## RECONCILIATION OF TANGIBLE COMMON EQUITY AND TIER 1 COMMON RATIOS

The ratio of tangible common equity to adjusted tangible assets, or TCE ratio, is calculated by dividing consolidated total common shareholders' equity by consolidated total assets, after reducing both amounts by goodwill and other intangible assets net of related deferred taxes. Total assets reflected in the TCE ratio also exclude cash balances on deposit at the Federal Reserve Bank and other central banks in excess of required reserves. The TCE ratio is not required by GAAP or by bank regulations, but is a metric used by management to evaluate the adequacy of State Street's capital levels. Since there is no authoritative requirement to calculate the TCE ratio, our TCE ratio is not necessarily comparable to similar capital measures disclosed or used by other companies in the financial services industry. Tangible common equity and adjusted tangible assets are non-GAAP financial measures and should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP.

The tier 1 risk-based common, or tier 1 common, ratio is calculated by dividing tier 1 capital less non-common elements, including qualifying trust preferred securities, by total risk-weighted assets, which assets are calculated in accordance with applicable bank regulatory requirements. The tier 1 common ratio is not required by GAAP or on a recurring basis by bank regulations. However, this ratio was used by the Federal Reserve in connection with its stress test administered to the 19 largest U.S. bank holding companies under the Supervisory Capital Assessment Program, the results of which were announced in May 2009. Although we understand that the Federal Reserve does not intend to prospectively require calculation of the tier 1 common ratio, due to the recent timing of the Supervisory Capital Assessment Program, management is currently monitoring this ratio, along with the other capital ratios, in evaluating State Street's capital levels and believes that, at this time, the ratio may be of interest to investors.

The following table presents the calculations of State Street's TCE and tier 1 common ratios.

| (Dollars in millions) | | December 31, 2009 |
|---|---|---|
| **Consolidated Total Assets** | | $157,946 |
| Less: | | |
| Goodwill | | 4,550 |
| Other intangible assets | | 1,810 |
| Excess reserves held at central banks | | 21,731 |
| Adjusted assets | | 129,855 |
| Plus deferred tax liability | | 521 |
| Total tangible assets | A | **$130,376** |
| **Consolidated Total Common Shareholders' Equity** | | $ 14,491 |
| Less: | | |
| Goodwill | | 4,550 |
| Other intangible assets | | 1,810 |
| Adjusted equity | | 8,131 |
| Plus deferred tax liability | | 521 |
| Total tangible common equity | B | **$ 8,652** |
| Tangible common equity ratio | B/A | **6.6%** |
| **Tier 1 capital** | | $ 12,005 |
| Less trust preferred securities | | 1,450 |
| Tier 1 common capital | C | **$ 10,555** |
| **Total risk-weighted assets** | D | **67,691** |
| **Ratio of tier 1 common capital to total risk-weighted assets** | C/D | **15.6%** |