

Diluted Earnings per Common Share (EPS), Return on Average Common Shareholders' Equity (ROE) and Return on Average Tangible Common Shareholders' Equity (ROTCE) Including and Excluding the Impact of the Series G Preferred Stock Dividend

(\$ in millions, except per share amounts)

Management believes that presenting the firm's results for 2011 excluding the impact of the preferred dividend of \$1.64 billion in the first quarter of 2011 (calculated as the difference between the carrying value and the redemption value of the preferred stock), related to the redemption of the firm's 10% Cumulative Perpetual Preferred Stock, Series G (Series G Preferred Stock) held by Berkshire Hathaway is meaningful, as it increases the comparability of period-to-period results. Diluted EPS, ROE, and ROTCE excluding this dividend 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 diluted EPS, ROE, and ROTCE including and excluding the impact of this dividend.

	Year Ended					
	December 2013		December 2012		December 2011	
Diluted EPS	\$	15.46	\$	14.13	\$	4.51
ROE ⁽¹⁾		11.0 %		10.7 %		3.7 %
ROTCE ⁽²⁾		11.7 %		11.6 %		4.0 %
Diluted EPS, excluding the impact of the Series G Preferred Stock dividend ⁽³⁾		N/A		N/A	\$	7.46
ROE, excluding the impact of the Series G Preferred Stock dividend ⁽³⁾		N/A		N/A		5.9 %
ROTCE, excluding the impact of the Series G Preferred Stock dividend ⁽³⁾		N/A		N/A		6.4 %

⁽¹⁾ ROE is computed by dividing net earnings applicable to common shareholders by average monthly common shareholders' equity.

⁽²⁾ ROTCE is computed by dividing 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. The table below presents the reconciliation of average total shareholders' equity to average tangible common shareholders' equity.

	Average for the Year Ended					
	December 2013		December 2012		December 2011	
Total shareholders' equity	\$	77,353	\$	72,530	\$	72,708
Preferred stock		(6,892)		(4,392)		(3,990)
Common shareholders' equity	\$	70,461	\$	68,138	\$	68,718
Goodwill and identifiable intangible assets		(4,624)		(5,337)		(5,394)
Tangible common shareholders' equity	\$	65,837	\$	62,801	\$	63,324

⁽³⁾ The tables below present the calculation of net earnings applicable to common shareholders, diluted EPS, average common shareholders' equity and average tangible common shareholders' equity excluding the impact of this dividend.

	Year Ended December 2011	
Net earnings applicable to common shareholders	\$	2,510
Impact of the Series G Preferred Stock dividend		1,643
Net earnings applicable to common shareholders, excluding the impact of the Series G Preferred Stock dividend	\$	4,153
Divided by: average diluted common shares outstanding		556.9
Diluted EPS, excluding the impact of the Series G Preferred Stock dividend	\$	7.46

	Average for the Year Ended December 2011	
Total shareholders' equity	\$	72,708
Preferred stock		(3,990)
Common shareholders' equity		68,718
Impact of the Series G Preferred Stock dividend		1,264
Common shareholders' equity, excluding the impact of the Series G Preferred Stock dividend	\$	69,982
Goodwill and identifiable intangible assets		(5,394)
Tangible common shareholders' equity, excluding the impact of the Series G Preferred Stock dividend	\$	64,588

Net Revenues in Fixed Income, Currency, and Commodities Client Execution Excluding the Impact of Debt Valuation Adjustments (DVA)

(\$ in millions)

Management believes that presenting net revenues for FICC Client Execution excluding the impact of DVA is meaningful, as it increases the comparability of period-to-period results. Net revenues excluding the impact of DVA is a non-GAAP measure and may not be comparable to similar non-GAAP measures used by other companies. The table below presents the calculation of FICC Client Execution's net revenues excluding the impact of DVA.

	Three Months Ended		Year Ended	
	December 2013	September 2013	December 2013	December 2012
FICC Client Execution Net Revenues	\$ 1,724	\$ 1,247	\$ 8,651	\$ 9,914
Add back:				
Impact of FICC DVA	163	47	220	433
FICC Client Execution Net Revenues, excluding the impact of FICC DVA	<u>\$ 1,887</u>	<u>\$ 1,294</u>	<u>\$ 8,871</u>	<u>\$ 10,347</u>

For further information, see the firm's Form 10-K for the year ended December 2013

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 common shareholders' equity, book value per common share, Basel I Tier 1 common ratio, and selected Basel III information.

	December 2013	September 2013	June 2013	March 2013	December 2012
Common shareholders' equity	\$ 71,267	\$ 70,416	\$ 70,843	\$ 71,028	\$ 69,516
Tangible common shareholders' equity ⁽¹⁾	66,891	65,958	66,349	66,345	64,417
Book value per common share ⁽²⁾	\$ 152.48	\$ 153.58	\$ 151.21	\$ 148.41	\$ 144.67
Tangible book value per common share ^{(1) (2)}	143.11	143.86	141.62	138.62	134.06
Basel I Risk-weighted assets (RWAs) ⁽³⁾	433,226	\$ 436,730	\$ 457,461	\$ 480,080	\$ 399,928
Basel I Tier 1 common ratio ⁽⁴⁾	14.6 %	14.2 %	13.5 %	12.7 %	14.5 %
Estimated Basel III Advanced RWAs ⁽⁵⁾	594,662	\$ 592,262	\$ 600,222	N/A	N/A
Estimated Basel III Advanced Common Equity (CET1) ⁽⁶⁾	9.8 %	9.8 %	9.3 %	N/A	N/A
Estimated Standardized Tier 1 common ratio ⁽⁷⁾	9.2 %	9.1 %	N/A	N/A	N/A
Estimated Tier 1 supplementary leverage ratio ⁽⁸⁾	Approximately 5 %	Approximately 5 %	N/A	N/A	N/A

⁽¹⁾ 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 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.

	December 2013	September 2013	June 2013	March 2013	December 2012
Total shareholders' equity	\$ 78,467	\$ 77,616	\$ 78,043	\$ 77,228	\$ 75,716
Deduct: Preferred stock	(7,200)	(7,200)	(7,200)	(6,200)	(6,200)
Common shareholders' equity	71,267	70,416	70,843	71,028	69,516
Deduct: Goodwill and identifiable intangible assets	(4,376)	(4,458)	(4,494)	(4,683)	(5,099)
Tangible common shareholders' equity	\$ 66,891	\$ 65,958	\$ 66,349	\$ 66,345	\$ 64,417

⁽²⁾ The table below presents common shares outstanding, including RSUs granted to employees with no future service requirements.

	December 2013	September 2013	June 2013	March 2013	December 2012
Common shares outstanding, including RSUs granted to employees with no future service requirements	467.4	458.5	468.5	478.6	480.5

⁽³⁾ Basel I RWAs are computed in accordance with the Board of Governors of the Federal Reserve System's (Federal Reserve Board's) risk-based capital regulations which, as of December 2013, were based on the Basel I Capital Accord of the Basel Committee and also reflected the Federal Reserve Board's revised market risk regulatory capital requirements which became effective on January 1, 2013.

For further information, see the firm's Form 10-K for the year ended December 2013

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)

⁽⁴⁾ 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.

	December 2013	September 2013	June 2013	March 2013	December 2012
Basel I Tier 1 capital	\$ 72,471	\$ 71,051	\$ 71,141	\$ 69,371	\$ 66,977
Deduct: Perpetual non-cumulative preferred stock	(7,200)	(7,200)	(7,200)	(6,200)	(6,200)
Junior subordinated debt issued to trusts	(2,063)	(2,063)	(2,063)	(2,063)	(2,750)
Add: Other adjustments	40	39	25	27	20
Basel I Tier 1 common capital	\$ 63,248	\$ 61,827	\$ 61,903	\$ 61,135	\$ 58,047

⁽⁵⁾ Estimated Basel III Advanced RWAs are calculated in accordance with the U.S. federal bank regulatory agencies' revised risk-based capital and leverage ratio regulations establishing a new comprehensive capital framework for U.S. banking organizations (Revised Capital Framework). These regulations are largely based on the Basel Committee's December 2010 final capital framework for strengthening international capital standards (Basel III) and also implement certain provisions of the Dodd-Frank Act.

⁽⁶⁾ 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 as of December 2013 and may not be comparable to similar non-GAAP measures used by other companies (as of that date). It will become a formal regulatory measure for the firm on April 1, 2014. The tables below present the reconciliation of common shareholders' equity to the estimated Basel III Advanced CET1 on a fully phased-in basis.

	December 2013
Common shareholders' equity	\$ 71,267
Deduct: Goodwill	(3,705)
Identifiable intangible assets	(671)
Add: Deferred tax liabilities	908
Goodwill and identifiable intangible assets, net of deferred tax liabilities	(3,468)
Deduct: Deductions for investments in nonconsolidated financial institutions	(9,091)
Other adjustments	(489)
Basel III CET1	\$ 58,219

	September 2013	June 2013
Common shareholders' equity	\$ 70,416	\$ 70,843
Deduct: Goodwill	(3,702)	(3,699)
Identifiable intangible assets	(756)	(795)
Deduct: Deductions for investments in nonconsolidated financial institutions	(8,064)	(9,872)
Other adjustments, net	148	(680)
Basel III CET1	\$ 58,042	\$ 55,797

⁽⁷⁾ The estimated Standardized Tier 1 common ratio equals estimated Basel III CET1 divided by estimated RWAs under the standardized approach. Estimated RWAs under the standardized approach were approximately \$630 billion as of December 2013. Management believes that the estimated Tier 1 common ratio under the standardized approach is meaningful because it is one of the measures that the firm, its regulators and investors use to assess capital adequacy. The estimated Tier 1 common ratio under the standardized approach 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 understanding of the Revised Capital Framework.

For further information, see the firm's Form 10-K for the year ended December 2013



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⁾ The estimated Tier 1 supplementary leverage ratio compares estimated Basel III Tier 1 capital (as defined under the Revised Capital Framework) to a measure of leverage exposure. 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 Revised Capital Framework and related proposals to increase the minimum supplementary leverage ratios.

For further information, see the firm's Form 10-K for the year ended December 2013