

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

(in millions, except per share amounts)

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

	As of				
	December 2017	September 2017	June 2017	March 2017	December 2016
Common shareholders' equity	\$ 70,390	\$ 75,089	\$ 75,472	\$ 75,714	\$ 75,690
Tangible common shareholders' equity <sup>(1)</sup>	\$ 66,352	\$ 71,031	\$ 71,392	\$ 71,647	\$ 71,595
Book value per common share <sup>(2)</sup>	\$ 181.00	\$ 190.73	\$ 187.32	\$ 184.98	\$ 182.47
Tangible book value per common share <sup>(1)(2)</sup>	\$ 170.61	\$ 180.42	\$ 177.20	\$ 175.05	\$ 172.60

<sup>(1)</sup> 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 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				
	December 2017	September 2017	June 2017	March 2017	December 2016
Total shareholders' equity	\$ 82,243	\$ 86,292	\$ 86,675	\$ 86,917	\$ 86,893
Preferred stock	(11,853)	(11,203)	(11,203)	(11,203)	(11,203)
Common shareholders' equity	70,390	75,089	75,472	75,714	75,690
Goodwill and identifiable intangible assets	(4,038)	(4,058)	(4,080)	(4,067)	(4,095)
Tangible common shareholders' equity	\$ 66,352	\$ 71,031	\$ 71,392	\$ 71,647	\$ 71,595

<sup>(2)</sup> 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				
	December 2017	September 2017	June 2017	March 2017	December 2016
Basic shares	388.9	393.7	402.9	409.3	414.8

**For further information, see the firm's Annual Report on Form 10-K for the year ended December 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	
	December 2017	December 2016	December 2017	December 2016
Common shareholders' equity	\$ 70,390	\$ 75,690	\$ 70,390	\$ 75,690
Deduction for goodwill and identifiable intangible assets, net of deferred tax liabilities	(3,269)	(2,874)	(3,334)	(3,015)
Deduction for investments in nonconsolidated financial institutions	–	(424)	–	(765)
Other adjustments	(11)	(346)	(63)	(799)
<b>CET1</b>	<b>\$ 67,110</b>	<b>\$ 72,046</b>	<b>\$ 66,993</b>	<b>\$ 71,111</b>
Preferred stock	11,853	11,203	11,853	11,203
Deduction for investments in covered funds	(590)	(445)	(590)	(445)
Other adjustments	(42)	(364)	(29)	(61)
<b>Tier 1 capital</b>	<b>\$ 78,331</b>	<b>\$ 82,440</b>	<b>\$ 78,227</b>	<b>\$ 81,808</b>
<b>Standardized Tier 2 and Total capital</b>				
Tier 1 capital	\$ 78,331	\$ 82,440	\$ 78,227	\$ 81,808
Qualifying subordinated debt	13,360	14,566	13,360	14,566
Junior subordinated debt issued to trusts	567	792	–	–
Allowance for losses on loans and lending commitments	1,078	722	1,078	722
Other adjustments	(28)	(6)	(28)	(6)
Standardized Tier 2 capital	14,977	16,074	14,410	15,282
<b>Standardized Total capital</b>	<b>\$ 93,308</b>	<b>\$ 98,514</b>	<b>\$ 92,637</b>	<b>\$ 97,090</b>
<b>Basel III Advanced Tier 2 and Total capital</b>				
Tier 1 capital	\$ 78,331	\$ 82,440	\$ 78,227	\$ 81,808
Standardized Tier 2 capital	14,977	16,074	14,410	15,282
Allowance for losses on loans and lending commitments	(1,078)	(722)	(1,078)	(722)
Basel III Advanced Tier 2 capital	13,899	15,352	13,332	14,560
<b>Basel III Advanced Total capital</b>	<b>\$ 92,230</b>	<b>\$ 97,792</b>	<b>\$ 91,559</b>	<b>\$ 96,368</b>
<b>Standardized</b>				
RWAs	\$ 555,611	\$ 496,676	\$ 563,975	\$ 507,807
CET1 ratio	12.1 %	14.5 %	11.9 %	14.0 %
Tier 1 capital ratio	14.1 %	16.6 %	13.9 %	16.1 %
Total capital ratio	16.8 %	19.8 %	16.4 %	19.1 %
<b>Basel III Advanced</b>				
RWAs	\$ 617,646	\$ 549,650	\$ 626,092	\$ 560,786
CET1 ratio	10.9 %	13.1 %	10.7 %	12.7 %
Tier 1 capital ratio	12.7 %	15.0 %	12.5 %	14.6 %
Total capital ratio	14.9 %	17.8 %	14.6 %	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 capital 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. For a further description of the methodology to calculate the firm's regulatory capital ratios, see Note 20 "Regulation and Capital Adequacy" in Part II, Item 8 "Financial Statements and Supplementary Data" and "Equity Capital Management and Regulatory Capital" in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Annual Report on Form 10-K for the year ended December 31, 2017.

**For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2017**



**Net earnings, Net earnings applicable to common shareholders and Common shareholders' equity, excluding the estimated impact of the Tax Cuts and Jobs Act (Tax Legislation)**

*(in millions, except per share amounts)*

The table below presents the calculation of net earnings, excluding the estimated impact of Tax Legislation.

	<b>Year Ended December 2017</b>
Net earnings, as reported	\$ 4,286
Estimated impact of Tax Legislation	4,400
Net earnings, excluding the estimated impact of Tax Legislation	<b>\$ 8,686</b>

The tables below present the calculation of net earnings applicable to common shareholders, diluted earnings per common share and average common shareholders' equity, excluding the estimated impact of Tax Legislation.

	<b>Year Ended December 2017</b>
Net earnings applicable to common shareholders, as reported	\$ 3,685
Estimated impact of Tax Legislation	4,400
Net earnings applicable to common shareholders, excluding the estimated impact of Tax Legislation	8,085
Divided by average diluted common shares	409.1
Diluted earnings per common share, excluding the estimated impact of Tax Legislation	<b>\$ 19.76</b>

	<b>Average for the Year Ended December 2017</b>
Common shareholders' equity, as reported	\$ 74,721
Estimated impact of Tax Legislation	338
Common shareholders' equity, excluding the estimated impact of Tax Legislation	<b>\$ 75,059</b>

The estimated effects of Tax Legislation are based on our current calculations, as well as our current interpretations, assumptions and expectations relating to Tax Legislation, which are subject to further guidance and change. Management believes that presenting the firm's results, excluding the estimated impact of Tax Legislation, is meaningful as excluding this item increases the comparability of period-to-period results. Diluted earnings per common share, excluding the estimated impact of Tax Legislation, is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. For further details on the estimated impact of Tax Legislation see Note 24 "Income Taxes" in Part II, Item 8 "Financial Statements and Supplementary Data" and "Results of Operations" in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Annual Report on Form 10-K for the year ended December 31, 2017.

***For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2017***



**Effective income tax rate, excluding the estimated impact of Tax Legislation***(\$ in millions)*

The table below presents the calculation of the effective income tax rate, excluding the estimated impact of Tax Legislation.

	Year Ended December 2017		
	Pre-tax earnings	Provision for taxes	Effective income tax rate
As reported	\$ 11,132	\$ 6,846	61.5 %
Estimated impact of Tax Legislation	—	4,400	—
Excluding the estimated impact of Tax Legislation	\$ 11,132	\$ 2,446	22.0 %

The estimated effects of Tax Legislation are based on our current calculations, as well as our current interpretations, assumptions and expectations relating to Tax Legislation, which are subject to further guidance and change. Management believes that presenting the firm's effective income tax rate, excluding the estimated impact of Tax Legislation, is meaningful as excluding this item increases the comparability of period-to-period results. The effective income tax rate, excluding the estimated impact of Tax Legislation, is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. For further details on the estimated impact of Tax Legislation see Note 24 "Income Taxes" in Part II, Item 8 "Financial Statements and Supplementary Data" and "Results of Operations" in Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the firm's Annual Report on Form 10-K for the year ended December 31, 2017.

***For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2017***

