

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.

	Nine Months Ended September 2013		Year Ended December 2012	
ROTCE ⁽¹⁾	11.1	%	11.6	%

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

	Average for the	
	Nine Months Ended September 2013	Year Ended December 2012
Total shareholders' equity	\$ 77,225	\$ 72,530
Preferred stock	(6,800)	(4,392)
Common shareholders' equity	\$ 70,425	\$ 68,138
Goodwill and identifiable intangible assets	(4,685)	(5,337)
Tangible common shareholders' equity	\$ 65,740	\$ 62,801

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2013

Adjusted Assets, Adjusted Leverage Ratio, Tangible Common Shareholders' Equity, Tangible Book Value Per Common Share, Basel I Tier 1 Common Ratio, and Selected Basel III Information

(\$ in millions, except per share amounts)

The table below presents information on the firm's assets, shareholders' equity, leverage ratios, book value per common share, Basel I Tier 1 common ratio, and selected Basel III information.

	September 2013	June 2013	March 2013	December 2012
Total assets	\$ 923,223	\$ 938,456	\$ 959,223	\$ 938,555
Adjusted assets ⁽¹⁾	607,056	651,555	689,034	686,874
Total shareholders' equity	\$ 77,616	\$ 78,043	\$ 77,228	\$ 75,716
Leverage ratio ⁽²⁾	11.9 x	12.0 x	12.4 x	12.4 x
Adjusted leverage ratio ⁽³⁾	7.8 x	8.3 x	8.9 x	9.1 x
Common shareholders' equity	\$ 70,416	\$ 70,843	\$ 71,028	\$ 69,516
Tangible common shareholders' equity ⁽⁴⁾	65,958	66,349	66,345	64,417
Book value per common share ⁽⁵⁾	\$ 153.58	\$ 151.21	\$ 148.41	\$ 144.67
Tangible book value per common share ^{(4) (5)}	143.86	141.62	138.62	134.06
Basel I Risk-weighted assets (RWAs) ⁽⁶⁾	\$ 436,730	\$ 457,461	\$ 480,080	\$ 399,928
Basel I Tier 1 common ratio ⁽⁷⁾	14.2 %	13.5 %	12.7 %	14.5 %
Estimated Basel III Advanced RWAs ⁽⁸⁾	\$ 592,262	\$ 600,222	N/A	N/A
Estimated Basel III Advanced Common Equity Tier 1 (CET1) ratio ⁽⁸⁾⁽⁹⁾	9.8 %	9.3 %	N/A	N/A
Estimated supplementary leverage ratio ⁽¹⁰⁾	Approximately 5 %	N/A	N/A	N/A

⁽¹⁾ Adjusted assets equals total assets less (i) low-risk collateralized assets generally associated with the firm's secured client financing transactions, federal funds sold and excess liquidity (which includes financial instruments sold, but not yet purchased, at fair value, less derivative liabilities) and (ii) cash and securities segregated for regulatory and other purposes. Adjusted assets is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. The table below presents the reconciliation of total assets to adjusted assets.

	September 2013	June 2013	March 2013	December 2012
Total assets	\$ 923,223	\$ 938,456	\$ 959,223	\$ 938,555
Deduct: Securities borrowed	(175,095)	(174,798)	(172,041)	(136,893)
Securities purchased under agreements to resell and federal funds sold	(169,868)	(153,555)	(158,506)	(141,334)
Add: Financial instruments sold, but not yet purchased, at fair value	131,158	144,986	153,749	126,644
Less derivative liabilities	(48,487)	(51,604)	(52,347)	(50,427)
Subtotal	(262,292)	(234,971)	(229,145)	(202,010)
Deduct: Cash and securities segregated for regulatory and other purposes	(53,875)	(51,930)	(41,044)	(49,671)
Adjusted assets	\$ 607,056	\$ 651,555	\$ 689,034	\$ 686,874

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2013



Adjusted Assets, Adjusted Leverage Ratio, Tangible Common Shareholders' Equity, Tangible Book Value Per Common Share, Basel I Tier 1 Common Ratio, and Selected Basel III Information, continued

(\$ in millions, except per share amounts)

(2) The leverage ratio equals total assets divided by total shareholders' equity.

(3) The adjusted leverage ratio equals adjusted assets divided by total shareholders' equity. Management believes that the adjusted leverage ratio is a more meaningful measure of the firm's capital adequacy than the leverage ratio because it excludes certain low-risk collateralized assets that are generally supported with little or no capital. The adjusted leverage ratio is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies.

(4) 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 the number of 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.

	September 2013	June 2013	March 2013	December 2012
Total shareholders' equity	\$ 77,616	\$ 78,043	\$ 77,228	\$ 75,716
Deduct: Preferred stock	(7,200)	(7,200)	(6,200)	(6,200)
Common shareholders' equity	70,416	70,843	71,028	69,516
Deduct: Goodwill and identifiable intangible assets	(4,458)	(4,494)	(4,683)	(5,099)
Tangible common shareholders' equity	<u>\$ 65,958</u>	<u>\$ 66,349</u>	<u>\$ 66,345</u>	<u>\$ 64,417</u>

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

	September 2013	June 2013	March 2013	December 2012
		(in millions)		
Common shares outstanding, including RSUs granted to employees with no future service requirements	458.5	468.5	478.6	480.5

(6) Basel I RWAs are calculated in accordance with the Board of Governors of the Federal Reserve System's (Federal Reserve Board's) existing risk-based capital requirements under Basel I and also reflect the revised market risk regulatory capital requirements, which became effective on January 1, 2013.

(7) The Basel I Tier 1 common ratio equals Basel I Tier 1 common capital divided by Basel I RWAs. Management believes that the Basel I Tier 1 common ratio is meaningful because it is one of the measures that the firm, its regulators and investors use to assess capital adequacy. The Basel I Tier 1 common ratio is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. The table below presents the reconciliation of Basel I Tier 1 capital to Basel I Tier 1 common capital.

	September 2013	June 2013	March 2013	December 2012
Basel I Tier 1 capital	\$ 71,051	\$ 71,141	\$ 69,371	\$ 66,977
Deduct: Perpetual non-cumulative preferred stock	(7,200)	(7,200)	(6,200)	(6,200)
Junior subordinated debt issued to trusts	(2,063)	(2,063)	(2,063)	(2,750)
Add: Other adjustments	39	25	27	20
Basel I Tier 1 common capital	<u>\$ 61,827</u>	<u>\$ 61,903</u>	<u>\$ 61,135</u>	<u>\$ 58,047</u>

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2013

Adjusted Assets, Adjusted Leverage Ratio, Tangible Common Shareholders' Equity, Tangible Book Value Per Common Share, Basel I Tier 1 Common Ratio, and Selected Basel III Information, continued

(\$ in millions, except per share amounts)

⁽⁸⁾ Estimated Basel III Advanced RWAs are calculated in accordance with the U.S. federal bank regulatory agencies' revised capital regulations (2013 Capital Framework), which are largely based on the Basel Committee's December 2010 final capital framework for strengthening international capital standards (Basel III) and implement certain provisions of the Dodd-Frank Act.

⁽⁹⁾ The estimated Basel III Advanced CET1 ratio on a fully phased-in basis equals estimated Basel III CET1 divided by estimated Basel III Advanced RWAs. Management believes that the estimated Basel III Advanced CET1 ratio is meaningful because it is one of the measures that the firm, its regulators and investors use to assess capital adequacy. The estimated Basel III Advanced CET1 ratio is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. The table below presents the reconciliation of common shareholders' equity to the estimated Basel III Advanced CET1 on a fully phased-in basis.

	September 2013	June 2013
Common shareholders' equity	\$ 70,416	\$ 70,843
Deduct: Goodwill	(3,702)	(3,699)
Identifiable intangible assets	(756)	(795)
Deductions for investments in nonconsolidated financial institutions	(8,064)	(9,872)
Other adjustments, net	148	(680)
Basel III Common Equity Tier 1	<u>\$ 58,042</u>	<u>\$ 55,797</u>

⁽¹⁰⁾ The estimated supplementary leverage ratio compares estimated Basel III Tier 1 capital (as defined under the 2013 Capital Framework) to a measure of leverage exposure. This ratio is an average of the supplementary leverage ratios for each month-end during the quarter. Leverage exposure is defined as the sum of the firm's assets less certain CET1 deductions plus certain off-balance-sheet exposures, including a measure of derivatives exposures and commitments. Management believes that the estimated supplementary leverage ratio is meaningful because it is one of the measures that the firm, its regulators and investors will use to assess capital adequacy. The estimated supplementary leverage ratio is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies and is a forward-looking statement based on the firm's current interpretation, expectations and understandings of the 2013 Capital Framework and related proposals to increase the minimum supplementary leverage ratios.

For further information, see the firm's Quarterly Report on Form 10-Q for the period ended September 30, 2013