

The Way Ahead: Creating Long-Term Shareholder Value

2014 Annual Meeting of Shareholders

May 14, 2014



STATE STREET®

Forward-looking Statements

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, dividend and share repurchase plans, 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," "expect," "intend," "forecast," "outlook," "believe," "anticipate," "estimate," "seek," "may," "will," "trend," "target," "objective", "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 May 14, 2014.

Important factors that may affect future results and outcomes include, but are not limited to: the financial strength and continuing viability of the counterparties with which we or our clients do business and to which we have investment, credit or financial exposure, including, for example, the direct and indirect effects on counterparties of the sovereign-debt risks in the U.S., Europe and other regions; increases in the volatility of, or declines in the level of, our net interest revenue, changes in the composition or valuation of the assets recorded in our consolidated statement of condition (and our ability to measure the fair value of investment securities) and the possibility that we may change the manner in which we fund those assets; the liquidity of the U.S. and international securities markets, particularly the markets for fixed-income securities and inter-bank credits, and the liquidity requirements of our clients; the level and volatility of interest rates 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 and timing with which the Federal Reserve and other U.S. and foreign regulators implement the Dodd-Frank Act, changes to the Basel III capital framework and European legislation, such as the Alternative Investment Fund Managers Directive and Undertakings for Collective Investment in Transferable Securities Directives, with respect to the levels of regulatory capital we must maintain, our credit exposure to third parties, margin requirements applicable to derivatives, banking and financial activities and other regulatory initiatives in the U.S. and internationally, including regulatory developments that result in changes to our structure or operating model, increased costs or other changes to how we provide services; adverse changes in the regulatory capital ratios that we are required or will be required to meet, whether arising under the Dodd-Frank Act or the Basel III capital and liquidity standards, or due to changes in regulatory positions, practices or regulations in jurisdictions in which we engage in banking activities, including changes in internal or external data, formulae, models, assumptions or other advanced systems used in the calculation of our capital ratios that cause changes in those ratios as they are measured from period to period; increasing requirements to obtain the prior approval of the Federal Reserve or our other regulators for the use, allocation or distribution of our capital or other specific capital actions or programs, including acquisitions, dividends and equity purchases, without which our growth plans, distributions to shareholders, equity purchase programs or other capital 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; financial market disruptions or economic recession, whether in the U.S., Europe, Asia or other regions; our ability to promote a strong culture of risk management, operating controls, compliance oversight and governance that meet our expectations and those of our clients and our regulators; the results of, and costs associated with, governmental or regulatory inquiries and investigations, litigation and similar claims, disputes, or proceedings; 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 and may cause volatility of our earnings; 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 depository 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, 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; dependencies on information technology and our ability to control related risks, including cyber-crime and other threats to our information technology infrastructure and systems and their effective operation both independently and with external systems, and complexities and costs of protecting the security of our systems and data; our ability to grow revenue, control expenses, attract and retain highly skilled people and raise the capital necessary to achieve our business goals and comply with regulatory requirements; changes or potential changes to the competitive environment, including changes due to regulatory and technological changes, the effects of industry consolidation and perceptions of State Street as a suitable service provider or counterparty; changes or potential changes in how and in what amounts clients compensate us for our services, and the mix of services provided by us that clients choose; our ability to complete acquisitions, joint ventures and divestitures, including the ability to obtain regulatory approvals, the ability to arrange financing as required and the ability to satisfy closing conditions; the risks that our acquired businesses and joint ventures will not achieve their anticipated financial and operational benefits or will not be integrated successfully, or that the integration will take longer than anticipated, that expected synergies will not be achieved or unexpected negative synergies will be experienced, that client and deposit retention goals will not be met, that other regulatory or operational challenges will be experienced, and that disruptions from the transaction will harm our relationships with our clients, our employees or regulators; our ability to recognize emerging needs of our clients and to develop products that are responsive to such trends and profitable to us, the performance of and demand for the products and services we offer, and the potential for new products and services to impose additional costs on us and expose us to increased operational risk; changes in accounting standards and practices; and changes in tax legislation and in the interpretation of existing tax laws by U.S. and non-U.S. tax authorities that affect the amount of taxes due.

Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in our 2013 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 14, 2014, and we do not undertake efforts to revise those forward-looking statements to reflect events after that date.

The Way Ahead

Agenda

-  2013 Performance
-  2014 First Quarter Results
-  Focused Strategy
-  Summary

2013 Performance



STATE STREET®

Full-year 2013 Accomplishments¹

- Increased operating-basis EPS² by nearly 15%
- Grew total operating-basis² revenue 3.3% to more than \$10 billion
- Grew core servicing and management fees approximately 10%
- Achieved record levels of \$27.4 trillion in assets under custody and administration and \$2.35 trillion in assets under management
- Delivered approximately \$220 million of incremental pre-tax expense savings³ in connection with our Business Operations and Information Technology Transformation program
- Achieved positive operating leverage⁴ of 171 basis points
- Returned approximately \$2.5 billion in capital in 2013 to our shareholders through common stock repurchases and dividends

Strong Performance Against a Difficult Environment

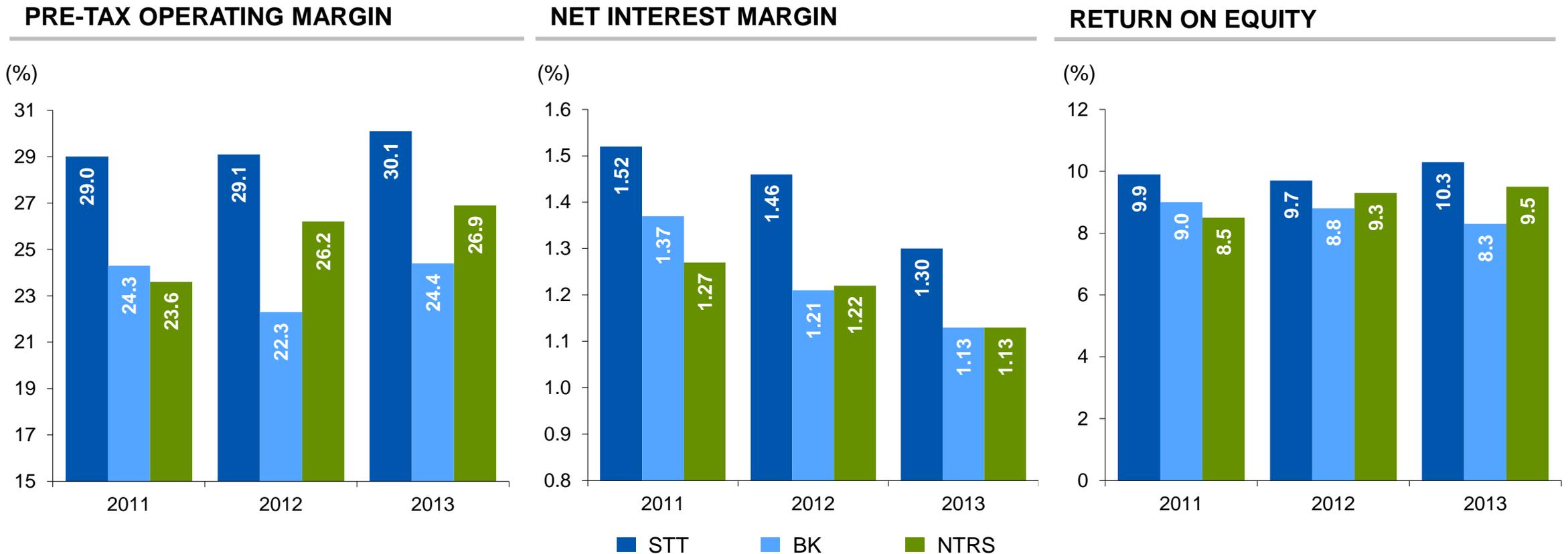
¹ Operating-basis comparisons are compared to full-year 2012.

² Results presented on an operating basis, a non-GAAP presentation. See Appendix for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information. The Appendix is available on State Street's website (www.statestreet.com/stockholder) and in State Street's current report on Form 8-K filed with the SEC on the date hereof.

³ Estimated pre-tax expense savings relate only to the Business Operations and Information Technology Transformation program and are based on projected improvement from total 2010 operating-basis expenses, all else being equal. Actual total expenses of the Company have increased since 2010, and may in the future increase or decrease, due to other factors.

⁴ Operating leverage is defined as the rate of growth of total revenue less the rate of growth of total expenses, each as determined on an operating basis.

Consistently Outperformed Our Primary Peers¹

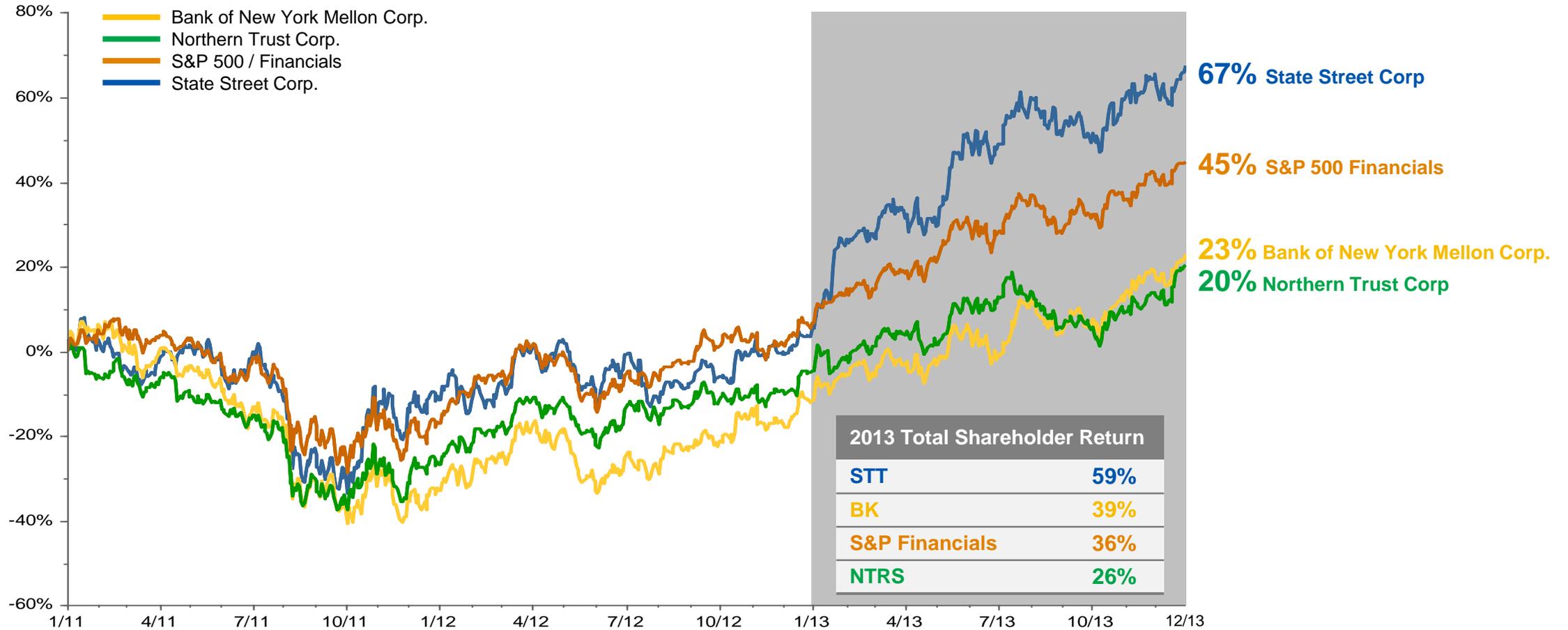


Well-Positioned to Maintain Our Lead

¹ (i) Data for each of State Street Corporation (STT), The Bank of New York Mellon Corporation (BK) and Northern Trust Corporation (NTRS) is derived from the relevant company's public filings, earnings announcements or related materials (individually or collectively, "publicly disclosed information"), (ii) data from the relevant company's publicly disclosed information is presented on a non-GAAP basis, which presentation is described, at the discretion of the relevant company, in that company's publicly disclosed information as "operating basis," "operating," "adjusted" or "non-GAAP" (individually or collectively, "non-GAAP presentation"); and (iii) each company's non-GAAP presentation is calculated differently and therefore may not be comparable to other companies' non-GAAP presentations. Please review each company's publicly disclosed information for a description, to the extent contained therein, of that company's non-GAAP presentation. See Appendix for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information. The Appendix is available on State Street's website (www.statestreet.com/stockholder) and in State Street's current report on Form 8-K filed with the SEC on the date hereof.

Delivering Shareholder Value

TOTAL SHAREHOLDER RETURN 1/1/2011– 12/31/2013



2014 First-Quarter Results



STATE STREET®

First-Quarter 2014 Results

Compared to the First Quarter of 2013

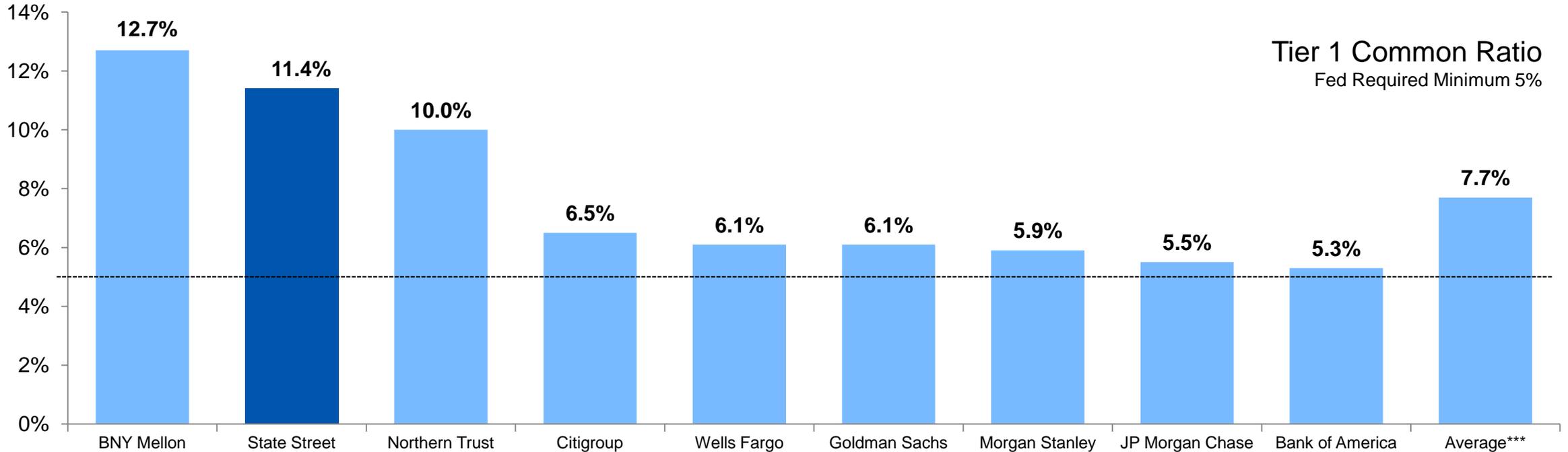
- First-quarter 2014 operating-basis¹ EPS of \$0.99, increased 3.1%
- Total operating-basis¹ revenue of \$2.56 billion, up 3.6%
- Core total asset servicing and asset management fees increased 6.4%
- Market-driven revenue remained under pressure
- Higher expenses impacted by increasing compliance requirements
- Return of capital to shareholders continues to be a priority

Continuing to Perform in a Challenging Environment

¹ Results presented on an operating basis, a non-GAAP presentation. See Appendix for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information. The Appendix is available on State Street's website (www.statestreet.com/stockholder) and in State Street's current report on Form 8-K filed with the SEC on the date hereof.

Results of Federal Reserve's 2014 CCAR Stress Test¹

Projected Minimum Capital Ratios Under the Hypothetical Supervisory Severely Adverse Stress Scenario as Conducted by the Federal Reserve and Including Adjusted Company Proposed Capital Actions for U.S. G-SIBs²



State Street has a Strong Capital Position Compared to Its Peers

¹ Source: Board of Governors of the Federal Reserve System, "Comprehensive Capital Analysis and Review 2014: Assessment Framework and Results," March 2014 (the "2014 FRB CCAR Results"). See the 2014 FRB CCAR Results for a description of the methodology and results of the 2014 Federal Reserve CCAR Stress Test, including a more complete description of the hypothetical supervisory severely adverse stress scenario, related hypothetical stresses, projections and results. The capital ratios presented represent the minimum projected for the period Q4 2013 through Q4 2015 and assume company-proposed capital actions such as common stock issuances, dividends and share repurchases. The results of stress represent estimates based on proposed hypothetical economic conditions for the purposes of the stress test. The prescribed hypothetical economic conditions do not represent State Street's projections, and the estimates representing the results of the stress test are not forecasts of expected regulatory capital ratios or other results.

² Also includes Northern Trust.

***Average was calculated as a simple average by State Street.

Return of Capital to Shareholders Remains a Priority

Dividend Payout

- Plan to increase quarterly common stock dividend to \$0.30 per share in Q2 '14, subject to consideration and approval by the Board of Directors

Common Stock Repurchase Program

- Completed final phase of \$2.1 billion common stock repurchase program announced in March 2013 in Q1 '14
- Board approved a \$1.7 billion common stock repurchase program effective through March 31, 2015

Focused Strategy



STATE STREET®

Focused Strategy

LONG-TERM SHAREHOLDER VALUE

Operating-Basis¹ Financial Goals: EPS Growth of 10%-15%, Revenue Growth of 8%-12% and ROE of 12%-15%

BUILDING ON OUR STRONG CORE

Aligning solutions with client needs, continuing to innovate, capturing value and improving efficiency

ACHIEVING A DIGITAL ENTERPRISE

Driving greater transformation that benefits clients and our shareholders

INVESTING IN OPPORTUNITIES FOR GROWTH

Acting on changes in the market to fuel expansion of products and services and the markets we serve

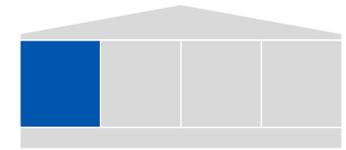
OPTIMIZING CAPITAL

Adapting to new rules and optimizing returns for shareholders

TALENT, CULTURE AND INNOVATION

¹ Goals presented on an operating basis, a non-GAAP presentation. See Appendix for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information. The Appendix is available on State Street's website (www.statestreet.com/stockholder) and in State Street's current report on Form 8-K filed with the SEC on the date hereof.

Building on Our Strong Core



EXTENSIVE GLOBAL FOOTPRINT

AMERICAS

- AUC/A: \$20.77 T
- Revenue: \$5.91B
- AUM: \$1.46T

EUROPE, MIDDLE EAST, AFRICA

- AUC/A: \$5.51T
- Revenue: \$3.12B
- AUM: \$560B

ASIA-PACIFIC

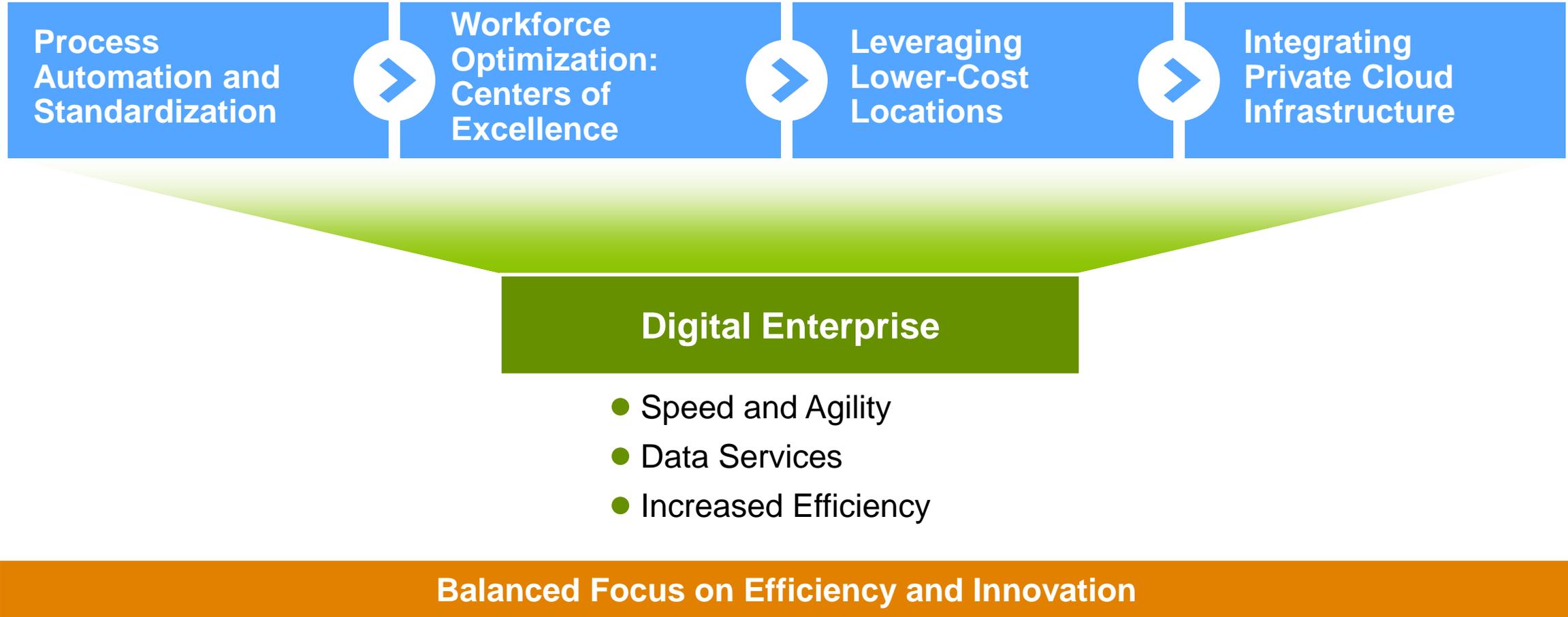
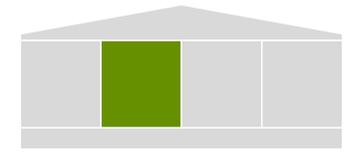
- AUC/A: \$1.15T
- Revenue: \$857M
- AUM: \$329B

KEY DEVELOPMENTS

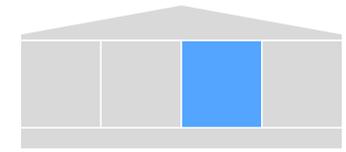
- **Transitioning to a more integrated sales approach by sector**
- **Capturing full value of client relationships**
- **Developing innovative new products and services**
- **Leveraging technology leadership for speed and efficiencies**
- **Focusing on fast-growing markets**

Our Powerful Global Franchise Sets Us Apart in Meeting the Needs of Institutional Investors

Achieving a Digital Enterprise



Investing in Opportunities for Growth



Global Services

- Expanding presence in servicing alternative asset managers; acquisition of business purchased from Goldman Sachs completed
- Strong new business growth driven by continued focus on servicing alternative assets

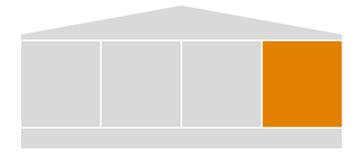
Global Advisors

- Expanding multi-asset class solutions and exchange-traded funds (ETFs)
- Broadening distribution through U.S. intermediary market

Global Exchange

- New organization to focus on data and analytics needs of institutional investors
- Expanding risk-based services and electronic trading

Investing in Products and Solutions Aligned to Long-Term Growth Trends



INVESTING IN GROWTH

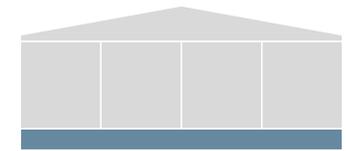
- Focus on strategic initiatives
 - Expanding geographies
 - New product creation
 - Advanced technologies

RETURNING CAPITAL TO SHAREHOLDERS

- Optimize capital structure in light of new and emerging rules
- Prioritize return to shareholders through common stock repurchases and dividends
- Target common stock dividends to be 20%-25% of operating-basis net income¹

Balancing Growth Initiatives with Shareholder Returns

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Talent, Culture and Innovation

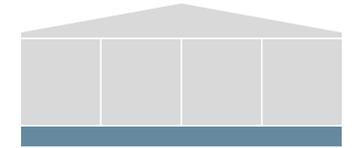
Citizenship and Local Commitment¹

- \$19.6 million in Foundation investments focused on communities
 - Foundation investments in Massachusetts totaled \$10.8 million
 - Investment in the Boston Private Industry Council supported the placement of 3,000 youth in summer intern opportunities. Of those, 209 of were hired by State Street in 2013
 - Investment in Year Up supported the employment of 149 individuals in permanent jobs
 - Employee giving to local charities in Massachusetts totaled \$2 million
- 87,300 hours of global employee volunteer time to non-profit organizations
- New building in Boston's Channel Center opened March 2014
- 2013 Corporate Citizenship Honors and Rankings include:
 - Bloomberg Civic 50 List of America's Most Responsible Corporate Citizens
 - CR Magazine's 100 Best Corporate Citizens
 - STOXX[®] Global ESG Leaders

Focus on Education and Workforce Development

¹ Unless otherwise noted, all data as of and for the year ended December 31, 2013.

Talent, Culture and Innovation



EMPLOYER OF CHOICE

Most Admired Companies,
CEO's, and Brands



Best of the Best
Top Employer



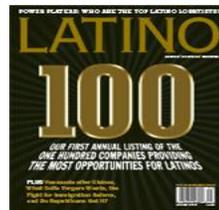
Best of the Best
Top Employer



Financial Services
Diversity Leadership
Awards Program of the Year



A 100 Top Company
Providing Opportunities for Latinos



Innovation Excellence
for Flex Program



CULTURE AND INNOVATION



- **13 colleagues** sharing stories of innovation, of managing challenges and driving transformation
- More than **2.5M+** views of employee talks on TED.com
- **500,000** impressions on Twitter
- Extensive media coverage



STATE STREET.

Summary



STATE STREET®

Focused Strategy

LONG-TERM SHAREHOLDER VALUE

Operating-Basis¹ Financial Goals: EPS Growth of 10%-15%, Revenue Growth of 8%-12% and ROE of 12%-15%

BUILDING ON OUR STRONG CORE

Aligning solutions with client needs, continuing to innovate, capturing value and improving efficiency

ACHIEVING A DIGITAL ENTERPRISE

Driving greater transformation that benefits clients and our shareholders

INVESTING IN OPPORTUNITIES FOR GROWTH

Acting on changes in the market to fuel expansion of products and services and the markets we serve

OPTIMIZING CAPITAL

Adapting to new rules and optimizing returns for shareholders

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Appendix

The foregoing presentation includes financial information presented on a GAAP basis as well as 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, such as interest revenue from tax-exempt investment securities and processing fees and other revenue associated with tax-advantaged investments, on a fully taxable-equivalent basis 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. 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

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, referred to as 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.

Management believes that operating-basis financial information, which reports revenue from non-taxable sources, such as interest revenue from tax-exempt investment securities and processing fees and other revenue associated with tax-advantaged investments, on a fully taxable-equivalent basis and excludes the impact of revenue and expenses outside of State Street's 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. 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.

The foregoing presentation presents financial information prepared on a GAAP as well as on an operating basis. The following tables reconcile operating-basis financial information presented in the presentation to financial information prepared and reported in conformity with GAAP.

(Dollars in millions)	Years Ended		% Change
	December 31, 2013	December 31, 2012	2013 vs. 2012
Total Revenue:			
Total revenue, GAAP basis	\$ 9,884	\$ 9,649	2.4 %
Tax-equivalent adjustment associated with tax-exempt investment securities	142	124	
Tax-equivalent adjustment associated with tax-advantaged investments	158	126	
Loss on sale of Greek investment securities	-	46	
Discount accretion associated with to former conduit securities	(137)	(215)	
Total revenue, operating basis ⁽¹⁾	\$ 10,047	\$ 9,730	3.26
Expenses:			
Total expenses, GAAP basis	\$ 7,192	\$ 6,886	4.4
Severance costs associated with reorganization of certain non-U.S. operations	(11)	-	
Benefit associated with claims associated with Lehman bankruptcy	-	362	
Provisions for litigation exposure and other costs	(65)	(93)	
Special one-time additional charitable contribution	-	(25)	
Acquisition costs	(76)	(66)	
Restructuring charges, net	(28)	(199)	
Indemnification benefit for the assumption of an income tax liability related to a 2010 acquisition	-	40	
Total expenses, operating basis ⁽¹⁾	\$ 7,012	\$ 6,905	1.55
Diluted Earnings per Common Share:			
Diluted earnings per common share, GAAP basis	\$ 4.62	\$ 4.20	10.0
Loss on sale of Greek investment securities	-	.06	
Severance costs associated with reorganization of certain non-U.S. operations	.02	-	
Benefit associated with claims associated with Lehman bankruptcy	-	(.46)	
Provisions for litigation exposure and other costs	.09	.12	
Special one-time additional charitable donation	-	.04	
Acquisition costs	.11	.09	
Restructuring charges, net	.04	.27	
Discount accretion associated with former conduit securities	(.18)	(.27)	
Out-of-period income tax benefit to adjust deferred taxes	(.16)	-	
Net tax effect of audit settlements associated with 2010 acquisition	-	(.10)	
Diluted earnings per common share, operating basis	\$ 4.54	\$ 3.95	14.9

⁽¹⁾ For the year ended December 31, 2013 and December 31, 2012, positive operating leverage in the year-over-year comparison was approximately 171 basis points, based on an increase in total operating-basis revenue of 3.26% and an increase in total operating-basis expenses of 1.55%.

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	Years Ended		
	December 31, 2013	December 31, 2012	December 31, 2011
<i>(Dollars in millions, except per share amounts)</i>			
Income Before Income Tax Expense:			
Income before income tax expense, GAAP basis	\$ 2,686	\$ 2,766	\$ 2,536
Net pre-tax effect of non-operating adjustments to revenue and expenses	343	62	239
Income before income tax expense, operating basis	<u>\$ 3,029</u>	<u>\$ 2,828</u>	<u>\$ 2,775</u>
Pre-tax operating margin⁽²⁾:			
Pre-tax operating margin, GAAP basis	27.2 %	28.7 %	26.4 %
Net effect of non-operating adjustments	2.9	0.4	2.6
Pre-tax operating margin, operating basis	<u>30.1 %</u>	<u>29.1 %</u>	<u>29.0 %</u>
Net Interest Revenue:			
Net interest revenue, GAAP basis	\$ 2,303	\$ 2,538	\$ 2,333
Tax-equivalent adjustment associated with tax-exempt investment securities	142	124	128
Discount accretion associated with former conduit securities	(137)	(215)	(220)
Net interest revenue, operating basis	<u>\$ 2,308</u>	<u>\$ 2,447</u>	<u>\$ 2,241</u>
Net Interest Margin:			
Net interest margin, fully taxable-equivalent basis ⁽³⁾	1.37 %	1.59 %	1.67 %
Effect of discount accretion	(0.07)	(0.13)	(0.15)
Net interest margin, operating basis	<u>1.30 %</u>	<u>1.46 %</u>	<u>1.52 %</u>
Return on Average Common Equity:			
Return on average common equity, GAAP basis	10.5 %	10.3 %	10.0 %
Loss on sale of Greek investment securities	-	.1	-
Benefit associated with claims associated with Lehman bankruptcy	-	(1.1)	-
Provisions for litigation exposure and other costs	.2	.3	-
Special one-time additional charitable donation	-	.1	-
Acquisition costs	.3	.2	.3
Restructuring charges, net	.1	.7	.8
Discount accretion associated with former conduit securities	(.4)	(.7)	(.7)
Out-of-period income tax benefit to adjust deferred taxes	(.4)	-	-
Net tax effect of audit settlements associated with 2010 acquisition	-	(.2)	-
Discrete tax benefit associated with former conduit securities	-	-	(.5)
Return on average common equity, operating basis	<u>10.3 %</u>	<u>9.7 %</u>	<u>9.9 %</u>

⁽²⁾ Pre-tax operating margin for the years ended December 31, 2013, 2012 and 2011 was calculated by dividing income before income tax expense by total revenue.

⁽³⁾ For the years ended December 31, 2013, 2012, and 2011, fully taxable-equivalent net interest margin represented fully taxable-equivalent net interest revenue of \$2,445 million, \$2,662 million and \$2,461 million, respectively (GAAP-basis net interest revenue of \$2,303 million, \$2,538 million and \$2,333 million plus tax-equivalent adjustments of \$142 million, \$124 million and \$128 million, respectively), as a percentage of average total interest-earning assets for the periods presented.

STATE STREET CORPORATION

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, referred to as 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.

Management believes that operating-basis financial information, which reports revenue from non-taxable sources, such as interest revenue from tax-exempt investment securities and processing fees and other revenue associated with tax-advantaged investments, on a fully taxable-equivalent basis and excludes the impact of revenue and expenses outside of State Street's 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. 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.

The foregoing presentation presents financial information prepared on a GAAP as well as on an operating basis. The following tables reconcile operating-basis financial information presented in the presentation to financial information prepared and reported in conformity with GAAP.

(Dollars in millions)	Quarters Ended		% Change
	March 31, 2014	March 31, 2013	Q1 2014 vs. Q1 2013
Total Revenue:			
Total revenue, GAAP basis	\$ 2,485	\$ 2,435	2.1 %
Tax-equivalent adjustment associated with tax-advantaged investments	57	34	
Tax-equivalent adjustment associated with tax-exempt investment securities	44	32	
Discount accretion associated with former conduit securities	(27)	(31)	
Total revenue, operating basis	\$ 2,559	\$ 2,470	3.6
Diluted Earnings per Common Share:			
Diluted earnings per common share, GAAP basis	\$.81	\$.98	(17.3) %
Severance costs	.11	-	
Provisions for litigation exposure and other costs, net	.01	-	
Acquisition costs	.03	.02	
Restructuring charges	.02	-	
Effect of income tax rate of non-operating adjustments	.02	-	
Discount accretion associated with former conduit securities	(.04)	(.04)	
Italian banking industry tax assessment	.03	-	
Diluted earnings per common share, operating basis	\$.99	\$.96	3.1