

Tangible Common Shareholders' Equity, Tangible Book Value per Common Share and Annualized Return on Average Tangible Common Shareholders' Equity (ROTE)
(in millions, except per share amounts)

The table below presents information about the firm's common shareholders' equity, book value per common share and basic shares.

	As of			
	September 2018	June 2018	March 2018	December 2017
Common shareholders' equity	\$ 75,559	\$ 75,396	\$ 72,376	\$ 70,390
Tangible common shareholders' equity ⁽¹⁾	\$ 71,458	\$ 71,290	\$ 68,327	\$ 66,352
Book value per common share	\$ 197.33	\$ 194.37	\$ 186.73	\$ 181.00
Tangible book value per common share ⁽¹⁾	\$ 186.62	\$ 183.78	\$ 176.28	\$ 170.61
Basic shares ⁽¹⁾	382.9	387.9	387.6	388.9

The table below presents information about the firm's annualized return on average common shareholders' equity (ROE) and annualized ROTE.

	September 2018	
	Three Months Ended	Nine Months Ended
Net earnings applicable to common shareholders	\$ 2,453	\$ 7,538
Average tangible common shareholders' equity ⁽¹⁾	\$ 70,940	\$ 69,024
Annualized ROE ⁽¹⁾	13.1%	13.7%
Annualized ROTE ⁽¹⁾	13.8%	14.6%

⁽¹⁾ Annualized ROE is calculated by dividing annualized net earnings applicable to common shareholders by average monthly common shareholders' equity. Tangible common shareholders' equity is calculated as total shareholders' equity less preferred stock, goodwill and identifiable intangible assets. Annualized ROTE is calculated by dividing annualized net earnings applicable to common shareholders by average monthly tangible common shareholders' equity. Tangible book value per common share is calculated by dividing tangible common shareholders' equity by basic shares (which include common shares outstanding and restricted stock units 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 and that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. Tangible common shareholders' equity, ROTE 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 firm's average common shareholders' equity and a reconciliation of total shareholders' equity to tangible common shareholders' equity.

	Average for the		As of			
	Three Months Ended September 2018	Nine Months Ended September 2018	September 2018	June 2018	March 2018	December 2017
Total shareholders' equity	\$ 86,248	\$ 84,382	\$ 86,762	\$ 86,599	\$ 83,579	\$ 82,243
Preferred stock	(11,203)	(11,268)	(11,203)	(11,203)	(11,203)	(11,853)
Common shareholders' equity	75,045	73,114	75,559	75,396	72,376	70,390
Goodwill and identifiable intangible assets	(4,105)	(4,090)	(4,101)	(4,106)	(4,049)	(4,038)
Tangible common shareholders' equity	\$ 70,940	\$ 69,024	\$ 71,458	\$ 71,290	\$ 68,327	\$ 66,352

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2018

