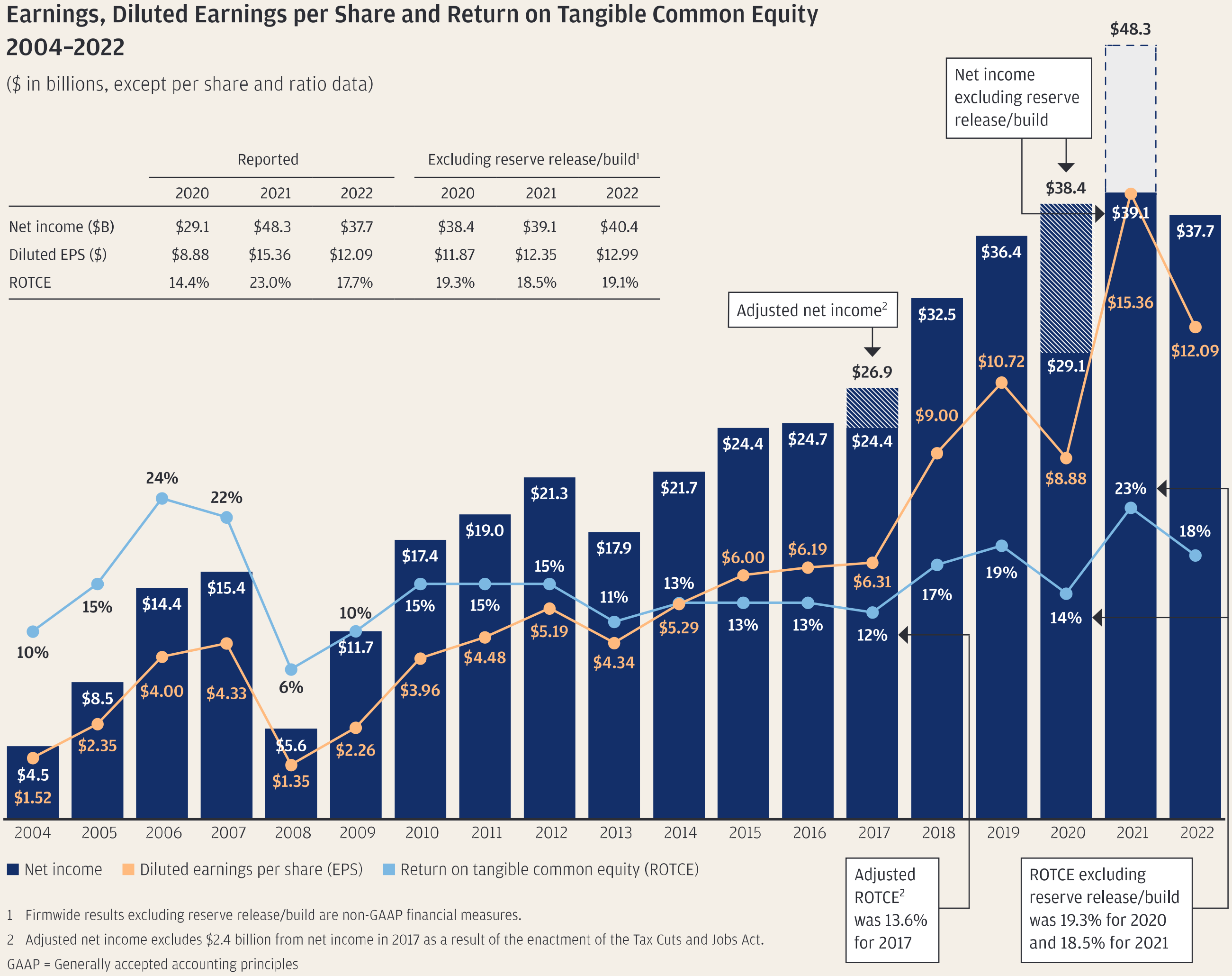
Earnings, Diluted Earnings per Share and Return on Tangible Common Equity 2004–2022

($ in billions, except per share and ratio data)

	Reported			Excluding reserve release/build[1]		
	2020	2021	2022	2020	2021	2022
Net income ($B)	$29.1	$48.3	$37.7	$38.4	$39.1	$40.4
Diluted EPS ($)	$8.88	$15.36	$12.09	$11.87	$12.35	$12.99
ROTCE	14.4%	23.0%	17.7%	19.3%	18.5%	19.1%



1 Firmwide results excluding reserve release/build are non-GAAP financial measures.

2 Adjusted net income excludes $2.4 billion from net income in 2017 as a result of the enactment of the Tax Cuts and Jobs Act.

GAAP = Generally accepted accounting principles

ROTCE = Return on tangible common equity

An important note to describe why we are showing the table above: The loan loss reserve accounting rules — which are life-of-loan estimated losses based upon probability-based economic scenarios — generate huge swings in earnings that can be unrelated to actual credit performance. This was particularly true for the COVID-19 years when, during the first six months of the pandemic, we built approximately $16 billion in reserves. Then in the next six quarters, we released essentially the equivalent number. We did so only because the scenarios used to estimate future credit losses changed dramatically.

The table above shows reported net income, with and without loan loss reserve changes. Throughout this period, the credit portfolio was healthy, and charge-offs remained below pre-pandemic levels. Either way, the company had strong absolute and relative performance.