

Tangible Common Shareholders' Equity, Tangible Book Value Per Common Share, and Selected Regulatory Capital and Leverage Information

(\$ in millions, except per share amounts)

The table below presents information on the firm's common shareholders' equity, book value per common share, and selected regulatory capital and leverage information.

	September 2014	June 2014	March 2014	December 2013
Common shareholders' equity	\$ 73,075	\$ 72,429	\$ 71,899	\$ 71,267
Tangible common shareholders' equity ⁽¹⁾	68,689	67,960	67,413	66,891
Book value per common share ⁽²⁾	\$ 161.38	\$ 158.21	\$ 154.69	\$ 152.48
Tangible book value per common share ⁽¹⁾⁽²⁾	151.70	148.45	145.04	143.11
Basel III Advanced RWAs (fully phased-in basis) ⁽³⁾	\$ 593,461	\$ 596,884	\$ 597,406	\$ 594,662
Basel III Advanced Common Equity Tier 1 (CET1) ratio (fully phased-in basis) ⁽³⁾⁽⁴⁾	10.6 %	9.8 %	9.7 %	9.8 %
Standardized RWAs (transitional basis) ⁽³⁾	618,820	618,670	620,603	629,268
Standardized CET1 ratio (transitional basis) ⁽³⁾⁽⁵⁾	11.1 %	10.9 %	10.9 %	10.6 %
Standardized RWAs (fully phased-in basis) ⁽³⁾	626,442	624,605	624,188	635,092
Standardized CET1 ratio (fully phased-in basis) ⁽³⁾⁽⁴⁾	10.0 %	9.4 %	9.3 %	9.2 %
Supplementary leverage ratio ⁽⁶⁾	4.9 %	4.5 %	4.2 %	Not disclosed
Supplementary leverage ratio, after adjusting for the capital impact of reducing the firm's fund investments to comply with the Volcker Rule	>5.2% %	>5 %	4.7 %	Not disclosed

The Basel III Advanced CET1 ratio on a fully phased-in basis, the Standardized CET1 ratio on a transitional and fully phased-in basis, supplementary leverage ratio and supplementary leverage ratio, after adjusting for the capital impact of reducing the firm's fund investments to comply with the Volcker Rule, in the table above are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. Management believes that these ratios are meaningful because they are measures that the firm, its regulators and investors use to assess capital adequacy. These ratios are based on the firm's current interpretation, expectations and understanding of the Revised Capital Framework and, for the supplementary leverage ratios, the U.S. federal bank regulatory agencies' final rule (the Final Rule), and may evolve as we discuss their interpretation and application with our regulators. For a further discussion of the methodology to calculate the firm's regulatory ratios, see "Equity Capital Management and Regulatory Capital" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2014.

⁽¹⁾ Tangible common shareholders' equity equals total shareholders' equity less preferred stock, goodwill and identifiable intangible assets. Tangible book value per common share is computed by dividing tangible common shareholders' equity by common shares outstanding, including restricted stock units (RSUs) granted to employees with no future service requirements. Management believes that tangible common shareholders' equity and tangible book value per common share are meaningful because they are measures that the firm and investors use to assess capital adequacy. Tangible common shareholders' equity and tangible book value per common share are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies. The table below presents the reconciliation of total shareholders' equity to tangible common shareholders' equity.

	September 2014	June 2014	March 2014	December 2013
Total shareholders' equity	\$ 82,275	\$ 81,629	\$ 79,099	\$ 78,467
Deduct: Preferred stock	(9,200)	(9,200)	(7,200)	(7,200)
Common shareholders' equity	73,075	72,429	71,899	71,267
Deduct: Goodwill and identifiable intangible assets	(4,386)	(4,469)	(4,486)	(4,376)
Tangible common shareholders' equity	\$ 68,689	\$ 67,960	\$ 67,413	\$ 66,891

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2014



Tangible Common Shareholders' Equity, Tangible Book Value Per Common Share, and Selected Regulatory Capital and Leverage Information, continued

(\$ in millions, except per share amounts)

⁽²⁾ The table below presents common shares outstanding, including RSUs granted to employees with no future service requirements.

	September 2014	June 2014	March 2014	December 2013
	(in millions)			
Common shares outstanding, including RSUs granted to employees with no future service requirements	452.8	457.8	464.8	467.4

⁽³⁾ Basel III Advanced RWAs on a fully phased-in basis and Standardized RWAs on a transitional and fully phased-in basis are calculated in accordance with the Revised Capital Framework, which became effective for the firm beginning January 1, 2014. For a further discussion of the calculations of the firm's RWAs under these approaches, see "Equity Capital Management and Regulatory Capital" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2014.

⁽⁴⁾ The Basel III Advanced CET1 ratio on a fully phased-in basis equals CET1 on a fully phased-in basis divided by Basel III Advanced RWAs on a fully phased-in basis. The Standardized CET1 ratio on a fully phased-in basis equals CET1 on a fully phased-in basis divided by Standardized RWAs on a fully phased-in basis. The table below presents the reconciliation of common shareholders' equity to CET1 on a fully phased-in basis.

	September 2014	June 2014	March 2014	December 2013
Common shareholders' equity	\$ 73,075	\$ 72,429	\$ 71,899	\$ 71,267
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(3,459)	(3,564)	(3,577)	(3,468)
Deductions for investments in nonconsolidated financial institutions	(5,806)	(8,944)	(9,278)	(9,091)
Other adjustments	(1,139)	(1,181)	(972)	(489)
CET1	<u>\$ 62,671</u>	<u>\$ 58,740</u>	<u>\$ 58,072</u>	<u>\$ 58,219</u>

⁽⁵⁾ The Standardized CET1 ratio reflecting the transitional provisions applicable in 2014 (transitional basis) equals CET1 on a transitional basis divided by Standardized RWAs on a transitional basis. The table below presents the reconciliation of common shareholders' equity to CET1 on a transitional basis.

	September 2014	June 2014	March 2014	December 2013
Common shareholders' equity	\$ 73,075	\$ 72,429	\$ 71,899	\$ 71,267
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(2,918)	(2,954)	(2,953)	(2,931)
Deductions for investments in nonconsolidated financial institutions	(1,129)	(1,755)	(1,818)	(1,792)
Other adjustments	(87)	(98)	287	360
CET1	<u>\$ 68,941</u>	<u>\$ 67,622</u>	<u>\$ 67,415</u>	<u>\$ 66,904</u>

⁽⁶⁾ The supplementary leverage ratio compares Tier 1 capital (as defined under the Revised Capital Framework) to a measure of leverage exposure. Leverage exposure, reflecting the Final Rule, is defined as the sum of the firm's average assets less certain deductions plus certain off-balance-sheet exposures, including a measure of derivatives exposures and commitments. As of September 30, 2014, the supplementary leverage ratio (reflecting the Final Rule) was 4.9%, including Tier 1 capital on a fully phased-in basis of \$71.38 billion (CET1 of \$62.67 billion plus perpetual non-cumulative preferred stock of \$9.20 billion less other adjustments of \$490 million) divided by total leverage exposure of \$1.45 trillion (total average assets of \$865 billion plus adjustments of \$585 billion, primarily comprised of off-balance-sheet exposure related to derivatives, commitments and guarantees).

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2014