

STATE STREET Corp
Form 424B2
March 03, 2009
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The information contained in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-132606

SUBJECT TO COMPLETION. DATED MARCH 3, 2009

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated March 21, 2006)

\$

State Street Corporation

% Senior Notes due

Guaranteed Under the FDIC's Temporary Liquidity Guarantee Program

The senior notes in the initial aggregate principal amount of \$ _____ will mature on _____ and bear interest at _____ % per annum. Interest on the senior notes is payable semi-annually in arrears on _____ and _____ of each year, commencing _____, 2009.

If State Street Corporation becomes obligated to pay additional amounts to non-U.S. investors due to changes in U.S. withholding tax requirements, State Street Corporation may redeem the senior notes before their stated maturity at a price equal to 100% of the principal amount redeemed, plus accrued and unpaid interest to the redemption date. There is no sinking fund for the senior notes. The senior notes will rank equally with all other existing and future senior unsecured indebtedness of State Street Corporation.

The debt is guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program and is backed by the full faith and credit of the United States. The details of the FDIC guarantee are provided in the FDIC's regulations, 12 C.F.R. Part 370, and at the FDIC's website, www.fdic.gov/tlgp. The expiration of the FDIC's guarantee is the earlier of the maturity date of the debt or June 30, 2012.

The FDIC guarantee has not been registered under the Securities Act of 1933, as amended (the Securities Act), in reliance upon an exemption provided in Section 3(a)(2) of the Securities Act.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price(1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to State Street Corporation(1)	%	\$

(1) Plus accrued interest, if any, from March , 2009, if settlement occurs after that date.

The senior notes will not be listed on any securities exchange. Currently, there is no public trading market for the senior notes. The underwriters expect to deliver the senior notes to purchasers in book-entry form only through the facilities of The Depository Trust Company and its direct participants, including the Euroclear System and Clearstream Banking S.A., on or about March , 2009.

Joint Book-Running Managers

Banc of America Securities LLC

Goldman, Sachs & Co.

The date of this prospectus supplement is March , 2009.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading *Where You Can Find More Information* on page S-26.

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

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

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or information contained in a free writing prospectus that we authorize to be delivered to you. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement and in the documents referred to in this prospectus supplement. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

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

FORWARD LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference contain statements that are considered forward looking statements within the meaning of the United States securities laws. In addition, State Street and its management may make other written or oral communications from time to time that contain forward looking statements. Forward looking statements, including statements about industry trends, management's future expectations and other matters that do not relate strictly to historical facts, are based on assumptions by management, and are often identified by such forward looking terminology as *expect*, *look*, *believe*, *anticipate*, *estimate*, *seek*, *may trend*, *target*, and *goal* or similar statements or variations of such terms. Forward looking statements may include, among other things, statements about our confidence in our strategies and our expectations about financial performance, market growth, market and regulatory trends and developments, acquisitions and divestitures, new technologies, services and opportunities and earnings.

Forward looking statements are subject to various risks and uncertainties, which change over time, are based on management's expectations and assumptions at the time the statements are made, and are not guarantees of

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future results. Management's expectations and assumptions, and the continued validity of the forward looking statements, are subject to change due to a broad range of factors affecting the national and global economies, the equity, debt, currency and other financial markets, as well as factors specific to State Street and its subsidiaries, including State Street Bank. We provide greater detail regarding some of these factors in our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission, or SEC, and available on the SEC's website at www.sec.gov, including in the "Risk Factors" section of such Annual Report.

Our forward looking statements may also be subject to other risks and uncertainties, including those discussed elsewhere in this prospectus supplement and the accompanying prospectus or in our other filings with the SEC. Factors that could cause changes in the expectations or assumptions on which forward looking statements are based include, but are not limited to:

global financial market disruptions and the current worldwide economic recession, and monetary and other governmental actions designed to address such disruptions and recession in the United States and internationally;

the financial strength of the counterparties with which we or our clients do business and with which we have investment or financial exposure;

the liquidity of the U.S. and international securities markets, particularly the markets for fixed-income securities, and the liquidity requirements of our customers;

the credit quality and credit agency ratings of the securities in our investment securities portfolio, a deterioration or downgrade of which could lead to other-than-temporary impairment of the respective securities and the recognition of an impairment loss;

the maintenance of credit agency ratings for our debt obligations as well as the level of credibility of credit agency ratings;

the possibility that changes to accounting rules or in market conditions or asset performance (including the financial condition of any guarantor of any assets) may require any off-balance sheet activities, including the unconsolidated asset-backed commercial paper conduits we administer, to be consolidated into our financial statements, requiring the recognition of associated losses;

the possibility of our customers incurring substantial losses in investment pools where we act as agent, and the possibility of further general reductions in the valuation of assets;

our ability to attract deposits and other low-cost, short-term funding;

potential changes to the competitive environment, including changes due to the effects of consolidation, extensive and changing government regulation and perceptions of State Street as a suitable service provider or counterparty;

the level and volatility of interest rates and the performance and volatility of securities, credit, currency and other markets in the United States and internationally;

our ability to measure the fair value of securities in our investment securities portfolio and in the unconsolidated asset-backed commercial paper conduits we administer;

the results of litigation and similar disputes and, in particular, the effect of current or potential litigation concerning State Street Global Advisors' active fixed-income strategies, and the enactment of legislation and changes in regulation and enforcement that impact us and our customers, as well as the effects of legal and regulatory proceedings;

adverse publicity or other reputational harm;

our ability to pursue acquisitions, strategic alliances and divestitures, finance future business acquisitions and obtain regulatory approvals and consents for acquisitions;

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the performance and demand for the products and services we offer, including the level and timing of withdrawals from our collective investment products;

our ability to continue to grow revenue, attract highly skilled people, control expenses and attract the capital necessary to achieve our business goals and comply with regulatory requirements;

our ability to control operating risks, information technology systems risks and outsourcing risks, the possibility of errors in the quantitative models we use to manage our business and the possibility that our controls will fail or be circumvented;

the potential for new products and services to impose additional costs on us and expose us to increased operational risk, and our ability to protect our intellectual property rights;

our ability to obtain quality and timely services from third parties with which we contract;

changes in accounting standards and practices, including changes in the interpretation of existing standards, that impact our consolidated financial statements; and

changes in tax legislation and in the interpretation of existing tax laws by U.S. and non-U.S. tax authorities that impact the amount of taxes due.

Therefore, actual outcomes and results may differ materially from what is expressed in our forward looking statements and from our historical financial results due to the factors discussed above, below and elsewhere in this prospectus supplement, the accompanying prospectus or in our other SEC filings. Forward looking statements should not be relied upon as representing our expectations or beliefs as of any time subsequent to the date of this prospectus supplement. We undertake no obligation to revise the forward looking statements contained in this prospectus supplement to reflect events after its date. The factors discussed above and below are not intended to be a complete summary of all risks and uncertainties that may affect our businesses. Though we strive to monitor and mitigate risk, we cannot anticipate all potential economic, operational and financial developments that may adversely impact our operations and our financial results.

Forward looking statements should not be viewed as predictions and should not be the primary basis upon which investors evaluate State Street. Any investor in State Street should consider all risks and uncertainties disclosed in our SEC filings described under the Section entitled "Where You Can Find More Information" on page S-26, all of which are accessible on the SEC's website at www.sec.gov.

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SUMMARY

The following information about this offering summarizes, and should be read in conjunction with, the information contained in this prospectus supplement and in the accompanying prospectus, and the documents incorporated herein and therein by reference.

State Street Corporation

State Street Corporation is a financial holding company organized under the laws of The Commonwealth of Massachusetts. Through our subsidiaries, we provide a full range of products and services for institutional investors worldwide.

We were organized in 1969 and conduct our business primarily through our principal bank subsidiary, State Street Bank. State Street Bank traces its beginnings to the founding of the Union Bank in 1792. The charter under which State Street Bank now operates was authorized by a special act of the Massachusetts Legislature in 1891, and its present name was adopted in 1960.

With \$12.04 trillion of assets under custody and \$1.44 trillion of assets under management at December 31, 2008, we are a leading specialist in meeting the needs of institutional investors worldwide. Our customers include mutual funds, collective investment funds and other investment pools, corporate and public retirement plans, insurance companies, foundations, endowments and investment managers. Including the United States, we operate in 27 countries and more than 100 geographic markets worldwide.

Our common stock is listed on the New York Stock Exchange under the ticker symbol `STT`. Our executive offices are located at One Lincoln Street, Boston, Massachusetts 02111, and our telephone number is (617) 786-3000.

Table of Contents**The Offering**

Securities Offered	% senior notes due
Issuer	State Street Corporation
FDIC Temporary Liquidity Guarantee Program	<p>The Federal Deposit Insurance Corporation (the "FDIC") is guaranteeing the senior notes (the "FDIC guarantee") under the Temporary Liquidity Guarantee Program (the "TLG Program"). The senior notes are backed by the full faith and credit of the United States. The details of the FDIC guarantee are provided in the FDIC's regulations, 12 C.F.R. Part 370, and at the FDIC's website, www.fdic.gov/tlgp. The expiration date of the FDIC's guarantee is the earlier of the maturity date of the debt or June 30, 2012.</p> <p>The FDIC guarantee has not been registered under the Securities Act of 1933 in reliance upon an exemption provided in Section 3(a)(2) of the Securities Act. In addition, the FDIC guarantee is not entitled to the protections of the Trust Indenture Act of 1939.</p>
Initial Aggregate Principal Amount	\$
Maturity Date	
Issue Date	, 2009
Interest Rate	% annually
Interest Payment Dates	Each and , commencing , 2009
Record Dates	Each and preceding the respective interest payment dates
Sinking Fund	None
Payment of Additional Amounts	<p>We intend to make all payments on the senior notes without deducting U.S. withholding taxes. If we are required by law to do so on payments to non-U.S. investors, however, we will pay additional amounts on those payments to the extent described under "Description of the Notes - Payment of Additional Amounts". Our obligation to pay additional amounts is not guaranteed by the FDIC.</p>
Tax Redemptions	<p>We have the option to redeem the senior notes before they mature if we become obligated to pay additional amounts because of changes in the laws or regulations of any U.S. taxing authority as described under "Description of the Notes - When We Can Redeem the Senior Notes".</p>

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Form

Fully-registered global notes in book-entry form

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**Minimum Denominations
CUSIP Number**

\$2,000 and integral multiples of \$1,000 in excess thereof

ISIN

Trustee

U.S. Bank, National Association

Use of Proceeds

We estimate that the net proceeds of this offering will be approximately \$. We and our subsidiaries expect to use the net proceeds for general corporate purposes. We will not use the net proceeds to repay debt that is not guaranteed by the FDIC.

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RISK FACTORS

Risk Factors Relating to the FDIC Guarantee

Acceleration of the senior notes will not be available if the FDIC makes payments in accordance with the TLG Program. Upon an event of default, neither the trustee nor the holders of the senior notes will be entitled to accelerate the maturity of the senior notes, as long as the FDIC makes payments in accordance with the TLG Program on the senior notes. If the FDIC continues to make payments in accordance with the TLG Program then, regardless of any event of default (including a default relating to bankruptcy, insolvency or reorganization), neither the trustee nor the holders of the senior notes will be entitled to accelerate the maturity of the senior notes.

Guarantee payments by the FDIC may be delayed. There is no designated period within which the FDIC is required to make the FDIC guarantee payments after it receives a written demand with a conforming proof of claim from the trustee and verifies the same. Therefore, if the FDIC does not promptly make the FDIC guarantee payments after it receives a written demand, the FDIC guarantee payments on the senior notes could be delayed from the date the payment is due under the terms of the senior notes. The FDIC will not pay any additional interest or penalty amounts in respect of any event of default or resulting delay in payment that may occur.

You may lose the right to payment under the FDIC guarantee if the trustee fails to follow the FDIC claims process. In order to recover payment under the FDIC guarantee in the event that we have failed to pay the senior notes, the trustee must make a written demand, with the required proof of claim, to the FDIC within 60 days of the occurrence of our failure to pay. If the trustee fails to follow the FDIC claims process pursuant to the TLG Program, holders may be deprived of all rights and remedies with respect to the FDIC guarantee claim.

The determination of the FDIC on any matter relating to the FDIC claims process will be final and binding on holders of the senior notes and us, subject to judicial review. The determination by the FDIC on any matter relating to the FDIC claims process will be a final administrative determination, which will be final and binding on all concerned, including the holders of the senior notes. Holders of the senior notes will have the right to challenge the FDIC's determination only by commencing an action in the U.S. District Court for the District of Columbia or New York within 60 days after the FDIC makes its determination.

The TLG Program is new and subject to change. The TLG Program is new and no claims have been made or paid under it as of the date of this prospectus supplement. The TLG Program is governed by 12 C.F.R. Part 370 (the Final Rule), which was adopted by the FDIC on November 21, 2008. The Final Rule may be amended and is subject to evolving interpretation by the FDIC after the date of this prospectus supplement. Thus, the ability to obtain payment on the senior notes under the FDIC guarantee is subject to rules, procedures and practices of the FDIC that could be changed at any time and from time to time in the future. The summary of the FDIC guarantee and the risks of investing in reliance on that guarantee, as set forth in this prospectus supplement, are based solely on the Final Rule adopted by the FDIC as of the date of this prospectus supplement.

USE OF PROCEEDS

We expect to receive net proceeds (after deducting the underwriting discount, but before deducting other expenses of the offering) of approximately \$. We and our subsidiaries will apply the net proceeds from the sale of the senior notes for general corporate purposes. We will not use the net proceeds to repay debt that is not guaranteed by the FDIC.

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DESCRIPTION OF THE NOTES

The senior notes offered by this prospectus supplement will be issued by State Street Corporation under an indenture dated as of August 2, 1993 between State Street Corporation and U.S. Bank, National Association, as successor senior trustee, as supplemented by a First Supplemental Indenture (the Supplemental Indenture) to be dated on or prior to the issue date of the senior notes (collectively, the Indenture). References to the Indenture in this section will mean the Indenture as so supplemented. The accompanying prospectus provides a more complete description of the Indenture. The senior notes will be senior debt securities, as such term is understood in the accompanying prospectus. The following description of the particular terms of the senior notes supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the senior debt securities in the accompanying prospectus, to which description we refer you.

General

The senior notes issued in this offering initially will be limited to \$ _____ aggregate principal amount. The senior notes will mature on _____.

If we become obligated to pay additional amounts to non-U.S. investors due to changes in U.S. withholding tax requirements, we may redeem the senior notes before their stated maturity at a price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date. There is no sinking fund for the senior notes. The senior notes are not convertible into, or exchangeable for, equity securities of State Street. The senior notes will rank equally with all of State Street's other senior unsecured indebtedness.

Interest

The senior notes will bear interest at a rate of _____ % per annum. Interest on the senior notes will accrue from and including _____, 2009, and will be payable semi-annually in arrears on _____ and _____ of each year, commencing _____, 2009, each an interest payment date _____, and on the maturity date. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

If an interest payment date or the maturity date for the senior notes falls on a day that is not a business day, we will postpone the interest payment or the payment of principal and interest at maturity to the next succeeding business day, but the payments made on such dates will be treated as being made on the date that the payment was first due and the holders of the senior notes will not be entitled to any further interest or other payments with respect to such postponements.

When we use the term business day, we mean any day other than a Saturday, Sunday or other day on which banking institutions in The City of New York and The City of Boston are authorized or required by law or executive order to remain closed. The interest payable on the senior notes on any interest payment date, subject to certain exceptions, will be paid to the person in whose name the senior notes are registered at the close of business on _____ and _____, whether or not a business day, next preceding the applicable interest payment date. However, interest that we pay on the maturity date will be paid to the person to whom the principal will be payable. Interest will be payable by wire transfer in immediately available funds in U.S. dollars at the office of the paying agent or, in the event the senior notes are not represented by Global Notes (as defined below), at the office or agency of State Street maintained for such purpose in The City of Boston.

Defaults

The events of default applicable to the senior notes will be defined as any one of the following events:

- (1) failure (a) by us to pay interest on the senior notes for 30 days after the payment is due and (b) by the FDIC in the payment of interest on any senior notes in accordance with the TLG Program (12 C.F.R. Part 370) described below;

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- (2) failure (a) by us to pay the principal of, or premium, if any, on the senior notes when due and (b) by the FDIC in the payment of principal of, or premium, if any, on, any senior notes in accordance with the TLG Program (12 C.F.R. Part 370) described below;
- (3) failure by us to perform any obligation contained in the Indenture for the benefit of the senior notes, which continues for 90 days after written notice; or
- (4) the occurrence of specified events in bankruptcy, insolvency or reorganization.

If any event of default specified in clause (1) or (2) above with respect to the senior notes occurs and is continuing, either the trustee or the holders of not less than 25% in principal amount of the outstanding senior notes may declare the principal amount of, premium, if any, and accrued interest on the senior notes to be due and payable immediately. In case of any other event of default, there is no right to declare the principal amount of, premium, if any, or accrued interest on the senior notes immediately due and payable. As a result, the remedies available to the holders of senior notes and the trustee under the Indenture upon the occurrence of an event of default are substantially limited.

The provisions set forth in this Defaults section supersede the provisions set forth in the accompanying prospectus. In particular, the event of default set forth in the fifth bullet point of the first paragraph under Description of Debt Securities Events of Default in the accompanying prospectus, pursuant to which the acceleration of certain other indebtedness by us or of State Street Bank will result in an event of default, will not apply to the senior notes.

Each series of senior debt securities created pursuant to the Indenture prior to the date hereof, none of which is subject to an FDIC guarantee, permits either the trustee or the holders of not less than 25% in principal amount of the outstanding senior debt securities of that series to declare the principal amount of and accrued interest on all senior debt securities of that series to be due and payable immediately upon the occurrence of events of default as defined in the Indenture. As a result of the limited acceleration events described above, the senior notes offered by us pursuant to this prospectus supplement will not have the benefit of the acceleration rights applicable to our other senior debt securities issued prior to the date hereof, so long as the FDIC makes payments on the guarantee in accordance with the TLG Program.

Further Issuances

Subject to the limits of the TLG Program, we may from time to time, without the consent of the holders of the senior notes, create and issue further senior notes having the same terms and conditions as the senior notes equal in rank to the senior notes offered by this prospectus supplement in all respects (or in all respects except for the payment of interest accruing prior to the issue date of the further senior notes or except in some cases for the first payment of interest following the issue date of the further senior notes). These further senior notes may be consolidated and form a single series with the senior notes and will have the same terms as to status or otherwise as the senior notes.

Modification and Waiver

The Indenture may, with certain exceptions as provided therein, be modified and amended by us and the trustee with the consent of holders of at least a majority in aggregate principal amount of the senior notes outstanding. In addition, the holders of at least a majority in aggregate principal amount of the senior notes outstanding may waive past defaults and certain covenants under the Indenture. Notwithstanding anything to the contrary contained herein, in certain instances as described under FDIC Guarantee Under The Temporary Liquidity Guarantee Program General, we may not, without the express written consent of the FDIC, amend, modify, supplement or waive certain provisions of the senior notes and the Indenture.

The provisions set forth in this Modification and Waiver section supersede the provisions set forth in the accompanying prospectus to the extent they conflict with the information herein.

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Delivery and Form

The senior notes will be represented by one or more permanent global certificates (each a "Global Note" and collectively, the "Global Notes") deposited with, or on behalf of, The Depository Trust Company ("DTC") and registered in the name of Cede & Co. (DTC's partnership nominee). The senior notes will be available for purchase in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof in book-entry form only. Unless and until certificated senior notes are issued under the limited circumstances described in the accompanying prospectus, no beneficial owner of a senior note shall be entitled to receive a definitive certificate representing senior notes. So long as DTC or any successor depository (collectively, the "Depository") or its nominee is the registered owner of the Global Notes, the Depository, or such nominee, as the case may be, will be considered to be the sole owner or holder of the senior notes for all purposes of the Indenture. Beneficial interests in the Global Notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Global Notes through DTC either directly if they are participants in DTC or indirectly through organizations that are participants in DTC.

Clearance and Settlement Procedures

Initial settlement for the senior notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds.

Trustee

U.S. Bank, National Association will act as trustee for the senior notes, which will be issued under the Indenture. The Indenture is described in the accompanying prospectus. You should read the accompanying prospectus for a general discussion of the terms and provisions of the Indenture.

Payment of Additional Amounts

We intend to make all payments on the senior notes without deducting U.S. withholding taxes. If we are required by law to do so on payments to non-U.S. investors, however, we will pay additional amounts on those payments to the extent described in this subsection.

We will pay additional amounts on a senior note only if the beneficial owner of the senior note is a United States alien. The term "United States alien" means any person who, for U.S. federal income tax purposes is:

a non-resident alien individual;

a foreign corporation (or entity treated as a corporation);

a foreign partnership, one or more of the members of which is, for U.S. federal income tax purposes, a foreign corporation (or entity treated as a corporation), a nonresident alien individual or a nonresident alien fiduciary of a foreign estate or trust; or

a nonresident alien fiduciary of an estate or trust that is not subject to U.S. federal income tax on a net income basis on income or gain from a senior note.

If the beneficial owner of a senior note is a United States alien, we will pay additional amounts that may be necessary so that every net payment of interest or principal on that senior note will not be less than the amount provided for in that senior note. By net payment, we mean the amount we or our paying agent pays after deducting or withholding an amount for or on account of any present or future tax, assessment or other governmental charge imposed with respect to that payment by a U.S. taxing authority.

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Our obligation to pay additional amounts is subject to several important exceptions, however. We will not pay additional amounts for or on account of any of the following:

any tax, assessment or other governmental charge imposed solely because at any time there is or was a connection between the beneficial owner or between a fiduciary, settlor, beneficiary or member of the beneficial owner, if the beneficial owner is an estate, trust or partnership and the United States (other than the mere receipt of a payment or the ownership or holding of a senior note), including because the beneficial owner or the fiduciary, settlor, beneficiary or member at any time, for U.S. federal income tax purposes:

is or was a citizen or resident or is or was treated as a resident of the United States;

is or was present in the United States;

is or was engaged in a trade or business in the United States;

has or had a permanent establishment in the United States;

is or was a personal holding company, a passive foreign investment company or a controlled foreign corporation;

is or was a corporation that accumulates earnings to avoid U.S. federal income tax; or

is or was a ten-percent shareholder of State Street as defined below in [Certain U.S. Federal Tax Considerations](#) [Consequences to Non-U.S. Holders](#) [Payments of Interest](#) ;

any tax, assessment or other governmental charge imposed solely because of a change in applicable law or regulation, or in any official interpretation or application of applicable law or regulation, that becomes effective more than 15 days after the day on which the payment becomes due or is duly provided for, whichever occurs later;

any estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax, or any similar tax, assessment or other governmental charge;

any tax, assessment or other governmental charge imposed solely because the beneficial holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or any beneficial owner of the senior note, if compliance is required by statute or by regulation of the U.S. Treasury Department or by an applicable income tax treaty to which the United States is a party, as a precondition to exemption from such tax, assessment or other governmental charge;

any tax, assessment or other governmental charge that can be paid other than by deduction or withholding from a payment on the senior notes;

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any tax, assessment or other governmental charge imposed solely because the payment is to be made by a particular paying agent and would not be imposed if made by another paying agent;

any tax, assessment or other governmental charge imposed on a holder who would be able to avoid withholding or deduction by presenting the senior note to another paying agent in a Member State of the European Union;

any tax, assessment or other governmental charge imposed solely because the holder (1) is a bank purchasing the senior note in the ordinary course of its lending business or (2) is a bank that is neither (A) buying the senior note for investment purposes only nor (B) buying the senior note for resale to a third party that either is not a bank or holding the senior note for investment purposes only;

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any withholding or deduction imposed on a payment to an individual that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the Economic and Financial Affairs Council meeting of November 26 and 27, 2000 on Taxation of savings income; or

any combination of the taxes, assessments or other governmental charges described above.

In addition, we will not pay additional amounts with respect to any payment of principal or interest to any United States alien who is a fiduciary or a partnership, or who is not the sole beneficial owner of the payment, to the extent that we would not have to pay additional amounts to any beneficiary or settlor of the fiduciary or any member of the partnership, or to any beneficial owner of the payment, if that person or entity were treated as the beneficial owner of the senior note for these purposes.

When we refer to a U.S. taxing authority in this subsection and When We Can Redeem the Senior Notes below, we mean the United States of America or any state, other jurisdiction or taxing authority in the United States. When we refer to the United States, we mean the United States of America, including the states and the District of Columbia, together with the territories, possessions and all those areas subject to the jurisdiction of the United States of America.

When we refer to any payment of interest or principal on a senior note, this includes any additional amount that may be payable as described above in respect of that payment. The obligation of State Street to pay additional amounts is not guaranteed by the FDIC.

When We Can Redeem the Senior Notes

We will not be permitted to redeem the senior notes before their stated maturity, except as described below. The senior notes will not be entitled to the benefit of any sinking fund that is, we will not deposit money on a regular basis into any separate custodial account to repay your senior note. In addition, you will not be entitled to require us to buy your senior note from you before its stated maturity.

We will be entitled, at our option, to redeem the outstanding senior notes in whole and not in part if at any time we become obligated to pay additional amounts, described above in Payment of Additional Amounts, on any senior notes on the next interest payment day, but only if our obligation results from a change in the laws or regulations of any U.S. taxing authority, or from a change in any official interpretation or application of those laws or regulations that becomes effective or is announced on or after , 2009.

If we redeem the senior notes, we will do so at a redemption price equal to 100% of the principal amount of the senior notes redeemed, plus accrued and unpaid interest to the redemption date.

If we become entitled to redeem the senior notes, we may do so at any time on a redemption date of our choice. However, we must give the holders of the senior notes being redeemed notice of redemption not less than 30 days or more than 60 days before the redemption date and not more than 90 days prior to the next interest payment date. In addition, our obligation to pay additional amounts must remain in effect when we give the notice of redemption. We will give the notice in the manner described in the Indenture.

We or our affiliates may purchase senior notes from investors who are willing to sell from time to time, either in the open market at prevailing prices or in private transactions at negotiated prices. Senior notes that we or our affiliates purchase may, at our or their discretion, be held, resold or cancelled.

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FDIC GUARANTEE UNDER THE TEMPORARY LIQUIDITY GUARANTEE PROGRAM

General

The senior notes are senior unsecured debt obligations of State Street Corporation, and the obligations thereunder are guaranteed by the FDIC under the TLG Program. The details of the FDIC guarantee are provided in the Final Rule and at the FDIC's website at www.fdic.gov/tlgp. The FDIC's website is not incorporated by reference herein. The FDIC has concluded that the FDIC guarantee is subject to the full faith and credit of the United States pursuant to Section 15(d) of the Federal Deposit Insurance Act. However, the FDIC guarantee is subject to certain limitations that you should consider. Before investing in the senior notes, you should read this section carefully, as well as the information under Risk Factors Risk Factors Relating to the FDIC Guarantee.

State Street Corporation is eligible to participate in the TLG Program. As described below under Claims under the TLG Program, under the FDIC guarantee, our uncured failure to make a timely payment of any principal or interest under the senior notes obligates the FDIC to make such payment following the trustee's notification to the FDIC of the uncured payment failure. The FDIC, however, is not obligated to make payments of additional amounts as described above in Payment of Additional Amounts.

On or prior to the issue date of the senior notes, we will enter into the Supplemental Indenture pursuant to which the senior notes will be issued and which will include the provisions set forth in the Final Rule that are required to be included in the governing documents of any securities, such as the senior notes, that are guaranteed by the FDIC. In addition, the Final Rule requires entities participating in the TLG Program to execute and file with the FDIC a Master Agreement. Among the terms of the Master Agreement, we have agreed to pay the FDIC any amounts it pays to the holders of the senior notes under the FDIC guarantee of the senior notes. In addition, we have agreed not to amend or waive any provision of the senior notes required by the Master Agreement with regard to principal, interest, payment, default or ranking without the express written consent of the FDIC.

Please note that the TLG Program is new and the rules, procedures and practices of the FDIC governing the operation of the TLG Program, including the FDIC guarantee of the senior notes, may be amended and are subject to evolving interpretation by the FDIC. The following summary is based on the Final Rule adopted by the FDIC on November 21, 2008.

Claims Under the TLG Program

The FDIC's payment obligation under the TLG Program will be triggered by our uncured failure to make a timely payment of principal or interest on the senior notes, referred to as a payment default. The trustee is obligated to give notice to the FDIC if we are in default of any payment under the senior notes (without regard to any cure period) within one business day of such payment default. The trustee, as duly authorized representative of the holders of the senior notes, will be required, under the terms of the Indenture, to make a demand for payment on the guaranteed amount on behalf of all holders of the senior notes (i) in the case of any payment default prior to maturity or redemption of the senior notes, within one business day following the date that the applicable cure period ends and (ii) in the case of any payment due on the maturity date or the redemption date for the senior notes, within one business day following such maturity date or redemption date. If the trustee fails to make demand for payment within 60 days of the occurrence of a payment default, the holders of the senior notes will be deprived of all further rights and remedies with regard to the guarantee claim. Under the terms of the TLG Program and the Indenture, the demand for payment must be accompanied by a proof of claim, with accompanying evidence, in form and content satisfactory to the FDIC of the trustee's capacity to act as representative, the trustee's exclusive authority to act as representative, the occurrence of a payment default and the authority to make an assignment of each noteholder's rights, title and interest in the senior notes and to effect the transfer to the FDIC of each noteholder's claim in an insolvency proceeding. To receive payment under the TLG Program, the trustee, on behalf of the holders of the senior notes, will be required to assign all of the holders' rights, titles and interest in the senior notes to the FDIC and to transfer to the FDIC the holders' claim in

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any insolvency proceeding. If the FDIC makes payment under the FDIC guarantee on the senior notes upon our failure to pay, the FDIC will be subrogated to the claims of the holders against us to the extent of such payment. If a holder of senior notes receives any distribution from us prior to the FDIC's payment under the guarantee, the guaranteed amount paid by the FDIC will be reduced by the amount the holder has received in the distribution from us. Upon receipt of a timely filed conforming proof of claim, the FDIC will make payment of the guaranteed amount.

Under the terms of the TLG Program, if a demand for payment under the FDIC guarantee is not made within 60 days of the occurrence of a payment default, the FDIC will be under no obligation to make the payments on the senior notes under the FDIC guarantee. The TLG Program does not specify a deadline by which the FDIC must make payment following receipt of a proper demand from the trustee. The FDIC will not pay any additional interest or penalty amounts in respect of any event of default or resulting delay in payment that may occur.

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CERTAIN U.S. FEDERAL TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income and estate tax considerations related to the purchase, ownership and disposition of the senior notes. This summary is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code, U.S. Treasury Regulations, administrative rulings and judicial decisions in effect as of the date of this prospectus supplement, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service, or the IRS, so as to result in U.S. federal income and estate tax consequences different from those discussed below. Except where noted, this summary deals only with senior notes held as capital assets (generally for investment purposes) by a beneficial owner who purchases senior notes on original issuance at the initial offering price at which a substantial amount of the senior notes are sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, which we refer to as the issue price. This summary does not address all aspects of U.S. federal income and estate taxes related to the purchase, ownership and disposition of the senior notes and does not address all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

tax consequences to holders who may be subject to special tax treatment, including dealers in securities or currencies, banks and other financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of accounting for their securities;

tax consequences to persons holding senior notes as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;

tax consequences to U.S. holders (as defined below) of senior notes whose functional currency is not the U.S. dollar;

tax consequences to partnerships or other pass-through entities and their members;

tax consequences to certain former citizens or residents of the United States;

U.S. federal alternative minimum tax consequences, if any;

any state, local or foreign tax consequences; and

U.S. federal estate or gift taxes, if any, except as set forth below with respect to non-U.S. holders.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds senior notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership and partners in such a partnership should consult their tax advisors.

This summary of material U.S. federal income and estate tax considerations is for general information only and is not tax advice for any particular investor. This summary does not address the tax considerations arising under the laws of any foreign, state, or local jurisdiction. If you are considering the purchase of senior notes, you should consult your tax advisors concerning the U.S. federal income and estate tax consequences to you in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.

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In this discussion, we use the term "U.S. holder" to refer to a beneficial owner of senior notes, that is, for U.S. federal income tax purposes:

an individual citizen or resident of the United States;

a corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust, if it (i) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

We use the term "non-U.S. holder" to describe a beneficial owner (other than a partnership or other pass-through entity) of senior notes that is not a U.S. holder. Non-U.S. holders should consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Consequences to U.S. Holders

Payments of Interest

It is anticipated, and this discussion assumes, that the issue price of the senior notes will be equal to the stated principal amount or if the stated principal amount is less than the issue price, the difference will be a de minimis amount (as set forth in the applicable U.S. Treasury Regulations). In such case (subject to the discussion below under "Additional Payments"), interest on a senior note generally will be taxable to a U.S. holder as ordinary income at the time it is received or accrued in accordance with the U.S. holder's usual method of accounting for tax purposes. If, however, the issue price of the senior notes is less than the stated principal amount and the difference is more than a de minimis amount (as set forth in the applicable U.S. Treasury Regulations), a U.S. holder will be required to include the difference in income as original issue discount as it accrues in accordance with a constant yield method.

Additional Payments

In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the senior notes. The possibility of such payments may implicate special rules under U.S. Treasury Regulations governing contingent payment debt instruments. According to those regulations, the possibility that additional payments will be made will not cause the senior notes to be contingent payment debt instruments if, as of the date the senior notes are issued, there is only a remote chance that such payments will be made, the amount of such payments is incidental, or certain other exceptions apply.

We have determined (and this discussion assumes) that the senior notes are not contingent payment debt instruments and our determination that the senior notes are not contingent payment debt instruments is binding on a U.S. holder unless such U.S. holder discloses a contrary position to the IRS in the manner required by applicable U.S. Treasury Regulations. Our determination that the senior notes are not contingent payment debt instruments is not, however, binding on the IRS. If the IRS were to successfully challenge our determination and the senior notes were treated as contingent payment debt instruments, U.S. holders would be required, among other things, to (i) accrue interest income at a rate that may be higher than the stated interest rate on the senior notes regardless of their method of tax accounting and (ii) treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a senior note.

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Sale, Redemption or Other Taxable Disposition of Senior Notes

A U.S. holder generally will recognize gain or loss upon the sale, redemption or other taxable disposition of a senior note equal to the difference between the amount realized (except to the extent any amount realized is attributable to accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and such U.S. holder's adjusted tax basis in the senior note. A U.S. holder's tax basis in a senior note will generally be equal to the amount that such U.S. holder paid for the senior note. Any gain or loss recognized on a taxable disposition of the senior note will be capital gain or loss. If, at the time of the sale, redemption or other taxable disposition of the senior note, a U.S. holder is treated as holding the senior note for more than one year, such capital gain or loss will be a long-term capital gain or loss. Otherwise, such capital gain or loss will be a short-term capital gain or loss. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally will be subject to a maximum U.S. federal income tax rate of 15%, which maximum tax rate currently is scheduled to increase to 20% for dispositions occurring during taxable years beginning on or after January 1, 2011. A U.S. holder's ability to deduct capital losses may be limited.

Assumption of our Obligations under the Senior Notes