State Street Corp. (STT)

Updated April 20th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$145	**5 Year CAGR Estimate:**	7.2%	**Market Cap:**	$40 B
Fair Value Price:	$145	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	6/30/26[1]
% Fair Value:	100%	**5 Year Valuation Multiple Estimate:**	0.0%	**Dividend Payment Date:**	7/10/26
Dividend Yield:	2.3%	**5 Year Price Target**	$185	**Years Of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:** Financials		**Rating:**	Buy

Overview & Current Events

State Street Corporation is a Boston based financial services company which traces its roots back to 1792. It trades under the ticker STT and has raised its dividend for 16 consecutive years. State Street is one of the largest asset management firms in the world, with $5.6 trillion of assets under management and $55 trillion of assets under custody and administration. The company trades with a market capitalization of $40 billion.

In September of 2021, State Street announced the acquisition of Brown Brothers Harriman Investor Services for $3.5 billion but the two companies agreed to cancel the deal on November 30th, 2022 due to regulatory hurdles.

In mid-April, State Street reported (4/17/26) results for the first quarter of fiscal 2026. Net interest income grew 17% and fee revenues grew 15% over last year's quarter. Moreover, assets under custody or administration and assets under management grew 17% and 20%, respectively, thanks to higher quarter-end market levels and cash inflows. Earnings-per-share grew 39%, from $2.04 to $2.84, and exceeded the analysts' consensus by $0.20. State Street has exceeded the analysts' estimates in 28 of the last 29 quarters. Thanks to its positive performance and outlook, State Street raised its dividend by 11% last year and thus it has raised its dividend by at least 10% for five consecutive years. Moreover, it has a share repurchase program with a remaining amount of $2.4 billion and no expiration date, enough to reduce its share count by 6%. However, the bank also issues a significant amount of new shares. As the bank enjoys impressive business momentum, we have raised our forecast for earnings-per-share this year from $11.60 to $12.00.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$5.40	$5.67	$6.89	$6.00	$6.78	$7.52	$7.41	$7.66	$8.67	$10.30	***$12.00***	***$15.32***
DPS	$1.44	$1.60	$1.78	$1.98	$2.08	$2.18	$2.40	$2.66	$2.90	$3.02	***$3.36***	***$4.29***
Shares[2]	396	380	376	374	357	358	364	310	296	285	***280***	***250***

State Street has grown its earnings-per-share at a 7.4% average annual rate over the last decade. Going forward, we see the ability for continued growth thanks to the organic growth of equity flows and acquisitions. We consider this a defensive, low-risk stock, which is appropriate for those looking for stable dividend income that can grow faster than inflation in the upcoming years.

In the past few years, State Street has benefitted from new equity inflows as well as a market rally. The bank's asset management business, State Street Global Advisors, also benefitted from stock market gains and flows into ETFs. The firm will rely on the growth of flows into the equity market as well as acquisitions. Management claims to need about $1.5 trillion in new assets under custody annually to stick to growth targets.

State Street has a remaining amount of $2.4 billion for share repurchases, with no expiration date. This amount represents 6% of the current share count. Organic earnings growth has been about 3.8% per year, while the share count has contracted by -3.6% per year over the last decade. Due to a somewhat high comparison base formed by record earnings-per-share this year, we expect 5% average annual growth of earnings-per-share over the next five years.

[1] Estimated date.

[2] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.9	14.7	14.1	11.2	10.4	11.3	10.3	9.7	9.4	10.2	***12.1***	***12.1***
Avg. Yld.	2.2%	1.8%	2.0%	3.1%	3.2%	2.6%	3.1%	3.6%	3.6%	2.9%	***2.3%***	***2.3%***

State Street is currently trading at price-to-earnings ratio of 12.1, which is equal to the 10-year average of the stock. We expect the stock to trade around this valuation level in five years from now. As a result, we do not expect valuation to affect the 5-year return of the stock meaningfully.

Safety, Quality, Competitive Advantage, & Recession Resiliency

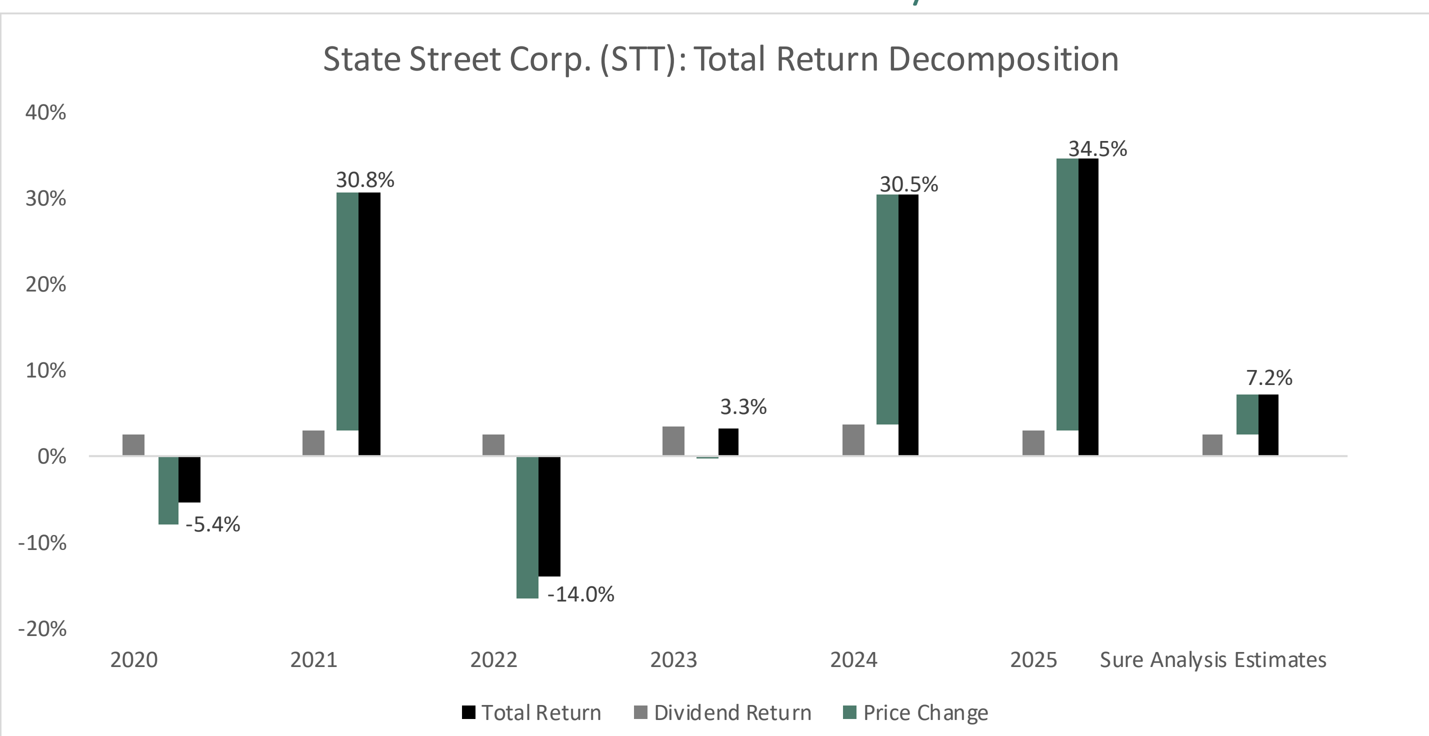
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	27%	28%	26%	33%	31%	29%	32%	34%	33%	29%	***28%***	***28%***

State Street has a conservative payout ratio of 28%, with stable earnings and a solid track record. It is one of the market leaders in its industry of asset management and asset servicing. It also benefits from its economies of scale, which pose a formidable barrier to new entrants. However, competition with names like Vanguard, BlackRock, and Bank of New York Mellon, all of which are lowering fees to attract investor funds, limits the growth potential within this space. A recessionary environment may lower profits but it is unlikely to endanger the dividend or the firm.

Final Thoughts & Recommendation

The stock of State Street has rallied 79% off its bottom last year, primarily thanks to its cheap initial valuation. As a result, the stock has become slightly less attractive but we remain confident in the long-term prospects of the company. State Street could offer a 7.2% average annual return over the next five years thanks to 5.0% earnings-per-share growth and a 2.3% dividend yield. The stock maintains its buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	9,407	10,418	11,094	10,698	10,684	11,974	12,148	11,945	12,919	13,885
SG&A Exp.	4,560	4,561	4,983	4,717	4,559	4,639	4,428	4,704	4,697	---
D&A Exp.	929	1,085	1,203	1,337	1,510	1,557	1,156	882	230	223
Net Profit	2,143	2,156	2,593	2,242	2,420	2,693	2,774	1,944	2,687	2,943
Net Margin	22.8%	20.7%	23.4%	21.0%	22.7%	22.5%	22.8%	16.3%	20.8%	13.0%
Free Cash Flow	1,677	6,303	9,566	4,960	2,972	-7,521	11,220	-126	-2,175	3,127
Income Tax	-22	839	508	470	479	478	553	372	708	786

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	242.7	238.4	244.6	245.6	314.7	314.6	301.5	297.3	353.2	366.0
Cash & Equivalents	72,381	69,454	76,310	72,325	120,485	109,989	105,563	91,770	116,102	4,433
Acc. Receivable	3,530	3,447	3,511	3,663	3,484	3,278	3,434	4,417	4,034	---
Goodwill & Int.	7,564	7,635	9,815	9,586	9,510	9,437	9,039	8,931	8,780	9,094
Total Liab ($B)	221.5	216.1	219.9	221.2	288.5	287.3	276.3	273.5	327.9	338.2
Long-Term Debt	12,722	12,514	13,995	13,212	17,689	13,603	17,093	21,313	33,112	25,143
Total Equity	18,023	19,121	21,047	21,469	23,729	25,387	23,215	21,823	22,510	24,282
D/E Ratio	0.60	0.56	0.57	0.54	0.68	0.50	0.68	0.90	1.31	1.07

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.9%	0.9%	1.1%	0.9%	0.9%	0.9%	0.9%	0.6%	0.8%	0.8%
Return on Equity	11.8%	11.6%	12.9%	10.5%	10.7%	11.0%	11.4%	7.9%	10.9%	11.1%
ROIC	6.3%	6.3%	7.0%	5.9%	5.9%	6.3%	6.7%	4.5%	5.2%	4.9%
Shares Out.	396	380	376	374	357	358	370.1	326.6	302.2	289.0
Revenue/Share	23.75	27.40	29.47	28.63	29.92	30.74	32.82	36.58	42.75	78.29
FCF/Share	4.23	16.58	25.41	13.27	8.32	-21.00	30.32	-0.39	-7.20	10.82

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.