

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

Consolidated Disclosure Report as of March 31, 2023

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

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/EU¹ (“CRD IV”) as well as the Regulation EU No. 575/2013² (“CRR”).

Further parts of the Basel III framework have been transposed into European law by the Regulation (EU) 2019/876³ 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.

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).

This quarterly Disclosure Report is based on the requirements of Art. 433a (3) i.c.w. Art. 447 h) CRR which is covered by the section 2.

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, 2022.

State Street Bank International GmbH (“SSBI” or “Bank”), being the superordinated credit institution in accordance with Art. 11 (2) b) CRR, prepares this consolidated quarterly Disclosure Report for the Group. For SSBI, being a large subsidiary of SSEHG KG, there are currently no quarterly disclosure requirements on an individual basis pursuant to Art. 13 (1) Sentence 2 in conjunction with Art. 13 (3) CRR in place.

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.

The figures⁴ in this report are based on the internal monthly financial statement as of March 31, 2023 and are therefore consistent with the regulatory reports for SSEHG Group and SSBI. In accordance with the legal requirements, this Disclosure Report does not require a qualified audit opinion and is therefore neither audited nor reviewed by the external auditor. Additionally, in case of any ambiguity in the descriptions contained in this report, the German version of this report is binding.

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 648/2012.

⁴ Quantitative data presented in this report may show differences due to rounding.

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

In accordance with the disclosure requirements of Art. 431 (3) CRR, the Group's quarterly Disclosure Report complies from our point of view 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 quarterly Disclosure Report includes the reconciliation of the quantitative information with the relevant supervisory reporting (minimum requirement for own funds and eligible liabilities, so-called MREL and TLAC reporting) as well as an internal verification in case of material and/or new 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 March 31, 2023 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 SSEHG Group. Subsequently, the Disclosure Report was submitted to the CFO and to another member of the Executive Management Board for approval as well as to the managing limited partner of SSEHG KG for acknowledgment and then released for publication.

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 since 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.

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 are not in scope of 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) according to Art. 92b CRR. Based on the EU-TLAC-Standard credit institutions have to comply with quarterly disclosure requirements (incl. for entities that are not a resolution entity) 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") in accordance with Art. 92b CRR.

Based on the TLAC ratios as of March 31, 2023 for SSEHG Group with 45.74% (TREA) and 9.29% (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 in the Table 1 in accordance with Art. 12 (1) of the Commission Implementing Regulation (EU) 2021/763⁵ 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 phases in: a requirement of 5.66% is applicable since January 1, 2023 and a requirement of 6.0%⁶ will be applicable 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 material⁷ to disclose the relevant information within Table 2.

⁵ 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

⁶ The requirement is reflected according to the last calibration results provided by BaFin in 2022 and might be subject to change.

⁷ 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 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 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)	3,786	3,786	
EU-4	Eligible Additional Tier 1 capital	-	-	
EU-5	Eligible Tier 2 capital	-	-	
EU-6	Eligible own funds	3,786	3,786	
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	4,845	4,845	
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	10,593	10,593	
EU-11	Total exposure measure (TEM)	52,155	52,155	
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA) in %	45.74	45.74	
EU-13	of which permitted guarantees	-		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure) in %	9.29	9.29	
EU-15	of which permitted guarantees	-		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements in %	11.26	11.26	
EU-17	Institution-specific combined buffer requirement in %		2.91	
Requirements				
EU-18	Requirement expressed as a percentage of the TREA in %	21.93	16.20	
EU-19	of which may be met with guarantees	-		
EU-20	Requirement expressed as a percentage of the TEM in %	6.00	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		42,716	

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 (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)	2,829		
EU-4	Eligible Additional Tier 1 capital	-		
EU-5	Eligible Tier 2 capital	100		
EU-6	Eligible own funds	2,929		
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	3,988		
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	10,531		
EU-11	Total exposure measure (TEM)	52,122		
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities (as a percentage of TREA) in %	37.87		
EU-13	of which permitted guarantees	-		
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure) in %	7.65		
EU-15	of which permitted guarantees	-		
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements in %	2.38		
EU-17	Institution-specific combined buffer requirement in %			
Requirements				
EU-18	Requirement expressed as a percentage of the TREA in %	21.93		
EU-19	of which may be met with guarantees	-		
EU-20	Requirement expressed as a percentage of the TEM in %	5.66		
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			

The features of own funds and eligible liabilities have not changed since the last reporting date. For a detailed description of SSEHG Group's own funds and eligible liabilities we refer to the annual consolidated Disclosure Report of SSEHG Group as of December 31, 2022.

3 Glossary

Art.	Article
BRRD	Bank Recovery and Resolution Directive (Directive 2014/59/EU)
CET 1	Common Equity Tier 1
CFO	Chief Financial Officer
CRD IV	Capital Requirements Directive IV (Directive 2013/36/EU)
CRD V	Capital Requirements Directive IV (Directive 2019/878/EU)
CRR	Capital Requirements Regulation (Regulation EU No. 575/2013)
CRR II	Capital Requirements Regulation (Regulation EU No. 876/2019)
EU	European Union
EUR	Euro
G-SII	Global systemically important institution
HGB	Handelsgesetzbuch (German Commercial Code)
i.c.w.	in conjunction with
KG	Kommanditgesellschaft (Limited partnership)
KWG	Kreditwesengesetz (German Banking Act)
LREM	Leverage Ratio Exposure Measure
MREL	Minimum requirement for own funds and eligible liabilities
No.	Number
RWA	Risk Weighted Assets
SAG	Sanierungs- und Abwicklungsgesetz (German Recovery and Resolution Act)
S.à r.l.	Société à responsabilité limitée (Luxembourgian limited company)
SSBI	State Street Bank International GmbH
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

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*Assets under management as of March 31, 2023 includes approximately \$59 billion of assets with respect to SPDR® products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the 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, 2023 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 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.