2019 Resolution Plan

Public Section / **July 1, 2019**

STATE STREET.

Letter to Our Clients

At State Street, our purpose is to create better outcomes for the world's investors and the people they serve. We understand that our role in the global financial system extends beyond delivering high-quality services to our clients. Operating as a responsible participant in the wider financial markets and helping to maintain systemic financial stability is a critical aspect of our responsibility to you.

State Street, along with other banking institutions with $50 billion or more in total assets, periodically prepares and files a resolution plan, commonly referred to as a "living will," with the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. Our 2019 Resolution Plan (2019 Plan) details State Street's efforts to enhance resolvability across our businesses in the unlikely event that we experience major financial distress that threatens our continued viability. Since our resolution plan submission in 2017 (2017 Plan), we have continued to enhance our plan and to incorporate recovery and resolution planning principles into our business and daily operations to help strengthen and protect our business, our clients and the wider financial system. We view resolution planning as a firm-wide commitment and a key consideration in our day-to-day decision making.

A summary of our 2019 Plan can be found in the following pages.

Importantly, it is designed to protect you and your assets during a potential resolution scenario, providing you with continued access to your deposits, accounts and critical services in our Investment Servicing and Investment Management Lines of Business.

As part of our planning we have structured our organization to minimize disruptions to our clients and improve our resolvability under a potential resolution scenario. As part of our resolution planning, we have planned for mapping the critical services needed for the continuation of our critical operations. This includes maintaining continued access to our payment, clearing, and settlement services, one of our critical operations. In addition, we have identified discrete divestiture options that could be separated and sold in a reasonable period of time to provide material financial support to the rest of our firm, if and when necessary, to continue to service your needs. In addition, we maintain a set of integrated recovery and resolution planning operating protocols or "playbooks" and communication plans to help our Board of Directors and executive management make the appropriate decisions and execute key actions in a timely manner. This includes providing you with timely and transparent communications. Together, all of these efforts should facilitate the successful execution of our resolution strategy.

As our business grows and evolves, we will continue to incorporate resolvability in our ongoing operations, helping to achieve our goal of being our clients' essential partner. In the unlikely event of a resolution scenario, we are confident that we have the right strategy and talent to execute our 2019 Plan in a way that provides continuity of critical services and minimizes disruptions to our clients and the markets more broadly. Thank you for reading the Public Section of our 2019 Resolution Plan and for your continued trust in State Street.

RONALD P. O'HANLEY
President and Chief Executive Officer (SSC);
President and Chief Executive Officer (SSBT)

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1. Introduction and Our Business

State Street views prudent management and operation of our business as a core institutional responsibility. We understand the importance of actively managing risk and being prepared to weather unexpected events that could place tremendous stress on our financial well-being. One aspect of our commitment to prudent management is our resolution planning. As part of our resolution planning, we continually review our businesses, operations and legal entities to identify impediments to resolvability and make changes to our processes and structures to support resolution. We also created and continue to refine a robust and executable plan for our orderly resolution in a hypothetical stress scenario leading to catastrophic failure.

The global financial crisis of 2008 highlighted the need for systemically important financial institutions, like us, to have a credible resolution plan. The resolution plan is required by the Dodd-Frank Act and rules issued by the Board of Governors of the Federal Reserve System (Federal Reserve) and Federal Deposit Insurance Corporation (FDIC) (collectively, the "Agencies"). A thoughtfully designed resolution plan can serve to minimize disruption to US and global financial markets, protect client assets and deposits, and avoid the need for extraordinary government or taxpayer support. To accomplish these things, a successful resolution strategy must provide for the continuity of our critical operations. We also believe that the resolution strategy must protect our clients by both keeping safe and allowing continued access to their assets and deposits and meeting their transaction processing needs in a potential resolution scenario.

The concepts behind our resolution strategy influence the way we manage our business on a daily basis. We have embedded resolution planning in our strategy and operating model. Significant company-wide resources, including executive management focus, are dedicated to resolution planning. Our efforts span financial, operational, structural and legal dimensions and are aligned to various regulatory requirements and guidance.

We filed our 2019 Resolution Plan (2019 Plan) with the Agencies by July 1, 2019. The 2019 Plan details our preferred resolution strategy — the Single Point of Entry strategy — and articulates both why this strategy provides a credible plan for our rapid and orderly resolution in the event of material financial distress or failure and why it would substantially mitigate the risk that our failure would have serious adverse effects on US and global financial stability. The 2019 Plan also addresses the 2019 Final Guidance, "Resolution Guidance for Eight Large, Complex US Banking Organizations" (2019 Guidance).[1]

[1] Final Guidance released by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation on December 20, 2018. Link to document: https://www.federalregister.gov/documents/2019/02/04/2019-00800/final-guidance-for-the-2019.

As required by Section 165(d) of the Dodd-Frank Act (Section 165(d)), the 2019 Plan presents a preferred strategy for a hypothetical resolution of State Street Corporation (SSC) under the US Bankruptcy Code in baseline, adverse and severely adverse economic conditions in a manner that would substantially mitigate the risk that our failure would have serious adverse effects on US and global financial stability. We assume that our failure is precipitated by the occurrence of a hypothetical loss event that is specific to State Street, rather than the broader financial system. This proposed failure scenario and the associated assumptions are hypothetical and do not reflect actual, current, or our expectation of future event(s). The 2019 Plan in general, and our preferred strategy in particular, are not binding on a bankruptcy court, our regulators or any other resolution authority, and in the event of the resolution of our firm, the strategies implemented by us or regulatory authorities and the associated outcomes could differ, potentially materially, from our preferred resolution strategy and the outcomes we have described. The resolution preparedness efforts that we have undertaken and continue to undertake are intended to improve our operational readiness and facilitate a potential resolution. In an actual resolution scenario, this resolution plan would inform our key decision makers, who would make decisions based on the facts and circumstances prevailing at that time and subject to the terms of our Support Agreement.

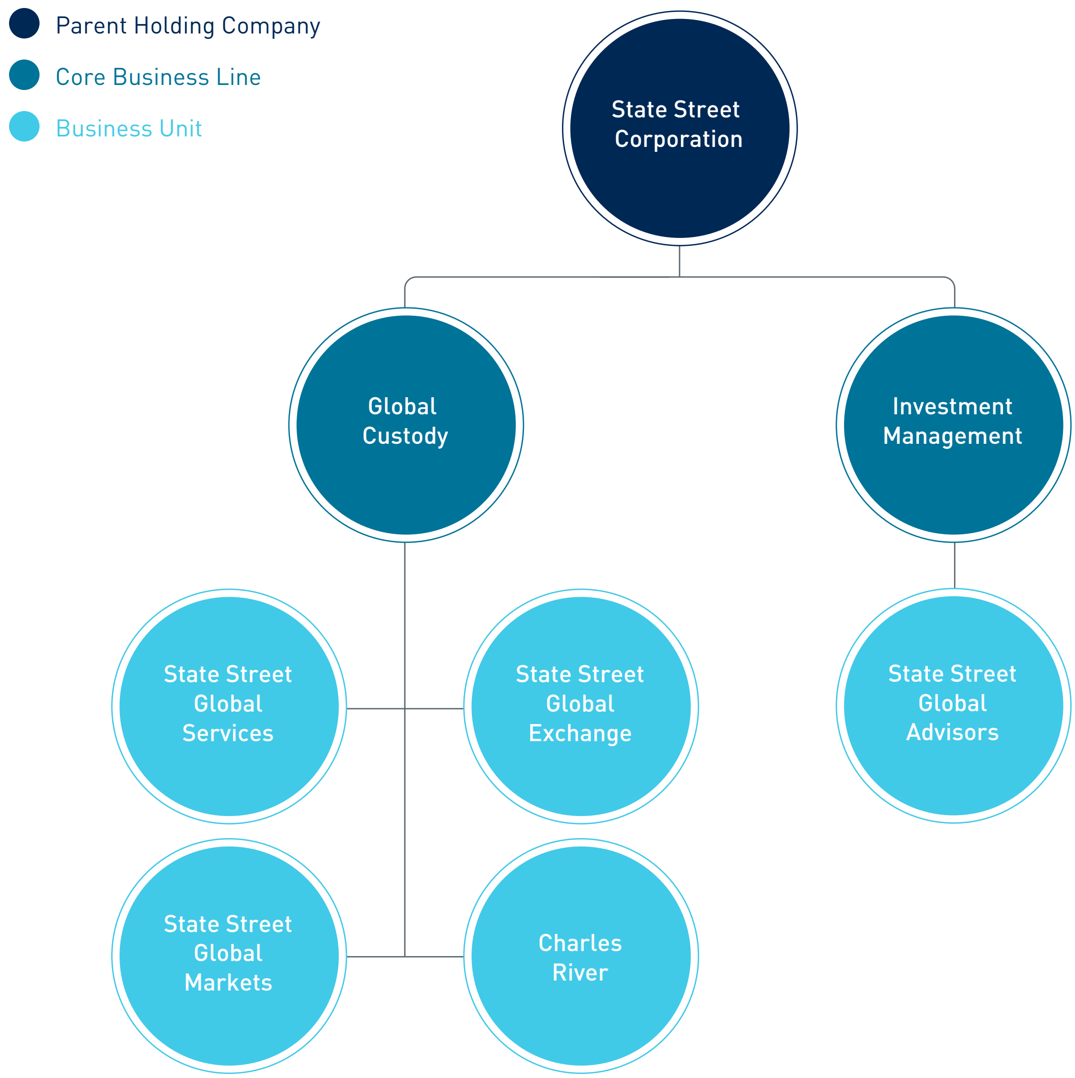
This section of the 2019 Plan, the Public Section, is intended to provide a high-level overview of our resolution strategy and planning process for our key stakeholders. It is structured as follows:

- Section 1: Overview of our business and the implications for resolution planning.
- Section 2: Our approach to the 2019 Plan. This section lays out our resolution planning goals, areas of focus, and our resolution strategy and how it would unfold in a resolution scenario and includes:
  - Our strategy for the provision of continuity, transfer, or orderly wind-down of our entities and operations including a description of the resulting organization upon completion of the resolution process;
  - A description of State Street's efforts to assess our capabilities against the 2019 Guidance and regulatory feedback to further improve resolvability and integrate resolution planning considerations into our business practices;
  - State Street's rationale for designating material entities; and
  - The liquidity resources and loss-absorbing capacity of the firm.
- Section 3: Additional information on our core business lines and material entities as well as financial details and other regulatory required disclosures. This includes information regarding the firm's intragroup financial and operational interconnectedness.

Our Business Model and Core Business Lines

We are one of the world's premier providers of financial services, operating in more than 100 geographic markets and employing over 40,000 people worldwide, across five business units — State Street Global Services, State Street Global Markets, State Street Global Exchange, Charles River and State Street Global Advisors. These five business units are operated through our two core business lines, global custody and investment management, the former of which is aligned with the investment servicing line of business reported in our Form 10-K.

Exhibit 1: Core Business Lines and Business Units



Our global custody business performs core custody and related value-added functions for primarily institutional investors including mutual funds, collective investment funds and other investment pools, corporate and public retirement plans, insurance companies, investment managers, foundations and endowments worldwide. As a global custodian bank, we hold and service assets for clients in multiple jurisdictions around the world.
Our financial services and products allow our large institutional investor clients to execute financial transactions on a daily basis in markets across the globe. The majority of global custody's operations are conducted through our main banking subsidiary, State Street Bank and Trust Company (SSBT).
SSBT is also the primary entity for access to our network of financial market utilities (FMUs), such as central securities depositories, payment systems, central clearing providers, sub-custodians, and correspondent banks. We had $31.62 trillion in assets under custody and administration (AUCA) as of December 31, 2018.

Our other core business line is investment management. Our investment management business, conducted under the brand name SSGA, provides a broad array of investment management strategies and products for our clients. Our investment strategies and products span the risk/reward spectrum, including core and enhanced indexing, multi-asset strategies, active quantitative and fundamental active capabilities and alternative investment strategies.
Our AUM is currently primarily weighted to indexed strategies. In addition, we provide a breadth of services and solutions, including environmental, social and governance investing, defined benefit and defined contribution and Outsourced Chief Investment Officer (OCIO).
State Street Global Advisors (SSGA) is also a provider of ETFs, including the SPDR® ETF brand. Our investment management clients are primarily institutional investors including corporations, public funds and other sophisticated investors. Our products are distributed directly and through intermediaries using a variety of investment vehicles, including a wide range of ETFs. We had $2.51 trillion in assets under management (AUM) as of December 31, 2018.

Additional information on our two core business lines is provided in Section 3.1 Description of Core Lines of Business.

Implications of Our Business Model

The majority of our total revenue (78 percent) is derived from fees. Our fee-based, service-oriented business model is relatively stable and less complex than most other global systemically important banks in the following ways:

- **We hold mainly institutional deposits:** As a result of our global custody business, our client's deposits are mainly institutional deposits; we do not have retail deposits and have no retail branch network. Our balance sheet included $172.1 billion of client deposits as of December 31, 2018.

- **We do not have an investment banking arm:** Because we do not have an investment banking arm, we are less subject to the risks of market volatilities and associated revenue volatility from underwriting and advisory activities.
- **We do not have a significant derivatives business:** Our potential losses from derivatives hedging activities are relatively minimal. Our activity in derivatives is limited to hedging our own limited exposures rather than market making.
- **We provide a limited number of loans and leases:** We do not provide mortgage loans, credit card loans, or other consumer loans and leases. This reduces our exposure to losses from borrowers not paying their debts. We have less than $26 billion in loans and leases outstanding, the majority of which are secured by our clients' assets under custody (AUC). Loans and leases outstanding accounted for only 11% of our total balance sheet assets as of December 31, 2018.
- **Our legal entity structure is relatively simple:** We benefit from having the majority of our business conducted through SSBT, which is our principal banking entity. While we have a global business with operations across the world's major markets, we do not have a complex legal entity structure. Our entire operation consists of 224 legal entities, including 23 that have been designated as material entities (as discussed in Section 3.2 Material Entities).

Our balance sheet is relatively small compared to other US global systemically important banks. Our balance sheet included $245 billion in assets as of December 31, 2018, which were primarily cash and liquid securities held for investment purposes and to support our clients' investment activities.

Our Systemic Significance

Our systemic significance is derived not from our size or trading activities, but rather from the scale and range of the global custody and certain types of investment management services we provide to our broad range of clients and the interconnected nature of those services to the financial system.

We deliver services to clients in more than 100 markets, with over 40,000 employees. To do this, we leverage our global network and an integrated technology infrastructure to provide our clients with a worldwide platform for growth and create custom-tailored solutions that can support investment strategies in virtually any market. Our core business lines comprise a variety of integrated functions, the various components of which are often performed by personnel within separate legal entities in different jurisdictions. For a global custodian like us, certain scalable activities are centralized while specific customer, regulatory, or market demands are likely to be delivered in the local marketplace.

We recognize our systemic significance and have invested a substantial amount of resources and management attention to increasing our financial and operational resilience, reducing the probability of entering into resolution and minimizing the impact of our resolution on the financial system if it were to occur. Since the aftermath of the 2008 financial crisis, we carefully reviewed our business, our clients, our services, and our organizational structure to enhance resolvability and identify, understand and address key impediments that might prevent or delay an orderly resolution.

2. Our Integrated Approach to Resolution Planning

We continually strive to build and improve upon our approach to resolution planning. Over the past few years we enhanced our resolvability and strengthened our resolution plan by further integrating key resolution concepts into the overall management of our business. During this time, we devoted extensive resources to effectively operationalize our capabilities and make appropriate enhancements. We will continue this process with further refinements we believe may be necessary to reflect changes in our activities or may further support our resolution goals.

This section describes our integrated approach to resolution planning and the enhancements we made to meet regulatory expectations for our 2019 Plan. One of the key steps we took for our 2019 Plan was to review our capabilities against the 2019 Guidance issued by the Agencies. Of particular importance for State Street were the changes to the Payments, Clearing and Settlement (PCS) aspects of the 2019 Guidance. Our 2019 Plan reflects the efforts we have made to adhere to the 165(d) requirements and the 2019 Guidance.

2.1 OUR RESOLUTION PLANNING PRIORITIES

To create a credible plan, we identified and continue to consider the following as our top priorities in the event of a resolution scenario:

- **Maintaining Uninterrupted Service Delivery to Clients:** We enjoy deep relationships with our clients and maintain capabilities to deliver continued service to them throughout a resolution scenario. Our resolution strategy is designed to preserve our critical operations, housed in both our global custody and investment management businesses. As such, we provision financial support for our designated material entities throughout a resolution scenario to sustain the continuity of our critical operations. These material entities provide critical services in support of one or more of our critical operations or core business lines. We continue to monitor critical services that are necessary for the continuity of our critical operations and have intercompany and third-party agreements in place which contain provisions that promote resolvability. State Street's preparedness will support continued delivery of critical operations in a recovery and resolution scenario.
- **Maintaining Access to Financial Market Utilities:** Financial market utilities (FMUs) provide the infrastructure for transferring, clearing, and settling payments and other financial transactions among or between financial institutions. As part of our global custody business activities, we interact with FMUs extensively on a daily basis to execute our clients' payment, clearing, and settlement activities. These activities are integral to many of our critical operations, the continuity of which must be maintained in a recovery and resolution scenario.

To maintain uninterrupted service to our clients, it is vital for us to maintain FMU access throughout a recovery and resolution scenario. To continue access and forestall adverse actions by the FMUs, we maintain (i) playbooks for each of our key FMUs that include possible actions to be taken throughout resolution, (ii) communications plans to support information sharing, and (iii) a crisis management team to be accountable for the actions and communications. We also reviewed our FMU capabilities in the context of the PCS aspects of the 2019 Guidance, implementing any necessary enhancements as applicable.

- **Maintain Robust Liquidity Management Capabilities:** In a resolution scenario, we need to have sufficient funding to successfully execute our resolution strategy. Our resolution planning efforts focused on strengthening liquidity management capabilities to address any resolution-specific liquidity challenges.

  We have further integrated resolution planning concepts into our existing liquidity management capabilities, including the pre-positioning of liquidity resources at entities where they are most likely to be needed, the calculation of resolution liquidity execution needs, the calculation of liquidity needs under the resolution liquidity adequacy and positioning model and further strengthened capabilities to track and project our liquidity position over the course of resolution. These are important capabilities to support a credible resolution strategy that minimizes the risk of systemic disruptions, protects our clients' assets and facilitates the stabilization of the resulting organization for the value of our stakeholders.

The capabilities that we maintain in relation to the above focus areas, in conjunction with all of our other resolution planning work efforts, supports our preferred resolution strategy, the Single Point of Entry strategy, that is described in the section below.

2.2 OVERVIEW OF RESOLUTION PLANNING

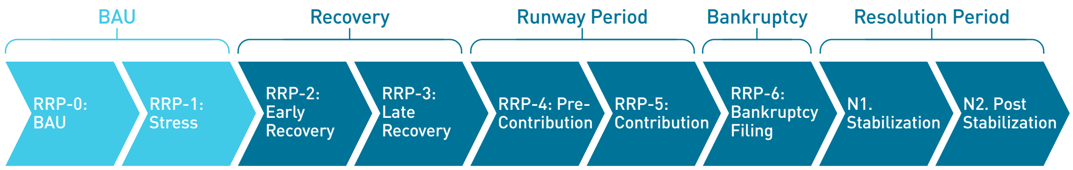
The Single Point of Entry strategy is our preferred resolution strategy. Under this strategy, in a failure scenario, only our parent holding company, State Street Corporation (SSC), would file for bankruptcy and be subject to bankruptcy proceedings, "The Single Point of Entry." This would allow SSC's resources and other internal resources to be used to preserve SSBT and our other material entities. As a consequence, our material entities, including SSBT, our principal banking entity, would be recapitalized and be provided liquidity to continue operations. Our core business lines and critical operations would continue to operate uninterrupted, although likely reduced in scope. Continuity of critical operations (particularly PCS) and the underlying Critical Services would provide stability to the financial markets and our clients. To execute the Single Point of Entry strategy, a newly organized holding company would be created. SSC's equity ownership in SSBT and the other remaining entities would be contributed to the new holding company. The new holding company would be transferred to an independent private trust and the subsidiaries would continue their businesses as non-debtor subsidiaries of the newly organized holding company.

Maintaining continuity of critical operations in both our investment management and global custody businesses is important to protect our clients and their assets. Preserving our operations would allow for uninterrupted client access to accounts, securities and other client property globally.

We recognize that the successful execution of our Single Point of Entry strategy requires sufficient planning for resolution as well as in the periods leading up to Resolution. Recovery and Resolution are part of a continuum and as such, we identified events that would generally be expected to occur over a time horizon in a resolution scenario. To facilitate an orderly resolution, we developed a clear plan to guide management starting from a baseline operating environment all the way through to the eventual bankruptcy filing and beyond. As illustrated in Exhibit 2, we segmented this progression into distinct stages: business-as-usual, recovery, runway period, bankruptcy and the resolution period. We clearly defined and prioritized the actions, decisions and governance necessary at each stage. The key activities and decisions assigned to each stage would enable our management and, as necessary, our Board of Directors (the "Board"), to take the appropriate actions to execute our resolution strategy in a timely manner.

To support our resolution strategy, we established a legal entity dedicated to serving as an intermediate funding entity in order to provide capital and liquidity, as necessary, to SSBT and the other material entities prior to and during entry into the resolution period. The funding entity has no client-facing operations and no third-party creditors. We pre-positioned financial resources in our material entities and our funding entity (including a substantial majority of our parent's liquid assets and certain intercompany debt assets) to support our resolution strategy. In addition, we maintain a secured support agreement between our parent (SSC) and our funding entity (as support providers) and our other material entities (as support recipients) that provides for the contribution of capital and liquidity support to those material entities in resolution. SSC continues to make contributions of excess resources to the funding entity on an ongoing basis as provided for in the support agreement.

Exhibit 2: Recovery and Resolution Stages

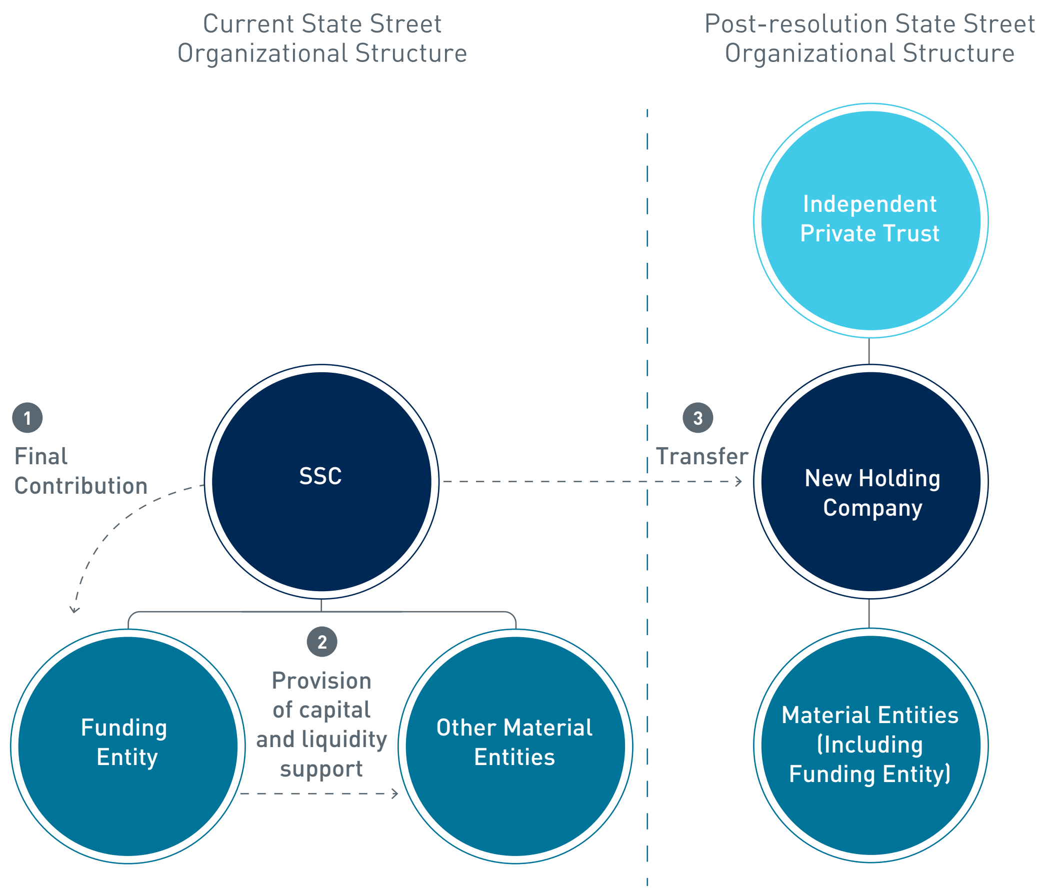


Below is a summary of each of the distinct periods along the recovery and resolution continuum.

- **Business-as-usual:** This stage represents general external market and internal business conditions and can include certain levels of stress that occur in normal business cycles. We have a well detailed Enterprise Risk Management infrastructure which regularly monitors activities, including pre-defined metrics, for timely governance.
- **Recovery:** We would enter the recovery stage when experiencing elevated stress levels due to deteriorating macroeconomic conditions and material idiosyncratic loss event(s). At this stage, we may see capital losses and liquidity strains of increasing severity. In the recovery stage, we would still expect to be able to return to a position of financial strength if the appropriate actions, such as balance sheet actions or potential business divestitures, are taken in a timely manner. Such actions are intended to stem further deterioration, avoid failure and eventually bring us back to financial health.
- **Runway Period:** This stage represents the point at which resolution becomes a distinct possibility, and the focus would switch to preparations for resolution. Actions in the runway period are intended to prepare for the timely bankruptcy filing and orderly resolution of SSC. Before the bankruptcy filing, SSC would make a final contribution of most of its remaining resources to our funding entity, as shown in Exhibit 3. The contribution to the funding entity and the following support to the material entities would be legally required under our secured support agreement, to which SSC and the funding entity are parties. The support to the material entities, as needed, from the funding entity would help stabilize and maintain operations throughout the resolution period.
- **Bankruptcy:** At the appropriate time, Our Board would make the determination for SSC to file for bankruptcy.
- **Resolution Period:** The remainder of our resolution strategy is designed to bring our material entities back to stabilized operations. Actions in this stage are designed to restore and maintain market confidence in the surviving entities and to prevent or mitigate any adverse effects of our failure on market financial stability.

Mechanically, after a final contribution of resources to our funding entity, SSC would not provide any support to our material entities. Our funding entity, which has been pre-positioned with recapitalization and liquidity resources, would facilitate the recapitalization of our material entities and the maintenance of appropriate levels of capital and liquidity to enable them to meet regulatory requirements and to fulfill funding obligations. Overall, our preferred resolution strategy, the Single Point of Entry strategy, is designed so that only SSC files for bankruptcy, while SSBT and our other material entities would continue to operate under a new holding company that is owned by an independent private trust separate from the bankruptcy proceedings of SSC.

Exhibit 3: Parent Contribution to Material Entities



1. SSC makes **final contribution** to funding entity
2. Funding entity **recapitalizes and provides liquidity** to other material entities
3. SSC **transfers** equity interest in subsidiaries to the new holding company

We have taken a number of actions to guide management to move from stage to stage in a timely and orderly manner to facilitate the successful execution of our resolution strategy. This includes a series of carefully calibrated triggers to govern the transition between stages, a collection of playbooks outlining the actions available to be taken at each stage, and a set of governance committees to execute key actions, including a robust communication framework that facilitates appropriate communications to our regulators, clients, vendors and employees among other key stakeholders. This combination of stages, triggers, playbooks, and governance provides the foundation for facilitating execution of required management and board actions at the appropriate time under our resolution strategy. This foundation supports the escalation of information to senior management and the Board, the timely contribution of financial resources and capital to our subsidiaries, and the timely bankruptcy filing of SSC.

Effectiveness of the Single Point of Entry Strategy

In our view, the Single Point of Entry strategy best serves our goal of minimizing systemic risk to the financial system in the unlikely event we experience resolution level stress. Our plan does not rely on extraordinary financial support from government sources nor require taxpayer support, as losses would be borne by SSC's shareholders and creditors. Additionally, the Single Point of Entry resolution strategy avoids competing resolution proceedings at different legal entities because only our parent company, SSC, would file for bankruptcy. Our other entities that carry out our critical operations would continue to operate. We would be able to facilitate, if required, the potential wind-down or divestiture of entities or associated asset sales in an orderly and planned manner.

We are particularly suited to the Single Point of Entry strategy as most of our material entities, core business lines, and critical operations are concentrated within SSBT and its subsidiaries. Under the Single Point of Entry strategy, our clients can continue to receive key services throughout resolution because SSBT and our other material entities are preserved as a globally integrated business operated by the new holding company. We have planned to maintain the necessary operational interconnectedness throughout resolution to support our Critical Operations, including placing our critical services and key infrastructure/relationships, such as FMU memberships, in material entities which would be recapitalized under the Single Point of Entry strategy.

The Single Point of Entry strategy satisfies our overarching goals of resolution. Additionally, the Single Point of Entry strategy is the preferred resolution strategy identified by a majority of US global systemically important banks submitting resolution plans, as well as the FDIC's preferred strategy for resolving global systemically important banks under Title II of the Dodd-Frank Act.[2] These considerations further support our view that the Single Point of Entry strategy would be the right strategy for our orderly resolution.

Changes Since Our 2017 Plan

Since our 2017 Resolution Plan (2017 Plan) filing, State Street has continued to incorporate recovery and resolution planning principles into our business and daily operations to help strengthen and protect our business, our clients and the wider financial system. We view resolution planning as a firm-wide commitment and a key consideration in our day-to-day decision making, and over the past two years, we have devoted significant resources to effectively operationalize our capabilities, and we continue to refine our resolvability. The most material changes to our 2019 Plan include addressing the 2019 Guidance, including for PCS which is a critical part of our operations, and also reflecting the enhancements we have made to our overall RRP framework, including the further integration of RRP into respective business units. As a part of our commitment, State Street also updates its Resolution Plan to reflect material changes to the organization and its business model which for 2019 include senior management changes and State Street's acquisition of Charles River. Material changes such as acquisitions are subject to rigorous assessment pre completion, including an RRP assessment to determine any potential impacts from the acquisition and to structure the transaction in a way that promotes resolvability. The material business changes noted below are appropriately addressed in our 2019 Plan and have been incorporated into our resolution strategy.

Senior Management Changes

State Street has undergone a number of noteworthy changes to its senior management since 2017. These changes include the retirement of Joseph L. Hooley as State Street's Chief Executive Officer effective December 31, 2018. Mr. Hooley remains Chairman of the Board, and will continue to serve in that role until his expected retirement as a director on December 31, 2019. Ronald O'Hanley, who was appointed as Vice Chairman on January 1, 2017, succeeded Mr. Hooley as State Street's Chief Executive Officer on January 1, 2019. Other senior management changes have occurred, as described in State Street's public disclosures.

Charles River Acquisition

On October 1, 2018, State Street acquired Charles River Development (Charles River), a global software company focused on providing software solutions for portfolio management, trading and compliance, in a transaction valued at $2.6 billion. Charles River provides front and middle-office services to a global, diversified client base of over 300 buy-side firms in over 35 countries, including

[2] Federal Register, Vol. 78, No. 243: https://www.gpo.gov/fdsys/pkg/FR-2013-12-18/pdf/2013-30057.pdf.

50 of the top 100 global asset managers. Charles River is now part of State Street's Global Custody Core Business Line.

As a result of State Street's acquisition of Charles River, State Street will extend its core capabilities to create a front-to-back office platform that combines State Street's core back and middle office services with front office solutions across all asset classes for portfolio management, trading and compliance. State Street's new products and services resulting from this acquisition include: portfolio modeling and construction, trade order management, investment risk and compliance and wealth management solutions. Charles River has been appropriately built into State Street's 2019 Plan.

2.3 POST-RESOLUTION SIZE AND OPERATIONAL CAPABILITIES

Following the successful execution of the Single Point of Entry strategy, our parent company, SSC, would be in bankruptcy, while our remaining entities (e.g., SSBT and all its subsidiaries) would continue to operate. In the hypothetical post-resolution world, our critical operations, housed in both our global custody and investment management businesses, would continue. We would also retain the ability to provide a range of services critical to our clients as our two core business lines and underlying business structure would be maintained.

Depending on the circumstances surrounding our recovery and resolution, we may also decide to sell discrete portions of our business. We have designated certain parts of our business as divestiture options based on a rigorous selection process that takes into account the need to maintain continuity of the critical operations we provide. These divestiture options, when exercised individually or in aggregate, would generate meaningful financial contributions, which in a recovery scenario could help us avoid bankruptcy and in a resolution scenario could help us stabilize our post-filing organization.

The decision to exercise such divestiture options would ultimately depend upon the specific facts and circumstances available at the time of resolution. A sale (or sales) would further shrink our post-resolution size, our operational footprint and number of business units.

2.4 OUR CONTINUED FOCUS ON RESOLVABILITY

Resolution planning is an organizational priority at State Street. Since filing our 2017 165(d) Resolution Plan, we have continued to advance our approach to resolution planning and improve our resolvability. We continue to make investments to support the ongoing viability of our resolution strategy. These investments in time, resources and technology serve to embed resolvability principles into our operating model and governance processes, resulting in enhanced operational capabilities, a more rational legal entity structure, and an even stronger financial position. Our executives and senior management devoted their time and attention by providing meaningful development, review and challenge of the resolution planning process and are familiar with their responsibilities in implementing our resolution strategy. Additionally, our investments included contributions from personnel across our global organization involving specialists like risk, treasury, technology, legal, human resource, finance and operations to fulfill our responsibilities to our clients, shareholders, regulators and communities in developing a robust resolution plan.

Our efforts and current projects to improve resolvability shaped and will continue to shape our decision-making and operations on a firm-wide basis. In addition, State Street welcomes the 2019 Guidance released by the Agencies, and has integrated these requirements into this 2019 Plan. The remainder of this section summarizes the actions we have taken to enhance resolvability across our business. Our discussion of these actions is aligned with the assessment areas identified in the 2019 Guidance:[3]

- **Governance Mechanisms:** describes our plan for identifying and responding to stress and entry into resolution, comprising stages, triggers, and playbooks as well as an intermediate funding entity and secured support agreement to obligate execution of the Single Point of Entry resolution strategy at the appropriate time;
- **Capital:** describes our efforts to enhance our capital management framework and provide for sufficient levels of capital to successfully implement our resolution strategy;
- **Liquidity:** describes our efforts to enhance our liquidity management framework and provide for sufficient levels of liquidity to successfully implement our resolution strategy;
- **Operational:** describes our efforts to embed resolvability principles into our operational processes, procedures, and systems, including: Shared and Outsourced services; Management Information Services; Payment, Clearing and Settlement services; and
- **Legal Entity Rationalization and Separability:** describes our efforts to strengthen our legal entity structure and facilitate the separability of potential divestiture options.

We recognize that improving and maintaining our resolvability is an iterative process. As our business evolves, we will continue to devote the resources and talent needed to support resolution planning.

[3] The Derivatives and Trading assessment area is not addressed in this 2019 Plan as State Street is not a dealer firm, and it is therefore not applicable.

2.4.1 GOVERNANCE AND GOVERNANCE MECHANISMS

For our Governance and Governance Mechanisms, we maintain and update a detailed plan for resolution comprising crisis continuum stages, triggers and playbooks, including the following:

- Framework with the **key stages** of recovery and resolution, starting from BAU, leading up to the decision to file for bankruptcy, and through to the subsequent stabilization period
- Capital and liquidity **trigger points** calibrated to advance the recovery and resolution stages that are linked to specific actions and decisions
- Detail on a comprehensive **governance committee structure** to facilitate the execution of our resolution strategy
- A set of **integrated playbooks** detailing the actions available, the types of information required and responsible parties at each stage. This framework outlines a clear management decision making and approval process that coordinates Board of Directors and Executive Management actions with the engagement of the businesses. This provides for an appropriate information flow that supports timely decision making and transparent communications.
- Established a **funding entity** with appropriate governance including a **secured support agreement** to provide support to SSBT and other material entities prior to SSC's bankruptcy filing

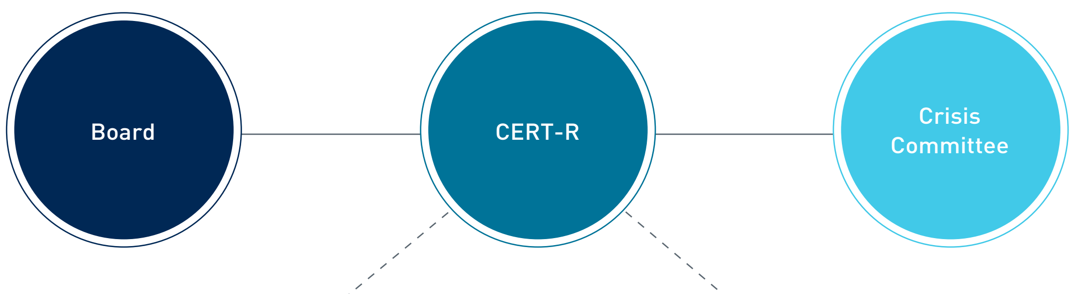
We believe that successful execution of our resolution strategy is dependent on the right people, having the right information, delivered in time for them to make effective decisions. To support this, we maintain an integrated plan for recovery and resolution that would help senior management and the Board make appropriate decisions and execute key actions at the right time.

We have defined clear stages of the recovery and resolution process, starting from BAU, leading up to the decision to file for bankruptcy and through the subsequent stabilization period.

A series of triggers tied to our financial condition mark the transition from one stage to the next and move us through the stages of recovery and resolution. These triggers are calibrated to allow sufficient time to take the necessary actions. The triggers minimize discretion regarding playbook activations and hold us accountable to our recovery and resolution plans by guiding movements between stages using measures of our financial condition rather than qualitative decision-making alone. We believe these triggers are objective, comprehensive and meaningful indicators of deteriorating financial condition.

We maintain a governance committee structure to inform and charge the right individuals to take action at the appropriate times in any recovery or resolution scenario. The final decision-making authority throughout recovery and resolution rests with the Board, which is guided by the board governance playbook. At the senior management level, decisions are driven by the Crisis Executive Response Team for Recovery and Resolution Planning (CERT-R). CERT-R is a recovery and resolution-specific governance committee that is responsible for coordinating execution of our recovery and resolution actions. CERT-R is chaired by our Chief Executive Officer and reports directly to the Board, as shown in Exhibit 4. CERT-R is supported by crisis management teams linked to specific areas of expertise. Each of these crisis committees is guided by a detailed playbook and has clearly defined lines of communication, escalation and decision-making responsibilities. The hierarchy, from CERT-R down through the crisis committees and operational teams in our businesses and functions, provides a clear structure for escalation of information to the appropriate parties and execution of responsibilities throughout each stage of recovery and resolution.

Exhibit 4: CERT-R Structure[4]



CERT-R Overview

Membership

- President and Chief Executive Officer (chair)
- Chief Operating Officer
- Chief Financial Officer
- Chief Legal Officer (non-voting)
- Chief Risk Officer
- Chief Administrative Officer
- International CEO
- Resolution Officer

Responsibilities

- Timely coordination of execution of SSC's recovery and resolution strategy
- Monitoring of financial health of firm
- Board Escalation
- Implementation of timely bankruptcy filing, as directed by the Board

[4] International CEO: position starting in July 2019.

We maintain a set of governance playbooks to coordinate the execution of recovery and resolution actions and decisions required to implement our resolution strategy. Our library of playbooks includes a management master playbook, a communication playbook, operational playbooks, and board playbooks as shown in Exhibit 5. The **management master playbook** sets the foundation for our playbooks by connecting the trigger framework to CERT-R actions to activate each stage, activating crisis committees and their related operational playbooks, and coordinating the execution of related playbook actions. The management master playbook contains all necessary details for CERT-R processes supporting recovery and resolution, including board escalation and notification, and stage and playbook activation.

Our **operational playbooks** describe the tactical steps to be taken to execute key actions to implement our resolution strategy. They contain an analysis of the business needs, resource needs, and operational protocols required to maintain operational capabilities throughout a resolution scenario. Some of the topics outlined by the operational playbooks include actions to retain key personnel in a crisis, actions to maintain FMU access, management of our securities lending portfolio, and actions to facilitate client transitions. The primary focus of the operational playbooks is to inform a reader how our operations work, how the operational crisis teams should manage and sustain our operations in resolution and how coordination between each operational crisis team, CERT-R and the other operational areas should be maintained. In particular, playbooks contain detailed contingency planning for communications, staffing needs, and other contingent actions.

We have developed **board playbooks** that are designed to involve the appropriate material entity boards and governance committees in oversight and decision-making at each of the key points in recovery and resolution. The playbooks for our most important entities are the most extensive. They provide detailed discussions of board actions across each stage, including detailed actions for the boards in the event of SSC's bankruptcy filing. Other board playbooks describe the major decisions and actions that a board would need to make with individualized content specific to that entity.

Simulation exercises have been conducted globally to test elements from our playbooks as well as confirm that our crisis governance framework is fit for purpose. These have provided results that have enhanced our RRP framework and capabilities as well as elevated awareness across the organization.

Exhibit 5: Governance Playbooks

In addition to the integrated governance plan described above, we have in place two critical elements to support our resolution strategy: a dedicated funding entity and a secured support agreement. With the execution of the support agreement, our parent, SSC, contributed the majority of its liquid assets and certain intercompany debt assets to the funding entity, and it continues to make additional contributions to the funding entity in accordance with the support agreement. The funding entity holds pre-positioned resources so that it is able to recapitalize and provide liquidity support for our material entities in the event of resolution. The support agreement is a secured contractually binding mechanism designed to provide for the availability of those resources and for their use on a timely basis to recapitalize and provide liquidity to our material entities. The secured support agreement and funding entity together would enable us to separate SSBT and our other material entities from SSC as quickly and cleanly as possible in the event of a bankruptcy filing.

2.4.2 CAPITAL

State Street's existing capabilities would allow for a successful implementation of our resolution strategy and the stabilization of our material entities in a resolution scenario. From a capital standpoint, these capabilities include:

- A comprehensive capital framework that integrates **Resolution Capital Adequacy and Positioning (RCAP)** and **Resolution Capital Execution Need (RCEN)** across all material entities with regulatory capital requirements
- Minimum **pre-positioned loss absorbing capacity** under the RCAP framework, which incorporates various loss scenarios and considers any frictions that may exist in transferring capital between entities in a resolution scenario
- The anchoring of RCEN in specified **post-bankruptcy recapitalization targets** for capital ratios at material entities with regulatory capital requirements, with these targets above regulatory well-capitalized or equivalent levels
- **Minimum contributable resources** held at certain material entities to support subsidiary capital needs
- **Financial modeling capabilities**, including integrated resolution-scenario RCEN forecasts for material entities with regulatory capital requirements
- Calculation of **post-bankruptcy capital needs**, included in RCEN, as part of the trigger framework governing the timing of the execution of our resolution strategy

To enhance our resolvability and to provide for sufficient capital and resources to successfully implement our resolution strategy, resolution planning concepts are integrated into our capital management framework. The existing capital management framework addresses potential vulnerabilities and would allow our recapitalized material entities to meet well-capitalized levels throughout a potential resolution period and restore regulator, client, and market confidence.

Our resolution capital framework comprises RCAP and RCEN:

- Our **RCAP** framework is designed to provide for the appropriate positioning and mix of loss absorbing capacity at each of our material entities to meet regulatory capital requirements and support the execution of our resolution strategy. Loss absorbing capacity includes our Tier 1 capital as well as qualified long-term debt. Our RCAP framework takes into account applicable US and international regulatory requirements, stress testing analyses, and qualitative factors. These factors are used in our RCAP framework to determine the balance of pre-positioned loss absorbing capacity and contributable resources we need to maintain at each applicable material entity in BAU.

- **RCEN** is our estimate of the capital needed to maintain well-capitalized levels and restore market and client confidence post SSC's bankruptcy. RCEN includes sufficient capital to account for any additional capital needs that may arise post-bankruptcy. Our RCEN targets are set for each material entity to meet regulatory capital requirements of local jurisdictions. RCEN is a key input into our plan for SSC's bankruptcy filing and its timing.

To operationalize these concepts, we utilize the methodologies defined in our framework and forecasting capabilities we have developed in order to calculate RCEN periodically in BAU and daily during stress. Additional resolution measures (e.g., liquidity, discussed in Section 2.4.3 Liquidity) complement these new resolution capital concepts. Together, these capabilities allow us to provide management and the Board with the information needed to monitor a crisis, make decisions, and take actions in a timely manner.

RCAP and RCEN metrics are embedded into our overall governance framework. Both metrics represent a critical indicator that we measure, monitor and report. RCAP aids management in determining the balance of pre-positioned loss absorbing capacity and contributable resources we need to maintain at each applicable material entity in BAU. RCEN has been integrated into our trigger framework to direct our progression through key recovery and resolution stages. These mechanisms would give management and the Board the information they need, to know when to execute our resolution strategy and ultimately, if necessary, file for bankruptcy when we find ourselves in a resolution scenario.

Collectively, the establishment, operationalization, and embedding of the RCAP and RCEN frameworks into our BAU practices helps material entities maintain sufficient capital to successfully implement our resolution strategy, meet their projected needs, and stabilize following a resolution scenario.

2.4.3 LIQUIDITY

State Street maintains a comprehensive set of liquidity frameworks and capabilities supporting the ability to successfully implement our resolution strategy and stabilize our material entities in a resolution scenario. Key elements of these liquidity frameworks and capabilities include:

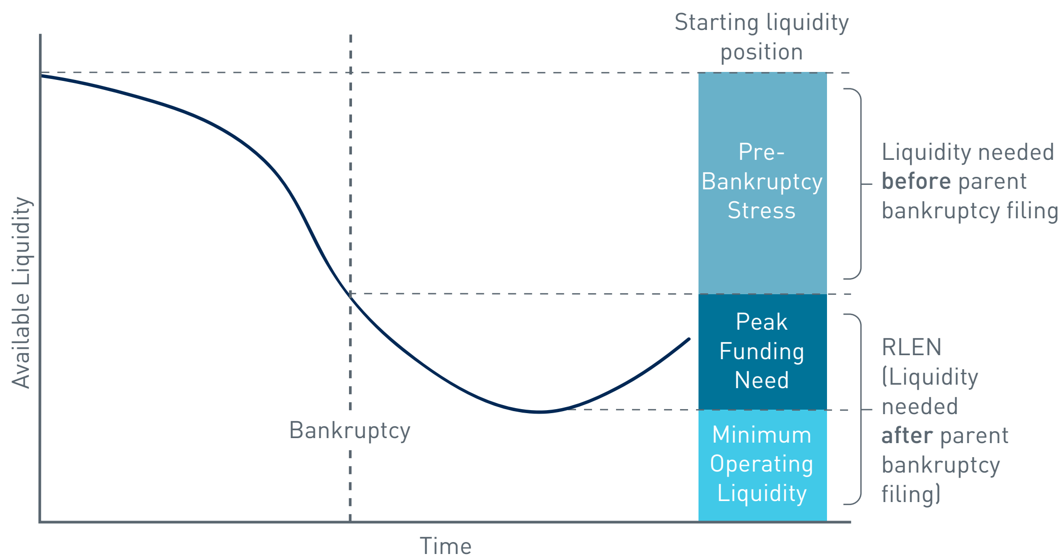
- Comprehensive framework that integrates **Resolution Liquidity Adequacy and Positioning (RLAP)** and **Resolution Liquidity Execution Need (RLEN)** across all material entities
- Determination and monitoring of **minimum pre-positioned liquidity** amounts for each material entity under the RLAP framework, which incorporates appropriate balancing of liquidity resources between SSC, material entities, and funding entities
- **Methodology and capabilities to produce RLEN** for each material entity, the liquidity needed to execute our resolution strategy, which includes forecasts of **minimum operating liquidity requirements**, including intraday liquidity to support continuous access to FMUs, and **potential peak funding needs** to stabilize material entities in a resolution period
- **Methodology and capabilities to produce RLAP** for each material entity, the liquidity needed to cover minimum liquidity requirements and net outflows over a severe 30-day liquidity stress scenario that reflects the idiosyncratic liquidity profile and risk of the firm
- Refined **liquidity assumptions** used across RLAP and RLEN, **improved modeling capabilities** to enhance data capture and analytics, and further integration of these capabilities across our liquidity management frameworks (RLEN, RLAP, Liquidity Stress Testing)
- Incorporated **post-bankruptcy liquidity needs**, RLEN, into the trigger framework governing the timing of the execution of our resolution strategy

We maintain and continue to enhance a comprehensive liquidity management framework to forecast, monitor, and manage our liquidity needs. In a resolution scenario, we expect that we may experience withdrawal of customer deposits, unwind of certain businesses, loss of intraday credit from our FMUs on an uncollateralized basis, and other potentially adverse actions that could place significant stress on our liquidity position. In addition, we may not be able to transfer funds freely between our entities in resolution given that regulators of each entity could restrict the movement of funds (i.e., "ring-fencing") — the result of which would prevent a funding surplus in one entity from being available to support funding needs in another entity. To support our resolvability, these resolution planning constraints and risks are integrated into our RLAP and RLEN frameworks. These enhancements mitigate potential vulnerabilities and are designed to maintain sufficient levels of liquidity to successfully implement our resolution strategy and to support our material entities, critical operations, and clients throughout resolution.

Our resolution liquidity framework comprises RLAP and RLEN:

- Our **RLAP** framework is designed to measure the stand-alone liquidity position of each material entity and provide for enough readily available liquidity to meet needs that may arise at each of our material entities. Specifically, RLAP is the amount of liquidity needed at each material entity, at the time of measurement, to endure at least 30 days of financial stress manifested as liquidity stress outflows. RLAP determines the minimum amount of pre-positioned liquidity we need to maintain at our material entities in BAU to absorb 30 days of financial stress.
- **RLEN** is our estimate of the liquidity needed to allow our remaining material entities to continue to operate throughout resolution after SSC's bankruptcy filing. More specifically, RLEN includes expected liquidity obligations, referred to as peak funding needs, and minimum operating liquidity requirements for each material entity to continue to operate, as shown in Exhibit 6. RLEN is a key input into our plan for determining when SSC may need to file for bankruptcy.

Exhibit 6: Components of RLEN Model



Our RLAP framework is a key component of our liquidity management and is codified in our liquidity policy. We place liquidity so that there are resources readily available to meet needs that may arise at any of our material entities. Meanwhile, our RLEN framework is used to estimate our liquidity needs, post-bankruptcy and through resolution. Together, these frameworks facilitate the continuation of operations throughout resolution by making sure we have sufficient liquid assets at all times.

In addition, we aligned these frameworks to our internal liquidity stress testing processes and our existing daily liquidity capabilities. To further operationalize these concepts, we enhanced our measurement, monitoring, and forecasting capabilities to allow for periodic measurement of RLEN in BAU and daily measurement during stress. Additional resolution measures (e.g., capital, discussed in Section 2.4.2 Capital) complement these resolution liquidity concepts. To determine the level of liquidity risk at each material entity on an ongoing basis, we compare the calculated RLAP and RLEN quantities against our available liquidity resources, which consist of cash and high quality liquid assets. These capabilities allow us to provide management and the Board with the information needed to monitor a crisis, make decisions, and take actions in a timely manner.

Our enhanced liquidity management framework is fully embedded into our overall governance framework. Both RLAP and RLEN are integrated into our trigger framework to direct our progression through key recovery and resolution stages. These mechanisms also serve to give management and the Board the information needed to know when to execute our resolution strategy and ultimately, if necessary, file for bankruptcy.

Together with the capital work efforts described in Section 2.4.2 Capital, the liquidity management framework helps us determine and meet both our short-term and long-term financial needs to successfully implement our resolution strategy and stabilize following a resolution scenario.

2.4.4 OPERATIONAL

To support operational continuity planning in resolution, State Street has developed and continues to maintain a comprehensive Shared Services framework. Capabilities of this framework include detailed mapping of Critical Services that support the Critical Operations provided by State Street determined to be systemically important; identification of legal entity providers and recipients of these services; and mapping of resources such as personnel, technology platforms, and third parties required to perform these Critical Services.

The Shared Services framework allows State Street to understand the strategic interconnectedness of the service delivery model required to maintain its designated systemically important functions. Key elements of the framework include:

- **Services taxonomy** technology platform known as the Atlas Platform, which records criticality designations and detailed mapping
- **Centralized service mapping data** consolidation to facilitate on demand access to resolution critical reporting
- **Intercompany** and **third party** contracts that support Critical Services with continuity provisions, located in a searchable repository

A crucial challenge in resolution is providing for the continuity of operations. Consequently, we continually consider our operational interconnectedness and have a proactive approach to support our resolution strategy. Sections 2.4.2 Capital and 2.4.3 Liquidity outline how we would set aside sufficient capital and liquidity resources for this purpose, but even assuming financial adequacy in our material entities, certain functions and capabilities that are indispensable in day-to-day operations may be at risk in a resolution scenario. Examples include Critical Services provided under contracts with third-party vendors and access to management information systems capabilities. To mitigate the risk of the loss of these services and capabilities, we assess our business operations to identify potential weaknesses and implement supporting measures and controls. In addition, the infrastructure projects we have implemented to strengthen our management information systems and information technology keep State Street operationally prepared to execute our resolution strategy. In particular, these projects enable the continuity of shared services, including continued access to building facilities, IT vendors, and Financial Market Utilities (FMU). We also have management information systems in place to provide the necessary information needed to facilitate resolution readiness and the orderly execution of our resolution strategy. Across these work efforts, we have established governance structures in place that embed operational continuity as a key principle in decision-making as our business continues to grow and evolve.

Shared and Outsourced Services

As a global business that operates in many jurisdictions, our material entities receive services that are provided by our other legal entities or, in specific instances, by third parties. In a resolution scenario, we have to maintain the continued provision of services that are required for the continuity of critical operations at material entities.

As such, we maintain a comprehensive services taxonomy to categorize all of our internal services and identify those that are critical services. For these critical services, we identify the infrastructure that supports them to enable their continued delivery in resolution. The documentation and mapping of our critical services help guide our plans that enable our material entities to maintain access to these services during a resolution period by allowing us to place the resources required to sustain these services in the appropriate material entities.

Finally, operational continuity is embedded as a key consideration in our ongoing processes, and our global policy governing our intercompany and third-party service agreements include the necessary provisions for maintaining continuity in a recovery or resolution scenario. To facilitate the administration of this policy, we also have the infrastructure to search, store, review, and manage such contracts across the enterprise. We have an integrated technology platform to support our services taxonomy. This platform enables us to centrally track and maintain key resolution information by material entity, including critical services and the personnel, facilities, systems, vendors, memberships, and intellectual property that support these services. This platform is integrated with State Street's core bank systems, enabling resolution preparedness to be embedded in the day-to-day running of our business.

Payment, Clearing, and Settlement (PCS) Activities

In our role as a global custodian bank, continuity of our critical operations is dependent on continued access to key FMUs. FMUs are utilities that enable payments and the clearing and settlement of financial transactions. We have developed a framework to identify our critical FMUs. The FMU framework, built on quantitative and qualitative parameters and reviewed on an annual basis, serves as the foundation of our annual identification of key FMUs (including Central Securities Depositories, Agent Banks, and Payment Systems); FMUs that are critical to our resolution strategy and operational continuity. To facilitate continued access to these key FMUs, we maintain playbooks for each key FMU, conjointly with the respective business unit subject matter experts, detailing the actions and decisions that we take throughout recovery and resolution, with the goal to enable the continuity of our PCS services. The playbooks are refreshed on an annual basis as part of our business as usual (BAU) processes.

Most recently, we adjusted our FMU framework and PCS Master Playbook to reflect the 2019 Guidance.

We also conduct significant analyses of the liquidity requirements and funding arrangements related to each FMU, including the intraday needs under recovery and resolution scenarios. As a result of the collaboration between our payment, clearing, and settlement, and liquidity resolution work, we set aside, as part of our liquidity framework, liquidity resources to maintain FMU access in times of stress.

Management Information Systems

Timely access to relevant and accurate data is critical for decision-making in a resolution setting. It is also important in BAU settings as we continuously promote resolvability across the enterprise.

In support of these objectives, we maintain a centralized catalog consolidating resolution-critical reports across various business and functional areas. In resolution, this catalog, known as the Resolution Critical Reporting Framework, would provide information to make timely and well-informed decisions. We have processes and controls in place to provide for information that is up-to-date, reliable, and available at the appropriate level of granularity to guide decision-making.

We have a governance process in place to continuously review our management information systems platforms across the organization to support resolvability. These governance review efforts not only span across many functional areas and business units but also include feedback from senior management to enhance processes as applicable.

Collateral Management

As part of our day-to-day business, we pledge collateral to counterparties and receive collateral pledged to us by counterparties; this includes collateral-related activity across our various affiliates. In a resolution scenario, the ability to identify, aggregate, track, value and report such collateral is integral to maintaining transparency and facilitating the unwind of positions.

To this end, we have continued to enhance processes and management information systems capabilities around collateral management so collateral can be more easily tracked and managed. This includes digitizing our collateral contracts so they can be searched by key contract terms and enhancing existing capabilities to track collateral and their sources and uses to support timely reporting. We also maintain a global collateral management policy to serve as a single source of governance overseeing our principal collateral management business where we are a counterparty in the transactions.

2.4.5 LEGAL ENTITY RATIONALIZATION AND SEPARABILITY

To simplify and strengthen our legal entity structure and promote the separability of our divestiture options, we:

- Maintain Legal Entity Rationalization (LER) principles and criteria as part of our resolution planning and embedded the criteria into our BAU environment to guide decision-making concerning our Legal Entity structure
- Maintain clean funding pathways between material entities to support their capital and liquidity needs under a potential resolution scenario
- Formalized the LER governance structure including revised charters, policies, processes and procedures to identify ongoing LER criteria responsibilities and integrate LER in our internal governance structures
- Maintain rational legal entity organizations for each divestiture option that is aligned with the LER criteria and facilitate the separability of each option
- Maintain playbooks and data rooms for each of the divestiture options to support an expedited sales process

Legal Entity Rationalization Principles and Criteria

As part of sound business practice, we have always viewed prudent management of our legal entities as a top priority. Since structural complexity may impede the successful and orderly execution of our resolution strategy, we established and implemented clear and actionable Legal Entity Rationalization Criteria (LER-C) to promote a simple legal entity structure, as well as embedded resolvability principles in our broader business processes.

We continually applied the LER-C to our legal entity structure. As part of this work effort, our corporate structure was simplified by, among other initiatives, removing select entities. We also reviewed its existing intercompany arrangements and funding pathways to confirm that our structure supports unimpeded delivery of capital and liquidity to our material entities.

In addition to aligning our existing legal entity structure and funding arrangements to our LER-C and our resolution strategy needs, we implemented an LER governance structure designed to promote compliance with the LER-C on an ongoing basis. We established the Legal Entity Oversight Committee to oversee enforcement of the LER-C across our legal entity structure and integrated resolvability considerations into our governance processes related to new products, business processes outsourcing and intercompany funding/guarantee arrangements. The embedding of the LER-C in broader governance structures across our firm resulted in establishing LER as a dimension of BAU decision-making, which in turn strengthens our resolvability.

Clean Funding Pathways

As a component of evaluating our resolvability, we analyzed whether our legal entity structure and the financial and operational interconnections among our legal entities created any impediments to the movement of capital or liquidity contemplated under the Support Agreement and its Single Point of Entry (SPOE) strategy. The purpose of this analysis was to validate that in a resolution scenario, we continue to be able to distribute capital and liquidity support to where it is needed.

Through this analysis, we concluded that our legal entity structure and interconnections do not represent impediments to the movement of capital and liquidity in a resolution context. In the event the funding obligations under the Support Agreement were to be triggered, we have identified at least one, and in most cases multiple, clean funding pathways that would be available, to the extent necessary, between a source of such funding, including State Street Intermediate Funding LLC (SSIF), and the Material Entities that would be the ultimate recipients of such funding.

Separability

In a recovery and resolution scenario, we retain the option of selling discrete portions of our business to raise additional funds. We have identified four divestiture options, each representing discrete operations that could be sold or transferred in resolution. The options would provide, individually or in combination, a meaningful capital and liquidity infusion to our firm in recovery or resolution under different market conditions.

To facilitate a potential transaction, where needed, we have restructured our divestiture options in a manner that enable their efficient sale and separation from the rest of State Street. This restructuring included separating the legal entities these businesses operate in or receive critical services from and designing their funding arrangements to facilitate separability. In addition, the application of the LER-C to our structure has resulted in organizational changes, including the addition of new entities that facilitate separability. We have also developed and maintain, for each option, divestiture playbooks designed to expedite decision-making and deal execution as well as data rooms containing information pertinent to a potential divestiture of the options, both of which support the sales process so the divestitures can be set in motion rapidly if needed.

2.5 OUR RESOLUTION GOVERNANCE STRUCTURE AND RISK MANAGEMENT PROCESSES

Strong and effective governance is a key component of our approach to resolution planning. We have enhanced our governance structure and risk management processes, and we continue strengthening resolution planning oversight and controls.

2.5.1 APPROACH TO RISK MANAGEMENT

Risk is inherent in operating in the financial services industry. One of the most important frameworks guiding our activities is our Risk Appetite Statement. This Risk Appetite Statement governs SSC and its subsidiaries on a consolidated basis and serves as firm-wide risk guidance on the level and types of risk that we are willing to take in the course of executing our strategies and growing our business. Our Enterprise Risk Management group is responsible for overseeing the implementation and monitoring of our overall risk management infrastructure.

To complement and strengthen our risk management framework, risk management is instilled into our firm's culture, with Risk Excellence as our overarching, top-down, bottom-up approach to risk management across the firm. This starts at the "top of the house" with our Board of Directors and extends to each and every employee. We also have three lines of defense to facilitate the implementation of the goals, policies and procedures put in place by the Board and management to support a robust risk culture, as shown in Exhibit 7. Since our 2017 submission, we have further integrated RRP responsibilities into relevant business units and corporate functions. The first line of defense for our RRP Program consists of the business units and working groups that are subject matter experts for their particular workstream, working alongside the RRP Office. The second line of defense consists of independent corporate compliance and risk oversight groups whose responsibilities integrate with our risk appetite framework and policies, the oversight of the first line of defense and compliance with various regulatory, legal and other contractual requirements. Lastly, we have a Corporate Audit team that is responsible for reviewing the effective performance of the first two lines of defense. These three lines of defense strengthen our risk management framework and act as safeguards to mitigate the possibility of material risks arising without being addressed.

Exhibit 7: Three Lines of Defense

Governance
Strong Board and Management Oversight Sets
"tone from the top" and establishes corporate risk appetite and strategy

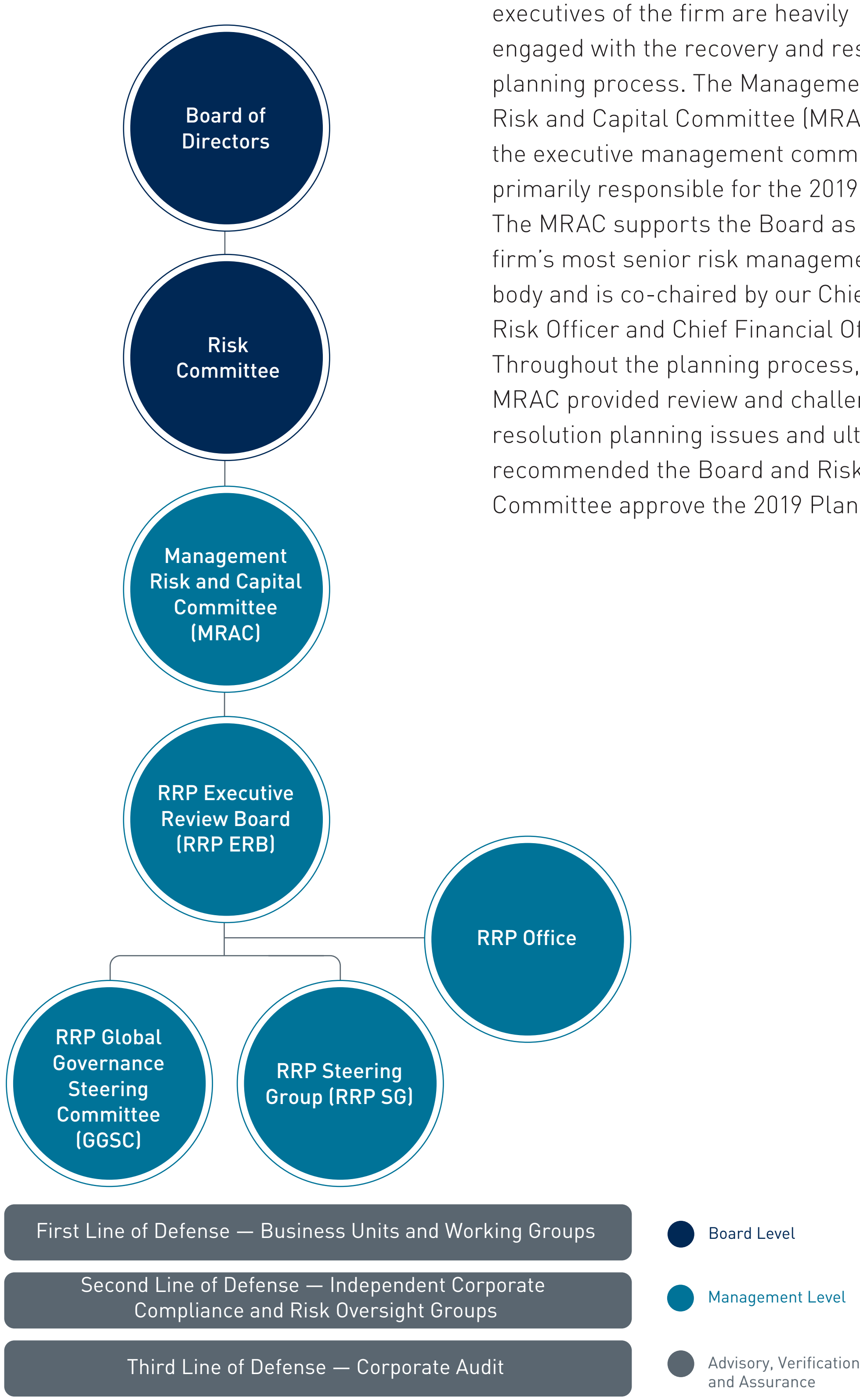
First Line of Defense	Second Line of Defense	Third Line of Defense
This includes State Street's business units and support groups. **Every employee** owns and manages risk and is responsible for their own internal control environment.	This includes independent corporate compliance and risk oversight groups. Their role is to establish and monitor adherence to the risk and control framework.	This is the Corporate Audit function. Its role is to provide independent assurance relative to risk management and internal controls.

Culture
Overall culture that permeates the organization and prioritizes Risk Excellence in everything we do.

2.5.2 RESOLUTION PLANNING CORPORATE GOVERNANCE STRUCTURE AND PROCESSES

We leveraged our existing governance structure and risk management processes to oversee resolution efforts, including the development and completion of our 2019 Plan. The responsibility for resolution planning starts at the highest level of our organization, as shown in Exhibit 8. The Board and its Risk Committee oversee the recovery and resolution planning process. Together, they devoted substantial time and effort to the resolution plan progress. Prior to submission, the Risk Committee and full Board reviewed and approved the 2019 Plan.

Exhibit 8: RRP Governance Structure



At the management level, senior executives of the firm are heavily engaged with the recovery and resolution planning process. The Management Risk and Capital Committee (MRAC) is the executive management committee primarily responsible for the 2019 Plan. The MRAC supports the Board as the firm's most senior risk management body and is co-chaired by our Chief Risk Officer and Chief Financial Officer. Throughout the planning process, the MRAC provided review and challenge of resolution planning issues and ultimately recommended the Board and Risk Committee approve the 2019 Plan.

The recovery and resolution planning Executive Review Board (ERB) is a sub-committee of MRAC and is the main governance body that proactively shaped the strategic direction of the 2019 Plan by providing executive oversight, review, and challenge of key aspects of our resolution planning efforts and approach. The ERB is composed of six senior executives: our Chief Risk Officer, Chief Legal Officer, Chief Compliance Officer, Treasurer, Resolution Officer, and General Auditor. Combined, they have substantial experience across risk management, treasury and finance, legal and regulatory disciplines as well as business controls and audit. The ERB brings an organization-wide perspective to facilitate resolution planning execution and instill resolution concepts in business decisions.

The Recovery and Resolution Planning Steering Group (RRP SG), formerly referred to as the RRP Executive Steering Group (RRP ESG), is an advisory group of senior executives from across our firm. This advisory group is comprised of global business executives and subject matter experts from corporate, operations and information technology. The RRP SG is updated on the direction of our resolution plan and provides practical feedback on the implementation and integration of our plan.

Additionally, our Global Governance Steering Committee (GGSC) oversees and coordinates our global recovery and resolution planning efforts which contributes to the global harmonization of our resolution preparedness across different regulatory regimes. The GGSC provides strategic direction to the development of subsidiary recovery and resolution plans for international regulators.

The Board, Risk Committee, MRAC and ERB are collectively responsible for governance oversight and accountability for the 2019 Plan. Equally important is management responsibility for the execution of efforts related to the 2019 Plan and implementation of related regulatory guidance. These responsibilities are organized under the recovery and resolution planning office (RRP Office) which is led by our Resolution Officer, a senior executive who reports directly to our Chief Risk Officer. The RRP Office guides the actual creation and refinement of our 2019 Plan, instills an integrated approach to resolution planning, and oversees the execution of efforts on a day-to-day basis. Within the RRP Office are team leads responsible for facilitating the development of and collaborating on different focus areas of the 2019 Plan with oversight and direction from our Resolution Officer.

Exhibit 9: RRP Office Resolution Plan Focus Areas

Project Management and Program Governance Multiple Resolution and Recovery Planning Teams		
Capital	Shared Services	Legal Entity Rationalization
Liquidity	Collateral Management	Communication Strategy
Governance: Playbooks and Triggers	Payment, Clearing and Settlement	Management Information Systems
Material Entities	Legal Obstacles	Personnel Retention
Client Attrition	Global Derivatives	Recovery and Separability
Governance: Pre-Bankruptcy Parent Support	Contract Documentation	Securities Lending

Similar to our overall risk framework, we used three lines of defense to provide review and assurance of the 2019 Plan.

- **First Line of Defense:** Business unit and corporate function owners of sections, alongside the RRP Office, serve as the first line of defense for RRP. This joint approach integrates RRP responsibilities into business processes and enables appropriate RRP considerations in day-to-day business decisions.
- **Second Line of Defense:** The second line of defense includes the Financial and Regulatory Assurance group, which is an independent team within Corporate Finance. The team's responsibility is to provide an objective and independent assessment of key aspects of the work completed by the recovery and resolution planning teams and evaluate compliance with regulatory requirements. Our Model Validation Group also provides second line support to assess quantitative models developed as part of our resolution planning efforts.
- **Third Line of Defense:** The third line of defense is the Corporate Audit team. Corporate Audit is responsible for assessing whether proper controls are in place and whether the structure we designed for the resolution planning process is sound and being implemented as intended.

In addition to the three lines of defense, State Street's legal team advises each of the lines throughout the resolution planning process which includes a review of all critical components of the plan to comply with regulatory guidance. Additional advisory input is sought from relevant subject matter experts as deemed necessary throughout the planning process.

Just as important as the planning process is the operationalization of the plan components to maintain resolvability as a priority for our organization. We thus strive to fully incorporate our resolution planning processes into our everyday business model and BAU operations. We believe this allows us to maintain our ability to successfully execute the resolution strategy in the unlikely event of a crisis, even as our business continues to adapt, grow and evolve.

3. Additional Information

3.1 DESCRIPTION OF CORE LINES OF BUSINESS

We have two core business lines:

- Global Custody
- Investment Management

We delivered services to clients in more than 100 markets, with over 40,000 employees as of December 31, 2018, as shown in Exhibit 10. By leveraging the strength of our global network and an integrated technology infrastructure, we provide our clients with a worldwide platform for growth and create custom-tailored solutions that can support investment strategies in virtually any market.

3.1.1 GLOBAL CUSTODY

3.1.1.1 US BUSINESS

Our global custody business provides institutional investors with core clearing, payment, settlement, and outsourced infrastructure services. These activities involve processing and settling securities and other transactions and related payments and are important to maintaining stability in the financial markets.

As a result of State Street's acquisition of Charles River, we will extend our core capabilities by creating a front-to-back office platform that combines our core back and middle office services with front office solutions across all asset classes for portfolio management, trading and compliance. New products and services resulting from this acquisition include: portfolio modeling and construction, trade order management, investment risk and compliance and wealth management solutions.

We are a leading provider of mutual fund custody and accounting services in the US, as well as the largest middle-office outsourcing service provider in the US and non-US markets.

3.1.1.2 GLOBAL BUSINESS

We are one of the few custodians with the ability to provide a truly global service offering to institutional investors. Our clients are typically large institutions with a need to access multiple global markets each day. These clients may also have investment decision-makers in multiple jurisdictions. We have established a global footprint and integrated service delivery model to meet the global needs of our clients. Our clients generally transact in mature financial markets with liquid currencies with smaller coverage in markets that are less mature and emerging.

Outside the United States, we provide depot bank services (a fund oversight role created by regulation) for retail and institutional fund assets, as well as custody and other services to pension plans and other institutional clients in Germany, Italy, and France. In the United Kingdom, we provide custody services for pension fund assets and administration services for mutual fund assets. We also provide custody, accounting and administration services as well as FX and securities lending services to clients across the Asia-Pacific region (APAC), including Australia, Hong Kong, and Japan.

Exhibit 10 illustrates our global footprint spanning over 40,000 employees, as of December 31, 2018, supporting the provision of services to clients.

Exhibit 10: Our Global Presence

40,000+ Employees Worldwide*

AUSTRALIA
Melbourne
Sydney

AUSTRIA
Vienna

BELGIUM
Brussels

BRUNEI DARUSSALAM
Jerudong

CANADA
Montreal
Toronto
Vancouver

CAYMAN ISLANDS
George Town, Grand Cayman

CHANNEL ISLANDS
Saint Peter Port, Guernsey
Saint Helier, Jersey

DENMARK
Copenhagen

FRANCE
Paris

GERMANY
Frankfurt
Leipzig
Munich

INDIA
Bangalore
Chennai
Coimbatore
Hyderabad
Mumbai
Pune
Thane West

IRELAND
Drogheda
Dublin
Kilkenny
Naas

ITALY
Milan
Turin

JAPAN
Fukuoka
Tokyo

LUXEMBOURG
Luxembourg

MALAYSIA
Kuala Lumpur

NETHERLANDS
Amsterdam

NORWAY
Trondheim

PEOPLE'S REPUBLIC OF CHINA
Beijing
Hangzhou
Hong Kong
Shanghai

PHILLIPPINES
Taguig City

POLAND
Gdansk
Krakow

SINGAPORE
Singapore

SOUTH AFRICA
Cape Town

SOUTH KOREA
Seoul

SWITZERLAND
Zurich

TAIWAN
Taipei City

UNITED ARAB EMIRATES
Dubai

UNITED KINGDOM
Edinburgh
London

UNITED STATES
California
Connecticut
Florida
Georgia
Illinois
Massachusetts
Missouri
New Jersey
New York
North Carolina
Pennsylvania
Texas

*Employees as of December 31, 2018

The following table presents financial information with respect to assets held under custody and administration (AUCA) by our global custody business across major geographic regions.

Exhibit 11: AUCA by Geographic Region

As of December 31 (in USD billions)	2018	2017
North America	23,203	24,418
Europe/Middle East/Africa	6,699	7,028
Asia Pacific	1,718	1,673
Total	**31,620**	**33,119**

3.1.2 INVESTMENT MANAGEMENT

Our investment management services are provided in the US and abroad, under the brand name SSGA.

SSGA provides clients, including corporations, public funds and other sophisticated investors, with a broad array of investment management, investment research, and other related services. SSGA offers a variety of investment strategies, including passive and active, using quantitative and fundamental methods for both US and global equities and fixed-income securities. In addition, we provide a breadth of services and solutions, including environmental, social and governance investing, defined benefit and defined contribution and OCIO.

SSGA specializes in passive management and cash management products. SSGA's passive management business is offered through institutional products, registered products, and ETFs. Products are distributed directly and through intermediaries using a variety of investment vehicles, including ETFs, such as the SPDR® ETF brand.

Internationally, our investment management business operates through a global network of offices, sales centers, investment centers (which include both sales and investment professionals) and trading desks. The investment centers are supported by trading desks located in Boston, London, and Hong Kong. Our investment management's principal geographic locations are the United States and the United Kingdom.

The following table presents financial information with respect to assets under management (AUM) by our investment management business across major geographic regions.

Exhibit 12: AUM by Geographic Region

As of December 31 (in USD billions)	2018	2017
North America	1,731	1,931
Europe/Middle East/Africa	421	521
Asia Pacific	359	330
Total	**2,511**	**2,782**

3.2 MATERIAL ENTITIES

3.2.1 OVERVIEW

A material entity is defined in the 165(d) rule (12 C.F.R. Part 243 and 12 C.F.R. Part 381) as "a subsidiary or foreign office of the Covered Company that is significant to the activities of a Critical Operation or Core Business Line."

In line with regulatory definitions and guidance, our material entity determination criteria consider four ways in which a legal entity may conduct activities that are significant to our critical operations and core business lines:

1. contracting with and managing key global client relationships in the local marketplace ("client facing" or "CF");
2. serving as a funding source through deposit-taking activities or financial support agreements ("liquidity provider" or "LP");
3. engaging with one or more FMUs as a member, participant or counterparty ("membership holder" or "MH"); and
4. providing staff, facilities, systems and critical services ("service infrastructure" or "SI").

For global custody, AUC and AUCA are core metrics used to measure the materiality of client facing entities. For investment management, the associated metric is AUM. Other factors, such as local market share (where available) and the extent and nature of relationships with one or more of our global franchise clients may also be considered when assessing the materiality of a client facing entity.

A core metric we use to measure the materiality of a liquidity provider is the volume of deposits, particularly client deposits. Other factors, including the funding role a legal entity is expected to play in the context of a resolution scenario, are also considered when determining the materiality of a liquidity provider.

The key criterion used to assess the materiality of a membership holder is whether the legal entity is a member, participant or counterparty to an FMU that is significant to one or more critical operations. Other factors include the role that the legal entity plays in supporting or facilitating interactions with one or more critical FMUs (e.g., serving as control branch for an FMU).

A variety of factors are considered when assessing the materiality of service infrastructure entities, including the number and percentage of critical services provided by the entity and the headcount, facilities, systems, and intellectual property that the entity provides in support of critical operations or other material entities.

The material entity selection process outlined above has been in BAU since 2017, and enables an active and comprehensive review of our entities (existing and new entities and new or changed business processes). The periodic and ad-hoc process allows us to continually fine-tune the process and consider all assessment criteria, including operational interconnections, critical services and capital and liquidity.

We identified 23 material entities for our 2019 Plan, including 21 material entities that were identified in our 2017 Plan submission and two newly-designated material entities.

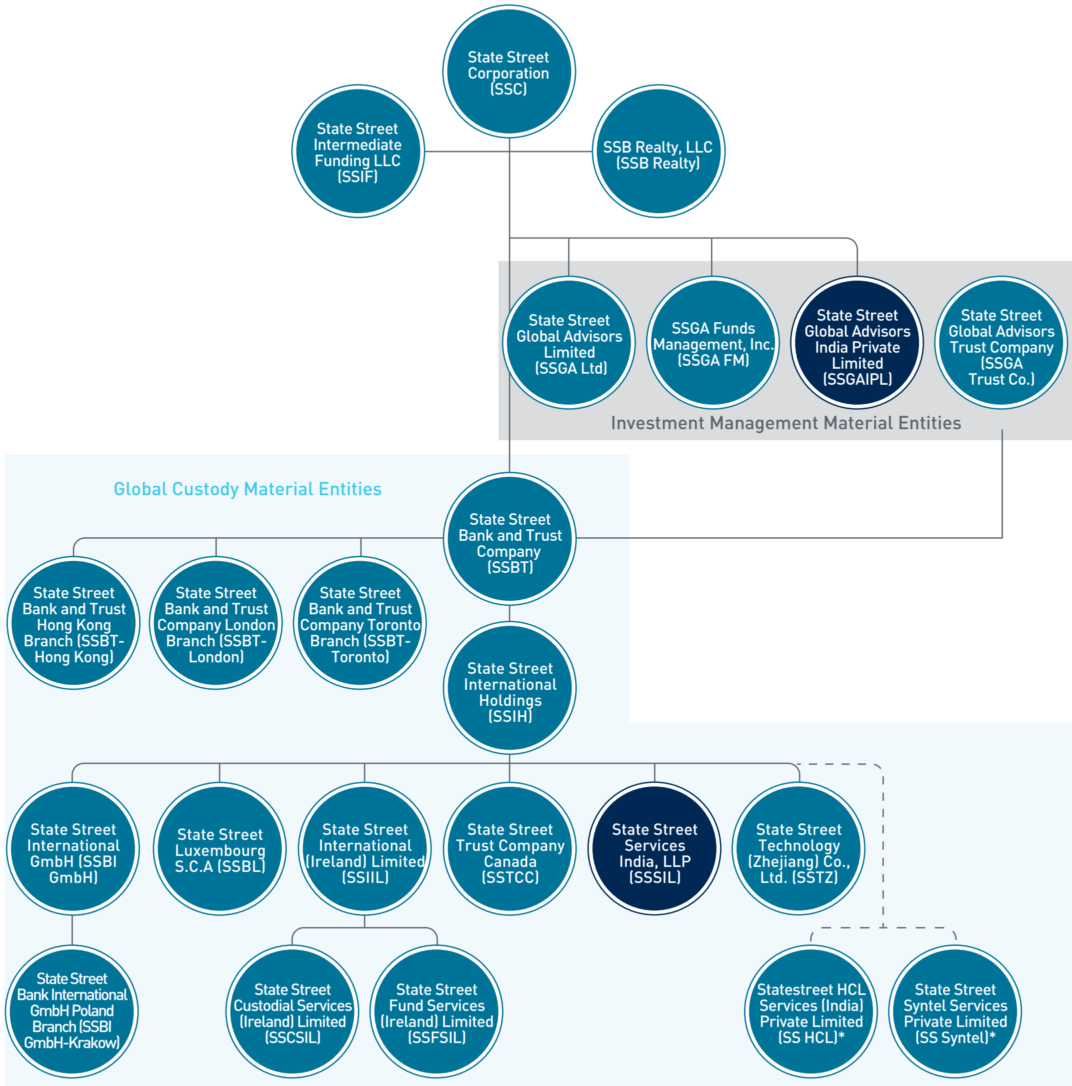
The newly-designated material entities are identified in italics below.

- State Street Corporation
- State Street Bank and Trust Company
- State Street Bank and Trust Company, Hong Kong Branch (SSBT-Hong Kong)
- State Street Bank and Trust Company, London Branch (SSBT-London)
- State Street Bank and Trust Company, Toronto Branch (SSBT-Toronto)
- State Street Global Advisors Trust Company (SSGA Trust Co.)
- State Street International Holdings (SSIH)
- State Street Trust Company Canada (SSTCC)
- State Street Technology (Zhejiang) Company, Limited (SSTZ)
- Statestreet HCL Services (India) Private Limited (SS HCL)
- State Street Syntel Services Private Limited (SS Syntel)
- *State Street Services India, LLP (SSSIL)*[5]
- State Street Bank Luxembourg S.C.A. (SSBL)
- State Street Bank International GmbH (SSBI GmbH)
- State Street Bank International GmbH Poland Branch (aka State Street Bank GmbH sp. z.o.o. Oddzial w Polsce) (SSBI GmbH-Krakow)
- State Street International (Ireland) Limited (SSIIL)
- State Street Custodial Services (Ireland) Limited (SSCSIL)
- State Street Fund Services (Ireland) Limited (SSFSIL)
- State Street Intermediate Funding LLC (SSIF)
- SSB Realty, LLC (SSB Realty)
- State Street Global Advisors Limited (SSGA Ltd.)
- SSGA Funds Management, Inc. (SSGA FM)
- *StateStreet Global Advisors India Private Limited (SSGAIPL)*

[5] State Street Corporate Services Mumbai Private Limited (SSCSM) is an indirect subsidiary of SSC. The purpose of SSCSM's formation was to provide middle and back office support services and corporate support services to State Street affiliates. During the first half of 2019, State Street was in the process of establishing an indirect subsidiary of SSIH in India. The name of this SSIH subsidiary was undergoing Indian regulatory approval during Q2 of 2019, so for the purposes of this section, it will be referred to as "State Street Services India, LLP." Once this entity is fully approved and set up, staff and services assigned to SSCSM will be transferred to State Street Services India, LLP; SSCSM will either close or be re-purposed following the transfer.

A simplified organizational chart illustrating the relationship among our material entities is presented in Exhibit 13.

Exhibit 13: Simplified State Street Organization Chart Illustrating Material Entity Relationships



*51% owned by State Street via non-US Joint-venture holding company.

New for the 2019 Plan

3.2.2 INTERCONNECTEDNESS OF MATERIAL ENTITIES

Our core business lines are composed of a variety of integrated functions, the various components of which are often performed by personnel within separate legal entities in different jurisdictions. For a global custodian like us, certain scalable activities are centralized while specific customer, regulatory, or market demands are likely to be delivered in the local marketplace.

A mapping of each material entity to the core business lines it supports is summarized in the chart shown on the next page. Additional detail, including a qualitative description of each material entity, is provided in the next sections 3.2.3 Our Top-Tier Holding Company and 3.2.4 Our Other Material Entities.

Exhibit 14: Mapping of Material Entities to Core Business Lines

Material Entity	Global Custody Core Business Line	Investment Management Core Business Line
State Street Corporation	LP	—
State Street Bank and Trust Company	CF, LP, MH, SI	—
State Street Bank and Trust Company, Hong Kong Branch	LP, MH, SI	—
State Street Bank and Trust Company, London Branch	CF, LP, MH, SI	—
State Street Bank and Trust Company, Toronto Branch	CF, LP, MH, SI	—
State Street Global Advisors Trust Company	—	CF, SI
State Street International Holdings	LP	—
State Street Trust Company Canada	CF, MH, SI	—
State Street Technology (Zhejiang) Company, Limited	SI	—
Statestreet HCL Services (India) Private Limited	SI	—
State Street Syntel Services Private Limited	SI	—
State Street Services India, LLP	SI	—
State Street Bank Luxembourg S.C.A.	CF, SI	—
State Street Bank International GmbH	CF, LP, MH, SI	—
State Street Bank International GmbH Poland Branch	SI	—
State Street International (Ireland) Limited	SI	—
State Street Custodial Services (Ireland) Limited	CF	—
State Street Fund Services (Ireland) Limited	CF	—
State Street Intermediate Funding LLC	LP	LP
SSB Realty, LLC	SI	SI
State Street Global Advisors Limited	—	CF, SI
SSGA Funds Management, Inc.	—	CF
StateStreet Global Advisors India Private Limited	—	SI

3.2.3 OUR TOP-TIER HOLDING COMPANY

3.2.3.1 STATE STREET CORPORATION

SSC is a Massachusetts-chartered bank holding company that has elected financial holding company status under the Bank Holding Company Act of 1956. SSC is the top-tier holding company of all our entities. SSC is a public company with stock that is listed on the New York Stock Exchange and is subject to supervision and regulation by, among others, its primary federal banking regulator, the Federal Reserve.

As the ultimate parent company of all our legal entities, SSC's purpose is to provide financial and managerial support to its subsidiaries. SSC funds its subsidiaries through contributions of capital as well as short- and long-term subordinated and senior loans and other advances. As a result, SSC is not a material provider of critical services.

SSC is designated as a material entity due to its status as a "covered company" for resolution planning purposes and its status as a liquidity provider to our critical operations.

In our resolution strategy, SSC would contribute almost all of its remaining assets (excluding equity interests in its subsidiaries) to our funding entity, which would provide support to keep our other material entities sufficiently capitalized and solvent and to preserve the continuity of our critical operations. As a result of this support, SSBT and our other material entities would continue their operations outside of any bankruptcy proceeding.

After making its final contribution to our funding entity, SSC would file for bankruptcy. The SSC bankruptcy estate would receive any distributions made by the trust, which would be distributed to creditors and other stakeholders through a bankruptcy plan. All material entities would be transferred to the new holding company and, other than SSC, non-material entities would be wound down.

3.2.4 OUR OTHER MATERIAL ENTITIES

Certain of our legal entities and branches have been designated as material based on the significance of the activities they conduct with respect to our core business lines and associated critical operations.

Global Custody Material Entities

Material entities that support global custody may:

- contract with clients in the local marketplace to meet particular client needs or satisfy local requirements (CF);
- receive deposits from clients in order to facilitate settlements or meet client cash management requirements (LP);
- directly interface with financial market infrastructure, such as central securities depositories, payments systems, Foreign Exchange (FX) settlement systems, sub-custodians and correspondent banks (MH); and/or
- provide critical services or other service infrastructure supporting one or more critical operations or other material entities (SI).

Often, global custody CF, LP and MH material entities rely heavily on service company affiliates, such as SSBI GmbH-Krakow, SSTZ, SSCSM, SS Syntel and SS HCL, to provide the critical services and other SI required to support PCS activities. These service companies do not contract with clients, do not hold banking licenses or memberships with FMUs and do not take deposits. They have been designated as material entities due to the SI, including critical services, that they provide in support of critical operations or other material entities.

Investment Management Material Entities

Investment management material entities are significant to the investment management core business line primarily because they are authorized to act as the legal investment managers or advisors to certain investment vehicles utilized by investment management that cannot be managed by SSGA Trust Co. A key metric by which to measure the investment management material entities is AUM. Like global custody, investment management material entities rely on service company affiliates, such as SSGAIPL. SSGAIPL has been designated as a material entity due to the SI, including critical services, that it provides in support of critical operations or SSGA material entities.

3.2.4.1 STATE STREET BANK AND TRUST COMPANY

SSBT, a Massachusetts-chartered trust company, traces its beginnings to the founding of the Union Bank in 1792. SSBT's current charter was authorized by a special Act of the Massachusetts Legislature in 1891, and its present name was adopted in 1960. As a state-chartered banking institution that is a member of the Federal Reserve, SSBT's primary federal banking regulator for its US and non-US operations is the Federal Reserve. SSBT is also a FDIC-insured depository institution. SSBT is subject to applicable federal and state banking laws and to supervision and regulation by the Federal Reserve, the Massachusetts Division of Banks, the FDIC, and the regulatory authorities of those states and countries in which a SSBT branch is located.

As of December 31, 2018, SSBT had three domestic branches, 10 foreign branches and 13 representative offices. SSBT also operates internationally through foreign subsidiaries in accordance with the Federal Reserve's Regulation K. SSBT's foreign branches are located in Australia, Canada, China, Hong Kong, Japan, Jersey, Korea, Singapore, Taiwan, and the United Kingdom, and its wholly-owned banking subsidiaries headquartered in Canada, France, Germany, Japan, and Luxembourg. We have separately designated SSBT's branches in Canada (SSBT-Toronto), Hong Kong (SSBT-Hong Kong) and the UK (SSBT-London) as material entities.

SSBT operates as a specialized custody bank that services and manages assets on behalf of its institutional clients. As of December 31, 2018, SSBT had revenue of $11.39 billion, which represented 95% of our total revenue of $11.98 billion. SSBT serves as our central location for PCS activities. SSBT's subsidiaries access these activities through sub-custody contracts and other agreements. SSBT also serves as the central liquidity hub whereby settlement obligations are met through SSBT and global investment activities are administered by its Global Treasury group. SSBT is also a significant provider of critical services that support global custody and associated critical operations. SSBT therefore meets all four of our materiality criteria for material entity designation in that it provides significant support to the activities of our critical operations and core business lines as a client facing entity, a liquidity provider, a membership holder, and a service infrastructure provider.

3.2.4.2 STATE STREET BANK AND TRUST COMPANY, HONG KONG BRANCH

SSBT-Hong Kong is authorized and regulated in Hong Kong by the Hong Kong Monetary Authority (HKMA).

SSBT-Hong Kong serves as an Asia Pacific (APAC) regional Treasury hub and is responsible for managing regional deposit liquidity. SSBT-Hong Kong also plays an essential role in facilitating PCS activities across APAC through its role as a local currency manager. In this capacity, SSBT-Hong Kong is responsible for providing adequate local currency funding to support all of our client transactions in a number of APAC markets. SSBT-Hong Kong is also licensed under the Hong Kong Banking Ordinance and clears Hong Kong Dollars directly through the Clearing House Automated Transfer System (CHATS). SSBT-Hong Kong provides critical services related to payment processing and liquidity management support.

SSBT-Hong Kong therefore meets three of the four criteria for material entity designation described above, in that it provides significant support to a number of critical operations supporting Global Custody as a liquidity provider, a membership holder, and a service infrastructure provider.

3.2.4.3 STATE STREET BANK AND TRUST COMPANY, LONDON BRANCH

SSBT-London is authorized and regulated in the UK by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

SSBT-London supports our custody and securities lending businesses and also acts as a regional cash processing platform for SSBT, its branches and subsidiaries. SSBT-London performs direct clearing and settlement for the UK and Irish markets through its participation in Euroclear UK and Ireland and the Clearing House Automated Payment System. In addition, SSBT-London serves as our European liquidity hub, whereby key funding and investment activities are locally coordinated by SSBT-London and then administered by SSBT. It is also a key provider of critical services to global custody and associated critical operations. SSBT-London therefore meets all four of the criteria for material entity designation in that it provides significant support to the activities of global custody and associated critical operations as a client facing entity, a liquidity provider, a membership holder, and a service infrastructure provider.

3.2.4.4 STATE STREET BANK AND TRUST COMPANY, TORONTO BRANCH

SSBT-Toronto is an Authorized Foreign Bank in Canada pursuant to Canada's Bank Act. SSBT-Toronto operates from locations in Toronto, Montreal and Vancouver and is regulated in Canada by the Office of the Superintendent of Financial Institutions (OSFI).

Two Canadian entities are designated as material for purposes of the resolution plan: SSBT-Toronto and SSTCC. The combined roles of these two entities provide us with the necessary capabilities to offer global custody services in Canada. The division of functional and operational responsibilities between SSBT-Toronto and SSTCC is due to various requirements and restrictions under Canadian law with respect to the types of global custody activities that may be conducted by a banking entity (i.e., SSBT-Toronto) and a trust company (i.e., SSTCC). Regulations from other jurisdictions, such as the US, may also affect the division of functional and operational responsibilities between SSBT-Toronto and SSTCC.

SSBT-Toronto does not contract with our clients to provide custody-related services; such contracts are with SSTCC in the Canadian market. Together, SSBT-Toronto and SSTCC represent client facing locations where significant clients are serviced.

As a banking entity, SSBT-Toronto accepts deposits from clients and facilitates self-clearing of Canadian payment activities through its support of SSBT's participation in the Canadian Payment Association's Large Value Transfer System (LVTS). SSBT-Toronto also provides critical services to global custody and associated critical operations.

SSBT-Toronto therefore meets all four of the materiality criteria for material entity designation described above, in that it provides significant support to critical operations supporting global custody as a client facing entity, a liquidity provider, a membership holder, and a service infrastructure provider.

3.2.4.5 STATE STREET GLOBAL ADVISORS TRUST COMPANY

SSGA Trust Co. is a Massachusetts-chartered, non-depositary, limited purpose trust company. It is a wholly-owned subsidiary of SSBT and an indirect subsidiary of SSC. SSGA Trust Co.'s primary regulator is the Massachusetts Division of Banks. As an indirect subsidiary of SSC, SSGA Trust Co. is also subject to supervision by the Federal Reserve.

SSGA Trust Co. was established in December 2016 as an investment management-dedicated legal entity to house the investment management activities that were previously conducted by the SSGA division of SSBT. SSGA Trust Co. is the trustee for SSGA's US unregistered collective and common trust funds as well as two SSGA sponsored ETFs. Client contracts for SSGA's separately managed accounts are held with the SSGA Trust Co. The entity is the owner of SSGA-dedicated infrastructure applications and systems.

SSGA Trust Co. therefore meets two of the four criteria for material entity designation; it provides significant support to investment management and its associated critical operations as a client facing entity and with its service infrastructure.

3.2.4.6 STATE STREET INTERNATIONAL HOLDINGS

SSIH is our Edge corporation organized and existing under the provisions of Section 25A of the Federal Reserve Act. It is a direct subsidiary of SSBT and an indirect subsidiary of SSC. SSIH has numerous direct and indirect subsidiaries in APAC, Europe, the Middle East and Africa (EMEA) and North America, including 10 material entities that support global custody and associated critical operations. As a holding company, SSIH does not conduct business operations.

At any given time, SSIH's various subsidiaries may have excess earnings that can be distributed back up the ownership chain, while others may be in need of additional capital or liquidity. SSIH maintains cash on hand that can be used to provide financial support to its direct and indirect subsidiaries, as required. SSIH is therefore a potential provider of liquidity and capital to SSIH's direct and indirect material entity subsidiaries. We designated SSIH as a material entity due to the funding role that SSIH could play as a liquidity provider to its direct and indirect material entity subsidiaries in the context of a resolution scenario.

3.2.4.7 STATE STREET TRUST COMPANY CANADA

SSTCC is a Canadian trust company regulated by OSFI. SSTCC was established as a separate legal entity in order to satisfy legal requirements under Canadian law to permit us to provide custody services to Canadian public mutual funds and to provide trustee services to our Canadian clients.

SSTCC provides custody services to our Canadian clients and with respect to Canadian securities. In addition, SSTCC provides self-custody services for Canadian securities through its membership in Canadian Depository for Securities. SSTCC also provides a number of critical services that support global custody and associated critical operations.

SSTCC therefore meets three of the four criteria for material entity designation described above, in that it provides significant support to critical operations supporting global custody as a a client facing entity, a membership holder, and a service infrastructure provider.

3.2.4.8 STATE STREET TECHNOLOGY (ZHEJIANG) CO., LTD

SSTZ is incorporated in China under the China Corporation Law. SSTZ is a direct, wholly-owned subsidiary of SSIH and an indirect subsidiary of SSBT and SSC.

SSTZ provides IT development services to our legal entities and business areas as well as operational support to global custody's associated critical operations. SSTZ does not hold any banking, brokerage or other licenses related to the provision of financial services, and does not directly contract with our clients. SSTZ is, however, a significant provider of service infrastructure in support of global custody, through the provision of critical services conducted by staff based in China. As a result of this service infrastructure support, we have designated SSTZ as a material entity.

3.2.4.9 STATESTREET HCL SERVICES (INDIA) PRIVATE LIMITED

SS HCL, a limited company incorporated under the Companies Act, 1956 of India, provides services exclusively to State Street and its affiliates. SS HCL is held through a joint venture between SSIH and a wholly-owned subsidiary of HCL Technologies Limited, an Indian public company headquartered in New Delhi, India, and is an unconsolidated subsidiary of SSC.

SS HCL supports our global operating model by providing critical services to Global Custody and associated critical operations. As a result of this service infrastructure support, we have designated SS HCL as a material entity.

3.2.4.10 STATE STREET SYNTEL SERVICES PRIVATE LIMITED

SS Syntel, a limited company incorporated under the Companies Act, 1956 of India, provides services exclusively to other SSC entities. SS Syntel is held through a joint venture between SSIH and a wholly-owned subsidiary of Syntel, Inc., a US public company headquartered in Troy, Michigan, and is an unconsolidated subsidiary of SSC.

SS Syntel supports our global operating model by providing critical services to Global Custody and associated critical operations. As a result of this service infrastructure support, we have designated SS Syntel as a material entity.

3.2.4.11 STATE STREET SERVICES INDIA, LLP

State Street Corporate Services Mumbai Private Limited (SSCSM) was incorporated in India in 2010 under the India Companies Act (1956) as an indirect subsidiary of SSC. The purpose of SSCSM's formation was to provide middle and back office support services and corporate support services to State Street affiliates.

We are in process of the establishment of an indirect subsidiary of SSIH in India (State Street Services India LLP), which will result in transferring staff and services assigned to SSCSM to State Street Services India LLP throughout 2019. The name of this entity was undergoing Indian regulatory approval during Q2 of 2019. SSCSM will either close or be repurposed following the transfer.

SSCSM is a service entity that provides staff, facilities, systems, and services considered significant to the global custody core business line and its critical operations; the entity also provides significant levels of corporate control and support services. SSCSM was designated as a material entity in the fall of 2017 as it meets the definition of a service infrastructure provider.

SSCSM is a newly designated material entity for the 2019 Plan; State Street Services India LLP will be considered for designation as a material entity following the transfer of services from SSCSM.

3.2.4.12 STATE STREET BANK LUXEMBOURG S.C.A.

SSBL is an authorized banking institution headquartered in the city of Luxembourg, Luxembourg. Since July 2016, SSBL is subject to primary supervision by the Commission de Surveillance du Secteur Financier (the Commission for Supervision of the Financial Sector (CSSF)) and to the reporting obligations of the Banque Centrale du Luxembourg (Luxembourg Central Bank).

SSBL is the contracting entity for the Luxembourg-domiciled funds of our global client base, providing a range of core custody, fund administration, transfer agency and depositary banking services. Luxembourg, often referred to as an "offshore market," is one of the largest fund domiciles and servicing centers in Europe for internationally distributed collective scheme investment funds, such as Undertakings for Collective Investments in Transferable Securities and Alternative Investment Funds. SSBL holds required business and regulatory licenses which enable us to deliver custody-related services to our global clients in this key market. SSBL does not, however, accept deposits directly from customers; rather, SSBL-contracted clients establish their cash accounts at the Luxembourg branch of SSBI-GmbH. SSBL is a provider of critical services supporting global custody and associated critical operations.

As a result of these activities, SSBL meets two of the criteria for material entity designation in that it provides significant support to a number of critical operations supporting global custody as a client facing entity and a service infrastructure provider.

3.2.4.13 STATE STREET BANK INTERNATIONAL GMBH

SSBI GmbH is headquartered in Munich, Germany and is a credit institution under German law. It is regulated by the German Federal Financial Supervisory Authority (Bundesanstalt fuer Finanzdienstleistungsaufsicht or "BaFin") and is also supervised by the German Central Bank (Deutsche Bundesbank). SSBI GmbH is a member of the Deposit Protection Fund of the Association of German Banks (Bundesverband deutscher Banken).

SSBI is an indirect subsidiary of SSBT and ultimately SSC. It has one domestic branch, located in Frankfurt, Germany; six additional European Union branches located in Amsterdam, the Netherlands; Krakow, Poland; London, UK; Luxembourg, Luxembourg; Milan, Italy; and Vienna, Austria and one non-European Union branch located in

Zurich, Switzerland. It also maintains a representative office in Denmark. The SSBI GmbH-Krakow branch is separately designated as a material entity.

SSBI GmbH provides global custody services and investment manager back and middle office insourcing services. It is a local depository unit and a contractual counterparty for our global clients' funds located in the European Economic Area and Switzerland. In addition, SSBI GmbH is the day-to-day point of contact for clients, sales, relationship management and client service support, as well custody-related operational functions that are required to be performed locally due to local regulatory requirements or client/market practices, such as fund accounting and fund administration services. SSBI GmbH also holds client cash deposits.

Through its direct participation in Clearstream Banking Frankfurt, a German central securities depository, SSBI GmbH provides services to SSBT and its affiliates in support of our core PCS functions. It also provides critical services in support of global custody and its associated critical operations.

As a result of these activities, SSBI GmbH meets all four of the criteria for material entity designation, in that it provides significant support to a number of critical operations supporting global custody as a client facing entity, a liquidity provider, a membership holder, and a service infrastructure provider.

3.2.4.14 STATE STREET BANK INTERNATIONAL GMBH POLAND BRANCH

SSBI GmbH-Krakow is a branch of SSBI GmbH, a credit institution established under German law. SSBI GmbH is an indirect subsidiary of SSBT and ultimately SSC. SSBI GmbH-Krakow does not engage in any banking activities and is registered in Poland as a "non-banking branch." As such, it does not hold any banking, brokerage or other licenses related to the provision of financial services and does not provide such services directly to clients. SSBI GmbH-Krakow is, however, a significant provider of service infrastructure in support of the Global Custody core business line through the provision of critical services conducted by staff based in Poland.

As a result of the critical services provided by SSBI GmbH-Krakow in support of our critical operations, we have designated SSBI GmbH-Krakow as a material entity.

3.2.4.15 STATE STREET INTERNATIONAL (IRELAND) LIMITED

SSIIL is incorporated in Ireland under the Companies Act 2014. SSIIL was established primarily as a management company to provide personnel and operational capabilities to its two subsidiaries, SSCSIL and SSFSIL. SSCSIL and SSFSIL (each a subsidiary) have been designated as material entities as they are significant providers of custody and custody related services to clients. The corporate structure of SSCSIL and SSFSIL has been designed to comply with local regulatory requirements, which prohibit the same entity from providing both (a) custody, depositary and trustee services and (b) fund accounting and administration services.

SSIIL is not a regulated entity and holds no banking licenses in Ireland. SSIIL is an indirect subsidiary of SSBT and ultimately SSC. Because SSIIL provides significant service infrastructure that supports our critical operations, SSIIL is considered a material entity.

3.2.4.16 STATE STREET CUSTODIAL SERVICES (IRELAND) LIMITED

SSCSIL is regulated by the Central Bank of Ireland under the Investment Intermediaries Act, 1995. SSCSIL is authorized to provide custody and depositary/trustee services to collective investment schemes. SSCSIL is a direct wholly-owned subsidiary of SSIIL.

SSCSIL contracts with clients for the provision of services supporting the global custody core business line and associated critical operations. SSCSIL does not hold a banking license and therefore does not accept client deposits.

SSCSIL uses employee resources supplied by its parent, SSIIL, to deliver critical services. SSCSIL meets the client facing criteria to be considered a material entity.

3.2.4.17 STATE STREET FUND SERVICES (IRELAND) LIMITED

SSFSIL, like SSCSIL, is regulated by the Central Bank of Ireland under the Investment Intermediaries Act, 1995. SSFSIL is authorized to provide fund administration and transfer agency services to collective investment schemes. SSFSIL is a direct wholly-owned subsidiary of SSIIL.

SSFSIL contracts with clients for the provision of services supporting our global custody core business line and associated critical operations. SSFSIL uses employee resources supplied by its parent, SSIIL, to deliver critical services. SSFSIL meets the client facing criteria to be considered a material entity.

3.2.4.18 STATE STREET INTERMEDIATE FUNDING LLC

SSIF is a Delaware limited liability company and wholly-owned subsidiary of SSC that was formed in January 2017 to hold and maintain certain pre-positioned resources that would be available for use to provide capital and/or liquidity support to material entities as contemplated by the Single Point of Entry resolution strategy. It is a party to the support agreement.

We designated SSIF as a material entity due to the key funding role that SSIF is expected to play as a liquidity provider to our other material entities in the context of a resolution.

3.2.4.19 SSB REALTY, LLC

SSB Realty is a Delaware limited liability company and a direct, wholly-owned subsidiary of SSC. SSB Realty was formed for the purpose of engaging in buying, selling, acquiring, improving, leasing, managing and otherwise dealing with real estate.

SSB Realty is a significant owner and tenant of facilities we use in the US, including facilities used by two of our material entities. It is also our contracting entity for associated design, engineering, and construction contracts for the improvement and maintenance of these facilities, as well as for our global facilities management contract. SSB Realty is therefore a key provider of service infrastructure (i.e., facilities), that supports global custody and investment management and their associated critical operations. As a result, we have designated SSB Realty as a material entity.

3.2.4.20 STATE STREET GLOBAL ADVISORS LIMITED

SSGA Ltd. is a UK limited liability company that is registered as an investment advisor in both the US and UK. In the US, SSGA Ltd. is registered with the SEC under the Advisers Act. In the UK, SSGA Ltd. is authorized and regulated by the UK FCA under the Financial Services and Markets Act 2000. As a Limited License Firm, SSGA Ltd. does not hold client assets or client money, does not engage in proprietary trading and has a client base that is wholly institutional or intermediary. SSGA Ltd. is an indirect wholly-owned subsidiary of SSC.

In the UK, SSGA Ltd. manages investments directly or indirectly through service agreements with other SSGA legal entities for clients domiciled in over 35 countries. SSGA Ltd.'s client base includes defined benefit and defined contribution pension funds, insurance companies, central banks, official institutions, foundations, charities, family offices and intermediaries. SSGA Ltd. is the business management center for SSGA's activities across Europe and houses the European trading desk for SSGA offices around the globe. SSGA Ltd. staff provides critical services supporting investment management's critical operations.

SSGA Ltd. therefore meets two of the materiality criteria for material entity designation, in that it provides significant support to investment management and its associated critical operations as a client facing entity and a service infrastructure provider.

3.2.4.21 SSGA FUNDS MANAGEMENT, INC.

SSGA FM, a Massachusetts corporation, is a direct wholly-owned subsidiary of SSC. SSGA FM is registered with the Securities and Exchange Commission (SEC) as an investment advisor under the Investment Advisers Act of 1940. To perform the full suite of services as an investment advisor, SSGA FM is also registered as a commodity trading advisor and commodity pool operator with the National Futures Association and the US Commodity Futures Trading Commission (CFTC). SSGA FM, through its commodity trading advisor registration, is able to provide individualized advice regarding the buying and selling of futures contracts or options on futures, swaps, or certain foreign exchange contracts.

SSGA FM serves as the investment advisor for SSGA's suite of registered mutual funds, ETFs and other investment vehicles and directly supports investment management's critical operations. SSGA FM is a significant contracting entity for SSGA. SSGA FM therefore meets the client facing criteria and is considered a material entity for this reason. SSGA FM is reliant upon staff employed by other material entities to provide the critical services needed to support our critical operations.

3.2.4.22 STATESTREET GLOBAL ADVISORS INDIA PRIVATE LIMITED (SSGAIPL)

StateStreet Global Advisors India Private Limited (SSGAIPL) was established in 2007 as a private limited company under the India Companies Act, 1956. SSGAIPL was formed to provide middle and back office support services and corporate support services to State Street affiliates. As the result of the clear delineation between State Street's two core business lines, non-corporate critical services mapped to the global custody core business line were migrated from SSGAIPL to SSCSM (to be transitioned to State Street Services India, LLP) in 2017. After the migration, the RRP Office continued to monitor the criticality of SSGAIPL to the investment management core business line and its respective critical operations.

SSGAIPL is an indirect subsidiary of SSC and was designated as a material entity due to its provision of staff, facilities, systems, and Critical Services supporting the investment management core business line and its ETF and MMF critical operations. SSGAIPL meets the definition of a service infrastructure provider.

SSGAIPL is a newly designated material entity for the 2019 Plan.

3.3 FINANCIAL INFORMATION

3.3.1 SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following tables present consolidated financial information for State Street. This information is provided in State Street's Form 10-K for the year ended December 31, 2018 (on file with the SEC), including related footnotes and the related management discussion and analysis of financial condition and results of operations. See also our reports subsequently filed with or furnished to the SEC for additional information.

Exhibit 15: Consolidated Statement of Income

Years ended December 31, (Dollars in millions, except per-share amounts)	2018	2017
Fee revenue		
Servicing fees	5,421	5,365
Management fees	1,851	1,616
Trading services	1,201	1,071
Securities finance	543	606
Processing fees and other	438	247
Total fee revenue	9,454	8,905
Net interest revenue		
Interest revenue	3,662	2,908
Interest expense	991	604
Net interest revenue	2,671	2,304
Gains (losses) related to investment securities, net		
Gains (losses) related to investment securities, net	6	(39)
Total revenue	**12,131**	**11,170**
Provisions for loan losses	15	2
Expenses		
Compensation and employee benefits	4,780	4,394
Information systems and communications	1,324	1,167
Transation processing services	985	838
Occupancy	500	461
Acquisition and restructuring costs	24	266
Professional services	357	340
Amortization of other intangible assets	226	214
Other	819	589
Total expenses	**9,015**	**8,269**
Income before income tax expense	3,101	2,899
Income tax expense (benefit)	508	722
Net income from non-controlling interest	—	—
Net income	**2,593**	**2,177**
Net income available to common shareholders	2,404	1,993
Earnings per common share		
Basic (actual)	6.48	5.32
Diluted (actual)	6.39	5.24
Average common shares outstanding		
Basic (#)	371,983	374,793
Diluted (#)	376,476	380,213
Cash Dividends declared per common share (actual)	1.78	1.60

Exhibit 16: Consolidated Statement of Condition

As of December 31, (Dollars in millions, except per-share amounts)	2018	2017
Assets		
Cash and due from banks	3,597	2,107
Interest-bearing deposits with banks	73,040	67,227
Securities purchased under resale agreements	4,679	3,241
Trading account assets	860	1,093
Investment securities available-for-sale	45,148	57,121
Investment secutities held-to-maturity	41,914	40,458
Loans and leases (less allowances for losses)	25,722	23,240
Premises and equipment	2,214	2,186
Accrued interest and fees receivable	3,203	3,099
Goodwill	7,446	6,022
Other intangible assets	2,369	1,613
Other assets	34,404	31,018
Total assets	244,596	238,425
Liabilities		
Deposits		
Non-interest-bearing	44,804	47,175
Interest-bearing-US	66,235	50,139
Interest-bearing-non-US	69,321	87,582
Total deposits	180,360	184,896
Securities sold under repurchase agreements	1,082	2,842
Other short-term borrowings	3,092	1,144
Accrued expenses and other liabilities	24,232	15,606
Long-term debt	11,093	11,620
Total liabilities	219,859	216,108
Shareholder's equity		
Preferred stock		
Series C	491	491
Series D	742	742
Series E	728	728
Series F	742	742
Series G	493	493
Series H	494	
Common stock	504	504
Surplus	10,061	9,799
Retained earnings	20,553	18,856

Exhibit 16: Consolidated Statement of Condition (continued)

As of December 31, (Dollars in millions, except per-share amounts)	2018	2017
Accumulated other comprehensive income (loss)	(1,356)	(1,009)
Treasury stock, at cost	(8,715)	(9,029)
Total shareholders' equity	24,737	22,317
Non-controlling interest-equity	—	32
Total liabilities and shareholders' equity	244,596	238,425

3.3.2 CAPITAL

We incorporate capital adequacy and risk appetite into our corporate strategy and business decisions. Our Board and senior management have established a comprehensive strategy for our capital adequacy process. Our capital adequacy process is a holistic and rigorous framework for assessing overall capital adequacy in relation to our risk profile and is an integral part of our business planning and performance measurement process. The capital adequacy process considers all material risks and multiple scenarios, with an emphasis on stress scenarios. It is designed to assess and maintain an appropriate level of capital, given our risk profile and unique business model, and to determine the appropriate level and form of capital distributions to shareholders. It also provides a comprehensive strategy for maintaining appropriate capital levels in current and future periods, accounting for potential changes in strategic direction, economic and market conditions, and idiosyncratic events, as well as existing and future regulatory expectations. Capital levels incorporated into our Risk Appetite Statement position us to have sufficient capital to satisfy regulatory requirements and maintain the appropriate level given our risk profiles. Performance is measured, monitored, and reported regularly to the MRAC, Risk Committee, and Board.

We maintain capital in excess of the required minimum regulatory risk-based and leverage-based capital levels in compliance with all applicable regulatory requirements and exceed well-capitalized standards as defined by federal banking agencies. We maintain our capital at an appropriate level, not just at a point in time, but over time to account for changes in our strategic direction and evolving economic conditions, including stressed environments and periods of financial and market volatility. As we are a designated global systemically important bank, our capital adequacy process is also designed to meet regulatory expectations, which are promulgated in Basel regulations as implemented in the United States, and supervisory guidance from our regulators, including Supervision and Regulation Letter 15-18, Federal Reserve Guidance on Supervisory Assessment of Capital Planning and Positions for LISCC Firms and Large Complex Firms,[6] and the 2019 Guidance.

[6] Board of Governors of the Federal Reserve SR 15-18: https://www.federalreserve.gov/supervisionreg/srletters/sr1508.pdf.

The following table presents regulatory capital ratios and well-capitalized requirements for both SSC and SSBT. We are required to report capital measures under both the advanced and standardized capital adequacy approaches; of the two, the standardized approach is more binding as of December 31, 2018. All capital ratios are presented using the Basel III final capital rule.

Exhibit 17: Basel III Regulatory Capital Ratios and Related Regulatory Guidelines for SSC and SSBT

	Regulatory	SSC		SSBT	
Regulatory Capital Ratios	PCA Well Capitalized Requirements	Basel III Advanced Approaches December 31, 2018	Basel III Standardized Approach December 31, 2018	Basel III Advanced Approaches December 31, 2018	Basel III Standardized Approach December 31, 2018
Common Equity Tier 1 Capital	6.5%	12.1%	11.7%	18.5%	17.6%
Tier 1 Risk-Based Capital	8.0%	16.0%	15.5%	18.5%	17.6%
Total Risk-Based Capital	10.0%	16.9%	16.3%	19.4%	18.5%
Tier 1 Leverage Ratio	5.0%	7.2%	7.2%	8.1%	8.1%
Supplementary Leverage Ratio	5.0%/6.0%	6.3%	6.3%	7.1%	7.1%

3.3.3 FUNDING AND LIQUIDITY

Liquidity is a financial institution's capacity to meet its cash and collateral obligations without becoming insolvent or incurring unacceptable losses. Adequate liquidity means the institution has the ability to efficiently meet both its expected and unexpected cash flows and collateral needs, without adversely affecting either its daily operations or its financial condition. Liquidity risk is the risk to an institution's financial condition or safety and soundness arising from its inability (whether real or perceived) to meet its contractual obligations. To manage our liquidity risk and protect against severe liquidity events, we have risk management standards in place that focus on our unique risk characteristics.

Maintenance of adequate liquidity is of primary importance to us and is something we take into account in the management of our balance sheet. Our management of liquidity provides for the existence of sufficient funds to replace our maturing liabilities, accommodate our customers' transaction and cash management requirements, and meet our other funding commitments. In the case of an adverse market event, we are prepared to execute liquidity contingency plans.

In managing our liquidity, our primary source of short-term funding is client deposits (shown in Exhibit 18), which are predominantly transaction-based deposits by institutional investors. Our clients place deposits with our worldwide branches and subsidiaries consistent with their investment strategy, and such deposits help facilitate payment and settlement activities associated with client investment portfolios. These client deposits are the primary source of liquidity and funding for our consolidated balance sheet.

Exhibit 18: Client Deposits

(Dollars in millions)	December 31, 2018	Average Balance Year Ended December 31, 2018
Client deposits	173.778	161,296

On-balance sheet liquid assets are an integral component of State Street's liquidity management strategy. These assets provide liquidity through the maturity of such assets and by providing State Street with the ability to raise funds by pledging the securities as collateral for borrowings or through outright sales. SSBT is a member of the Federal Home Loan Bank of Boston, and this membership can allow for advances of liquidity in varying terms against high-quality collateral, which helps facilitate SSBT's asset-and-liability management. Each of these sources of liquidity is used in State Street's management of its daily cash needs. Based on our level of consolidated liquid assets and our ability to access the capital markets for additional funding when necessary, including our ability to issue debt and equity securities under our current universal shelf registration, management considers our overall liquidity as of December 31, 2018 to be sufficient to meet our current commitments and business needs, including accommodating the transaction and cash management needs of our clients.

Central to the management of our liquidity is asset liquidity, which consists primarily of unencumbered highly liquid securities, cash, and cash equivalents reported on our consolidated statement of condition. We restrict the eligibility of securities of asset liquidity to the US government and federal agency securities (including mortgage-backed securities), select non-US government and supranational securities, as well as certain other high quality securities which generally are more liquid than other types of assets even in times of stress. Our asset liquidity metric is similar to the high quality liquid assets under the US Liquidity Coverage Ratio (LCR), and our high quality liquid assets, under the LCR final rule definition, were estimated to be $118.8 billion as of December 31, 2018, as shown in Exhibit 19.

Exhibit 19: Components of High Quality Liquid Assets by Type of Asset

Asset Type	December 31, 2018 (Dollars in millions)
Excess Central Bank Balances	63,948
US Treasuries	8,952
Other Investment Securities	34,698
Foreign Government	11,153
Total	**118,751**

3.3.4 INTRAGROUP FINANCIAL INTERCONNECTEDNESS

We do not maintain a significant derivatives book and do not typically rely on inter-affiliate guarantees or guaranteed debt issuances that would create additional financial demands, logistical complications or other complexities in a resolution scenario. As of October 2018, SSC began to enter into a limited number of uncleared swaps with SSBT to hedge against interest rate risk as a result of the US clean holding company requirements, but these are not expected to have a material impact to State Street's SPOE strategy.

3.4 MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING AND SETTLEMENT SYSTEMS

We provide our clients with access to more than 100 markets for core custody services. We access payment, clearing and settlement systems directly through membership in FMUs or indirectly through our agent bank network. On Exhibit 20, we have summarized our direct-member relationships with payment, clearing and settlement systems, mainly held through SSBT, in seven central securities depositories, seven direct payment systems and one FX net settlement system.

Exhibit 20: Memberships in Material Payment, Clearing and Settlement Systems

FMU Type	Payment, Clearing and Settlement System	Description of the Service
Central Securities Depositories	Fedwire Securities Service (Fedwire Securities)	A national securities book-entry system that is owned and operated by the Federal Reserve; conducts real-time transfers of securities and related funds, on an individual and gross basis
	Depository Trust Clearing Corporation, which includes Depository Trust Company (DTC), National Securities Clearing Corporation (NSCC) and Fixed Income Clearing Corporation (FICC)	Provides clearing, settlement, safekeeping and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments, and over-the-counter derivatives; designated as systemically important by the Financial Stability Oversight Council
	CDS Clearing and Depository Services Inc. (CDS)	Canada's national securities depository, clearing and settlement hub. It provides a gateway between Canada and the United States to meet the increasing demand for cross-border clearing and settlement of depository-eligible securities
	CREST (operated by Euroclear UK and Ireland Limited)	Central securities depository for UK markets and Irish stocks. CREST operates an electronic settlement system to settle international securities
	Euroclear	International central securities depository and settlement services for cross-border transactions involving bonds, equities, derivatives and investment funds
	Clearstream Luxembourg	International central securities depository and settlement services for cross-border transactions involving bonds, equities, derivatives and investment funds
	Clearstream Frankfurt	Central securities depository for the German market

Exhibit 20: Memberships in Material Payment, Clearing and Settlement Systems (continued)

FMU Type	Payment, Clearing and Settlement System	Description of the Service
Direct Payment Systems	Fedwire Funds Service (Fedwire Funds)	A real-time gross settlement system and wire transfer services provider that is owned and operated by the Federal Reserve Banks
	Clearing House Interbank Payment System (CHIPS)	Large-value wire transfer payment system with real-time final settlement of payments; designated as systemically important by the Financial Stability Oversight Council
	Clearing House Automated Payment System (CHAPS)	UK interbank payment system for large value sterling payments
	Large Value Transfer System (LVTS)	Real-time, electronic wire transfer system in Canada that processes large-value or time-critical payments quickly and continually throughout the day
	Reserve Bank Information and Transfer System (RITS)	Australia's high-value payments system, which is used to settle payment obligations on a real-time gross settlement basis
	Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2)	The settlement system for cross border payments in euro, with settlement in central bank money
	Clearing House Automated Transfer System (CHATS)	Real Time Gross Settlement system for the transfer of funds in Hong Kong
Foreign Exchange (FX) Settlement Systems	Continuous Linked Settlement (CLS)	Multi-currency cash settlement system that settles payment instructions related to trades in FX spot contracts, FX forwards, FX options, FX swaps, non-deliverable forwards, credit derivatives and seventeen major currencies; designated as systemically important by the Financial Stability Oversight Council

3.5 DESCRIPTION OF DERIVATIVE AND HEDGING ACTIVITIES

State Street's activities in the derivatives markets are limited in comparison to other major US banking organizations. State Street enters into derivatives transactions primarily as a principal foreign exchange market maker to meet clients' foreign exchange needs and for hedging purposes in order to manage interest-rate and foreign currency risk. Foreign exchange contracts generally involve an agreement to exchange one currency for another currency at an agreed-upon rate and settlement date. Interest rate contracts involve an agreement with a counterparty to exchange cash flows based on the movement of an underlying interest rate index.

Our clients typically use derivatives to manage the financial risks associated with their investment goals and business activities. As an active participant in the foreign exchange markets, we trade as a market maker in foreign exchange forwards (deliverable and non-deliverable), spot foreign exchange, foreign exchange swaps, and foreign exchange options to meet client demand and use similar foreign exchange and interest rate derivatives to manage the risks associated with these activities. In managing interest-rate and foreign currency and funding, we also utilize interest rate and foreign exchange derivatives, such as foreign exchange and interest rate futures and interest rate swaps, and manage these positions within established risk limits.

Derivative financial instruments are subject to credit and counterparty risk, which is defined as the risk of financial loss if a borrower or counterparty is either unable or unwilling to repay borrowings or to settle a transaction in accordance with the underlying contractual terms. We manage credit and counterparty risk by performing credit reviews, maintaining individual counterparty limits, establishing netting arrangements, and executing collateral agreements where appropriate. Collateral agreements govern the exchange of collateral when required under regulations, or as a result of our internal risk-based assessment. We monitor and adjust collateral daily and generally hold collateral in the form of cash or highly liquid government securities. We may be required to provide collateral to a counterparty in connection with entry into derivative financial instruments. Cash collateral received and cash collateral provided in connection with derivative financial instruments are recorded in accrued expenses and other liabilities and other assets, respectively, in our consolidated balance sheet.

If a derivative contract is considered to be an accounting hedge, then on the date on which the derivative contract is entered into, we designate the derivative as:

- A hedge of the fair value of a recognized fixed-rate asset or liability or of an unrecognized firm commitment;
- A hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized variable-rate asset or liability;
- A foreign currency fair-value or cash-flow hedge; or
- A hedge of a net investment in a non-US operation.

Lastly, we use foreign exchange derivatives for risk management and liquidity needs and these are recognized as economic hedges.

In addition to the above activities, following the adoption of the US Stay Rules and Clean Holding Company requirements, State Street has also undergone efforts to conform its QFCs to these additional requirements. To this end, as of October 2018, SSC began to enter into a limited number of uncleared swaps with SSBT to hedge against interest rate risk as a result of the US clean holding company requirements, but these are not expected to have a material impact to State Street's SPOE strategy.

3.6 MATERIAL SUPERVISORY AUTHORITIES

Our US and non-US operations are subject to extensive regulation.
The Federal Reserve is the primary federal banking agency responsible for regulating SSC and our subsidiaries, including SSBT and SSGA Trust Co., for our US and non-US operations. SSBT is a member of the Federal Reserve and is an FDIC-insured depository institution. In addition to supervision and regulation by the Federal Reserve and the FDIC, SSBT is subject to supervision and regulation by the Massachusetts Division of Banks and the regulatory authorities of those states and countries in which a branch of SSBT is located. Our non-US banking subsidiaries are also subject to regulation by the regulatory authorities of the countries in which they are located. Our businesses are regulated extensively by non-US governments, securities exchanges, self-regulatory organizations, central banks and regulatory bodies, especially in those jurisdictions in which we maintain an office.

The following table lists key regulatory authorities for our material entities.

Exhibit 21: Key Regulatory Authorities

Legal Entity	Primary Regulatory Authority	Secondary Regulatory Authority
State Street Corporation	Federal Reserve Massachusetts Division of Banks	N/A
State Street Bank and Trust Company	Federal Reserve Massachusetts Division of Banks	FDIC
State Street Bank and Trust Company, Hong Kong Branch	Federal Reserve Massachusetts Division of Banks	Hong Kong Monetary Authority Securities and Futures Commission
State Street Bank and Trust Company, London Branch	Federal Reserve Massachusetts Division of Banks	PRA FCA
State Street Bank and Trust Company, Toronto Branch	Federal Reserve Massachusetts Division of Banks	OSFI
State Street Global Advisors Trust Company	Federal Reserve Massachusetts Division of Banks	N/A
State Street International Holdings	Federal Reserve	N/A
State Street Trust Company Canada	OSFI	N/A
State Street Technology (Zhejiang) Company, Limited	N/A	N/A
Statestreet HCL Services (India) Private Limited	N/A	N/A
State Street Syntel Services Private Limited	N/A	N/A
State Street Services India, LLP[7]	N/A	N/A

[7] State Street Corporate Services Mumbai Private Limited (SSCSM) is indirect subsidiary of SSC. The purpose of SSCSM's formation was to provide middle and back office support services and corporate support services to State Street affiliates. During the first half of 2019, State Street was in the process of establishing an indirect subsidiary of SSIH in India. The name of this SSIH subsidiary was undergoing Indian regulatory approval during Q2 of 2019, so for the purposes of this section, it will be referred to as "State Street Services India, LLP." Once this entity is fully approved and set up, staff and services assigned to SSCSM will be transferred to State Street Services India, LLP; SSCSM will either close or be repurposed following the transfer.

Exhibit 21: Key Regulatory Authorities (continued)

Legal Entity	Primary Regulatory Authority	Secondary Regulatory Authority
State Street Bank Luxembourg S.C.A.	CSSF	Luxembourg Central Bank
State Street Bank International GmbH	BaFin European Central Bank (ECB)	German Central Bank
State Street Bank International GmbH Poland Branch	BaFin ECB	German Central Bank
State Street International (Ireland) Limited	N/A	N/A
State Street Custodial Services (Ireland) Limited	Central Bank of Ireland	N/A
State Street Fund Services (Ireland) Limited	Central Bank of Ireland	N/A
State Street Intermediate Funding LLC	N/A	N/A
SSB Realty, LLC	N/A	N/A
State Street Global Advisors Limited	FCA	SEC
SSGA Funds Management, Inc.	SEC CFTC	N/A
StateStreet Global Advisors India Private Limited	N/A	N/A

3.7 PRINCIPAL OFFICERS

The following table lists the principal officers of SSC and SSBT as of June 30, 2019, all of whom are appointed by our Board.

Exhibit 22: Principal Officers[8]

Name	Position
Ronald P. O'Hanley	Chief Executive Officer and President (SSC); Chief Executive Officer and President (SSBT)
Eric W. Aboaf	Executive Vice President and Chief Financial Officer
Ian W. Appleyard	Executive Vice President, Global Controller and Chief Accounting Officer
Tracy Atkinson	Executive Vice President and Acting Chief Administrative Officer
Jeffrey N. Carp	Executive Vice President, Chief Legal Officer and Secretary
Andrew J. Erickson	Executive Vice President and Head of Global Services
Hannah M. Grove	Executive Vice President and Chief Marketing Officer
Kathryn M. Horgan	Executive Vice President and Chief Human Resources and Citizenship Officer
Karen C. Keenan	Executive Vice President and Chief Administrative Officer
Andrew P. Kuritzkes	Executive Vice President and Chief Risk Officer
Louis D. Maiuri	Executive Vice President and Chief Operating Officer
Donna M. Milrod	Executive Vice President, Head of Global Clients Division
Elizabeth Nolan	Executive Vice President, Chief Executive Officer for Europe, Middle East and Africa and Head of Global Delivery
Antoine Shagoury	Executive Vice President and Global Chief Information Officer
Cyrus Taraporevala	President and Chief Executive Officer, State Street Global Advisors

[8] Starting in July 2019, State Street appointed Francisco Aristeguieta as chief executive officer for its international business.

3.8 DESCRIPTION OF MATERIAL MANAGEMENT INFORMATION SYSTEMS

We maintain comprehensive management information systems to support timely access to accurate accounting, finance, regulatory, risk management and operational reporting. Our management information systems include a combination of proprietary and third-party systems, including global data warehousing applications that allow us to identify, monitor and manage risks such as counterparty exposures, market risk, interest rate risk, and operational risk. These tools also allow us to produce timely and accurate financial information to manage our businesses and support regulatory reporting.

Through the issuance of regulatory guidance, the Agencies have outlined management information systems capabilities required for resolution preparedness. To address these requirements and support our recovery and resolution strategy, we maintain a centralized global inventory of management information systems capabilities, including resolution critical reports and the associated management information systems that store and maintain the firm's resolution critical data.

3.9 CONCLUSION

We view resolution planning as integral to our overall risk management framework and consider resolvability as one part of our day-to-day strategy and operating model. Significant resources, including executive management focus, are devoted to resolution planning. Our overall resolution strategy seeks to minimize risk to the financial system.

Our preferred resolution strategy, the Single Point of Entry strategy, has been evaluated and analyzed from a number of perspectives, to confirm its feasibility and soundness. Our resolution strategy is designed so that key components of our businesses and the critical operations we perform would be able to continue after the failure of SSC, thereby minimizing any disruption to our clients and to the stability of the US and global financial system.

3.10 GLOSSARY

Term	Definition
165(d) Rule	Section 165(d) of the Dodd-Frank Act and its implementing rule jointly issued by the Federal Reserve and the FDIC
2017 Plan	State Street's comprehensive Resolution Plan submitted by July 1, 2017
2019 Guidance	Final Guidance released by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation and printed in the Federal Register on February 4, 2019.
2019 Plan	State Street's comprehensive Resolution Plan submitted by July 1, 2019
Agencies	Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation
APAC	Asia Pacific
AUC	Assets Under Custody
AUCA	Assets Under Custody and Administration
AUM	Assets Under Management
BAU	Business-As-Usual
Board	State Street Corporation's Board of Directors
CDS	Clearing and Depository Services Inc.
CERT-R	Crisis Executive Response Team for RRP
CF	Client Facing
CFTC	Commodity Futures Trading Commission
CHAPS	Clearing House Automated Payment System
Charles River	Charles River Development
CHATS	Clearing House Automated Transfer System
CHIPS	Clearing House Interbank Payments System
CLS	Continuous Linked Settlement
CREST	Certificateless Registry for Electronic Share Transfer
CSSF	Commission de Surveillance du Secteur Financier
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
DTC	Depository Trust Company
ECB	European Central Bank
EMEA	Europe, the Middle East, and Africa
ERB	Executive Review Board
ETFs	Exchange Traded Funds
FCA	Financial Conduct Authority
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
Fedwire Funds	Fedwire Funds Service
Fedwire Securities	Fedwire Securities Service
FICC	Fixed Income Clearing Corporation
FMUs	Financial Market Utilities
Form 10-K	Annual Report on Form 10-K, required by the US Securities and Exchange Commission (SEC).
FX	Foreign Exchange
German Central Bank	Deutsche Bundesbank

3.10 GLOSSARY

Term	Definition
Global Advisors	State Street Global Advisors Business Unit
Global custody	Global Custody Core Business Line
Global Exchange	State Street Global Exchange Business Unit
Global Markets	State Street Global Markets Business Unit
Global Services	State Street Global Services Business Unit
HKMA	Hong Kong Monetary Authority
Investment management	Investment Management Core Business Line
LCR	Liquidity Coverage Ratio
LER	Legal Entity Rationalization
LER-C	State Street's principles and criteria for a rational and less-complex legal entity structure
LP	Liquidity Provider
Luxembourg Central Bank	Banque Centrale De Luxembourg
LVTS	Large Value Transfer System
MH	Membership holder
MRAC	Management Risk and Capital Committee
NSCC	National Securities Clearing Corporation
OCIO	Outsourced Chief Investment Officer
OSFI	Office of the Superintendent of Financial Institutions
PCS	Payment, Clearing and Settlement
PRA	Prudential Regulation Authority
RCAP	Resolution Capital Adequacy and Positioning
RCEN	Resolution Capital Execution Need
Resolution Plan	A plan for rapid and orderly resolution in the event of material financial distress or failure
RITS	Reserve Bank Information and Transfer System
RLAP	Resolution Liquidity Adequacy and Positioning
RLEN	Resolution Liquidity Execution Need
RRP	Recovery and Resolution Planning
RRP Office	Recovery and Resolution Planning Office
SEC	Securities and Exchange Commission
SI	Service Infrastructure
SS HCL	Statestreet HCL Services (India) Private Limited
SS Syntel	State Street Syntel Services Private Limited
SSTZ	State Street Technology (Zhejiang) Co., Ltd.
SSB Realty	SSB Realty, LLC
SSBI GmbH	State Street Bank International GmbH
SSBI GmbH–Krakow	State Street Bank International GmbH Poland Branch
SSBL	State Street Bank Luxembourg S.C.A.
SSBT	State Street Bank and Trust Company
SSBT – Hong Kong	State Street Bank and Trust Company, Hong Kong Branch

3.10 GLOSSARY

Term	Definition
SSBT–London	State Street Bank and Trust Company, London Branch
SSBT–Toronto	State Street Bank and Trust Company, Toronto Branch
SSC	State Street Corporation
SSCSIL	State Street Custodial Services (Ireland) Limited
SSCSM	State Street Corporate Services Mumbai Private Limited
SSFSIL	State Street Fund Services (Ireland) Limited
SSIF	State Street Intermediate Funding LLC
SSIH	State Street International Holdings
SSIIL	State Street International (Ireland) Limited
SSGA	State Street Global Advisors
SSGA FM	SSGA Funds Management, Inc.
SSGA Ltd.	State Street Global Advisors Limited
SSGA Trust Co.	State Street Global Advisors Trust Company
SSGAIPL	StateStreet Global Advisors India Private Limited
SSSIL	State Street Services India, LLP
SSTCC	State Street Trust Company Canada
State Street	State Street Corporation, together with its subsidiaries on a consolidated basis
Support agreement	An agreement entered into by SSC, the funding entity, the material entities and certain intermediate entities to provide capital and liquidity resources to material entities pursuant to the Single Point of Entry strategy
TARGET2	Trans-European Automated Real-Time Gross Settlement Express Transfer System

Where you can find more information:

State Street Corporation (SSC) files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (SEC). SSC's SEC filings are available to the public over the Internet at the SEC's website at **sec.gov**. Copies of certain information filed by SSC with the SEC are also available on SSC's website at **statestreet.com**. Neither the SEC's nor SSC's website are a part of this document.

You may request a copy of these filings, at no cost, by writing or telephoning SSC at the following address:

State Street Corporation
One Lincoln Street
Boston, Massachusetts 02111
Telephone: +1 617 786 3000
Attn: Corporate Secretary

STATE STREET.

Except as specifically incorporated by reference into this document, information contained in these filings is not part of this document. Certain information in this document has been extracted from SSC's Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 Form 10-K") and its Quarterly Report for the period ended March 31, 2019 (the "First Quarter Form 10-Q") filed with the SEC. Information contained in reports and other filings SSC makes or had made with the SEC subsequent to the date of the 2018 Form 10-K and First Quarter Form 10-Q may modify or update and supersede the information contained in the 2018 Form 10-K, the First Quarter Form 10-Q and provided in this document. It should be assumed that the information appearing in this document that was extracted from the 2018 Form 10-K is accurate only as of the date of the 2018 Form 10-K and that the information appearing in this document that was extracted from the First Quarter Form 10-Q is accurate only as of the date of the First Quarter Form 10-Q. SSC's business, financial position and results of operations may have changed since those dates.

Forward-Looking Statements

This document, SSC's filings with the SEC and any documents incorporated by reference in this document contain statements that are considered "forward-looking statements" within the meaning of US securities laws. Terminology such as "plan," "expect," "intend," "objective," "forecast," "outlook," "believe," "anticipate," "estimate," "seek," "may," "will," "trend," "target," "strategy" and "goal," or similar statements or variations of such terms, are intended to identify forward-looking statements, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to various risks and uncertainties, which change over time, are based on management's expectations and assumptions at the time the statements are made, and are not guarantees of future results. Management's expectations and assumptions, and the continued validity of the forward-looking statements, are subject to change due to a broad range of factors affecting the national and global economies, regulatory environment and the equity, debt, currency and other financial markets, as well as factors specific to SSC and its subsidiaries, including State Street Bank and Trust Company. Factors that could cause changes in the expectations or assumptions on which forward-looking statements are based cannot be foreseen with certainty and include, but are not limited to, those described in the 2018 Form 10-K and the First Quarter Form 10-Q, as well as in subsequent filings made with the SEC. Such factors are not intended to be a complete statement of all risks and uncertainties that may affect SSC's businesses. SSC cannot anticipate all developments that may adversely affect its business or operations or its consolidated results of operations or financial condition.

Actual outcomes and results may differ materially from what is expressed in SSC's forward-looking statements and from SSC's historical financial results due to, among others, the factors disclosed in SSC's SEC filings, including the risk factors discussed in the 2018 Form 10-K. Forward-looking statements included in this document should not be relied on as representing SSC's expectations or beliefs as of any date subsequent to the time this document is submitted to the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation, and forward-looking statements in any of SSC's filings with the SEC should not be relied on as representing SSC's expectations or beliefs as of any date subsequent to the time such documents were filed with the SEC (or, if earlier, the time indicated in such filings). SSC undertakes no obligation to revise its forward-looking statements after the time they are made.

SSC's Resolution Plan, which is summarized in this document, is not binding on a bankruptcy court or other resolution authority and the proposed failure scenario and associated assumptions are hypothetical and do not necessarily reflect an event or events to which SSC is or may become subject.