

Pillar 3 Disclosures

Direct equity investments and equity investments in leveraged investment funds are risk weighted in accordance with the SRWA in accordance with the table below.

Risk Weight	Investment Category
20%	An equity exposure to a Public Sector Entity (PSE), Federal Home Loan Bank (FHLB) or Farmer Mac
100%	Community development equity exposures Non-significant equity exposures to the extent that the aggregate adjusted carrying value of the exposures does not exceed 10% of our Tier 1 capital plus Tier 2 capital
250%	Significant common stock investments in financial institutions which are not deducted from capital
300%	A publicly traded equity exposure (other than an equity exposure that receives a 600% risk weight)
400%	A private equity exposure (other than an equity exposure that receives a 600% risk weight)
600%	An equity exposure to an investment firm that (i) would meet the definition of a traditional securitization but for the fact that the investment firm can exercise control over the size and composition of their assets, liabilities, and off-balance-sheet exposures, and (ii) has greater than immaterial leverage

Risk weights are applied to the “adjusted carrying value” of the equity exposure. For on-balance-sheet positions, the adjusted carrying value is the same as the balance sheet carrying value. For our unfunded equity investment commitments, the adjusted carrying value is a percentage of the notional amount, based on the estimated funding of the commitment during economic downturn conditions.

Although the SRWA assigns specific risk weights to different types of equity exposures as set out above, the regulations allow for “non-significant equity exposures” to be risk weighted at 100% to the extent they do not exceed in the aggregate 10% of our Tier 1 plus Tier 2 capital, with the remaining portion then risk weighted as appropriate in accordance with the SRWA. Generally, those equity exposures that would attract the lowest risk weights under SRWA are required to be treated as non-significant equity exposures, before inclusion of any equity exposures that would otherwise attract higher risk weights under SRWA.

The table below presents the adjusted carrying values and RWAs for our equity exposures in the banking book.

Table 7: Equity Exposures in the Banking Book

<i>\$ in millions</i>		As of September 2019	
	Adjusted Carrying Value ^{1,3}	Risk Weight %	RWAs
Simple Risk Weight Approach (SRWA)			
Equity exposures to a PSE, FHLB or Farmer Mac	\$ 51	20%	\$ 10
Community development equity exposures	2,028	100%	2,028
Non-significant equity exposures	9,997	100%	9,997
Significant investments in the common stock of nonconsolidated financial institutions	5,046	250%	12,615
Publicly traded equity exposures ²	-	300%	-
Private equity exposures ²	6,373	400%	25,492
Equity exposures in leveraged investment funds	357	600%	2,142
Total SRWA	\$ 23,852		\$ 52,284
Simple Modified Look-Through Approach (SMLTA)			
Equity Exposures to Investment Funds	1,335		1,588
Total SMLTA	\$ 1,335		\$ 1,588
Total	\$ 25,187		\$ 53,872

1. The adjusted carrying value of the equity exposures includes \$1.32 billion representing a percentage of our unfunded commitment exposure.
2. Our publicly traded and a portion of our private equity exposures are risk weighted as non-significant equity exposures.
3. Adjusted carrying value consists of \$1.95 billion of publicly traded and \$23.23 billion of private equity exposures.

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The table below presents the exposure amount and related RWAs of our banking book securitizations, including on-balance-sheet (retained or purchased) and off-balance-sheet exposures, broken out between traditional and synthetic securitizations, by underlying exposure type.

Exposure amounts below represent the associated EAD as calculated and defined by the regulatory rules, and are not comparable to securitization measures reported in “Note 11. Securitization Activities” in Part I, Item 1 “Financial Statements” in our Quarterly Report on Form 10-Q.

Table 8: Securitization Exposures and Related RWAs by Exposure Type

\$ in millions

As of September 2019

	Exposure Amount (EAD)				RWAs
	On-balance-sheet EAD	Off-balance-sheet EAD		Total EAD	
	Traditional EAD	Traditional EAD	Synthetic EAD		
Residential mortgages	\$ 2,010	\$ -	\$ -	\$ 2,010	\$ 1,731
Commercial mortgages	5,367	482	-	5,849	1,794
Corporates	1,952	1,860	4,443	8,255	2,275
Asset-backed and other	2,830	3,103	-	5,933	1,562
OTC Derivatives facing SSPEs ¹	-	-	53	53	114
Total	\$ 12,159	\$ 5,445	\$ 4,496	\$ 22,100	\$ 7,476

1. Represents counterparty credit risk charges on trading book OTC derivative transactions that face securitization SPEs. See “Market Risk – Specific Risk – Securitization Positions” for further information on our trading book exposures.

The table below presents the aggregate amount of our banking book securitization exposures further categorized by risk-based capital approach and risk-weight bands.

Exposure amounts below represent the associated EAD, as calculated and defined by the regulatory rules.

Table 9: Securitization Exposures and Related RWAs by Regulatory Capital Approach

\$ in millions

As of September 2019

	SFA		SSFA		1,250 percent risk weight		Total	
	EAD	RWAs	EAD	RWAs	EAD	RWAs	EAD	RWAs
0% - 25%	\$ 5,309	\$ 1,062	\$ 13,073	\$ 2,639	\$ -	\$ -	\$ 18,382	\$ 3,701
26% - 100%	413	249	1,816	718	-	-	2,229	967
101% - 250%	167	261	1,185	1,860	-	-	1,352	2,121
251% - 650%	39	119	68	203	-	-	107	322
651% - 1,250%	30	361	-	4	-	-	30	365
Total	\$ 5,958	\$ 2,052	\$ 16,142	\$ 5,424	\$ -	\$ -	\$ 22,100	\$ 7,476

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