

Return on Average Tangible Common Shareholders' Equity (ROTCE)

(\$ in millions)

ROTCE is computed by dividing annualized net earnings applicable to common shareholders by average monthly tangible common shareholders' equity. Management believes that ROTCE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. ROTCE is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies.

	Three Months Ended March 2014		Year Ended December 2013	
ROTCE ⁽¹⁾	11.6	%	11.7	%

⁽¹⁾ The table below presents the reconciliation of average total shareholders' equity to average tangible common shareholders' equity.

	Average for the	
	Three Months Ended March 2014	Year Ended December 2013
Total shareholders' equity	\$ 78,907	\$ 77,353
Preferred stock	(7,200)	(6,892)
Common shareholders' equity	\$ 71,707	\$ 70,461
Goodwill and identifiable intangible assets	(4,394)	(4,624)
Tangible common shareholders' equity	\$ 67,313	\$ 65,837

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.

	March 2014		December 2013	
Common shareholders' equity	\$ 71,899		\$ 71,267	
Tangible common shareholders' equity ⁽¹⁾	67,413		66,891	
Book value per common share ⁽²⁾	\$ 154.69		\$ 152.48	
Tangible book value per common share ⁽¹⁾⁽²⁾	145.04		143.11	
Basel III Advanced RWAs (fully phased-in basis) ⁽³⁾	\$ 597,406		\$ 594,662	
Basel III Advanced Common Equity Tier 1 (CET1) ratio (fully phased-in basis) ⁽³⁾⁽⁴⁾	9.7 %		9.8 %	
Standardized RWAs (transitional basis) ⁽³⁾	620,603		629,268	
Standardized CET1 ratio (transitional basis) ⁽³⁾⁽⁵⁾	10.9 %		Not disclosed	
Standardized RWAs (fully phased-in basis) ⁽³⁾	624,188		635,092	
Standardized CET1 ratio (fully phased-in basis) ⁽³⁾⁽⁴⁾	9.3 %		9.2 %	
Supplementary leverage ratio ⁽⁶⁾	4.2 %		Not disclosed	
Supplementary leverage ratio, including the capital impact of reducing the firm's fund investments to comply with the Volcker Rule ⁽⁷⁾	4.7 %		Not disclosed	

Basel III Advanced RWAs on a fully phased-in basis, Basel III Advanced CET1 ratio on a fully phased-in basis, Standardized RWAs on a transitional and fully phased-in basis, Standardized CET1 ratio on a transitional and fully phased-in basis, supplementary leverage ratio and supplementary leverage ratio, including 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 estimated ratios and amounts are meaningful because they are measures that the firm, its regulators and investors use to assess capital adequacy. These estimates 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' proposal to further revise the definition of the leverage exposure measure issued in April 2014 (April 2014 proposal) and may evolve as we discuss their interpretation with our regulators.

⁽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.

	March 2014		December 2013
Total shareholders' equity	\$ 79,099		\$ 78,467
Deduct: Preferred stock	(7,200)		(7,200)
Common shareholders' equity	71,899		71,267
Deduct: Goodwill and identifiable intangible assets	(4,486)		(4,376)
Tangible common shareholders' equity	<u>\$ 67,413</u>		<u>\$ 66,891</u>

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

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

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended March 31, 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)

(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" 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 March 31, 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.

	March 2014	December 2013
Common shareholders' equity	\$ 71,899	\$ 71,267
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(3,577)	(3,468)
Deductions for investments in nonconsolidated financial institutions	(9,278)	(9,091)
Other adjustments	(972)	(489)
CET1	<u>\$ 58,072</u>	<u>\$ 58,219</u>

(5) The Standardized CET1 ratio reflecting the transition 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.

	March 2014	December 2013
Common shareholders' equity	\$ 71,899	\$ 71,267
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(2,953)	(2,931)
Deductions for investments in nonconsolidated financial institutions	(1,818)	(1,792)
Other adjustments	287	360
CET1	<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 April 2014 proposal, 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 March 31, 2014, Tier 1 capital on a fully phased-in basis was approximately \$64.88 billion (CET1 of \$58.07 billion plus perpetual non-cumulative preferred stock of \$7.20 billion less other adjustments of \$395 million) divided by total leverage exposure of \$1.56 trillion (total average assets of \$928 billion plus adjustments of \$628 billion, primarily comprised of off-balance sheet exposure related to derivatives, commitments and guarantees).

(7) The supplementary leverage ratio, including the capital impact of reducing the firm's fund investments to comply with the Volcker Rule, compares Tier 1 capital (as defined under the Revised Capital Framework and including the impact of reducing our fund investments to comply with the Volcker Rule) to a measure of leverage exposure reflecting the April 2014 proposal. As of March 31, 2014, Tier 1 capital was \$74.52 billion (Tier 1 capital on a fully phased-in basis of \$64.88 billion adjusted for the estimated capital impact of reducing fund investments to comply with the Volcker rule of \$9.64 billion) divided by total leverage exposure of \$1.57 trillion (total average assets of \$928 billion plus adjustments of \$637 billion, primarily comprised of off-balance sheet exposure related to derivatives, commitments and guarantees and an estimated adjustment for the impact of reducing fund investments to comply with the Volcker Rule).

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2014