

MEMORANDUM

TO: Public File – Notice of Proposed Rulemaking
Regulatory Capital Rules: Regulatory Capital, Proposed Revisions to the
Supplementary Leverage Ratio (RIN 3064–AE12)

FROM: FDIC Staff

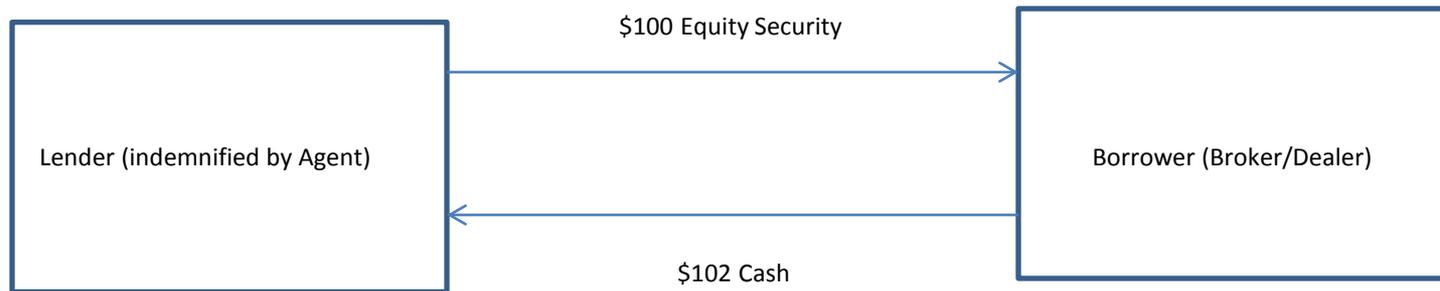
DATE: July 23, 2014

SUBJECT: Document Submission from State Street Corporation

On July 23, 2014, in conjunction with its comment letter of June 13, 2104, State Street Corporation provided a document to representatives of the Federal banking agencies. A copy of the materials distributed at this meeting are on file and may be viewed upon request.

Leverage and RWA Impact of QCCPs on Agency Securities Lending Transactions

Bilateral Agency Securities Lending Transaction



Risk Weighted Assets --

Basel III Standardized Exposure – 100% of Collateral Posted by Counterparty*
 $(\$100 * 1.106) - \$102 = \$8.6$

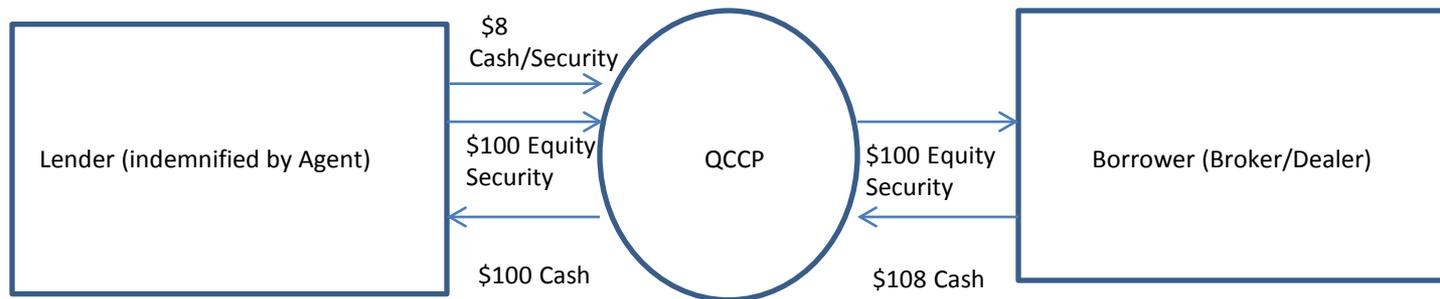
Leverage Ratio Denominator --

Current Exposure

$\$100 - \$102 = (\$2)$; no current exposure, so the impact would be 0

*100% represents the Risk Weight under Basel III in the U.S. for Broker/Dealers
1.106 represents 1 + the Standardized Haircut of 10.6% for main index equities using a 5 day holding period

Agency Securities Lending Transaction through QCCP



Risk Weighted Assets --

2%* of (BIII Standardized Exposure – Collateral held by lender)

$(\$100 * 1.106) - \$92 = \$18.6 * 2\% = \0.4

Leverage Ratio Denominator

Current Exposure (to CCP)

$\$100 - \$92 = \$8$

*2% represents the Risk Weight under Basel III for QCCPs

1.106 represent 1 + the Standardized Haircut of 10.6% for main index equities using a 5 day holding period