

Return on Average Tangible Shareholders' Equity and Tangible Book Value per Share

The following table sets forth information on the firm's annualized return on average shareholders' equity, annualized return on average tangible shareholders' equity, book value per share and tangible book value per share:

| | As of or for the Three Months Ended February 28, 2003 <u>(unaudited)</u> |
|---|---|
| Annualized return on average shareholders' equity ⁽¹⁾ | 13.7% |
| Annualized return on average tangible shareholders' equity ⁽²⁾ | 18.3% |
| Book value per share ⁽¹⁾ | \$ 40.05 |
| Tangible book value per share ⁽²⁾ | 30.18 |

⁽¹⁾ Annualized return on average shareholders' equity is computed by dividing annualized net earnings by average monthly shareholders' equity. Book value per share is computed by dividing shareholders' equity by the number of common shares outstanding, including restricted stock units granted to employees with no future service requirements, of 487.3 million as of February 28, 2003.

⁽²⁾ Tangible shareholders' equity equals total shareholders' equity less goodwill and identifiable intangible assets. Management believes that tangible shareholders' equity is a meaningful measure because it reflects the equity deployed in the firm's businesses. Annualized return on average tangible shareholders' equity is computed by dividing annualized net earnings by average monthly tangible shareholders' equity. Tangible book value per share is computed by dividing tangible shareholders' equity by the number of common shares outstanding, including restricted stock units granted to employees with no future service requirements. The following table sets forth the reconciliation of shareholders' equity to tangible shareholders' equity:

| | Average for the Three Months Ended February 28, 2003 <u>(unaudited)</u> (in millions) | As of February 28, 2003 <u>(unaudited)</u> |
|---|---|--|
| Shareholders' equity | \$ 19,283 | \$ 19,514 |
| Less: Goodwill and identifiable intangible assets | 4,823 | 4,809 |
| Tangible shareholders' equity | <u>\$ 14,460</u> | <u>\$ 14,705</u> |