

Tangible Common Shareholders' Equity and Tangible Book Value per Common Share

(\$ in millions, except per share amounts)

The table below presents information on the firm's common shareholders' equity and book value per common share:

	As of	
	March 2017	December 2016
Common shareholders' equity	\$ 75,714	\$ 75,690
Tangible common shareholders' equity ⁽¹⁾	71,647	71,595
Book value per common share ⁽²⁾	\$ 184.98	\$ 182.47
Tangible book value per common share ⁽¹⁾⁽²⁾	175.05	172.60

⁽¹⁾ Tangible common shareholders' equity equals total shareholders' equity less preferred stock, goodwill and identifiable intangible assets. Tangible book value per common share is calculated by dividing tangible common shareholders' equity by basic shares (which includes common shares outstanding and 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:

	As of	
	March 2017	December 2016
Total shareholders' equity	\$ 86,917	\$ 86,893
Less: Preferred stock	(11,203)	(11,203)
Common shareholders' equity	75,714	75,690
Less: Goodwill and identifiable intangible assets	(4,067)	(4,095)
Tangible common shareholders' equity	<u>\$ 71,647</u>	<u>\$ 71,595</u>

⁽²⁾ The table below presents basic shares which is used to calculate book value per common share and tangible book value per common share:

	As of	
	March 2017	December 2016
	(in millions)	
Basic Shares	409.3	414.8

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2017



Selected Regulatory Capital Information

(\$ in millions)

The table below presents the reconciliation of common shareholders' equity to Common Equity Tier 1 (CET1), Tier 1 capital and Total capital, and the firm's risk weighted assets (RWAs) and capital ratios calculated in accordance with the Standardized Capital Rules and the Basel III Advanced Rules on a transitional and fully phased-in basis.

	Transitional basis		Fully phased-in basis	
	As of		As of	
	March 2017	December 2016	March 2017	December 2016
Common shareholders' equity	\$ 75,714	\$ 75,690	\$ 75,714	\$ 75,690
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(2,923)	(2,874)	(2,988)	(3,015)
Deductions for investments in nonconsolidated financial institutions	(461)	(424)	(603)	(765)
Other adjustments	(493)	(346)	(700)	(799)
CET1	\$ 71,837	\$ 72,046	\$ 71,423	\$ 71,111
Preferred stock	11,203	11,203	11,203	11,203
Deduction for investments in covered funds	(328)	(445)	(328)	(445)
Other adjustments	(199)	(364)	(59)	(61)
Tier 1 capital	\$ 82,513	\$ 82,440	\$ 82,239	\$ 81,808
Standardized Tier 2 and Total capital				
Tier 1 capital	\$ 82,513	\$ 82,440	\$ 82,239	\$ 81,808
Qualifying subordinated debt	14,336	14,566	14,336	14,566
Junior subordinated debt issued to trusts	660	792	-	-
Allowance for losses on loans and lending commitments	791	722	791	722
Other adjustments	(6)	(6)	(6)	(6)
Standardized Tier 2 capital	15,781	16,074	15,121	15,282
Standardized Total capital	\$ 98,294	\$ 98,514	\$ 97,360	\$ 97,090
Basel III Advanced Tier 2 and Total capital				
Tier 1 capital	\$ 82,513	\$ 82,440	\$ 82,239	\$ 81,808
Standardized Tier 2 capital	15,781	16,074	15,121	15,282
Allowance for losses on loans and lending commitments	(791)	(722)	(791)	(722)
Basel III Advanced Tier 2 capital	14,990	15,352	14,330	14,560
Basel III Advanced Total capital	\$ 97,503	\$ 97,792	\$ 96,569	\$ 96,368
Standardized				
RWAs	\$ 507,401	\$ 496,676	\$ 521,263	\$ 507,807
CET1 ratio	14.2 %	14.5 %	13.7 %	14.0 %
Tier 1 capital ratio	16.3 %	16.6 %	15.8 %	16.1 %
Total capital ratio	19.4 %	19.8 %	18.7 %	19.1 %
Basel III Advanced				
RWAs	\$ 558,276	\$ 549,650	\$ 572,312	\$ 560,786
CET1 ratio	12.9 %	13.1 %	12.5 %	12.7 %
Tier 1 capital ratio	14.8 %	15.0 %	14.4 %	14.6 %
Total capital ratio	17.5 %	17.8 %	16.9 %	17.2 %

The fully phased-in Standardized and Basel III Advanced capital ratios 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 the firm's ability to meet future regulatory capital requirements. These ratios are based on the firm's current interpretation, expectations and understanding of the Revised Capital Framework and may evolve as the firm discusses its interpretation and application with its regulators. For a further description of the methodology to calculate the firm's regulatory ratios, see Note 20 "Regulation and Capital Adequacy" in Part I, Item 1 "Financial Statements (Unaudited)" and "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 March 31, 2017.

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended March 31, 2017

