



# 2018 CIDI Plan

Public Section / July 1, 2018





# Contents

<b>1. INTRODUCTION</b> .....	<b>2</b>
<b>2. CIDI RESOLUTION STRATEGIES</b> .....	<b>3</b>
<b>3. GOVERNANCE SUPPORTING CIDI PLAN.</b> .....	<b>4</b>
<b>4. ADDITIONAL INFORMATION</b> .....	<b>5</b>
4.1 Description of Core Lines of Business	
4.2 Material Entities and Foreign Operations	
4.3 Financial Information	
4.4 Memberships in Material Payment, Clearing and Settlement Systems	
4.5 Description of Derivative and Hedging Activities	
4.6 Material Supervisory Authorities	
4.7 Principal Officers	
4.8 Description of Material Management Information Systems	
4.9 Conclusion	
4.10 Glossary	

## 1. Introduction

Under the final rule relating to resolution plans for insured depository institutions with total assets of \$50 billion or more, codified at 12 C.F.R. Part 360.10 and published on January 23, 2012 (IDI Rule) by the Federal Deposit Insurance Corporation (FDIC), State Street Bank and Trust Company (SSBT, and together with its affiliates, State Street) is required to submit to the FDIC, and periodically update, a plan (CIDI Plan) considering how the FDIC, as receiver in a hypothetical receivership of SSBT as a covered insured depository institution (CIDI) under the Federal Deposit Insurance Act (FDIA), could resolve the CIDI in a manner that satisfies the requirements of the IDI Rule. In addition to the IDI Rule, the 2018 CIDI Plan must also address the related Guidance for Covered Insured Depository Institution Resolution Plan Submissions published by the FDIC in December 2014 (2014 Guidance).

The IDI Rule and 2014 Guidance requirements are distinct from the requirements of Section 165(d) of the Dodd-Frank Act and its implementing rule jointly issued by the Board of Governors of the Federal Reserve

System (Federal Reserve) and the FDIC. State Street's 165(d) resolution plan was submitted on July 1, 2017 (2017 Resolution Plan)<sup>1</sup> and describes its preferred single point of entry (SPOE) resolution strategy and supporting capabilities to execute that strategy. As described in the 2017 Resolution Plan, under the SPOE strategy, only State Street's parent company, State Street Corporation (SSC), would file for bankruptcy protection, while the remainder of State Street's material entities (Material Entities), including SSBT, would be recapitalized and provided with liquidity to continue operations. In contrast to the SPOE strategy, the 2018 CIDI Plan assumes a hypothetical failure of SSBT and provides discussion and analysis of a range of resolution strategies available to the FDIC as receiver that might be implemented in the event of such a failure.

This Public Section provides an overview of State Street's business, its resolution strategy under the IDI Rule and 2014 Guidance, its core business lines, material entities, key financial details, and other information required by the IDI Rule.

<sup>1</sup> The public section of the 2017 Resolution Plan can be found at: <https://www.snl.com/Cache1500101186.PDF?PDF=T=&Y=&D=&FID=1500101186&iid=100447>

## 2. CIDI Resolution Strategies

Our 2018 CIDI Plan is intended to support the FDIC in carrying out its responsibilities to resolve SSBT under Sections 11 and 13 of the FDIA, 12 U.S.C. 1821 and 1823, while meeting the objectives of the IDI Rule. Among other things, our 2018 CIDI Plan presents a resolution strategy and supporting capabilities for how SSBT can be resolved under the FDIA in a manner that ensures that depositors receive access to their insured deposits within one business day of SSBT's failure (two business days if the failure occurs on a day other than a Friday). In addition, our CIDI resolution strategy and supporting capabilities promote the FDIC's objectives of maximizing the net present value return from the sale or disposition of SSBT's assets, minimizing the amount of any loss realized by creditors in resolution, and, depending on the magnitude and nature of the loss event, serving as the resolution method that is least costly to the FDIC's Deposit Insurance Fund (DIF).

Under our CIDI resolution strategy, SSBT would be placed into an FDIC receivership and the assets and liabilities associated with its Core Business Lines

(including all deposit liabilities but excluding, for example, any liability for the loss causing SSBT's failure) would be transferred to a newly-chartered bridge bank initially operated by the FDIC. By virtue of State Street's relatively simple organizational structure and operating model, the bridge bank would be able to maintain operations independent of SSBT's parent company, SSC. The bridge bank would operate SSBT's existing global custody<sup>2</sup> and investment management core business lines with an intent to sell these core business lines to one or multiple acquirers. Our two core business lines — which have been organized to facilitate separation and sale independent of each other — would likely be attractive acquisition targets for third-party buyers, which could include global, national, or regional financial institutions, or other buyers of financial assets. The residual value of the bridge bank after the sale, other disposition, or (in the case of a failure of sale and other disposition efforts) wind-down of the major assets, core business lines, and any other components of value would be realized for the benefit of the receivership.

<sup>2</sup> Global custody is aligned with the investment servicing line of business reported on the Form 10-K of our parent company, SSC.

### 3. Governance Supporting CIDI Plan

Strong and effective governance continues to be a key component of State Street's approach to recovery and resolution planning and preparation. The SSBT Board of Directors (SSBT Board) and the Risk Committee (RC) of the SSBT Board were the two most senior governing bodies responsible for State Street's 2018 CIDI Plan, and had ultimate accountability for its completion and authority over its review and approval.

State Street leveraged its existing risk governance structure to oversee Recovery and Resolution Planning (RRP) efforts throughout the development and completion of the 2018 CIDI Plan. State Street's robust risk management structure includes an Enterprise Risk Management (ERM) function and a dedicated RRP Office that is overseen by the SSC Board (that of SSBT's ultimate parent) and executive management committees. State Street's Management Risk and Capital Committee (MRAC) and its subcommittee, which reports to the RC of the SSC Board, the Recovery and Resolution Executive Review Board (ERB), are the executive management committees with primary oversight for

recovery and resolution efforts including State Street's 2018 CIDI Plan. The ERB was the main governance body that proactively shaped the strategic direction of the 2018 CIDI Plan. The ERB provided executive oversight, review, challenge, and approval of key aspects of State Street's recovery and resolution planning efforts and approach. The ERB brought a senior organization-wide perspective to facilitate integrated program execution across RRP efforts and workstreams.

State Street also employs its three lines of defense framework to support governance over RRP initiatives through the application and verification of appropriate controls. For State Street's Recovery and Resolution Program, this includes certification by the RRP Office and relevant business units (as the first line of defense), and reviews by Financial and Regulatory Assurance (the second line of defense), and Corporate Audit (the third line of defense).

The SSBT Board approved the 2018 CIDI Plan and this approval is noted in the board records.

## 4. Additional Information

### 4.1 DESCRIPTION OF CORE LINES OF BUSINESS

State Street has two core business lines:

- Global Custody
- Investment Management

We deliver services to clients in more than 100 markets, with 36,643 employees as of December 31, 2017. 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.

#### 4.1.1 GLOBAL CUSTODY

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.

Products and services provided by global custody include custody, middle-office outsourcing, deposit and short-term investment facilities and cash management, product-level and participant-level accounting, daily pricing and administration, master trust and master custody, record-keeping, foreign exchange, brokerage and other trading services, securities finance, loan and lease financing, investment manager and alternative investment manager operations outsourcing, performance, risk and compliance analytics.

## Exhibit 1: Our Global Presence

AUSTRALIA Melbourne Sydney	CHANNEL ISLANDS Saint Peter Port, Guernsey Saint Helier, Jersey	IRELAND Drogheda Dublin Kilkenny Naas	PEOPLE'S REPUBLIC OF CHINA Beijing Hangzhou Hong Kong Shanghai	TAIWAN Taipei City
AUSTRIA Vienna	DENMARK Copenhagen	ITALY Milan Turin	PHILLIPPINES Taguig City	UNITED ARAB EMIRATES Dubai
BELGIUM Brussels	FRANCE Paris	JAPAN Fukuoka Tokyo	POLAND Gdansk Krakow	UNITED KINGDOM Edinburgh London
BRUNEI DARUSSALAM Jerudong	GERMANY Frankfurt Leipzig Munich	LUXEMBOURG Luxembourg	SINGAPORE Singapore	UNITED STATES California Connecticut Florida Georgia Illinois Massachusetts Missouri New Jersey New York North Carolina Pennsylvania Texas
CANADA Montreal Toronto Vancouver	INDIA Bangalore Chennai Coimbatore Hyderabad Mumbai Pune Thane West	MALAYSIA Kuala Lumpur	SOUTH AFRICA Cape Town	
CAYMAN ISLANDS George Town, Grand Cayman		NETHERLANDS Amsterdam	SOUTH KOREA Seoul	
		NORWAY Trondheim	SWITZERLAND Zurich	

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. Thus, we have established a global footprint and integrated service delivery model to meet the global needs of our clients. Our clients transact primarily in mature financial markets with liquid currencies, but also in markets that are less mature and emerging. Our top 10 custody markets by transaction value are mostly

in mature markets, accounting for approximately 98 percent of all of our global transaction value.

We provide some or all of our integrated products and services to clients in the US and in many other markets, including, among others, Australia, Cayman Islands, France, Germany, Ireland, Italy, Japan, Luxembourg and the UK.

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

## Exhibit 2: Global Custody Major Geographic Regions

As of December 31, (in billions)	2017	2016
North America	24,418	21,544
Europe/Middle East/Africa	7,028	5,734
Asia-Pacific	1,673	1,493
<b>Total</b>	<b>33,119</b>	<b>28,771</b>

### 4.1.2 INVESTMENT MANAGEMENT

Our investment management services are provided in the US and abroad, under the brand name State Street Global Advisors (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, such as enhanced indexing, using quantitative and fundamental methods for both US and global equities and fixed-income securities. SSGA also offers 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. The principal geographic locations of our investment management business are the United States and the United Kingdom.

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

## Exhibit 3: Investment Management Major Geographic Regions

As of December 31, (in billions)	2017	2016
North America	1,931	1,691
Europe/Middle East/Africa	521	482
Asia-Pacific	330	295
<b>Total</b>	<b>2,782</b>	<b>2,468</b>

## 4.2 MATERIAL ENTITIES AND FOREIGN OPERATIONS

### 4.2.1 OVERVIEW

A material entity is defined in the IDI Rule as “a company that is significant to the activities of a critical service or core business line.” We have developed and instituted a thorough material entity review process to comply with this requirement.

The application of this review process results in the identification of a total of 22 material entities as of December 31, 2017, of which 15 material entities were identified in our 2015 CIDI Plan and seven are newly-designated material entities. The newly-designated material entities are identified in italics.

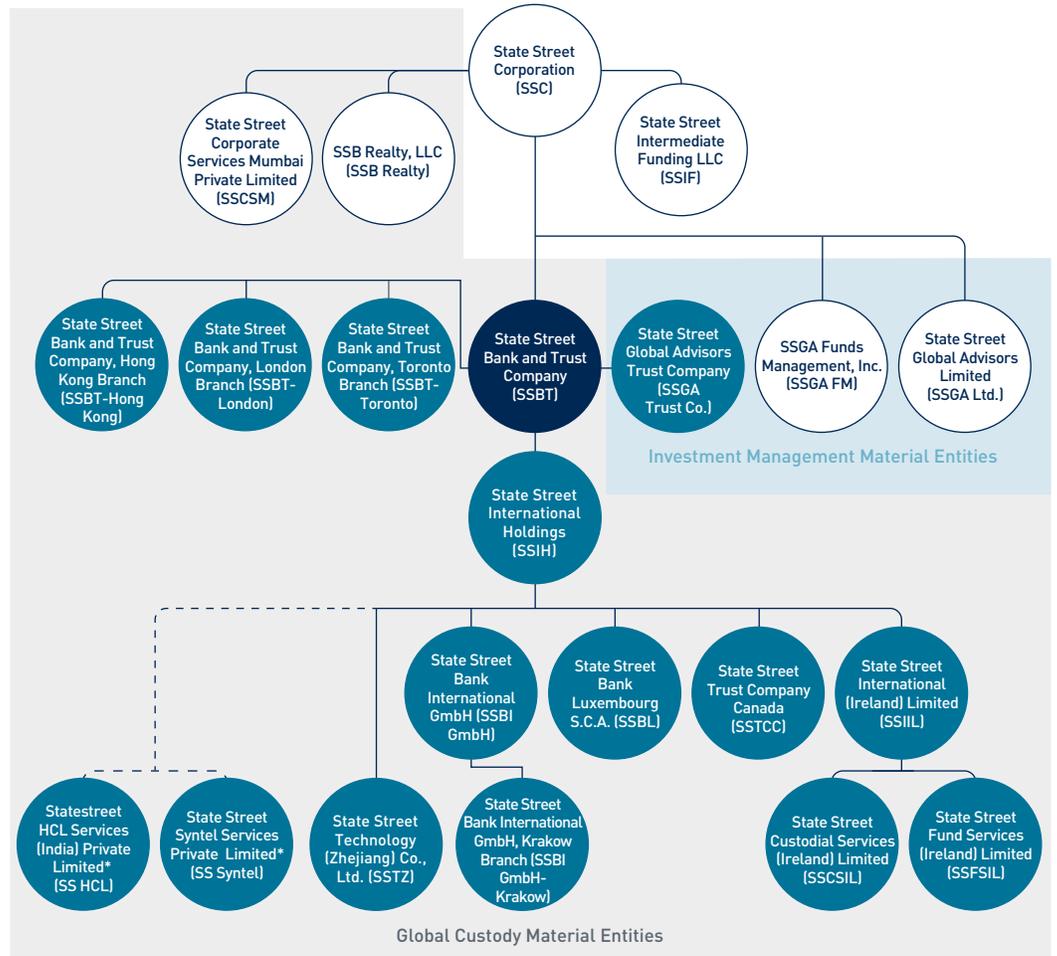
#### 1. Material Entities Within the Bank Chain:

- State Street Bank and Trust Company (SSBT)
- State Street Bank and Trust Company, London Branch (SSBT-London)
- State Street Bank and Trust Company, Toronto Branch (SSBT-Toronto)
- *State Street Bank and Trust Company, Hong Kong Branch (SSBT-Hong Kong)*
- State Street Trust Company Canada (SSTCC)
- State Street Bank Luxembourg S.C.A. (SSBL)

- State Street Bank International GmbH (SSBI GmbH)
  - State Street Custodial Services (Ireland) Limited (SSCSIL)
  - State Street Fund Services (Ireland) Limited (SSFSIL)
  - State Street International (Ireland) Limited (SSIIL)
  - State Street Bank International GmbH, Krakow Branch (SSBI GmbH-Krakow)
  - State Street Syntel Services Private Limited (SS Syntel)
  - State Street HCL Services (India) Private Limited (SS HCL)
  - *State Street Global Advisors Trust Company (SSGA Trust Co.)*
  - *State Street Technology (Zhejiang) Company, Limited (SSTZ)*
  - *State Street International Holdings (SSIH)*
- #### 2. Material Entities Outside the Bank Chain:
- State Street Corporation (SSC)
  - *State Street Intermediate Funding LLC (SSIF)*
  - *SSB Realty, LLC (SSB Realty)*
  - *State Street Corporate Services Mumbai Private Limited (SSCSM)*
  - SSGA Funds Management, Inc. (SSGA FM)
  - State Street Global Advisors Limited (SSGA Ltd.)

An abbreviated organizational chart illustrating the relationship among our material entities is presented below.

**Exhibit 4: Simplified State Street Organization Chart Illustrating Material Entity Relationships**



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

Excludes non-material entity companies for simplicity. Only SSBT, SSB Realty, SSIF, SSGA Ltd, and SSGA FM are direct subsidiaries of State Street Corporation in this picture.

● SSBT Branches and Subsidiaries

#### 4.2.2 MATERIAL ENTITIES WITHIN THE BANK CHAIN

The following Material Entities are either direct or indirect subsidiaries of SSBT and are therefore described as residing within the “bank chain.” These entities support the global custody core business line unless stated otherwise.

##### 4.2.2.1 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 an 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, 2017, SSBT had three domestic branches, 11 foreign branches and 10 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, Cayman Islands, China, Hong Kong, Japan, Jersey, Korea, Singapore, Taiwan, and the United Kingdom, and its wholly-owned banking subsidiaries

are 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. SSBT serves as our central location for Payments, Clearing and Settlement (PCS) activities and is the primary membership holder for most Financial Market Utilities (FMUs) including The Depository Trust Company (DTC), the Fedwire Funds Service (Fedwire Funds), and Fedwire Securities Service (Fedwire Securities). 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 a significant provider of critical services that support global custody core business line.

##### 4.2.2.2 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 (via CREST) and the Clearing House Automated Payment System (CHAPS). 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 our global custody core business line.

#### 4.2.2.3 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 2018 CIDI 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 our global custody core business line.

#### 4.2.2.4 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 ensuring that there is 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 in respect of our global custody core business line.

#### 4.2.2.5 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.

As described in Section 4.2.2.3, two Canadian entities are designated as material for purposes of the 2018 CIDI Plan: SSBT-Toronto and SSTCC. 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).

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 our global custody core business line.

#### 4.2.2.6 STATE STREET BANK LUXEMBOURG S.C.A.

SSBL is an authorized banking institution headquartered in Luxembourg City, Luxembourg. 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) and the European Central Bank (ECB).

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 depository 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 our global custody core business line.

#### 4.2.2.7 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 the European Central Bank (ECB), 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 GmbH is an indirect subsidiary of SSBT. It has one domestic branch, located in Frankfurt, Germany; six 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 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 as 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 our global custody core business line.

#### 4.2.2.8 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 depository/trustee services to collective investment schemes. SSCSIL is a direct wholly-owned subsidiary of SSIL.

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

SSCSIL uses employee resources supplied by its parent, SSIL, to deliver critical services.

#### 4.2.2.9 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 SSIL.

SSFSIL contracts with clients for the provision of services supporting the global custody core business line. SSFSIL uses employees supplied by its parent, SSIL, to deliver critical services.

#### 4.2.2.10 STATE STREET INTERNATIONAL (IRELAND) LIMITED

SSIL is incorporated in Ireland under the Companies Act 2014. SSIL 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.

SSIL is not a regulated entity and holds no banking licenses in Ireland. SSIL is an indirect subsidiary of SSBT. SSIL employs personnel who support its subsidiaries SSCSIL and SSFSIL in delivering critical services in respect to our global custody core business line.

#### 4.2.2.11 STATE STREET BANK INTERNATIONAL GMBH, KRAKOW 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. As a branch of SSBI GmbH, it is regulated by the German Federal Financial Supervisory Authority (Bundesanstalt fuer Finanzdienstleistungsaufsicht or BaFin) and the European Central Bank (ECB), and is also supervised by the German Central Bank (Deutsche Bundesbank). 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.

#### 4.2.2.12 STATE STREET SYNTEL SERVICES PRIVATE LIMITED

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

SS Syntel supports our global operating model by providing critical services to our global custody core business line.

#### 4.2.2.13 STATE STREET HCL SERVICES (INDIA) PRIVATE LIMITED

SS HCL, a private limited company incorporated under the Companies Act, 1956 of India, provides services exclusively to State Street and its affiliates. SS HCL is an unconsolidated subsidiary of SSBT that 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.

SS HCL supports our global operating model by providing critical services to our global custody core business line.

#### 4.2.2.14 STATE STREET GLOBAL ADVISORS TRUST COMPANY

SSGA Trust Co. is a Massachusetts-chartered, non-depository, 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.

On December 26, 2016, SSBT employees dedicated to SSGA were transferred to SSGA Trust Co., including employees who perform critical services. Commencing in April 2017, SSGA Trust Co. was appointed as the successor trustee of SSGA's US

unregistered collective and common trust funds and two SSGA sponsored ETFs; assigned the client contracts of SSGA's separately managed accounts previously contracted with SSBT to SSGA Trust Co.; and transferred ownership of SSGA-dedicated infrastructure applications and systems from SSBT to SSGA Trust Co. SSGA Trust Co. provides trustee, fiduciary, and investment management services to new and existing clients and products (bank maintained collective investment funds, common trust funds, and certain exchange-traded funds) and acts as the investment manager for institutional clients and charitable asset management clients with separately managed accounts.

SSGA Trust Co. provides critical services, in support of our investment management core business line.

#### 4.2.2.15 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.

SSTZ provides IT development services to our legal entities and business areas as well as operational support to global custody. 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.

#### 4.2.2.16 STATE STREET INTERNATIONAL HOLDINGS

SSIH is our Edge corporation organized and existing under the provisions of Section 25A of the Federal Reserve Act and regulated by the Federal Reserve. It is a direct subsidiary of SSBT. 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. 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 as a potential provider of liquidity and capital to SSIH's direct and indirect material entity subsidiaries.

#### 4.2.3 MATERIAL ENTITIES OUTSIDE THE BANK CHAIN

The following material entities are either direct or indirect subsidiaries of State Street Corporation (SSC). Because these entities are not subsidiaries of SSBT, they are therefore described as residing outside the "bank chain."

##### 4.2.3.1 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 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 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. SSC is not a material provider of critical services.

##### 4.2.3.2 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. SSIF is not a material provider of critical services.

##### 4.2.3.3 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 the global custody and investment management core business lines.

#### 4.2.3.4 STATE STREET CORPORATE SERVICES MUMBAI PRIVATE LIMITED

State Street Corporate Services Mumbai Private Limited (SSCSM) was incorporated in India in 2010 to provide middle and back office support services and corporate support services to State Street affiliates. SSCSM is an indirect subsidiary of SSC.

SSCSM is not a regulated entity and does not engage with clients. SSCSM provides internal support and critical services in support of our global custody core business line.

#### 4.2.3.5 SSGA FUNDS MANAGEMENT, INC.

SSGA FM, a Massachusetts corporation, is an indirect 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. SSGA FM has over \$470 billion in Assets Under Management (AUM), representing 17% of SSGA's total contracted AUM. SSGA FM supports our investment management core business line.

#### 4.2.3.6 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 provide critical services supporting our investment management core business line.

#### 4.3 FINANCIAL INFORMATION

The following sections provide select financial information for State Street Bank and Trust Company on a fully consolidated basis (SSBT Consolidated).

##### 4.3.1 SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following tables present consolidated financial information for SSBT Consolidated. This information is provided in SSBT's FFIEC 031 report as of December 31, 2017.

#### Exhibit 5: Consolidated Income Statement

Years ended December 31, (Dollars in millions, except per share amounts)	2017
<b>Fee revenue</b>	
Non-interest income	8,176
<b>Net interest income</b>	
Interest income	2,905
Interest expense	398
Net interest income	2,507
<b>Gains (losses) related to investment securities, net</b>	
Gains (losses) related to investment securities, net	(39)
<b>Total revenue</b>	<b>10,644</b>
Provisions for loan losses	2
<b>Expenses</b>	
Non-interest expense	7,764
Income before income tax expense (benefit)	2,880
Income tax expense (benefit)	634
<b>Net income</b>	<b>2,246</b>
<b>Net income attributable to bank</b>	<b>2,246</b>

## Exhibit 6: Consolidated Balance Sheet

As of December 31,  
(Dollars in millions, except per share amounts)

2017

<b>Assets</b>	
Cash and due from banks	1,996
Interest-bearing deposits with banks	66,548
Securities purchased under resale agreements	3,241
Trading account assets	4,473
Investment securities available-for-sale	56,728
Investment securities held-to-maturity	40,458
Loans and leases (less allowance for losses)	23,375
Premises and equipment (net of accumulated depreciation)	1,578
Investments in unconsolidated subsidiaries and associated companies	1,656
Goodwill	5,733
Other intangible assets	1,566
Other assets	27,670
<b>Total assets</b>	<b>235,022</b>
<b>Liabilities</b>	
Deposits	
Non-interest-bearing	46,733
Interest-bearing-US	53,863
Non-interest-bearing-non-US	729
Interest-bearing-non-US	87,894
Total deposits	189,219
Securities sold under repurchase agreements	2,842
Trading Liabilities	5,388
Other short-term borrowings	2,900
Other liabilities	9,701
Subordinated notes and debentures	1,892
<b>Total liabilities</b>	<b>211,942</b>
<b>Bank equity capital</b>	
Common stock	30
Surplus	11,582
Retained earnings	12,312
Accumulated other comprehensive income (loss)	(844)
<b>Total bank equity capital</b>	<b>23,080</b>
<b>Total liabilities and bank equity capital</b>	<b>235,022</b>

#### 4.3.2 CAPITAL

We incorporate capital adequacy and risk appetite into our corporate strategy and business decisions. SSC senior management, with oversight by the SSC Board, has 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, idiosyncratic events as well as existing and future regulatory expectations. Performance against our Risk Appetite Statement is measured, monitored and reported regularly to the MRAC, Risk Committee, and SSC Board.

Our objective is to maintain capital in excess of the required minimums and at a level that supports our unique business model and is in compliance with all applicable regulatory requirements at our consolidated organization and SSBT. Our capital position exceeds applicable well capitalized standards as defined by the federal banking agencies. 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 LISC Firms and Large Complex Firms<sup>3</sup> and Guidance for 2017 §165(d) Annual Resolution Plan Submissions by Domestic Covered Companies that Submitted Resolution Plans in 2015.

The following table presents regulatory capital ratios and well capitalized requirements for SSBT Consolidated. We are required to report capital measures under both the advanced and standardized capital adequacy approaches; of the two, the standardized approach was more binding on December 31, 2017.

<sup>3</sup> Board of Governors of the Federal Reserve SR 15-18: [http://www.federalreserve.gov/bankinforeg/srletters/sr1518\\_PW.pdf](http://www.federalreserve.gov/bankinforeg/srletters/sr1518_PW.pdf)

## Exhibit 7: Basel III Regulatory Capital Ratios and Well Capitalized Requirements<sup>4</sup>

Regulatory Capital Ratios	SSBT Consolidated		
	Well Capitalized Requirements December 31, 2017	Basel III Advanced Approaches December 31, 2017	Basel III Standardized Approach December 31, 2017
Common Equity Tier 1 Capital	6.5%	17.2%	16.6%
Tier 1 Risk-Based Capital	8.0%	17.2%	16.6%
Total Risk-Based Capital	10.0%	18.2%	17.6%
Tier 1 Leverage Ratio	5.0%	8.0%	8.0%

### 4.3.3 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 8 on the following page), 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 activities. These client deposits are the primary source of liquidity and funding for our consolidated balance sheet. Having grown over time, these deposits have allowed us to reduce our reliance on wholesale funding.

<sup>4</sup> Well capitalized requirements do not reflect the Capital Conservation Buffer or G-SIB surcharge.

## Exhibit 8: Client Deposits

(Dollars in millions)	December 31, 2017	Average Balance (2017)
Client deposits	180,149	158,996
Wholesale CDs	4,747	4,812

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 also a member of the Federal Home Loan Bank of Boston, and this membership allows 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, 2017 to be sufficient to meet our current commitments and business needs, including accommodating the transaction and cash management needs of our clients.

### 4.3.4 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.

### 4.4 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 Financial Market Utilities (FMUs) or indirectly through our agent bank network. Below, 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 Foreign Exchange (FX) net settlement system.

### Exhibit 9: Memberships in Material Payment, Clearing and Settlement Systems

FMU Type	Payment, Clearing and Settlement System	Description of the Service
Central Securities Depositories and Central Counter-party Clearing Houses	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
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

**Exhibit 9: Memberships in Material Payment, Clearing and Settlement Systems (cont.)**

FMU Type	Payment, Clearing and Settlement System	Description of the Service
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

**4.5 DESCRIPTION OF DERIVATIVE AND HEDGING ACTIVITIES**

We do not maintain a significant derivatives book; however, we do enter into derivative financial instruments as principal, including forwards, futures, swaps, options and other instruments with similar characteristics, to support client needs in our role as a financial intermediary and to manage our own interest rate, foreign currency, and funding risks. Our clients use derivatives to manage the financial risks associated with their investment goals and business activities. As an active participant in the FX markets, we trade as a market maker in FX forwards (“deliverable and non-deliverable”), spot FX, FX swaps, and FX options to meet client demand, and use similar FX and interest rate derivatives to manage the risks associated with these activities. In managing interest-rate and foreign currency and funding risks, we also utilize interest rate and foreign exchange derivatives, and manage these positions within established risk limits.

- FX 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.

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 allow for 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 a generally accepted accounting principles (GAAP) hedge, 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 FX derivatives for risk management and liquidity needs and these are recognized as economic hedges.

#### **4.6 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 10: Key Regulatory Authorities**

Legal Entity	Primary Regulatory Authority	Secondary Regulatory Authority
State Street Bank and Trust Company	Federal Reserve Massachusetts Division of Banks	FDIC
State Street Bank and Trust Company, London Branch	Federal Reserve Massachusetts Division of Banks	Prudential Regulatory Authority (PRA) Financial Conduct Authority (FCA)
State Street Bank and Trust Company, Toronto Branch	Federal Reserve Massachusetts Division of Banks	OSFI
State Street Bank and Trust Company, Hong Kong Branch	Federal Reserve Massachusetts Division of Banks	Securities and Futures Commission HKMA
State Street Trust Company Canada	OSFI	N/A
State Street Bank Luxembourg S.C.A.	CSSF	Luxembourg Central Bank European Central Bank (ECB)
State Street Bank International GmbH	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 Bank International GmbH, Krakow Branch	BaFin ECB	German Central Bank
State Street Syntel Services Private Limited	N/A	N/A
Statestreet HCL Services (India) Private Limited	N/A	N/A
State Street Global Advisors Trust Company	Federal Reserve Massachusetts Division of Banks	N/A
State Street Technology (Zhejiang) Company, Limited	N/A	N/A
State Street International Holdings	Federal Reserve	N/A
State Street Corporation	Federal Reserve Massachusetts Division of Banks	N/A
State Street Intermediate Funding LLC	N/A	N/A
SSB Realty, LLC	N/A	N/A
State Street Corporate Services Mumbai Private Limited	N/A	N/A
SSGA Funds Management, Inc.	SEC CFTC	N/A
State Street Global Advisors Limited	FCA	SEC

#### 4.7 PRINCIPAL OFFICERS

The following table lists the principal officers of SSC and SSBT as of June 30, 2018, all of whom are appointed by the respective Board.

##### Exhibit 11: Principal Officers

Name	Position
Joseph L. Hooley	Chairman and Chief Executive Officer
Eric W. Aboaf	Executive Vice President and Chief Financial Officer
Ian W. Appleyard	Executive Vice President, Global Controller and Chief Accounting Officer
Jeffrey N. Carp	Executive Vice President, Chief Legal Officer and Secretary
Jeff D. Conway	Executive Vice President, Global Head of Operations and Business Transformation
Andrew J. Erickson	Executive Vice President, 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, Head of Global Markets and Global Exchange
Elizabeth Nolan	Executive Vice President, Chief Executive Officer for Europe, Middle East and Africa
Ronald P. O'Hanley	President and Chief Operating Officer
Wai-Kwong Seck	Executive Vice President, Chief Executive Officer for Asia-Pacific
Antoine Shagoury	Executive Vice President and Global Chief Information Officer
George E. Sullivan	Executive Vice President, Head of Alternative Investment Solutions
Cyrus Taraporevala	President and Chief Executive Officer, State Street Global Advisors

#### 4.8 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 Federal Reserve and the FDIC have outlined management information systems capabilities required for resolution preparedness. To address these requirements, 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 our resolution critical data.

#### **4.9 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 2018 CIDI Plan presents a strategy and supporting capabilities to separate SSBT from its parent company, SSC, and to resolve SSBT under the FDIA in a manner that ensures depositors will

have access to their insured deposits within one business day of SSBT's failure (two business days if the failure occurs on a day other than a Friday). In addition, our CIDI resolution strategy and supporting capabilities support the objectives of maximizing the net present value return from the sale or disposition of SSBT's assets, minimizing the amount of any loss realized by creditors in resolution, and, depending on the magnitude and nature of the loss event, serving as the resolution method that is least costly to the DIF.

#### 4.10 GLOSSARY

<u>Term</u>	<u>Definition</u>
165(d) Rule	Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing rule jointly issued by the Federal Reserve and the FDIC
2014 Guidance	Guidance for Covered Insured Depository Institution Resolution Plan Submissions published by the FDIC in December 2014
2017 Resolution Plan	State Street's comprehensive 165(d) Resolution Plan submitted by July 1, 2017
2018 CIDI Plan	State Street's comprehensive CIDI Plan to be filed by July 1, 2018
APAC	Asia-Pacific
AUM	Assets Under Management
BaFin	German Federal Financial Supervisory Authority or Bundesanstalt fuer Finanzdienstleistungsaufsicht
Board	Board of Directors of State Street Corporation or State Street Bank & Trust Co., as indicated
CDS	Clearing and Depository Services Inc.
CFTC	US Commodity Futures Trading Commission
CHAPS	Clearing House Automated Payment System
CHATS	Clearing House Automated Transfer System
CHIPS	Clearing House Interbank Payments System
CIDI	Covered Insured Depository Institution
CLS	Continuous Linked Settlement
CREST	Certificateless Registry for Electronic Share Transfer
CSSF	Commission de Surveillance du Secteur Financier
DIF	Deposit Insurance Fund
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
ERM	Enterprise Risk Management
ETFs	Exchange Traded Funds
FCA	Financial Conduct Authority
FDIA	Federal Deposit Insurance Act
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
FFIEC	Federal Financial Institutions Examination Council
FFIEC 031 Report	FFIEC 031 Reporting Form: Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices
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

#### 4.10 GLOSSARY

Term	Definition
GAAP	Generally Accepted Accounting Principles
German Central Bank	Deutsche Bundesbank
Global Exchange	State Street Global Exchange Business Unit
Global Markets	State Street Global Markets Business Unit
Global Services	State Street Global Services Business Unit
Guidance for 2017	Guidance for 2017: 165(d) Annual Resolution Plan Submissions By Domestic Covered Companies that Submitted Resolution Plans in July 2015
HKMA	Hong Kong Monetary Authority
IDI Rule	12 C.F.R. Part 360.10 and published on January 23, 2012 by the Federal Deposit Insurance Corporation
LISCC	Large Institution Supervision Coordinating Committee of the Board of Governors of the Federal Reserve System; tasked with overseeing the supervision of the largest, most systemically important financial institutions in the United States. Firms in the LISCC portfolio are financial institutions that may pose elevated risks to US financial stability and are supervised by the Federal Reserve.
Luxembourg Central Bank	Banque Centrale Du Luxembourg
LVTS	Large Value Transfer System
MRAC	Management Risk and Capital Committee
NSCC	National Securities Clearing Corporation
OSFI	Office of the Superintendent of Financial Institutions
PCS	Payment, Clearing and Settlement
PRA	Prudential Regulation Authority
RC	Risk Committee of the State Street Corporation Board
Resolution Plan	A plan for rapid and orderly resolution in the event of material financial distress or failure required by the 165(d) Rule
RITS	Reserve Bank Information and Transfer System
RRP	Recovery and Resolution Planning
RRP Office	Recovery and Resolution Planning Office
SEC	Securities and Exchange Commission
Section 165(d)	Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act
SPOE	State Street's preferred single point of entry resolution strategy
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, Krakow Branch
SSBL	State Street Bank Luxembourg S.C.A.
SSBT Consolidated	SSBT on a consolidated basis, including all branches and subsidiaries
SSBT-Hong Kong	State Street Bank and Trust Company, Hong Kong Branch
SSBT-London	State Street Bank and Trust Company, London Branch
SSBT-Toronto	State Street Bank and Trust Company, Toronto Branch

#### 4.10 GLOSSARY

<u>Term</u>	<u>Definition</u>
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
SSTCC	State Street Trust Company Canada
State Street	SSBT together with its affiliates, or State Street Corporation on a consolidated basis
TARGET2	Trans-European Automated Real-Time Gross Settlement Express Transfer System

### Where you can find more information:

State Street Corporation ("SSC"), State Street Bank and Trust Company's parent company, 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 [www.sec.gov](http://www.sec.gov). Copies of certain information filed by SSC with the SEC are also available on SSC's website at [www.statestreet.com](http://www.statestreet.com). Neither the SEC's nor SSC's website are a part of this document. You may also read and copy any document SSC files at the SEC's public reference room, **100 F Street NE, Washington, D.C. 20549**. Please call the SEC at **+1 800 SEC 0330** for further information on the operation of the public reference room.

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®

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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, 2017 (the "2017 Form 10-K") and its Quarterly Report for the period ended March 31, 2018 (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 2017 Form 10-K and First Quarter Form 10-Q may modify or update and supersede the information contained in the 2017 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 2017 Form 10-K is accurate only as of the date of the 2017 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 U.S. securities laws. Terminology such as "plan," "expect," "intend," "strategy," "objective," "forecast," "outlook," "believe," "anticipate," "estimate," "seek," "may," "will," "trend," "target," 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 2017 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 2017 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 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.

SSBT's CIDI 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 or SSBT is or may become subject.