

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

Consolidated Disclosure Report as of March 31, 2020

Pursuant to 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 (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.

Part 8 of the CRR requires institutions to disclose a set of statutory information at least on an annual basis. Furthermore, institutions are obliged to assess the necessity of disclosing specific information more frequently than annually.

The quarterly disclosure report is based on the requirements specified in the Regulation (EU) 2019/876¹ which entered into force on June 27, 2019. Further information is disclosed in the next chapter. Thus, all article references made in this document refer to the CRR version that entered into force on June 27, 2019.

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, 2019.

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 kEUR.

The figures² in this report are based on the internal monthly financial statement as of March 31, 2020 and are therefore consistent with the regulatory reports for SSEHG Group. Additionally, in case of any ambiguity in the descriptions contained in this report, the German version of this report is binding.

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 (“G-SIIs”) 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 March 31, 2020 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-

¹ Amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012

² Quantitative data presented in this report may show differences due to rounding.

TLAC requirements according to Art. 92b CRR on a consolidated basis. All other entities or institutions 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 to³.

Based on the TLAC ratios as of March 31, 2020 for SSEHG Group with 33.0% (TREA) and 6.0% (LREM) respectively, the minimum internal TLAC requirements are fulfilled. The following table gives an overview on the disclosed TLAC ratios.

Table 1: Key metrics according to Art. 433a (3) CRR i.c.w. Art. 447 (h) CRR for SSEHG Group

	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Regulatory capital components for TLAC (numerator)				
Own funds and eligible liabilities	2,950,148	2,954,857	2,989,899	2,727,525
<i>thereof: Own funds (only CET 1)</i>	2,950,148	2,954,857	2,989,899	2,727,525
<i>thereof: Eligible liabilities</i>	-	-	-	-
Risk measures for TLAC (denominator)				
RWA (TREA)	8,939,796	7,675,279	8,061,898	6,870,945
Leverage ratio exposure measure (LREM)	49,019,805	44,085,752	45,276,320	41,564,550
TLAC ratios				
TLAC ratio (in % of TREA)	33.0	38.5	37.1	39.7
TLAC ratio (in % of LREM)	6.0	6.7	6.6	6.6

³ 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

3 Glossary

Art.	Article
CET 1	Common Equity Tier 1
CRD IV	Capital Requirements Directive IV (Directive 2013/36/EU)
CRR	Capital Requirements Regulation (EU No. 575/2013)
EU	European Union
G-SII	Global systemically important institution
HGB	Handelsgesetzbuch (German Commercial Code)
i.c.w.	in conjunction with
kEUR	Thousand Euro
LRM	Leverage Ratio Exposure Measure
RWA	Risk Weighted Assets
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
TLAC	Total loss-absorbing capacity
TREA	Total Risk Exposure Amount (RWA)

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* Assets under management as of March 31, 2020 includes approximately \$50 billion of assets with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated.

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 March 31, 2020 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 GmbH and the SSEHG Group do not make any representation. These forward-looking statements are subject to a number of factors which cannot be influenced by SSBI GmbH 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 GmbH and SSEHG Group do not undertake any obligation to update forward-looking statements in the Disclosure Report.