<u>10.4 %</u>	(50) bp
Pre-tax margin ⁽¹⁾:			
Pre-tax margin, GAAP basis	26.4 %		
Net effect of non-operating adjustments	2.2		
Pre-tax margin, operating basis	<u>28.6 %</u>		
Net Interest Revenue:			
Net interest revenue, GAAP basis	\$ 2,333		
Add: Tax-equivalent adjustment not included in reported results	128		
Less: Discount accretion related to former conduit securities	(220)		
Net interest revenue, operating basis	<u>\$ 2,241</u>		
Net interest margin ⁽²⁾:			
Net interest margin, fully taxable-equivalent basis	1.67 %		
Net effect of non-operating adjustments	(0.15)		
Net interest margin, operating basis	<u>1.52 %</u>		

⁽¹⁾ Represents income before income tax expense as a percentage of total revenue.

⁽²⁾ Reported net interest margin represents fully taxable-equivalent net interest revenue of \$2.46 billion (GAAP-basis net interest revenue of \$2.33 billion plus tax-equivalent adjustment of \$128 million) as a percentage of GAAP-basis average interest-earning assets for the period.

STATE STREET CORPORATION

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

State Street prepares its consolidated statement of income in conformity with GAAP. In addition, State Street presents financial information on a non-GAAP, or "operating," basis. Management measures and compares certain financial information on an operating basis, as it believes that this presentation supports meaningful comparisons from period to period and the analysis of comparable financial trends with respect to State Street's normal ongoing business operations. Management believes that operating-basis financial information, which reports revenue from non-taxable sources on a fully taxable-equivalent basis and excludes the impact of revenue and expenses outside of the normal course of business, facilitates an investor's understanding and analysis of State Street's underlying financial performance and trends in addition to financial information prepared and reported in conformity with GAAP. The tables presented below reconcile operating-basis financial information to financial information prepared and reported in conformity with GAAP.

(Dollars in millions)	Year Ended December 31, 2001			Year Ended December 31, 2011			% Change
	Reported Results	Adjustments	Operating-Basis Results	Reported Results	Adjustments	Operating-Basis Results	2011 vs 2001
Total fee revenue	\$ 2,769	\$ (122) ⁽¹⁾	\$ 2,647	\$ 7,194		\$ 7,194	
Net interest revenue	1,025	42 ⁽²⁾	1,067	2,333	\$ (92) ⁽³⁾	2,241	
Gains related to investment securities, net:	43	-	43	67	-	67	
Total revenue	\$ 3,837	\$ (80)	\$ 3,757	\$ 9,594	\$ (92)	\$ 9,502	152.9%

⁽¹⁾ Represents revenue associated with the Corporate Trust and Private Management businesses divested in 2002 and 2003, respectively.

⁽²⁾ Represents tax-equivalent adjustment of \$42 million, not included in reported results.

⁽³⁾ Represents tax-equivalent adjustment of \$128 million, not included in reported results, net of \$220 million of discount accretion related to former conduit securities.