State Street Europe Holdings Germany S.à r.l. & Co. KG

Consolidated Disclosure Report as of June 30, 2022

Pursuant to Part 8 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, CRR)

STATE STREET.

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1 Scope

1.1 Scope of application of the CRR

The completion of the global Basel III reform agenda was introduced as a reaction to the financial crisis from 2007-2009 and has been implemented in the European Union in several steps. The first steps became effective on January 1, 2014 with the Directive 2013/36/EU[1] (so called "CRD IV") as well as the Regulation EU No. 575/2013[2] "CRR"). Further parts of the Basel III framework have been transposed into European law by the Regulation (EU) 2019/876[3] published on June 7, 2019 in the European Official Journal amending the CRR and Regulation (EU) No. 648/2012 ("CRR II"), and the Directive (EU) 2019/878 to amend the CRD IV ("CRD V"). In this entire disclosure report, CRR and CRD have the meaning of the legal texts that have been amended both by CRR II and CRD V in its most recent, consolidated version, valid as of June 30, 2022.

The major Pillar 3 disclosure requirements as well as the frequency and scope of the disclosure are laid out in Part 8 of the CRR (Art. 431 CRR and the following) as well as in Section 26a German Banking Act ("KWG"). The frequency and scope of the disclosure depends on the size of the institution, if the institution is listed or not-listed on a stock exchange, whether the institution is qualified as a global systemically important institution ("G-SII") according to Art. 4 (1) No. 133 CRR or if it has to comply with the requirements defined in Art. 92a or b CRR (Requirements for own funds and eligible liabilities for G-SIIs and non-EU G-SIIs). Additionally, the Commission Implementing Regulation (EU) 2021/637 („ITS 2021/637")[4] defines obligatory templates for most of the quantitative disclosure requirements and specifies the content of qualitative disclosures

The State Street Europe Holdings Germany S.à r.l. & Co. KG Group ("SSEHG Group" or "Group") was established on May 4, 2015 by merging several European business entities of the former State Street Bank Luxembourg S.A. Group. State Street Europe Holdings Germany S.à r.l. & Co. KG („SSEHG KG") is a financial holding company in accordance with Art. 4 (1) No. 20 CRR and at the same time the EU parent financial holding company in accordance with Art. 4 (1) No. 31 CRR. For a detailed description of SSEHG Group we refer to the annual consolidated disclosure report of SSEHG Group as of December 31, 2021.

Art. 13 (1) Sent. 1 defines that EU-parent institutions have to fulfill disclosure requirements on a consolidated basis. In this context, institutions, which are controlled by a financial holding company, according to Art 11 (2) b) CRR are also qualified as EU-parent institutions. According to this requirement, State Street Bank International GmbH, Munich ("SSBI" or "Bank"), prepares the consolidated disclosure report for the SSEHG Group and publishes the key metrics required by Art. 433a (2) i.c.w. Art. 447 CRR as a large institutions neither being listed on a stock exchange nor being a G-SII. This requirement is applicable on a semi-annual basis.

Based on the annual disclosure requirement for large institutions on an individual level according to Art. 4 (1) No. 147 CRR and for the purpose of data coherence and continuity, this disclosure report also contains the respective semi-annual disclosure for SSBI[5] on an individual level.

Additionally, disclosure requirements according to Art. 13 (1), 433a (3) CRR i.c.w. Art. 437a, 447 (h) CRR are applicable at consolidated level on a quarterly basis. Therefore the ratio of own funds and eligible liabilities (Total Loss Absorbing Capacity, "TLAC") according to Art. 92b i.c.w. Art. 92a CRR have to be disclosed as of June 30, 2022. This is calculated based on the Total Risk Exposure Amount ("TREA") and also based on the Leverage Ratio Exposure Measure ("LREM"). Further information can be found in section 3.2.

[1] Access to the activity of credit institutions, the prudential supervision of credit institutions and investment firms
[2] Prudential requirements for credit institutions and investment firms
[3] Amending Regulation (EU) No 575/2013 regarding the leverage ratio, the structural liquidity ratio, requirements for own funds and eligible liabilities, counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements and Regulation (EU) No 648/2021.
[4] Laying down implementing technical standards for the disclosure of the information referred to in Part 8, Titles II and III of the CRR
[5] In this respect, applicable for SSBI as a "large institution" according to Art. 4 (1) No. 146 CRR

To ensure a coherent and complete semi-annual disclosure for SSEHG Group and SSBI, the content of the circular of the Federal Financial Supervisory Authority ("BaFin Circular") 2015/05 (BA), the national implementation of the European Banking Authority ("EBA") Guidelines on Disclosure requirements (EBA/GL/2014/14)[6], has been also considered for the definition of the scope of the report provided it has not been already defined by the CRR. The BaFin Circular and the EBA Guidelines, which were still effective as of the reference date, defined the circumstances so far which could indicate a disclosure more frequently than annually and gave guidance which information could be relevant in this case.

This disclosure report of SSEHG Group aims to fulfil the prudential transparency rules according to Part 8 CRR to allow market participants to evaluate capital adequacy and risk profile both on a consolidated and individual basis by means of disclosing information regarding risk positions and own funds.

The figures shown in this disclosure report are based on the regulatory scope of consolidation and on the German Accounting Standards according to the German Commercial Code ("HGB"). If not mentioned otherwise, the figures are shown in million EUR ("mn").

The figures[7] in this report are based on the internal monthly financial statement as of June 30, 2022 and are therefore consistent with the regulatory reports for SSEHG Group as well as SSBI. Additionally, in case of any ambiguity in the descriptions contained in this report, the German version of this report is binding.

In accordance with the legal requirements, this disclosure report does not require a qualified audit opinion and is therefore neither audited nor reviewed by our external auditor.

1.2 Adequacy of disclosure (Art. 431 (3) CRR)

In accordance with the disclosure requirements of Art. 431 (3) CRR, the Group's disclosure report complies with applicable legal and regulatory requirements and is prepared in accordance with the Group's internal policies, procedures, systems and controls. The internal policies, procedures, systems and controls are regularly reviewed and adjusted if necessary. The associated formal process, which intends to ensure the correct and complete fulfillment of the disclosure requirements, is documented in a disclosure policy and procedure. The process of preparing the disclosure report includes the reconciliation of the quantitative information with the relevant regulatory reports as well as a two-stage bank-wide reconciliation process in case of material qualitative content to ensure that the Group`s risk profile is presented appropriately.

In accordance with Art. 431 (3) sentences 2 and 3 CRR, Ms. Annette Rosenkranz, in her function as Chief Financial Officer ("CFO") of SSBI, has confirmed in writing that the current disclosure report as of June 30, 2022 has been prepared in accordance with the internal policies, procedures, systems and controls as well as provides an appropriate view of the risk profile of the Group. Subsequently, the disclosure report was submitted to the Executive Management Board ("EMB") of SSBI for approval as well as to the managing limited partner of SSEHG KG for acknowledgment and then released for publication.

[6] EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Art. 432(1), 432(2) and 433 CRR
[7] Quantitative data presented in this report may show differences due to rounding.

2 General Information

2.1 Disclosure of key metrics (Art. 447 CRR)

To provide market participants with an easy access to important capital and liquidity ratios of the institutions, the key metrics template (EU KM1) is to be disclosed since June 2021.

This table shows all the information required by Art. 433a (2), 447 (a) – (g) and 438 (b) CRR which have to be disclosed on a semi-annual basis by large institutions, which are neither listed on a stock exchange nor qualified as G-SIIs. It shows information on available own funds, risk-weighted exposure amounts ("RWA"), capital ratios, combined capital buffer requirements, leverage ratios, liquidity ratios and some additional own funds requirements in detail to provide the reader with an overview on SSEHG Group and SSBI.

Table 1: EU KM 1 – Key metrics of SSEHG Group and SSBI according to Art. 447 CRR

		SSEHG Group			SSBI		
		06/30/2022	12/31/2021	06/30/2021	06/30/2022	12/31/2021	06/30/2021
Available own funds (amounts)							
1	Common Equity Tier 1 (CET1) capital	3,781	3,378	3,379	2,448	1,972	1,972
2	Tier 1 capital	3,781	3,378	3,379	2,448	1,972	1,972
3	Total capital	3,781	3,378	3,379	2,548	2,072	2,072
Risk-weighted exposure amounts							
4	Total risk exposure amount	9,985	10,047	10,232	9,984	10,043	10,164
Capital ratios (as a percentage of risk-weighted exposure amount)							
5	Common Equity Tier 1 ratio (%)	37.87	33.62	33.03	24.52	19.64	19.40
6	Tier 1 ratio (%)	37.87	33.62	33.03	24.52	19.64	19.40
7	Total capital ratio (%)	37.87	33.62	33.03	25.52	20.63	20.38
Additional own funds requirements to address risks other than the risk of excessive leverage (as a % of risk-weighted exposure amount)							
EU7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.40	2.00	2.00	2.40	2.00	2.00
EU7b	*of which: to be made up of CET1 capital (percentage points)*	1.35	1.13	1.13	1.35	1.13	1.13
EU7c	*of which: to be made up of Tier 1 capital (percentage points)*	1.80	1.50	1.50	1.80	1.50	1.50
EU7d	Total SREP own funds requirements (%)	10.40	10.00	10.00	10.40	10.00	10.00
Combined buffer and overall capital requirement (as a % of risk-weighted exposure amount)							
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50	2.50	2.50
EU8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.16	0.15	0.10	0.16	0.15	0.11
EU9a	Systemic risk buffer (%)	0.00	0.00	0.00	0.00	0.00	0.00
10	Global Systemically Important Institution buffer (%)						
EU10a	Other Systemically Important Institution buffer (%)						
11	Combined buffer requirement (%)	2.66	2.65	2.60	2.66	2.65	2.61
EU11a	Overall capital requirements (%)	13.06	12.65	12.60	13.06	12.65	12.61
12	CET1 available after meeting the total SREP own funds requirements (%)	27.47	23.62	23.03	15.12	10.63	10.38
Leverage Ratio							
13	Total exposure measure	55,582	56,230	53,018	55,542	56,193	52,944
14	Leverage ratio (%)	6.80	6.01	6.37	4.41	3.51	3.72

		SSEHG Group			SSBI		
		06/30/2022	12/31/2021	06/30/2021	06/30/2022	12/31/2021	06/30/2021
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)							
EU14a	Additional own funds requirements to address the risk of excessive leverage	-	-	-	-	-	-
EU14b	*of which: to be made up of CET1 capital (percentage points)*	-	-	-	-	-	-
EU14c	Total SREP leverage ratio requirements	3.00	3.00	3.00	3.00	3.00	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)							
EU14d	Leverage ratio buffer requirement (%)	-	-	-	-	-	-
EU14e	Overall leverage ratio requirement (%)	3.00	3.00	3.00	3.00	3.00	3.00
	Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	36,675	35,550	34,338	36,675	35,550	34,338
EU16a	Cash outflows - Total weighted value	23,158	24,499	24,759	24,133	25,278	25,377
EU16b	Cash inflows - Total weighted value	2,756	2,501	2,728	2,728	2,474	2,701
16	Total net cash outflows (adjusted value)	20,403	21,996	22,030	21,405	22,804	22,676
17	Liquidity coverage ratio (%)	180.41	162.40	156.23	171.79	156.50	151.75
	Net Stable Funding Ratio						
18	Total available stable funding	25,750	23,903	20,760	23,517	21,611	18,708
19	Total required stable funding	6,947	7,705	8,120	5,903	6,470	6,974
20	NSFR ratio (%)	370.66	310.23	254.89	398.36	334.00	267.29

Further information on own funds and own funds requirements are disclosed in chapter 3, additional information about the leverage ratio can be found in chapter 4, further details to the liquidity coverage ratio (“LCR”) in chapter 5 and on the net stable funding ratio (“NSFR”) in chapter 6.

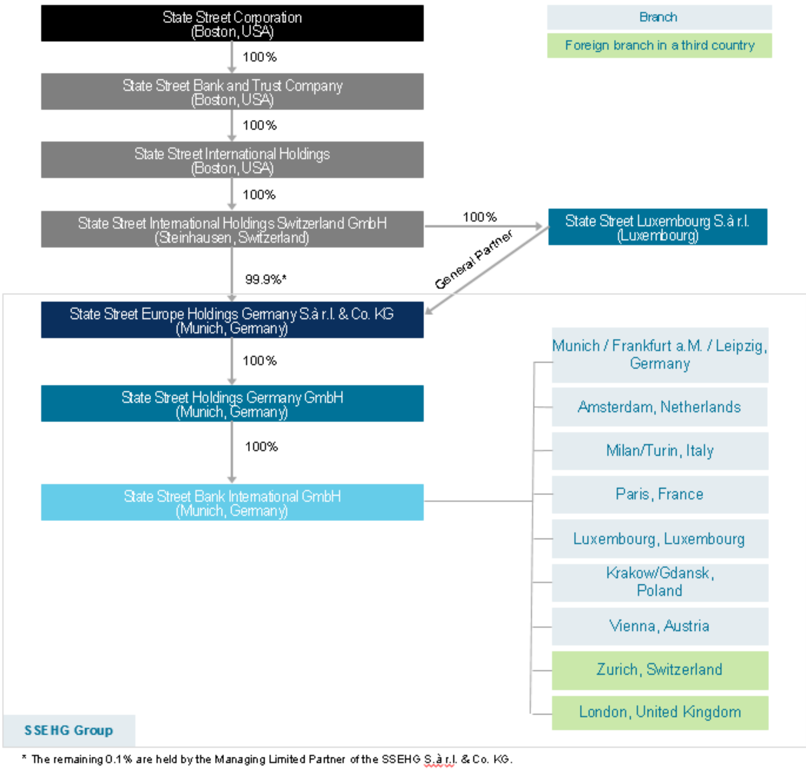
2.2 Group background

The SSEHG Group consists of the following entities as of June 30, 2022:

- State Street Europe Holdings Germany S.à r.l. & Co. KG, Munich, Germany
- State Street Holdings Germany GmbH, Munich, Germany ("SSHG")
- State Street Bank International GmbH, Munich, Germany

As of December 31, 2021 SSBI had a participation in State Street Finanz GmbH in Liquidation, Zurich, Switzerland. A request for the extinction of the company has been submitted on December 31, 2021 to the Commercial Register Office (Handelsregisteramt) of Canton Zurich. The deletion has been registered on June 14, 2022.

Illustration 1: Subsidiaries and branches of SSEHG Group as of June 30, 2022



2.3 Structure and Business Model

SSEHG KG is the EU parent financial holding company of the financial holding group in which SSBI is the superordinate undertaking (SSEHG Group). SSBI as the superordinate undertaking is responsible for complying with regulatory obligations in relation to own funds, capital requirements, large exposures, liquidity, leverage and disclosure at the consolidated level of the SSEHG Group (Article 11(2) and (3) and Article 13(2) CRR). The EMB of SSBI as the superordinate undertaking are responsible for the proper business organization of the SSEHG Group pursuant to Section 25a(3) German Banking Act. In accordance with applicable regulations, SSEHG KG shall not interfere with the business operations of SSBI. The structure of the SSEHG Group is set out in chapter 2.2.

SSBI, Munich, was founded in 1970 as a provider of innovative solutions for the global custody and management of securities. It has been a deposit taking bank since 1994 and, since 1996, it has offered the full range of services expected of a depositary bank to the German and European market. As of June 30, 2022, unchanged compared to

December 31, 2021 SSBI, with its headquarters in Munich, maintained a domestic branch in Frankfurt am Main, an office in Leipzig, a foreign (third country) branch office in Zurich and London, and EU branch offices in Amsterdam, Milan (with another office in Turin), Vienna, Luxembourg, Paris and Krakow (with an additional office in Gdansk).

SSBI concentrates on the specific requirements of institutional customers over the entire investment cycle. The core business is primarily the custody and administration of securities ("custody-only"), the custody business including reporting services for asset managers, supporting activities for the middle and back office of investment management companies. Furthermore, its registered activities also include: Provision of securities services in the form of, inter alia, principal broking services and orders in investment fund units (agent fund trading, cash sweep services, fund connect), investment broking and proprietary[8] trading in forward exchange transactions, contract broking in securities lending transactions and management of collateral provided in the course of securities lending transactions.

In connection with its core business, SSBI carries out money market transactions and invests, inter alia, in securities, secured loan obligations (collateralized loan obligations) and syndicated loans (leveraged loans). SSBI's Global Credit Finance business unit also operates in the area of European Fund Finance. This is a product range where lines of credit, fixed-term loans, and stand-by letters of credit are provided primarily to investment management companies of regulated, lightly regulated, and unregulated funds. In addition, the credit and liquidity needs of corporations, insurance companies and asset managers arising from their investment activities as part of their portfolio management are also addressed.

Moreover, SSBI offers supplementary services, such as reporting, performance evaluation, and risk analyses, which are becoming increasingly important on the market. The branch in Krakow provides internal services for SSBI and its affiliates. Generally, the various foreign branches offer specific local solutions such as acting as the local paying agent for foreign investment funds in Italy, or as a foreign fund representative and paying agent in Switzerland and France, or providing alternative investment solutions in Luxembourg.

The external rating of AA- issued to SSBI was confirmed on July 18, 2022 by the S&P Global Ratings Europe Limited, German Branch.

Investment activities

On September 6, 2022, State Street Corporation provided an update regarding its proposed acquisition of Brown Brothers Harriman's ("BBH") Investor Services business , which remains subject to regulatory approvals and other closing conditions. State Street continues to believe the strategic rationale for the transaction remains attractive. State Street and BBH are working together on a modified structure, terms and valuation of State Street's proposed acquisition of BBH's Investor Services business and are reviewing the planned approach with regulators.

[8] Those trades refer to customer-induced transactions which are closed out by means of back-to-back transactions with affiliated companies. SSBI does not trade for the purpose of short-term profits and therefore positions are not intended to have a speculative component

3 Own funds, eligible liabilities and own funds requirements

3.1 Structure of Own funds of SSEHG Group and SSBI

Structure of the own funds of SSEHG Group

Own funds of the Group consist completely of Common Equity Tier 1 ("CET 1") items. The Group's CET1 capital is composed of the limited partnership capital and the fund for general banking risks pursuant to Section 340g HGB.

As of June 30, 2022 the CET 1 capital ratio as well as the Total Capital Ratio of the Group amount to 37.87% compared to 33.62% as of December 31, 2021. The increase in the ratio is mainly driven by the increase in own funds, which has been slightly amplified also by lower risk weighted assets ("RWA").

Since the last disclosure of Own Funds as of December 31, 2021, the CET 1 capital of the Group increased by EUR 403mn. The increase is on the one hand connected to the approval of the Financial Statement 2021, as the loss carried forward amount decreased due to the profit earned during 2021 (EUR 263mn) and as deduction items concerning intangible assets decreased (EUR 156mn). On the other hand this was counterbalanced by intangible assets incl. goodwill, and higher deduction items regarding irrevocable payment commitments ("IPC") and other immaterial changes during the first half of 2022 that are amounting to EUR 16mn in total.

Prudential deductions according to Art. 34 CRR i.c.w. Art. 105 CRR concern 0.1% of the financial assets measured at fair value (defined-benefit pension fund assets) of the Group according to the simplified approach of the Delegated Regulation (EU) 2016/101[9]. Deductions from the CET 1 capital, pursuant to Art. 36 (1) a), b), and e) CRR, consist of the loss carried forward as well as intangible assets, including the goodwill of the entities subject to the restructuring of several European entities in the course of the establishment of the Group.

Additionally, as of the reporting date IPCs of SSBI existed towards the deposit guarantee fund (Einlagensicherungsfonds) of the Federal Association of German Banks ("Bundesverband deutscher Banken", "BdB") of EUR 9.5mn (unchanged compared to December 31, 2021) which has been fully collateralized by means of cash collateral. This kind of payment commitment needs to be deducted from CET1 capital of the Group according to ECB requirements in conjunction with the EBA Guideline (EBA/GL/2015/09)[10]. As part of the payment contribution to the Single Resolution Fund ("SRF") SSBI has given another IPC towards the Single Resolution Board ("SRB") in May 2022 amounting to EUR 6.1mn. The entire payment commitment towards the SRB as of June 30, 2022 amounts to EUR 18.3mn (EUR 12.2mn as of December 31, 2021). The entire amount of payment commitments has been fully collateralized by means of cash collateral and needs to be deducted from CET1 capital of the Group according to ECB requirements.

Structure of the Own funds of SSBI

As shown in Table 1, the total capital mainly consists of CET 1 capital. Tier 2 capital components only contribute to a small extent. As of reporting date, the CET 1 capital ratio of SSBI amounts to 24.52% compared to 19.64% as of December 31, 2021 and the Total Capital Ratio to 25.52% compared to 20.63% as of December 31, 2021.

On the level of SSBI, the increase in the capital ratios is mainly driven by the sharp increase in own funds, which is further described in the following.

CET 1 Capital

The CET 1 capital of the Bank is composed of subscribed capital, other reserves as well as the funds for general banking risks in accordance with Sec. 340g HGB.

Since the last disclosure of SSBI's own funds as of December 31, 2021, the CET 1 capital increased by EUR 477mn. The increase results with the amount of EUR 463mn from the merger of State Street Banque S.A. (SSB S.A.) and State

[9] Regulation in addition to the CRR with regard to regulatory technical standards for prudent valuation under Art. 105 (14) CRR
[10] Guidelines on payment commitments under Directive 2014/49/EU on deposit guarantee schemes

Street Bank Luxembourg S.C.A. (SSBL) in 2019, but also with the amount of EUR 33mn from the effects of adopting the 2021 financial statements (e.g. reducing the deduction items).

Due to the merger of SSB S.A. and the SSBL the subscribed capital of SSBI was increased by kEUR 101 and the capital reserve by EUR 462.5mn. The capital reserve was released in 2019 in the amount of EUR 462mn for a planned distribution. As the distribution has not been executed due to the uncertain economic environment in connection with the COVID-19 pandemic, this amount is shown under "other retained earnings" in the balance sheet. For the increase of the subscribed capital, which took place in 2019, an application for recognition as CET1 capital was sent to the ECB and granted on January 21, 2022. Consequently, additionally to the increase of subscribed capital by kEUR 101 also the increased capital reserve of EUR 462.5mn has been recognized as CET1 capital. Other minor changes related to the deduction items for intangible assets including goodwill, higher deduction items regarding IPC and other immaterial changes during the first half of 2022 amount to EUR 19mn.

With respect to the prudential filters according to Art. 34 CRR, we refer to the above mentioned explanation for SSEHG Group which also apply for SSBI. Deductions from CET1 capital, pursuant to Art. 36 (1) b) CRR, consist of intangible assets, including the goodwill of the entities subject to the restructuring of several European entities in the course of the establishment of the Group. All other prudential deductions (defined-benefit pension fund assets, irrevocable payment commitments) have the same amounts on Bank level as on Group level.

Capital instruments both at SSEHG Group and SSBI level fulfil the conditions described in Art. 28 CRR with respect to the eligibility of CET 1 capital instruments.

Tier 2 Capital

The Bank has issued Tier 2 capital pursuant to Art. 63 CRR in the form of long-term subordinated obligations. These obligations result from a sub-ordinated loan in the amount of nominal kEUR 100,000 and an interest rate of 7.75% p.a. granted by SSEHG KG to SSBI. The contractual term of the sub-ordinated loan ends on August 25, 2038. The conditions regarding the eligibility of Tier 2 capital instrument according to Art. 63 CRR are fulfilled at the level of the Bank.

Combined capital buffer and total capital requirements of the Group and SSBI

The capital conservation buffer is legally set since 2019 and unchanged to 2.5% of the total RWA according to Art. 92 (3) CRR.

The also required institution specific countercyclical buffer is calculated as the product of the total RWA according to Art. 92 (3) CRR and the weighted average of the ratios of the country specific countercyclical buffer for countries with significant credit risk positions. As of June 30, 2022, the ratio at the Group level is 0.16% (EUR 15.4mn) and at the Bank level 0.16% (EUR 15.5mn), compared to 0.15%[11] as of December 31, 2021 for both and thus remained almost unchanged. Overall, the total level of the countercyclical buffer remains still insignificant. The main elements of the calculation as well as the geographical distribution of our relevant credit risk positions are disclosed once a year at the end of each year.

Both, the Group and the Bank have had a comfortable capitalization for years, which reflects the strength and solidity of SSBI. The regulatory ratios for the Group and the Bank are on an excellent level compared to national and international competitors. Subsequently, they are also well above the legal minimum requirements respectively the minimum required by the ECB.

Since SSEHG Group does not publish any interim or half-yearly financial reports according to HGB during the year, there is no disclosure requirement of the reconciliation statement during the year in accordance with Art. 437 (1) (a) CRR. With regard to the disclosure of the full conditions for all instruments of Common Equity Tier 1 and Tier 2 capital (cf. Art. 437 (1) (c) CRR), reference is made to the disclosure report of SSEHG Group as of December 31, 2021 (Section 4 "Own funds and own funds requirements").

[11] EUR 14.7mn (SSEHG Group) and EUR 14.8mn (SSBI)

3.2 Own funds and eligible liabilities

With the amendment of the CRR, the Total Loss-absorbing Capacity ("TLAC" or "TLAC standard") has been implemented in Union law (EU-TLAC standard) and became effective as of June 27, 2019. The standard applies to resolution entities which are either themselves global systematically important institutions ("G-SIIs") or are part of a group identified as a G-SII.

As SSEHG KG is a material subsidiary and an EU parent undertaking of a non-EU global systemically important institution (non-EU G-SII) it meets the requirement according to Art. 6 and 11 (3a) CRR and has to fulfill the EU TLAC requirements according to Art. 92b CRR on a consolidated basis. All other entities or institutions of SSEHG Group (SSBI) are not in scope for the EU-TLAC requirements. These requirements are also applicable for material subsidiaries of non-EU G-SIIs which have to comply with at least 90% of the mentioned TLAC ratios (so-called internal TLAC requirements). Based on the EU-TLAC-Standard credit institutions have to comply with quarterly disclosure requirements according to Art. 13 (2), 433a (3) CRR i.c.w. Art. 447 (h) CRR which are outlined in the following.

As of January 1, 2022, SSEHG Group is required to meet on a consolidated basis a risk-based TLAC ratio of 16.2%, calculated as 90% of 18% of the TREA ("Total Risk Exposure Amount"), and a non-risk based TLAC ratio of 6.075%, calculated as 90% of 6.75% of the LREM ("Leverage Ratio Exposure Measure") [12].

To strengthen the loss absorbing capacity of the Group, SSEHG Group received a subordinated loan (MREL-Loan) from State Street International Holdings, Boston, USA amounting to nominal USD 1,200mn (EUR 1,059mn) as of December 28, 2021. In general terms, the loan was extended to the parent company SSEHG KG for the same amount, and finally given to the operating company SSBI via SSHG. The loan has a rolling term (until March 2023 with possibility of extension) and is charged with an interest rate at 0.287% above the 3-month Secured Overnight Financing Rate (3M-SOFR). The insignificant change of around EUR 1mn is due to the exchange rate fluctuation in connection with the approval of the annual financial statements.[13] Additionally, there exist no further eligible liabilities, which are considered as eligible liabilities with the limits defined by Art. 72b (3) and (4) CRR.

Based on the TLAC ratios as of June 30, 2022 for SSEHG Group with 48.48% (TREA) and 8.71% (LREM) respectively, the minimum internal TLAC requirements are fulfilled.

In addition, since January 1, 2022, SSEHG Group and SSBI are subject to a binding minimum requirement for own funds and eligible liabilities (internal MREL, "iMREL").

Key metrics and internal loss absorbency by significant non-resolution entity subsidiaries of non-EU G-SIIs are disclosed by Table 2 in accordance with Art. 12 (1) of the Commission Implementing Regulation (EU) 2021/763[14] in conjunction with Article 437a lit. a, c and d CRR, Article 447 lit. h CRR and Article 51 (3) of the German Recovery and Resolution Act ("SAG").

On SSBI stand-alone level the iMREL leverage-based requirement will phase in with a requirement of 5.32% starting from January 1, 2022, a phased in requirement of 5.66% applicable in 2023 and a fully phased in requirement of 6.0%[15] starting from January 1, 2024 onwards.

Given the different utilization of the iMREL requirements on the level of SSEHG Group compared to SSBI, the bank deems it material[16] to disclosure the relevant information within Table 3.

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[12] According to Art. 494 (1) CRR from 27 June 2019 to 31 December 2021 this requirement was 14,4% (calculated as 90% of 16% TREA) and 5,4% (90% of 6% LREM) respectively

[13] For a detailed description of own funds and eligible liabilities, their composition and features, we refer to the appendix of this report

[14] Implementing technical standards for the application of CRR and Directive 2014/59/EU ("BRRD") with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities

[15] The requirement is reflected according to the last calibration results provided by BaFin in 2022 and might be subject to change.

[16] The materiality was assessed in accordance with EBA Guidelines (EBA/GL/2014/14) on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) No 575/2013.

Table 2: EU ILAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs (SSEHG Group)

		a Minimum requirement for own funds and eligible liabilities (internal MREL)	b Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	c Qualitative information
Applicable requirement and level of application				
EU-1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			Yes
EU-2	If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			Consolidated
EU-2a	Is the entity subject to an internal MREL? (Y/N)			Yes
EU-2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			Consolidated
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	3,781	3,781	
EU-4	Eligible Additional Tier 1 capital	-	-	
EU-5	Eligible Tier 2 capital	-	-	
EU-6	Eligible own funds	3,781	3,781	
EU-7	Eligible liabilities	1,060	1,060	
EU-8	of which permitted guarantees	-		
EU-9a	(Adjustments)	-		
EU-9b	Own funds and eligible liabilities items after adjustments	4,840	4,840	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	9,985	9,985	
EU-11	Total exposure measure (TEM)	55,582	55,582	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA) in %	48.48	48.48	
EU-13	of which permitted guarantees	-		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure) in %	8.71	8.71	
EU-15	of which permitted guarantees	-		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements in %	16.50	16.50	
EU-17	Institution-specific combined buffer requirement in %		2.66	
Requirements				
EU-18	Requirement expressed as a percentage of the TREA in %	21.37	16.20	
EU-19	of which may be met with guarantees	-		
EU-20	Requirement expressed as a percentage of the TEM in %	5.91	6.08	
EU-21	of which may be met with guarantees	-		
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CRR		49,434	

Table 3: EU ILAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs (SSBI)

		a Minimum requirement for own funds and eligible liabilities (internal MREL)	b Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	c Qualitative information
Applicable requirement and level of application				
EU-1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			No
EU-2	If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			-
EU-2a	Is the entity subject to an internal MREL? (Y/N)			Yes
EU-2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			Individual
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	2,448		
EU-4	Eligible Additional Tier 1 capital	-		
EU-5	Eligible Tier 2 capital	100		
EU-6	Eligible own funds	2,548		
EU-7	Eligible liabilities	1,060		
EU-8	of which permitted guarantees	-		
EU-9a	(Adjustments)	-		
EU-9b	Own funds and eligible liabilities items after adjustments	3,608		
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	9,984		
EU-11	Total exposure measure (TEM)	55,542		
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA) in %	36.14		
EU-13	of which permitted guarantees	-		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure) in %	6.50		
EU-15	of which permitted guarantees	-		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements in %	3.15		
EU-17	Institution-specific combined buffer requirement in %			
Requirements				
EU-18	Requirement expressed as a percentage of the TREA in %	21.37		
EU-19	of which may be met with guarantees	-		
EU-20	Requirement expressed as a percentage of the TEM in %	5.32		
EU-21	of which may be met with guarantees	-		
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CRR			

3.3 Own funds requirements for SSEHG Group and SSBI.

For the determination of the regulatory capital requirements at the level of the SSEHG Group and SSBI, the Bank uses in accordance with the CRR the respective standardized approaches since January 1, 2008, i.e. the Credit Risk Standardized Approach, the Standardized Approach for Market and Settlement Risks, the Standardized Approach for Operational Risks as well as the Standardized Approach for Credit Valuation Adjustment risks ("CVA risk") according to CRR. Additionally, SSBI uses the Standardised Approach for Measuring Counterparty Credit Risk Exposure ("SA-CCR").

The following table presents the Group's and the Bank's risk weighted exposure amounts for all the risk types mentioned above as of June 30, 2022 and December 31, 2021 as well as the own funds requirements as of June 30, 2022 as defined in Art. 1 of ITS 2021/637.

Table 4: EU OV1 – Overview of risk weighted exposure amounts

		SSEHG Group			SSBI		
		Total risk exposure amounts (TREA)		Total own funds requirements	Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c	a	b	c
		06/30/2022	12/31/2021	06/30/2022	06/30/2022	12/31/2022	06/30/2022
1	Credit risk (excluding CCR)	6,257	6,617	501	6,219	6,583	498
2	Of which the standardised approach	6,257	6,617	501	6,219	6,583	498
3	Of which the Foundation IRB (F-IRB) approach	-	-	-	-	-	-
4	Of which: slotting approach	-	-	-	-	-	-
EU 4a	Of which: equities under the simple risk weighted approach	-	-	-	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-	-	-	-
6	Counterparty credit risk - CCR	603	385	48	603	385	48
7	Of which the standardised approach	509	323	41	509	323	41
8	Of which internal model method (IMM)	-	-	-	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	94	62	7	94	62	7
9	Of which other CCR	-	-	-	-	-	-
15	Settlement risk	-	-	-	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	632	555	51	632	555	51
17	Of which SEC-IRBA approach	-	-	-	-	-	-
18	Of which SEC-ERBA (including IAA)	632	555	51	632	555	51
19	Of which SEC-SA approach	-	-	-	-	-	-
EU 19a	Of which 1,250% deduction	-	-	-	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	1	0	0	54	45	4
21	Of which the standardised approach	1	0	0	54	45	4
22	Of which IMA	-	-	-	-	-	-
EU 22a	Large exposures	-	-	-	-	-	-
23	Operational risk	2,491	2,491	199	2,475	2,475	198
EU 23a	Of which basic indicator approach	-	-	-	-	-	-
EU 23b	Of which standardised approach	2,491	2,491	199	2,475	2,475	198
EU 23c	Of which advanced measurement approach	-	-	-	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-	-	-	-
29	Total	9,985	10,047	799	9,984	10,043	799

The RWA decreased in the first half of 2022 by EUR 62mn (0.62% respectively) for the Group and by EUR 59mn (0.59% respectively) for the Bank compared to December 31, 2021. This decrease both for SSEHG Group and SSBI resulted mainly from decreased credit risk in the exposure class "Corporates" due to the decrease of loans in the form of corporate bonds as well as the decrease in the volume of the leveraged loan portfolio (before risk provisioning).

The volume of the investment portfolio of the Group decreased in the first half-year of 2022 from EUR 13,882mn by EUR 2,247mn to EUR 11,635mn (book value).

The amount of securitizations increased from EUR 2,982mn by EUR 173mn to EUR 3,155mn and contains to a very large amount of AAA rated securitisation positions. The average risk-weight only slightly increased (18.61% as of December 31, 2021 and 20.0% as of June 30, 2022).

The decrease of credit risk was slightly offset by the increase of counterparty credit risk ("CCR") as well as CVA risk stemming from elevated volume of FX derivatives in the respective time horizon.

4 Leverage Ratio

The Leverage ratio is defined as the "capital measure" divided by the "exposure measure" and is expressed as a percentage (Art. 429 (2) CRR). The capital measure is currently defined as Tier 1 capital. CRR II took effect on June 28, 2021 and with this date the minimum requirement of 3% for a leverage ratio according to Art. 92 (1) (d) CRR became binding.

The calculation of the Leverage Ratio for SSEHG Group and SSBI is based on the Art. 429 (2), (3), (4) CRR i.c.w. Art. 500b CRR (if applicable to the respective date).

For further details we refer to the annual disclosure report as of December 31, 2021 (Chapter 7 – Leverage Ratio).

Development of the Leverage Ratio

As of June 30, 2022, the Leverage Ratio of SSEHG Group increased from 6.01% to 6.80% and at SSBI level from 3.51% to 4.41% compared to December 31, 2021.

Table 5: Leverage Ratio of SSEHG Group and SSBI

		SSEHG Group		SSBI	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
	Capital, total exposures and Leverage ratio				
23	Tier 1 capital	3,781	3,378	2,448	1,972
24	Leverage ratio total exposures	55,582	56,230	55,542	56,193
25	Leverage ratio (in %)	6.80	6.01	4.41	3.51

The increase of the leverage ratio is mainly driven by the increase of the Tier 1 capital both at consolidated (from EUR 3,378mn to EUR 3,781mn) and stand-alone level (from EUR 1,972mn to EUR 2,448mn) compared to December 31, 2021. The background of the increase is described section 3.1. The slight decrease of the leverage ratio total exposure measure on both levels has also supported the increase of the ratio (from EUR 56,230mn to EUR 55,582mn for the Group and from EUR 56,193mn to EUR 55,542mn for SSBI). No other notable changes occurred in regards to the composition of the leverage ratio exposure on both levels in the first half of 2022.

For further information to the non-risk based TLAC-Quote (based on the leverage ratio) please refer to the section 3.2.

5 Liquidity Coverage Ratio ("LCR")

This chapter shows the qualitative and quantitative information regarding liquidity risk, in accordance with Art. 435 (1) and 451a of CRR as well as Art. 7[17] of ITS 2021/637. Further detailed Information regarding liquidity risks and the liquidity risk management according to Art. 435 (1) CRR can be found in chapter 3 ("Risk Management") of the annual disclosure report as of December 31, 2021.

Liquidity Coverage Ratio (LCR) – General information

As of June 30, 2022, the LCR of the SSEHG Group increased from 166.10% to 187.07% and the LCR of SSBI increased from 160.15% to 176.73% compared to December 31, 2021. This increase results mainly from an increase in operational deposits.

The Group calculates the LCR in significant foreign currencies in accordance with Art. 415 (2) CRR when the corresponding 5% threshold[18] is exceeded. At the disclosure date and still unchanged, the US Dollar was as the only significant currency. As of June 30, 2022, the LCR in US Dollar was 180.8% for SSEHG Group and SSBI, which is significantly above the regulatory minimum of 100%.

In addition, there are no material items for the liquidity risk profile of the SSEHG Group and SSBI that are not described in this disclosure report or any other significant changes compared to December 31, 2021.

Liquidity Coverage Ratio (LCR) – Quantitative information

The following information, for the Group and the Bank will be published in accordance with Art. 435 CRR and the presentation of Annex II of EBA/GL/2017/01 in the form of simplified disclosure of the LCR[19]. The values presented are calculated as the average of the last twelve month end values in relation to the end of the quarter to be published.

Table 6: LCR-Disclosure of SSEHG Group[20]

Level of consolidation:	consolidated	Total weighted value			
Quarter ending on		06/30/2022	03/31/2022	12/31/2021	09/30/2021
Number of data points used in the calculation of averages		12	12	12	12
21	Liquidity Buffer	36,675	36,248	35,550	34,345
22	Total net cash outflow	20,403	21,357	21,996	21,686
23	Liquidity Coverage Ratio (%)	180.41	170.91	162.40	159.21

Table 7: LCR-Disclosure of SSBI [17]

Level of consolidation:	solo	Total weighted value			
Quarter ending on		06/30/2022	03/31/2022	12/31/2021	09/30/2021
Number of data points used in the calculation of averages		12	12	12	12
21	Liquidity Buffer	36,675	36,248	35,550	34,345
22	Total net cash outflow	21,405	22,260	22,804	22,411
23	Liquidity Coverage Ratio (%)	171.79	163.80	156.50	153.90

The LCR of the Group and the Bank prove that the liquidity buffer and the available funds for refinancing are at any time sufficient over the required period of time to execute customer orders and to meet its payment obligations.

[17] Annexes XIII and XIV
[18] An LCR-report in respective foreign currency must be made in case the aggregated liabilities in a foreign currency different from the reporting currency amount to or exceed 5% of the institution's or the consolidated liquidity subgroup's total liabilities
[19] As the requirements according to Sec. 14 of EBA/GL/2017/01 are fulfilled both for SSEHG Group and SSBI
[20] The tables above are included for overview purposes and not to any disclosure obligations

6 Net Stable Funding Ratio ("NSFR")

Both SSEHG Group and SSBI are required to hold an NSFR ratio of 100% as a binding requirement since June 28, 2021 followed the implementation of CRR II. The NSFR opposes "available stable funding" to "required stable funding" and its purpose is to ensure a long-term and stable funding.

As a large institution, the bank has to comply with reporting requirements to the full extent (i.e. "fully fledged"). Both the SSEHG Group with 370.66% and SSBI with 393.69% hold as of June 30, 2022 an NSFR, which is far above the minimum requirements. These ratios can be explained by a predominantly high portion of assets (central bank exposures, government bonds), which do not require refinancing and very stable client deposits ("operational deposits").

7 Other Information

The following section reflects further quantitative and qualitative information on other items prone to rapid changes and on those items covered by Part 8 CRR that have experienced significant changes during the reporting period.

7.1 Governance arrangements

The following personnel and organizational changes occurred regarding the Executive Management Board ("EMB") and Supervisory Board of SSBI:

- Mr. Riccardo Lamanna joined the EMB as of March 1, 2022 responsible for the Luxembourg branch.
- Dr Dagmar Kamber-Borens joined the EMB as of March 1, 2022 responsible for the Switzerland branch.
- Ms. Elizabeth Nolan retired from State Street Bank and Trust Company, but remained on the supervisory board of SSBI as an external member as of April 1, 2022.

Table 8: Number of management and directorships held by SSBI EMB members according to Art. 435 (2) a) CRR

	Number of the Directorships	Number of the Directorships after consideration of exemptions
Stefan Gmür	4	2
Dennis Dollaku	1	1
James K Fagan	1	1
Dagmar Kamber-Borens (nominated as of March 1, 2022)	2	2
Riccardo Lamanna (nominated as of March 1, 2022)	3	2
Andreas Niklaus	1	1
Annette Rosenkranz	1	1
Simona Stoytchkova,	1	1
Kris Wulteputte	1	1

Table 9: Number of management and directorships held by the Supervisory Board members of SSBI according to Art. 435 (2) a) CRR

	Number of the Directorships	Number of the Directorships after consideration of exemptions
Jörg Ambrosius (Chair)	3	2
Elizabeth Nolan	1	1
Frank Annuscheit	5	4
David Suetens	4	3
Nadine Chakar	3	2
Ian William Appleyard	2	1
Marlena Ludian	1	1
Hartmut Popp	1	1
Tomasz Salamon	1	1

The committee structure of the Supervisory Board sub committees, including membership, remains unchanged. Further details regarding governance bodies and committees can be found in the disclosure report as of December 31, 2021.

7.2 Risk Management objectives and policies

The overall economic developments in the first half of 2022 were characterized by, among other things, raising inflation due to pandemic related supply chain issues accelerated by the war in Ukraine and the corresponding pressure on the energy prices in Europe. This led to sharply increased market volatility and materially increased global, long-term inflation rates, not observed in decades. The ongoing central bank responses with the resulting significant upward changes in the interest rate environment have led to both the Group and SSBI reviewing and adjusting their multi-year financial planning (2022 -2024) during the first half of 2022. It is now expected that the net interest income will improve noticeably, in particular due to the changed global interest rate environment. However, unfavorable developments, e.g. from increased inflation or another increase in bank levies, partially offset these positive developments. Due to higher interest rates the Group is now facing increased sensitivity to downside shock scenarios and keeping eye on its liquidity position.

Within the corporate sector, consumer facing industries with low margins and sensitivity to rising raw material input costs have been most impacted by current market environment. Surveillance activities remain an essential component of the credit review and monitoring process to closely monitor the credit quality of the portfolio, to account for enhanced recession risk and to identify a possible degradation in credit quality at an early stage. So far no material deterioration in asset quality of the credit portfolio is recognized.

Irrespective of the developments mentioned above, the statements on the risk definitions used, the risk strategy and the risk situation as well as the risk quantification and risk management as such remain valid and appropriate for all risk types mentioned in the disclosure report as of December 31, 2021. The declaration on the appropriateness of the risk management process pursuant to Art. 435 (1) e) CRR and the concise risk statement pursuant to Art. 435 (1) f) CRR are still valid.

In the first half-year of 2022, the results of the annual Internal Capital Adequacy Assessment Process (“ICAAP”) cycle have been finalized. Based on the results, no significant changes have been determined in the risk profile of the Group.

The multiannual capital planning based on the Business Strategy confirmed the comfortable capitalization of the Group/Bank also under consideration of the stress test results. The Bank maintains a comfortable buffer of available capital.

During the first half of 2022 capital adequacy in the economic perspective of the Group and the Bank has been ensured at any time. At Group level, Internal Capital Ratio (calculated as internal capital over economic capital) was at 297.59% as of June 30, 2022, with internal capital at EUR 3,651mn and an economic capital need (total risks) at EUR 1,227mn. Since December 2021, the Group’s internal capital has increased by EUR 124mn, mainly due to the attestation of 2021 earnings leading to both retention of 2021 earnings and reduction of CET1 deduction items (goodwill and other intangible assets) from depreciation.

For the Bank, the Internal Capital Ratio was at 186.77% with internal capital at EUR 2,317mn and an economic capital need at EUR 1,241mn. Since December 2021, the Bank’s internal capital has increased by EUR 323mn (please refer to chapter 3.1.).

The following table shows the detailed economic capital need as well as the internal capital as of June 30, 2022:

Table 10: Internal capital ratio and components in the economic perspective for SSEHG Group and SSBI

	SSEHG Group		SSBI	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Internal capital	**3,651**	**3,527**	**2,317**	**1,995**
Economic capital for material risk types	**1,227**	**1,196**	**1,241**	**1,205**
Investment Portfolio (MtM)	343	308	343	308
Interest rate risk	60	65	72	69
Credit risk	363	390	365	395
Pension Obligation risk	39	16	39	16
Operational risk	133	133	133	133
Technology and Resiliency risk	101	101	101	101
Core Compliance risk	84	84	84	84
Strategic risk	72	72	72	72
Model risk	20	20	20	20
Reputational risk	11	11	11	11
Internal capital ratio (in %)	**297.59**	**294.89**	**186.77**	**165.53**

7.3 Exposures to credit risk and dilution risk

As of June 30, 2022 general loan loss provisions ("GLLP") for the leveraged loans portfolio stood at EUR 14.7mn (versus EUR 30.1mn as of December 31, 2021). Additionally, GLLP were made for exposures stemming from the European Fund Finance ("EFF") business amounting to EUR 0.4mn as per reporting date (EUR 0.5mn as of December 31, 2021). The decrease in risk provisioning resulted from the implementation of the accounting standard BFA 7 and the transition of the loan loss reserve calculation to the IFRS 9 methodology effective January 1st, 2022.[21] GLLP has been deducted on the asset side from loans and advances to customers.[22]

In addition, SSBI entered into leveraged loans with a volume of EUR 2mn (EUR 51mn as of December 31, 2021), which have not been drawn as of the reporting date. Those items are recognized off-balance sheet as at June 30, 2022. Off-balance sheet items for the EFF business amounted to EUR 2,677mn (nominal value) as of reporting date (EUR 2,488mn as of December 31, 2021). As of June 30, 2022, general loan loss provisions for those leveraged loan off-balance sheet positions have been recognized in the amount of EUR 0.4mn (EUR 1.9mn as of December 31, 2021) and for the EFF portfolio in the amount of EUR 1.2mn as of June 30, 2022 (EUR 1.5mn as of December 31, 2021) according to Section 249 (1) HGB.

As of June 30, 2022, specific loan loss provisions were EUR 5.4mn (please refer to the next chapter for additional details "Non-performing and forborne exposures") compared to EUR 5.0mn as of December 31, 2021.

[21] Institute of Public Auditors (IDW) - Statement on accounting

[22] The amount of credit value adjustments and provisions is equal both on the level of SSEHG Group and SSBI. They are classified as Specific Credit Risk Adjustments according to Commission Delegated Regulation (EU) No. 183/2014 for specifying the calculation of specific and general credit risk adjustments. There are still no general credit risk adjustments. Regarding additional comments, especially for the identification of the amounts of the specific credit risk adjustments and their inclusion on Group and Bank level, in particular for the purpose of Art. 111 CRR, we refer to the Disclosure Report of the SSEHG Group as of December 31, 2021 (Chapter 5.1: "Credit Risk Adjustments (Art. 442 CRR)")

7.4 Non-performing and forborne exposures

Considering the disclosure requirements for non-performing[23] and forborne[24] exposures according to the EBA Guidelines (EBA/GL/2018/10) SSEHG Group and SSBI reported non-performing exposure from the general service business with the amount of EUR 0.2mn as of June 30, 2022. Specific loan loss provision in the amount of EUR 0.2mn have been built accordingly.

Additionally, non-performing exposures regarding the leveraged loan portfolio amounted to EUR 97.6mn (EUR 90.1mn as of December 31, 2021) for which specific loan loss provision in the amount of EUR 5.2mn (EUR 4.8mn as of December 31, 2021) have been built accordingly. No forborne exposure are reported as of June 30, 2022.[25]

The gross NPE ("non-performing exposure") ratio as of June 30, 2022 was 0.41% (0.34% as of December 31, 2021) both on Group and Bank level. It is the ratio of all relevant assets to be considered according to the broader NPE definition (including debt securities and off-balance sheet exposures). The gross NPL ("non-performing loan") ratio, each of which amounted to 1.09%, and is calculated as the ratio of the gross carrying amount of non-performing loans and advances to the total gross carrying amount of loans and advances (without debt securities and off-balance sheet exposures). The NPL ratio remained almost unchanged and amounted to 1.08% as of December 31, 2021.

For the purpose of this calculation, loans and advances classified as held for sale, cash balances at central banks and other demand deposits are to be excluded both from the denominator and from the numerator.

7.5 Disclosure of exposures subject to measures applied in response to the Covid-19 crisis

As of June 2, 2020 the EBA published its Guidelines on reporting and disclosure of exposures subject to measures applied in response to the Covid-19 crises (EBA/GL/2020/07).

The Guidelines have been developed to address data gaps associated with legislative and non-legislative moratoria on loan repayments and public guarantees in EU Member States measures to ensure an appropriate understanding of institutions' risk profile and the asset quality on their balance sheets both for supervisors and the wider public.

As of June 30, 2022 both SSEHG Group and SSBI do not have (i) loans and advances subject to moratoria on loan repayments applied in the light of the Covid-19 crisis[26] or (ii) newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to the Covid-19 crisis. This demonstrates the good quality of SSBI loan portfolio and consequently, further information and data with the respective disclosure templates 1 to 3 of the EBA/GL/2020/07 do not need to be disclosed.

7.6 Encumbered and unencumbered assets

The encumbrance ratio of SSEHG Group's assets slightly increased from 0.7% as of December 31, 2021 to 0.9% as of June 30, 2022 and therefore remains on a low level. The median encumbrance ratio was 0.7% in 2021 and 0.8% in June 2022. The values are determined by interpolation using the rolling quarterly medians over the previous 12 months. For further information we refer to the disclosure report of the SSEHG Group as of December 31, 2021 (Chapter 6 "Unencumbered assets (Art. 443 CRR)").

7.7 Remuneration

During the first half-year of 2022, there were no material changes to remuneration. For further information on remuneration please refer to the disclosure report of SSEHG Group as of December 31, 2021.

[23] So called „Non-Performing Exposures" (NPE) or „Non-Performing Loans" (NPL) respectively
[24] So called „Forborne Exposure" (FBE)
[25] For further information we refer to the Disclosure report as of December 31, 2021 (Section 5.2 "Disclosure of non-performing and forborne exposures").
[26] In accordance with the EBA Guideline on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis (EBA/GL/2020/02)

8 Glossary

acc.	according
Art.	Article
AT1	Additional Tier 1 Capital
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
BBH	Brown Brothers Harriman
BdB	Bundesverband deutscher Banken (Association of German banks)
bn	Billion
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CET 1	Common Equity Tier 1
CFO	Chief Financial Officer
cf.	confer/conferatur (compare)
Co.	Company
CRD IV	Capital Requirements Directive IV (Directive 2013/36/EU)
CRD V	Capital Requirements Directive V (Directive 2019/878/EU)
CRR	Capital Requirements Regulation (EU) 575/2013
CRR II	Capital Requirements Regulation (EU) 2019/876 amending the CRR and Regulation (EU) 648/2012
CVA	Credit Valuation Adjustment
EBA	European Banking Authority
ECB	European Central Bank
EFF	European Fund Finance
EU	European Union
EMB	Executive Management Board
EUR	Euro
GmbH	Limited under German law
GL	Guideline
G-SII	Global systemically important institution
GLLP	General loan loss provisions
HGB	Handelsgesetzbuch (German Commercial Code)
HQLA	High Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
i.c.w.	in conjunction with
i.e.	id est (that is)
iMREL	Internal MREL
Incl.	including
IPC	Irrevocable payment commitments
ITS	Implementing Technical Standard
kEUR	Thousand Euro
KG	Limited partnership (Kommanditgesellschaft)
KWG	German Banking Act (Kreditwesengesetz)
LCR	Liquidity Coverage Ratio
LREM	Leverage Ratio Exposure Measure
mn	Million

MREL	Minimum requirement for own funds and eligible liabilities
No.	Number
NPE	Non-performing exposure
NPL	Non-performing loan
NSFR	Net Stable Funding Ratio
NYSE: STT	New York Stock Exchange: State Street Corporation
p.a.	per annum
RWA	Risk Weighted Assets
S.A.	Société Anonyme (Luxembourgian corporation)
SA-CCR	Standardised Approach for Measuring Counterparty Credit Risk Exposure
S.à r.l.	Société à responsabilité limitée (Luxembourgian limited company)
SAG	German Recovery and Resolution Act
Sent.	Sentence
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SSB S.A.	State Street Banque S.A.
SRF	Single Resolution Funds
SSBI	State Street Bank International GmbH
SSBL	State Street Bank Luxembourg S.C.A.
SSEHG Group	State Street Europe Holdings Germany Group
SSEHG KG	State Street Europe Holdings Germany S.à r.l. & Co. KG
TEM	Total exposure measure
SSHG	State Street Holdings Germany GmbH
TLAC	Total loss-absorbing capacity
TORC	Technology and Operational Risk Committee
TREA	Total Risk Exposure Amount (RWA)
US	United States
USD	United States Dollar

9 Annex A – Supplementary disclosure tables

Table 11: EU CCA – Main features of regulatory own funds instruments[27]

No.	Main features	Regulatory own funds instruments SSEHG Group a Common Equity Tier 1 Capital Instruments: Subscribed Capital	SSBI a Common Equity Tier 1 Capital Instruments: Subscribed Capital	a Tier 2 Capital Instruments: Subordinated Loan
1	Issuer	State Street Europe Holdings Germany S.à r.l. & Co. KG	State Street Bank International GmbH	State Street Bank International GmbH
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	German law	German law	German law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	No
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo & (sub-) consolidated	Consolidated	Solo and consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Limited partners' share in paid-up capital of a limited partnership as per Art. 28 CRR	GmbH Share capital as per Art. 28 CRR	Subordinated loan as per Art. 63 CRR
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	1	109	100
9	Nominal amount of instrument	1	109	100
9a	Issue price	N/A	N/A	100
9b	Redemption price	N/A	N/A	100
10	Accounting classification	Limited partners' share in paid-up capital	Share capital	Subordinated debt
11	Original date of issuance	October 18, 2013	September 25, 1970 (foundation of the GmbH)	August 25, 2009
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	N/A	N/A	August 25, 2038
14	Issuer call subject to prior supervisory approval	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	The issuer may terminate the subordinated loan on any interest payment date by giving 30 calendar days' notice (such interest payment date is generally the 10th of January of each year) following a Tax Event or a Gross-Up Event.

[27] Items, which are not applicable for disclosure purposes are marked with "N/A" according to Annex II of ITS 2021/637

		Regulatory own funds instruments		
		SSEHG Group	SSBI	
		a	a	a
No.	Main features	Common Equity Tier 1 Capital Instruments: Subscribed Capital	Common Equity Tier 1 Capital Instruments: Subscribed Capital	Tier 2 Capital Instruments: Subordinated Loan
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend/coupon	N/A	N/A	fixed
18	Coupon rate and any related index	N/A	N/A	7.75% p.a.
19	Existence of a dividend stopper	N/A	N/A	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	N/A	N/A	non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	N/A	Convertible based on statutory rules only[28]
25	If convertible, fully or partially	N/A	N/A	Fully or partially[28]
26	If convertible, conversion rate	N/A	N/A	N/A
727	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Write-down based on statutory rules only	Write-down based on statutory rules only[28]	Write-down based on statutory rules only[28]
32	If write-down, full or partial	Fully or partially[28]	Fully or partially[28]	Fully or partially[28]
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1[29]	1[29]	3[30]
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to creditors of the insolvency proceedings	Subordinated to Tier 2 Capital Instruments	Subordinated to creditors of the insolvency proceedings
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	Table 58 of the Disclosure report as of December 31, 2021

[28] In case of statutory conversion or write-down rights the competent resolution authorities (Single Resolution Board, BaFin) decide based on the statutory rules regarding the application, scope and further features. Information for the rows below cannot reasonably be provided in advance.

[29] Common equity Tier 1 instruments, Section 199 of the Insolvency Code

[30] Tier 2 instruments, Section 39 (2) of the Insolvency Code

Table 12: EU CCA – Main features of eligible liabilities instruments

		Eligible liabilities instrument	
		SSBI	SSEHG Group
		a	a
1	Issuer	State Street Bank International GmbH	State Street Europe Holdings Germany S.à r.l & Co. KG
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
2a	Public or private placement	Private	Private
3	Governing law(s) of the instrument	German law	German law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes
	Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	Eligible Liabilities	Eligible Liabilities
5	Post-transitional CRR rules	Eligible Liabilities	Eligible Liabilities
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Eligible Liabilities Instrument (Articles 72a (1) (a), 72b, 92b (1) CRR)	Eligible Liabilities Instrument (Articles 72a (1) (a), 72b, 92b (1) CRR)
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 1,059mn	EUR 1,059mn
9	Nominal amount of instrument	USD 1,200mn	USD 1,200mn
EU-9a	Issue price	1	1
EU-9b	Redemption price	100%	100%
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	12/28/2021	12/28/2021
12	Perpetual or dated	Dated	Dated
13	Original maturity date	3/27/2023	3/27/2023
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	The issuer may at its sole discretion terminate the loan (in whole but not in part) on any business day following a tax event or a regulatory event	The issuer may at its sole discretion terminate the loan (in whole but not in part) on any business day following a tax event or a regulatory event
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	SOFR + 0.287% per annum (payable quarterly)	SOFR + 0.287% per annum (payable quarterly)
19	Existence of a dividend stopper	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory in terms of timing (reasons for discretion	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	Convertible based on statutory rules only[31]	Convertible based on statutory rules only[31]

		Eligible liabilities instrument	
		SSBI	SSEHG Group
		a	a
25	If convertible, fully or partially	Fully or partially[31]	Fully or partially[31]
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	Yes	Yes
31	If write-down, write-down trigger(s)	Write-down based on statutory rules only[31]	Write-down based on statutory rules only[31]
32	If write-down, full or partial	Fully or partially[31]	Fully or partially[31]
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	4[32]	4[32]
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior to Tier 2 instruments, AT1 instruments, CET1 instruments, and junior to any other claims	Senior to Tier 2 instruments, AT1 instruments, CET1 instruments, and junior to any other claims
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A

[31] In case of statutory conversion or write-down rights the competent resolution authorities (Single Resolution Board, BaFin) decide based on the statutory rules regarding the application, scope and further features. Information for the rows below cannot reasonably be provided in advance

[32] Claims subordinated by virtue of a contractual subordination clause not specifying the pertinent rank (other than Additional Tier 1 or Tier 2 instruments), Section 39 (2) of the Insolvency Code

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