

Third Quarter 2023 Earnings Results Presentation

October 17, 2023

Results Snapshot

Net Revenues

3Q23	\$11.82 billion
3Q23 YTD	\$34.94 billion

Net Earnings

3Q23	\$2.06 billion
3Q23 YTD	\$6.51 billion

EPS

3Q23	\$5.47
3Q23 YTD	\$17.39

Annualized ROE¹

3Q23	7.1%
3Q23 YTD	7.6%

Annualized ROTE¹

3Q23	7.7%
3Q23 YTD	8.2%

Book Value Per Share

3Q23	\$313.83
YTD Growth	3.4%

Highlights

#1 in M&A, equity & equity-related offerings and common stock offerings²

Strong performances in FICC and Equities;
Record FICC financing net revenues

Record Management and other fees of \$2.41 billion;
AUS^{3,4} of \$2.68 trillion

Announced agreements to sell GreenSky
and Personal Financial Management

Selected Items⁵

*\$ in millions,
except per share amounts*

3Q23

Pre-tax earnings:

AWM historical principal investments ⁶	\$	(728)
GreenSky		(203)
Marcus loans portfolio		(37)
Personal Financial Management		(25)
Total impact to pre-tax earnings	\$	(993)
Impact to net earnings	\$	(828)
Impact to EPS	\$	(2.41)
Impact to annualized ROE		(3.1)pp

Financial Overview

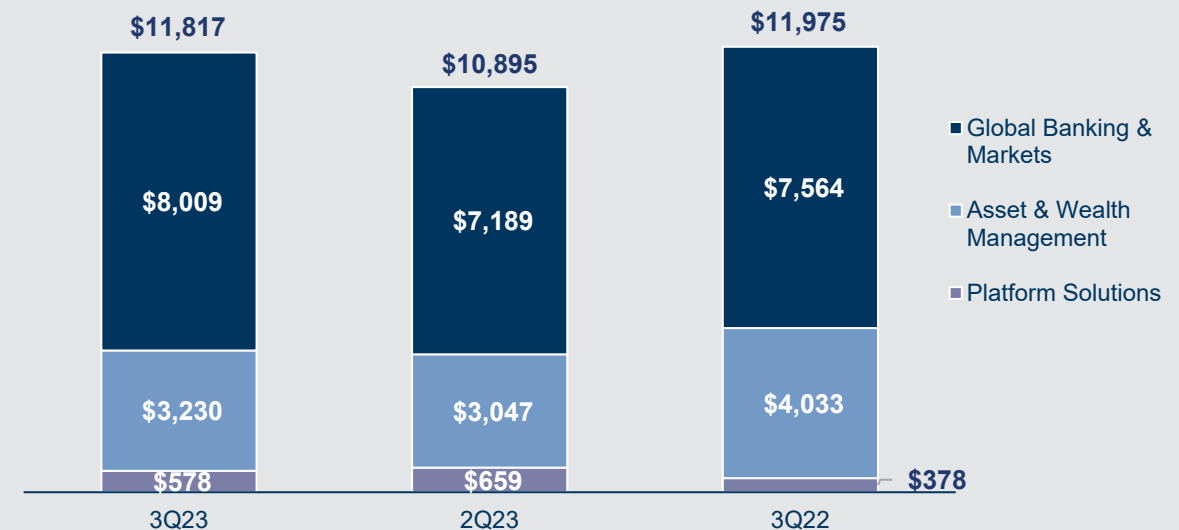
Financial Results

	\$ in millions, except per share amounts				
	3Q23	vs. 2Q23	vs. 3Q22	3Q23 YTD	vs. 3Q22 YTD
Global Banking & Markets	\$ 8,009	11%	6%	\$ 23,642	(9)%
Asset & Wealth Management	3,230	6%	(20)%	9,493	(3)%
Platform Solutions	578	(12)%	53%	1,801	82%
Net revenues	11,817	8%	(1)%	34,936	(5)%
Provision for credit losses	7	(99)%	(99)%	451	(74)%
Operating expenses	9,054	6%	18%	26,000	13%
Pre-tax earnings	\$ 2,756	59%	(27)%	\$ 8,485	(29)%
Net earnings	\$ 2,058	69%	(33)%	\$ 6,508	(34)%
Net earnings to common	\$ 1,882	76%	(36)%	\$ 6,040	(37)%
Diluted EPS	\$ 5.47	78%	(34)%	\$ 17.39	(35)%
ROE ¹	7.1%	3.1pp	(3.9)pp	7.6%	(4.6)pp
ROTE ¹	7.7%	3.3pp	(4.3)pp	8.2%	(4.9)pp
Efficiency Ratio ³	76.6%	(1.8)pp	12.3pp	74.4%	11.7pp

Financial Overview Highlights

- 3Q23 results included EPS of \$5.47 and ROE of 7.1%
 - 3Q23 net revenues were essentially unchanged YoY reflecting significantly lower net revenues in Asset & Wealth Management, offset by higher net revenues in Global Banking & Markets and Platform Solutions
 - 3Q23 provision for credit losses was \$7 million
 - Reflecting net provisions related to both the credit card portfolio (primarily driven by net charge-offs) and wholesale loans (driven by impairments, partially offset by a reserve reduction based on increased stability in the macroeconomic environment)
 - Offset by a net release related to the GreenSky loan portfolio (including a reserve reduction of \$637 million related to the transfer of the portfolio to held for sale)
 - 3Q23 operating expenses were higher YoY primarily driven by higher compensation and benefits expenses, a write-down of intangibles of \$506 million related to GreenSky and impairments of \$358 million related to consolidated real estate investments

Net Revenues by Segment (\$ in millions)



Global Banking & Markets

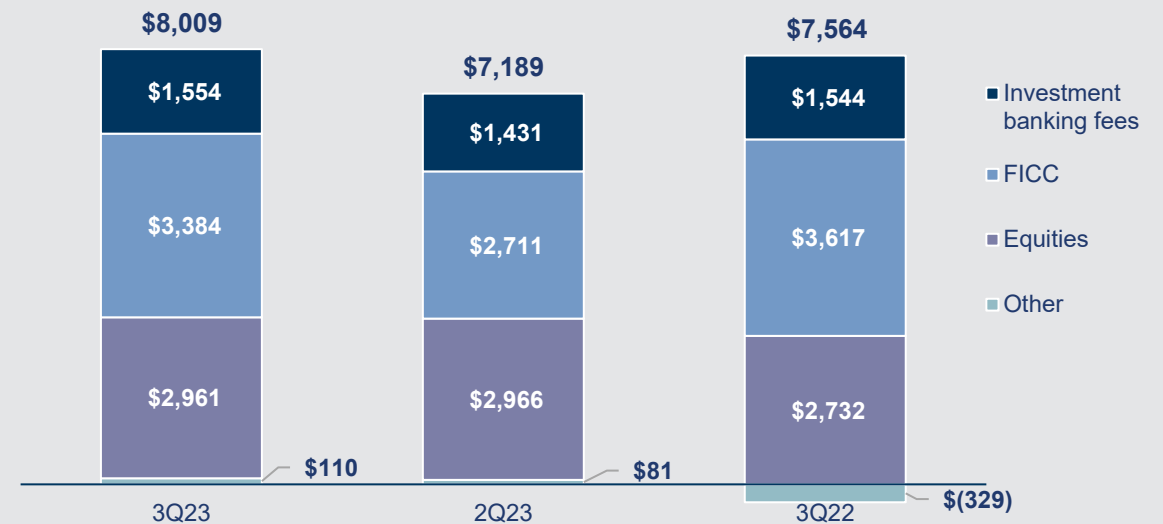
Financial Results

<i>\$ in millions</i>	3Q23	vs. 2Q23	vs. 3Q22	3Q23 YTD	vs. 3Q22 YTD
Investment banking fees	\$ 1,554	9%	1%	\$ 4,564	(17)%
FICC	3,384	25%	(6)%	10,026	(16)%
Equities	2,961	–	8%	8,942	–
Other	110	36%	N.M.	110	N.M.
Net revenues	8,009	11%	6%	23,642	(9)%
Provision for credit losses	29	(48)%	(54)%	214	(54)%
Operating expenses	4,791	12%	13%	13,702	1%
Pre-tax earnings	\$ 3,189	12%	(3)%	\$ 9,726	(18)%
Net earnings	\$ 2,383	14%	(11)%	\$ 7,460	(24)%
Net earnings to common	\$ 2,250	14%	(13)%	\$ 7,108	(26)%
Average common equity	\$ 72,517	2%	1%	\$ 70,968	1%
Return on average common equity	12.4%	1.3pp	(2.0)pp	13.4%	(4.9)pp

Global Banking & Markets Highlights

- 3Q23 net revenues were higher YoY
 - Investment banking fees reflected higher net revenues in Debt underwriting and Equity underwriting, offset by lower net revenues in Advisory
 - FICC reflected lower net revenues in intermediation
 - Equities reflected higher net revenues in financing and intermediation
- Investment banking fees backlog³ decreased vs. 2Q23, primarily in Advisory
- 3Q23 select data⁴:
 - Total assets of \$1.32 trillion
 - Loan balance of \$109 billion
 - Net interest income of \$171 million

Global Banking & Markets Net Revenues (\$ in millions)



Global Banking & Markets – Net Revenues

Net Revenues

<i>\$ in millions</i>	3Q23	vs. 2Q23	vs. 3Q22	3Q23 YTD	vs. 3Q22 YTD
Advisory	\$ 831	29%	(15)%	\$ 2,294	(30)%
Equity underwriting	308	(9)%	26%	901	35%
Debt underwriting	415	(7)%	27%	1,369	(10)%
Investment banking fees	1,554	9%	1%	4,564	(17)%
FICC intermediation	2,654	27%	(8)%	8,023	(19)%
FICC financing	730	17%	1%	2,003	(3)%
FICC	3,384	25%	(6)%	10,026	(16)%
Equities intermediation	1,713	12%	7%	4,987	(10)%
Equities financing	1,248	(13)%	11%	3,955	18%
Equities	2,961	–	8%	8,942	–
Other	110	36%	N.M.	110	N.M.
Net revenues	\$ 8,009	11%	6%	\$ 23,642	(9)%

Global Banking & Markets Net Revenues Highlights

- 3Q23 Investment banking fees were essentially unchanged YoY
 - Advisory reflected a decline in completed mergers and acquisitions transactions
 - Debt underwriting primarily reflected an increase in leveraged finance activity
 - Equity underwriting primarily reflected higher net revenues from initial public offerings
- 3Q23 FICC net revenues were lower YoY
 - FICC intermediation reflected significantly lower net revenues in currencies and commodities and lower net revenues in credit products, partially offset by significantly higher net revenues in interest rate products and mortgages
 - FICC financing net revenues increased slightly and were a record
- 3Q23 Equities net revenues were higher YoY
 - Equities intermediation primarily reflected higher net revenues in derivatives
 - Equities financing reflected significantly higher net revenues in prime financing, partially offset by significantly lower net revenues from portfolio financing
- 3Q23 Other net revenues YoY primarily reflected significantly lower net losses on hedges and the absence of net mark-downs on acquisition financing activities included in 3Q22

Asset & Wealth Management

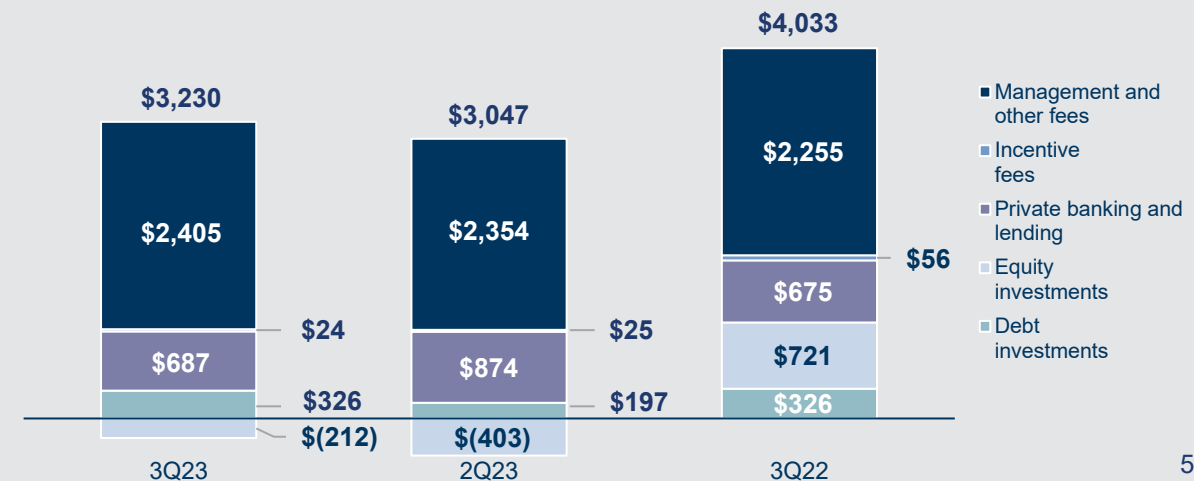
Financial Results

<i>\$ in millions</i>	3Q23	vs. 2Q23	vs. 3Q22	3Q23 YTD	vs. 3Q22 YTD
Management and other fees	\$ 2,405	2%	7%	\$ 7,041	8%
Incentive fees	24	(4)%	(57)%	102	(68)%
Private banking and lending	687	(21)%	2%	1,915	12%
Equity investments	(212)	N.M.	N.M.	(496)	N.M.
Debt investments	326	65%	—	931	—
Net revenues	3,230	6%	(20)%	9,493	(3)%
Provision for credit losses	51	240%	N.M.	(499)	N.M.
Operating expenses	3,005	(8)%	2%	9,448	15%
Pre-tax earnings / (loss)	\$ 174	N.M.	(84)%	\$ 544	(58)%
Net earnings / (loss)	\$ 129	N.M.	(86)%	\$ 417	(61)%
Net earnings / (loss) to common	\$ 93	N.M.	(89)%	\$ 318	(68)%
Average common equity	\$ 28,601	(8)%	(9)%	\$ 30,806	(1)%
Return on average common equity	1.3%	4.4pp	(9.9)pp	1.4%	(2.8)pp

Asset & Wealth Management Highlights

- 3Q23 net revenues were significantly lower YoY
 - Record Management and other fees primarily reflected the impact of higher average AUS
 - Private banking and lending net revenues were slightly higher as the impact of higher deposit balances and spreads was largely offset by the impact of the sale of substantially all of the Marcus loans portfolio earlier in the year
 - Equity investments reflected net losses from investments in private equities, due to net losses from real estate investments and significantly lower net gains from company-specific events, and net losses from investments in public equities, both compared with net gains in 3Q22
 - Private: 3Q23 ~\$(170) million, compared to 3Q22 ~\$505 million
 - Public: 3Q23 ~\$(40) million, compared to 3Q22 ~\$220 million
- 3Q23 operating expenses included impairments of \$358 million related to consolidated real estate investments
- The impact to 3Q23 YTD pre-tax margin of 6% from the results of Marcus loans and historical principal investments⁶ was a reduction of 18pp
- 3Q23 select data⁴:
 - Total assets of \$191 billion
 - Loan balance of \$47 billion, of which \$33 billion related to Private banking and lending
 - Net interest income of \$686 million

Asset & Wealth Management Net Revenues (\$ in millions)



Asset & Wealth Management – Assets Under Supervision

AUS Rollforward^{3,4}

<i>\$ in billions</i>	3Q23	2Q23	3Q22
Beginning balance	\$ 2,714	\$ 2,672	\$ 2,495
Long-term AUS net inflows / (outflows)	7	8	9
Liquidity products	11	4	18
Total AUS net inflows / (outflows)	18	12	27
Acquisitions / (dispositions)	–	–	4
Net market appreciation / (depreciation)	(52)	30	(99)
Ending balance	\$ 2,680	\$ 2,714	\$ 2,427

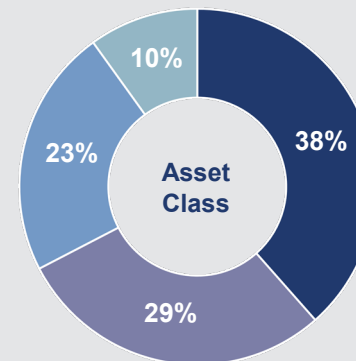
AUS by Asset Class^{3,4}

<i>\$ in billions</i>	3Q23	2Q23	3Q22
Alternative investments	\$ 267	\$ 267	\$ 256
Equity	607	627	516
Fixed income	1,031	1,056	955
Long-term AUS	1,905	1,950	1,727
Liquidity products	775	764	700
Total AUS	\$ 2,680	\$ 2,714	\$ 2,427

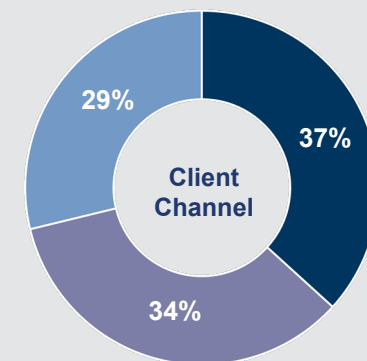
AUS Highlights^{3,4}

- During the quarter, AUS decreased \$34 billion to \$2.68 trillion
 - Long-term net inflows of \$7 billion, primarily in fixed income assets
 - Liquidity products net inflows of \$11 billion
 - Net market depreciation of \$52 billion, primarily in fixed income and equity assets

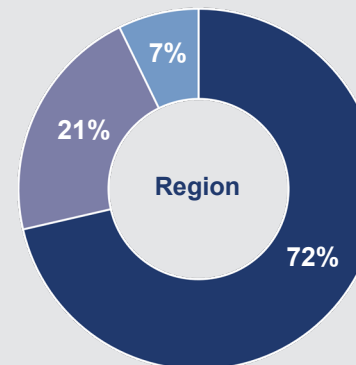
3Q23 AUS Mix^{3,4}



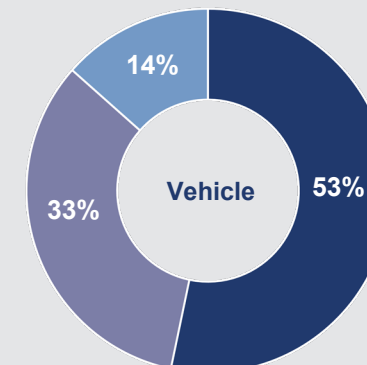
- Fixed income
- Liquidity products
- Equity
- Alternative investments



- Third-party distributed
- Institutional
- Wealth management



- Americas
- EMEA
- Asia



- Separate accounts
- Public funds
- Private funds and other

Asset & Wealth Management – Alternative Investments

Alternative Investments AUS and Effective Fees⁴

\$ in billions	3Q23	
	Average AUS	Effective Fees (bps)
Corporate equity	\$ 98	80
Credit	46	78
Real estate	20	69
Hedge funds and other	64	61
Funds and discretionary accounts	228	73
Advisory accounts	39	16
Total alternative investments AUS	\$ 267	65

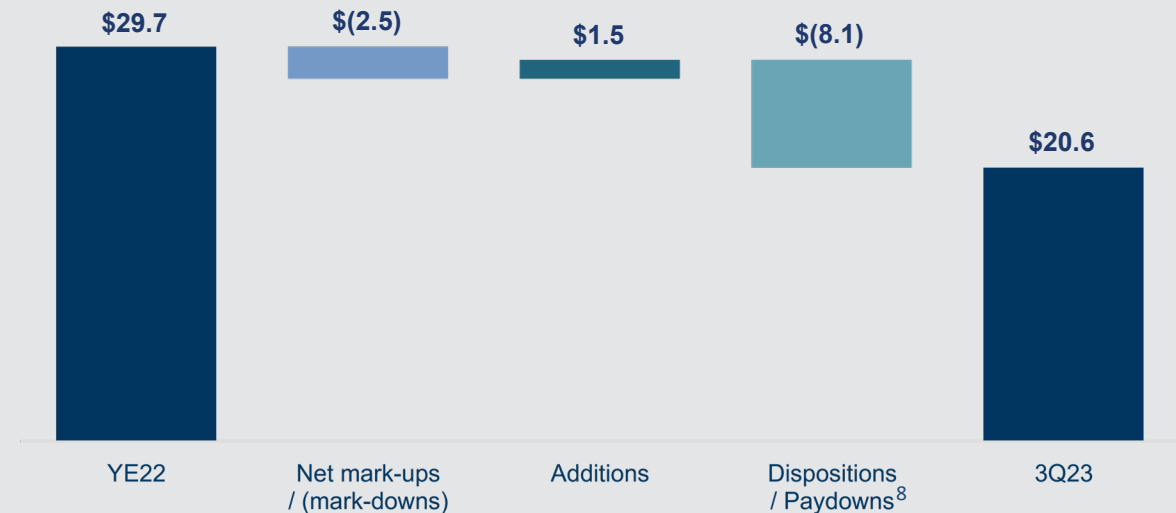
On-Balance Sheet Alternative Investments⁴

\$ in billions	3Q23		2Q23	
Loans	\$ 14.0	\$ 16.1		
Debt securities	11.5	12.1		
Equity securities	13.5	13.5		
CIE investments and other ⁷	10.3	11.5		
Total On-B/S alternative investments	\$ 49.3	\$ 53.2		
Client co-invest	\$ 22.1	\$ 22.8		
Firmwide initiatives / CRA investments	6.6	6.6		
Historical principal investments ⁶	20.6	23.8		
Total On-B/S alternative investments	\$ 49.3	\$ 53.2		

Alternative Investments Highlights⁴

- 3Q23 Management and other fees from alternative investments were \$542 million, up 12% compared with 3Q22
- Alternative investments AUS ended the quarter at \$267 billion, unchanged QoQ
- 3Q23 gross third-party alternatives fundraising across strategies was \$15 billion, including:
 - \$4 billion in corporate equity, \$6 billion in credit, \$1 billion in real estate and \$4 billion in hedge funds and other
 - \$219 billion raised since the end of 2019
- During the quarter, on-balance sheet alternative investments declined by \$3.9 billion to \$49.3 billion
 - Historical principal investments⁶ declined by \$3.2 billion to \$20.6 billion and included \$4.1 billion of loans, \$4.2 billion of debt securities, \$4.5 billion of equity securities and \$7.8 billion of CIE investments and other

Historical Principal Investments Rollforward^{4,6} (\$ in billions)



Platform Solutions

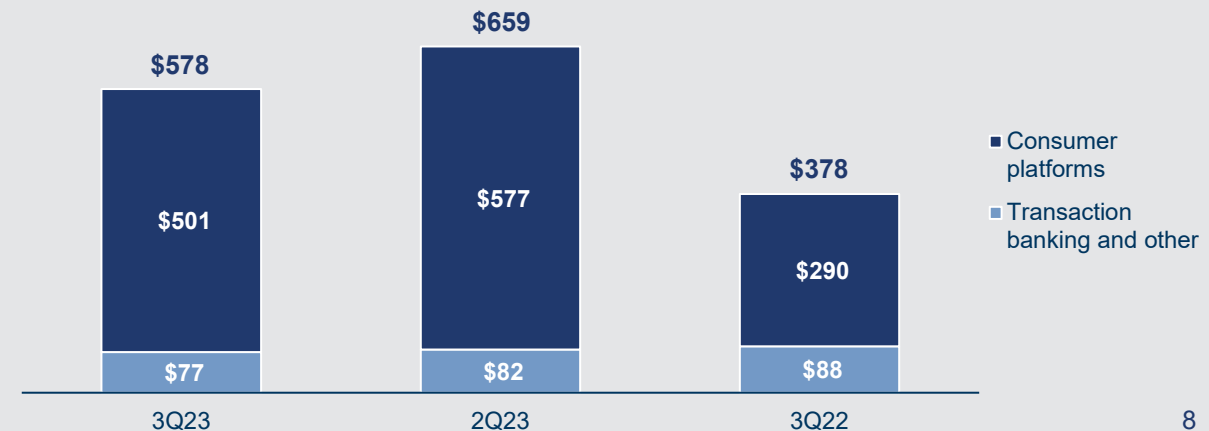
Financial Results

<i>\$ in millions</i>	3Q23	vs. 2Q23	vs. 3Q22	3Q23 YTD	vs. 3Q22 YTD
Consumer platforms	\$ 501	(13)%	73%	\$ 1,568	111%
Transaction banking and other	77	(6)%	(13)%	233	(5)%
Net revenues	578	(12)%	53%	1,801	82%
Provision for credit losses	(73)	N.M.	N.M.	736	(22)%
Operating expenses	1,258	27%	140%	2,850	127%
Pre-tax earnings / (loss)	\$ (607)	N.M.	N.M.	\$ (1,785)	N.M.
Net earnings / (loss)	\$ (454)	N.M.	N.M.	\$ (1,369)	N.M.
Net earnings / (loss) to common	\$ (461)	N.M.	N.M.	\$ (1,386)	N.M.
Average common equity	\$ 4,227	5%	7%	\$ 4,060	17%
Return on average common equity	(43.6)%	23.2pp	7.7pp	(45.5)%	(6.6)pp

Platform Solutions Highlights

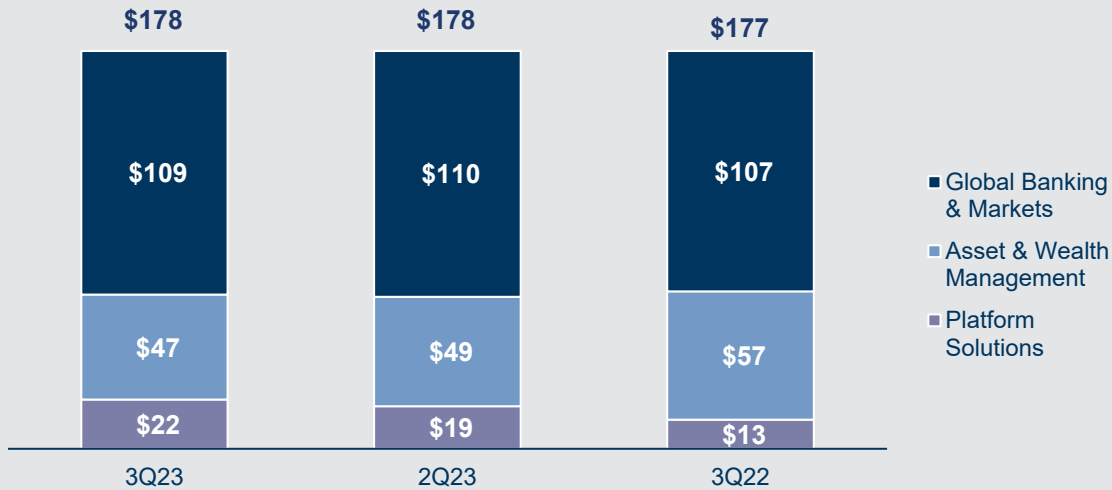
- 3Q23 net revenues were higher YoY
 - Consumer platforms primarily reflected significantly higher average credit card balances, partially offset by lower net revenues from the GreenSky loan portfolio, which included a mark-down of \$123 million related to the transfer of the portfolio to held for sale
 - Transaction banking and other reflected lower average deposit balances
- 3Q23 provision for credit losses of \$(73) million reflected a net release related to the GreenSky loan portfolio (including a reserve reduction of \$637 million related to the transfer of the portfolio to held for sale), partially offset by net provisions related to the credit card portfolio (primarily driven by net charge-offs)
- 3Q23 operating expenses included a write-down of intangibles of \$506 million related to GreenSky
- 3Q23 select data⁴:
 - Total assets of \$68 billion
 - Loan balance of \$22 billion
 - Net interest income of \$690 million
 - Active Consumer platforms customers of 14.7 million

Platform Solutions Net Revenues (\$ in millions)

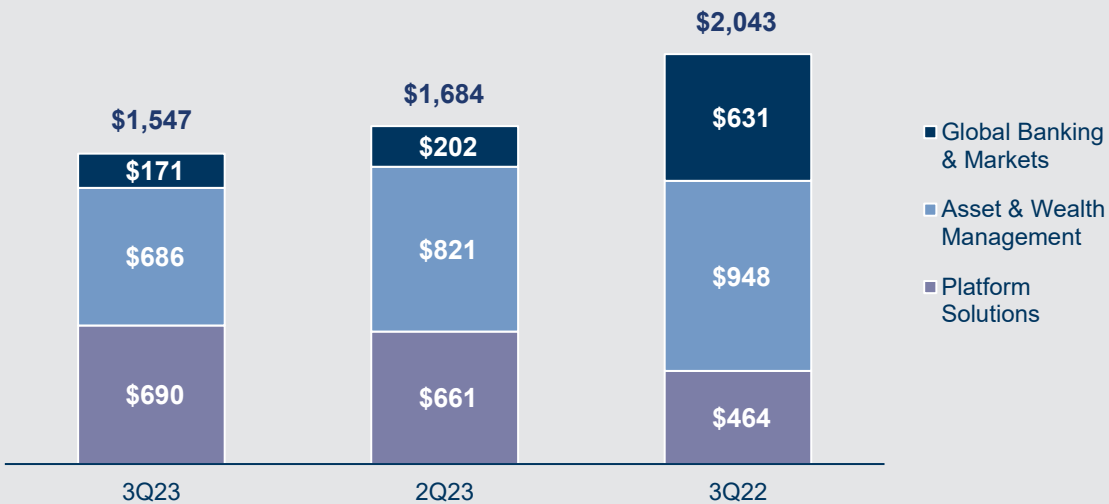


Loans and Net Interest Income

Loans by Segment⁴ (\$ in billions)



Net Interest Income by Segment (\$ in millions)



Loans by Type⁴

<i>\$ in billions</i>	3Q23	2Q23	3Q22
Corporate	\$ 37	\$ 38	\$ 40
Commercial real estate	26	28	30
Residential real estate	24	24	24
Securities-based lending	15	15	18
Other collateralized lending	55	54	49
Installment	6	5	5
Credit cards	18	17	14
Other	2	2	2
Allowance for loan losses	(5)	(5)	(5)
Total loans	\$ 178	\$ 178	\$ 177

3Q23 Metrics

2.9%

ALLL to Total Gross Loans, at Amortized Cost

1.7%

ALLL to Gross Wholesale Loans, at Amortized Cost

13.3%

ALLL to Gross Consumer Loans, at Amortized Cost

~80%

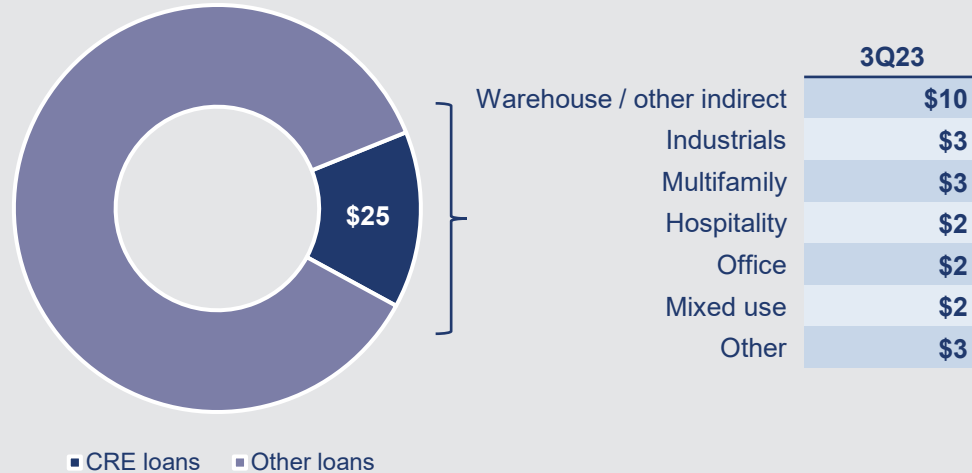
Gross Loans Secured

Loans and Net Interest Income Highlights⁴

- 3Q23 total loans were unchanged QoQ
 - Gross loans by type: \$167 billion - amortized cost, \$6 billion - fair value, \$10 billion - held for sale
 - Average loans of \$177 billion
 - Total allowance for loan losses and losses on lending commitments was \$5.57 billion (\$4.90 billion for funded loans)
 - \$3.15 billion for wholesale loans, \$2.42 billion for consumer loans
 - Net charge-offs of \$433 million for an annualized net charge-off rate of 1.0%
 - 0.4% for wholesale loans, 5.1% for consumer loans
- 3Q23 net interest income decreased 24% YoY, reflecting an increase in funding costs supporting trading activities
 - 3Q23 average interest-earning assets³ of \$1.45 trillion

Commercial Real Estate (CRE)

3Q23 Firmwide Loans, Net of ALLL⁴
\$ in billions



14.0%
CRE Loans to
Total Loans, Net of
ALLL

3.4%
Past Due (30+ days) Ratio
on CRE Loans, at
Amortized Cost

1.5%
3Q23 Annualized
Net Charge-Off Ratio
on CRE Loans, at
Amortized Cost

- 46% of the CRE loan portfolio was investment-grade, based on internally determined public rating agency equivalents
- Office-related loans were primarily secured by Class A office properties
- Additionally, the firm has \$3.2 billion of CRE-related unfunded lending commitments, including \$0.6 billion of office-related commitments

3Q23 AWM On-Balance Sheet Alternative Investments⁴

	\$ in billions	
	CRE-related	Office-related
Loans (included in firmwide loans)	\$ 2.1	\$ 0.2
Debt securities	\$ 0.6	\$ 0.1
Equity securities	\$ 3.9	\$ 0.3
CIE investments ⁷	\$ 8.4 / 3.1 gross / net of financings	\$ 0.6 net of financings

- Office-related exposures were primarily secured by Class A office properties
- ~43% of the CRE-related on-balance sheet alternative investments consisted of historical principal investments, which the firm intends to exit over the medium term⁶

Expenses

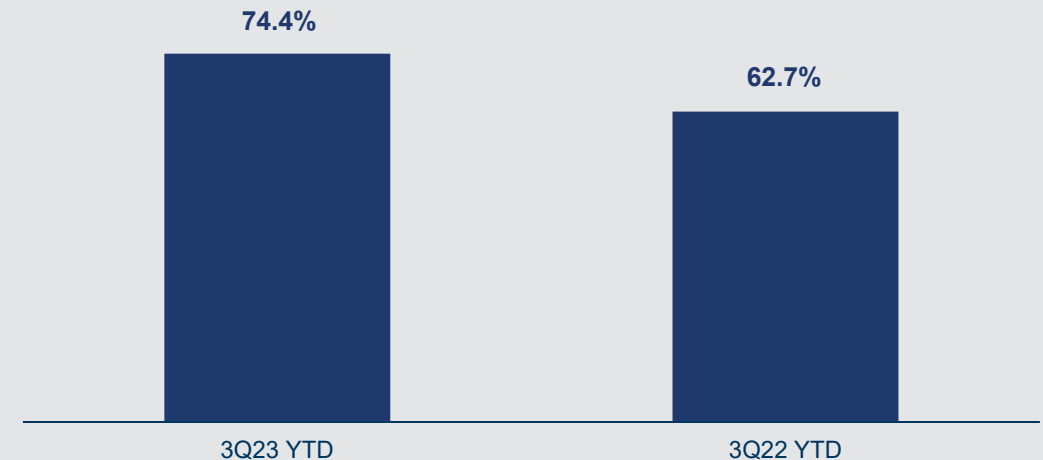
Financial Results

<i>\$ in millions</i>	3Q23	vs. 2Q23	vs. 3Q22	3Q23 YTD	vs. 3Q22 YTD
Compensation and benefits	\$ 4,188	16%	16%	\$ 11,897	5%
Transaction based	1,452	5%	10%	4,242	9%
Market development	136	(7)%	(32)%	454	(24)%
Communications and technology	468	(3)%	2%	1,416	7%
Depreciation and amortization	1,512	(5)%	127%	4,076	136%
Occupancy	267	6%	5%	785	3%
Professional fees	377	(4)%	(19)%	1,152	(17)%
Other expenses	654	(3)%	(11)%	1,978	(1)%
Total operating expenses	\$ 9,054	6%	18%	\$ 26,000	13%
Provision for taxes	\$ 698	34%	2%	\$ 1,977	(2)%
<i>Effective Tax Rate</i>				23.3%	6.4pp

Expense Highlights

- 3Q23 total operating expenses increased YoY
 - Compensation and benefits expenses were higher, reflecting an increase in 3Q23 in the year-to-date ratio of compensation and benefits to net revenues, net of provision for credit losses, and a reduction in the year-to-date ratio in 3Q22
 - Non-compensation expenses were significantly higher, reflecting:
 - A write-down of intangibles of \$506 million related to GreenSky (in depreciation and amortization)
 - Impairments of \$358 million related to consolidated real estate investments (in depreciation and amortization)
 - Higher transaction based expenses
- 3Q23 YTD effective income tax rate was 23.3%, up from 22.3% for the first half of 2023, primarily due to write-offs of deferred tax assets related to the transfer of GreenSky to held for sale and changes in the geographic mix of earnings

Efficiency Ratio³



Capital and Balance Sheet

Capital^{3,4}

	3Q23	2Q23	4Q22
Standardized CET1 capital ratio	14.8%	14.9%	15.0%
Advanced CET1 capital ratio	14.8%	14.4%	14.4%
Supplementary leverage ratio (SLR)	5.6%	5.6%	5.8%

Selected Balance Sheet Data⁴

<i>\$ in billions</i>	3Q23	2Q23	4Q22
Total assets	\$ 1,577	\$ 1,571	\$ 1,442
Deposits	\$ 403	\$ 399	\$ 387
Unsecured long-term borrowings	\$ 224	\$ 231	\$ 247
Shareholders' equity	\$ 117	\$ 116	\$ 117
Average GCLA ³	\$ 406	\$ 410	\$ 409

Capital and Balance Sheet Highlights^{3,4}

- Standardized CET1 capital ratio decreased slightly QoQ, primarily reflecting an increase in credit RWAs on increased exposures, partially offset by a decrease in market RWAs on reduced exposures
- Advanced CET1 capital ratio increased QoQ, primarily reflecting a decrease in market RWAs on reduced exposures and a decrease in operational RWAs
- Returned \$2.44 billion of capital to common shareholders during the quarter
 - 4.2 million common shares repurchased for a total cost of \$1.50 billion³
 - \$937 million of common stock dividends
- 3Q23 deposits of \$403 billion consisted of consumer \$151 billion, private bank \$91 billion, transaction banking \$68 billion, brokered CDs \$34 billion, deposit sweep programs \$32 billion and other \$27 billion
- BVPS increased 1.5% QoQ, driven by net earnings

Book Value

<i>In millions, except per share amounts</i>	3Q23	2Q23	4Q22
Basic shares ³	338.0	342.0	350.8
Book value per common share	\$ 313.83	\$ 309.33	\$ 303.55
Tangible book value per common share ¹	\$ 292.37	\$ 286.34	\$ 279.66

Cautionary Note Regarding Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only the firm’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the firm’s control. It is possible that the firm’s actual results, financial condition and liquidity may differ, possibly materially, from the anticipated results, financial condition and liquidity in these forward-looking statements. For information about some of the risks and important factors that could affect the firm’s future results, financial condition and liquidity and the forward-looking statements below, see “Risk Factors” in Part I, Item 1A of the firm’s Annual Report on Form 10-K for the year ended December 31, 2022.

Information regarding the firm’s assets under supervision, capital ratios, risk-weighted assets, supplementary leverage ratio, balance sheet data and global core liquid assets (GCLA) consists of preliminary estimates. These estimates are forward-looking statements and are subject to change, possibly materially, as the firm completes its financial statements. Statements regarding (i) estimated GDP growth or contraction, interest rate and inflation trends and volatility, (ii) the timing, profitability, benefits and other prospective aspects of business and expense initiatives and the achievability of medium- and long-term targets and goals, (iii) the future state of the firm’s liquidity and regulatory capital ratios (including the firm’s stress capital buffer and G-SIB buffer, and the potential impact of changes to U.S. regulatory capital rules), (iv) the firm’s prospective capital distributions (including dividends and repurchases), (v) the firm’s future effective income tax rate, (vi) the firm’s Investment banking fees backlog and future results, (vii) the firm’s planned 2023 benchmark debt issuances, (viii) the impact of Russia’s invasion of Ukraine and related sanctions and other developments on the firm’s business, results and financial position, and (ix) the firm’s ability to sell, and the terms of any proposed or pending sale of, the remaining Marcus loans portfolio, Asset & Wealth Management historical principal investments, GreenSky and Personal Financial Management are forward-looking statements. Statements regarding estimated GDP growth or contraction, interest rate and inflation trends and volatility are subject to the risk that actual GDP growth or contraction, interest rate and inflation trends and volatility may differ, possibly materially, due to, among other things, changes in general economic conditions and monetary and fiscal policy. Statements about the timing, profitability, benefits and other prospective aspects of business and expense initiatives and the achievability of medium- and long-term targets and goals are based on the firm’s current expectations regarding the firm’s ability to effectively implement these initiatives and achieve these targets and goals and may change, possibly materially, from what is currently expected. Statements about the future state of the firm’s liquidity and regulatory capital ratios (including the firm’s stress capital buffer and G-SIB buffer), as well as its prospective capital distributions (including dividends and repurchases), are subject to the risk that the firm’s actual liquidity, regulatory capital ratios and capital distributions may differ, possibly materially, from what is currently expected, including due to, among other things, potential future changes to regulatory capital rules. Statements about the firm’s future effective income tax rate are subject to the risk that the firm’s future effective income tax rate may differ from the anticipated rate indicated, possibly materially, due to, among other things, changes in the tax rates applicable to the firm, the firm’s earnings mix or profitability, the entities in which the firm generates profits and the assumptions made in forecasting the firm’s expected tax rate, and potential future guidance from the U.S. IRS or other tax authorities. Statements about the firm’s Investment banking fees backlog and future results are subject to the risk that transactions may be modified or may not be completed at all, and related net revenues may not be realized or may be materially less than expected. Important factors that could have such a result include, for underwriting transactions, a decline or weakness in general economic conditions, an outbreak or worsening of hostilities, including the escalation or continuation of the war between Russia and Ukraine, continuing volatility in the securities markets or an adverse development with respect to the issuer of the securities and, for financial advisory transactions, a decline in the securities markets, an inability to obtain adequate financing, an adverse development with respect to a party to the transaction or a failure to obtain a required regulatory approval. Statements regarding the firm’s planned 2023 benchmark debt issuances are subject to the risk that actual issuances may differ, possibly materially, due to changes in market conditions, business opportunities or the firm’s funding needs. Statements about the impact of Russia’s invasion of Ukraine and related sanctions and other developments on the firm’s business, results and financial position are subject to the risks that hostilities may escalate and expand, that sanctions may increase and that the actual impact may differ, possibly materially, from what is currently expected. Statements about the proposed or pending sales of the remaining Marcus loans portfolio and Asset & Wealth Management historical principal investments are subject to the risks that buyers may not bid on these assets or bid at levels, or with terms, that are unacceptable to the firm, and that the performance of these activities may deteriorate as a result of the proposed and pending sales, and statements about the pending sales of GreenSky and Personal Financial Management are subject to the risk that the transactions may not close on the anticipated timelines or at all, including due to a failure to obtain requisite regulatory approvals.

Footnotes

1. Annualized return on average common shareholders' equity (ROE) is calculated by dividing annualized net earnings applicable to common shareholders by average monthly common shareholders' equity. Annualized return on average tangible common shareholders' equity (ROTE) is calculated by dividing annualized net earnings applicable to common shareholders by average monthly tangible common shareholders' equity. Tangible common shareholders' equity is calculated as total shareholders' equity less preferred stock, goodwill and identifiable intangible assets. Tangible book value per common share (TBVPS) is calculated by dividing tangible common shareholders' equity by basic shares. Management believes that tangible common shareholders' equity and TBVPS are meaningful because they are measures that the firm and investors use to assess capital adequacy and that ROTE is meaningful because it measures the performance of businesses consistently, whether they were acquired or developed internally. Tangible common shareholders' equity, ROTE and TBVPS are non-GAAP measures and may not be comparable to similar non-GAAP measures used by other companies.

The table below presents a reconciliation of average and ending common shareholders' equity to average and ending tangible common shareholders' equity:

<i>Unaudited, \$ in millions</i>	AVERAGE FOR THE		AS OF		
	THREE MONTHS ENDED SEPTEMBER 30, 2023	NINE MONTHS ENDED SEPTEMBER 30, 2023	SEPTEMBER 30, 2023	JUNE 30, 2023	DECEMBER 31, 2022
Total shareholders' equity	\$ 116,298	\$ 116,637	\$ 117,277	\$ 116,493	\$ 117,189
Preferred stock	(10,953)	(10,803)	(11,203)	(10,703)	(10,703)
Common shareholders' equity	105,345	105,834	106,074	105,790	106,486
Goodwill	(5,934)	(6,218)	(5,913)	(5,942)	(6,374)
Identifiable intangible assets	(1,764)	(1,888)	(1,341)	(1,921)	(2,009)
Tangible common shareholders' equity	\$ 97,647	\$ 97,728	\$ 98,820	\$ 97,927	\$ 98,103

2. Dealogic – January 1, 2023 through September 30, 2023.
3. For information about the following items, see the referenced sections in Part I, Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the firm’s Quarterly Report on Form 10-Q for the period ended June 30, 2023: (i) Investment banking fees backlog – see “Results of Operations – Global Banking & Markets” (ii) assets under supervision – see “Results of Operations – Asset & Wealth Management – Assets Under Supervision” (iii) efficiency ratio – see “Results of Operations – Operating Expenses” (iv) basic shares – see “Balance Sheet and Funding Sources – Balance Sheet Analysis and Metrics” (v) share repurchase program – see “Capital Management and Regulatory Capital – Capital Management” and (vi) global core liquid assets – see “Risk Management – Liquidity Risk Management.”

For information about the following items, see the referenced sections in Part I, Item 1 “Financial Statements (Unaudited)” in the firm’s Quarterly Report on Form 10-Q for the period ended June 30, 2023: (i) interest-earning assets – see “Statistical Disclosures – Distribution of Assets, Liabilities and Shareholders’ Equity” and (ii) risk-based capital ratios and the supplementary leverage ratio – see Note 20 “Regulation and Capital Adequacy.”

4. Represents a preliminary estimate for the third quarter of 2023 and may be revised in the firm’s Quarterly Report on Form 10-Q for the period ended September 30, 2023.
5. Includes selected items that the firm has sold or is selling related to the firm’s narrowing of its ambitions in consumer-related activities and related to Asset & Wealth Management, including its transition to a less capital-intensive business. Pre-tax earnings for each selected item include the operating results of the item and, additionally, for GreenSky, a mark-down of \$123 million in net revenues and a reserve reduction of \$637 million in provision for credit losses (both related to the transfer of the GreenSky point-of-sale loan portfolio to held for sale), and a write-down of intangibles of \$506 million. Net earnings reflect the 3Q23 effective income tax rate for the respective segment of each selected item, adjusted for a write-off of deferred tax assets related to GreenSky.
6. Includes consolidated investment entities (CIEs) and other legacy investments the firm intends to exit over the medium term (medium term refers to a 3-5 year time horizon from year-end 2022).
7. Includes CIEs and other investments. CIEs are generally accounted for at historical cost less depreciation. Substantially all of the firm’s CIEs are engaged in commercial real estate investment activities. Assets held by CIEs of \$9 billion as of September 30, 2023 and \$10 billion as of June 30, 2023 were funded with liabilities of approximately \$6 billion as of both September 30, 2023 and June 30, 2023. Substantially all such liabilities are nonrecourse, thereby reducing the firm’s equity at risk.
8. Includes approximately \$1.2 billion of investments that were transferred out of historical principal investments, primarily to Global Banking & Markets.