Morgan Stanley Annual Financial Services Conference

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Chief Operating Officer

Tuesday, June 11, 2019

STATE STREET

Preface and forward-looking statements

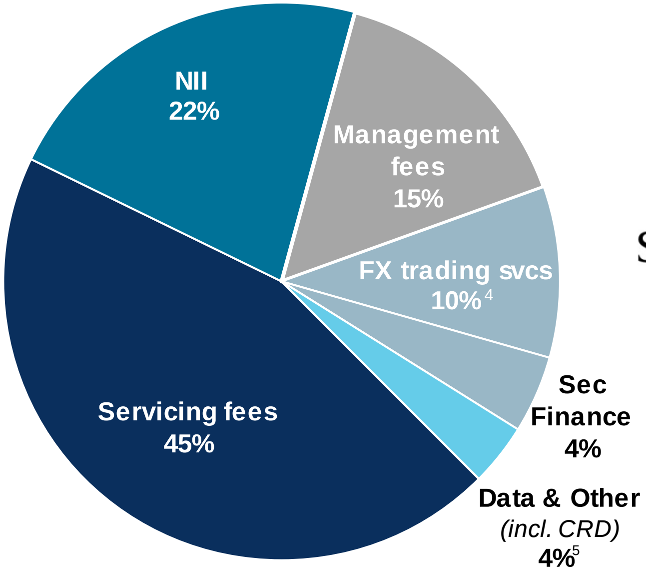
This presentation contains forward-looking statements as defined by United States securities laws. These statements are not guarantees of future performance, are inherently uncertain, are based on assumptions that are difficult to predict and have a number of risks and uncertainties. The forward-looking statements in this presentation speak only as of the time this presentation is first furnished to the SEC on a Current Report on Form 8-K, and State Street does not undertake efforts to revise forward-looking statements. See “Forward-looking statements” in the Appendix for more information, including a description of certain factors that could affect future results and outcomes.

Global expertise with integrated client solutions

STATE STREET GLOBAL SERVICES

- One of the world's leading investment service providers with ~**$33T** AUC/A[2]
- Trusted with more than **10%** of world's assets
- Operates globally in more than **100** geographic markets
- Market leading Middle-office provider
- **#1** in ETF servicing for almost 10 years

2018 Total Revenue Mix[3]



STATE STREET GLOBAL ADVISORS

- Strong investment capabilities, managing ~**$2.8T** globally[2]
- **3rd** largest ETF provider globally with AUM of ~**$660B**[2]

STATE STREET GLOBAL MARKETS

- **#1** FX provider to asset managers
- Liquidity provider with ~**$4.0T** in lendable assets[2]

STATE STREET GLOBAL EXCHANGE

Charles River

Differentiated business model with FY2018 ***12%*** *ROE*

Refer to the Appendix included with this presentation for endnotes 1 to 10, and endnote 1 for sources.

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Ongoing journey to provide best-in-class client service quality and improve efficiency through technology enhancements

2010 — **ITOT**

2016 — **Beacon**

Today — *Industry Leader as Technology-Enabled Scale Provider*

Path Forward

Becoming the #1 Asset Servicing Provider via ***simplification***, ***client service quality & client satisfaction***

ITOT

Successers

- O — Consolidated hundreds of regional and business-specific processing teams into 10 Centers of Excellence
- T — Launched foundational technology for data management and accounting

Challenges

- O — Complex, non-standard activity limited benefits from consolidation
- OT — Becoming a G-SIB increased costs in regulatory and infrastructure initiatives

Beacon

Successes

- O — Migrated significant processing workfrom high cost locations to Global Hubs
- T — Automation yielded ~50% reduction in faxes (from 57K to 30K average per month)[6]
- T — Standardized and automated Global Accounting platform

Challenges

- OT — Experienced increased servicing complexity: Increase of 2x in derivatives and other complex instruments volume[7]
- T — Only 40% of funds using standardized and automated Global Accounting platform[8]

Increased complexity of clients outpaced prior transformation efforts and were an obstacle to bottom line savings

Path Forward

Drive global processing scale in Hubs under a streamlined leadership model across State Street

Expect to **achieve 85% standardization** of new functionality and automation on Global Accounting platform; **supplement with Robotics / AI to further digitize**

Relentless focus on **simplifying client complexity**

Enable front-to-back platform, **simplifying the client experience**

O Operations T Technology OT Operations & Technology

Refer to the Appendix included with this presentation for endnotes 1 to 10.

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Leveraging efficiencies under the COO Organization, STT will focus on simplification across all aspects of the operation

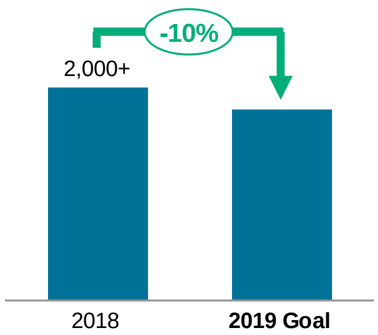
Focus areas and current roadmap	Actions and outcomes

Technological simplification

App-intensive architecture & complex systems → Current Status → ***Integrated & simplified platforms to reduce costs***

Simplifying and enhancing our data architecture to enable technology-driven scale for our clients

~# of applications



Outcome:

Reduction in applications and supporting infrastructure systems. Target of ~230 applications to be rationalized in 2019

Goal:

Further rationalize an additional 5-10% reduction in 2020

Process simplification

Over-engineered & highly customized, processes → Current Status → ***Standard, efficient & streamlined global processes***

Rationalizing and applying process re-engineering to drive productivity, efficiency and quality of delivery

Select Centers of Excellence (COE) metrics

COE Process	Unit Cost Δ 4Q18 v 4Q17[9]
Transaction Services	Down 5%
Derivatives	Down 10%
Securities Valuation	Down 10%
Corporate Actions	Down 9%

Outcome:

Unit cost declines achieved within 7 Centers of Excellence

Goal:

Continue to drive on-going unit cost improvement up to 5-10% by end of 2020

Refer to the Appendix included with this presentation for endnotes 1 to 10.

Leveraging efficiencies under the COO Organization, STT will focus on simplification across all aspects of the operation

Focus areas and current roadmap	Actions and outcomes

Organizational simplification

Flattening organization and creating action driven teams to drive execution and joint-accountability

Silo-heavy, hierarchical & machine-type organization → Current Status → *Flatter, more agile construct driven by outcomes*

Mgmt. Delayering

Outcome: Eliminated 15% of mgmt. tiers to better drive strategic execution[10]

Centralized Model

Moved from multiple regional accounting teams to one global organization

Goal: More agile operating model, driving faster decision making times and better outcomes

Client simplification

Working with our clients to standardize data received and simplify custom processing/reporting

Highly customized, bespoke client solutions → Current Status → *Standard, industry leading client solutions*

Areas of Complexity	Challenge	Goal
Receipt of non-standard client data Highly customized processes & reporting	Creates increased manual touches for large volume of data	**Automate to reduce 10%, or 1.3M, of manual touches by end of 2019**

Refer to the Appendix included with this presentation for endnotes 1 to 10.

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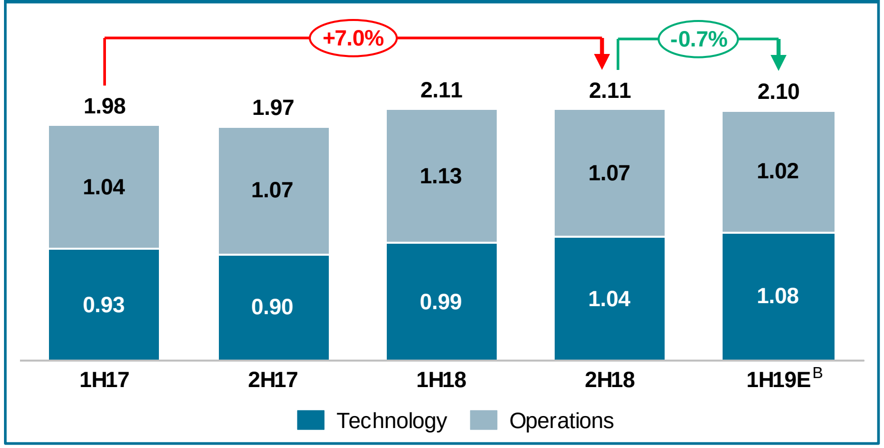
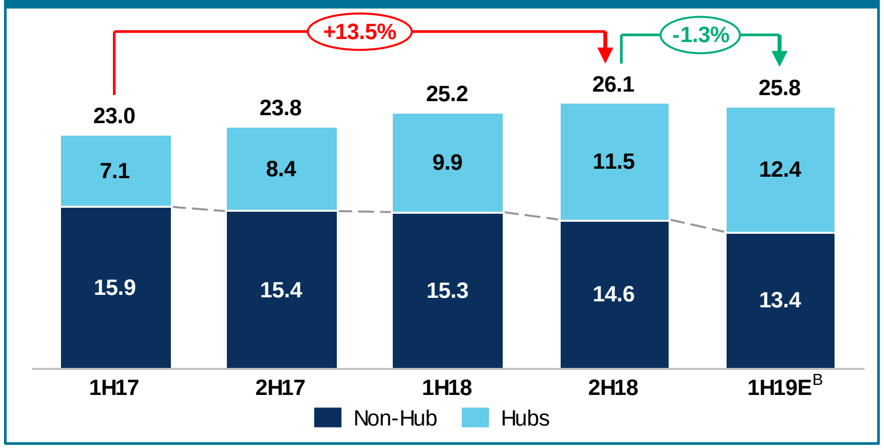
Operations & Technology (O&T)

Aligning the O&T organizations to enhance savings opportunities in its annual spend of ~$4B while improving the client experience and mitigating risk

O&T expenses[A] ($B)



O&T headcount[A] (Period-end, '000)



Financial performance

1H17 to 2H18:

- Expenses increased 7% mainly due to higher business volumes, technology investments and Global Hubs expansion

2H18 to 1H19E[A]:

- Aggressive focus on resource discipline in light of revenue challenges
- Non-Hub headcount expected down 8%, as more activities are located in our Hubs

Process and productivity improvements

O&T accounts for ~60% of STT's $350M 2019 expense savings target

- Resource discipline: Management delayering and third party vendor renegotiations
- Process reengineering & automation: Sustained shift to Global Hubs

Driving structural expense improvements by:

- Sustained focus on process simplification
- Curtailing manual touch points
- Moving to common platforms and retiring legacy applications

Investments: STT continues to invest to drive efficiencies & service quality improvements

[A] Line items may not sum to total due to rounding; [B] 1H19 are estimates.

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Case Study: Global Markets Operations & Technology

Previously siloed and inefficient, O&T teams began to drive efficiency together under one model

Historical challenges	Transformation drivers		Progress
Large percentage of workforce in financial centers increasing cost	Efficiency & savings	**Workforce optimization**	• Reduced average **cost per head by >20%** while increasing efficiency[A] • Increased engineers in Global Hubs from **45% to 54%**[B]
Inefficient support model with multiple vendors and touch points	Efficiency & savings	**Support model simplification**	• Production support/infrastructure costs expect to be **reduced by 15% in 2019** (goal of 40% by end of 2020)
Ineffective Data Center Strategy with multiple sites	Efficiency & savings	**Support model simplification**	• Launched data center consolidation strategy to **reduce sites from 9 to 3** by end of 2020[C]
Complex application landscape with ~140 technology applications	Improve client experience	**Support model simplification** **Application rationalization**	• Expect **12% reduction of applications in 1H19**, 21% reduction by end of 2019
Stability and resiliency management challenges driven by application and infrastructure fragmentation	Improve client experience	**Technology optimization & simplification**	• **Improved stability and resiliency** with **>40%** reduction in number of outages[D]

[A] Cost per head is reflective of the change from 2H16 to 1H19 estimates for the GM IT team; [B] 45% as of period-end 2Q16 and 54% as of period-end 1Q19 estimate; [C] 9 data centers as of 2019; [D] >40% reduction in number of outages based on comparison between 2Q16 and 1Q19 estimate.

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Becoming the #1 asset servicing provider: Being the best at what we do

Targeted next steps[A]:

Increase service quality

- **Enhance Net Promoter Scores (NPS) score by 10%** annually

Enhance productivity

- Be the **most efficient asset servicing operation** to our clients by driving **unit cost reductions across operational processes annually**

Deeper client connectivity

- **Enhance client engagement** by moving to new client coverage model with account plans
- **Increase client context** via improved client sentiment platform and client business intelligence
- **100% adoption of standard client interaction tools** across top 50 clients
- **Drive a higher performing organization**

Front-to-back platform

- Execute on the **industry's first front-to-back asset servicing platform** from a single provider
- Help solve growth, performance, efficiency, data and risk becoming an **essential partner to our clients**
- **Drive efficiencies** across the front, middle and back offices

Enhanced client experience

Client retention

Business efficiencies

Shareholder value

GOAL: #1 Asset Servicing Provider

[A] Targets expected to be achieved annually over the medium-term using 2018 results as the baseline.

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Lou Maiuri, Chief Operating Officer

Eric W. Aboaf, Chief Financial Officer

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Questions and Answers

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Appendix

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Endnotes

Several of the below notes indicate that source data is drawn from one or more sources, including State Street, or that analyses, calculations, compilations or similar exercises are applied to data presented by one or more sources, including by State Street. These data and analyses, calculations, compilations and similar exercises, in all cases, inherently include and involve assumptions, estimations and some omissions and therefore, in general, are to be treated as approximate, indicative and for illustrative purposes only.

1 Sources:

a. "Trusted with more than 10% of world's assets": State Street and McKinsey Global Institute, Global Capital Markets, June 30, 2017. This represents State Street's 2Q17 AUC/A ($31T) as a proportion of total global financial assets ($289T); Updated in March 2019 per bespoke McKinsey report.

b. "Market leading Middle-Office provider": State Street data and analysis to identify firms outsourcing middle office. Based on assets that are fully outsourced to a middle office service provider and does not include certain component services, in which only a portion of middle office activity is performed. Analysis based on the 100 largest Asset Managers per Pensions & Investments rankings as of December 2017.

c. "#1 in ETF servicing for almost 10 years": Compiled based on industry data sourced from ETFGI Global ETF Industry Insights and State Street data and analysis. State Street ETF AUC/A and industry data were used in the calculation of market share size.

d. "3rd largest ETF provider globally": Bloomberg, as of March 31, 2019

e. "#1 FX provider to asset managers": 2018 Euromoney (Real Money) FX Survey

2 AUC/A, AUM, and lendable assets as of period-end March 31, 2019

3 Chart based on FY2018 total revenue line items. During 1Q19, we voluntarily changed our accounting method under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 323, Investments – Equity Method and Joint Ventures, for investments in low income housing tax credit from the equity method of accounting to the proportional amortization method of accounting. This change in accounting method has been applied retrospectively to all prior periods. Reference the Form 8-K filed on May 2, 2019 for further details.

4 FX trading services comprises FX trading revenue, as well as brokerage and other trading services.

5 Data & other revenue includes Charles River Systems Inc. (CRD) beginning October 1, 2018.

6 Time period for reduction in faxes was based from December 2015 (57K in faxes) to December 2018 (30K in faxes).

7 Increased of 2x in derivatives based on comparison from 1Q17 to 4Q18.

8 Metric based on asset manager clients in North America and EMEA on our primary Global Accounting platform, which represents a majority of the funds we service.

9 Unit Cost represents the average marginal per transaction and position unit cost in COEs.

10 15% elimination of management tiers are based on actions taken for the entire organization.

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Forward-looking statements

This presentation (and the discussion accompanying it) contains forward-looking statements within the meaning of United States securities laws, including statements about our goals and expectations regarding our business, financial and capital condition, results of operations, strategies, the financial and market outlook, dividend and stock purchase programs, governmental and regulatory initiatives and developments, and the business environment. Forward-looking statements are often, but not always, identified by such forward-looking terminology as "forward," "will," "goal," "target," "expect," "outlook," "vision," "priority," "objective," "intend," "plan," "forecast," "believe," "anticipate," "estimate," "seek," "may," "trend," and "strategy" or similar statements or variations of such terms. These statements are not guarantees of future performance, are inherently uncertain, are based on current assumptions that are difficult to predict and involve a number of risks and uncertainties. Therefore, actual outcomes and results may differ materially from what is expressed in those statements, and those statements should not be relied upon as representing our expectations or beliefs as of any time subsequent to the time this presentation is first furnished to the SEC on a Current Report on Form 8-K.

Important factors that may affect future results and outcomes include, but are not limited to: the financial strength of the counterparties with which we or our clients do business and to which we have investment, credit or financial exposures or to which our clients have such exposures as a result of our acting as agent, including as an asset manager or securities lending agent; increases in the volatility of, or declines in the level of, our NII, changes in the composition or valuation of the assets recorded in our consolidated statement of condition (and our ability to measure the fair value of investment securities) and changes in the manner in which we fund those assets; the volatility of servicing fee, management fee, trading fee and securities finance revenues due to, among other factors, the value of equity and fixed-income markets, market interest and FX rates, the volume of client transaction activity, competitive pressures in the investment servicing and asset management industries, and the timing of revenue recognition with respect to processing fees and other revenues; the liquidity of the U.S. and international securities markets, particularly the markets for fixed-income securities and inter-bank credits; the liquidity of the assets on our balance sheet and changes or volatility in the sources of such funding, particularly the deposits of our clients; and demands upon our liquidity, including the liquidity demands and requirements of our clients; the level and volatility of interest rates, the valuation of the U.S. dollar relative to other currencies in which we record revenue or accrue expenses and the performance and volatility of securities, credit, currency and other markets in the U.S. and internationally; and the impact of monetary and fiscal policy in the U.S. and internationally on prevailing rates of interest and currency exchange rates in the markets in which we provide services to our clients; the credit quality, credit-agency ratings and fair values of the securities in our investment securities portfolio, a deterioration or downgrade of which could lead to OTTI of such securities and the recognition of an impairment loss in our consolidated statement of income; our ability to attract deposits and other low-cost, short-term funding; our ability to manage the level and pricing of such deposits and the relative portion of our deposits that are determined to be operational under regulatory guidelines; and our ability to deploy deposits in a profitable manner consistent with our liquidity needs, regulatory requirements and risk profile; the manner and timing with which the Federal Reserve and other U.S. and non-U.S. regulators implement or reevaluate the regulatory framework applicable to our operations (as well as changes to that framework), including implementation or modification of the Dodd-Frank Act and related stress testing and resolution planning requirements, implementation of international standards applicable to financial institutions, such as those proposed by the Basel Committee and European legislation (such as Undertakings for Collective Investments in Transferable Securities (UCITS) V, the Money Market Fund Regulation and the Markets in Financial Instruments Directive (MiFID II)/Markets in Financial Instruments Regulation (MiFIR)); among other consequences, these regulatory changes impact the levels of regulatory capital, long-term debt and liquidity we must maintain, acceptable levels of credit exposure to third parties, margin requirements applicable to derivatives, restrictions on banking and financial activities and the manner in which we structure and implement our global operations and servicing relationships. In addition, our regulatory posture and related expenses have been and will continue to be affected by heightened standards and changes in regulatory expectations for global systemically important financial institutions applicable to, among other things, risk management, liquidity and capital planning, resolution planning and compliance programs, as well as changes in governmental enforcement approaches to perceived failures to comply with regulatory or legal obligations; adverse changes in the regulatory ratios that we are, or will be, required to meet, whether arising under the Dodd-Frank Act or implementation of international standards applicable to financial institutions, such as those proposed by the Basel Committee, or due to changes in regulatory positions, practices or regulations in jurisdictions in which we engage in banking activities, including changes in internal or external data, formulae, models, assumptions or other advanced systems used in the calculation of our capital or liquidity ratios that cause changes in those ratios as they are measured from period to period; requirements to obtain the prior approval or non-objection of the Federal Reserve or other U.S. and non-U.S. regulators for the use, allocation or distribution of our capital or other specific capital actions or corporate activities, including, without limitation, acquisitions, investments in subsidiaries, dividends and stock repurchases, without which our growth plans, distributions to shareholders, share repurchase programs or other capital or corporate initiatives may be restricted; changes in law or regulation, or the enforcement of law or regulation, that may adversely affect our business activities or those of our clients or our counterparties, and the products or services that we sell, including, without limitation, additional or increased taxes or assessments thereon, capital adequacy requirements, margin requirements and changes that expose us to risks related to the adequacy of our controls or compliance programs; economic or financial market disruptions in the U.S. or internationally, including those which may result from recessions or political instability; for example, the U.K.'s exit from the European Union or actual or potential changes in trade policy, such as tariffs or bilateral and multilateral trade agreements; our ability to create cost efficiencies through changes in our operational processes and to further digitize our processes and interfaces with our clients, any failure of which, in whole or in part, may among other things, reduce our competitive position, diminish the cost-effectiveness of our systems and processes or provide an insufficient return on our associated investment; our ability to promote a strong culture of risk management, operating controls, compliance oversight, ethical behavior and governance that meets our expectations and those of our clients and our regulators, and the financial, regulatory, reputational and other consequences of our failure to meet such expectations; the impact on our compliance and controls enhancement programs associated with the appointment of a monitor under the deferred prosecution agreement with the DOJ and compliance consultant appointed under a settlement with the SEC, including the potential for such monitor and compliance consultant to require changes to our programs or to identify other issues that require substantial expenditures, changes in our operations, payments to clients or reporting to U.S. authorities; the results of our review of our billing practices, including additional findings or amounts we may be required to reimburse clients, as well as potential consequences of such review, including damage to our client relationships or our reputation and adverse actions or penalties imposed by governmental authorities; our ability to expand our use of technology to enhance the efficiency, accuracy and reliability of our operations and our dependencies on information technology; to replace and consolidate systems, particularly those relying upon older technology, and to adequately incorporate resiliency and business continuity into our systems management; to implement robust management processes into our technology development and maintenance programs; and to control risks related to use of technology, including cyber-crime and inadvertent data disclosures; our ability to address threats to our information technology infrastructure and systems (including those of our third-party service providers), the effectiveness of our and our third party service providers' efforts to manage the resiliency of the systems on which we rely, controls regarding the access to, and integrity of, our and our clients' data, and complexities and costs of protecting the security of such systems and data; the results of, and costs associated with, governmental or regulatory inquiries and investigations, litigation and similar claims, disputes, or civil or criminal proceedings; changes or potential changes in the amount of compensation we receive from clients for our services, and the mix of services provided by us that clients choose; the large institutional clients on which we focus are often able to exert considerable market influence and have diverse investment activities, and this, combined with strong competitive market forces, subjects us to significant pressure to reduce the fees we charge, to potentially significant changes in our AUC/A or our AUM in the event of the acquisition or loss of a client, in whole or in part, and to potentially significant changes in our revenue in the event a client re-balances or changes its investment approach, re-directs assets to lower- or higher-fee asset classes or changes the mix of products or services that it receives from us; the potential for losses arising from our investments in sponsored investment funds; the possibility that our clients will incur substantial losses in investment pools for which we act as agent, the possibility of significant reductions in the liquidity or valuation of assets underlying those pools and the potential that clients will seek to hold us liable for such losses; and the possibility that our clients or regulators will assert claims that our fees, with respect to such investment products, are not appropriate; our ability to anticipate and manage the level and timing of redemptions and withdrawals from our collateral pools and other collective investment products; the credit agency ratings of our debt and depositary obligations and investor and client perceptions of our financial strength; adverse publicity, whether specific to us or regarding other industry participants or industry-wide factors, or other reputational harm; our ability to control operational risks, data security breach risks and outsourcing risks, our ability to protect our intellectual property rights, the possibility of errors in the quantitative models we use to manage our business and the possibility that our controls will prove insufficient, fail or be circumvented; changes or potential changes to the competitive environment, due to, among other things, regulatory and technological changes, the effects of industry consolidation and perceptions of us, as a suitable service provider or counterparty; our ability to complete acquisitions, joint ventures and divestitures, including, without limitation, our ability to obtain regulatory approvals, the ability to arrange financing as required and the ability to satisfy closing conditions; the risks that our acquired businesses, including, without limitation, our acquisition of Charles River Systems, Inc. (CRD), and joint ventures will not achieve their anticipated financial, operational and product innovation benefits or will not be integrated successfully, or that the integration will take longer than anticipated; that expected synergies will not be achieved or unexpected negative synergies or liabilities will be experienced; that client and deposit retention goals will not be met; that other regulatory or operational challenges will be experienced; and that disruptions from the transaction will harm our relationships with our clients, our employees or regulators; our ability to integrate CRD's front office software solutions with our middle and back office capabilities to develop a front-to-middle-to-back office platform that is competitive, generates revenues in line with our expectations and meets our clients' requirements; our ability to recognize evolving needs of our clients and to develop products that are responsive to such trends and profitable to us; the performance of and demand for the products and services we offer; and the potential for new products and services to impose additional costs on us and expose us to increased operational risk; our ability to grow revenue, manage expenses, attract and retain highly skilled people and raise the capital necessary to achieve our business goals and comply with regulatory requirements and expectations; changes in accounting standards and practices; and the impact of the U.S. tax legislation enacted in 2017, and changes in tax legislation and in the interpretation of existing tax laws by U.S. and non-U.S. tax authorities that affect the amount of taxes due.

Other important factors that could cause actual results to differ materially from those indicated by any forward-looking statements are set forth in our 2018 Annual Report on Form 10-K and our subsequent SEC filings. We encourage investors to read these filings, particularly the sections on risk factors, for additional information with respect to any forward-looking statements and prior to making any investment decision. The forward-looking statements contained in this presentation (and the conference call referenced herein) should not be relied on as representing our expectations or beliefs as of any time subsequent to the time this presentation is first furnished to the SEC on a Current Report on Form 8-K, and we do not undertake efforts to revise those forward-looking statements to reflect events after that time.

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Definitions

1H	First half of a financial year
2H	Second half of a financial year
AI	Artificial intelligence
Apps	Applications
AUC/A	Assets under custody and/or administration
AUM	Assets under management
COEs	Centers of Excellence
COO	Chief Operating Officer
CRD	Charles River Systems, Inc.
ETF	Exchange-traded fund
FX	Foreign exchange
FY	Full year
G-SIB	Global systemically important bank
GAAP	Generally accepted accounting principles in the United States
Global Hubs	Operations in China (Hangzhou), India (Bangalore, Hyderabad, Mumbai) and Poland (Krakow)
Net interest income (NII)	Income earned on interest bearing assets less interest paid on interest bearing liabilities. Net interest income was disclosed as net interest revenue prior to 1Q17
Net Promoter Score (NPS)	Management tool used to measure company’s client relationship and serves as a customer satisfaction survey, providing insights into the loyalty of a client to the company
Non-Hubs	Operations excluding those in Global Hubs
Outage	Unplanned system events that result in disruptions to business as usual activities
Return on equity (ROE)	Net income less dividends on preferred stock divided by average common equity
Unit Cost	Represents the average marginal per transaction and position unit cost in COEs
Year-over-year (YoY)	Current period compared to the same period a year ago

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