

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				
	December 2016	September 2016	June 2016	March 2016	December 2015
Common shareholders' equity	\$ 75,690	\$ 75,907	\$ 75,311	\$ 75,634	\$ 75,528
Tangible common shareholders' equity ⁽¹⁾	71,595	71,803	71,166	71,498	71,380
Book value per common share ⁽²⁾	\$ 182.47	\$ 181.25	\$ 176.62	\$ 173.00	\$ 171.03
Tangible book value per common share ⁽¹⁾⁽²⁾	172.60	171.45	166.90	163.54	161.64

⁽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				
	December 2016	September 2016	June 2016	March 2016	December 2015
Total shareholders' equity	\$ 86,893	\$ 87,110	\$ 86,514	\$ 86,837	\$ 86,728
Less: Preferred stock	(11,203)	(11,203)	(11,203)	(11,203)	(11,200)
Common shareholders' equity	75,690	75,907	75,311	75,634	75,528
Less: Goodwill and identifiable intangible assets	(4,095)	(4,104)	(4,145)	(4,136)	(4,148)
Tangible common shareholders' equity	\$ 71,595	\$ 71,803	\$ 71,166	\$ 71,498	\$ 71,380

⁽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				
	December 2016	September 2016	June 2016	March 2016	December 2015
			(in millions)		
Basic Shares	414.8	418.8	426.4	437.2	441.6

For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2016



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 fully phased-in basis.

	As of	
	December 2016	December 2015
Common shareholders' equity	\$ 75,690	\$ 75,528
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(3,015)	(3,044)
Deductions for investments in nonconsolidated financial institutions	(765)	(2,274)
Other adjustments	(799)	(1,409)
CET1	\$ 71,111	\$ 68,801
Preferred stock	11,203	11,200
Deduction for investments in covered funds	(445)	(413)
Other adjustments	(61)	(128)
Tier 1 capital	\$ 81,808	\$ 79,460
Standardized Tier 2 and Total capital		
Tier 1 capital	\$ 81,808	\$ 79,460
Qualifying subordinated debt	14,566	15,132
Allowance for losses on loans and lending commitments	722	602
Other adjustments	(6)	(19)
Standardized Tier 2 capital	15,282	15,715
Standardized Total capital	\$ 97,090	\$ 95,175
Basel III Advanced Tier 2 and Total capital		
Tier 1 capital	\$ 81,808	\$ 79,460
Standardized Tier 2 capital	15,282	15,715
Allowance for losses on loans and lending commitments	(722)	(602)
Basel III Advanced Tier 2 capital	14,560	15,113
Basel III Advanced Total capital	\$ 96,368	\$ 94,573
Standardized		
RWAs	\$ 507,807	\$ 534,135
CET1 ratio	14.0 %	12.9 %
Tier 1 capital ratio	16.1 %	14.9 %
Total capital ratio	19.1 %	17.8 %
Basel III Advanced		
RWAs	\$ 560,786	\$ 587,319
CET1 ratio	12.7 %	11.7 %
Tier 1 capital ratio	14.6 %	13.5 %
Total capital ratio	17.2 %	16.1 %

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 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, 2016.

For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2016

