

News Release

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STATE STREET REPORTS FOURTH-QUARTER 2015 GAAP-BASIS EPS OF \$1.34 ON REVENUE OF \$2.5 BILLION; FULL-YEAR 2015 GAAP-BASIS EPS OF \$4.47 ON REVENUE OF \$10.4 BILLION

Fourth-quarter 2015 operating-basis^(a) EPS was \$1.21, on revenue of \$2.6 billion; Full-year 2015 operating-basis EPS was \$4.89 on revenue of \$10.6 billion

Boston, MA ...January 27, 2016

In announcing today's financial results, Joseph L. Hooley, State Street's chairman and chief executive officer said, "Our performance in the fourth quarter reflects the continued challenges presented throughout 2015, including challenging global equity markets, particularly in emerging markets, persistent low interest rates, the strengthening U.S. dollar, and heightened regulatory expectations. We were successful at managing expenses in the quarter in light of the pressure on revenues. In addition, we grew fee revenue in 2015 and achieved strong new business results as evidenced by new asset servicing commitments of approximately \$300 billion this quarter and a total of \$800 billion in 2015."

Hooley continued, "We expect our multi-year transformation program and targeted staff reductions that we announced with our third-quarter results to generate approximately \$550 million in annualized pre-tax net run-rate expense savings by year-end 2020, including approximately \$75 million in 2016. We intend to report on our progress to our investors and provide more detail at our annual investor day next month."

Hooley concluded, "Our efforts to optimize our capital position have resulted in lower deposits and stronger capital ratios compared to the levels at the end of 2014. Furthermore, returning capital to our shareholders remains a top priority. During the fourth quarter of 2015, we purchased approximately \$350 million of our common stock and at quarter-end had approximately \$780 million remaining on our March 2015 \$1.8 billion common stock purchase program."

Fourth-Quarter 2015 GAAP-Basis Results:

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

	4Q15	3Q15	% Increase (Decrease)	4Q14	% Increase (Decrease)
Total fee revenue ⁽¹⁾	\$ 2,044	\$ 2,103	(2.8)%	\$ 2,051	(0.3)%
Net interest revenue	494	513	(3.7)	574	(13.9)
Total revenue ⁽¹⁾	2,538	2,614	(2.9)	2,625	(3.3)
Provision for loan losses	1	5	nm	4	nm
Total expenses	1,857	1,962	(5.4)	2,057	(9.7)
Net income available to common shareholders ⁽¹⁾	547	539	1.5	469	16.6
Earnings Per common share⁽¹⁾⁽²⁾:					
Diluted	1.34	1.31	2.3	1.11	20.7
Financial ratios⁽¹⁾:					
Return on average common equity	11.6%	11.3%	30 bps	9.4%	220 bps

⁽¹⁾ Amounts for 4Q14 and 3Q15 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Fourth-quarter 2015 included a net after-tax charge of \$9 million or \$0.02 per share, to increase our legal accruals. Fourth-quarter 2014 results include a net after-tax charge of \$92 million, or \$0.22 per share, to increase our legal accrual associated with indirect foreign exchange matters. No additional amounts were accrued for this matter in the third and fourth quarters of 2015. Fourth-quarter 2014 results also include a net after-tax restructuring charge of \$27 million, or \$0.06 per share, related to the completion of the Business Operations and Information Technology Transformation program.

^{nm} Not meaningful

Net income available to common shareholders of \$547 million, or \$1.34 earnings per common share, for the fourth quarter of 2015 compared with \$539 million, or \$1.31 earnings per common share, for the third quarter of 2015, and \$469 million, or \$1.11 earnings per common share, for the fourth quarter of 2014.

Fourth quarter of 2015 GAAP-basis results included the following notable items:

- \$81.5 million pre-tax gain, or \$49 million after-tax, related to the final payoff of a commercial real estate loan acquired as a result of the Lehman Brothers bankruptcy.
- A pre-tax charge of approximately \$17 million that reflects our intention to pay clients interest on the amounts to be reimbursed in connection with our previously disclosed review of amounts we invoiced clients for certain expenses during an 18-year period. In addition, the cumulative amount to be reimbursed over the review period, totaling approximately \$240 million, has been reflected as a liability in our consolidated balance sheet, of which \$223 million, or \$145 million after-tax, relates to periods prior to the 2015 fiscal year and is reflected in the beginning retained earnings balance of our consolidated statement of shareholders' equity as of December 31, 2014. All prior period financial information within this news release and addendum has been revised to reflect the impact of the reimbursement on each prior period presented. See the addendum included with this news release for further information regarding the impact of the reimbursement on prior periods, including a reconciliation of the previously reported financial results to the revised financial results presented in this news release and addendum.

Full-Year 2015 GAAP-Basis Results:

<i>(Table presents summary results, dollars in millions, except per share amounts, or where otherwise noted)</i>	2015	2014	% Increase (Decrease)
Total fee revenue ⁽¹⁾	\$ 8,278	\$ 8,010	3.3%
Net interest revenue	2,088	2,260	(7.6)
Total revenue ⁽¹⁾	10,360	10,274	0.8
Provision for loan losses	12	10	20.0
Total expenses	8,050	7,827	2.8
Net income available to common shareholders ⁽¹⁾	1,848	1,958	(5.6)
Earnings Per common share⁽¹⁾⁽²⁾:			
Diluted	4.47	4.53	(1.3)
Financial ratios⁽¹⁾:			
Return on average common equity	9.8%	9.8%	— bps

⁽¹⁾ Amounts for 2014 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Full-year 2015 and full-year 2014 results include net after-tax charges of \$315 million, or \$0.76 per share, and \$139 million, or \$0.34 per share, respectively, related to legal accruals associated with indirect foreign exchange and other matters.

Net income available to common shareholders of \$1,848 million, or \$4.47 earnings per common share, for the full-year 2015 compared with \$1,958 million, or \$4.53 earnings per common share, for the full-year 2014.

Non-GAAP Financial Measures:

In addition to presenting State Street's financial results in conformity with U.S. generally accepted accounting principles, or GAAP, management also presents results on a non-GAAP, or operating basis, in order to highlight comparable financial trends with respect to State Street's business operations from period to period. Non-GAAP information is not a substitute for, and is not superior to, information presented on a GAAP basis. Summary results presented on a GAAP basis, descriptions of our non-GAAP, or operating-basis, financial measures, and reconciliations of operating-basis information to GAAP-basis information are provided in the addendum included with this news release.

The following table reconciles select fourth-quarter 2015 operating-basis financial information to financial information prepared and reported in conformity with GAAP for the same period. The addendum included with this news release includes additional reconciliations.

Fourth-Quarter 2015 Selected Operating-Basis (Non-GAAP) Reconciliations^(a):

<i>(In millions, except per share amounts)</i>	Income Before Income Tax Expense	Net Income Available to Common Shareholders	Earnings Per Common Share
GAAP basis	\$ 680	\$ 547	\$ 1.34
<i>Tax-equivalent adjustments</i>			
Tax-advantaged investments (processing fees and other revenue)	113		
Tax-exempt investment securities (net interest revenue)	42		
Total	155		
<i>Non-operating adjustments</i>			
Paydown of CRE loan (processing fee and other revenue)	(82)	(49)	(.12)
Discount accretion associated with former conduit securities (net interest revenue)	(23)	(14)	(.03)
Severance costs associated with staffing realignment (compensation and employee benefits expenses)	(1)	—	—
Provisions for legal contingencies (other expenses)	15	9	.02
Expense billing matter (other expenses)	17	12	.03
Acquisition & Restructuring costs (expenses)	6	4	.01
Effect on income tax of non-operating adjustments	—	(15)	(.04)
Total	(68)	(53)	(.13)
Operating basis	\$ 767	\$ 494	\$ 1.21

Fourth-Quarter 2015 Operating-Basis (Non-GAAP) Results^(a):

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

	4Q15 ⁽²⁾	3Q15 ⁽²⁾	% Increase (Decrease)	4Q14 ⁽²⁾	% Increase (Decrease)
Operating-Basis Results:					
Total fee revenue ⁽¹⁾	\$ 2,075	\$ 2,115	(1.9)%	\$ 2,132	(2.7)%
Net interest revenue ⁽³⁾	513	529	(3.0)	587	(12.6)
Total revenue ⁽¹⁾	2,588	2,642	(2.0)	2,719	(4.8)
Total expenses	1,820	1,877	(3.0)	1,880	(3.2)
Net income available to common shareholders ⁽¹⁾	494	476	3.8	578	(14.5)
Earnings Per common share⁽¹⁾:					
Diluted	1.21	1.15	5.2	1.36	(11.0)
Financial ratios⁽¹⁾:					
Return on average common equity	10.5%	10.0%	50 bps	11.6%	(110) bps

⁽¹⁾ Amounts for 4Q14 and 3Q15 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Operating basis is a non-GAAP presentation. For an explanation of operating-basis information and related reconciliations, refer to the addendum included with this news release.

⁽³⁾ Operating basis net interest revenue excluded discount accretion on former conduit securities of \$23 million, \$27 million and \$31 million for the fourth quarter of 2015, the third quarter of 2015, and the fourth quarter of 2014, respectively. Operating basis net interest revenue for all quarters is presented on a fully taxable-equivalent basis.

Full-Year 2015 Operating-Basis (Non-GAAP) Results^(a):

<i>(Table presents summary results, dollars in millions, except per share amounts, or where otherwise noted)</i>	2015 ⁽²⁾	2014 ⁽²⁾	% Increase (Decrease)
Operating-Basis Results:			
Total fee revenue ⁽¹⁾	\$ 8,472	\$ 8,298	2.1%
Net interest revenue ⁽³⁾	2,163	2,314	(6.5)
Total revenue ⁽¹⁾	10,629	10,616	0.1
Total expenses	7,520	7,423	1.3
Net income available to common shareholders ⁽¹⁾	2,022	2,184	(7.4)
Earnings Per common share⁽¹⁾:			
Diluted	4.89	5.05	(3.2)
Financial ratios⁽¹⁾:			
Return on average common equity	10.7%	10.9%	(20) bps

⁽¹⁾ Amounts for 2014 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Operating basis is a non-GAAP presentation. For an explanation of operating-basis information and related reconciliations, refer to the addendum included with this news release.

⁽³⁾ Operating basis net interest revenue excluded discount accretion on former conduit securities of \$98 million and \$119 million for the full-year 2015 and 2014, respectively. Operating-basis net interest revenue for all years is presented on a fully taxable-equivalent basis.

Fourth-Quarter 2015 and Full-Year 2015 Highlights^(a):

- **Currency impact:** Compared to the fourth quarter of 2014, the strengthening of the U.S. dollar reduced our fee revenue outside of the U.S. by \$53 million, but a corresponding reduction in expenses largely offset the currency impact on our bottom line.
- **New business^(b):** New asset servicing mandates during the fourth quarter of 2015 and full-year totaled approximately \$300 billion and \$800 billion, respectively. In our asset management business, we experienced net outflows of \$19 billion and \$151 billion during fourth quarter of 2015 and full-year 2015, respectively.
- **Expenses:** The growth rate of operating-basis total fee revenue was above the growth rate of operating-basis expenses by 52 basis points during the fourth quarter of 2015 relative to the fourth quarter of 2014. The growth rate of operating-basis total fee revenue exceeded the growth rate of operating-basis expenses by 79 basis points during full-year 2015 relative to full-year 2014.
- **State Street Beacon, our multi-year transformation program^(c):** As a result of executing against the next phase of our multi-year transformation program, which we refer to as State Street Beacon, we expect to deliver cost efficiencies and further digitize our interfaces with clients in order to deliver more value. We expect State Street Beacon, which includes the targeted staff reductions that we announced with our third quarter results, to generate approximately \$550 million in estimated annualized pre-tax expense savings over the next 5 years, including approximately \$75 million in 2016. The full effect of the savings generated each year will be felt the following year. To implement State Street Beacon, we expect to incur aggregate pre-tax restructuring costs of approximately \$300 million to \$400 million over the five-year period ending December 31, 2020.

- **Capital^(d)**: Our common equity tier 1 ratios as of December 31, 2015 were 12.5% and 12.9%, calculated under the advanced approaches and standardized approach, respectively, in conformity with the Basel III final rule. On a fully phased-in basis, our estimated pro forma Basel III common equity tier 1 ratios as of December 31, 2015 were 11.6% and 12.0%, calculated under the advanced approaches and standardized approach, respectively, in conformity with the Basel III final rule.

Return of capital to shareholders^(e): We purchased approximately \$350 million of our common stock at an average price of \$70.44 per share, and have approximately \$780 million remaining on our March 2015 common stock purchase program which runs through June 30, 2016. In addition, we declared a quarterly common stock dividend of \$0.34 per share in the fourth quarter of 2015.

^(a) Operating basis is a non-GAAP presentation. For an explanation of operating-basis information and related reconciliations, refer to the addendum included with this news release.

^(b) New business in assets to be serviced is reflected in our assets under custody and administration after we begin servicing the assets, and new business in assets to be managed is reflected in our assets under management after we begin managing the assets. As such, only a portion of new asset servicing and asset management mandates is reflected in our assets under custody and administration and assets under management, as of December 31, 2015. Distribution fees from the SPDR[®] Gold Exchange-Traded Fund, or ETF, are recorded in brokerage and other fee revenue and not in management fee revenue.

^(c) Estimated pre-tax expense savings and operating margin improvement relate only to State Street Beacon, our multi-year transformation program, include the effects of the targeted staff reductions announced as part of our 3Q15 financial results, and are based on projected improvement from our full-year 2015 operating-basis expenses, all else equal. Actual expenses may increase or decrease in the future due to other factors.

^(d) Our estimated pro forma fully phased-in Basel III common equity tier 1 ratios calculated under the Basel III advanced approaches and standardized approach (in each case, fully phased in as of January 1, 2019, as per Basel III phase-in requirements for capital) are preliminary estimates based on our interpretations of the Basel III final rule as applied to our current businesses and operations as currently conducted. Refer to the "Capital" section of this news release for important information about the Basel III final rule, our calculations of our common equity tier 1 ratios thereunder, factors that could influence State Street's calculations of its common equity tier 1 ratios and other information about our capital ratios. Unless otherwise specified, all capital ratios referenced in this news release refer to State Street Corporation and not State Street Bank and Trust Company. Refer to the addendum included with this news release for a further description of these ratios.

^(e) Stock purchases may be made using various types of mechanisms, including open market purchases or transactions off market, and may be made under Rule 10b5-1 trading programs. The timing of stock purchases, types of transactions and number of shares purchased will depend on several factors, including, market conditions and our capital position, our financial performance and investment opportunities. The common stock purchase program does not have specific price targets and may be suspended at any time. Our Street's common stock and other stock dividends, including the declaration, timing and amount thereof, remain subject to consideration and approval by its Board of Directors at the relevant times.

Selected Financial Information and Ratios

The tables below provide a summary of selected financial information and key ratios for the indicated periods, presented on an operating, or non-GAAP, basis where noted. Amounts are presented in millions of dollars, except for per-share amounts or where otherwise noted.

Financial Highlights

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

	4Q15 ⁽²⁾	3Q15 ⁽²⁾	% Increase (Decrease)	4Q14 ⁽²⁾	% Increase (Decrease)
Total revenue ⁽¹⁾	\$ 2,588	\$ 2,642	(2.0)%	\$ 2,719	(4.8)%
Total expenses	1,820	1,877	(3.0)	1,880	(3.2)
Net income available to common shareholders ⁽¹⁾	494	476	3.8	578	(14.5)
Earnings per common share ⁽¹⁾	1.21	1.15	5.2	1.36	(11.0)
Return on average common equity ⁽¹⁾	10.5%	10.0%	50 bps	11.6%	(110) bps
Total assets as of period-end	\$ 245,192	\$ 247,274	(0.8)%	\$ 274,119	(10.6)%
Quarterly average total assets	228,201	251,046	(9.1)	254,439	(10.3)
Net interest margin	1.01%	0.95%	6 bps	1.04%	(3) bps
Net unrealized gains on investment securities, after-tax, as of period-end ⁽³⁾	\$ 58	\$ 411		\$ 487	

⁽¹⁾ Amounts for 4Q14 and 3Q15 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Presented on an operating basis, a non-GAAP presentation. Refer to the table above reconciling select fourth-quarter operating-basis financial information and the addendum included with this news release for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information.

⁽³⁾ Includes net unrealized gains on investment securities, after tax, for securities classified as available for sale and held to maturity.

Financial Highlights

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

	2015 ⁽²⁾	2014 ⁽²⁾	% Increase (Decrease)
Total revenue ⁽¹⁾	\$ 10,629	\$ 10,616	0.1 %
Total expenses	7,520	7,423	1.3
Net income available to common shareholders ⁽¹⁾	2,022	2,184	(7.4)
Earnings per common share ⁽¹⁾	4.89	5.05	(3.2)
Return on average common equity ⁽¹⁾	10.7%	10.9%	(20) bps
Total assets as of period-end	\$ 245,192	\$ 274,119	(10.6)%
Net interest margin	0.98%	1.11%	(13) bps

⁽¹⁾ Amounts for 2014 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Presented on an operating basis, a non-GAAP presentation. Refer to the addendum included with this news release for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information.

⁽³⁾ Includes net unrealized gains (losses) on investment securities, after tax, for securities classified as available for sale and held to maturity.

Assets Under Custody and Administration and Assets Under Management

<i>(Dollars in billions)</i>	4Q15	3Q15	% Increase (Decrease)	4Q14	% Increase (Decrease)
Assets under custody and administration ⁽¹⁾⁽²⁾	\$ 27,508	\$ 27,265	0.9%	\$ 28,188	(2.4)%
Assets under management ⁽²⁾	2,245	2,203	1.9	2,448	(8.3)
Market Indices⁽³⁾:					
S&P 500 [®] daily average	2,052	2,027	1.2	2,009	2.1
MSCI EAFE [®] daily average	1,732	1,785	(3.0)	1,795	(3.5)
S&P 500 [®] average of month-end	2,068	1,999	3.5	2,048	1.0
MSCI EAFE [®] average of month-end	1,743	1,754	(0.6)	1,811	(3.8)
Average Foreign Exchange Rate (Euro vs. USD)	1.095	1.112	(1.5)	1.248	(12.3)
Average Foreign Exchange Rate (GBP vs. USD)	1.517	1.549	(2.1)	1.582	(4.1)

⁽¹⁾ Includes assets under custody of \$21,258 billion, \$20,947 billion and \$21,656 billion, as of December 31, 2015, September 30, 2015 and December 31, 2014, respectively.

⁽²⁾ As of period-end.

⁽³⁾ The index names listed in the table are service marks of their respective owners.

The following tables present fourth-quarter 2015 and year-to-date activity in assets under management, by product category.

Assets Under Management

(In billions)	Equity	Fixed-Income	Cash ⁽²⁾	Multi-Asset-Class Solutions	Alternative Investments ⁽³⁾	Total
Balance as of September 30, 2015	\$ 1,266	\$ 316	\$ 380	\$ 111	\$ 130	\$ 2,203
Long-term institutional inflows ⁽¹⁾	59	14	—	9	3	85
Long-term institutional outflows ⁽¹⁾	(72)	(22)	—	(7)	(3)	(104)
Long-term institutional flows, net	(13)	(8)	—	2	—	(19)
ETF flows, net	10	2	(1)	—	(1)	10
Cash fund flows, net	—	—	(10)	—	—	(10)
Total flows, net	(3)	(6)	(11)	2	(1)	(19)
Market appreciation	65	4	—	(10)	7	66
Foreign exchange impact	(2)	(2)	(1)	—	—	(5)
Total market/foreign exchange impact	63	2	(1)	(10)	7	61
Balance as of December 31, 2015	<u>\$ 1,326</u>	<u>\$ 312</u>	<u>\$ 368</u>	<u>\$ 103</u>	<u>\$ 136</u>	<u>\$ 2,245</u>

(In billions)	Equity	Fixed-Income	Cash ⁽²⁾	Multi-Asset-Class Solutions	Alternative Investments ⁽³⁾	Total
Balance as of December 31, 2014	\$ 1,475	\$ 319	\$ 399	\$ 127	\$ 128	\$ 2,448
Long-term institutional inflows ⁽¹⁾	277	62	—	51	33	423
Long-term institutional outflows ⁽¹⁾	(363)	(70)	—	(59)	(31)	(523)
Long-term institutional flows, net	(86)	(8)	—	(8)	2	(100)
ETF flows, net	(29)	5	1	—	(1)	(24)
Cash fund flows, net	—	—	(27)	—	—	(27)
Total flows, net	(115)	(3)	(26)	(8)	1	(151)
Market appreciation ⁽⁴⁾	(13)	3	—	(12)	16	(6)
Foreign exchange impact	(21)	(7)	(5)	(4)	(9)	(46)
Total market/foreign exchange impact	(34)	(4)	(5)	(16)	7	(52)
Balance as of December 31, 2015	<u>\$ 1,326</u>	<u>\$ 312</u>	<u>\$ 368</u>	<u>\$ 103</u>	<u>\$ 136</u>	<u>\$ 2,245</u>

⁽¹⁾ Amounts represent long-term portfolios, excluding ETFs.

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

⁽³⁾ Includes real estate investment trusts, currency and commodities, including SPDR[®] Gold Fund, for which State Street is not the investment manager, but acts as distribution agent.

⁽⁴⁾ Includes impact of the sale of Sectoral Asset Management Inc. in the third quarter of 2015.

Revenue^(a)

The following tables provide the components of our operating-basis (non-GAAP) revenue^(a) for the periods noted:

<i>(Dollars in millions)</i>	4Q15 ⁽²⁾	3Q15 ⁽²⁾	% Increase (Decrease)	4Q14 ⁽²⁾	% Increase (Decrease)
Servicing fees ⁽¹⁾	\$ 1,277	\$ 1,289	(0.9)%	\$ 1,296	(1.5)%
Management fees	282	287	(1.7)	299	(5.7)
Trading services revenue:					
Foreign exchange trading	143	177	(19.2)	168	(14.9)
Brokerage and other fees ⁽³⁾	104	117	(11.1)	125	(16.8)
Total trading services revenue	247	294	(16.0)	293	(15.7)
Securities finance revenue	127	113	12.4	106	19.8
Processing fees and other revenue ⁽³⁾⁽⁴⁾	142	132	7.6	138	2.9
Total fee revenue ⁽¹⁾⁽³⁾⁽⁴⁾	2,075	2,115	(1.9)	2,132	(2.7)
Net interest revenue ⁽⁵⁾	513	529	(3.0)	587	(12.6)
Gains (losses) related to investment securities, net	—	(2)	nm	—	nm
Total Operating-Basis Revenue⁽¹⁾	\$ 2,588	\$ 2,642	(2.0)%	\$ 2,719	(4.8)%

⁽¹⁾ Amounts for 4Q14 and 3Q15 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Presented on an operating basis, a non-GAAP presentation. Refer to the addendum included with this news release for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information.

⁽³⁾ Brokerage and other fees for the fourth quarter of 2014 reflect the reclassification of revenue associated with currency management from processing fees and other revenue, and have been adjusted for comparative purposes.

⁽⁴⁾ Processing fees and other revenue for the fourth quarter of 2015, third quarter of 2015 and fourth quarter of 2014, presented in the table, reflect tax-equivalent increases of \$113 million, \$95 million and \$81 million, respectively, related to tax credits generated by tax-advantaged investments. GAAP-basis processing fees and other revenue for these periods was \$111 million, \$120 million and \$57 million, respectively.

⁽⁵⁾ Net interest revenue for the fourth quarter of 2015, third quarter of 2015 and fourth quarter of 2014, presented in the table, reflect tax-equivalent increases of \$42 million, \$43 million and \$44 million, respectively, and excluded conduit-related discount accretion of \$23 million, \$27 million and \$31 million, respectively. GAAP-basis net interest revenue for these periods was \$494 million, \$513 million and \$574 million, respectively.

nm Not meaningful.

<i>(Dollars in millions)</i>	2015 ⁽²⁾	2014 ⁽²⁾	% Increase (Decrease)
Servicing fees ⁽¹⁾	\$ 5,153	\$ 5,108	0.9%
Management fees	1,174	1,207	(2.7)
Trading services revenue:			
Foreign exchange trading	690	607	13.7
Brokerage and other fees ⁽³⁾	456	477	(4.4)
Total trading services revenue	1,146	1,084	5.7
Securities finance revenue	496	437	13.5
Processing fees and other revenue ⁽³⁾⁽⁴⁾	503	462	8.9
Total fee revenue ⁽¹⁾⁽³⁾⁽⁴⁾	8,472	8,298	2.1
Net interest revenue ⁽⁵⁾	2,163	2,314	(6.5)
Gains (losses) related to investment securities, net	(6)	4	nm
Total Operating-Basis Revenue⁽¹⁾	\$ 10,629	\$ 10,616	0.1%

⁽¹⁾ Amounts for 2014 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the addendum included with this news release.

⁽²⁾ Presented on an operating basis, a non-GAAP presentation. Refer to the addendum included with this news release for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information.

⁽³⁾ Brokerage and other fees for the full-year of 2014 reflect the reclassification of revenue associated with currency management from processing fees and other revenue, and have been adjusted for comparative purposes.

⁽⁴⁾ Processing fees and other revenue for the full-year of 2015 and full-year of 2014, presented in the table, reflect tax-equivalent increases of \$359 million and \$288 million, respectively, related to tax credits generated by tax-advantaged investments. GAAP-basis processing fees and other revenue for these periods was \$309 million and \$174 million, respectively.

⁽⁵⁾ Net interest revenue for the full-year of 2015 and full-year of 2014, presented in the table, reflect tax-equivalent increases of \$173 million and \$173 million, respectively, and excluded conduit-related discount accretion of \$98 million and \$119 million, respectively. GAAP-basis net interest revenue for these periods was \$2,088 million and \$2,260 million, respectively.

nm Not meaningful.

Servicing fees of \$1,277 million in the fourth quarter of 2015 decreased 0.9% and 1.5% from the third quarter of 2015 and the fourth quarter of 2014, respectively. The decrease from both periods primarily reflects the impact of the stronger U.S. dollar and lower international equity markets, partially offset by net new business.

Management fees of \$282 million in the fourth quarter of 2015 decreased 1.7% from the third quarter of 2015. Compared to the fourth quarter of 2014, management fees decreased 5.7%, primarily due to the impact of the stronger U.S. dollar, net outflows, and lower international equity markets.

Foreign exchange trading revenue of \$143 million in the fourth quarter of 2015 decreased 19.2% and 14.9% from the third quarter of 2015 and the fourth quarter of 2014, respectively. The decrease from both periods reflects lower currency volatility and client-related volumes.

Brokerage and other fees of \$104 million in the fourth quarter of 2015 decreased 11.1% and 16.8% from the third quarter of 2015 and the fourth quarter of 2014, respectively. The decrease from both periods is primarily due to lower transition management revenue and electronic foreign exchange trading revenue.

Securities finance revenue of \$127 million in the fourth quarter of 2015 increased 12.4% from the third quarter of 2015, primarily due to higher spreads. Compared to the fourth quarter of 2014, securities finance revenue increased 19.8%, primarily due to new business from enhanced custody, our principal securities lending service for custody clients.

Processing fees and other revenue of \$142 million in the fourth quarter of 2015 increased 7.6% compared to the third quarter of 2015, primarily due to higher revenue associated with tax-advantaged investments. Compared to the fourth quarter of 2014, processing fees and other revenue increased 2.9%. See notes 2, 3 and 4 to the table above for a description of the presentation of operating-basis processing fees and other revenue.

Net interest revenue of \$513 million in the fourth quarter of 2015 decreased 3.0% and 12.6% compared to the third quarter of 2015 and the fourth quarter of 2014, respectively. The decrease from both periods is primarily due to lower deposit levels and the ongoing repositioning of the investment portfolio.

Operating-basis net interest revenue excludes discount accretion on former conduit securities and is presented on a fully taxable-equivalent basis. See notes 2 and 5 to the table above for a description of the presentation of operating-basis net interest revenue. The Company expects to record aggregate pre-tax conduit-related accretion of approximately \$209 million in interest revenue from January 1, 2016 through the remaining lives of the former conduit securities. This expectation is based on numerous assumptions, including holding the securities to maturity, anticipated prepayment speeds and credit quality.

Net interest margin, including balances held at the Federal Reserve and other central banks, increased to 101 basis points in the fourth quarter of 2015 from 95 basis points in the third quarter of 2015 and decreased from 104 basis points in the fourth quarter of 2014. Refer to the addendum included with this news release for reconciliations of our operating-basis net interest margin.

Expenses^(a)

The following tables provide the components of our operating-basis (non-GAAP) expenses⁽¹⁾ for the periods noted:

<i>(Dollars in millions)</i>	4Q15 ⁽¹⁾	3Q15 ⁽¹⁾	% Increase (Decrease)	4Q14 ⁽¹⁾	% Increase (Decrease)
Compensation and employee benefits ⁽²⁾	\$ 940	\$ 976	(3.7)%	\$ 962	(2.3)%
Information systems and communications	261	265	(1.5)	246	6.1
Transaction processing services	194	201	(3.5)	201	(3.5)
Occupancy	112	110	1.8	113	(0.9)
Other ⁽³⁾	313	325	(3.7)	358	(12.6)
Total Operating-Basis Expenses	\$ 1,820	\$ 1,877	(3.0)%	\$ 1,880	(3.2)%

⁽¹⁾ Presented on an operating basis, a non-GAAP presentation. Refer to the addendum included with this news release for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information.

⁽²⁾ Compensation and employee benefits expenses for the fourth quarter of 2015, third quarter of 2015 and fourth quarter of 2014 presented in the table, excluded severance costs of \$(1) million, \$75 million and \$10 million, respectively, related to staffing realignment. GAAP-basis compensation and employee benefits expenses for the fourth quarter of 2015, third quarter of 2015 and fourth quarter of 2014 were \$939 million, \$1,051 million and \$972 million, respectively.

⁽³⁾ GAAP-basis other expenses for the fourth quarter of 2015, third quarter of 2015 and fourth quarter of 2014 were \$345 million, \$325 million and \$473 million, respectively.

<i>(Dollars in millions)</i>	2015 ⁽¹⁾	2014 ⁽¹⁾	% Increase (Decrease)
Compensation and employee benefits ⁽²⁾	\$ 3,988	\$ 3,976	0.3%
Information systems and communications	1,022	976	4.7
Transaction processing services	793	784	1.1
Occupancy	444	461	(3.7)
Other ⁽³⁾	1,273	1,226	3.8
Total Operating-Basis Expenses	\$ 7,520	\$ 7,423	1.3%

⁽¹⁾ Presented on an operating basis, a non-GAAP presentation. Refer to the addendum included with this news release for explanations of our non-GAAP financial measures and for reconciliations of our operating-basis financial information.

⁽²⁾ Compensation and employee benefits expenses for the full-year of 2015 and full-year of 2014 presented in the table, excluded severance costs of \$73 million and \$84 million, respectively, related to staffing realignment. GAAP-basis compensation and employee benefits expenses for the full-year of 2015 and full-year of 2014 were \$4,061 million and \$4,060 million, respectively.

⁽³⁾ GAAP-basis other expenses for the full-year of 2015 and full-year of 2014 were \$1,705 million and \$1,413 million, respectively.

Compensation and employee benefits expenses of \$940 million in the fourth quarter of 2015 decreased 3.7% from the third quarter of 2015, primarily due to lower incentive compensation, partially offset by increased costs to support regulatory initiatives. Compared to the fourth quarter of 2014, compensation and employee benefits expenses decreased 2.3%, due to lower incentive compensation and the benefit of the stronger U.S. dollar, partially offset by increased costs to support new business and regulatory initiatives.

Information systems and communications expenses of \$261 million in the fourth quarter of 2015 decreased 1.5% from the third quarter of 2015. Compared to the fourth quarter of 2014, information systems and communications expenses increased 6.1%, primarily due to increased costs to support new business and additional data center capacity.

Transaction processing services expenses of \$194 million decreased slightly from both third quarter of 2015 and fourth quarter of 2014.

Occupancy expenses of \$112 million in the fourth quarter of 2015 increased 1.8% from the third quarter of 2015 and decreased 0.9% from the fourth quarter of 2014.

Other expenses of \$313 million in the fourth quarter of 2015 decreased 3.7% from the third quarter of 2015, primarily due to lower professional services fees, offset by a \$12 million settlement with the Securities and Exchange Commission. Compared to the fourth quarter of 2014, other expenses decreased 12.6%, primarily due to expenses in the fourth quarter of 2014 associated with our withdrawal from derivatives clearing activities and the recognition of an impairment associated with an intangible asset as well as lower securities processing costs in the fourth quarter of 2015. See notes 1 and 3 to the table above for a description of GAAP-basis other expenses for the relevant periods.

Income Taxes

Our fourth-quarter 2015 GAAP-basis effective tax rate was 15.1% compared to 10.5% in the third quarter of 2015 and 13.5% in the fourth quarter of 2014. The third quarter of 2015 included the non-operating benefit from the reduction of an Italian deferred tax liability. Our operating-basis effective tax rates for the fourth quarter of 2015, third quarter of 2015 and fourth quarter of 2014 were 31.8%, 32.0% and 28.6%, respectively.

Capital

The following table presents our regulatory capital ratios as of December 31, 2015 and September 30, 2015. The lower of our capital ratios calculated under the Basel III advanced approaches and under the Basel III standardized approach are applied in the assessment of our capital adequacy for regulatory purposes. Unless otherwise noted, all capital ratios presented in the table and elsewhere in this news release refer to State Street Corporation and not State Street Bank and Trust Company.

December 31, 2015	Basel III Advanced Approaches⁽¹⁾⁽²⁾	Basel III Standardized Approach⁽¹⁾	Basel III Fully Phased-In Advanced Approaches (Estimated) Pro-Forma⁽²⁾⁽³⁾	Basel III Fully Phased-In Standardized Approach (Estimated) Pro-Forma⁽³⁾
Common equity tier 1 ratio	12.5%	12.9%	11.6%	12.0%
Tier 1 capital ratio	15.3	15.9	14.3	14.8
Total capital ratio	17.4	18.1	16.5	17.2
Tier 1 leverage ratio	6.9	6.9	6.4	6.4

⁽¹⁾ Ratios are preliminary estimates and are calculated in conformity with the advanced approaches and standardized approach provisions of the Basel III final rule, as the case may be.

⁽²⁾ The advanced approaches-based ratios (actual and estimated) presented in this presentation reflect calculations and determinations with respect to our capital and related matters, based on State Street and external data, quantitative formulae, statistical models, historical correlations and assumptions, collectively referred to as "advanced systems," in effect and used by us for those purposes as of the respective date of each ratio's first public announcement. Significant components of these advanced systems involve the exercise of judgment by us and our regulators, and these advanced systems may not, individually or collectively, precisely represent or calculate the scenarios, circumstances, outputs or other results for which they are designed or intended. Due to the influence of changes in these advanced systems, whether resulting from changes in data inputs, regulation or regulatory supervision or interpretation, State Street-specific or market activities or experiences or other updates or factors, we expect that our advanced systems and our capital ratios calculated in conformity with the Basel III framework will change and may be volatile over time, and that those latter changes or volatility could be material as calculated and measured from period to period.

⁽³⁾ Estimated pro-forma fully phased-in ratios as of December 31, 2015 (fully phased in as of January 1, 2019, as per Basel III phase-in requirements for capital) reflect capital calculated under the Basel III final rule and total risk-weighted assets calculated in conformity with the advanced approaches and standardized approach as the case may be, each on a fully phased-in basis under the Basel III final rule, based on our interpretations of the Basel III final rule as of January 27, 2016 and as applied to our businesses and operations as of December 31, 2015. Refer to the addendum included with this news release for reconciliations of these estimated pro-forma fully phased-in ratios to our capital ratios calculated under the currently applicable regulatory requirements.

September 30, 2015	Basel III Advanced Approaches ⁽¹⁾⁽²⁾	Basel III Standardized Approach ⁽¹⁾	Basel III Fully Phased-In Advanced Approaches (Estimated) Pro-Forma ⁽²⁾⁽³⁾	Basel III Fully Phased-In Standardized Approach (Estimated) Pro-Forma ⁽³⁾
Common equity tier 1 ratio	12.0%	11.8%	11.2%	11.1%
Tier 1 capital ratio	14.7	14.5	13.8	13.6
Total capital ratio	16.8	16.6	16.0	15.9
Tier 1 leverage ratio	6.3	6.3	5.9	5.9

⁽¹⁾ Amounts for September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described in the addendum included within this news release.

⁽²⁾ The advanced approaches-based ratios (actual and estimated) presented in this presentation reflect calculations and determinations with respect to our capital and related matters, based on State Street and external data, quantitative formulae, statistical models, historical correlations and assumptions, collectively referred to as "advanced systems," in effect and used by us for those purposes as of the respective date of each ratio's first public announcement. Significant components of these advanced systems involve the exercise of judgment by us and our regulators, and these advanced systems may not, individually or collectively, precisely represent or calculate the scenarios, circumstances, outputs or other results for which they are designed or intended. Due to the influence of changes in these advanced systems, whether resulting from changes in data inputs, regulation or regulatory supervision or interpretation, State Street-specific or market activities or experiences or other updates or factors, we expect that our advanced systems and our capital ratios calculated in conformity with the Basel III framework will change and may be volatile over time, and that those latter changes or volatility could be material as calculated and measured from period to period.

⁽³⁾ Estimated pro-forma fully phased-in ratios as of September 30, 2015 (fully phased in as of January 1, 2019, as per Basel III phase-in requirements for capital) are preliminary estimates and reflect capital calculated under the Basel III final rule and total risk-weighted assets calculated in conformity with the advanced approaches and standardized approach as the case may be, each on a fully phased-in basis under the Basel III final rule, based on our interpretations of the Basel III final rule as of October 23, 2015 and as applied to our businesses and operations as of September 30, 2015. Refer to the addendum included with this news release for reconciliations of these estimated pro-forma fully phased-in ratios to our capital ratios calculated under the currently applicable regulatory requirements.

In addition, the following table presents the calculation of State Street's and State Street Bank's supplementary leverage ratio (SLR) under final U.S. banking regulator rules adopted in 2014 as of December 31, 2015 and September 30, 2015

As of December 31, 2015 (Dollars in millions) ⁽¹⁾	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR ⁽²⁾	Transitional SLR	Fully Phased-In SLR ⁽²⁾
Tier 1 Capital	\$ 15,264	A \$ 14,188	14,647	13,869
Total assets for SLR	246,838	B 246,293	242,200	241,700
Supplementary Leverage Ratio	6.2%	A/B 5.8%	6.0%	5.7%

As of September 30, 2015 (Dollars in millions) ⁽³⁾	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR ⁽²⁾	Transitional SLR	Fully Phased-In SLR ⁽²⁾
Tier 1 Capital¹	\$ 15,361	C \$ 14,363	14,863	14,162
Total assets for SLR	270,762	D 270,274	265,797	265,354
Supplementary Leverage Ratio¹	5.7%	C/D 5.3%	5.6%	5.3%

¹⁾ Ratios are preliminary estimates.

⁽²⁾ Estimated pro-forma fully phased-in SLRs as of December 31, 2015 and September 30, 2015 (fully phased-in as of January 1, 2018, as per the phase-in requirements of the SLR final rule) are preliminary estimates, calculated based on our interpretations of the SLR final rule as of January 27, 2016 and October 23, 2015, respectively, and as applied to our businesses and operations as of December 31, 2015 and September 30, 2015, respectively. Refer to the addendum included with this news release for reconciliations of these estimated pro-forma fully phased-in SLRs to our SLRs under currently applicable regulatory requirements.

⁽³⁾ Amounts for September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described in the addendum included within this news release.

Additional Information

All earnings per share amounts represent fully diluted earnings per common share. Return on average common shareholders' equity is determined by dividing annualized net income available to common equity by average common shareholders' equity for the period. Operating-basis return on average common equity utilizes annualized operating-basis net income available to common equity in the calculation.

Investor Conference Call and Quarterly Website Disclosures

State Street will webcast an investor conference call today, Wednesday, January 27, 2016, at 9:30 a.m. EDT, available at www.statestreet.com/stockholder. The conference call will also be available via telephone, at +1 877-423-4013 inside the U.S. or at +1 706-679-5594 outside of the U.S. The Conference ID is # 15333966.

Recorded replays of the conference call will be available on the website, and by telephone at +1 855-859-2056 inside the U.S. or at +1 404-537-3406 outside the U.S. beginning approximately two hours after the call's completion. The Conference ID is # 15333966.

The telephone replay will be available for approximately two weeks following the conference call. This news release, presentation materials referred to on the conference call (including those concerning our investment portfolio), and additional financial information are available on State Street's website, at www.statestreet.com/stockholder under "Investor Relations--Investor News & Events" and under the title "Events and Presentations."

State Street intends to publish updates to its public disclosure regarding regulatory capital, as required by the Basel III final rule, on a quarterly basis on its website at www.statestreet.com/stockholder, under "Filings & Reports." Those updates will be published each quarter, during the period beginning after State Street's public announcement of its quarterly results of operations and ending on or prior to the due date under applicable bank regulatory requirements (i.e., ordinarily, ending no later than 60 days following year-end or 45 days following each other quarter-end, as applicable). For the fourth quarter of 2015, State Street expects to publish its updates during the period beginning today and ending on or about February 19, 2016.

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 \$28 trillion in assets under custody and administration and \$2 trillion* in assets under management as of December 31, 2015, State Street operates globally in more than 100 geographic markets and employs 32,356 worldwide. For more information, visit State Street's website at www.statestreet.com.

* Assets under management include the assets of the SPDR[®] Gold ETF (approximately \$22 billion as of December 31, 2015), for which State Street Global Markets, LLC, an affiliate of SSgA, serves as the distribution agent.

Forward-Looking Statements

This news release 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 (including without limitation regarding expected savings associated with our State Street Beacon

multi-year transformation program), the financial and market outlook, dividend and stock purchase programs, governmental and regulatory initiatives and developments, and the business environment. Forward-looking statements are often, but not always, identified by such forward-looking terminology as “outlook,” “expect,” “objective,” “intend,” “plan,” “forecast,” “believe,” “anticipate,” “estimate,” “seek,” “may,” “will,” “trend,” “target,” “strategy” and “goal,” or similar statements or variations of such terms. These statements are not guarantees of future performance, are inherently uncertain, are based on current assumptions that are difficult to predict and involve a number of risks and uncertainties. Therefore, actual outcomes and results may differ materially from what is expressed in those statements, and those statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to January 27, 2016.

Important factors that may affect future results and outcomes include, but are not limited to:

- our ability to develop and execute our State Street Beacon plan to create cost efficiencies through changes to our operations and to further digitize our service delivery to our clients, any failure of which, in whole or in part, may among other things, reduce our competitive position, diminish the cost-effectiveness of our systems and processes or provide an insufficient return on our associated investment;
- 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, the valuation of the U.S. dollar relative to other currencies in which we record revenue or accrue expenses and the performance and volatility of securities, credit, currency and other markets in the U.S. and internationally;
- the credit quality, credit-agency ratings and fair values of the securities in our investment securities portfolio, a deterioration or downgrade of which could lead to other-than-temporary impairment of the respective securities and the recognition of an impairment loss in our consolidated statement of income;
- our ability to attract deposits and other low-cost, short-term funding, our ability to manage levels of such deposits and the relative portion of our deposits that are determined to be operational under regulatory guidelines and our ability to deploy deposits in a profitable manner consistent with our liquidity requirements and risk profile;
- the manner and timing with which the Federal Reserve and other U.S. and foreign regulators implement changes to the regulatory framework applicable to our operations, including implementation of the Dodd-Frank Act, the Basel III final rule and European legislation (such as the Alternative Investment Fund Managers Directive, Undertakings for Collective Investment in Transferable Securities Directives and Markets in Financial Instruments Directive II); among other consequences, these regulatory changes impact the levels of regulatory capital we must maintain, acceptable levels of credit exposure to third parties, margin requirements applicable to derivatives, and restrictions on banking and financial activities. In addition, our regulatory posture and related expenses have been and

will continue to be affected by changes in regulatory expectations for global systemically important financial institutions applicable to, among other things, risk management, liquidity and capital planning and compliance programs, and changes in governmental enforcement approaches to perceived failures to comply with regulatory or legal obligations;

- adverse changes in the regulatory ratios that we are required or will be required to meet, whether arising under the Dodd-Frank Act or the Basel III final rule, or due to changes in regulatory positions, practices or regulations in jurisdictions in which we engage in banking activities, including changes in internal or external data, formulae, models, assumptions or other advanced systems used in the calculation of our capital ratios that cause changes in those ratios as they are measured from period to period;
- increasing requirements to obtain the prior approval of the Federal Reserve or our other U.S. and non-U.S. regulators for the use, allocation or distribution of our capital or other specific capital actions or programs, including acquisitions, dividends and stock purchases, without which our growth plans, distributions to shareholders, share repurchase 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 State Street's review of the way that it invoiced certain client expenses, including the amount of expenses determined to be reimbursable, as well as potential consequences of such review including with respect to our client relationships and potential investigations by regulators;
- the results of, and costs associated with, governmental or regulatory inquiries and investigations, litigation and similar claims, disputes, or proceedings;
- 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, 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 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, manage expenses, attract and retain highly skilled people and raise the capital necessary to achieve our business goals and comply with regulatory requirements and expectations;
- changes or potential changes to the competitive environment, including changes due to regulatory and technological changes, the effects of industry consolidation and perceptions of State Street as a suitable service provider or counterparty;
- changes or potential changes in the amount of compensation we receive from clients for our services, and the mix of services provided by us that clients choose;
- our ability to complete acquisitions, joint ventures and divestitures, including the ability to obtain regulatory approvals, the ability to arrange financing as required and the ability to satisfy closing conditions;
- the risks that our acquired businesses and joint ventures will not achieve their anticipated financial and operational benefits or will not be integrated successfully, or that the integration will take longer than anticipated, that expected synergies will not be achieved or unexpected negative synergies or liabilities will be experienced, that client and deposit retention goals will not be met, that other regulatory or operational challenges will be experienced, and that disruptions from the transaction will harm our relationships with our clients, our employees or regulators;
- our ability to recognize 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 2014 Annual Report on Form 10-K and our subsequent SEC filings. We encourage investors to read these filings, particularly the sections on risk factors, for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this news release speak only as of the date hereof, January 27, 2016, and we do not undertake efforts to revise those forward-looking statements to reflect events after that date.

**STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM**

December 31, 2015

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This financial information should be read in conjunction with State Street's news release dated January 27, 2016.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
CONSOLIDATED FINANCIAL HIGHLIGHTS

	Quarters								% Change		Year-to-Date		% Change
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15	2014	2015	2015 vs. 2014
(Dollars in millions, except per share amounts, or where otherwise noted)													
Revenue:													
Fee revenue ¹	\$ 1,919	\$ 2,034	\$ 2,006	\$ 2,051	\$ 2,055	\$ 2,076	\$ 2,103	\$ 2,044	(0.3)%	(2.8)%	\$ 8,010	\$ 8,278	3.3%
Net interest revenue	555	561	570	574	546	535	513	494	(13.9)	(3.7)	2,260	2,088	(7.6)
Net gains (losses) from sales of available-for-sale securities	15	—	—	—	—	(3)	(2)	—			15	(5)	
Net losses from other-than-temporary impairment	(1)	—	—	—	(1)	—	—	—			(1)	(1)	
Net losses reclassified (from) to other comprehensive income	(8)	(2)	—	—	—	—	—	—			(10)	—	
Total revenue ¹	2,480	2,593	2,576	2,625	2,600	2,608	2,614	2,538	(3.3)	(2.9)	10,274	10,360	0.8
Provision for loan losses	2	2	2	4	4	2	5	1			10	12	
Total expenses	2,028	1,850	1,892	2,057	2,097	2,134	1,962	1,857	(9.7)	(5.4)	7,827	8,050	2.8
Income before income tax expense ¹	450	741	682	564	499	472	647	680	20.6	5.1	2,437	2,298	(5.7)
Income tax expense ¹	91	122	126	76	94	54	67	103	35.5	53.7	415	318	(23.4)
Net income (loss) from minority interest	—	—	—	—	—	—	1	(1)	—	nm	—	—	—
Net income¹	359	619	556	488	405	418	581	576	18.0	(0.9)	2,022	1,980	(2.1)
Net income available to common shareholders¹	352	599	538	469	373	389	539	547	16.6	1.5	1,958	1,848	(5.6)
Diluted earnings per common share¹	.80	1.38	1.25	1.11	.89	.93	1.31	1.34	20.7	2.3	4.53	4.47	(1.3)
Average diluted common shares outstanding (in thousands)	438,815	435,320	429,736	424,339	418,750	416,712	412,167	407,012	(4.1)	(1.3)	432,007	413,638	(4.3)
Cash dividends declared per common share	\$.26	\$.30	\$.30	\$.30	\$.30	\$.34	\$.34	\$.34	13.3	—	\$ 1.16	\$ 1.32	13.8
Closing price per share of common stock (as of quarter end)	69.55	67.26	73.61	78.50	73.53	77.00	67.21	66.36	(15.5)	(1.3)	78.50	66.36	(15.5)
Ratios:													
Return on average common equity ¹	7.2%	11.9%	10.6%	9.4%	7.9%	8.2%	11.3%	11.6%	23.4	2.7	9.8%	9.8%	—
Pre-tax operating margin ¹	18.1	28.6	26.5	21.5	19.2	18.1	24.8	26.8	24.7	8.1	23.7	22.2	(6.3)
Common equity tier 1 risk-based capital ^{1,2}	NA	12.6	12.6	12.4	12.0	12.0	12.0	12.5	0.8	4.2	12.4	12.5	0.8
Tier 1 risk-based capital ^{1,2}	NA	14.0	14.0	14.5	14.0	14.7	14.7	15.3	5.5	4.1	14.5	15.3	5.5
Total risk-based capital ^{1,2}	NA	16.0	16.1	16.4	16.1	16.8	16.8	17.4	6.1	3.6	16.4	17.4	6.1
Tier 1 leverage ^{1,2}	NA	6.8	6.3	6.3	5.8	6.0	6.3	6.9	9.5	9.5	6.3	6.9	9.5
Tangible common equity ^{1,3}	NA	6.9	6.5	6.7	6.0	6.5	6.6	6.8	1.5	3.0	6.7	6.6	(1.5)
At quarter-end:													
Assets under custody and administration (in trillions) ⁴	\$ 27.48	\$ 28.40	\$ 28.47	\$ 28.19	\$ 28.49	\$ 28.65	\$ 27.27	\$ 27.51	(2.4)	0.9	\$ 28.19	\$ 27.51	(2.4)
Asset under management (in trillions)	2.38	2.48	2.42	2.45	2.44	2.37	2.20	2.25	(8.2)	2.3	2.45	2.25	(8.2)
Total assets	256,663	282,324	274,805	274,119	279,476	294,571	247,274	245,192	(10.6)	(0.8)	274,119	245,192	(10.6)
Investment securities	117,504	117,303	115,319	112,636	112,857	101,463	97,560	100,022	(11.2)	2.5	112,636	100,022	(11.2)
Deposits	194,648	218,834	207,968	209,040	211,352	230,591	186,367	191,627	(8.3)	2.8	209,040	191,627	(8.3)
Long-term debt	9,503	9,037	9,016	10,042	9,174	9,085	12,025	11,534	14.9	(4.1)	10,042	11,534	14.9
Total shareholders' equity ¹	21,139	21,562	21,015	21,328	20,670	21,347	21,343	21,103	(1.1)	(1.1)	21,328	21,103	(1.1)

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

² In early 2014, we announced that we had completed our Basel III qualification period. As a result, our regulatory capital ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 presented in the table above have been calculated under the advanced approaches provisions of the Basel III final rule. Regulatory capital ratios as of March 31, 2014 were calculated under Basel I, are not directly comparable to such ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015, and are not disclosed. Refer to page 13 of this earnings release addendum for additional information about our regulatory capital ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015.

³ Tangible common equity ratios as of March 31, 2014, June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 are non-GAAP financial measures. Refer to accompanying reconciliations on page 14 for additional information.

⁴ Included assets under custody of \$21.00 trillion, \$21.69 trillion, \$21.71 trillion, \$21.66 trillion, \$21.98 trillion, \$22.06 trillion, \$20.95 trillion and \$21.26 trillion as of March 31, 2014, June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015, respectively.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
CONSOLIDATED RESULTS OF OPERATIONS

	Quarters								% Change		Year-to-Date		% Change
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15	2014	2015	2015 vs. 2014
Reported Results													
Fee revenue:													
Servicing fees ¹	\$ 1,233	\$ 1,283	\$ 1,296	\$ 1,296	\$ 1,268	\$ 1,319	\$ 1,289	\$ 1,277	(1.5)%	(0.9)%	\$ 5,108	\$ 5,153	0.9%
Management fees	292	300	316	299	301	304	287	282	(5.7)	(1.7)	1,207	1,174	(2.7)
Trading services:													
Direct sales and trading	71	79	101	110	135	88	108	79	(28.2)	(26.9)	361	410	13.6
Indirect foreign exchange trading ²	63	65	60	58	68	79	69	64	10.3	(7.2)	246	280	13.8
Total foreign exchange trading	134	144	161	168	203	167	177	143	(14.9)	(19.2)	607	690	13.7
Electronic foreign exchange services	48	43	44	46	48	44	46	37	(19.6)	(19.6)	181	175	(3.3)
Other trading, transition management and brokerage	71	73	73	79	73	70	71	67	(15.2)	(5.6)	296	281	(5.1)
Total brokerage and other trading services	119	116	117	125	121	114	117	104	(16.8)	(11.1)	477	456	(4.4)
Total trading services	253	260	278	293	324	281	294	247	(15.7)	(16.0)	1,084	1,146	5.7
Securities finance	85	147	99	106	101	155	113	127	19.8	12.4	437	496	13.5
Processing fees and other	56	44	17	57	61	17	120	111	94.7	(7.5)	174	309	77.6
Total fee revenue ¹	1,919	2,034	2,006	2,051	2,055	2,076	2,103	2,044	(0.3)	(2.8)	8,010	8,278	3.3
Net interest revenue:													
Interest revenue	655	650	671	676	642	629	614	603	(10.8)	(1.8)	2,652	2,488	(6.2)
Interest expense	100	89	101	102	96	94	101	109	6.9	7.9	392	400	2.0
Net interest revenue	555	561	570	574	546	535	513	494	(13.9)	(3.7)	2,260	2,088	(7.6)
Gains (losses) related to investment securities, net:													
Net gains (losses) from sales of available-for-sale securities	15	—	—	—	—	(3)	(2)	—			15	(5)	
Losses from other-than-temporary impairment	(1)	—	—	—	(1)	—	—	—			(1)	(1)	
Losses reclassified (from) to other comprehensive income	(8)	(2)	—	—	—	—	—	—			(10)	—	
Gains (losses) related to investment securities, net	6	(2)	—	—	(1)	(3)	(2)	—			4	(6)	
Total revenue ¹	2,480	2,593	2,576	2,625	2,600	2,608	2,614	2,538	(3.3)	(2.9)	10,274	10,360	0.8
Provision for loan losses	2	2	2	4	4	2	5	1			10	12	
Expenses:													
Compensation and employee benefits	1,157	978	953	972	1,087	984	1,051	939	(3.4)	(10.7)	4,060	4,061	—
Information systems and communications	244	244	242	246	247	249	265	261	6.1	(1.5)	976	1,022	4.7
Transaction processing services	191	193	199	201	197	201	201	194	(3.5)	(3.5)	784	793	1.1
Occupancy	114	115	119	113	113	109	110	112	(0.9)	1.8	461	444	(3.7)
Acquisition and restructuring costs	33	28	20	52	6	3	10	6	(88.5)	(40.0)	133	25	(81.2)
Other	289	292	359	473	447	588	325	345	(27.1)	6.2	1,413	1,705	20.7
Total expenses	2,028	1,850	1,892	2,057	2,097	2,134	1,962	1,857	(9.7)	(5.4)	7,827	8,050	2.8
Income before income tax expense ¹	450	741	682	564	499	472	647	680	20.6	5.1	2,437	2,298	(5.7)
Income tax expense ¹	91	122	126	76	94	54	67	103	35.5	53.7	415	318	(23.4)
Net income (loss) from minority interest	—	—	—	—	—	—	1	(1)	—	nm	—	—	—
Net income¹	\$ 359	\$ 619	\$ 556	\$ 488	\$ 405	\$ 418	\$ 581	\$ 576	18.0	(0.9)	\$ 2,022	\$ 1,980	(2.1)

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
CONSOLIDATED RESULTS OF OPERATIONS (Continued)

	Quarters								% Change		Year-to-Date		% Change
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15	2014	2015	2015 vs. 2014
(Dollars in millions, except per share amounts, or where otherwise noted)													
Adjustments to net income:													
Dividends on preferred stock	\$ (6)	\$ (19)	\$ (18)	\$ (18)	\$ (31)	\$ (29)	\$ (42)	\$ (28)	55.6%	(33.3)%	\$ (61)	\$ (130)	113.1%
Earnings allocated to participating securities	(1)	(1)	—	(1)	(1)	—	—	(1)	—	—	(3)	(2)	(33.3)
Net income available to common shareholders¹	\$ 352	\$ 599	\$ 538	\$ 469	\$ 373	\$ 389	\$ 539	\$ 547	16.6	1.5	\$ 1,958	\$ 1,848	(5.6)
Earnings per common share:													
Basic ¹	\$.82	\$ 1.40	\$ 1.28	\$ 1.13	\$.90	\$.95	\$ 1.33	\$ 1.36	20.4	2.3	\$ 4.62	\$ 4.53	(1.9)
Diluted ¹	.80	1.38	1.25	1.11	.89	.93	1.31	1.34	20.7	2.3	4.53	4.47	(1.3)
Average common shares outstanding:													
Basic	430,621	427,824	421,974	416,651	412,225	410,674	406,612	402,041	(3.5)	(1.1)	424,223	407,856	(3.9)
Diluted	438,815	435,320	429,736	424,339	418,750	416,712	412,167	407,012	(4.1)	(1.3)	432,007	413,638	(4.3)
Cash dividends declared per common share	\$.26	\$.30	\$.30	\$.30	\$.30	\$.34	\$.34	\$.34	13.3	—	\$ 1.16	\$ 1.32	13.8
Closing price per share of common stock (as of quarter end)	69.55	67.26	73.61	78.50	73.53	77.00	67.21	66.36	(15.5)	(1.3)	78.50	66.36	(17.1)
Financial ratios:													
Return on average common equity ¹	7.2%	11.9%	10.6%	9.4%	7.9%	8.2%	11.3%	11.6%	23.4	2.7	9.8%	9.8%	—
Pre-tax operating margin ¹	18.1	28.6	26.5	21.5	19.2	18.1	24.8	26.8	24.7	8.1	23.7	22.2	(6.3)
After-tax margin ¹	14.5	23.9	21.6	18.6	15.6	16.0	22.2	22.7	22.0	2.3	19.7	19.1	(3.0)
Internal capital generation rate ¹	4.9	9.4	8.1	6.9	5.3	5.3	8.3	8.7	26.1	4.8	7.4	6.9	(6.8)
Common dividend payout ratio ¹	31.8	21.3	23.4	26.5	33.1	35.6	25.5	24.9	(6.0)	(2.4)	25.0	29.0	16.0

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

² We calculate revenue for indirect foreign exchange using an attribution methodology. This methodology takes into consideration estimated effective mark-ups/downs and observed client volumes. Direct sales and trading revenue is total foreign exchange trading revenue excluding the revenue attributed to indirect foreign exchange.

^{nm} Not meaningful

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
CONSOLIDATED STATEMENT OF CONDITION

(Dollars in millions, except per share amounts)	As of Quarter End								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Assets:										
Cash and due from banks	\$ 3,877	\$ 6,247	\$ 4,146	\$ 1,855	\$ 3,149	\$ 3,084	\$ 3,660	\$ 1,207	(34.9)%	(67.0)%
Interest-bearing deposits with banks	75,796	98,386	86,946	93,523	83,398	116,728	68,361	75,338	(19.4)	10.2
Securities purchased under resale agreements	6,087	3,681	2,603	2,390	11,331	4,447	9,155	3,404	42.4	(62.8)
Trading account assets	889	941	1,033	924	1,145	1,373	1,223	849	(8.1)	(30.6)
Investment securities:										
Investment securities available for sale	99,162	98,546	96,552	94,913	96,612	85,308	80,097	70,070	(26.2)	(12.5)
Investment securities held to maturity ²	18,342	18,757	18,767	17,723	16,245	16,155	17,463	29,952	69.0	71.5
Total investment securities	117,504	117,303	115,319	112,636	112,857	101,463	97,560	100,022	(11.2)	2.5
Loans and leases ³	16,084	16,767	18,364	18,161	18,278	18,547	19,019	18,753	3.3	(1.4)
Premises and equipment ⁴	1,896	1,920	1,911	1,937	1,933	2,035	1,984	1,894	(2.2)	(4.5)
Accrued interest and fees receivable	2,197	2,221	2,318	2,242	2,281	2,385	2,271	2,346	4.6	3.3
Goodwill	6,038	6,037	5,899	5,826	5,663	5,729	5,716	5,671	(2.7)	(0.8)
Other intangible assets	2,306	2,247	2,121	2,025	1,892	1,871	1,820	1,768	(12.7)	(2.9)
Other assets	23,989	26,574	34,145	32,600	37,549	36,909	36,505	33,940	4.1	(7.0)
Total assets	\$ 256,663	\$ 282,324	\$ 274,805	\$ 274,119	\$ 279,476	\$ 294,571	\$ 247,274	\$ 245,192	(10.6)	(0.8)
Liabilities:										
Deposits:										
Non-interest-bearing	\$ 72,800	\$ 73,109	\$ 66,134	\$ 70,490	\$ 72,704	\$ 83,120	\$ 58,426	\$ 65,800	(6.7)	12.6
Interest-bearing -- U.S.	15,327	27,584	24,435	33,012	30,769	32,839	30,407	29,958	(9.3)	(1.5)
Interest-bearing -- Non-U.S.	106,521	118,141	117,399	105,538	107,879	114,632	97,534	95,869	(9.2)	(1.7)
Total deposits	194,648	218,834	207,968	209,040	211,352	230,591	186,367	191,627	(8.3)	2.8
Securities sold under repurchase agreements	8,953	9,168	9,385	8,925	10,158	10,978	7,760	4,499	(49.6)	(42.0)
Federal funds purchased	18	14	17	21	17	15	25	6	(71.4)	(76.0)
Other short-term borrowings	3,811	4,322	4,307	4,381	4,346	4,756	3,761	1,748	(60.1)	(53.5)
Accrued expenses and other liabilities ¹	18,591	19,387	23,097	20,382	23,759	17,799	15,961	14,643	(28.2)	(8.3)
Long-term debt	9,503	9,037	9,016	10,042	9,174	9,085	12,025	11,534	14.9	(4.1)
Total liabilities ¹	235,524	260,762	253,790	252,791	258,806	273,224	225,899	224,057	(11.4)	(0.8)
Shareholders' equity:										
Preferred stock, no par, 3,500,000 shares authorized:										
Series C, 5,000 shares issued and outstanding	491	491	491	491	491	491	491	491	—	—
Series D, 7,500 shares issued and outstanding	742	742	742	742	742	742	742	742	—	—
Series E, 7,500 shares issued and outstanding	—	—	—	728	728	728	728	728	—	—
Series F, 7,500 shares issued and outstanding	—	—	—	—	—	742	742	742	—	—
Common stock, \$1 par, 750,000,000 shares authorized ⁵	504	504	504	504	504	504	504	504	—	—
Surplus	9,737	9,765	9,780	9,791	9,744	9,744	9,742	9,746	(0.5)	—
Retained earnings ¹	13,505	13,976	14,390	14,737	14,986	15,237	15,638	16,049	8.9	2.6
Accumulated other comprehensive income (loss)	188	489	(107)	(507)	(1,006)	(1,011)	(1,101)	(1,442)	184.4	31.0
Treasury stock, at cost ⁶	(4,028)	(4,405)	(4,785)	(5,158)	(5,519)	(5,830)	(6,143)	(6,457)	25.2	5.1
Total shareholders' equity ¹	21,139	21,562	21,015	21,328	20,670	21,347	21,343	21,103	(1.1)	(1.1)
Non-controlling interest-equity	—	—	—	—	—	—	32	32	—	—
Total equity ¹	21,139	21,562	21,015	21,328	20,670	21,347	21,375	21,135	—	—
Total liabilities and equity ¹	\$ 256,663	\$ 282,324	\$ 274,805	\$ 274,119	\$ 279,476	\$ 294,571	\$ 247,274	\$ 245,192	(10.6)	(0.8)

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
² Fair value of investment securities held to maturity	\$ 18,326	\$ 18,864	\$ 18,865	\$ 17,842	\$ 16,417	\$ 16,198	\$ 17,536	\$ 29,798
³ Allowance for loan losses	30	32	34	38	41	43	48	46
⁴ Accumulated depreciation for premises and equipment	4,521	4,620	4,538	4,599	4,653	4,780	4,768	4,820
⁵ Common stock shares issued	503,881,095	503,881,095	503,880,120	503,880,120	503,879,642	503,879,642	503,879,642	503,879,642
⁶ Treasury stock shares	73,440,407	78,910,844	83,948,535	88,684,969	92,569,079	96,125,524	100,086,970	104,227,647

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

	Quarters								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Average Balance Sheet Mix										
Investment securities and short-duration instruments	79.9%	81.5%	81.7%	81.2%	80.4%	81.8%	81.2%	79.9%	(1.6)%	(1.6)%
Loans and leases	6.8	6.4	6.5	7.1	7.0	6.6	7.0	8.2	15.5	17.1
Non-interest-earning assets	13.3	12.1	11.8	11.7	12.6	11.6	11.8	11.9	1.7	0.8
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Client funds bearing interest	61.5%	64.1%	64.6%	62.8%	59.9%	61.5%	61.6%	60.4%	(3.8)	(1.9)
Client funds not bearing interest	18.9	17.9	18.0	19.2	21.2	21.3	20.4	19.4	1.0	(4.9)
Other non-interest-bearing liabilities	5.6	4.9	5.1	5.9	6.9	5.6	5.1	5.6	(5.1)	9.8
Long-term debt and common shareholders' equity	13.7	12.6	11.8	11.5	11.2	10.7	11.8	13.4	16.5	13.6
Preferred shareholders' equity	0.3	0.5	0.5	0.6	0.8	0.9	1.1	1.2	100.0	9.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		

(Dollars in millions)

	Quarters								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Average Asset Backed Securities										
Fixed	\$ 1,490	\$ 1,480	\$ 1,408	\$ 1,405	\$ 1,293	\$ 1,748	\$ 2,231	\$ 2,151	53.1%	(3.6)%
Floating	53,178	51,889	49,214	43,425	40,306	36,931	29,973	26,891	(38.1)	(10.3)
Total	\$ 54,668	\$ 53,369	\$ 50,622	\$ 44,830	\$ 41,599	\$ 38,679	\$ 32,204	\$ 29,042		

(Dollars in millions)

	Quarters								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Investment Securities - Appreciation (Depreciation)										
Held to maturity:										
Amortized cost (book value)	\$ 18,342	\$ 18,757	\$ 18,767	\$ 17,723	\$ 16,245	\$ 16,155	\$ 17,463	\$ 29,952	69.0%	71.5%
Fair value	18,326	18,864	18,865	17,842	16,417	16,198	17,536	29,798	67.0	69.9
Appreciation (depreciation)	(16)	107	98	119	172	43	73	(154)	(229.4)	(311.0)
Available for sale:										
Amortized cost	98,770	97,739	95,834	94,108	95,524	84,689	79,415	69,843	(25.8)	(12.1)
Fair value (book value)	99,162	98,546	96,552	94,913	96,612	85,308	80,097	70,070	(26.2)	(12.5)
Appreciation (depreciation)	392	807	718	805	1,088	619	682	227	(71.8)	(66.7)
Pre-tax depreciation related to securities available for sale transferred to held to maturity	(170)	(153)	(130)	(112)	(95)	(86)	(70)	23	(120.5)	(132.9)
Total pre-tax appreciation (depreciation) related to investment securities portfolio	206	761	686	812	1,165	576	685	96	(88.2)	(86.0)
Total after-tax appreciation (depreciation) related to investment securities portfolio	124	456	411	487	699	346	411	58	(88.1)	(85.9)

(Dollars in billions)

	Quarters								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Securities on Loan										
Average securities on loan	\$ 333	\$ 357	\$ 354	\$ 346	\$ 350	\$ 356	\$ 331	\$ 341	(1.4)%	3.0%
End-of-period securities on loan	348	364	341	351	350	333	332	323	(8.0)	(2.7)

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
AVERAGE STATEMENT OF CONDITION - RATES EARNED AND PAID - FULLY TAXABLE-EQUIVALENT BASIS

The following table presents consolidated average interest-earning assets, average interest-bearing liabilities and related average rates earned and paid, respectively, for the quarters indicated, on a fully taxable-equivalent basis, which is a non-GAAP measure. Tax-equivalent adjustments were calculated using a federal income tax rate of 35%, adjusted for applicable state income taxes, net of related federal benefit. Refer to page 9 of this earnings release addendum for reconciliations of GAAP basis to fully taxable-equivalent basis net interest revenue for each of the periods shown below.

	Quarters																% Change	
	1Q14		2Q14		3Q14		4Q14		1Q15		2Q15		3Q15		4Q15		4Q15 vs. 4Q14	4Q15 vs. 3Q15
	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average rates	Average balance	Average balance
Assets:																		
Interest-bearing deposits with banks	\$ 33,410	0.42%	\$ 53,564	0.38%	\$ 63,160	0.33%	\$ 70,780	0.32%	\$ 71,568	0.30%	\$ 79,435	0.27%	\$ 73,466	0.29%	\$ 54,689	0.34%	(22.7)%	(25.6)%
Securities purchased under resale agreements	6,631	0.53	4,307	0.94	3,249	1.05	2,178	1.99	2,449	1.88	2,662	2.24	4,838	1.51	2,960	2.36	35.9	(38.8)
Trading account assets	901	—	953	—	985	—	995	—	1,117	—	1,243	—	1,338	—	1,078	—	8.3	(19.4)
Investment securities																		
U.S. Treasury and federal agencies																		
Direct obligations	5,992	2.02	8,027	1.97	11,570	1.69	15,858	1.65	17,123	1.60	18,189	1.57	20,179	1.56	25,275	1.54	59.4	25.3
Mortgage- and asset-backed securities	23,506	2.26	22,547	2.21	21,544	2.17	20,797	2.18	20,944	2.18	20,217	2.08	19,123	2.08	19,112	2.12	(8.1)	(0.1)
State and political subdivisions	10,452	4.37	10,562	3.30	10,636	3.80	10,821	3.76	10,963	3.73	10,827	3.77	10,300	3.87	9,848	3.86	(9.0)	(4.4)
Other investments																		
Asset-backed securities	54,668	1.35	53,369	1.38	50,622	1.45	44,830	1.43	41,599	1.36	38,679	1.40	32,204	1.61	29,042	1.56	(35.2)	(9.8)
Collateralized mortgage-backed securities and obligations	8,068	2.80	7,972	2.78	7,979	2.72	7,490	2.59	7,757	2.57	7,226	2.60	5,632	2.66	4,855	2.57	(35.2)	(13.8)
Money market mutual funds	670	—	442	—	390	—	232	—	531	—	493	—	166	—	258	—	11.2	55.4
Other debt investments and equity securities	14,479	2.14	14,674	2.12	14,877	2.21	14,194	2.14	13,739	1.97	13,322	1.94	12,571	1.89	12,461	1.83	(12.2)	(0.9)
Total investment securities	117,835	2.02	117,593	1.94	117,618	1.99	114,222	1.98	112,656	1.93	108,953	1.93	100,175	2.02	100,851	1.96	(11.7)	0.7
Loans and leases	14,602	1.61	15,061	1.62	16,002	1.59	17,945	1.84	18,025	1.65	17,508	1.77	17,606	1.77	18,650	1.74	3.9	5.9
Other interest-earning assets	13,527	0.02	14,845	0.06	17,003	0.05	18,338	0.05	20,544	0.06	23,610	0.03	24,001	0.03	22,671	0.05	23.6	(5.5)
Total interest-earning assets	186,906	1.52	206,323	1.34	218,017	1.30	224,458	1.27	226,359	1.23	233,411	1.16	221,424	1.18	200,899	1.27%	(10.5)	(9.3)
Cash and due from banks	4,618	—	5,304	—	4,240	—	2,416	—	2,397	—	2,807	—	2,526	—	2,114	—	(12.5)	(16.3)
Other assets	24,045	—	23,037	—	25,053	—	27,565	—	30,326	—	27,644	—	27,096	—	25,188	—	(8.6)	(7.0)
Total assets	\$ 215,569	—	\$ 234,664	—	\$ 247,310	—	\$ 254,439	—	\$ 259,082	—	\$ 263,862	—	\$ 251,046	—	\$ 228,201	—	(10.3)%	(9.1)%
Liabilities:																		
Interest-bearing deposits:																		
U.S.	\$ 12,072	0.03%	\$ 20,698	0.09%	\$ 24,144	0.11%	\$ 28,063	0.12%	\$ 30,174	0.13%	\$ 28,165	0.13%	\$ 36,033	0.16%	\$ 28,863	0.23%	2.9 %	(19.9)%
Non-U.S. transaction accounts	99,808	—	106,894	—	112,856	—	109,260	—	102,624	—	109,560	—	99,873	—	92,985	—	(14.9)	(6.9)
Non-U.S. nontransaction accounts	1,474	—	2,396	—	1,900	—	1,258	—	1,207	—	1,382	—	1,424	—	1,030	—	(18.1)	(27.7)
Total Non-U.S.	101,282	0.06	109,290	0.05	114,756	0.09	110,518	0.08	103,831	0.06	110,942	0.02	101,297	0.05	94,015	0.05	(14.9)	(7.2)
Securities sold under repurchase agreements	8,424	—	8,747	—	9,111	—	8,977	—	9,354	—	10,155	0.02	9,220	—	6,796	—	(24.3)	(26.3)
Federal funds purchased	20	—	19	—	18	—	22	—	24	—	22	—	17	—	19	—	(13.6)	11.8
Other short-term borrowings	3,909	1.57	4,000	(1.20)	4,376	—	4,415	0.13	4,448	0.13	4,400	0.16	3,791	0.18	2,684	0.14	(39.2)	(29.2)
Long-term debt	9,668	2.60	9,340	2.73	9,020	2.64	9,216	2.56	9,736	2.54	9,154	2.67	10,530	2.35	11,886	2.21	29.0	12.9
Other interest-bearing liabilities	6,758	0.43	7,559	0.99	7,386	0.42	7,690	0.50	7,465	0.41	8,609	0.74	4,463	0.88	5,392	0.91	(29.9)	20.8
Total interest-bearing liabilities	142,133	0.29	159,653	0.22	168,811	0.24	168,901	0.24	165,032	0.24	171,447	0.22	165,351	0.24	149,655	0.29	(11.4)	(9.5)
Non-interest bearing deposits	40,711	—	41,906	—	44,503	—	48,951	—	55,066	—	56,281	—	51,155	—	44,323	—	(9.5)	(13.4)
Other liabilities ¹	12,166	—	11,677	—	12,652	—	15,212	—	17,914	—	14,864	—	12,969	—	12,832	—	(15.6)	(1.1)
Preferred shareholders' equity	722	—	1,233	—	1,233	—	1,526	—	1,961	—	2,295	—	2,703	—	2,703	—	77.1	—
Common shareholders' equity ¹	19,837	—	20,195	—	20,111	—	19,849	—	19,109	—	18,975	—	18,868	—	18,688	—	(5.8)	(1.0)
Total liabilities and shareholders' equity ¹	\$ 215,569	—	\$ 234,664	—	\$ 247,310	—	\$ 254,439	—	\$ 259,082	—	\$ 263,862	—	\$ 251,046	—	\$ 228,201	—	(10.3)%	(9.1)%
Excess of rate earned over rate paid	—	1.23%	—	1.12%	—	1.06%	—	1.03%	—	0.99%	—	0.94%	—	0.94%	—	0.98%	—	—
Net interest margin	—	1.30%	—	1.17%	—	1.12%	—	1.09%	—	1.06%	—	1.00%	—	1.00%	—	1.06%	—	—
Net interest revenue, fully taxable-equivalent basis	\$ 599	—	\$ 603	—	\$ 613	—	\$ 618	—	\$ 590	—	\$ 579	—	\$ 556	—	\$ 536	—	—	—
Tax-equivalent adjustment	(44)	—	(42)	—	(43)	—	(44)	—	(44)	—	(44)	—	(43)	—	(42)	—	—	—
Net interest revenue, GAAP basis	\$ 555	—	\$ 561	—	\$ 570	—	\$ 574	—	\$ 546	—	\$ 535	—	\$ 513	—	\$ 494	—	—	—

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
ASSETS UNDER CUSTODY AND ADMINISTRATION¹

(Dollars in billions)	Quarters								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Assets Under Custody and Administration										
By Product Classification:										
Mutual funds	\$ 6,908	\$ 7,122	\$ 7,035	\$ 6,992	\$ 7,073	\$ 7,107	\$ 6,698	\$ 6,768	(3.2)%	1.0%
Collective funds	6,637	6,956	6,919	6,949	7,113	7,189	6,883	7,088	2.0	3.0
Pension products	5,472	5,613	5,780	5,746	5,745	5,830	5,497	5,510	(4.1)	0.2
Insurance and other products	8,460	8,709	8,731	8,501	8,560	8,524	8,187	8,142	(4.2)	(0.5)
Total Assets Under Custody and Administration	\$ 27,477	\$ 28,400	\$ 28,465	\$ 28,188	\$ 28,491	\$ 28,650	\$ 27,265	\$ 27,508	(2.4)	0.9
By Financial Instrument:										
Equities	\$ 15,040	\$ 15,607	\$ 15,616	\$ 15,876	\$ 15,660	\$ 16,006	\$ 14,223	\$ 14,888	(6.2)%	4.7%
Fixed-income	9,053	9,255	9,298	8,739	9,157	8,939	9,470	9,264	6.0	(2.2)
Short-term and other investments	3,384	3,538	3,551	3,573	3,674	3,705	3,572	3,356	(6.1)	(6.0)
Total Assets Under Custody and Administration	\$ 27,477	\$ 28,400	\$ 28,465	\$ 28,188	\$ 28,491	\$ 28,650	\$ 27,265	\$ 27,508	(2.4)	0.9
By Geographic Location ² :										
North America	\$ 20,540	\$ 21,199	\$ 21,255	\$ 21,217	\$ 21,554	\$ 21,667	\$ 20,536	\$ 20,842	(1.8)%	1.5%
Europe/Middle East/Africa	5,704	5,923	5,869	5,633	5,590	5,621	5,452	5,387	(4.4)	(1.2)
Asia/Pacific	1,233	1,278	1,341	1,338	1,347	1,362	1,277	1,279	(4.4)	0.2
Total Assets Under Custody and Administration	\$ 27,477	\$ 28,400	\$ 28,465	\$ 28,188	\$ 28,491	\$ 28,650	\$ 27,265	\$ 27,508	(2.4)	0.9
Assets Under Custody³										
By Product Classification:										
Mutual funds	\$ 6,596	\$ 6,812	\$ 6,669	\$ 6,634	\$ 6,786	\$ 6,744	\$ 6,369	\$ 6,413	(3.3)%	0.7%
Collective funds	5,110	5,375	5,354	5,475	5,626	5,674	5,412	5,642	3.1	4.2
Pension products	4,868	4,985	5,188	5,161	5,160	5,243	4,921	4,944	(4.2)	0.5
Insurance and other products	4,422	4,515	4,496	4,386	4,406	4,403	4,245	4,259	(2.9)	0.3
Total Assets Under Custody	\$ 20,996	\$ 21,687	\$ 21,707	\$ 21,656	\$ 21,978	\$ 22,064	\$ 20,947	\$ 21,258	(1.8)	1.5
By Geographic Location ² :										
North America	\$ 16,220	\$ 16,743	\$ 16,813	\$ 16,903	\$ 17,221	\$ 17,255	\$ 16,379	\$ 16,664	(1.4)%	1.7%
Europe/Middle East/Africa	3,806	3,956	3,858	3,729	3,732	3,779	3,615	3,635	(2.5)	0.6
Asia/Pacific	970	988	1,036	1,024	1,025	1,030	953	959	(6.3)	0.6
Total Assets Under Custody	\$ 20,996	\$ 21,687	\$ 21,707	\$ 21,656	\$ 21,978	\$ 22,064	\$ 20,947	\$ 21,258	(1.8)	1.5

¹ Amounts as of quarter-end.

² Geographic mix is based on the location at which the assets are serviced.

³ Assets under custody are a component of assets under custody and administration presented above.

**STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
ASSETS UNDER MANAGEMENT¹**

	Quarters								% Change	
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15
(Dollars in billions)										
Assets Under Management										
By Asset Class and Investment Approach:										
Equity:										
Active	\$ 42	\$ 42	\$ 40	\$ 39	\$ 38	\$ 36	\$ 29	\$ 32	(17.9)%	10.3 %
Passive	1,323	1,390	1,371	1,436	1,434	1,386	1,237	1,293	(10.0)	4.5
Total Equity	1,365	1,432	1,411	1,475	1,472	1,422	1,266	1,325	(10.2)	4.7
Fixed-Income:										
Active	16	16	16	17	17	17	16	18	5.9	12.5
Passive	320	336	322	302	306	303	300	294	(2.6)	(2.0)
Total Fixed-Income	336	352	338	319	323	320	316	312	(2.2)	(1.3)
Cash ²	419	413	410	399	393	376	380	369	(7.5)	(2.9)
Multi-Asset-Class Solutions:										
Active	25	34	34	30	31	29	26	17	(43.3)	(34.6)
Passive	108	116	104	97	84	89	85	86	(11.3)	1.2
Total Multi-Asset-Class Solutions	133	150	138	127	115	118	111	103	(18.9)	(7.2)
Alternative Investments ³ :										
Active	16	18	17	17	17	18	17	17	—	—
Passive	112	115	107	111	123	120	113	119	7.2	5.3
Total Alternative Investments	128	133	124	128	140	138	130	136	6.3	4.6
Total Assets Under Management	\$ 2,381	\$ 2,480	\$ 2,421	\$ 2,448	\$ 2,443	\$ 2,374	\$ 2,203	\$ 2,245	(8.3)	1.9
By Geographic Location ⁴ :										
North America	\$ 1,480	\$ 1,533	\$ 1,502	\$ 1,568	\$ 1,549	\$ 1,486	\$ 1,409	\$ 1,452	(7.4)%	3.1 %
Europe/Middle East/Africa	562	589	565	559	566	563	500	489	(12.5)	(2.2)
Asia/Pacific	339	358	354	321	328	325	294	304	(5.3)	3.4
Total Assets Under Management	\$ 2,381	\$ 2,480	\$ 2,421	\$ 2,448	\$ 2,443	\$ 2,374	\$ 2,203	\$ 2,245	(8.3)	1.9

¹ Amounts as of quarter-end.

² Includes both floating- and constant-net-asset-value portfolios held in commingled structures or separate accounts.

³ Includes real estate investment trusts, currency and commodities, including SPDR[®] Gold Fund for which State Street is not the investment manager, but acts as distribution agent.

⁴ Geographic mix is based on client location or fund management location.

Exchange-Traded Funds⁵

By Asset Class:

Alternative investments	\$ 42	\$ 43	\$ 40	\$ 38	\$ 40	\$ 37	\$ 35	\$ 34	(10.5)%	(2.9)%
Cash	1	1	1	1	1	2	3	3	200.0	—
Equity	308	331	338	388	356	342	323	350	(9.8)	8.4
Fixed-income	36	38	37	39	43	41	39	41	5.1	5.1
Total Exchange-Traded Funds	\$ 387	\$ 413	\$ 416	\$ 466	\$ 440	\$ 422	\$ 400	\$ 428	(8.2)	7.0

⁵ Exchange-traded funds are a component of assets under management presented above.

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

In addition to presenting State Street's financial results in conformity with U.S. generally accepted accounting principles, 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 accompanying materials present financial information prepared on a GAAP as well as on an operating basis; accordingly, this earnings release addendum provides reconciliations of operating-basis financial measures. The following tables reconcile operating-basis financial information presented in the accompanying earnings release to financial information prepared and reported in conformity with GAAP.

	Quarters								% Change		Year-to-Date		% Change
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15	2014	2015	2015 vs. 2014
(Dollars in millions, except per share amounts, or where otherwise noted)													
Total Revenue¹:													
Total revenue, GAAP basis ¹	\$ 2,480	\$ 2,593	\$ 2,576	\$ 2,625	\$ 2,600	\$ 2,608	\$ 2,614	\$ 2,538	(3.3)%	(2.9)%	\$10,274	\$10,360	0.8 %
Adjustment to processing fees and other revenue (see below)	57	64	86	81	53	98	12	31			288	194	
Adjustment to net interest revenue (see below)	44	42	43	44	44	44	43	42			173	173	
Adjustment to net interest revenue (see below)	(27)	(28)	(33)	(31)	(25)	(23)	(27)	(23)			(119)	(98)	
Total revenue, operating basis ^{1,2,3,4}	\$ 2,554	\$ 2,671	\$ 2,672	\$ 2,719	\$ 2,672	\$ 2,727	\$ 2,642	\$ 2,588	(4.8)	(2.0)	\$10,616	\$10,629	0.1
Fee Revenue¹:													
Total fee revenue, GAAP basis ¹	\$ 1,919	\$ 2,034	\$ 2,006	\$ 2,051	\$ 2,055	\$ 2,076	\$ 2,103	\$ 2,044	(0.3)	(2.8)	\$ 8,010	\$ 8,278	3.3
Tax-equivalent adjustment associated with tax-advantaged investments	57	64	86	81	53	98	95	113			288	359	
Gain on sale of CRE and paydown of CRE loan	—	—	—	—	—	—	(83)	(82)			—	(165)	
Total fee revenue, operating basis ¹	\$ 1,976	\$ 2,098	\$ 2,092	\$ 2,132	\$ 2,108	\$ 2,174	\$ 2,115	\$ 2,075	(2.7)	(1.9)	\$ 8,298	\$ 8,472	2.1
Processing Fees and Other Revenue:													
Total processing fees and other revenue, GAAP basis	\$ 56	\$ 44	\$ 17	\$ 57	\$ 61	\$ 17	\$ 120	\$ 111	94.7	(7.5)	\$ 174	\$ 309	77.6
Tax-equivalent adjustment associated with tax-advantaged investments	57	64	86	81	53	98	95	113			288	359	
Gain on sale of CRE and paydown of CRE loan	—	—	—	—	—	—	(83)	(82)			—	(165)	
Total processing fees and other revenue, operating basis	\$ 113	\$ 108	\$ 103	\$ 138	\$ 114	\$ 115	\$ 132	\$ 142	2.9	7.6	\$ 462	\$ 503	8.9
Net Interest Revenue:													
Net interest revenue, GAAP basis	\$ 555	\$ 561	\$ 570	\$ 574	\$ 546	\$ 535	\$ 513	\$ 494	(13.9)	(3.7)	\$ 2,260	\$ 2,088	92.4
Tax-equivalent adjustment associated with tax-exempt investment securities	44	42	43	44	44	44	43	42			173	173	
Net interest revenue, fully taxable-equivalent basis ⁵	599	603	613	618	590	579	556	536			2,433	2,261	
Discount accretion associated with former conduit securities	(27)	(28)	(33)	(31)	(25)	(23)	(27)	(23)			(119)	(98)	
Net interest revenue, operating basis ⁵	\$ 572	\$ 575	\$ 580	\$ 587	\$ 565	\$ 556	\$ 529	\$ 513	(12.6)	(3.0)	\$ 2,314	\$ 2,163	(6.5)
Net Interest Margin:													
Net interest margin, fully taxable-equivalent basis ⁽⁶⁾	1.30%	1.17%	1.12%	1.09%	1.06%	1.00%	1.00%	1.06%	(3) bps	6 bps	1.16%	1.03%	(13) bps
Effect of discount accretion	0.06	0.05	0.06	0.05	0.05	0.04	0.05	0.05			0.05	0.05	
Net interest margin, operating basis	1.24%	1.12%	1.06%	1.04%	1.01%	0.96%	0.95%	1.01%	(3)	6	1.11%	0.98%	(13)

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

	Quarters								% Change		Year-to-Date		% Change
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15	2014	2015	2015 vs. 2014
(Dollars in millions, except per share amounts, or where otherwise noted)													
Expenses:													
Total expenses, GAAP basis	\$ 2,028	\$ 1,850	\$ 1,892	\$ 2,057	\$ 2,097	\$ 2,134	\$ 1,962	\$ 1,857	(9.7)%	(5.4)%	\$ 7,827	\$ 8,050	2.8 %
Severance costs associated with staffing realignment	(72)	(4)	2	(10)	1	—	(75)	1			(84)	(73)	
Provisions for legal contingencies	(6)	—	(66)	(115)	(150)	(250)	—	(15)			(187)	(415)	
Expense billing matter	—	—	—	—	—	—	—	(17)			—	(17)	
Acquisition costs	(21)	(15)	(12)	(10)	(5)	(3)	(7)	(5)			(58)	(20)	
Restructuring charges, net	(12)	(13)	(8)	(42)	(1)	—	(3)	(1)			(75)	(5)	
Total expenses, operating basis ^{2,3,4}	<u>\$ 1,917</u>	<u>\$ 1,818</u>	<u>\$ 1,808</u>	<u>\$ 1,880</u>	<u>\$ 1,942</u>	<u>\$ 1,881</u>	<u>\$ 1,877</u>	<u>\$ 1,820</u>	(3.2)	(3.0)	<u>\$ 7,423</u>	<u>\$ 7,520</u>	1.3
Compensation and Employee Benefits Expenses:													
Total compensation and employee benefits expenses, GAAP basis	\$ 1,157	\$ 978	\$ 953	\$ 972	\$ 1,087	\$ 984	\$ 1,051	\$ 939	(3.4)	(10.7)	\$ 4,060	\$ 4,061	—
Severance costs associated with staffing realignment	(72)	(4)	2	(10)	1	—	(75)	1			(84)	(73)	
Total compensation and employee benefits expenses, operating basis	<u>\$ 1,085</u>	<u>\$ 974</u>	<u>\$ 955</u>	<u>\$ 962</u>	<u>\$ 1,088</u>	<u>\$ 984</u>	<u>\$ 976</u>	<u>\$ 940</u>	(2.3)	(3.7)	<u>\$ 3,976</u>	<u>\$ 3,988</u>	0.3
Other Expenses:													
Total other expenses, GAAP basis	\$ 289	\$ 292	\$ 359	\$ 473	\$ 447	\$ 588	\$ 325	\$ 345	(27.1)	6.2	\$ 1,413	\$ 1,705	20.7
Provisions for legal contingencies	(6)	—	(66)	(115)	(150)	(250)	—	(15)			(187)	(415)	
Expense billing matter	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (17)			\$ —	\$ (17)	
Total other expenses, operating basis	<u>\$ 283</u>	<u>\$ 292</u>	<u>\$ 293</u>	<u>\$ 358</u>	<u>\$ 297</u>	<u>\$ 338</u>	<u>\$ 325</u>	<u>\$ 313</u>	(12.6)	(3.7)	<u>\$ 1,226</u>	<u>\$ 1,273</u>	3.8
Income Before Income Tax Expense¹:													
Income before income tax expense, GAAP basis ⁵	\$ 450	\$ 741	\$ 682	\$ 564	\$ 499	\$ 472	\$ 647	\$ 680	20.6	5.1	\$ 2,437	\$ 2,298	(5.7)
Net pre-tax effect of non-operating adjustments to revenue and expenses	185	110	180	271	227	372	113	87			746	799	
Income before income tax expense, operating basis ⁵	<u>\$ 635</u>	<u>\$ 851</u>	<u>\$ 862</u>	<u>\$ 835</u>	<u>\$ 726</u>	<u>\$ 844</u>	<u>\$ 760</u>	<u>\$ 767</u>	(8.1)	0.9	<u>\$ 3,183</u>	<u>\$ 3,097</u>	(2.7)
Pre-tax operating margin¹:													
Pre-tax operating margin, GAAP basis ¹	18.1%	28.6%	26.5%	21.5%	19.2%	18.1%	24.8%	26.8%			23.7%	22.2%	
Net effect of non-operating adjustments	6.8	3.3	5.8	9.2	8.0	12.8	4.0	2.8			6.3	6.9	
Pre-tax operating margin, operating basis ^{1,6}	<u>24.9%</u>	<u>31.9%</u>	<u>32.3%</u>	<u>30.7%</u>	<u>27.2%</u>	<u>30.9%</u>	<u>28.8%</u>	<u>29.6%</u>			<u>30.0%</u>	<u>29.1%</u>	
Income Tax Expense¹:													
Income tax expense, GAAP basis ¹	\$ 91	\$ 122	\$ 126	\$ 76	\$ 94	\$ 54	\$ 67	\$ 103	35.5	53.7	\$ 415	\$ 318	(23.4)
Aggregate tax-equivalent adjustments	101	106	129	125	97	142	138	155			461	532	
Gain on sale of CRE and paydown of CRE loan	—	—	—	—	—	—	(34)	(33)			—	(67)	
Italian deferred tax liability	—	—	—	—	—	—	59	—			—	59	
One-time Italian tax on banks and insurance companies	(11)	—	—	—	—	—	—	—			(11)	—	
Net tax effect of non-operating adjustments	18	3	12	37	16	54	13	18			70	101	
Income tax expense, operating basis ¹	<u>\$ 199</u>	<u>\$ 231</u>	<u>\$ 267</u>	<u>\$ 238</u>	<u>\$ 207</u>	<u>\$ 250</u>	<u>\$ 243</u>	<u>\$ 243</u>	2.1	—	<u>\$ 935</u>	<u>\$ 943</u>	0.9

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

	Quarters								% Change		Year-to-Date		% Change
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	4Q15 vs. 4Q14	4Q15 vs. 3Q15	2014	2015	2015 vs. 2014
(Dollars in millions, except per share amounts, or where otherwise noted)													
Effective Tax Rate¹:													
Income before income tax expense, operating basis ¹	\$ 635	\$ 851	\$ 862	\$ 835	\$ 726	\$ 844	\$ 760	\$ 767			\$ 3,183	\$ 3,097	
Income tax expense, operating basis ¹	199	231	267	238	207	250	243	243			935	943	
Effective tax rate, operating basis ¹	31.2%	27.1%	31.0%	28.6%	28.4%	29.6%	32.0%	31.8%			29.4%	30.4%	
Net Income Available to Common Shareholders¹:													
Net income available to common shareholders, GAAP basis ¹	\$ 352	\$ 599	\$ 538	\$ 469	\$ 373	\$ 389	\$ 539	\$ 547	16.6 %	1.5 %	\$ 1,958	\$ 1,848	(5.6)%
Net after-tax effect of non-operating adjustments to processing fees and other revenue, net interest revenue, expenses and income tax expense	77	1	39	109	114	176	(63)	(53)			226	174	
Net income available to common shareholders, operating basis ¹	\$ 429	\$ 600	\$ 577	\$ 578	\$ 487	\$ 565	\$ 476	\$ 494	(14.5)	3.8	\$ 2,184	\$ 2,022	(7.4)
Diluted Earnings per Common Share¹:													
Diluted earnings per common share, GAAP basis ¹	\$.80	\$ 1.38	\$ 1.25	\$ 1.11	\$.89	\$.93	\$ 1.31	\$ 1.34	20.7	2.3	\$ 4.53	\$ 4.47	(1.3)
Severance costs	.11	.01	—	.01	—	—	.11	—			.13	.11	
Provisions for legal contingencies	.01	—	.12	.22	.36	.37	—	.02			.34	.76	
Expense billing matter	—	—	—	—	—	—	—	.03			—	.03	
Acquisition costs	.03	.02	.02	.01	.01	—	.01	.01			.09	.03	
Restructuring charges, net	.02	.02	.01	.06	—	—	—	—			.11	.01	
Effect on income tax of non-operating adjustments	.02	—	(.01)	(.01)	(.06)	.08	.02	(.04)			—	—	
Discount accretion associated with former conduit securities	(.04)	(.04)	(.05)	(.04)	(.04)	(.02)	(.04)	(.03)			(.17)	(.14)	
Gain on sale of CRE and paydown of CRE loan	—	—	—	—	—	—	(.12)	(.12)			—	(.24)	
Italian deferred tax liability	—	—	—	—	—	—	(.14)	—			—	(.14)	
One-time Italian tax on banks and insurance companies	.03	—	—	—	—	—	—	—			.02	—	
Diluted earnings per common share, operating basis ¹	\$.98	\$ 1.39	\$ 1.34	\$ 1.36	\$ 1.16	\$ 1.36	\$ 1.15	\$ 1.21	(11.0)	5.2	\$ 5.05	\$ 4.89	(3.2)
Return on Average Common Equity¹:													
Return on average common equity, GAAP basis ¹	7.2%	11.9%	10.6%	9.4%	7.9%	8.2%	11.3%	11.6%	220 bps	30 bps	9.8%	9.8%	— bps
Severance costs	1.0	—	—	.1	—	—	1.0	—			.3	.2	
Provisions for legal contingencies	.1	—	.9	1.8	3.2	3.3	—	.2			.7	1.6	
Expense billing matter	—	—	—	—	—	—	—	.3			—	.1	
Acquisition costs	.3	.2	.2	.2	.1	—	.1	.1			.2	.1	
Restructuring charges, net	.1	.1	.1	.6	—	—	—	—			.2	—	
Effect on income tax of non-operating adjustments	.2	—	—	(.1)	(.5)	.7	.1	(.3)			—	—	
Discount accretion associated with former conduit securities	(.3)	(.3)	(.4)	(.4)	(.3)	(.3)	(.3)	(.3)			(.4)	(.3)	
Gain on sale of CRE and paydown of CRE loan	—	—	—	—	—	—	(1.0)	(1.1)			—	(.5)	
Italian deferred tax liability	—	—	—	—	—	—	(1.2)	—			—	(.3)	
One-time Italian tax on banks and insurance companies	.2	—	—	—	—	—	—	—			.1	—	
Return on average common equity, operating basis ¹	8.8%	11.9%	11.4%	11.6%	10.4%	11.9%	10.0%	10.5%	(110)	50	10.9%	10.7%	(20)

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

- ¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.
- ² For the quarters ended December 31, 2015 and December 31, 2014, negative operating leverage in the year-over-year comparison was approximately 163 basis points, based on an decrease in total operating-basis revenue of 4.82% and an decrease in total operating-basis expenses of 3.19%.
- ³ For the quarters ended December 31, 2015 and September 30, 2015, positive operating leverage in the quarter-over-quarter comparison was approximately 100 basis points, based on an decrease in total operating-basis revenue of 2.04% and a decrease in total operating-basis expenses of 3.04%.
- ⁴ For the years ended December 31, 2015 and December 31, 2014, negative operating leverage in the year-over-year comparison was approximately 119 basis points, based on an increase in total operating-basis revenue of 0.12% and an increase in total operating-basis expenses of 1.31%.
- ⁵ Fully taxable-equivalent net interest margin for the first, second, third and fourth quarters of 2014 and first, second, third and fourth quarters of 2015 represented fully taxable-equivalent net interest revenue of \$599 million, \$603 million, \$613 million, \$618 million, \$590 million, \$579 million, \$556 million and \$536 million, respectively (GAAP-basis net interest revenue of \$555 million, \$561 million, \$570 million, \$574 million, \$546 million, \$535 million \$513 million and \$494 million plus tax-equivalent adjustments of \$44 million, \$42 million, \$43 million, \$44 million, \$44 million, \$44 million \$43 million and \$42 million, respectively), on an annualized basis, as a percentage of average total interest-earning assets for the quarters presented.
- ⁶ Pre-tax operating margin for the first, second, third and fourth quarters of 2014 and first, second, third and fourth quarters of 2015 was calculated by dividing income before income tax expense by total revenue.

**STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
REGULATORY CAPITAL**

The accompanying materials present capital ratios in addition to, or adjusted from, those calculated in conformity with applicable regulatory requirements. These include capital ratios based on tangible common equity, as well as capital ratios adjusted to reflect our estimate of the impact of the relevant Basel III requirements, as specified in the July 2013 final rule issued by the Board of Governors of the Federal Reserve System, referred to as the Basel III final rule. These non-regulatory and adjusted capital measures are non-GAAP financial measures. Management currently calculates the non-GAAP capital ratios presented in the news release to aid in its understanding of State Street's capital position under a variety of standards, including currently applicable and transitioning regulatory requirements. Management believes that the use of the non-GAAP capital ratios presented in the accompanying materials similarly aids in an investor's understanding of State Street's capital position and therefore is of interest to investors.

The common equity tier 1 risk-based capital, or CET1, tier 1 risk-based capital, total risk-based capital and tier 1 leverage ratios have each been calculated in conformity with applicable regulatory requirements as of the dates that each was first publicly disclosed. The capital component, or numerator, of these ratios was calculated in conformity with the provisions of the Basel III final rule. As of June 30, 2014, September 30, 2014 and December 31, 2014, the total risk-weighted assets component, or denominator, used in the calculation of the CET1, tier 1 risk-based capital and total risk-based capital ratios were each calculated in conformity with both the advanced approaches and transitional provisions of Basel III, as the case may be. As of March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015, the total risk-weighted assets component, or denominator, used in the calculation of the CET1, tier 1 risk-based capital and total risk-based capital ratios were each calculated in conformity with the advanced approaches and standardized approach provisions of Basel III, as the case may be.

The tangible common equity, or TCE, ratio is an additional capital ratio that management believes provides context useful in understanding and assessing State Street's capital adequacy. The TCE ratio is calculated by dividing consolidated total common shareholders' equity by consolidated total assets, after reducing both amounts by goodwill and other intangible assets net of related deferred taxes. Total assets reflected in the TCE ratio also exclude cash balances on deposit at the Federal Reserve Bank and other central banks in excess of required reserves. The TCE ratio is not required by GAAP or by banking regulations, but is a metric used by management to evaluate the adequacy of State Street's capital levels. Since there is no authoritative requirement to calculate the TCE ratio, our TCE ratio is not necessarily comparable to similar capital measures disclosed or used by other companies in the financial services industry. Tangible common equity and adjusted tangible assets are non-GAAP financial measures and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP or other applicable requirements. Reconciliations with respect to the calculation of the TCE ratios are provided on page 14 of this earnings release addendum.

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

(Dollars in millions)	Quarters													
	2Q14		3Q14		4Q14		1Q15		2Q15		3Q15		4Q15	
	Basel III Advanced Approach ³	Basel III Transitional Approach ²	Basel III Advanced Approach ³	Basel III Transitional Approach ²	Basel III Advanced Approach ³	Basel III Transitional Approach ²	Basel III Advanced Approach ³	Basel III Standardized Approach ⁴	Basel III Advanced Approach ³	Basel III Standardized Approach ⁴	Basel III Advanced Approach ³	Basel III Standardized Approach ⁴	Basel III Advanced Approach ³	Basel III Standardized Approach ⁴
RATIOS:														
Common equity tier 1 capital ¹	12.6%	15.8%	12.6%	14.9%	12.4%	14.7%	12.0%	10.2%	12.0%	11.4%	12.0%	11.8%	12.5%	12.9%
Tier 1 capital ¹	14.0	17.6	14.0	16.5	14.5	17.3	14.0	12.0	14.7	14.0	14.7	14.5	15.3	15.9
Total capital ¹	16.0	20.1	16.1	18.9	16.4	19.6	16.1	13.7	16.8	16.0	16.8	16.6	17.4	18.1
Tier 1 leverage ¹	6.8	6.8	6.3	6.3	6.3	6.3	5.8	5.8	6.0	6.0	6.3	6.3	6.9	6.9
Supporting Calculations:														
Common equity tier 1 capital ¹	\$ 14,027	\$ 14,027	\$ 13,639	\$ 13,639	\$ 13,327	\$ 13,327	\$ 12,494	\$ 12,494	\$ 12,559	\$ 12,559	\$ 12,515	\$ 12,515	\$ 12,433	\$ 12,433
Total risk-weighted assets	111,015	88,607	108,078	91,800	107,827	90,412	103,998	121,946	104,533	109,788	104,365	105,765	99,807	96,103
Common equity tier 1 risk-based capital ¹	12.6%	15.8%	12.6%	14.9%	12.4%	14.7%	12.0%	10.2%	12.0%	11.4%	12.0%	11.8%	12.5%	12.9%
Tier 1 capital ¹	\$ 15,570	\$ 15,570	\$ 15,176	\$ 15,176	\$ 15,618	\$ 15,618	\$ 14,598	\$ 14,598	\$ 15,401	\$ 15,401	\$ 15,361	\$ 15,361	\$ 15,264	\$ 15,264
Total risk-weighted assets	111,015	88,607	108,078	91,800	107,827	90,412	103,998	121,946	104,533	109,788	104,365	105,765	99,807	96,103
Tier 1 risk-based capital ratio ¹	14.0%	17.6%	14.0%	16.5%	14.5%	17.3%	14.0%	12.0%	14.7%	14.0%	14.7%	14.5%	15.3%	15.9%
Total capital ¹	\$ 17,786	\$ 17,786	\$ 17,392	\$ 17,392	\$ 17,715	\$ 17,715	\$ 16,752	\$ 16,752	\$ 17,554	\$ 17,554	\$ 17,526	\$ 17,583	\$ 17,349	\$ 17,403
Total risk-weighted assets	111,015	88,607	108,078	91,800	107,827	90,412	103,998	121,946	104,533	109,788	104,365	105,765	99,807	96,103
Total risk-based capital ratio ¹	16.0%	20.1%	16.1%	18.9%	16.4%	19.6%	16.1%	13.7%	16.8%	16.0%	16.8%	16.6%	17.4%	18.1%
Tier 1 capital ¹	\$ 15,570	\$ 15,570	\$ 15,176	\$ 15,176	\$ 15,618	\$ 15,618	\$ 14,598	\$ 14,598	\$ 15,401	\$ 15,401	\$ 15,361	\$ 15,361	\$ 15,264	\$ 15,264
Adjusted quarterly average assets	227,815	227,815	240,529	240,529	247,740	247,740	252,406	252,406	257,227	257,227	244,553	244,553	221,880	221,880
Tier 1 leverage ratio ¹	6.8%	6.8%	6.3%	6.3%	6.3%	6.3%	5.8%	5.8%	6.0%	6.0%	6.3%	6.3%	6.9%	6.9%

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

² CET1, tier 1 capital, total capital, and tier 1 leverage ratios as of June 30, 2014, September 30, 2014 and December 31, 2014 were calculated in conformity with the transitional provisions of the Basel III final rule. Specifically, these ratios reflect total and tier 1 capital, as applicable (the numerator), calculated in conformity with the advanced approaches provisions of the Basel III final rule, and total risk-weighted assets or, with respect to the tier 1 leverage ratio, quarterly average assets (in both cases, the denominator), calculated in conformity with the provisions of Basel I.

³ CET1, tier 1 capital, total capital and tier 1 leverage ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 were calculated in conformity with the advanced approaches provisions of the Basel III final rule.

⁴ CET1, tier 1 capital, total capital, and tier 1 leverage ratios as of March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 were calculated in conformity with the standardized approaches provisions of the Basel III final rule.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATION OF TANGIBLE COMMON EQUITY RATIO

The following table presents the calculation of State Street's ratios of tangible common equity to total tangible assets.

(Dollars in millions)	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Consolidated total assets	\$ 282,324	\$ 274,805	\$ 274,119	\$ 279,476	\$ 294,571	\$ 247,274	\$ 245,192
Less:							
Goodwill	6,037	5,899	5,826	5,663	5,729	5,716	5,671
Other intangible assets	2,247	2,121	2,025	1,892	1,871	1,820	1,768
Cash balances held at central banks in excess of required reserves	87,081	74,570	83,402	71,740	106,202	60,160	66,259
Adjusted assets	186,959	192,215	182,866	200,181	180,769	179,578	171,494
Plus related deferred tax liabilities	898	874	821	814	834	713	694
Total tangible assets	A 187,857	193,089	183,687	200,995	181,603	180,291	172,188
Consolidated total common shareholders' equity¹	\$ 20,329	\$ 19,782	\$ 19,367	\$ 18,709	\$ 18,643	\$ 18,640	\$ 18,399
Less:							
Goodwill	6,037	5,899	5,826	5,663	5,729	5,716	5,671
Other intangible assets	2,247	2,121	2,025	1,892	1,871	1,820	1,768
Adjusted equity ¹	12,045	11,762	11,516	11,154	11,043	11,104	10,960
Plus related deferred tax liabilities	898	874	821	814	834	713	694
Total tangible common equity ¹	B \$ 12,943	\$ 12,636	\$ 12,337	\$ 11,968	\$ 11,877	\$ 11,817	\$ 11,654
Tangible common equity ratio¹	B/A 6.9%	6.5%	6.7%	6.0%	6.5%	6.6%	6.8%

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATION OF FULL PHASE-IN CAPITAL RATIOS

Fully phased-in pro-forma estimates of common equity tier 1 capital include 100% of the accumulated other comprehensive income component of common shareholder's equity, including accumulated other comprehensive income attributable to available-for-sale securities, cash flow hedges and defined benefit pension plans, as well as 100% of applicable deductions, including but not limited to, intangible assets net of deferred tax liabilities. Fully phased-in pro-forma estimates of tier 1 and total capital both reflect the transition of trust preferred capital securities from tier 1 capital to total capital. For both Basel III advanced and standardized approaches, fully phased-in pro-forma estimates of risk-weighted assets reflect the exclusion of intangible assets, offset by additions related to non-significant equity exposures and deferred tax assets related to temporary differences. All fully phased-in ratios are preliminary estimates, based on our interpretations of the Basel III final rule as of the date each such ratio was first announced publicly and as applied to our businesses and operations as of the date of such ratio.

The following tables reconcile our fully phased-in estimated pro-forma common equity tier 1 capital, tier 1 capital, total capital and tier 1 leverage ratios, calculated in conformity with the Basel III final rule, as of the dates indicated, to those same ratios calculated in conformity with the applicable regulatory requirements as of such dates.

As of December 31, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased- In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased- In Pro-Forma Estimate
Common equity tier 1 capital	\$ 12,433	\$ (929)	\$ 11,504	\$ 12,433	\$ (929)	\$ 11,504
Tier 1 capital	15,264	(1,076)	14,188	15,264	(1,076)	14,188
Total capital	17,349	(946)	16,403	17,403	(946)	16,457
Risk weighted assets	99,807	(405)	99,402	96,103	(382)	95,721
Adjusted average assets	221,880	(546)	221,334	221,880	(546)	221,334
Capital ratios:						
Common equity tier 1 capital	12.5%		11.6%	12.9%		12.0%
Tier 1 capital	15.3		14.3	15.9		14.8
Total capital	17.4		16.5	18.1		17.2
Tier 1 leverage	6.9		6.4	6.9		6.4
As of September 30, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased- In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased- In Pro-Forma Estimate
Common equity tier 1 capital ¹	\$ 12,515	\$ (855)	\$ 11,660	\$ 12,515	\$ (855)	\$ 11,660
Tier 1 capital ¹	15,361	(998)	14,363	15,361	(998)	14,363
Total capital ¹	17,526	(868)	16,658	17,583	(868)	16,715
Risk weighted assets	104,365	(478)	103,887	105,765	(451)	105,314
Adjusted average assets	244,553	(488)	244,065	244,553	(488)	244,065
Capital ratios:						
Common equity tier 1 capital ¹	12.0%		11.2%	11.8%		11.1%
Tier 1 capital ¹	14.7		13.8	14.5		13.6
Total capital ¹	16.8		16.0	16.6		15.9
Tier 1 leverage	6.3		5.9	6.3		5.9

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATION OF FULL PHASE-IN CAPITAL RATIOS

As of June 30, 2015 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro-Forma Estimate
Common equity tier 1 capital ¹	\$ 12,559	\$ (846)	\$ 11,713	\$ 12,559	\$ (846)	\$ 11,713
Tier 1 capital ¹	15,401	(985)	14,416	15,401	(985)	14,416
Total capital ¹	17,554	(855)	16,699	17,554	(855)	16,699
Risk weighted assets	104,533	(481)	104,052	109,788	(453)	109,335
Adjusted average assets	257,227	(295)	256,932	257,227	(295)	256,932
Capital ratios:						
Common equity tier 1 capital ¹	12.0%		11.3%	11.4%		10.7%
Tier 1 capital ¹	14.7		13.9	14.0		13.2
Total capital ¹	16.8		16.0	16.0		15.3
Tier 1 leverage	6.0		5.6	6.0		5.6
As of March 31, 2015 (Dollars in millions)						
Common equity tier 1 capital ¹	\$ 12,494	\$ (684)	\$ 11,810	\$ 12,494	\$ (684)	\$ 11,810
Tier 1 capital ¹	14,598	(827)	13,771	14,598	(827)	13,771
Total capital ¹	16,752	(697)	16,055	16,752	(697)	16,055
Risk weighted assets	103,998	(552)	103,446	121,946	(520)	121,426
Adjusted average assets	252,406	(215)	252,191	252,406	(215)	252,191
Capital ratios:						
Common equity tier 1 capital ¹	12.0%		11.4%	10.2%		9.7%
Tier 1 capital ¹	14.0		13.3	12.0		11.3
Total capital ¹	16.1		15.5	13.7		13.2
Tier 1 leverage	5.8		5.5	5.8		5.5

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATION OF FULL PHASE-IN CAPITAL RATIOS

As of December 31, 2014 (Dollars in millions)	Basel III Advanced Approaches	Phase-In Provisions	Basel III Advanced Approaches Fully Phased-In Pro-Forma Estimate	Basel III Standardized Approach	Phase-In Provisions	Basel III Standardized Approach Fully Phased-In Pro-Forma Estimate
Common equity tier 1 capital ¹	\$ 13,327	\$ (1,173)	\$ 12,154	\$ 13,327	\$ (1,173)	\$ 12,154
Tier 1 capital ¹	15,618	(1,503)	14,115	15,618	(1,503)	14,115
Total capital ¹	17,715	(1,137)	16,578	17,715	(1,137)	16,578
Risk weighted assets	107,827	(1,010)	106,817	125,011	(953)	124,058
Adjusted average assets	247,740	(433)	247,307	247,740	(433)	247,307
Capital ratios:						
Common equity tier 1 capital ¹	12.4%		11.4%	10.7%		9.8%
Tier 1 capital ¹	14.5		13.2	12.5		11.4
Total capital ¹	16.4		15.5	14.2		13.4
Tier 1 leverage	6.3		5.7	6.3		5.7

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATIONS OF SUPPLEMENTARY LEVERAGE RATIOS

In 2014, U.S. banking regulators issued final rules implementing a supplementary leverage ratio, or SLR, for certain bank holding companies, like State Street, and their insured depository institution subsidiaries, like State Street Bank. We refer to these final rules as the SLR final rule. Under the SLR final rule, upon implementation as of January 1, 2018, (i) State Street Bank must maintain an SLR of at least 6% to be well capitalized under the U.S. banking regulators' Prompt Corrective Action framework and (ii) if State Street maintains an SLR of at least 5%, it is not subject to limitations on distribution and discretionary bonus payments under the SLR final rule. Beginning with reporting for March 31, 2015, State Street was required to include SLR disclosures with its other Basel disclosures.

Estimated pro forma fully phased-in SLR ratios as of December 31, 2015, September 30, 2015, June 30, 2015 and March 31, 2015 are preliminary estimates by State Street (in each case, fully phased-in as of January 1, 2018, as per the phase-in requirements of the SLR final rule), calculated based on our interpretations of the SLR final rule as of January 27, 2016 and as applied to our businesses and operations as of December 31, 2015, September 30, 2015, June 30, 2015 and March 31, 2015. Estimated pro forma fully phased-in SLR ratios as of December 31, 2014 are preliminary estimates by State Street, calculated based on our interpretations of the SLR final rule as of January 23, 2015 and as applied to our businesses and operations as of December 31, 2014.

The following tables reconcile our estimated pro forma fully-phased in SLR ratios as of December 31, 2015, September 30, 2015, June 30, 2015, March 31, 2015 and December 31, 2014 calculated in conformity with the SLR final rule, as described, to our SLR ratios calculated in conformity with applicable regulatory requirements as of the dates indicated.

As of December 31, 2015 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
Tier 1 Capital	\$ 15,264	A \$ 14,188	\$ 14,647	\$ 13,869
On-and off-balance sheet leverage exposure	252,733	252,733	247,736	247,736
Less: regulatory deductions	(5,895)	(6,440)	(5,536)	(6,036)
Total assets for SLR	246,838	B 246,293	242,200	241,700
Supplementary Leverage Ratio	6.2% A/B		5.8%	
			6.0%	5.7%

As of September 30, 2015 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
Tier 1 Capital¹	\$ 15,361	C \$ 14,363	\$ 14,863	\$ 14,162
On-and off-balance sheet leverage exposure	276,673	276,673	271,347	271,347
Less: regulatory deductions	(5,911)	(6,399)	(5,550)	(5,993)
Total assets for SLR	270,762	D 270,274	265,797	265,354
Supplementary Leverage Ratio¹	5.7% C/D		5.3%	
			5.6%	5.3%

As of June 30, 2015 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
Tier 1 Capital¹	\$ 15,401	E \$ 14,416	\$ 14,352	\$ 13,667
On-and off-balance sheet leverage exposure	291,875	291,875	286,851	286,851
Less: regulatory deductions	(6,138)	(6,930)	(5,776)	(6,515)
Total assets for SLR	285,737	F 284,945	281,075	280,336
Supplementary Leverage Ratio¹	5.4% E/F		5.1%	
			5.1%	4.9%

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATIONS OF SUPPLEMENTARY LEVERAGE RATIOS (Continued)

As of March 31, 2015 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
Tier 1 Capital¹	\$ 14,598	G \$ 13,772	\$ 13,770	\$ 13,245
On-and off-balance sheet leverage exposure	288,932	288,932	284,060	284,060
Less: regulatory deductions	(6,088)	(6,898)	(5,734)	(6,489)
Total assets for SLR	282,844	H 282,034	278,326	277,571
Supplementary Leverage Ratio¹	5.2% G/H		4.9%	4.8%

As of December 31, 2014 (Dollars in millions)	State Street		State Street Bank	
	Transitional SLR	Fully Phased-In SLR	Transitional SLR	Fully Phased-In SLR
Tier 1 Capital¹	\$ 15,618	I \$ 14,116	\$ 13,897	\$ 12,957
On-and off-balance sheet leverage exposure	284,740	284,740	280,036	280,036
Less: regulatory deductions	(6,050)	(7,211)	(5,705)	(6,790)
Total assets for SLR	278,690	J 277,529	274,331	273,246
Supplementary Leverage Ratio¹	5.6% I/J		5.1%	4.7%

As of September 30, 2014 (Dollars in millions)	State Street	State Street Bank	
	Transitional SLR	Transitional SLR	
Tier 1 Capital¹	\$ 15,176	K \$ 14,174	
On-and off-balance sheet leverage exposure	276,529	271,547	
Less: regulatory deductions	(6,156)	(5,804)	
Total assets for SLR	270,373	L 265,743	
Supplementary Leverage Ratio¹	5.6% K/L		5.3%

As of June 30, 2014 (Dollars in millions)	State Street	State Street Bank	
	Transitional SLR	Transitional SLR	
Tier 1 Capital¹	\$ 15,570	M \$ 14,630	
On-and off-balance sheet leverage exposure	264,432	259,912	
Less: regulatory deductions	(6,308)	(5,942)	
Total assets for SLR	258,124	N 253,970	
Supplementary Leverage Ratio¹	6.0% M/N		5.8%

¹ Amounts for the quarterly and annual periods of 2014 as well as the quarterly periods ending March 31, 2015, June 30, 2015 and September 30, 2015 have been revised to reflect adjustments related to certain expenses billed to our asset servicing clients as more fully described within the Reconciliation of Previously Reported and Revised Financial Information, on page 20 of this earnings release addendum.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATION OF PREVIOUSLY REPORTED AND REVISED FINANCIAL INFORMATION

Prior periods, including Q1 through Q3 of 2015 and all quarters and full year for 2014 have been revised to reflect the impact on those periods of our previously disclosed review of amounts we invoiced clients for certain expenses during an 18 year period. The revision is shown as a reduction in revenue in each period, as well as the cumulative liability and retained earnings impact as of the end of each period presented.

	1Q14			2Q14			3Q14			4Q14			2014		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised
Consolidated Results of Operations															
Fee revenue:															
Servicing fees	\$ 1,238	\$ (5)	\$ 1,233	\$ 1,288	\$ (5)	\$ 1,283	\$ 1,302	\$ (6)	\$ 1,296	\$ 1,301	\$ (5)	\$ 1,296	\$ 5,129	\$ (21)	\$ 5,108
Total fee revenue	1,924	(5)	1,919	2,039	(5)	2,034	2,012	(6)	2,006	2,056	(5)	2,051	8,031	(21)	8,010
Total revenue	2,485	(5)	2,480	2,598	(5)	2,593	2,582	(6)	2,576	2,630	(5)	2,625	10,295	(21)	10,274
Income before income tax expense	455	(5)	450	746	(5)	741	688	(6)	682	569	(5)	564	2,458	(21)	2,437
Income tax expense	92	(1)	91	124	(2)	122	128	(2)	126	77	(1)	76	421	(6)	415
Net income	363	(4)	359	622	(3)	619	560	(4)	556	492	(4)	488	2,037	(15)	2,022
Net income available to common shareholders	356	(4)	352	602	(3)	599	542	(4)	538	473	(4)	469	1,973	(15)	1,958
Consolidated Statement of Condition															
Liabilities:															
Accrued expenses and other liabilities	18,457	134	18,591	19,249	138	19,387	22,956	141	23,097	20,237	145	20,382	20,237	145	20,382
Total liabilities	235,390	134	235,524	260,624	138	260,762	253,649	141	253,790	252,646	145	252,791	252,646	145	252,791
Shareholders' Equity:															
Retained earnings	13,639	(134)	13,505	14,114	(138)	13,976	14,531	(141)	14,390	14,882	(145)	14,737	14,882	(145)	14,737
Total shareholders' equity	21,273	(134)	21,139	21,700	(138)	21,562	21,156	(141)	21,015	21,473	(145)	21,328	21,473	(145)	21,328
Total equity	21,273	(134)	21,139	21,700	(138)	21,562	21,156	(141)	21,015	21,473	(145)	21,328	21,473	(145)	21,328
Total liabilities and equity	\$ 256,663	\$ —	\$ 256,663	\$ 282,324	\$ —	\$ 282,324	\$ 274,805	\$ —	\$ 274,805	\$ 274,119	\$ —	\$ 274,119	\$ 274,119	\$ —	\$ 274,119
Ratios:															
Diluted earnings per common share	\$ 0.81	\$ (0.01)	\$ 0.80	\$ 1.38	\$ —	\$ 1.38	\$ 1.26	\$ —	\$ 1.25	\$ 1.12	\$ —	\$ 1.11	\$ 4.57	\$ (0.04)	\$ 4.53
Return on average common equity	7.2%	— %	7.2%	11.9%	—%	11.9%	10.6%	—%	10.6%	9.4%	—%	9.4%	9.8%	— %	9.8%
Pre-tax operating margin	18.3	(0.2)	18.1	28.7	(0.1)	28.6	26.6	(0.1)	26.5	21.6	(0.1)	21.5	23.9%	(0.2)%	23.7%
After-tax margin	14.6%	(0.1)%	14.5%	23.9	—	23.9	21.7	(0.1)	21.6	18.7	(0.1)	18.6	19.8%	(0.1)%	19.7%
Common equity tier 1 risk-based capital ¹	NA	NA	NA	12.8	(0.2)	12.6	12.8	(0.2)	12.6	12.5	(0.1)	12.4	12.5%	(0.1)%	12.4%
Tier 1 risk-based capital ¹	NA	NA	NA	14.1	(0.1)	14.0	14.2	(0.2)	14.0	14.6	(0.1)	14.5	14.6%	(0.1)%	14.5%
Total risk-based capital ¹	NA	NA	NA	16.1	(0.1)	16.0	16.2	(0.1)	16.1	16.6	(0.2)	16.4	16.6%	(0.2)%	16.4%
Tier 1 leverage ¹	NA	NA	NA	6.9	(0.1)	6.8	6.4	(0.1)	6.3	6.4	(0.1)	6.3	6.4%	(0.1)%	6.3%
Tangible common equity	N/A	N/A	N/A	7.0	(0.1)	6.9	6.6	(0.1)	6.5	6.8	(0.1)	6.7	6.8%	(0.1)%	6.7%
Internal capital generation rate	5.0	(0.1)	4.9	9.4	—	9.4	8.2	(0.1)	8.1	6.9	—	6.9	7.4%	— %	7.4%
Common dividend payout ratio	31.5	0.3	31.8	21.2	0.1	21.3	23.3	0.1	23.4	26.3	0.2	26.5	24.8%	0.2 %	25.0%

⁽¹⁾ CET1, tier 1 capital, total capital and tier 1 leverage ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 were calculated in conformity with the advanced approaches provisions of the Basel III final rule.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM
RECONCILIATION OF PREVIOUSLY REPORTED AND REVISED FINANCIAL INFORMATION (Continued)

	1Q15			2Q15			3Q15		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised
(Dollars in millions, except per share amounts or where otherwise noted)									
Consolidated Results of Operations									
Fee revenue:									
Servicing fees	\$ 1,273	\$ (5)	1,268	\$ 1,325	\$ (6)	1,319	\$ 1,294	\$ (5)	1,289
Total fee revenue	2,060	(5)	2,055	2,082	(6)	2,076	2,108	(5)	2,103
Total revenue	2,605	(5)	2,600	2,614	(6)	2,608	2,619	(5)	2,614
Income before income tax expense	504	(5)	499	478	(6)	472	652	(5)	647
Income tax expense	95	(1)	94	56	(2)	54	68	(1)	67
Net income	409	(4)	405	422	(4)	418	585	(4)	581
Net income available to common shareholders	377	(4)	373	393	(4)	389	543	(4)	539
Consolidated Statement of Condition									
Liabilities:									
Accrued expenses and other liabilities	23,610	149	23,759	17,646	153	17,799	15,804	157	15,961
Total liabilities	258,657	149	258,806	273,071	153	273,224	225,742	157	225,899
Shareholders' Equity:									
Retained earnings	15,135	(149)	14,986	15,390	(153)	15,237	15,795	(157)	15,638
Total shareholders' equity	20,819	(149)	20,670	21,500	(153)	21,347	21,500	(157)	21,343
Non-controlling interest-equity	—	—	—	—	—	—	32	—	32
Total equity	20,819	(149)	20,670	21,500	(153)	21,347	21,532	(157)	21,375
Total liabilities and equity	\$ 279,476	\$ —	\$ 279,476	\$ 294,571	\$ —	\$ 294,571	\$ 247,274	\$ —	\$ 247,274
Ratios:									
Diluted earnings per common share	\$ 0.90	\$ —	\$ 0.9	\$ 0.94	\$ —	\$ 0.93	\$ 1.32	\$ —	\$ 1.31
Return on average common equity	7.9%	—%	7.9%	8.3%	(0.1)%	8.2%	11.3%	—%	11.3%
Pre-tax operating margin	19.3	(0.1)	19.2	18.3	(0.2)	18.1	24.9	(0.1)	24.8
After-tax margin	15.7	(0.1)	15.6	16.2	(0.2)	16.0	22.3	(0.1)	22.2
Common equity tier 1 risk-based capital ¹	12.2	(0.2)	12.0	12.2	(0.2)	12.0	12.1	(0.1)	12.0
Tier 1 risk-based capital ¹	14.2	(0.2)	14.0	14.9	(0.2)	14.7	14.9	(0.2)	14.7
Total risk-based capital ¹	16.3	(0.2)	16.1	16.9	(0.1)	16.8	16.9	(0.1)	16.8
Tier 1 leverage ¹	5.8	—	5.8	6.0	—	6.0	6.3	—	6.3
Tangible common equity	6.0	—	6.0	6.6	(0.1)	6.5	6.6	—	6.6
Internal capital generation rate	5.3	—	5.3	5.3	—	5.3	8.5	(0.2)	8.3
Common dividend payout ratio	32.8	0.3	33.1	35.3	0.3	35.6	25.3	0.2	25.5

⁽¹⁾ CET1, tier 1 capital, total capital and tier 1 leverage ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 were calculated in conformity with the advanced approaches provisions of the Basel III final rule.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM

OPERATING-BASIS RECONCILIATION OF PREVIOUSLY REPORTED AND REVISED FINANCIAL INFORMATION

Prior periods, including Q1 through Q3 of 2015 and all quarters and full year for 2014 have been revised to reflect the impact on those periods of our previously disclosed review of amounts we invoiced clients for certain expenses during an 18 year period. The revision is shown as a reduction in revenue in each period, as well as the cumulative liability and retained earnings impact as of the end of each period presented.

	1Q14			2Q14			3Q14			4Q14			2014		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised
Consolidated Results of Operations															
Fee revenue:															
Servicing fees	\$ 1,238	\$ (5)	\$ 1,233	\$ 1,288	\$ (5)	\$ 1,283	\$ 1,302	\$ (6)	\$ 1,296	\$ 1,301	\$ (5)	\$ 1,296	\$ 5,129	\$ (21)	\$ 5,108
Total fee revenue	1,981	(5)	1,976	2,103	(5)	2,098	2,098	(6)	2,092	2,137	(5)	2,132	8,319	(21)	8,298
Total revenue	2,559	(5)	2,554	2,676	(5)	2,671	2,678	(6)	2,672	2,724	(5)	2,719	10,637	(21)	10,616
Income before income tax expense	640	(5)	635	856	(5)	851	868	(6)	862	840	(5)	835	3,204	(21)	3,183
Income tax expense	200	(1)	199	233	(2)	231	269	(2)	267	239	(1)	238	941	(6)	935
Net income	440		436	623	(3)	620	599	(4)	595	601	(4)	597	2,263	(15)	2,248
Net income available to common shareholders	433	(4)	429	603	(3)	600	581	(4)	577	582	(4)	578	2,199	(15)	2,184
Consolidated Statement of Condition															
Liabilities:															
Accrued expenses and other liabilities	18,457	134	18,591	19,249	138	19,387	22,956	141	23,097	20,237	145	20,382	20,237	145	20,382
Total liabilities	235,390	134	235,524	260,624	138	260,762	253,649	141	253,790	252,646	145	252,791	252,646	145	252,791
Shareholders' Equity:															
Retained earnings	13,639	(134)	13,505	14,114	(138)	13,976	14,531	(141)	14,390	14,882	(145)	14,737	14,882	(145)	14,737
Total shareholders' equity	21,273	(134)	21,139	21,700	(138)	21,562	21,156	(141)	21,015	21,473	(145)	21,328	21,473	(145)	21,328
Total equity	21,273	(134)	21,139	21,700	(138)	21,562	21,156	(141)	21,015	21,473	(145)	21,328	21,473	(145)	21,328
Total liabilities and equity	\$ 256,663	\$ —	\$ 256,663	\$ 282,324	\$ —	\$ 282,324	\$ 274,805	\$ —	\$ 274,805	\$ 274,119	\$ —	\$ 274,119	\$ 274,119	\$ —	\$ 274,119
Ratios:															
Diluted earnings per common share	\$ 0.99	\$ (0.01)	\$ 0.98	\$ 1.39	\$ —	\$ 1.39	\$ 1.35	\$ (0.01)	\$ 1.34	\$ 1.37	\$ (0.01)	\$ 1.36	\$ 5.09	\$ (0.04)	\$ 5.05
Return on average common equity	8.8%	—%	8.8%	11.9%	—%	11.9%	11.4%	—%	11.4%	11.6%	—%	11.6%	10.9%	—%	10.9%
Pre-tax operating margin	25.0	(0.1)	24.9	32.0	(0.1)	31.9	32.4	(0.1)	32.3	30.8	(0.1)	30.7	30.1	(0.1)	30.0
After-tax margin	17.0	(0.2)	16.8	22.6	(0.1)	22.5	21.7	(0.1)	21.6	21.4	(0.1)	21.3	20.7	(0.1)	20.6
Common equity tier 1 risk-based capital ¹	NA	NA	NA	12.8	(0.2)	12.6	12.8	(0.2)	12.6	12.5	(0.1)	12.4	12.5	(0.1)	12.4
Tier 1 risk-based capital ¹	NA	NA	NA	14.1	(0.1)	14.0	14.2	(0.2)	14.0	14.6	(0.1)	14.5	14.6	(0.1)	14.5
Total risk-based capital ¹	NA	NA	NA	16.1	(0.1)	16.0	16.2	(0.1)	16.1	16.6	(0.2)	16.4	16.6	(0.2)	16.4
Tier 1 leverage ¹	NA	NA	NA	6.9	(0.1)	6.8	6.4	(0.1)	6.3	6.4	(0.1)	6.3	6.4	(0.1)	6.3
Tangible common equity	N/A	N/A	N/A	7.0	(0.1)	6.9	6.6	(0.1)	6.5	6.8	(0.1)	6.7	6.8	(0.1)	6.7
Internal capital generation rate	6.6	(0.1)	6.5	9.4	—	9.4	8.9	—	8.9	9.1	—	9.1	8.5	—	8.5
Common dividend payout ratio	25.8	0.3	26.1	21.1	0.2	21.3	21.7	0.2	21.9	21.4	0.2	21.6	22.3	0.1	22.4

⁽¹⁾ CET1, tier 1 capital, total capital and tier 1 leverage ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 were calculated in conformity with the advanced approaches provisions of the Basel III final rule.

STATE STREET CORPORATION
EARNINGS RELEASE ADDENDUM

OPERATING-BASIS RECONCILIATION OF PREVIOUSLY REPORTED AND REVISED FINANCIAL INFORMATION (Continued)

Prior periods, including Q1 through Q3 of 2015 and all quarters and full year for 2014 have been revised to reflect the impact on those periods of our previously disclosed review of amounts we invoiced clients for certain expenses during an 18 year period. The revision is shown as a reduction in revenue in each period, as well as the cumulative liability and retained earnings impact as of the end of each period presented.

	1Q15			2Q15			3Q15		
	Reported	Adjustment	Revised	Reported	Adjustment	Revised	Reported	Adjustment	Revised
(Dollars in millions, except per share amounts or where otherwise noted)									
Consolidated Results of Operations									
Fee revenue:									
Servicing fees	\$ 1,273	\$ (5)	\$ 1,268	\$ 1,325	\$ (6)	\$ 1,319	\$ 1,294	\$ (5)	\$ 1,289
Total fee revenue	2,113	(5)	2,108	2,180	(6)	2,174	2,120	(5)	2,115
Total revenue	2,677	(5)	2,672	2,733	(6)	2,727	2,647	(5)	2,642
Income before income tax expense	731	(5)	726	850	(6)	844	765	(5)	760
Income tax expense	208	(1)	207	252	(2)	250	244	(1)	243
Net income	523	(4)	519	598	(4)	594	522	(4)	518
Net income available to common shareholders	491	(4)	487	569	(4)	565	480	(4)	476
Consolidated Statement of Condition									
Liabilities:									
Accrued expenses and other liabilities	23,610	149	23,759	17,646	153	17,799	15,804	157	15,961
Total liabilities	258,657	149	258,806	273,071	153	273,224	225,742	157	225,899
Shareholders' Equity:									
Retained earnings	15,135	(149)	14,986	15,390	(153)	15,237	15,795	(157)	15,638
Total shareholders' equity	20,819	(149)	20,670	21,500	(153)	21,347	21,500	(157)	21,343
Non-controlling interest-equity	—	—	—	—	—	—	32	—	32
Total equity	20,819	(149)	20,670	21,500	(153)	21,347	21,532	(157)	21,375
Total liabilities and equity	\$ 279,476	\$ —	\$ 279,476	\$ 294,571	\$ —	\$ 294,571	\$ 247,274	\$ —	\$ 247,274
Ratios:									
Diluted earnings per common share	\$ 1.17	\$ (0.01)	\$ 1.16	\$ 1.37	\$ —	\$ 1.36	\$ 1.16	\$ —	\$ 1.15
Return on average common equity	10.4%	—%	10.4%	12.0%	(0.1)%	11.9%	10.0%	—%	10.0%
Pre-tax operating margin	27.3	(0.1)	27.2	31.1	(0.2)	30.9	28.9	(0.1)	28.8
After-tax margin	18.3	(0.1)	18.2	20.8	(0.1)	20.7	18.1	(0.1)	18.0
Common equity tier 1 risk-based capital ¹	12.2	(0.2)	12.0	12.2	(0.2)	12.0	12.1	(0.1)	12.0
Tier 1 risk-based capital ¹	14.2	(0.2)	14.0	14.9	(0.2)	14.7	14.9	(0.2)	14.7
Total risk-based capital ¹	16.3	(0.2)	16.1	16.9	(0.1)	16.8	16.9	(0.1)	16.8
Tier 1 leverage ¹	5.8	—	5.8	6.0	—	6.0	6.3	—	6.3
Tangible common equity	6.0	—	6.0	6.6	(0.1)	6.5	6.6	—	6.6
Internal capital generation rate	7.8	(0.1)	7.7	9.0	—	9.0	7.1	(0.1)	7.0
Common dividend payout ratio	25.1	0.2	25.3	24.4	0.2	24.6	28.6	0.3	28.9

⁽¹⁾CET1, tier 1 capital, total capital and tier 1 leverage ratios as of June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 were calculated in conformity with the advanced approaches provisions of the Basel III final rule.