

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 2015	September 2015	June 2015	March 2015	December 2014
Common shareholders' equity	\$ 75,528	\$ 76,503	\$ 76,454	\$ 75,927	\$ 73,597
Tangible common shareholders' equity ⁽¹⁾	71,380	72,335	72,288	71,741	69,437
Book value per common share ⁽²⁾	\$ 171.03	\$ 171.45	\$ 169.33	\$ 168.39	\$ 163.01
Tangible book value per common share ⁽¹⁾⁽²⁾	161.64	162.11	160.11	159.11	153.79

⁽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 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:

	As of				
	December 2015	September 2015	June 2015	March 2015	December 2014
Total shareholders' equity	\$ 86,728	\$ 87,703	\$ 87,654	\$ 85,127	\$ 82,797
Less: Preferred stock	(11,200)	(11,200)	(11,200)	(9,200)	(9,200)
Common shareholders' equity	75,528	76,503	76,454	75,927	73,597
Less: Goodwill and identifiable intangible assets	(4,148)	(4,168)	(4,166)	(4,186)	(4,160)
Tangible common shareholders' equity	\$ 71,380	\$ 72,335	\$ 72,288	\$ 71,741	\$ 69,437

⁽²⁾ The table below presents common shares outstanding, including RSUs granted to employees with no future service requirements, which is used to calculate book value per common share and tangible book value per common share:

	As of				
	December 2015	September 2015	June 2015	March 2015	December 2014
	(in millions)				
Common shares outstanding, including RSUs granted to employees with no future service requirements	441.6	446.2	451.5	450.9	451.5

For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2015



Selected Regulatory Capital Information

(\$ in millions)

The table below presents the reconciliation of common shareholders' equity to CET1, Tier 1 Capital and Total Capital, and the firm's 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 2015	December 2014
Common shareholders' equity	\$ 75,528	\$ 73,597
Deductions for goodwill and identifiable intangible assets, net of deferred tax liabilities	(3,044)	(3,196)
Deductions for investments in nonconsolidated financial institutions	(2,274)	(4,928)
Other adjustments	(1,409)	(1,213)
CET1	\$ 68,801	\$ 64,260
Perpetual non-cumulative preferred stock	11,200	9,200
Deduction for investments in covered funds	(413)	–
Other adjustments	(128)	(286)
Tier 1 capital	\$ 79,460	\$ 73,174
Standardized Tier 2 and total capital		
Tier 1 capital	\$ 79,460	\$ 73,174
Qualifying subordinated debt	15,132	11,894
Allowance for losses on loans and lending commitments	602	316
Other adjustments	(19)	(9)
Standardized Tier 2 capital	15,715	12,201
Standardized total capital	\$ 95,175	\$ 85,375
Basel III Advanced Tier 2 and total capital		
Tier 1 capital	\$ 79,460	\$ 73,174
Standardized Tier 2 capital	15,715	12,201
Allowance for losses on loans and lending commitments	(602)	(316)
Basel III Advanced Tier 2 capital	15,113	11,885
Basel III Advanced total capital	\$ 94,573	\$ 85,059
Standardized		
RWAs	\$ 534,135	\$ 627,444
CET1 ratio	12.9 %	10.2 %
Tier 1 capital ratio	14.9 %	11.7 %
Total capital ratio	17.8 %	13.6 %
Basel III Advanced		
RWAs	\$ 587,319	\$ 577,869
CET1 ratio	11.7 %	11.1 %
Tier 1 capital ratio	13.5 %	12.7 %
Total capital ratio	16.1 %	14.7 %

The fully phased-in Standardized and Basel III Advanced capital ratios in the table above are calculated in accordance with the Revised Capital Framework. These ratios 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, 2015.

For further information, see the firm's Annual Report on Form 10-K for the year ended December 31, 2015

