

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

## Consolidated Disclosure Report as of September 30, 2021

Pursuant to Section 26a KWG in conjunction with Part 8 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation, CRR)



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## 1 Scope

Legal requirements on disclosure of credit institutions and investment firms have been enhanced with the European implementation of the Basel III framework, more specifically the Directive 2013/36/EU<sup>1</sup> (Access to the activity of credit institutions, the prudential supervision of credit institutions and investment firms, “CRD IV”) as well as the Regulation EU No. 575/2013 (Prudential requirements for credit institutions and investment firms, “CRR”), and became effective on January 1, 2014.

Main elements of the changes to Basel III which have been agreed in 2016 and 2017 were introduced by Regulation (EU) 2019/876 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”). The CRR II and CRD V comprises of comprehensive amendments to a large number of banking and regulatory requirements as well as corresponding disclosure requirements<sup>2</sup>, which will generally enter into force on June 28, 2021. In the entire report, CRR and CRD IV have the meaning of the legal texts that have been amended both by CRR II and CRD V in the new, consolidated version if applicable as of June 28, 2021.

With the CRR II also Art. 433 has been changed. It defines now clearly the frequency and scope of the disclosure depending 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). Defined by these facts, disclosure requirements are applicable on an annual, semi-annual or quarterly basis.

This quarterly disclosure report is based on the requirements of Art. 433a (3) i.c.w. Art. 447 h) CRR. For further details please refer to the following sections.

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, 2020.

This Disclosure Report are based on the regulatory scope of consolidation and on the German Accounting Standards according to the German Commercial Code (“HGB”). The figures<sup>3</sup> in this report are based on the internal monthly financial statement as of September 30, 2021 and are therefore consistent with the regulatory reports for SSEHG Group. If not mentioned otherwise, the figures are shown in kEUR.

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. Additionally, in case of any ambiguity in the descriptions contained in this report, the German version of this report is binding.

<sup>1</sup> Amendments to 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 648/2012.

<sup>2</sup> With the effective date of the Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards regarding public disclosures referred to in Titles II and III of Part Eight of CRR a new, coherent framework for Pillar 3 disclosure has been introduced for Pillar 3 disclosures. At the same time, the requirements of Commission Implementing Regulation (EU) No 1423/2013 (Disclosure of Own Funds), Commission Delegated Regulation (EU) 2015/1555 (Disclosure to Countercyclical Capital Buffer), Commission Implementing Regulation (EU) 2016/200 (Disclosure of the Leverage Ratio) and Commission Delegated Regulation (EU) 2017/2295 (Disclosure of Asset Encumbrance) were repealed

<sup>3</sup> Quantitative data presented in this report may show differences due to rounding.

## 2 Information on quarterly disclosure

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 systemically important institutions or are part of a group identified as a G-SII.

After a three-years transition period the TLAC ratio should be at least 18% of the Total Risk Exposure Amount (“TREA”) and 6,75% of the Leverage Ratio Exposure Measure (“LREM”) (pursuant to Art. 92a CRR). 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) according to Art. 92b CRR. Based on the EU-TLAC-Standard credit institutions have to comply with additional disclosure requirements according to Art. 13 (2), 433a (3) CRR i.c.w. Art. 447 (h) CRR by September 30, 2021 which are outlined in the following.

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 on a consolidated basis (SSEHG Group). All other entities or institutions (SSBI) of SSEHG Group are not in scope of the EU-TLAC requirements.

SSEHG Group is required to meet a risk-based TLAC ratio calculated as 90% of 16% of the TREA and a non-risk based TLAC ratio calculated as 90% of 6% of the LREM at sub-consolidated level pursuant to Art. 92b CRR i.c.w. Art. 494 (1) CRR at all times from June 27, 2019 until December 31, 2021. Consequently, SSEHG Group has to fulfill a risk-based TLAC ratio (TREA) of 14.4% and a non-risk based TLAC ratio (LREM) of 5.4% whereby the higher amount of both ratios has to be adhered to<sup>4</sup>.

Based on the TLAC ratios as of September 30, 2021 for SSEHG Group with 31.75% (TREA) and 6.48% (LREM) respectively, the minimum internal TLAC requirements are fulfilled. The following table gives an overview on the disclosed TLAC ratios over time (the figures are shown in million EUR).

Beginning from January 1, 2022, SSEHG Group and SSBI will subject to binding minimum requirement for own funds and eligible liabilities (internal MREL, “iMREL”). According to Art. 51 (3) Sent. 2 German Recovery and Resolution Act (“SAG”) the binding iMREL will be disclosed for the first time on the date set for the fulfillment of the requirements. This will be reflected as part of the quarterly Disclosure Report as of March 31, 2022.

<sup>4</sup> This requirement will increase as of January 1, 2022 to 16.2% (calculated as 90% of 18% TREA) and 6.075% (90% of 6.75% LREM) respectively

Key metrics and internal loss absorbency by significant non-resolution entity subsidiaries of non-EU G-SIIs are disclosed in the following table in accordance with Art. 12 (1) of the Commission Implementing Regulation (EU) 2021/763<sup>5</sup> in conjunction with Article 437a lit. a, c and d CRR, Article 447 lit. h CRR and Article 51 (3) SAG.

**Table 1: 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	b	c	
		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	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)			No	
EU-2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			-	
Own funds and eligible liabilities					
EU-3	Common Equity Tier 1 capital (CET1)		3,378		
EU-4	Eligible Additional Tier 1 capital		-		
EU-5	Eligible Tier 2 capital		-		
EU-6	Eligible own funds		3,378		
EU-7	Eligible liabilities		-		
EU-8	of which permitted guarantees				
EU-9a	(Adjustments)				
EU-9b	Own funds and eligible liabilities items after adjustments		3,378		
Total risk exposure amount and total exposure measure					
EU-10	Total risk exposure amount (TREA)		10,640		
EU-11	Total exposure measure (TEM)		52,141		
Ratio of own funds and eligible liabilities					
EU-12	Own funds and eligible liabilities (as a percentage of TREA) in %		31.75		
EU-13	of which permitted guarantees				
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure) in %		6.48		
EU-15	of which permitted guarantees				
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements in %		10.38		
EU-17	Institution-specific combined buffer requirement in %		2.62		
Requirements					
EU-18	Requirement expressed as a percentage of the TREA in %		14.40		
EU-19	of which may be met with guarantees				
EU-20	Requirement expressed as a percentage of the TEM in %		5.40		
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		46,732		

<sup>5</sup> 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

No temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic has been made as of September 30, 2021. Consequently, the additional disclosure requirement of the Leverage Ratio to be disclosed without the exclusion of those exposures according to Art. 500b CRR<sup>6</sup> did not apply. For further details we refer to the annual disclosure report (Chapter 7 – Leverage Ratio)<sup>7</sup>.

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<sup>6</sup> Decision (EU) 2020/1306 of the ECB of 16 September 2020 on the temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic (ECB/2020/44)

<sup>7</sup> In case of applying the relief and Art. 500b (2) CRR, institutions are obliged to disclose its leverage ratio with and without exclusion of the respective central bank exposures from the total exposure measure. Initially, as of September 30, 2021, this exemption was used and a leverage ratio of 7.8% instead of 6.5% at SSEHG Group level and 4.5% instead of 3.8% at SSBI level was published with applying the relief. In January 2022 SSBI decided to stop using the relief as of December 31, 2021. Consequently, the leverage ratio reports as of June 30 and September 30, 2021 were recalculated and resubmitted to the competent authorities without applying the relief. This approach is especially intended to ensure better comparability of the key figures for leverage ratio over time. For disclosure purposes and to ensure consistency with supervisory reporting, the updated table 1 as well as the updated description above shall represent the retroactive amendments in the existing report as of March 8, 2022.

### 3 Glossary

Art.	Article
CET 1	Common Equity Tier 1
CRD IV	Capital Requirements Directive IV (Directive 2013/36/EU)
CRD V	Capital Requirements Directive IV (Directive 2019/878/EU)
CRR	Capital Requirements Regulation (EU No. 575/2013)
CRR II	Capital Requirements Regulation (EU No. 876/2019)
EU	European Union
G-SII	Global systemically important institution
HGB	Handelsgesetzbuch (German Commercial Code)
i.c.w.	in conjunction with
iMREL	Internal Minimum Required Eligible Liabilities
kEUR	Thousand Euro
LREM	Leverage Ratio Exposure Measure
No.	Number
RWA	Risk Weighted Assets
SAG	Sanierungs- und Abwicklungsgesetz (German Act on the Recovery and Resolution of Credit Institutions)
S.à r.l.	Société à responsabilité limitée (Luxembourgian limited company)
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
TLAC	Total loss-absorbing capacity
TREA	Total Risk Exposure Amount (RWA)

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#### Disclaimer

This Disclosure Report has been prepared solely to fulfil the regulatory disclosure requirements pursuant to Part Eight of Regulation (EU) No 575/2013. The information in the Disclosure Report refer to September 30, 2021 unless reference is made explicitly to another date. They take into account the legal requirements which were in effect on the reporting date. These requirements and their specification in regulatory standards and guidelines may be subject to future changes. Consequently, future disclosure reports may have different or additional contents and, therefore, might not be comparable with former disclosure reports. The Disclosure Report may contain forward-looking statements that are based on plans, estimates, forecasts, expectations and assumptions for which SSBI and SSEHG Group do not make any representation. These forward-looking statements are subject to a number of factors which cannot be influenced by SSBI and the SSEHG Group; they include various risks and uncertainties and are based on assumptions which might not come true or which might develop differently. Except for potential regulatory requirements SSBI and SSEHG Group do not undertake any obligation to update forward-looking statements in the Disclosure Report.