

STATE STREET CORP  
Form 424B5  
April 04, 2016  
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**The information contained in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-200321**

**SUBJECT TO COMPLETION, DATED APRIL 4, 2016**

**PROSPECTUS SUPPLEMENT**

(To Prospectus Dated November 18, 2014)

## **State Street Corporation**

### **Depositary Shares Each Representing a 1/4,000th Ownership Interest in a Share of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series G**

State Street Corporation is offering depositary shares, each representing a 1/4,000th ownership interest in a share of our Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series G, without par value per share, with a liquidation preference of \$100,000 per share (equivalent to \$25 per depositary share) (the Series G Preferred Stock). The underwriters have an option to purchase up to a maximum amount of additional depositary shares solely to cover over-allotments, if any. The underwriters can exercise this option at any time within 30 days from the date of this prospectus supplement. As a holder of depositary shares, you will be entitled to all proportional rights, preferences and other provisions of the Series G Preferred Stock (including those related to dividends, voting, redemption and liquidation). You must exercise such rights through the depositary.

Dividends on the Series G Preferred Stock, when, as and if declared by our board of directors or any duly authorized committee of the board, will be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on the 15th day of March, June, September and December of each year, commencing on June 15, 2016. From the date of issuance to, but excluding, March 15, 2026, dividends will be calculated at an annual rate of %, and from, and including, March 15, 2026, dividends will be calculated at an annual rate equal to three-month LIBOR plus %. If our board of directors or any duly authorized committee of the board has not declared a dividend on the Series G Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall not be payable for such dividend period, and we will have no obligation to pay dividends for such dividend period, whether or not dividends on the Series G Preferred Stock are declared for any future dividend period.

The Series G Preferred Stock may be redeemed at our option, in whole or in part, on March 15, 2026, or any dividend payment date thereafter, at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The Series G Preferred Stock may be redeemed at our option, in whole, but not in part, prior to March 15, 2026, upon the occurrence of a regulatory capital treatment event, as described herein, at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The

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Series G Preferred Stock will not have any voting rights, except as set forth under **Description of Series G Preferred Stock Voting Rights** on page S-27.

We intend to apply to list the depositary shares on The New York Stock Exchange ( NYSE ) under the symbol STT PrG. If the application is approved, we expect trading of the depositary shares on the NYSE to begin within the 30-day period after the initial delivery of the depositary shares.

**The depositary shares are equity securities and not bank deposits, and are not insured by the Federal Deposit Insurance Corporation ( FDIC ) or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.**

*Investing in the depositary shares involves risks. See **Risk Factors** beginning on page S-13.*

**None of the Securities and Exchange Commission (the SEC ), any state securities commission, the FDIC or any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>Price to Public</b>	<b>Underwriting Discounts and Commissions <sup>(1)(2)</sup></b>	<b>Proceeds to Us (Before Expenses)<sup>(2)</sup></b>
Per depositary share <sup>(1)</sup>	\$	\$	\$
Total	\$	\$	\$

(1) Reflects depositary shares sold to institutional investors, for which the underwriters received an underwriting discount of \$ per share, and depositary shares sold to retail investors, for which the underwriters received an underwriting discount of \$ per share.

(2) Assumes no exercise of the underwriters option to purchase additional depositary shares described above. The underwriters are offering the depositary shares as set forth under **Underwriting**. Delivery of the depositary shares in book-entry form through The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ( Euroclear ), and Clearstream Banking, société anonyme ( Clearstream ), is expected to be made on or about , 2016.

### *Joint Book-Running Managers*

**Morgan Stanley**

**BofA Merrill Lynch**

**UBS Investment Bank**

**Wells Fargo Securities**

The date of this prospectus supplement is April , 2016.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where You Can Find More Information" on page S-45.

In this prospectus supplement, State Street, we, our, ours and us refer to State Street Corporation, which is a financial holding company headquartered in Boston, Massachusetts, and its subsidiaries on a consolidated basis, unless the context otherwise requires. References to State Street Bank mean State Street Bank and Trust Company, State Street Corporation's principal banking subsidiary. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

**We are responsible only for the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or information contained in a free writing prospectus that we authorize to be delivered to you. This prospectus supplement and the accompanying prospectus may be used only for the purpose for which they have been prepared. No one is authorized to give you information other than that contained in this prospectus supplement, the accompanying prospectus, any related free writing prospectus and the documents incorporated by reference into this prospectus supplement. We have not, and the underwriters have not, authorized any other person to provide you with different information. We do not, and the underwriters do not, take responsibility for any other information that others may give you.**

**We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where such an offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, any related free writing prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.**

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain statements that are considered forward-looking statements within the meaning of U.S. securities laws, including statements about our goals and expectations regarding our business, financial and capital condition, results of operations, strategies, financial portfolio performance, dividend and stock purchase programs, expected outcomes of legal proceedings, market growth, acquisitions, joint ventures and divestitures and new technologies, services and opportunities, as well as regarding industry, regulatory, economic and market trends, initiatives and developments, the business environment and other matters that do not relate strictly to historical facts. Terminology such as plan, expect, intend, objective, forecast, or believe, anticipate, estimate, seek, may, will, trend, target, strategy and goal, or similar statements or variations of such terms 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 State Street and its subsidiaries, including State Street Bank. 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:

the financial strength and continuing viability of the counterparties with which we or our clients do business and to which we have investment, credit or financial exposure, including, for example, the direct and indirect effects on counterparties of the sovereign-debt risks in the U.S., Europe and other regions;

increases in the volatility of, or declines in the level of, our net interest revenue, 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 the possibility that we may change the manner in which we fund those assets;

the liquidity of the U.S. and international securities markets, particularly the markets for fixed-income securities and inter-bank credits, and the liquidity 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;

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 other-than-temporary impairment of the respective 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 levels 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 requirements and risk profile;

the manner and timing with which the Board of Governors of the Federal Reserve System (the Federal Reserve) and other U.S. and foreign regulators implement changes to the regulatory framework applicable to our operations, including implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), the final rule implementing the Basel III framework in the United States (the Basel III Final Rule) and European legislation



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(such as the Alternative Investment Fund Managers Directive, Undertakings for Collective Investment in Transferable Securities Directives and Markets in Financial Instruments Directive II); among other consequences, these regulatory changes impact the levels and types of regulatory capital we must maintain, acceptable levels of credit exposure to third parties, margin requirements applicable to derivatives, and restrictions on banking and financial activities. In addition, our regulatory posture and related expenses have been and will continue to be affected by changes in regulatory expectations for global systemically important financial institutions applicable to, among other things, risk management, liquidity and capital planning and compliance programs, and changes in governmental enforcement approaches to perceived failures to comply with regulatory or legal obligations;

adverse changes in the regulatory ratios that we are required or will be required to meet, whether arising under the Dodd-Frank Act or the Basel III Final Rule, 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 ratios that cause changes in those ratios as they are measured from period to period;

increasing requirements to obtain the prior approval of the Federal Reserve or our other U.S. and non-U.S. regulators for the use, allocation or distribution of our capital or other specific capital actions or programs, including acquisitions, dividends and stock purchases, without which our growth plans, distributions to shareholders, share repurchase programs or other capital 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 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;

financial market disruptions or economic recession, whether in the U.S., Europe, Asia or other regions;

our ability to develop and execute State Street Beacon, our multi-year program to create cost efficiencies through changes to our operations and to further digitize our service delivery to 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;

the satisfaction of conditions precedent to, and the consummation of, our acquisition of GE Asset Management, including the timing thereof;

our ability to promote a strong culture of risk management, operating controls, compliance oversight and governance that meet our expectations and those of our clients and our regulators;

the results of our review of the manner in which we invoiced certain client expenses, including the amount of expenses determined to be reimbursable, as well as potential consequences of such review including with respect to our client relationships and potential investigations by regulators;

the results of, and costs associated with, governmental or regulatory inquiries and investigations, litigation and similar claims, disputes, or proceedings;



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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, and the possibility of significant reductions in the liquidity or valuation of assets underlying those pools;

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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 depository obligations and investor and client perceptions of our financial strength;

adverse publicity, whether specific to State Street 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;

our ability to expand our use of technology to enhance the efficiency, accuracy and reliability of our operations and our dependencies on information technology and our ability to control related risks, including cyber-crime and other threats to our information technology infrastructure and systems and their effective operation both independently and with external systems, and complexities and costs of protecting the security of our systems and data;

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 or potential changes to the competitive environment, including changes due to regulatory and technological changes, the effects of industry consolidation and perceptions of State Street as a suitable service provider or counterparty;

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;

our ability to complete acquisitions, joint ventures and divestitures, including the 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 and joint ventures will not achieve their anticipated financial and operational 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 recognize emerging 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;

changes in accounting standards and practices; and

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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.

Actual outcomes and results may differ materially from what is expressed in our forward-looking statements and from our historical financial results due to the factors discussed in this section and elsewhere in this prospectus supplement, the accompanying prospectus and documents incorporated herein by reference, including the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2015. Forward-looking statements in this prospectus supplement, the accompanying prospectus and the documents incorporated herein by reference should not be relied on as representing our expectations or beliefs as of any date subsequent

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to the date of this prospectus supplement or, as applicable, the date of such document incorporated by reference. Unless specifically required by law, we undertake no obligation to revise our forward-looking statements after the time they are made. The factors discussed above are not intended to be a complete statement of all risks and uncertainties that may affect our businesses. We cannot anticipate all developments that may adversely affect our business or operations or our consolidated results of operations, financial condition or cash flows.

Forward-looking statements should not be viewed as predictions, and should not be the primary basis on which investors evaluate State Street or an investment in the depositary shares. Any investor in the depositary shares should consider all risks and uncertainties disclosed in this prospectus supplement, the accompanying prospectus or in documents incorporated herein by reference.

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**SUMMARY**

*This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in the depositary shares. You should read this entire prospectus supplement and accompanying prospectus, including the Risk Factors section and the documents incorporated by reference, which are described under Where You Can Find More Information on page S-45. To the extent the information in this prospectus supplement is inconsistent with the information in the accompanying prospectus or information incorporated by reference herein, you should rely on the information in this prospectus supplement.*

**State Street Corporation**

State Street Corporation is a financial holding company organized in 1969 under the laws of the Commonwealth of Massachusetts. Through our subsidiaries, including our principal banking subsidiary, State Street Bank and Trust Company, referred to as State Street Bank, we provide a broad range of financial products and services to institutional investors worldwide, with \$27.51 trillion of assets under custody and administration and \$2.25 trillion of assets under management as of December 31, 2015. As of December 31, 2015, we had consolidated total assets of \$245.19 billion, consolidated total deposits of \$191.63 billion, consolidated total shareholders' equity of \$21.10 billion and 32,356 employees. We operate in more than 100 geographic markets worldwide, including in the U.S., Canada, Europe, the Middle East and Asia.

Our clients include mutual funds, collective investment funds and other investment pools, corporate and public retirement plans, insurance companies, foundations, endowments and investment managers. We have two lines of business: investment servicing and investment management.

Our common stock is listed on the NYSE under the ticker symbol STT and we intend to apply to list the depositary shares offered hereby on the NYSE under the symbol STT PrG. Our executive offices are located at One Lincoln Street, Boston, Massachusetts 02111, and our telephone number is (617) 786-3000.

**Risk Factors**

An investment in the depositary shares involves certain risks. You should carefully consider the risks described in the Risk Factors section beginning on page S-13 of this prospectus supplement, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our consolidated financial statements and the notes thereto, before making an investment decision.



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or winding up only out of lawfully available assets for such payment (i.e., after taking account of all indebtedness and other non-equity claims).

As of the date of this prospectus supplement there were outstanding: 5,000 shares of our Series C Preferred Stock, with an aggregate liquidation preference of \$500,000,000; 7,500 shares of our Series D Preferred Stock, with an aggregate liquidation preference of \$750,000,000; 7,500 shares of our Series E Preferred Stock, with an aggregate liquidation preference of \$750,000,000; and 7,500 shares of our Series F Preferred Stock, with an aggregate liquidation preference of \$750,000,000.

**Dividends**

Dividends on the Series G Preferred Stock, when, as and if declared by our board of directors or any duly authorized committee of the board, will be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on the 15th day of March, June, September and December of each year, commencing on June 15, 2016. From the date of issuance to, but excluding, March 15, 2026, dividends will be calculated at an annual rate of %, and from, and including, March 15, 2026, dividends will be calculated at an annual rate equal to three-month LIBOR plus %. Any dividends paid will be distributed to holders of depositary shares in the manner described under Description of Depositary Shares Dividends and Other Distributions below.

A dividend period is the period from, and including, a dividend payment date to, but excluding, the next dividend payment date, except that the initial dividend period will commence on and include the original issuance date of the Series G Preferred Stock and will end on and exclude the dividend payment date on June 15, 2016.

If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series G Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall not be payable for such dividend period, and we will have no obligation to pay, and the holders of Series G Preferred Stock shall have no right to receive, dividends for such dividend period, whether or not dividends on the Series G Preferred Stock, junior stock (as defined in Description of Series G Preferred Stock Dividends ) or any other class or shares of authorized preferred stock are declared for any future dividend period.

So long as any share of Series G Preferred Stock remains outstanding,

(1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than a dividend payable solely in junior stock or any dividend or distribution of capital stock or rights to acquire capital stock of State Street in connection with a shareholders rights



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plan or any redemption or repurchase of capital stock or rights to acquire capital stock under any such plan); and

(2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (a) as a result of a reclassification of junior stock for or into other junior stock, (b) the exchange or conversion of one share of junior stock for or into another share of junior stock, (c) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock, (d) purchases, redemptions or other acquisitions of shares of junior stock pursuant to any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (e) purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to or during the most recent preceding dividend period for which the full dividends for the then most recently completed dividend period on all outstanding shares of Series G Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside, including under a contractually binding stock repurchase plan, or (f) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us;

unless, in each case, the dividends for the then most recently completed dividend period on all outstanding shares of Series G Preferred Stock have been declared and paid in full or declared and a sum sufficient for the payment in full thereof has been set aside.

When dividends are not paid in full upon the shares of Series G Preferred Stock and any class or series of parity stock as defined under Description of Series G Preferred Stock, all dividends declared upon shares of Series G Preferred Stock and any such parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio as the ratio between the then-current dividends due on the shares of the Series G Preferred Stock and (i) in the case of any series of parity stock that is non-cumulative preferred stock, the aggregate of the current and unpaid dividends due on such series of preferred stock, and (ii) in the case of any series of parity stock that is cumulative preferred stock, the aggregate of the current and accumulated and unpaid dividends due on such series of preferred stock.

Subject to the foregoing, dividends (payable in cash, stock or otherwise), as may be determined by our board of directors or any duly authorized committee of the board, may be declared and paid on our common stock and any other securities ranking equally with or

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junior to the Series G Preferred Stock from time to time only out of any assets legally available for such payment, and the holders of the Series G Preferred Stock shall not be entitled to participate in any such dividend.

Dividends on the Series G Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause us to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

**Dividend Payment Dates**

The 15th day of March, June, September and December of each year, commencing on June 15, 2016. If any date on or prior to March 15, 2026, on which dividends would otherwise be payable is not a business day, then payment of any dividend otherwise payable on such date will be made on the next succeeding business day, without interest or other payment in respect of such delay. If any date after March 15, 2026, on which dividends would otherwise be payable is not a business day, then payment of any dividend otherwise payable on such date will be made on the next succeeding business day unless that day falls in the next calendar month, in which case the payment of any dividend otherwise payable on such date will be made on the immediately preceding business day, and such dividend will be payable on, and calculated to, but excluding, the actual payment date.

**Redemption**

On March 15, 2026, or any dividend payment date thereafter, the Series G Preferred Stock may be redeemed at our option, in whole or in part, at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The Series G Preferred Stock may be redeemed at our option in whole, but not in part, prior to March 15, 2026, upon the occurrence of a regulatory capital treatment event, as described below under Description of Series G Preferred Stock Redemption, at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Neither the holders of Series G Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series G Preferred Stock. Our redemption of the Series G Preferred Stock will cause the redemption of the corresponding depositary shares.

Under the Federal Reserve's current risk-based capital guidelines applicable to bank holding companies, any redemption of the Series G Preferred Stock is subject to prior approval of the Federal Reserve, and State Street must either replace the shares to be redeemed with an equal amount of instruments that qualify as common equity tier 1 capital or additional tier 1 capital, or demonstrate to the Federal Reserve that following such redemption State Street will continue to hold capital commensurate with its risk.

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**Liquidation Rights**

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street, holders of shares of Series G Preferred Stock are entitled to receive out of assets of State Street legally available for distribution to shareholders, before any distribution of assets is made to holders of our common stock or of any other shares of our stock ranking junior as to such a distribution to the Series G Preferred Stock, a liquidating distribution in the amount of the liquidation preference of \$100,000 per share (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Distributions will be made only to the extent of State Street's assets that are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series G Preferred Stock (and *pro rata* as to the Series G Preferred Stock and any other shares of our stock ranking equally as to such distribution).

**Voting Rights**

None, except with respect to authorizing or increasing the authorized amount of senior stock, certain changes in the terms of the Series G Preferred Stock, and upon our non-payment of dividends in an aggregate amount equal to six or more dividend periods, whether or not for consecutive dividend periods, the right, together with holders of any other series of our preferred stock that ranks equally with the Series G Preferred Stock as to payment of dividends and that has equivalent voting rights, voting separately as a single class, to elect two additional members to our board of directors. See "Description of Series G Preferred Stock - Voting Rights" in this prospectus supplement. Holders of depositary shares must act through the depositary to exercise any voting rights, as described under "Description of Depositary Shares - Voting the Series G Preferred Stock" in this prospectus supplement.

**Maturity**

The Series G Preferred Stock does not have a maturity date, and we are not required to redeem the Series G Preferred Stock. Accordingly, the Series G Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it.

**Preemptive and Conversion Rights**

None.

**Listing**

We intend to apply to list the depositary shares on the NYSE under the symbol STT PrG. If the application is approved, we expect trading of the depositary shares on the NYSE to commence within a 30-day period after the initial delivery of the depositary shares.

**Tax Considerations**

Distributions constituting dividend income received by an individual U.S. holder in respect of the depositary shares will generally represent qualified dividend income, which will be subject to taxation at a maximum rate of 20% (or a lower rate for individuals in certain tax brackets) subject to certain exceptions for short-term and hedged positions. Dividend income that is not qualified dividend income

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will be taxed at rates applicable to ordinary income. In addition, subject to similar exceptions for short-term and hedged positions, distributions on the depositary shares constituting dividend income paid to holders that are U.S. corporations will generally qualify for the 70% dividends-received deduction. For further discussion of the tax consequences relating to the Series G Preferred Stock, see Material U.S. Federal Income Tax Considerations .

**Use of Proceeds**

We estimate that the net proceeds of this offering will be approximately \$ (or approximately \$ if the underwriters exercise in full their option to purchase additional depositary shares), after deducting estimated expenses and underwriting discounts and commissions. We intend to use up to approximately \$485 million of the net proceeds of this offering to fund the cash consideration payable for our planned acquisition of GE Asset Management, an asset management business. We will use the remaining net proceeds of the offering for general corporate purposes, which may include, without limitation, working capital, capital expenditures, investments in or loans to our subsidiaries, refinancing of outstanding indebtedness, refinancing of outstanding capital securities, share repurchases (including, but not limited to, repurchases of our common stock), dividends, funding potential future acquisitions and satisfaction of other obligations. The precise amounts and timing of these uses of proceeds will depend on the funding requirements of us and our subsidiaries. See Use of Proceeds in this prospectus supplement.

**Registrar and Depositary**

American Stock Transfer & Trust Company, LLC.

**State Street Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and**

**Preferred Stock Dividends**

Our ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred stock dividends are set forth in our Annual Report on Form 10-K for the year ended December 31, 2015, which is incorporated by reference into this prospectus supplement.

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**RISK FACTORS**

*An investment in the depositary shares is subject to certain risks. You should carefully consider the following risk factors and other information contained in this prospectus supplement, in the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus, including our Annual Report on Form 10-K filed with the SEC on February 19, 2016, before deciding whether this investment is suited to your particular circumstances.*

**Risks Relating to the Depositary Shares**

*You are making an investment decision with regard to the depositary shares as well as the Series G Preferred Stock.*

As described in this prospectus supplement, we are issuing depositary shares representing fractional interests in shares of Series G Preferred Stock. Accordingly, the depositary will rely on the payments it receives on the Series G Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in the accompanying prospectus and in this prospectus supplement regarding both of these securities.

*Our ability to pay dividends on the Series G Preferred Stock, and therefore your ability to receive distributions on the depositary shares, may be limited by federal regulatory considerations and the results of operations of our subsidiaries.*

We are a holding company that conducts substantially all of our operations through our subsidiaries, including State Street Bank. As a result, our ability to make dividend payments on the Series G Preferred Stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries.

There are various regulatory restrictions on the ability of State Street Bank to pay dividends or make other payments to us. Federal banking laws regulate the amount of dividends that may be paid by State Street Bank without prior approval. In addition, the Dodd-Frank Act requires the Federal Reserve to establish more stringent capital requirements for large bank holding companies, and especially those institutions, such as State Street Bank, with consolidated assets equal to or greater than \$50 billion. In July 2013, the Federal Reserve, the FDIC and the Office of the Comptroller of the Currency jointly issued the Basel III Final Rule. Among other things, the Basel III Final Rule (1) raises the minimum tier 1 risk-based capital ratio requirement applicable to State Street and State Street Bank, (2) adds a requirement for a minimum common equity tier 1 capital ratio requirement applicable to State Street and State Street Bank, (3) adds a requirement for a minimum supplementary tier 1 leverage ratio for so-called advanced approaches banking organizations such as State Street and State Street Bank, and (4) implements a capital conservation buffer and a countercyclical capital buffer. The Basel III Final Rule sets forth the criteria for qualifying additional tier 1 capital instruments, including the requirement that any dividends on such instruments be paid out of the banking organization's net income, retained earnings and surplus, if any, related to additional tier 1 capital instruments.

Provisions of the Basel III Final Rule become effective under a transition timetable which began on January 1, 2014. These provisions supersede or modify corresponding elements of the Basel I and Basel II risk-based and leverage capital requirements and prompt corrective action framework. The requirement for the capital conservation buffer began to be phased in on January 1, 2016, with full implementation by January 1, 2019. As it continues to be phased in, the Basel III Final Rule will change the manner in which our regulatory capital ratios are calculated, will reduce our calculated regulatory capital, and will increase the minimum regulatory capital that we will be required to maintain.

On April 8, 2014 and September 3, 2014, U.S. banking regulators issued two final rules enhancing the supplementary leverage ratio, or SLR, standards for certain bank holding companies, like State Street, and their insured depository institution subsidiaries, like State Street Bank (the SLR Final Rules). Under the SLR Final

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Rules, upon implementation on January 1, 2018, State Street Bank must maintain an SLR of at least 6% in order to be well-capitalized under the U.S. banking regulators' prompt corrective action provisions. The SLR Final Rules also provide that State Street must maintain an SLR of more than 5% to avoid certain limitations on distributions and discretionary bonus payments.

We meet the criteria of a large bank holding company subject to enhanced supervision and prudential standards, commonly referred to as a systemically important financial institution, or SIFI, and we are one among a group of 30 institutions worldwide that have been identified by the Financial Stability Board, or FSB, and the Basel Committee as global systemically important banks, or G-SIBs. Our designation as a G-SIB will require us to maintain additional capital buffers, including a G-SIB surcharge, determined based on one of two methods prescribed by final rules issued by the Federal Reserve on August 14, 2015. Failure to meet these additional capital buffer requirements could limit our ability to make capital distributions, including dividend payments on the Series G Preferred Stock. Furthermore, on October 30, 2015, the Federal Reserve released its proposed regulations for external total loss-absorbing capacity ( TLAC ) and long-term debt requirements that, among other things, would require U.S. domiciled G-SIBs, like State Street, to hold an external TLAC buffer of 2.5% plus its G-SIB surcharge (as determined under the first of the two methods) and any applicable countercyclical buffer. If adopted as proposed, a failure to meet the external TLAC buffer requirement would limit the ability of State Street to make capital distributions, including dividend payments on the Series G Preferred Stock. In addition, on March 4, 2016, the Federal Reserve re-proposed rules that would establish single-counterparty credit limit ( SCCL ) requirements for certain U.S. bank holding companies and other companies, including heightened requirements for G-SIBs such as State Street. If adopted as proposed, State Street's net credit exposures to unaffiliated counterparties would be limited to 25 percent or 15 percent of its tier 1 capital, depending on the counterparty.

Maintaining the higher capital and liquidity levels required by the Basel III Final Rule, meeting the requirements of the SLR Final Rules, and complying with any future regulatory requirements, including the proposed TLAC and SCCL requirements, may reduce our profitability and performance measures and adversely affect the ability of State Street Bank to make distributions or pay dividends to State Street. As a result, our ability to make dividend payments on the Series G Preferred Stock could be adversely affected.

We are also required by the Federal Reserve to conduct periodic stress testing of our business operations and to develop an annual capital plan as part of the Federal Reserve's Comprehensive Capital Analysis and Review ( CCAR ) process. The planned capital actions in our capital plan, including stock purchases and dividends, may be objected to by the Federal Reserve, potentially requiring us to revise our stress-testing or capital management approaches, resubmit our capital plan or postpone, cancel or alter our planned capital actions. An objection by the Federal Reserve to our capital plan could limit our ability to make capital distributions, including dividend payments on the Series G Preferred Stock. Under the 2016 CCAR process, capital plans are due by April 5, 2016 and the Federal Reserve will announce the results by June 30, 2016.

Additionally, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise, and thus your ability as a holder of the depositary shares to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, the depositary shares will effectively be subordinated to all existing and future liabilities and obligations of our subsidiaries, including State Street Bank.

***Market interest rates may adversely affect the value of the Series G Preferred Stock.***

One of the factors that will influence the price of the Series G Preferred Stock will be the dividend yield on the Series G Preferred Stock (as a percentage of the price of the Series G Preferred Stock) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Series G Preferred Stock to demand a higher dividend yield, and higher

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interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of the Series G Preferred Stock to decrease.

***The Series G Preferred Stock is equity and is subordinate to our existing and future indebtedness.***

The shares of Series G Preferred Stock are equity interests and do not constitute indebtedness. As such, the shares of Series G Preferred Stock, and the related depositary shares, will rank junior to all indebtedness and other non-equity claims on available assets, including in the event of our liquidation. Our existing and future indebtedness may restrict payment of dividends on the Series G Preferred Stock. As of December 31, 2015, our long-term indebtedness, on a consolidated basis, totaled approximately \$11.20 billion, and we may incur additional indebtedness in the future. In addition, the shares of Series G Preferred Stock and the related depositary shares may be fully subordinated to interests held by the U.S. government in the event that we enter into a receivership, insolvency, liquidation or similar proceeding.

Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of the Series G Preferred Stock, (1) dividends are payable only if declared by our board of directors or any duly authorized committee of the board, (2) dividends do not cumulate if they are not declared and (3) as a corporation, we are subject to legal restrictions on payments of dividends (and redemption of equity interests), such that we may only pay dividends (or fund redemptions) out of lawfully available assets. Further, the Series G Preferred Stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to below under **Holder of Series G Preferred Stock and the related depositary shares will have limited voting rights.** Also, as a bank holding company, our ability to declare and pay dividends is dependent on certain federal regulatory considerations. See **Our ability to pay dividends on the Series G Preferred Stock, and therefore your ability to receive distributions on the depositary shares, may be limited by federal regulatory considerations and the results of operations of our subsidiaries.**

***We are not required to declare dividends on the Series G Preferred Stock, and dividends on the Series G Preferred Stock are non-cumulative. If we do not declare dividends on the Series G Preferred Stock, holders of depositary shares will not be entitled to receive related distributions on their depositary shares.***

The criteria for qualifying additional tier 1 capital instruments provide that the issuer must have full discretion at all times to cancel dividends, other than with respect to restrictions on distributions to holders of common stock or instruments that are *pari passu* with the additional tier 1 capital instrument. As a consequence, dividends on shares of the Series G Preferred Stock will not be mandatory. Holders of the Series G Preferred Stock, including the depositary, will only be entitled to receive dividends for any given dividend period if, when and as declared by our board of directors or any duly authorized committee of the board out of legally available assets. Consequently, if our board of directors or a duly authorized committee of the board does not authorize and declare a dividend for any dividend period, the depositary would not be entitled to receive any such dividend and no related distribution will be made on the depositary shares, and such unpaid dividend will not be payable for such dividend period. Dividends on the Series G Preferred Stock will not be cumulative. We will have no obligation to pay dividends for any dividend period after the dividend payment date for such dividend period, and holders of depositary shares will not be entitled to receive any distribution with respect to such dividends, if our board of directors or a duly authorized committee of the board has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series G Preferred Stock or any other series of our preferred stock. If we do not declare and pay dividends on the Series G Preferred Stock, you will not receive corresponding distributions on your depositary shares and the market price of your depositary shares may decline.

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### ***We may be able to redeem the Series G Preferred Stock prior to March 15, 2026.***

By its terms, the Series G Preferred Stock may be redeemed by us prior to March 15, 2026, upon the occurrence of certain changes relating to the regulatory capital treatment of the Series G Preferred Stock. In particular, upon our determination in good faith that an event has occurred that would constitute a regulatory capital treatment event, we may, at our option, subject to the approval of the Federal Reserve, redeem all (but not less than all) of the shares of Series G Preferred Stock. See Description of Series G Preferred Stock Redemption.

Although the terms of the Series G Preferred Stock have been established to satisfy the criteria for additional tier 1 capital instruments consistent with the Basel III Final Rule, it is possible that the Series G Preferred Stock may not satisfy the criteria set forth in future rulemaking or interpretations. As a result, in addition to other circumstances that may constitute a regulatory capital treatment event, revision, clarification or replacement by the Federal Reserve of its current capital rules could constitute a regulatory capital treatment event whereby we would have the right, subject to prior approval of the Federal Reserve, to redeem the Series G Preferred Stock in accordance with its terms prior to March 15, 2026, at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, without accumulation of any undeclared dividends.

### ***Investors should not expect us to redeem the Series G Preferred Stock on the date it becomes redeemable or on any particular date after it becomes redeemable.***

The Series G Preferred Stock is a perpetual equity security. The Series G Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors, including the holders of depositary shares offered by this prospectus supplement. By its terms, the Series G Preferred Stock may be redeemed by us, at our option, either in whole or in part, on March 15, 2026, or any dividend payment date thereafter, or in whole, but not in part, upon the occurrence of certain changes relating to the regulatory capital treatment of the Series G Preferred Stock. See Description of Series G Preferred Stock Redemption. Any decision we may make at any time to redeem the Series G Preferred Stock will depend upon, among other things, our evaluation of our capital position, the composition of our shareholders' equity and general market conditions at that time. If permitted pursuant to the terms of our securities, we may redeem other series of preferred stock that constitute parity stock, without a corresponding redemption of the Series G Preferred Stock, including when dividends are not paid in full upon the shares of Series G Preferred Stock.

Our right to redeem the Series G Preferred Stock is subject to limitations. Under the Federal Reserve's current risk-based capital guidelines applicable to bank holding companies, any redemption of the Series G Preferred Stock is subject to prior approval of the Federal Reserve, and State Street must either replace the shares to be redeemed with an equal amount of instruments that qualify as common equity tier 1 capital or additional tier 1 capital, or demonstrate to the Federal Reserve that following redemption State Street will continue to hold capital commensurate with its risk. We cannot assure you that the Federal Reserve will approve any redemption of the Series G Preferred Stock that we may propose. We also cannot assure you that, if we propose to redeem the Series G Preferred Stock without replacing the Series G Preferred Stock with common equity tier 1 capital or additional tier 1 capital, the Federal Reserve will authorize such redemption. We understand that the factors that the Federal Reserve will consider in evaluating a proposed redemption, or a request that we be permitted to redeem the Series G Preferred Stock without replacing it with common equity tier 1 capital or additional tier 1 capital, include its evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, and other supervisory considerations, although the Federal Reserve may change these factors at any time.

If the Series G Preferred Stock is redeemed, the corresponding redemption of the depositary shares would be a taxable event to you. In addition, you might not be able to reinvest the money you receive upon redemption of the depositary shares in a similar security.



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***If we are deferring payments on our outstanding junior subordinated debt securities or are in default under the indentures governing those securities, we will be prohibited from making distributions on or redeeming the Series G Preferred Stock.***

The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Series G Preferred Stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to our preferred stock, if an event of default under the indenture governing those junior subordinated debt securities has occurred and is continuing or at any time when we have given notice of a deferral period or we have deferred interest thereunder that has not been cancelled. As a result, if we fail to make interest payments on any of our junior subordinated debt securities, you will not receive dividend payments. As of December 31, 2015, approximately \$519 million aggregate principal amount of our 4.956% Junior Subordinated Debentures due 2018 were outstanding.

***If we do not pay dividends in full on our parity stock, we will not pay dividends in full on the Series G Preferred Stock, and therefore you will not receive distributions in full on the depositary shares.***

Our outstanding Series C Preferred Stock, with an aggregate liquidation preference of \$500,000,000; Series D Preferred Stock, with an aggregate liquidation preference of \$750,000,000; Series E Preferred Stock, with an aggregate liquidation preference of \$750,000,000; and Series F Preferred Stock, with an aggregate liquidation preference of \$750,000,000, will each be on parity with the Series G Preferred Stock. When dividends are not paid in full upon the shares of Series G Preferred Stock, Series F Preferred Stock, Series E Preferred Stock, Series D Preferred Stock and Series C Preferred Stock or any other parity stock then outstanding, all dividends declared upon shares of Series G Preferred Stock, Series F Preferred Stock, Series E Preferred Stock, Series D Preferred Stock, Series C Preferred Stock and any other parity stock will be declared on a proportional basis. If we do not declare dividends in full on the Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock or any other parity stock or do not have sufficient cash to pay dividends in full upon the shares of Series G Preferred Stock, Series F Preferred Stock, Series E Preferred Stock, Series D Preferred Stock, Series C Preferred Stock and any other parity stock, you will not receive distributions in full on the depositary shares.

***A downgrade, suspension or withdrawal of any rating assigned by a rating agency to us or our securities, including the depositary shares and the Series G Preferred Stock, could cause the liquidity or trading price of the depositary shares to decline significantly.***

Real or anticipated changes in the credit ratings assigned to the depositary shares, the Series G Preferred Stock or our credit ratings generally could affect the trading price of the depositary shares. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the financial services industry as a whole and may change their credit ratings for us and our securities, including the Series G Preferred Stock and depositary shares, based on their overall view of our industry.

A downgrade, withdrawal, or the announcement of a possible downgrade or withdrawal in the ratings assigned to the depositary shares, the Series G Preferred Stock, us or our other securities, or any perceived decrease in our creditworthiness could cause the trading price of the depositary shares to decline significantly.

***The depositary shares may not have an active trading market.***

The depositary shares representing the Series G Preferred Stock are a new issuance with no established trading market. Although we intend to apply for listing of the depositary shares on the NYSE, there is no guarantee that we will be able to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares. Even if a secondary market for the depositary shares

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develops, it may not provide significant liquidity, and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices in any secondary market could be substantial. Further, because the shares of Series G Preferred Stock do not have a stated maturity date, investors seeking liquidity in the depositary shares will be limited to selling their depositary shares in the secondary market. We do not expect that there will be any separate public trading market for the shares of the Series G Preferred Stock except as represented by the depositary shares.

***Our future offerings of preferred stock may adversely affect the value of the depositary shares representing the Series G Preferred Stock.***

We may issue additional shares of Series G Preferred Stock and/or other classes or series of preferred stock. The issuance of additional shares of preferred stock on parity with the Series G Preferred Stock with respect to the payment of dividends and the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up of our affairs could reduce the amounts we may have available for distribution to holders of the depositary shares representing the Series G Preferred Stock. We may issue other classes of preferred stock with cumulative dividends, which could reduce the amounts we may have available for distributions as dividends or in a liquidation to holders of the depositary shares representing the Series G Preferred Stock. The documents governing the Series G Preferred Stock and the depositary shares representing the Series G Preferred Stock do not contain any provisions affording holders of the depositary shares protection in the event of a highly leveraged or other transaction, including the merger or sale, lease or conveyance of all or substantially all of our assets or businesses, any of which could adversely affect the value of the depositary shares representing the Series G Preferred Stock.

***General market conditions and unpredictable factors could adversely affect market prices for the depositary shares.***

We can provide no assurance with respect to the market price of the depositary shares. Several factors, many of which are beyond our control, will influence the market prices of the depositary shares. Factors that might influence the market prices of the depositary shares include:

whether we declare or fail to declare dividends on the Series G Preferred Stock from time to time;

our creditworthiness;

interest rates;

developments in the credit markets and developments with respect to financial institutions generally;

the market for similar securities; and

economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Accordingly, the depositary shares that an investor purchases, whether in this offering or in the secondary market, may trade at a discount to their purchase price.

***Holders of Series G Preferred Stock and the related depositary shares will have limited voting rights.***

Holders of the Series G Preferred Stock, and therefore holders of the depositary shares, have no voting rights with respect to matters that generally require the approval of voting shareholders. However, holders of the Series G Preferred Stock will have the right to vote as a class on certain fundamental matters that may affect the preference or special rights of the Series G Preferred Stock, as described under [Description of Series G Preferred Stock Voting Rights](#) in this prospectus supplement. In addition, if dividends on any shares of the Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock or any



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other class or series of preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends with similar voting rights have not been declared or paid in an aggregate amount equal to six or more dividend periods, whether or not for consecutive dividend periods, holders of the outstanding shares of Series G Preferred Stock, together with holders of any other series of our preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends with similar voting rights, will be entitled to vote as a single class for the election of two additional members to our board of directors, subject to the terms and to the limited extent described under Description of Series G Preferred Stock Voting Rights in this prospectus supplement. As of the date of this prospectus supplement, there are 5,000 shares of Series C Preferred Stock outstanding, 7,500 shares of Series D Preferred Stock outstanding, 7,500 shares of Series E Preferred Stock outstanding and 7,500 shares of Series F Preferred Stock outstanding, each of which will rank equal with the Series G Preferred Stock. Holders of depositary shares must act through the depositary to exercise any voting rights in respect of the Series G Preferred Stock.

***The Series G Preferred Stock may be junior in rights and preferences to our future preferred stock or preference stock.***

We may in the future, with the requisite consent of the holders of the Series G Preferred Stock and other parity stock entitled to vote thereon, create and issue additional shares of preferred stock and shares of preference stock ranking senior to the Series G Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up. The terms of any of our future preferred stock or preference stock which by its terms is expressly senior to the Series G Preferred Stock may restrict dividend payments on the Series G Preferred Stock. This could result in dividends on the Series G Preferred Stock not being paid.

***Holders of depositary shares may not be entitled to the dividends-received deduction.***

Distributions paid to corporate U.S. holders of the depositary shares may be eligible for the dividends-received deduction if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. See Material U.S. Federal Income Tax Considerations. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Series G Preferred Stock (and related depositary shares) to qualify as dividends for U.S. federal income tax purposes. If any distributions on the Series G Preferred Stock (and related depositary shares) with respect to any fiscal year are not eligible for the dividends-received deduction because of insufficient current or accumulated earnings and profits, the market value of the depositary shares may decline.

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**USE OF PROCEEDS**

The net proceeds from this offering are expected to be approximately \$ (or approximately \$ if the underwriters exercise in full their option to purchase additional depository shares), after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use up to approximately \$485 million of the net proceeds of this offering to fund the cash consideration payable for our planned acquisition of GE Asset Management, an asset management business. Prior to the anticipated closing of the GE Asset Management acquisition, which we expect will occur in July 2016, we plan to invest these proceeds in cash and short-term cash equivalents. We will use the remaining net proceeds of the offering for general corporate purposes, which may include, without limitation, working capital, capital expenditures, investments in or loans to our subsidiaries, refinancing of outstanding indebtedness, refinancing of outstanding capital securities, share repurchases (including, but not limited to, repurchases of our common stock), dividends, funding potential future acquisitions and satisfaction of other obligations. The precise amounts and timing of these uses of proceeds will depend on the funding requirements of us and our subsidiaries.

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**DESCRIPTION OF SERIES G PREFERRED STOCK**

The depositary will be the sole holder of the Series G Preferred Stock, as described under "Description of Depositary Shares" below, and all references in this prospectus supplement to the holders of the Series G Preferred Stock shall mean the depositary. However, the holders of depositary shares will be entitled, through the depositary, to exercise the rights and preferences of the holders of the Series G Preferred Stock, as described under "Description of Depositary Shares."

This prospectus supplement summarizes specific terms and provisions of the Series G Preferred Stock. Terms that apply generally to our preferred stock are described in the "Description of Preferred Stock" section of the accompanying prospectus. The following summary of the terms and provisions of the Series G Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of our articles of organization and the certificate of designation creating the Series G Preferred Stock, which will be included as an exhibit to documents filed with the SEC.

Our articles of organization permit our board of directors to authorize the issuance of up to 3,500,000 shares of preferred stock, without par value, in one or more series, without shareholder action. The board of directors can determine the rights, preferences, and limitations of each series. Therefore, without shareholder approval, our board of directors can authorize the issuance of preferred stock with voting, conversion and other rights that could dilute the voting power and other rights of our common shareholders.

The Series G Preferred Stock is a single series of authorized preferred stock consisting of shares. We may from time to time, without notice to or the consent of holders of the Series G Preferred Stock, issue additional shares of preferred stock that rank equally with or junior to the Series G Preferred Stock.

Shares of the Series G Preferred Stock will rank, with respect to the payment of dividends and the distribution of assets upon voluntary or involuntary liquidation, dissolution and winding up of the affairs of State Street:

senior to our common stock and any other series of our junior stock that may be issued in the future;

equally with our Series C Preferred Stock, our Series D Preferred Stock, our Series E Preferred Stock and our Series F Preferred Stock; and

equally with each other series of our preferred stock that by its terms is expressly stated to be on parity with the Series G Preferred Stock, and junior to any preferred stock that by its terms is expressly stated to be senior to the Series G Preferred Stock.

In addition, we will generally be able to pay dividends and distributions upon the voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street only out of lawfully available assets for such payment (i.e., after taking account of all indebtedness and other non-equity claims). The Series G Preferred Stock will be fully paid and nonassessable when issued. Holders of Series G Preferred Stock will not have preemptive or subscription rights to acquire more capital stock of State Street.

The Series G Preferred Stock will not be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of State Street. The Series G Preferred Stock has no stated maturity and will not be subject to any sinking fund or other obligation of State Street to redeem or repurchase the Series G Preferred Stock.

As of the date of this prospectus supplement, we have issued:

5,000 shares of 5.25% Non-Cumulative Perpetual Preferred Stock, Series C, without par value per share, with a liquidation preference of \$100,000 per share, all of which are outstanding and

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represented by depositary shares, each representing a 1/4,000th interest in a share of preferred stock of the series;

7,500 shares of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series D, without par value per share, with a liquidation preference of \$100,000 per share, all of which are outstanding and represented by depositary shares, each representing a 1/4,000th interest in a share of preferred stock of the series;

7,500 shares of 6.00% Non-Cumulative Perpetual Preferred Stock, Series E, without par value per share, with a liquidation preference of \$100,000 per share, all of which are outstanding and represented by depositary shares, each representing a 1/4,000th interest in a share of preferred stock of the series; and

7,500 shares of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series F, without par value per share, with a liquidation preference of \$100,000 per share, all of which are outstanding and represented by depositary shares, each representing a 1/100th interest in a share of preferred stock of the series.

The Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock will rank equally with the Series G Preferred Stock as to dividends and distributions on liquidation and include the same provisions with respect to restrictions on declaration and payment of dividends and voting rights as apply to the Series G Preferred Stock.

Holders of Series C Preferred Stock are entitled to receive non-cumulative quarterly dividends when, as and if declared by our board of directors (or a duly authorized committee of the board), at a rate per annum equal to 5.25%. Holders of Series D Preferred Stock are entitled to receive non-cumulative quarterly dividends when, as and if declared by our board of directors (or a duly authorized committee of the board), (1) at a rate of 5.90% per annum to but excluding March 15, 2024 and (2) thereafter at a rate per annum equal to three-month LIBOR plus 3.108%. Holders of Series E Preferred Stock are entitled to receive non-cumulative quarterly dividends when, as and if declared by our board of directors (or a duly authorized committee of the board), at a rate per annum equal to 6.00%. Holders of Series F Preferred Stock are entitled to receive non-cumulative dividends when, as and if declared by our board of directors (or a duly authorized committee of the board), (1) semi-annually at a rate of 5.250% per annum to but excluding September 15, 2020 and (2) thereafter quarterly at a rate per annum equal to three-month LIBOR plus 3.597%.

For additional detail on the terms of our existing series of preferred stock, you also should refer to the respective certificate of designation for each series, which are on file with the SEC.

**Dividends**

Dividends on shares of the Series G Preferred Stock will not be mandatory and will not be cumulative. Holders of the Series G Preferred Stock will be entitled to receive, when, as and if declared by our board of directors or any duly authorized committee of the board out of legally available assets, non-cumulative cash dividends, quarterly in arrears on the 15th day of March, June, September and December, commencing June 15, 2016. From the date of issuance to, but excluding, March 15, 2026 (the Fixed Rate Period), dividends will be calculated at an annual rate of %, and from, and including, March 15, 2026 (the Floating Rate Period), dividends will be calculated at an annual rate equal to three-month LIBOR plus %, in each case on the liquidation amount as described below. If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series G Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall not be payable for such dividend period, and we will have no obligation to pay dividends for such dividend period, whether or not dividends on the Series G Preferred Stock are declared for any future dividend period.

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A **dividend period** means the period from, and including, a dividend payment date to, but excluding, the next succeeding dividend payment date, except for the initial dividend period, which will be the period from, and including, the original issuance date of the Series G Preferred Stock to, but excluding, June 15, 2016. Dividends on the Series G Preferred Stock will be calculated from, and including, the original issuance date at the applicable dividend rate on the liquidation preference of \$100,000 per share of Series G Preferred Stock (equivalent to \$25 per depositary share). If we issue additional shares of the Series G Preferred Stock, dividend rights on those additional shares will commence from, and including, the original issuance date of those additional shares at the applicable dividend rate, except with respect to any shares issued upon the exercise of the underwriters' option to purchase additional depositary shares, which will accrue dividends from the original date of issuance of the Series G Preferred Stock offered by this prospectus supplement. Notwithstanding the foregoing, dividends on the Series G Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause us to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

With respect to the Fixed Rate Period, we will calculate dividends, including dividends payable for any partial dividend period, on the Series G Preferred Stock on the basis of a 360-day year of twelve 30-day months. With respect to the Floating Rate Period, we will calculate dividends, including dividends payable for any partial dividend period, on the Series G Preferred Stock on the basis of a 360-day year and the actual number of days elapsed. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. Dividends on any Series G Preferred Stock to be redeemed will cease to accrue after the redemption date, as described below under **Redemption**, unless we default in the payment of the redemption price of the shares of the Series G Preferred Stock called for redemption.

We will pay dividends to the holders of record of shares of the Series G Preferred Stock as they appear on our stock register on each record date, which shall be the 15th calendar day before the related dividend payment date (provided, however, if any such date is not a business day then the record date will be the next succeeding day that is a business day) or such other date as determined by our board of directors or any duly authorized committee of the board.

If any date on or prior to March 15, 2026 on which dividends would otherwise be payable is not a business day, then payment of any dividend otherwise payable on such date will be made on the next succeeding business day, without interest or other payment in respect of such delay. If any date after March 15, 2026 on which dividends would otherwise be payable is not a business day, then payment of any dividend otherwise payable on such date will be made on the next succeeding business day unless that day falls in the next calendar month, in which case payment of any dividend otherwise payable on such date will be made on the immediately preceding business day, and such dividends will be payable on, and calculated to, but excluding, the actual payment date.

A **business day** means, for dividends payable during the Fixed Rate Period, any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York or Boston, Massachusetts, and for dividends payable during the Floating Rate Period, any day that would be considered a business day during the Fixed Rate Period that is also a London banking day (as defined below).

For the purposes of calculating any dividend with respect to any dividend period beginning on or after March 15, 2026:

**three-month LIBOR** means, for any LIBOR determination date, the offered rate for deposits in U.S. dollars having a maturity of three months that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on such LIBOR determination date. If such rate does not appear on such page at such time, then the calculation agent will request the principal London office of each of four major reference banks in the London interbank market, selected by the calculation agent, to provide such bank's offered quotation to prime banks in the London interbank market for deposits in U.S. dollars for a term of three months as of 11:00 a.m., London



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time, on such LIBOR determination date and in a principal amount equal to an amount that, in the judgment of the calculation agent, is representative for a single transaction in U.S. dollars in the relevant market at the relevant time (a representative amount). If at least two such quotations are so provided, three-month LIBOR will be the arithmetic mean of such quotations. If fewer than two such quotations are provided, the calculation agent will request each of three major banks in New York City to provide such bank's rate for loans in U.S. dollars to leading European banks for a term of three months as of approximately 11:00 a.m., New York City time, on such LIBOR determination date and in a representative amount. If three such quotations are so provided, three-month LIBOR will be the arithmetic mean of such quotations. All percentages used in or resulting from any calculation of three-month LIBOR will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with .000005% rounded up to .00001%. If, following the procedure set forth in this definition of three-month LIBOR, the calculation agent is unable to determine three-month LIBOR for any Floating Rate Period, then the dividend for such Floating Rate Period shall be calculated at the dividend rate in effect for the immediately preceding dividend period. The determination of three-month LIBOR for each relevant dividend period by the calculation agent will (in the absence of manifest error) be final and binding;

calculation agent means State Street Bank and Trust Company, or any other successor appointed by us, acting as calculation agent;

LIBOR determination date means the second London banking day immediately preceding the first day of the relevant dividend period;

London banking day means any day on which commercial banks and foreign exchange markets settle payments in London; and

Designated LIBOR Page means the display on Reuters, or any successor service, on page LIBOR01, or any other page as may replace that page on that service, for the purpose of displaying the London Interbank rates for U.S. dollars.

The calculation agent's determination of any dividend rate, and its calculation of the amount of any dividend payable during the Floating Rate Period, will be maintained on file at the calculation agent's principal offices. The calculation agent is a wholly-owned subsidiary of State Street Corporation.

Dividends on shares of Series G Preferred Stock will not be cumulative. Accordingly, if our board of directors or a duly authorized committee of the board does not declare a dividend on the Series G Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not be payable and we will have no obligation to pay, and the holders of Series G Preferred Stock shall have no right to receive, dividends for such dividend period on the dividend payment date or at any future time, or interest with respect to such dividends, whether or not dividends on the Series G Preferred Stock are declared for any future dividend period.

So long as any share of Series G Preferred Stock remains outstanding,

(1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than a dividend payable solely in junior stock or any dividend or distribution of capital stock or rights to acquire capital stock of State Street in connection with a shareholders' rights plan or any redemption or repurchase of capital stock or rights to acquire capital stock under any such plan); and

(2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (a) as a result of a reclassification of junior stock for or into other junior stock, (b) the exchange or conversion of one share of junior stock for or into another share of junior stock, (c) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock, (d) purchases,

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redemptions or other acquisitions of shares of junior stock pursuant to any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (e) purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to or during the most recent preceding dividend period for which the full dividends for the then most recently completed dividend period on all outstanding shares of Series G Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside, including under a contractually binding stock repurchase plan, or (f) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us;

unless, in each case, the dividends for the then most recently completed dividend period on all outstanding shares of Series G Preferred Stock have been declared and paid in full or declared and a sum sufficient for the payment in full thereof has been set aside.

As used in this prospectus supplement, junior stock means our common stock and any other class or series of stock of State Street hereafter authorized over which Series G Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street.

When dividends are not paid in full upon the shares of Series G Preferred Stock and any parity stock, all dividends declared upon shares of Series G Preferred Stock and any such parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio as the ratio between the then-current dividends due on the shares of the Series G Preferred Stock and (i) in the case of any series of parity stock that is non-cumulative preferred stock, the aggregate of the current and unpaid dividends due on such series of preferred stock, and (ii) in the case of any series of parity stock that is cumulative preferred stock, the aggregate of the current and accumulated and unpaid dividends due on such series of preferred stock.

As used in this prospectus supplement, parity stock means any other class or series of stock of State Street that ranks equally with the Series G Preferred Stock in the payment of dividends and in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street. Each of our Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock is parity stock. We currently have 5,000 shares of our Series C Preferred Stock, 7,500 shares of our Series D Preferred Stock, 7,500 shares of our Series E Preferred Stock and 7,500 shares of our Series F Preferred Stock outstanding.

No interest will be payable in respect of any declared but unpaid dividend payment on shares of Series G Preferred Stock that is paid after the relevant dividend payment date for such dividend period.

If our board of directors determines not to pay any dividend or a full dividend on the Series G Preferred Stock on a dividend payment date, we will provide, or cause to be provided, written notice to the holders of the Series G Preferred Stock prior to such date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise), as may be determined by our board of directors or any duly authorized committee of the board, may be declared and paid on our common stock and any other stock ranking equally with or junior to the Series G Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series G Preferred Stock shall not be entitled to participate in any such dividend.

## **Liquidation Rights**

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street, holders of the Series G Preferred Stock are entitled to receive out of assets of State Street legally available for

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distribution to shareholders, after satisfaction of liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series G Preferred Stock, before any distribution of assets is made to holders of common stock or of any of our other shares of stock ranking junior as to such a distribution to the shares of Series G Preferred Stock, a liquidating distribution in the amount of the liquidation preference of \$100,000 per share (equivalent to \$25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Series G Preferred Stock will not be entitled to any other amounts from us after they have received their full liquidating distribution.

In any such distribution, if the assets of State Street are not sufficient to pay the liquidation preferences plus declared and unpaid dividends in full to all holders of the Series G Preferred Stock and all holders of any other shares of our stock ranking equally as to such distribution with the Series G Preferred Stock, the amounts paid to the holders of Series G Preferred Stock and to the holders of all such other parity stock will be paid pro rata in accordance with the respective aggregate liquidating distribution owed to those holders. If the liquidation preference plus declared and unpaid dividends has been paid in full to all holders of Series G Preferred Stock and any other shares of our stock ranking equally as to the liquidation distribution, the holders of our junior stock shall be entitled to receive all remaining assets of State Street according to their respective rights and preferences.

For purposes of this section, the merger, consolidation or other business combination transaction of State Street into or with any other entity, including a merger, consolidation or other business combination transaction in which the holders of Series G Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange of all or substantially all of the property and assets of State Street for cash, securities or other property, shall not constitute a voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street.

The shares of Series G Preferred Stock may be fully subordinated to interests held by the U.S. government in the event that we enter into a receivership, insolvency, liquidation or similar proceeding.

## **Redemption**

The Series G Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provision. Except as described below, the Series G Preferred Stock is not redeemable prior to March 15, 2026. On that date, and on any dividend payment date thereafter, the Series G Preferred Stock will be redeemable at our option, in whole or in part, at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of Series G Preferred Stock will have no right to require the redemption or repurchase of the Series G Preferred Stock. Dividends will cease to accrue after the redemption date. Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series G Preferred Stock is subject to prior approval of the Federal Reserve.

Notwithstanding the foregoing, prior to March 15, 2026, within 90 days of our good faith determination that an event has occurred that would constitute a regulatory capital treatment event (as defined below), we may, at our option, subject to the approval of the Federal Reserve, provide notice of our intent to redeem in accordance with the procedures described below, and subsequently redeem, all (but not less than all) of the shares of Series G Preferred Stock at the time outstanding at a redemption price equal to \$100,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends.

A regulatory capital treatment event means our determination, in good faith, that, as a result of any

amendment to, clarification of or change in (including any announced prospective amendment to, clarification of or change in) the laws or regulations or policies of the United States or any political subdivision of or in the United States that is enacted or announced or that becomes effective after the initial issuance of any share of Series G Preferred Stock;

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proposed amendment to or change in those laws or regulations or policies that is announced or becomes effective after the initial issuance of any share of Series G Preferred Stock; or

official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies that is announced or that becomes effective after the initial issuance of any share of Series G Preferred Stock,

there is more than an insubstantial risk that we will not be entitled to treat the full liquidation value of all shares of Series G Preferred Stock then outstanding as additional tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series G Preferred Stock is outstanding.

If shares of the Series G Preferred Stock are to be redeemed, the notice of redemption shall be given to the holders of record of the Series G Preferred Stock to be redeemed, either by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on our stock register or transmitted by such other method approved by the depositary, in its reasonable discretion, not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the depositary shares representing the Series G Preferred Stock are held in book-entry form through The Depository Trust Company ( DTC ) (or a successor securities depositary), we may give such notice in any manner permitted by DTC (or such successor)). Each notice of redemption will include a statement setting forth: (1) the redemption date; (2) the number of shares of Series G Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder (or the method of determining such number); (3) the redemption price; (4) the place or places where the certificates evidencing shares of Series G Preferred Stock are to be surrendered for payment of the redemption price; and (5) that dividend rights with respect to the shares to be redeemed will cease on the redemption date. If notice of redemption of any shares of Series G Preferred Stock has been duly given and if on or before the redemption date the funds necessary for such redemption have been set aside by us for the benefit of the holders of any shares of Series G Preferred Stock so called for redemption, then, on and after the redemption date, dividend rights with respect to such shares of Series G Preferred Stock will cease, such shares of Series G Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price. See Description of Depositary Shares below for information about redemption of the depositary shares relating to our Series G Preferred Stock.

In case of any redemption of only part of the shares of the Series G Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either pro rata or by lot or in such other manner as our board of directors or any duly authorized committee of the board of directors determines to be fair and equitable.

Under the Federal Reserve's current risk-based capital guidelines applicable to bank holding companies, any redemption of the Series G Preferred Stock is subject to prior approval of the Federal Reserve, and State Street must either replace the shares to be redeemed with an equal amount of instruments that qualify as common equity tier 1 capital or additional tier 1 capital, or demonstrate to the Federal Reserve that following such redemption State Street will continue to hold capital commensurate with its risk. See Risk Factors Investors should not expect us to redeem the Series G Preferred Stock on the date it becomes redeemable or on any particular date after it becomes redeemable in this prospectus supplement.

**Voting Rights**

Except as provided below, the holders of the Series G Preferred Stock will have no voting rights.

Whenever dividends on any shares of the Series G Preferred Stock, or any other class or series of preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends, and upon which equivalent voting rights have been conferred and are exercisable, have not been paid, or declared and set aside for payment, in an aggregate amount equal to six or more dividend periods, whether or not for consecutive dividend periods (a

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Nonpayment ), the holders of the Series G Preferred Stock, together with holders of any other series of our preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends with equivalent voting rights, will be entitled to vote separately as a single class for the election of a total of two additional members of our board of directors (the Preferred Directors ), provided that the election of any such directors shall not cause us to violate the corporate governance requirement of the NYSE (or any other exchange on which our securities may be listed) that listed companies must have a majority of independent directors and provided further that our board of directors shall at no time include more than two Preferred Directors.

In that event, the number of directors on our board of directors shall automatically increase by two and, at the request of any holder of Series G Preferred Stock, a special meeting of the holders of Series G Preferred Stock and any other class or series of preferred stock that ranks on parity with Series G Preferred Stock as to payment of dividends and for which dividends have not been paid, shall be called for the election of the two additional directors of our board of directors (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held at such next annual or special meeting of shareholders), followed by another such election at each subsequent annual meeting. These voting rights will continue until full dividends, including any declared and unpaid dividends, have been paid regularly on the shares of the Series G Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends for at least four consecutive dividend periods following the Nonpayment.

If and when full dividends have been regularly paid for at least four consecutive dividend periods following a Nonpayment on the Series G Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends, the holders of the Series G Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of any subsequent Nonpayment) and the term of office of each Preferred Director so elected shall terminate and the number of directors on our board of directors shall automatically decrease by two. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series G Preferred Stock (together with holders of any other series of our preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends with equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described above. So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Director (other than prior to the initial election of the Preferred Directors) may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by a vote of the holders of a majority of the outstanding shares of Series G Preferred Stock (together with holders of any other series of our preferred stock that ranks on parity with the Series G Preferred Stock as to payment of dividends with equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of shareholders.

If the holders of Series G Preferred Stock become entitled to vote for the election of directors, the Series G Preferred Stock may be considered a class of voting securities under interpretations adopted by the Federal Reserve. As a result, certain holders of Series G Preferred Stock may become subject to regulations under the Bank Holding Company Act and/or certain acquisitions of Series G Preferred Stock may be subject to prior approval of the Federal Reserve.

So long as any shares of Series G Preferred Stock remain outstanding:

the affirmative vote or consent of the holders of at least two-thirds of all of the shares of the Series G Preferred Stock at the time outstanding, voting separately as a single class, shall be required to amend the provisions of State Street's articles of organization (including the certificate of designation of the Series G Preferred Stock or any other series of preferred stock) or the bylaws so as to materially and adversely affect the powers, preferences, privileges or rights of the Series G Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series G Preferred Stock or authorized preferred stock or the creation and

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issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series G Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon voluntary or involuntary liquidation, dissolution or winding up of the affairs of State Street will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series G Preferred Stock; and

the affirmative vote or consent of the holders of at least two-thirds of all of the shares of the Series G Preferred Stock at the time outstanding, voting separately as a single class, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any class or series of stock ranking senior to the Series G Preferred Stock and all other parity stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of State Street.

The foregoing voting provisions will also not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required, all outstanding shares of Series G Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by us for the benefit of the holders of the Series G Preferred Stock to effect such redemption.

The holders of Series G Preferred Stock will not be entitled to vote as a separate class or series or voting group with respect to any plan of merger or share exchange solely as a result of Section 11.04(6) of the Massachusetts Business Corporation Act (the "MBCA"). Section 11.04(6) of the MBCA provides that, unless a corporation expressly provides otherwise in its articles of organization, shares of capital stock are in some circumstances entitled to vote as a separate class or series or voting group on a plan of merger or share exchange, if the plan of merger or share exchange contains a provision that, if contained in a proposed amendment to the articles of organization of a corporation, would entitle such class or series to vote as a separate voting group on the proposed amendment under Section 10.04 of the MBCA. Section 10.04 of the MBCA entitles the holders of capital stock of a corporation to vote as a separate class or series under certain circumstances. Our certificate of designation creating the Series G Preferred Stock, which is part of our articles of organization, expressly provides that Section 11.04(6) of the MBCA (and any similar successor provision of the MBCA) is inapplicable to the Series G Preferred Stock.

### **Preemptive and Conversion Rights**

The holders of the Series G Preferred Stock will not have any preemptive or conversion rights.

### **Additional Classes or Series of Stock**

We will have the right to create and issue additional classes or series of stock ranking equally with or junior to the Series G Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up without the consent of the holders of the Series G Preferred Stock or the holders of the related depository shares. We may create and issue additional shares of preferred stock senior to the Series G Preferred Stock as to dividends and/or distribution of assets upon our liquidation, dissolution or winding up with the requisite consent of the holders of the Series G Preferred Stock and our parity stock entitled to vote thereon.

### **Registrar**

American Stock Transfer & Trust Company, LLC will be the registrar, dividend disbursing agent and redemption agent for the Series G Preferred Stock.

### **Calculation Agent**

State Street Bank and Trust Company will serve as calculation agent. In its capacity as calculation agent, State Street Bank's office is located at One Lincoln Street, Boston, Massachusetts 02111.

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**DESCRIPTION OF DEPOSITARY SHARES**

In this prospectus supplement, references to holders of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through DTC. Please review the special considerations that apply to indirect holders described in the Book-Entry Issuance section of this prospectus supplement.

This prospectus supplement summarizes specific terms and provisions of the depositary shares relating to our Series G Preferred Stock. As described above under Description of Series G Preferred Stock, we are issuing fractional interests in shares of preferred stock in the form of depositary shares. Each depositary share will represent a 1/4,000th ownership interest in a share of Series G Preferred Stock, and will be evidenced by a depositary receipt. The shares of Series G Preferred Stock represented by depositary shares will be deposited under a deposit agreement among State Street, American Stock Transfer & Trust Company, LLC, as depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Series G Preferred Stock represented by such depositary share, to all the rights and preferences of the Series G Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Immediately following the issuance of the Series G Preferred Stock, we will deposit the Series G Preferred Stock with the depositary, which will then issue depositary receipts evidencing the depositary shares to the initial holders thereof. Copies of the forms of deposit agreement and the depositary receipt may be obtained from us upon request and in the manner described in the Where You Can Find More Information section of this prospectus supplement.

**Dividends and Other Distributions**

The depositary will distribute all cash dividends or other cash distributions, if any, received in respect of the preferred stock underlying the depositary shares to the record holders of depositary shares in proportion to the numbers of depositary shares owned by those holders on the relevant record date. The relevant record date for depositary shares will be the same date as the record date for the preferred stock.

If there is a distribution other than in cash, rights, preferences or privileges the depositary will distribute property received by it to the record holders of depositary shares, unless the depositary determines, in consultation with us, that it is not feasible to make such distribution. If this occurs, the depositary may, with our approval, adopt another method for the distribution, including selling the property (at a public or private sale) in a commercially reasonable manner and distributing the net proceeds from the sale to the holders.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by us on account of taxes or other governmental charges.

**Redemption of Depositary Shares**

If we redeem the Series G Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series G Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/4,000th of the redemption price per share payable with respect to the Series G Preferred Stock (or \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends.

Whenever we redeem shares of Series G Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of Series G Preferred Stock

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so redeemed. In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected pro rata by lot or in such other manner as our board of directors or any duly authorized committee of the board may determine to be fair and equitable. The depositary will mail by first class mail, postage prepaid (or otherwise transmit by an authorized method) notice of redemption to record holders of the depositary receipts not less than 30 and not more than 60 days prior to the date fixed for redemption of the Series G Preferred Stock and the related depositary shares.

### **Voting the Series G Preferred Stock**

Because each depositary share represents a 1/4,000th interest in a share of the Series G Preferred Stock, holders of depositary receipts will be entitled to a 1/4,000th of a vote per depositary share under those limited circumstances in which holders of the Series G Preferred Stock are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the Series G Preferred Stock are entitled to vote, the depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice to the record holders of the depositary shares relating to the Series G Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series G Preferred Stock, may instruct the depositary to vote the amount of the Series G Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Series G Preferred Stock represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that may be deemed necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series G Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

### **Listing**

We intend to apply to list the depositary shares on the NYSE under the symbol STT PrG. If the application is approved, we expect trading of the depositary shares on the NYSE to commence within a 30-day period after the initial delivery of the depositary shares. We do not expect that there will be any separate public trading market for the shares of the Series G Preferred Stock except as represented by the depositary shares.

### **Form of Series G Preferred Stock and Depositary Shares**

The depositary shares shall be issued in book-entry form through DTC, as described in [Book-Entry Issuance](#) below. The Series G Preferred Stock will be issued in registered form to the depositary as described in [Description of Series G Preferred Stock](#) in this prospectus supplement.



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**BOOK-ENTRY ISSUANCE**

DTC will act as securities depository for all of the depository shares. We will issue the depository shares only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). We will issue and deposit with DTC one or more fully-registered global certificates for the depository shares representing, in the aggregate, the total number of the depository shares to be sold in this offering.

DTC has advised us that it is a limited purpose trust company organized under the New York Banking Law, a banking organization under the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation under the meaning of the New York Uniform Commercial Code, and a clearing agency registered under the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the Exchange Act). DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, like transfers and pledges, in deposited securities through electronic computerized book-entry changes in the participants' accounts, eliminating in this manner the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc. and the Financial Industry Regulatory Authority, Inc. Others, like securities brokers and dealers, banks and trust companies that clear through or maintain custodial relationships with direct participants, either directly or indirectly, are indirect participants and also have access to the DTC system. The rules applicable to DTC and its participants are on file with the SEC.

Clearstream has advised us that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry transfers between their accounts. Clearstream provides its participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic securities markets in several countries through established depository and custodial relationships. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector, also known as the Commission de Surveillance du Secteur Financier. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Clearstream's participants in the U.S. are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Clearstream participants. Distributions with respect to interests in global securities held through Clearstream will be credited to cash accounts of its customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Euroclear has advised us that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear operator) under contract with Euroclear plc, a U.K. corporation. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Purchases of depository shares within the DTC system must be made by or through direct participants, who will receive a credit for the depository shares on DTC's records. The ownership interest of each actual purchaser of each depository share is in turn to be recorded on the direct and indirect participants' records. DTC will not send written confirmation to beneficial owners of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from

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the direct or indirect participants through which the beneficial owners purchased depositary shares. Transfers of ownership interests in the depositary shares are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in depositary shares, unless the book-entry system for the depositary shares is discontinued. Interests held through Clearstream and Euroclear will be recorded on DTC's books as being held by the U.S. depositary for each of Clearstream and Euroclear, which U.S. depositaries will in turn hold interests on behalf of their participants' customers' securities accounts.

DTC has no knowledge of the actual beneficial owners of the depositary shares. DTC's records reflect only the identity of the direct participants to whose accounts the depositary shares are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners and the voting rights of direct participants, indirect participants and beneficial owners, subject to any statutory or regulatory requirements as is in effect from time to time, will be governed by arrangements among them.

We will send redemption notices to Cede & Co. as the registered holder of the depositary shares. If less than all of these depositary shares are redeemed, DTC's current practice is to determine by lot the amount of the interest of each direct participant to be redeemed.

Although voting on the depositary shares is limited to the holders of record of the depositary shares, in those instances in which a vote is required, neither DTC nor Cede & Co. will itself consent or vote on depositary shares. Under its usual procedures, DTC would mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to direct participants for whose accounts the depositary shares are credited on the record date (identified in a listing attached to the omnibus proxy).

We will make distribution payments on the depositary shares to DTC. DTC's practice is to credit direct participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on the payment date. Standing instructions and customary practices will govern payments from participants to beneficial owners. Subject to any statutory or regulatory requirements, participants, and neither DTC nor we, will be responsible for the payment. We and any paying agent will be responsible for payment of distributions to DTC. Direct and indirect participants are responsible for the disbursement of the payments to the beneficial owners.

DTC may discontinue providing its services as securities depositary on any of the depositary shares at any time by giving reasonable notice to us. If a successor securities depositary is not obtained, final depositary shares certificates must be printed and delivered. We may at our option, subject to the procedures of DTC, decide to discontinue the use of the system of book-entry transfers through DTC (or a successor depositary). After an event of default, the holders of a majority in liquidation preference or aggregate principal amount of depositary shares may discontinue the system of book-entry transfers through DTC. In this case, final certificates for the depositary shares will be printed and delivered.

We have obtained the information in this section from sources that we believe to be accurate, but we assume no responsibility for the accuracy of the information. We have no responsibility for the performance by DTC or its participants of their respective obligations as described in this prospectus supplement or under the rules and procedures governing their respective operations.

Beneficial owner refers to the ownership interest of each actual purchaser of each depositary share.

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Direct participants refers to securities brokers and dealers, banks, trust companies, clearing corporations and other organizations who, with the New York Stock Exchange, Inc. and the Financial Industry Regulatory Authority, Inc., own DTC. Purchases of depositary shares within the DTC system must be made by or through direct participants who will receive a credit for the depositary shares on DTC's records.

Indirect participants refers to others, like securities brokers and dealers, banks and trust companies that clear through or maintain custodial relationships with direct participants, either directly or indirectly, and who also have access to the DTC system.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the material U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the depositary shares. The following summary is based upon current provisions of the U.S. Internal Revenue Code of 1986, as amended (the Code), U.S. Department of the Treasury (Treasury) regulations and judicial or administrative authority, all of which are subject to change, possibly with retroactive effect. State, local and foreign tax consequences are not summarized, nor are the tax consequences to special classes of investors including, but not limited to, controlled foreign corporations, passive foreign investment companies, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, dealers in securities or currencies, regulated investment companies, real estate investment trusts, persons whose functional currency is not the U.S. dollar, U.S. expatriates, persons liable for the alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, and persons that will hold the depositary shares as a position in a hedging transaction, straddle, conversion transaction or other risk reduction transaction. Tax consequences may vary depending upon the particular status of an investor. The summary addresses only taxpayers who will hold the depositary shares as capital assets and who purchase the depositary shares in the initial offering at the initial offering price.

Beneficial owners of depositary shares will be treated as owners of the underlying Series G Preferred Stock for U.S. federal income tax purposes.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds the depositary shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partner and the partnership holding the depositary shares should consult his, her or its tax advisors regarding the tax considerations of acquiring, holding and disposing of the depositary shares.

**THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES FOR HOLDERS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE DEPOSITARY SHARES. PROSPECTIVE HOLDERS OF THE DEPOSITARY SHARES SHOULD CONSULT WITH THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, FOREIGN INCOME AND OTHER TAX LAWS) OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE DEPOSITARY SHARES.**

**U.S. Holders**

The discussion in this section is addressed to a U.S. holder, which for purposes of this summary means a beneficial owner of depositary shares that is, for U.S. federal income tax purposes, (1) an individual citizen or resident of the United States, (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any state thereof or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (ii) it has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

*Distributions.* Distributions with respect to the depositary shares will be taxable as dividend income when paid to the extent of our current and accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent that the amount of a distribution with respect to the depositary shares exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent, and in reduction, of the U.S. holder's adjusted tax basis in such depositary shares, and thereafter as capital gain.

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Subject to certain exceptions for short-term and hedged positions, distributions constituting dividend income received by an individual U.S. holder in respect of the depositary shares generally will constitute qualified dividend income, which will be subject to taxation at a maximum rate of 20% (or a lower rate for individuals in certain income tax brackets). Dividend income that does not constitute qualified dividend income will be taxed at rates applicable to ordinary income. In addition, subject to certain exceptions for short-term and hedged positions, distributions on the depositary shares constituting dividend income paid to holders that are U.S. corporations will generally qualify for the 70% dividends-received deduction. A U.S. holder should consult his, her or its own tax advisor regarding the availability of the reduced dividend tax rate and the dividends-received deduction in light of his, her or its particular circumstances.

*Dispositions.* A U.S. holder will generally recognize capital gain (or capital loss) on a taxable sale or exchange of the depositary shares equal to the amount by which the amount realized upon the sale or exchange exceeds (or is less than) such U.S. holder's adjusted tax basis in the shares sold or exchanged. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for the shares sold or exchanged is more than one year. Long-term capital gains of non-corporate taxpayers are generally taxed at a tax rate (under current law, a maximum rate of 20%) lower than the tax rate applicable to ordinary income. The deductibility of net capital losses is subject to limitations.

*Redemptions.* If we redeem your depositary shares, in certain circumstances you will be treated as if you had sold or exchanged your depositary shares in a taxable transaction. Such circumstances include if the redemption:

results in a complete termination of your stock interest in us; or

is not essentially equivalent to a dividend with respect to you.

In determining whether any of these circumstances has been met, shares of stock considered to be owned by you by reason of certain constructive ownership rules set forth in Section 318 of the Code, as well as shares actually owned by you, must be taken into account. If we redeem your depositary shares and such redemption is treated as if you had sold or exchanged your depositary shares in a taxable transaction, you generally would recognize taxable gain or loss in the manner described under *Dispositions*, above.

If we redeem your depositary shares and such redemption is not treated as if you had sold or exchanged your depositary shares in a taxable transaction, you generally would be taxed on the cash and the fair market value of the property you receive in the redemption in the manner described under *Distributions*, above.

You should consult your tax advisor to determine if a redemption of the depositary shares is treated as a distribution that is taxable as a dividend, and if so, the allocation of your basis in the redeemed and remaining depositary shares.

*Information reporting and backup withholding on U.S. holders.* Certain U.S. holders may be subject to backup withholding with respect to the payment of dividends on the depositary shares and to certain payments of proceeds on the sale or redemption of the depositary shares unless such U.S. holders provide proof of an applicable exemption or a correct taxpayer identification number, and otherwise comply with applicable requirements of the backup withholding rules.

Any amount withheld under the backup withholding rules from a payment to a U.S. holder is allowable as a credit against such holder's U.S. federal income tax, which may entitle the U.S. holder to a refund, provided that the U.S. holder provides the required information to the Internal Revenue Service (the IRS) in a timely manner. Moreover, certain penalties may be imposed by the IRS on a U.S. holder who is required to furnish information but does not do so in the proper manner.

Information returns will generally be filed with the IRS in connection with the payment of dividends on the depositary shares to certain U.S. holders and certain payments or proceeds to certain U.S. holders on the sale or redemption of the depositary shares.

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*Medicare Tax.* A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% Medicare tax on the lesser of (1) the U.S. holder's net investment income for the taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold amount (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A holder's net investment income will generally include the holder's dividend income and net gains from the disposition of depositary shares, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that is a passive activity with respect to the holder or consists of certain trading activities). If you are a U.S. holder who is an individual, estate, or trust, you are urged to consult your own tax advisor regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the depositary shares.

### **Non-U.S. Holders**

The discussion in this section is addressed to non-U.S. holders of the depositary shares. For this purpose, a non-U.S. holder is a beneficial owner of depositary shares who is not a U.S. holder or a partnership.

*Dividends.* Generally, dividends paid to a non-U.S. holder with respect to the depositary shares will be subject to U.S. federal income and withholding tax at a 30% rate, or such lower rate as may be specified by an applicable tax treaty (provided the non-U.S. holder furnishes the payor with a properly completed IRS Form W-8BEN or W-8BEN-E (or other applicable form) certifying that s