

STATE STREET CORP  
Form 11-K  
June 26, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

---

FORM 11-K

---

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from            to

Commission file number

---

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

STATE STREET SALARY SAVINGS PROGRAM

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

STATE STREET CORPORATION

One Lincoln Street

Boston, Massachusetts 02111

AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE

State Street Salary Savings Program  
Years Ended December 31, 2011 and 2010  
With Report of Independent Registered Public  
Accounting Firm

---

Table of Contents

State Street Salary Savings Program

Audited Financial Statements and Supplemental Schedule

Years Ended December 31, 2011 and 2010

Contents

Report of Independent Registered Public Accounting Firm 1

Audited Financial Statements:

Statements of Net Assets Available for Benefits 2

Statements of Changes in Net Assets Available for Benefits 4

Notes to Financial Statements 5

Supplemental Schedule:

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) 15

Signatures 16

Exhibit Index 17



Table of Contents

Report of Independent Registered Public Accounting Firm

To: The North America Regional Benefits Committee and State Street Salary Savings Program Participants

We have audited the accompanying statements of net assets available for benefits of the State Street Salary Savings Program as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the State Street Salary Savings Program at December 31, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended, in conformity with US generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Boston, Massachusetts  
June 26, 2012



Edgar Filing: STATE STREET CORP - Form 11-K

State Street Salary Savings Program  
Statements of Net Assets Available for Benefits (continued)

	December 31, 2011	2010
Assets		
Investments:		
State Street Corporation ESOP Fund:		
State Street Corporation Common Stock	\$ 173,741,219	\$ 211,442,932
State Street Short Term Investment Fund	1,863,954	1,112,206
State Street Bank and Trust Company Common and Collective Trust Funds:		
Daily EAFE Index Securities Lending Fund	155,426,384	70,583,461
Daily EAFE Index Non-Lending Fund	—	102,533,191
Russell 1000 Value Index Securities Lending Series Fund	136,390,188	54,345,214
Russell 1000 Value Index Non-Lending Fund	—	81,178,461
S&P 500 Flagship Securities Lending Series Fund	190,143,020	70,742,846
S&P 500 Flagship Non-Lending Series Fund	—	108,814,923
S&P Midcap Index Non-Lending Series Fund	167,298,515	169,137,430
Russell 2000 Index Securities Lending Series Fund	135,495,533	53,532,253
Russell 2000 Index Non-Lending Series Fund	—	87,126,611
Russell 1000 Growth Index Securities Lending Series Fund	129,158,749	49,000,121
Russell 1000 Growth Index Non-Lending Series Fund	—	74,977,469
Passive Bond Market Index Securities Lending Series Fund	82,366,788	25,071,263
Passive Bond Market Index Non-Lending Series Fund	—	44,299,799
SSgA Target Retirement 2025 Securities Lending Series Fund	64,117,241	19,452,529
SSgA Target Retirement 2025 Non-Lending Series Fund	—	35,151,496
SSgA Target Retirement 2030 Securities Lending Series Fund	66,851,904	21,005,198
SSgA Target Retirement 2030 Non-Lending Series Fund	—	39,095,850
SSgA Target Retirement 2035 Securities Lending Series Fund	65,019,777	20,604,879
SSgA Target Retirement 2035 Non-Lending Series Fund	—	37,105,945
SSgA Target Retirement 2020 Securities Lending Series Fund	46,888,409	15,001,620
SSgA Target Retirement 2020 Non-Lending Series Fund	—	24,881,827
SSgA Target Retirement 2040 Securities Lending Series Fund	55,939,727	16,584,590
SSgA Target Retirement 2040 Non-Lending Series Fund	—	31,358,616
SSgA Target Retirement 2015 Securities Lending Series Fund	28,352,651	8,166,682
SSgA Target Retirement 2015 Non-Lending Series Fund	—	14,770,673
SSgA Target Retirement 2010 Securities Lending Series Fund	14,557,834	5,314,330
SSgA Target Retirement 2010 Non-Lending Series Fund	—	9,259,666
SSgA Target Retirement 2045 Securities Lending Series Fund	44,676,383	13,458,597
SSgA Target Retirement 2045 Non-Lending Series Fund	—	25,457,548
SSgA Target Retirement Income Securities Lending Series Fund	10,942,781	4,179,408
SSgA Target Retirement Income Non-Lending Series Fund	—	6,044,967
SSgA Target Retirement 2050 Securities Lending Series Fund	26,472,887	6,457,209
SSgA Target Retirement 2050 Non-Lending Series Fund	—	14,840,128
SSgA Target Retirement 2055 Securities Lending Series Fund	551,908	—
World Government Bond Ex-U.S. Index Securities Lending Fund	16,822,066	3,683,019
World Government Bond Ex-U.S. Index Non-Lending Fund	—	7,589,515
Daily Emerging Markets Index Non-Lending Series Fund	38,971,600	43,586,946
Self - Managed Brokerage Accounts	50,383,675	32,530,170

Edgar Filing: STATE STREET CORP - Form 11-K

Vanguard Prime Money Market Fund	214,903,106	124,343,994
Principal Preservation Fund - Cash in Vanguard Prime Money Market Fund—		81,079,653
Total investments	\$ 1,917,336,299	\$ 1,864,903,235

2

---



State Street Salary Savings Program  
 Statements of Net Assets Available for Benefits

	December 31, 2011	2010
Assets (continued)		
Notes receivable - participant loans	\$45,698,526	\$42,098,324
Contributions receivable	—	11,838,716
Accrued income	798,447	82,227
Total assets at fair value	1,963,833,272	1,918,922,502
Liabilities		
Other liabilities	2,584,944	1,870,343
Net assets at fair value	1,961,248,328	1,917,052,159
Net assets available for benefits	\$ 1,961,248,328	\$ 1,917,052,159

See accompanying notes to financial statements.

3

---

Table of Contents

## State Street Salary Savings Program

## Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2011	2010
Additions		
Contributions:		
Participants	\$ 109,576,224	\$ 104,171,184
Employer	77,094,370	83,172,792
Rollovers	7,374,544	6,622,356
Total contributions	194,045,138	193,966,332
Receipt from Fair Fund settlement	—	6,566,198
Transfer in	—	402,136
Net appreciation (depreciation) in fair value of investments	(43,323,938	) 209,156,180
Interest and dividend income	5,415,796	3,439,120
Net investment income (loss)	(37,908,142	) 219,563,634
Total additions, including net investment income	156,136,996	413,529,966
Deductions		
Benefits paid	109,518,235	87,300,402
Administrative expenses	2,422,592	2,941,784
Total deductions	111,940,827	90,242,186
Net increase	44,196,169	323,287,780
Net assets available for benefits at beginning of year	1,917,052,159	1,593,764,379
Net assets available for benefits at end of year	\$ 1,961,248,328	\$ 1,917,052,159

See accompanying notes to financial statements.



Table of Contents

State Street Salary Savings Program

Notes to Financial Statements

December 31, 2011

1. Description of the Plan

The description of the State Street Salary Savings Program (the Plan) is provided for general information purposes only. Employees should refer to the Summary Plan Description and Plan document for more complete information.

General

The Plan is a defined contribution plan. The Plan sponsor is State Street Corporation (Plan Sponsor or State Street). The Plan Sponsor is responsible for the general administration of the Plan. State Street Bank and Trust Company (Trustee) serves as the Trustee of the Plan. State Street Global Advisors (SSgA), a division of State Street Bank and Trust Company, is the Investment Manager of the State Street Bank and Trust Company Common and Collective Trust Funds in the Plan. Vanguard is the Investment Manager for the Prime Money Market Mutual Fund. ING is the participant record keeper for the Plan.

All employees of State Street and certain related companies (collectively, the Company) are immediately eligible to participate in the Plan except for the following categories of employees:

- Non-resident aliens with no U.S. source income
- Student interns and co-op employees
- Union employees
- Leased employees and independent contractors
- Employees of a non-participating affiliated company
- Employees of a participating employer who are not on the U.S. payroll

Contributions

Active participants may elect to make tax-deferred contributions and/or Roth after-tax contributions to the Plan equal to 1% to 50% of their compensation, subject to certain limitations. Participants may also contribute amounts representing rollover distributions from other qualified defined benefit or defined contribution plans.

State Street provides for contributions (Matching Contributions) to the Plan in amounts equal to 100% of the first 6% of the employee's tax-deferred contributions or Roth after-tax contributions. Employees must have one year of service to be 100% vested in the Plan.

In 2008, State Street implemented a Supplemental Performance Based Contribution in addition to the Matching Contributions. This Performance Based Contribution is discretionary based on State Street's financial performance, up to a maximum of 5% employee's base pay earned. State Street achieved its performance goals in 2010 and elected to make a discretionary Performance Based Contribution to the Plan of \$11,838,716. The Plan Sponsor's recommended contribution was made in March, 2011 to eligible employees in the 401(k) Plans. This was recorded as a Contribution Receivable at December 31, 2010 and is included in the Employer's Contributions in the Statement of Changes in Net Assets Available for Benefits in 2010. The Company did not achieve the specified performance goals in 2011 and, therefore, no discretionary Performance Based Contribution was made.

All contributions to the Plan are paid to the Trustee. The Trustee holds contributions in trust exclusively for participants and their beneficiaries, invests the contributions as instructed by the participants, and makes benefit payments as they become due.

Investment Options

Participant contributions and Employer contributions are allocated to various investment fund options at the participant's direction. A wide range of investment choices, including various State Street Bank and Trust Company common and collective trust funds, a mutual fund, a company stock fund (ESOP) and a Self-Managed Brokerage Account (SMBA),

State Street Salary Savings Program  
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

are available to participants. Limitations and restrictions apply to direct contributions to the ESOP fund and the Plan limits the amount a participant can invest in the ESOP fund to 25% of the participant's account balance.

Effective January 15, 2011, the 30% limit on all mutual fund and individual equity investments in the Self Managed Account was lifted, so that a participant may invest up to 100% of his or her pre-tax account balance directly into individual stocks (other than State Street Corporation Stock), bonds, mutual funds and other securities offered through the Self Managed Account. As of December 31, 2010, the Principal Preservation Fund became 100% invested in the Vanguard Prime Money Market Fund.

In the event a participant does not make an investment election, and in the event of automatic enrollment, funds are invested in the Target Retirement Date Fund (a common and collective investment fund) that corresponds to the participant's assumed target retirement year based on the participant's date of birth.

Participant Accounts

Each participant's account is credited with the participant's contributions, employer matching contributions, discretionary Performance Based Contributions, if any, and related earnings. The benefit to which a participant is entitled is the value of the participant's vested account balance, including earnings.

Vesting

Participant pre-tax deferral contributions and Roth after-tax contributions are always fully vested. Matching Contributions and Performance Based contributions are 100% vested upon completion of one full year of employment with the Company except in the event of death, disability or retirement, in which case, Company contributions become fully vested.

Forfeitures

Upon termination of employment, participants forfeit their unvested balances. Forfeited balances of terminated participants' unvested accounts may be used to either pay Plan administrative expenses or offset future company contributions to the Plan. Unallocated forfeiture balances as of December 31, 2011 and 2010 were approximately \$1,762,031 and \$1,408,659, respectively. The forfeiture balances that were used to reduce employer contribution expense or to pay Plan administrative expenses as of December 31, 2011 and 2010 were \$45,000 and \$660,000, respectively. Plan forfeitures are invested in the Plan's Vanguard Prime Money Market Fund until the funds are otherwise allocated.

In-Service Withdrawals

The Plan provides that in-service withdrawals are available as follows:

- Age 59-1/2 (all sources and any earnings)
- Disability withdrawals (all sources and any earnings)
- Rollover withdrawals (rollover account)
- Post-tax withdrawals (Pre-1987 Thrift Incentive Plan (TIP) balances)
- Hardship withdrawals (TIP (including earnings), Roth post-tax, rollover (including earnings) and employee pre-tax)

Hardship withdrawals are available to satisfy an immediate and heavy financial need, provided the need cannot be satisfied with all other resources (as defined in the Plan).

State Street Salary Savings Program  
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Payment of Benefits

Upon retirement or other termination of employment, a participant eligible to receive a benefit may receive an immediate lump-sum distribution directly or in the form of a rollover. If the vested value of the participant's account balance is greater than \$5,000, the participant may elect to defer the payment of their benefits and remain in the Plan, at which time the participant becomes non-active. If the value of the participant's account balance is greater than \$1,000 but not more than \$5,000, a distribution in the form of an automatic rollover to an IRA will be made if the participant does not provide distribution instructions within 90 days of his or her termination date. Account balances of \$1,000 or less will be automatically distributed to the participant in cash (by check) if no distribution instruction is received within 90 days of the participant's termination.

Installment payments are also available to participants who are retiree eligible at the time of termination. In order to be retiree eligible, a participant must be at least age 55 with a minimum of five years of eligible service upon termination of employment. Installment periods available include monthly, quarterly, semi-annually and annually.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum equal to the lesser of one-half of the participant's vested balance, or \$50,000. Loans are secured by the balance in the participant's accounts and bear interest at a rate comparable to a similar loan with a commercial institution. Repayment of principal plus interest is required within five years, unless the loan is for the purchase of a principal residence. Principal and interest are paid ratably through payroll deductions. In the event of termination of employment, participants with outstanding loans may elect to continue to repay their outstanding loan balance directly to the Trustee; such loan shall not become immediately due and payable until such time as there is an event of a default.

Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). In the event of termination of the Plan, all participants will become fully vested.

Administrative Expenses

The Plan's administrative expenses are paid by either the Plan or by State Street, according to the Plan's provisions, and include such expenses as recordkeeping fees. Expenses relating to investment management fees are charged to the particular investment fund to which the expenses relate. All other administrative expenses of the Plan are paid by State Street.

Plan Amendments and Other Investment Strategy Changes

During 2011, the following change occurred relative to the Plan:

The Plan was amended to provide for 401(a)(9)(H) ("2009 Required Minimum Distributions"). Required Minimum Distributions (RMDs) are minimum amounts that a retirement plan participant must withdraw annually starting with the year that he or she reaches 70 1/2 years of age or, if later, the year in which he or she retires. The Worker, Retiree and Employer Recovery Act of 2008 ("WRERA") added Section 401(a)(9)(H) which provided a temporary waiver of the RMD rules for calendar year 2009. This was in response to the economic downturn that resulted in significant reductions in the value of many retirement accounts. The change in the law permitted a participant who otherwise would have to take a taxable distribution from assets that have suffered substantial losses to defer any RMD for a year. Under WRERA, an employer had until the last day of the 2011 plan year to amend the plan for the 2009 waiver provisions.

State Street Salary Savings Program  
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

During 2011, the following change occurred relative to the Plan or the Plan's investment strategies:

2055 Target Date Fund was added as an investment fund.

During 2010, the following change occurred relative to the Plan:

The Plan was amended to include the optional provisions for participants in Military service as promulgated by the HEART ACT legislation.

During 2010, the following changes occurred relative to the Plan or the Plan's investment strategies:

Principal Preservation Fund assets continued to transition into the Vanguard Prime Money Market Fund in accordance with State Street's decision to reduce the number of stable value funds offered in the Plan. This process was completed by December 31, 2010.

The transition from securities lending funds to non-lending funds ceased in light of improved market conditions and State Street, as Plan Sponsor, made the decision to return to offering securities lending funds, where available.

2. Significant Accounting Policies

Basis of Accounting

The accounting records of the Plan are in conformity with U.S. generally accepted accounting principles (GAAP) and are maintained on the accrual basis.

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 5 for further discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as changes in fair value of investments held during the year.

Payment of Benefits

Benefits are recorded when paid.

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2011 or 2010. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

New Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS (ASU 2011-04). ASU 2011-04 amended ASC 820, Fair Value Measurements and Disclosures, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU



State Street Salary Savings Program  
Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

In September 2010, the FASB issued Accounting Standards Update (ASU) No. 2011-25, Plan Accounting-Defined Contribution Pension Plans Reporting Loans to Participants. This changed the classification of participant loans from being classified as an Investment to Notes Receivable. The classification of participant loans as Notes Receivable from participants acknowledges that participant loans are unique from other investments, in that a participant obtaining such a loan essentially borrows against its own individual vested benefit balance. It is more meaningful to measure participant loans at their unpaid principal balance plus any accrued but unpaid interest, rather than at fair value. As such, the Plan is now carrying participant loans at the amount of unpaid principal balance plus accrued but unpaid interest at the reporting date.

In January 2010, the FASB issued ASU No. 2011-06, Fair Value Measurements and Disclosures (ASC Topic 820) - Improving Disclosures about Fair Value Measurements. The amendment requires new disclosures for significant transfers of financial assets and liabilities into and out of Level 1 and Level 2 of the prescribed valuation hierarchy, and requires the disaggregation of information about purchases, sales, issuances and settlements for financial assets and liabilities categorized in Level 3 of the valuation hierarchy. The amendment also provides several clarifications with respect to disclosures about valuation techniques and inputs. The requirement to disclose disaggregated information about purchases, sales, issuances and settlements for financial assets and liabilities categorized in Level 3 of the valuation hierarchy was deferred, with respect to the Plan, to January 1, 2011. There were no Level 3 securities at December 31, 2011 and 2010.

Use of Estimates

The preparation of financial statements requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The most significant estimate in the Plan's financial statements is the estimate of fair value of the Plan's investments, which is discussed in more detail in Note 5.

Reclassification

Certain prior year amounts in the statements of net assets available for benefits have been reclassified to conform to the current year presentation.

3. Investments

During the year ended December 31, 2011 and 2010, the Plan's investments (including investments bought, sold, and held during the year) appreciated/(depreciated) in value as follows:

	Year Ended December 31,	
	2011	2010
Common and Collective Trust Funds	\$(12,556,775	) \$193,194,869
Self Managed Brokerage Accounts	(4,433,870	) 3,494,116
State Street Corporation - common stock	(26,333,293	) 12,467,195
Net appreciation (depreciation) in fair value of investments	\$(43,323,938	) \$209,156,180

State Street Salary Savings Program  
Notes to Financial Statements (continued)

3. Investments (continued)

In 2008, SSgA placed restrictions on the amount of redemptions that could be made by or directed by the Plan Sponsors relative to Plan investments in certain securities lending funds. In December 2009, the Plan Sponsor made the decision to migrate, over time, participant investment funds from investment funds that participate in securities lending to investments funds that do not participate in securities lending funds. The process for accomplishing this migration to non-securities lending funds was completed through the development of unitized funds which combine the returns of the existing securities lending funds and their non-lending counterparts to the extent allowed by SSgA as the investment manager of the common and collective trust investment funds. An initial transfer of 40% of assets in each security lending fund (the maximum allowable under by SSgA as the investment manager of these funds) to a newly formed non-lending fund equivalent occurred on December 16, 2009. Beginning in January 2010, subsequent transfers of 4% of the assets in each securities lending fund to their non-lending equivalents occurred monthly. New contributions were directed to the non-lending funds through December 2010.

On December 20, 2010, the Plan Sponsor made the decision to direct new contributions from investment funds that do not participate in securities lending to securities lending funds. In 2011, based on the recommendation of the Plan Sponsor, all remaining balances in the non-lending funds were transferred to the securities lending fund equivalent and the non-lending funds are no longer an investment option in the Plan.

4. Fair Fund Settlement

In 2010, the Plan received \$6,566,198 from the Fair Fund settlement between State Street, the Securities and Exchange Commission (SEC), the Massachusetts Attorney General and the Massachusetts Securities Division of the Office of the Secretary of State to resolve their investigations into losses incurred by, and disclosures made with respect to, certain active fixed-income strategies managed by SSgA. The amount of the settlement was based on the Salary Saving Program's investment losses in the Daily Bond Market Fund in and around the third quarter of 2007. This money was allocated in 2010 to plan participants based on an allocation methodology approved by the Plan Sponsor.

5. Fair Value Measurement

ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). ASC Topic 820 includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

State Street Salary Savings Program  
Notes to Financial Statements (continued)

5. Fair Value Measurement (continued)

Level 1 Financial assets and liabilities with values based on unadjusted quoted prices for identical assets or liabilities in an active market.

Financial assets and liabilities with values based on quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets;
- Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- Pricing models whose inputs that are derived principally from, or corroborated by, observable market information through correlation or other means for substantially the full term of the asset or liability.

Level 2

The fair value of the securities categorized in level 2 is measured primarily using information obtained from third parties. This third-party information is subject to review by management as part of a validation process, which includes obtaining an understanding of the underlying assumptions and the level of market participant information used to support those assumptions. In addition, management compares significant assumptions used by third parties to available market information. Such information may include known trades or, to the extent that trading activity is limited, includes comparisons to market research information pertaining to credit expectations, execution prices and the timing of cash flows. The securities categorized as level 2 primarily comprise Common and Collective Trust Funds.

Level 3 Financial assets and liabilities with values based on prices or valuation techniques that require inputs that are both unobservable in the market and significant to the overall fair value measurement. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset or liability, and are based on the best available information, some of which is internally developed. There were no level 3 securities at December 31, 2011 or 2010.

Following is a description of the valuation methodologies used by the Plan for assets measured at fair value:

Common and Collective Trust Funds: Valued at the net asset value per unit held by the Plan at year end as quoted by the individual funds. SSgA, as investment manager of the common and collective trust funds, determines the net asset value per unit of the respective funds.

Common Stocks and U.S. Government and Agency Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value of shares held by the Plan at year end as quoted in the active market.

Corporate Bonds: Valued at quoted prices in markets that are not active, broker dealer quotations, or other methods by which all significant inputs are observable, either directly or indirectly.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement as of the reporting date.

The following table sets forth, by level within the fair value hierarchy, the Plan's assets measured at fair value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Common and collective trust funds	\$—	\$1,478,308,299	\$—	\$1,478,308,299
Common stocks	173,741,219	—	—	173,741,219
Mutual funds	214,903,106	—	—	214,903,106
Self managed brokerage accounts:				

Edgar Filing: STATE STREET CORP - Form 11-K

Common stocks	28,716,084	—	—	28,716,084
Mutual funds	21,310,508	—	—	21,310,508
Others (warrants or rights, government securities, bonds, etc.)	357,083	—	—	357,083
Total assets at fair value	\$439,028,000	\$1,478,308,299	\$—	\$1,917,336,299

11

---

State Street Salary Savings Program  
Notes to Financial Statements (continued)

5. Fair Value Measurement (continued)

No significant transfers of financial assets or liabilities between levels 1 and 2 occurred during 2011.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets measured at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
Common and collective trust funds	\$—	\$1,415,506,486	\$—	\$1,415,506,486
Common stocks	211,442,932	—	—	211,442,932
Mutual funds	205,423,647	—	—	205,423,647
Self managed brokerage accounts:				
Common stocks	19,418,154	—	—	19,418,154
Mutual funds	12,981,200	—	—	12,981,200
Others (warrants or rights, government securities, bonds, etc.)	130,816	—	—	130,816
Total assets at fair value	\$449,396,749	\$1,415,506,486	\$—	\$1,864,903,235

No significant transfers of financial assets or liabilities between levels 1 and 2 occurred during 2010.

6. Transactions and Agreements with Parties-in-Interest

The Plan holds units of State Street Bank and Trust Company Common and Collective Trust Funds managed by SSgA, a related party of State Street. The Plan also invests in the common stock of State Street. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. During 2011 and 2010, the Plan received \$3,165,350 and \$186,854, respectively, of common stock dividends from State Street.

Investment fees and most costs and expenses associated with Plan administration and recordkeeping are paid by the Plan to certain related parties. These expenses are reported on the statements of changes in net assets available for benefits as administrative expenses.

7. Risks and Uncertainties

The Plan and its participants invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

8. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (IRS), dated April 30, 2009 stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code), and therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated it will take the necessary steps, if any, to bring the Plan's operations into compliance with the code. GAAP requires plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Sponsor has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Sponsor believes it is no longer subject

State Street Salary Savings Program  
Notes to Financial Statements (continued)

8. Income Tax Status (continued)

to income tax examinations for years prior to 2008.

9. Reconciliation of Financial Statements and Form 5500

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2011:

Benefits paid to participants per the financial statements	\$ 109,518,235
Change in amounts allocated to withdrawing participants	(333,561 )
Benefits paid to participants per the Form 5500	\$ 109,184,674

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

10. Legal Matter

Two participants in the Plan have filed class action complaints purportedly on behalf of participants and beneficiaries who invested in the Plan's State Street stock investment option. Those complaints were filed in May 2009 and February 2010. The complaints are against the Plan Sponsor as well as certain named individuals and allege violations of the federal securities laws and ERISA. The Plan Sponsor and the individual defendants intend to defend themselves vigorously against these claims. Although both lawsuits are still active, the Plan Sponsor does not believe that the ultimate resolution of these claims will have a material effect on the Plan's financial statements.

11. Subsequent Events

The Plan has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued.

Effective April 1, 2012 the amount of the Matching Contribution made by the Company changed to 100% of the first 5% of the employee's tax-deferred contributions or Roth after-tax contributions.

Table of Contents

Supplemental Schedule





Edgar Filing: STATE STREET CORP - Form 11-K

State Street Salary Savings Program  
 EIN No.: 04-2456637 Plan No.: 002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)  
 December 31, 2011

Identity of Issue	Description of Investment	Current Value
State Street Bank and Trust Company Investment Funds for Employee Trusts*:		
Daily EAFE Index Securities Lending Fund	9,214,821 units of participation	\$155,426,384
Russell 1000 Value Index Securities Lending Series Fund	8,459,880 units of participation	136,390,188
S&P 500 Flagship Securities Lending Series Fund	713,233 units of participation	190,143,020
S&P Midcap Index Non-Lending Series Fund	5,032,745 units of participation	167,298,515
Russell 2000 Index Securities Lending Series Fund	5,183,852 units of participation	135,495,533
Russell 1000 Growth Index Securities Lending Series Fund	13,617,158 units of participation	129,158,749
Passive Bond Market Index Securities Lending Series Fund	3,468,221 units of participation	82,366,788
SSgA Target Retirement 2025 Securities Lending Series Fund	5,120,367 units of participation	64,117,241
SSgA Target Retirement 2030 Securities Lending Series Fund	4,835,231 units of participation	66,851,904
SSgA Target Retirement 2035 Securities Lending Series Fund	5,484,124 units of participation	65,019,777
SSgA Target Retirement 2020 Securities Lending Series Fund	3,299,677 units of participation	46,888,409
SSgA Target Retirement 2040 Securities Lending Series Fund	4,136,330 units of participation	55,939,727
SSgA Target Retirement 2015 Securities Lending Series Fund	2,185,344 units of participation	28,352,651
SSgA Target Retirement 2045 Securities Lending Series Fund	3,754,318 units of participation	44,676,383
SSgA Target Retirement 2055 Securities Lending Series Fund	57,246 units of participation	551,908
SSgA Target Retirement 2010 Securities Lending Series Fund	1,023,830 units of participation	14,557,834
SSgA Target Retirement Income Securities Lending Series Fund	796,012 units of participation	10,942,781
SSgA Target Retirement 2050 Securities Lending Series Fund	2,733,390 units of participation	26,472,887
World Government Bond Ex-U.S. Index Securities Lending Fund	831,828 units of participation	16,822,066
Daily Emerging Markets Index Non-Lending Series Fund	1,684,676 units of participation	38,971,600
State Street Corporation ESOP Fund*:		

Edgar Filing: STATE STREET CORP - Form 11-K

State Street Corporation Common Stock	4,310,127 units of participation	173,741,219
State Street Short Term Investment Fund	1,863,954 units of participation	1,863,954
Self Managed Brokerage Accounts		50,383,675
Vanguard Prime Money Market Fund	214,903,106 units of participation	214,903,106
Total investments		\$1,917,336,299
Participant loans*	4.00% to 11.50%	\$45,698,526

\*Indicates party-in-interest to the Plan.

Note: Cost information has not been included because all investments are participant-directed.

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the State Street Corporation Plans Investment Committee of State Street Corporation has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

STATE STREET SALARY SAVINGS PROGRAM

Dated: June 26, 2012

By:

/s/ JAMES J. MALERBA

James J. Malerba

Executive Vice President, Corporate Controller and  
Chief Accounting Officer

Table of Contents

EXHIBIT INDEX

Exhibit 23                      Consent of Independent Registered Public Accounting Firm

17