One Lincoln Street
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July 27, 2015

Disclosure of Company-Run Stress Test Results

State Street Corporation (State Street or the Company), like other "covered companies" governed by the provisions of Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), is required to conduct company-run stress tests semi-annually (an "annual stress test" and a "mid-cycle stress test") and disclose the results under the severely adverse scenario. Under the "Supervisory and Company-Run Stress Test Requirements for Covered Companies" Final Rule, and as applied by State Street, a stress test represents a process to assess the potential impact of scenarios (representing hypothetical economic conditions) on State Street's consolidated financial position and consolidated results of operations and regulatory capital over a defined period (known as a "planning horizon"), taking into account State Street's current financial condition, risks, exposures, strategies and activities.

The two stress tests differ from one another in several principal ways. The annual stress test is conducted in coordination with the Comprehensive Capital Analysis and Review (CCAR) conducted by the Board of Governors of the Federal Reserve System (Federal Reserve), and the mid-cycle stress test is conducted between each annual CCAR exercise, utilizing a different as-of-date. The mid-cycle stress test utilizes three hypothetical economic scenarios that are developed and run independently by each individual bank holding company (BHC), as opposed to the annual stress test that utilizes three scenarios provided by the Federal Reserve in addition to at least one internally developed stress scenario. The Federal Reserve evaluates each BHC's mid-cycle stress test in its ongoing assessment of the BHC; however, the mid-cycle stress test is not conducted under the Federal Reserve's capital plan rule nor as part of the annual CCAR process. Furthermore, the Federal Reserve does not conduct a supervisory stress test to coincide with the company-run mid-cycle stress test. Finally, the annual stress test disclosures by the Federal Reserve and each covered company represent the results of the supervisory scenarios while the mid-cycle stress test reflects the results of an internally-developed scenario. State Street's stress test disclosures can be found in the Investor Relations section of its website, at http://investors.statestreet.com/.

The results of a stress test represent estimates of potential outcomes based on hypothetical economic and business conditions. State Street's stress testing efforts seek to incorporate loss events tailored to its unique risk profile, which differs from that of a traditional commercial bank due to the nature of the business model and consolidated statement of condition. The hypothetical economic conditions applied during any stress test do not represent State Street's projections of expected economic conditions, and the estimates representing the results of the stress test are not forecasts of expected revenues, expenses, losses or other results, or of State Street's financial condition or regulatory capital ratios or levels for any future period. Further, because the methodologies, models and tools used by State Street to project estimates of revenues, expenses, losses, regulatory capital ratios and other results under stress tests are proprietary to State Street, the results of company-run stress tests may differ in material respects from the results of stress tests performed on State Street by other parties, including the Federal Reserve in its annual supervisory stress test conducted in coordination with CCAR.

Additional financial and other information about State Street and its principal business activities can be found in its 2014 Annual Report on Form 10-K (the 2014 Form 10-K) and subsequent Quarterly Reports *on Form 10-Q, Current Reports on Form 8-K and other filings, referred to as SEC filings, with the Securities and Exchange Commission (the SEC), which are made available on the Investor Relations section of State Street's corporate website at http://investors.statestreet.com/. All stakeholders are encouraged to review these SEC filings. The information presented below may differ, in presentation, form, content or otherwise, from similar information, or disclosures on similar topics, presented in SEC filings. Differences could occur, for example, because SEC filings are based on applicable SEC rules and U.S. generally accepted accounting principles (GAAP), which may differ from the regulatory standards or requirements for company-run stress tests under Section 165 of the Dodd-Frank Act. In addition, the information presented in this disclosure may also differ, and would not be comparable to, similar disclosures made by other companies.*

Stress Testing Framework

State Street has a robust company-wide stress testing program that executes multiple stress tests each year and is overseen by management and its Board of Directors (the Board). The stress testing program is structured around what State Street determines to be its key risks. These key risks serve as an organizing principle for much of State Street's risk management framework, as well as reporting. In connection with the focus on these key risks, State Street's stress tests that are internally-developed incorporate idiosyncratic loss events tailored to its unique risk profile. Due to the nature of State Street's business model and consolidated statement of condition, these key risks differ from those of a traditional commercial bank.

In the normal course of our global business activities, we are exposed to a variety of risks, some inherent in the financial services industry, others more specific to our business activities. State Street's risk management framework focuses on material risks, which include the following:

- credit and counterparty risk;
- liquidity risk, funding and management;
- operational risk;
- market risk associated with our trading activities;
- market risk associated with our non-trading activities, which we refer to as asset-and-liability management, and which consists primarily of interest rate risk;
- business risk, including reputational, fiduciary and business conduct risks; and
- model risk.

Many of these risks, as well as certain of the factors underlying each of these risks that could affect our businesses and our consolidated financial statements, are discussed in detail under Item 1A, "Risk Factors," included in our 2014 Form 10-K.

For the 2015 mid-cycle stress test, State Street executed company-run tests incorporating stress impacts to estimates of its revenues, expenses, losses, and provisions for loan losses, and the resultant changes in regulatory capital and related capital ratios. To execute the stress tests, State Street applied multiple, internally-defined macroeconomic scenarios and parameters to its internal stress testing methodologies, models, and tools.

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General Description of the Internally-Developed Severely Adverse Scenario

Consistent with Section 165 of the Dodd-Frank Act, the following results are based on the company-run internally-developed severely adverse scenario for the period beginning on March 31, 2015 and ending on June 30, 2017.

Upon review of its material risk inventory, State Street developed the severely adverse scenario which reflects macroeconomic, market-wide, and firm-specific events tailored specifically to State Street's business activities, operations, financial profile and condition, and regulatory characteristics. The hypothetical stress environment presented by this scenario was designed to explore the trend of rising risks predicated on two, jointly occurring events:

1) A sharp and sudden Chinese financial/banking crisis which impacts key trading partners; and
2) A fixed income liquidity crisis driven by changing regulations in the US exacerbated by the crisis in China

These events are assumed to push the US into a prolonged recession with severe macroeconomic effects, including a decline in equity markets of over 50%, an increase in unemployment to over 10%, a sharp decline in consumer sentiment, a sharp reverse in the US housing market, and a spike in the equity market volatility index (VIX) amidst the geopolitical and liquidity turmoil.

In addition to this significant macroeconomic downturn, several idiosyncratic elements were included in this scenario. These elements are comprised of the default of State Street's largest counterparty, bank-wide impacts from a severe cyber-attack on critical systems, a spike in deposits from the fixed income liquidity crisis, and losses associated with potential litigation from operational and reputational risks.

The charts below reflect material macroeconomic parameters used in the mid-cycle stress test that particularly impact State Street. All macroeconomic factors shown below are representative of the severely adverse scenario.

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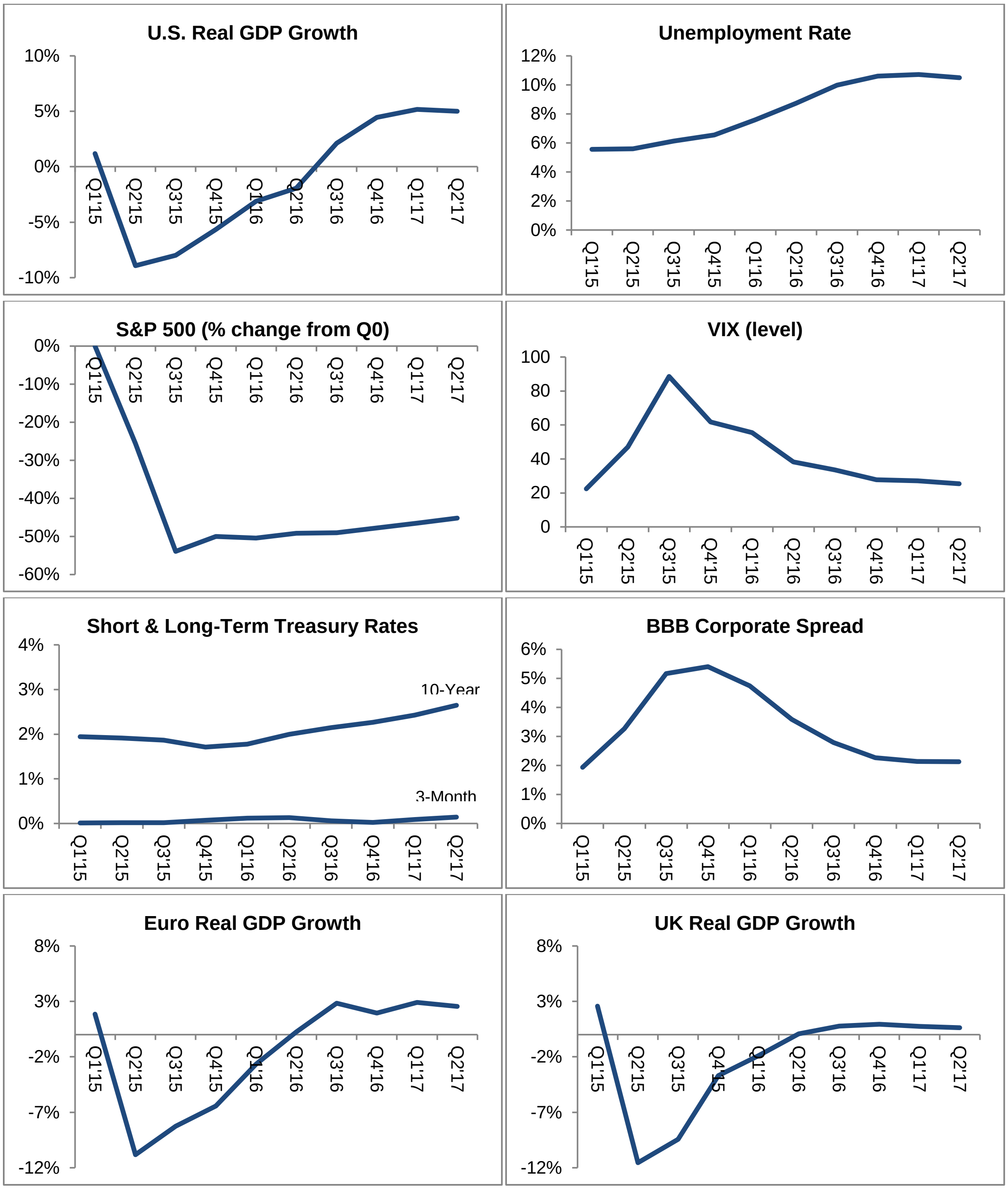
Summary of Material Macroeconomic Parameters under the Company-Defined Severely Adverse Scenario



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General Description of Methodologies

Pre-provision net revenue

Pre-provision net revenue (PPNR) is calculated as net interest revenue (NIR) plus non-interest revenue minus non-interest expense. The following is a description of the methodologies used to calculate the components of PPNR under the BHC severely adverse scenario.

State Street's NIR is sensitive to changes in balance sheet volume and interest rates due to economic conditions or business actions, movements in foreign exchange rates and spreads earned on interest earning assets or paid on interest bearing liabilities, among other factors. Under the BHC severely adverse scenario in the 2015 mid-cycle stress test, the interest rate paths across the nine-quarter planning horizon were the primary macroeconomic drivers used to estimate NIR. In addition, State Street used U.S. and foreign policy rates, the VIX, and stress projections for Assets Under Custody, to project deposit volumes across the planning horizon. Furthermore, scenario-specific management overlays were applied to balance sheet projections capturing the spike in deposits from the fixed income liquidity crisis as a result of changes in client behavior and investment portfolio reinvestment assumptions during the planning horizon.

State Street also stressed non-interest revenue, which includes servicing fees, management fees, securities finance, trading services, and processing fees and other revenue. In most cases, macroeconomic factors (e.g., equities, fixed income, GDP, currencies, volatility) identified in the scenario were linked to asset and activity levels through regression based analysis. In cases where fee revenue lacked sensitivity to the macroeconomic factors, State Street used historical time series analysis to determine the impact of stress.

State Street's PPNR projections of non-interest expense incorporated a reduction to incentive compensation, salaries & benefits, transaction processing, and professional services expense due to the impacts of lower activity levels and/or lower performance. Offsetting these reductions to expenses, State Street projected incremental losses related to operational risk events such as processing errors and increased litigation expenses. In addition, as part of the material risk inventory, State Street simulated the impact to revenue and operational losses from a severe cyber-attack.

Loan Loss Provisions

Loan losses under the BHC severely adverse scenario represent the sum of the provisions associated with corporate and insurance lending, leveraged loans, and other loan types. For the 2015 mid-cycle stress test, State Street stressed its loan losses using a stressed expected loss (stressed EL) framework. Expected loss (EL) can be expressed as the product of the probability of default (PD), the loss given default (LGD), and the dollar exposure at the time of default (EAD).To capture the stress impacts to each of the components of EL, State Street stressed the PD, LGD, and EAD parameters through macroeconomic factor regression or other models which allowed State Street to capture the projected impacts of the scenario on each parameter. In addition to the stressed EL approach, a qualitative overlay was used to incorporate other macroeconomic and subject matter expert considerations.

For the purpose of determining the evolution of the allowance for loan and lease losses, State Street assumed that the defaulted loan losses experienced during the planning horizon would be charged off from the balance sheet.

Realized Gains/Losses on Securities (Available for sale/Held to maturity)

Pursuant to GAAP, other-than-temporary impairment (OTTI) projections incorporate projected other-than temporary changes in credit expectations. For the BHC severely adverse scenario, OTTI was projected for structured securities using forecasts from externally sourced econometric models. These models utilized relevant stressed macroeconomic factors (e.g., GDP growth, unemployment, housing price index) together with loan- and pool-level collateral characteristics to generate prepayment rates, recovery rates, and default rates, each of which were used as inputs in generating bond-specific cash flows.

For non-structured securities, State Street utilized loss rates that were derived from the stressed EL approach described in the preceding section. This calculation, combined with qualitative overlays, determined the overall impact to non-structured securities under the BHC severely adverse scenario.

Trading and Counterparty Losses

For the 2015 mid-cycle stress test, State Street evaluated the potential consequences for exposures to financial institutions (FIs). As part of this analysis, State Street assumed an idiosyncratic default of its largest counterparty as calculated by stressed credit and non-credit exposure. The assessment of the largest FI counterparty was tailored to State Street's unique profile and encompassed State Street's direct credit (e.g., securities financing activities, derivatives, nostro accounts, placements) and indirect (other State Street relationships) exposures.

In addition to the largest counterparty default, a stressed EL approach was applied to estimate trading book exposure losses, including a qualitative overlay incorporating other macroeconomic and subject matter expert considerations. This overlay allowed State Street to examine the capacity of other FIs to withstand the stresses as a method for assessing whether additional counterparty defaults would occur under the scenario.

Available for Sale (AFS) Mark-to-Market (MTM) on the Investment Portfolio

AFS MTM is the unrealized gain or loss composed of the difference between the fair value and amortized cost of AFS securities. Under the Basel III final rule, the AFS MTM, which is a component of accumulated other comprehensive income (AOCI) within shareholders' equity, is reflected in regulatory capital according to a phase-in schedule which began on January 1, 2014. For the 2015 mid-cycle stress test, State Street derived the stressed AOCI using forecasts from externally sourced econometric models consistent with those utilized in the OTTI projections. The models were linked to the same set of macroeconomic factors, including GDP growth, housing price index, and unemployment, in addition to other financial indicators, like interest rates and credit spreads. The estimated impact to AOCI as a result of non-credit OTTI on held-to-maturity (HTM) securities was also included in the AOCI projections.

For the 2015 mid-cycle stress test, 40% of AOCI is reflected in capital calculations for 2015, 60% of AOCI is reflected in capital calculations for 2016, and 80% of AOCI is reflected in capital calculations for 2017.

Risk-Weighted Assets

For the 2015 mid-cycle stress test, BHCs were required to calculate both Basel I risk-weighted assets (RWA) and Basel III standardized RWA.

Under Basel I, stressed RWA were primarily impacted by downgrades of asset securitizations in the investment portfolio and changes in balance sheet growth relative to baseline expectations. RWA for asset securitizations were directly linked to macroeconomic factors by utilizing externally sourced econometric models consistent with those used in the OTTI and AOCI projections. In addition, changes under stress for securities finance RWA contributed to overall stressed RWA.

Under the Basel III standardized approach, stressed RWA were primarily impacted by RWA for asset securitizations using the Simplified Supervisory Formula Approach (SSFA). In applying the SSFA, State Street utilized the macroeconomic factors and externally sourced econometric models consistent with those used in the approaches for Basel I RWA, OTTI, and AOCI. In addition, changes in balance sheet growth relative to baseline expectations and in securities finance RWA contributed to overall stressed RWA. Furthermore, Basel III standardized RWA was impacted by credit risk RWA from State Street's derivatives exposures. The impacts to RWA were applied consistent with changes in PPNR and balance sheet positions underlying the various exposures.

State Street also estimated the stress impact on market risk RWA in accordance with the market risk capital rule issued by the Federal Reserve in 2012, which requires banking organizations with significant trading activities, including State Street, to explicitly incorporate the market risks of those activities into determination of the capital requirements. This approach incorporated market risk factors, including interest rates, foreign exchanges (FX) rates, and the VIX index.

Impact to Regulatory Capital Ratios

Impacts to regulatory capital ratios incorporated the capital actions prescribed by Section 165 of the Dodd-Frank Act (Dodd-Frank prescribed capital actions), including:

- For the second quarter of 2015, the actual capital actions (*e.g.,* stock dividends and stock repurchases) occurring during that period; and
- For each of the second through ninth quarters in the planning horizon:
    - common stock dividends equal the quarterly average dollar amount of common stock dividends paid from the period from Q3 2014 to Q2 2015;
    - payments on any other instrument that is eligible for inclusion in the numerator of a regulatory capital ratio equal to the stated dividend, interest, or principal due on such instrument during the quarter;
    - an assumption of no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio; and
    - an assumption of no issuances of common stock or preferred stock, except for issuances related to expensed employee compensation.

For the 2015 mid-cycle stress test, BHCs were required to report Basel III regulatory capital ratios using Basel III standardized RWA. In addition, the Basel I tier 1 common ratio was also required to be reported throughout the entire nine quarter planning horizon.

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Under the BHC severely adverse scenario, the stress projections resulted in a decline in regulatory capital ratios. However, State Street exceeded all Basel I and Basel III minimum regulatory capital ratio requirements in the 2015 mid-cycle stress test. Under the BHC severely adverse scenario, the changes in regulatory capital were primarily driven by the stressed declines in non-interest revenue relative to baseline expectations, counterparty losses, legal and operational losses in PPNR, and the phase-in impacts for Basel III capital.

Summary of Stressed Capital Ratio Results in the Company-Run 2015 Mid-cycle Stress Test under the BHC Severely Adverse Scenario with Dodd-Frank Act Prescribed Capital Actions

Projected Stressed Regulatory Capital Ratios through Q2 2017 under the BHC Severely Adverse Scenario

	Regulatory Minimum Ratios (1)	Actual March 31, 2015	Stressed Capital Ratios	
			June 30, 2017	Minimum (2)
Tier 1 Common Ratio	5.0%	12.5%	8.0%	8.0%
Common Equity Tier 1 Capital Ratio	4.5	10.4	8.1	7.8
Tier 1 Risk-based Capital Ratio	6.0	12.1	10.3	10.1
Total Risk-based Capital Ratio	8.0	13.9	12.0	11.9
Tier 1 Leverage Ratio	4.0	5.8	4.9	4.5

(1) Regulatory minimum ratio requirements as prescribed by the Federal Reserve Board
(2) Represents the projected minimum quarter-end ratio at any point during the nine quarter planning horizon of the BHC severely adverse scenario.

Total Projected losses, revenue, and net income before taxes for Q2 2015 through Q2 2017 under the BHC Severely Adverse scenario

	$ Billions	% of Projected Average Assets (1)
Pre-provision Net Revenue	1.9	0.7%
Other Revenue	-	
Less		
Provisions	0.4	
Realized Gains/Losses on Securities (AFS/HTM)	0.1	
Trading and Counterparty Losses	2.4	
Other Losses/Gains	0.3	
Net Income Before Taxes	(1.3)	-0.5%

(1) Average assets are averaged over the nine quarter planning horizon.

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Total Projected Loan Losses, by type of loan, for Q2 2015 through Q2 2017 under the BHC Severely Adverse Scenario		
	$ Billions	Portfolio Loss Rates (%)(1)
Loan Losses	0.4	2.1%
First Lien Mortgages, Domestic	-	n/a
Junior Liens and HELOCs, Domestic	-	n/a
Commercial and Industrial	0.1	3.9%
Commercial Real Estate	-	0.0%
Credit Cards	-	n/a
Other Consumer	-	0.0%
Other Loans	0.3	1.7%

(1) Percentage of average balance of the identified type of loans represented by projected aggregate loan losses. Average balances are averaged over the nine-quarter planning horizon.