

Return on Average Common Shareholders' Equity (ROE) Including and Excluding the Impact of the Provisions to the Agreement in Principle with the RMBS Working Group¹
(\$ in millions)

Management believes that presenting the firm's results excluding the impact of the \$3.37 billion related to the provisions for the agreement in principle with the RMBS Working Group is meaningful, as it increases the comparability of period-to-period results. ROE excluding this item is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. The table below presents the firm's ROE including and excluding the impact of this item.

	Year Ended December 2015	
ROE ⁽²⁾	7.4	%
ROE, excluding the impact of the RMBS Working Group Agreement in Principle ⁽³⁾	11.2	%

⁽¹⁾On January 14, 2016, the firm announced an agreement in principle, subject to the negotiation of definitive documentation, to resolve the ongoing investigation of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force (RMBS Working Group). The agreement in principle will resolve actual and potential civil claims by the U.S. Department of Justice, the New York and Illinois Attorneys General, the National Credit Union Administration (as conservator for several failed credit unions) and the Federal Home Loan Banks of Chicago and Seattle, relating to the firm's securitization, underwriting and sale of residential mortgage-backed securities from 2005 to 2007. For additional information, see the firm's Form 8-K filed with the U.S. Securities and Exchange Commission on January 14, 2016.

⁽²⁾ROE is computed by dividing net earnings applicable to common shareholders by average monthly common shareholders' equity.

⁽³⁾The tables below present the calculation of net earnings applicable to common shareholders and average common shareholders' equity excluding the impact of this item.

	Year Ended December 2015
Net earnings applicable to common shareholders	\$ 5,568
Pre-tax impact of the RMBS Working Group Agreement in Principle	3,373
Tax impact of the RMBS Working Group Agreement in Principle	(381)
Net earnings applicable to common shareholders, excluding the impact of the RMBS Working Group Agreement in Principle	\$ 8,560

	Average for the Year Ended December 2015
Total shareholders' equity	\$ 86,314
Preferred stock	(10,585)
Common shareholders' equity	\$ 75,729
Impact of the RMBS Working Group Agreement in Principle	836
Common shareholders' equity, excluding the impact of the RMBS Working Group Agreement in Principle	\$ 76,565