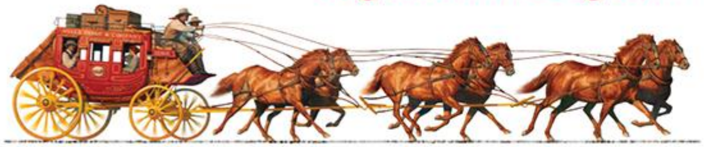
WELLS FARGO

# 4Q13 Quarterly Supplement

January 14, 2014

Together we'll go far



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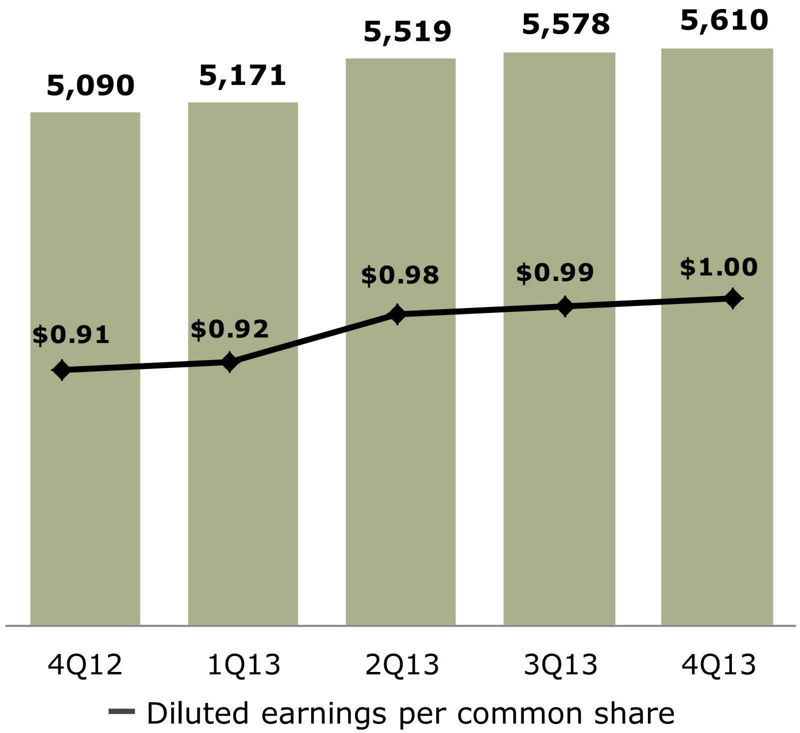
# 4Q13 Results

**Wells Fargo Net Income**
*($ in millions)*



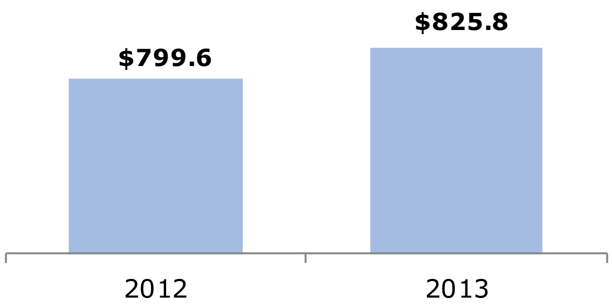

- Record earnings of $5.6 billion, up $520 million, or 10% year-over-year (YoY), and up 1% linked quarter (LQ)
- Record diluted earnings per common share of $1.00, up 10% YoY and 1% LQ
- Solid returns
  - ROA = 1.47%, up 1 bp YoY and down 6 bps LQ
  - ROE = 13.81%, up 46 bps YoY and down 26 bps LQ
- Strengthened Balance Sheet
  - Period-end loans up $26.2 billion, or 3%, YoY and up 7% annualized LQ
  - Period-end deposits up $76.3 billion, or 8%, YoY and up 14% annualized LQ
- Credit continued to improve
  - Net charge-offs of 47 bps, down 58 bps YoY and 1 bp LQ
- Efficiency ratio of 58.5% (1), down 28 bps YoY and down 62 bps LQ
- Capital levels remained strong
  - 10.82% Tier 1 common equity ratio under Basel I and Common Equity Tier 1 ratio of 9.78% under Basel III (advanced approach) (2)

(1) *Efficiency ratio defined as noninterest expense divided by total revenue (net interest income plus noninterest income).*
(2) *Estimated based on management's interpretation of final rules adopted July 2, 2013, by the Federal Reserve Board establishing a new comprehensive capital framework for U.S. banking organizations that would implement the Basel III capital framework and certain provisions of the Dodd-Frank Act. See pages 30-31 for additional information regarding common equity ratios under Basel I and Basel III.*

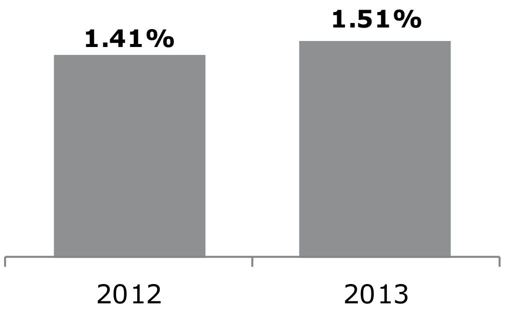
# Year-over-year results

**Pre-tax Pre-provision Profit (1)**
*($ in billions)*

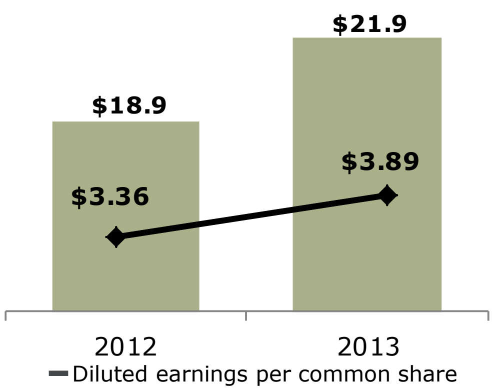

**Period-end Loans**
*($ in billions)*




**Return on Assets**

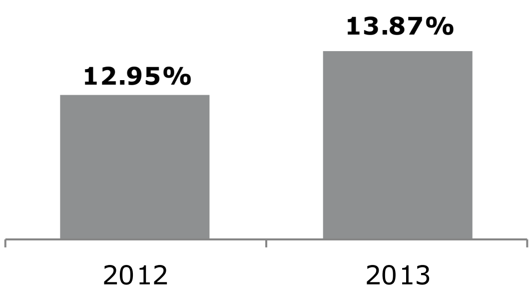



**Net Income**
*($ in billions, except EPS)*



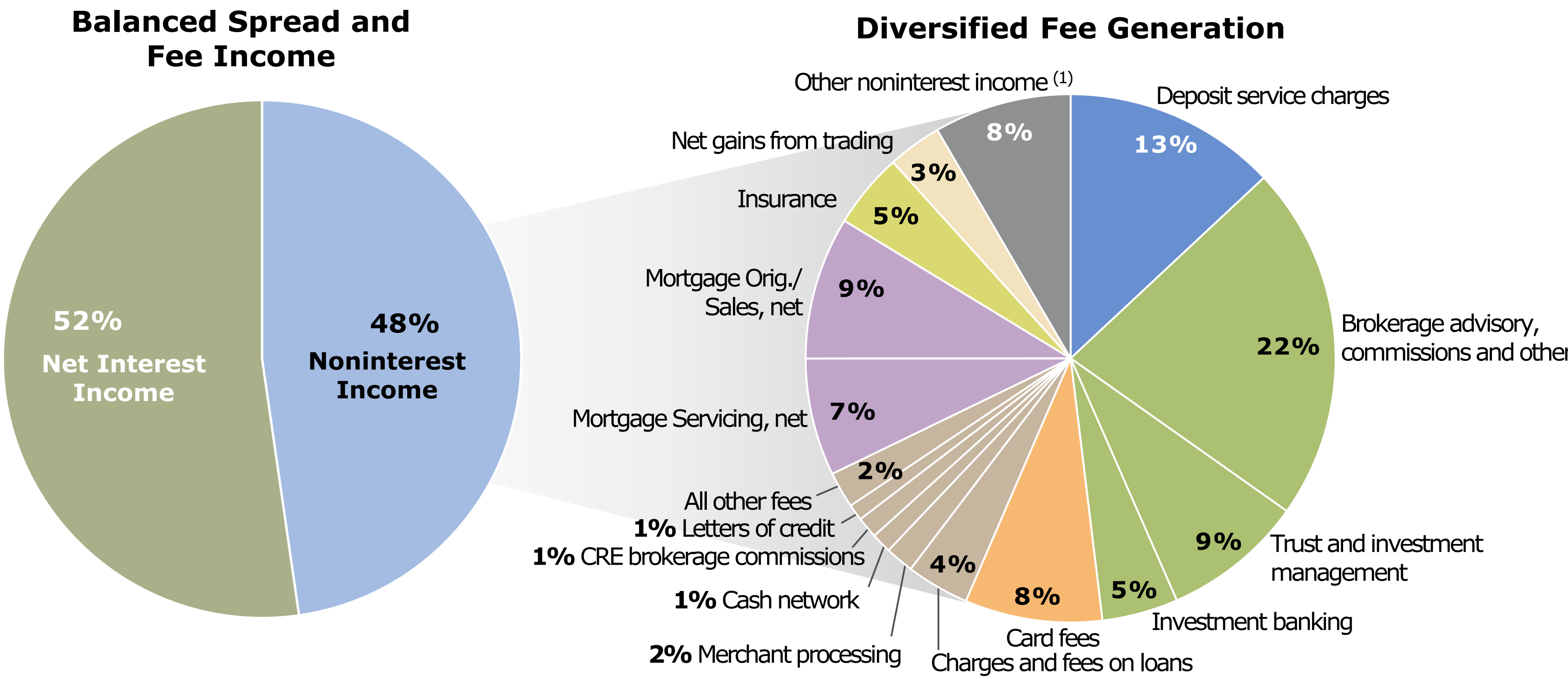

**Period-end Core Deposits**
*($ in billions)*


**Return on Equity**




*(1) Pre-tax pre-provision profit (PTPP) is total revenue less noninterest expense. Management believes PTPP is a useful financial measure because it enables investors and others to assess the Company's ability to generate capital to cover credit losses through a credit cycle.*

# Strong revenue diversification




| | | | |
|---|---|---|---|
| **Deposit Service Charges** | **13%** | **Total Mortgage Banking** | **16%** |
| **Total Trust & Investment Fees** | **36%** | **Insurance** | **5%** |
| **Card Fees** | **8%** | **Net Gains from Trading** | **3%** |
| **Total Other Fees** | **11%** | **Other Noninterest Income (1)** | **8%** |

*All data is for 4Q13.*

*(1) Other noninterest income includes net losses on debt securities, net gains from equity investments, lease income, life insurance investment income and all other noninterest income.*

# Balance Sheet and credit overview

| | |
|---|---|
| **Loans** | ▪ Total period-end loans up $13.5 billion<br>- Core loans [1] increased $16.7 billion on broad-based growth<br>- Non-strategic/liquidating portfolio [1] decreased $3.2 billion |
| **Short-term investments/ Fed funds sold** | ▪ Up $31.8 billion on deposit growth |
| **Investment securities** | ▪ Investment securities up $5.0 billion as gross purchases of ~$18 billion (primarily agency MBS) were partially offset by run-off<br>- Securities held-to-maturity (HTM) of $12.3 billion included purchases of $6.3 billion in agency MBS |
| **Deposits** | ▪ Up $37.3 billion on strong commercial and consumer growth. Higher liquidity-related term deposit balances were partially offset by lower mortgage escrow deposits |
| **Common stock repurchases** | ▪ Common shares outstanding down 16.6 million<br>▪ Purchased 30.0 million common shares in the quarter and entered into a $500 million forward repurchase transaction that is expected to settle for an estimated 11.3 million shares in 1Q14 |
| **Credit** | ▪ Provision expense of $363 million, up $288 million<br>- Net charge-offs of $963 million, or 47 bps, down $12 million on lower consumer losses<br>- $600 million reserve release [2] vs. $900 million in 3Q13 on continued strong credit performance and improved economic conditions |

*Period-end balances. All comparisons are 4Q13 compared with 3Q13.*

*(1) See pages 7 and 21 for additional information regarding core loans and the non-strategic/liquidating portfolio, which comprises the Pick-a-Pay, liquidating home equity, legacy WFF indirect auto, legacy WFF debt consolidation, Education Finance-government guaranteed, and legacy Wachovia commercial & industrial, commercial real estate, foreign and other PCI loan portfolios.*

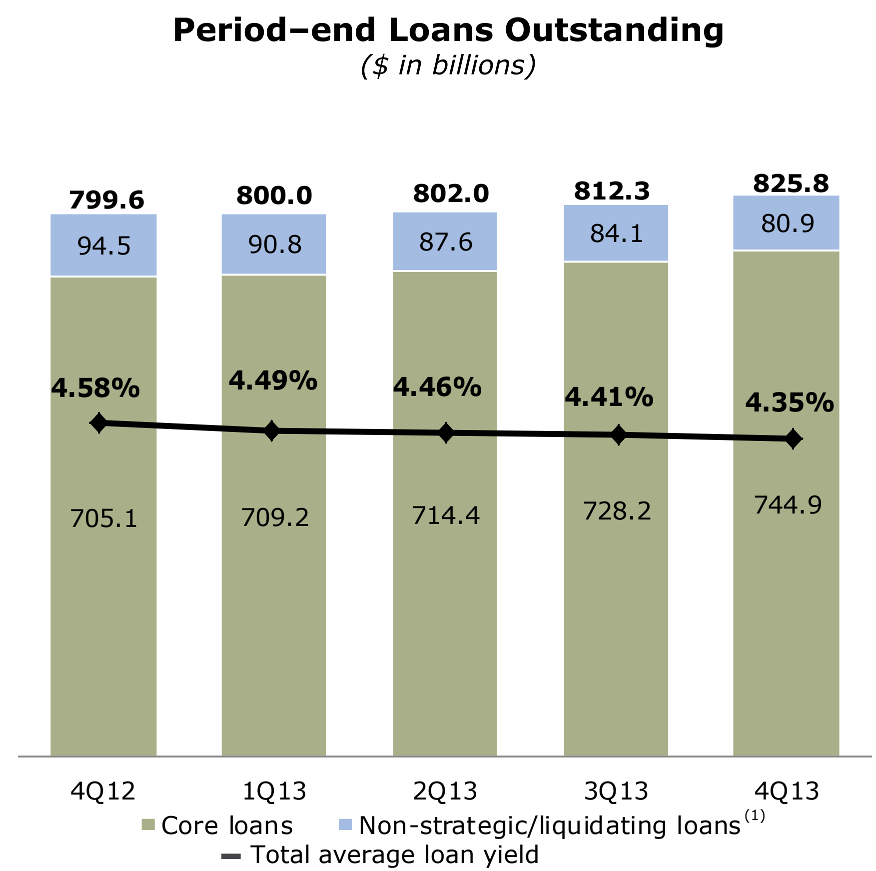
*(2) Provision expense minus net charge-offs.*

# Income Statement overview

| | |
|---|---|
| **Total revenue** | ▪ Revenue of $20.7 billion, up $187 million, or 1%, reflecting diversified growth |
| **Net interest income** | ▪ NII up $55 million<br>▪ NIM down 12 bps to 3.26% reflecting deposit growth and liquidity funding (which were largely P&L neutral) |
| **Noninterest income** | ▪ Noninterest income up $132 million<br>- Trust and investment fees up $182 million on higher retail brokerage, investment banking and asset management fees<br>- Mortgage banking down $38 million as $205 million higher servicing income was more than offset by lower production revenue<br>- Market sensitive revenue [1] up $72 million on stronger equity gains |
| **Noninterest expense** | ▪ Noninterest expense down $17 million<br>- Personnel expense down $165 million reflecting lower staffing in mortgage banking<br>• Incentive compensation down $54 million as lower mortgage variable compensation was partially offset by higher capital markets and retail brokerage compensation<br>- Equipment expense up $96 million including annual software license renewals<br>- Professional services expense up $131 million on seasonally higher project spend on business investments and compliance and regulatory-related initiatives<br>- Foreclosed asset expense down $58 million on lower non-government balances and higher commercial recoveries |

*All comparisons are 4Q13 compared with 3Q13.*
*(1) Consists of net gains from trading activities, net gains (losses) on debt securities and net gains from equity investments.*

# Loans
## Strong loan growth



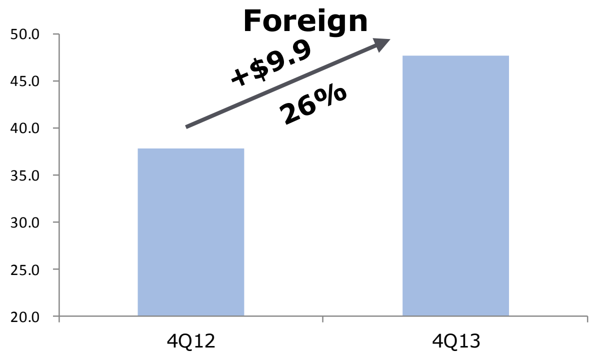

- Period-end loans up $26.2 billion YoY and $13.5 billion LQ
  - Commercial loans up $8.7 billion LQ
    - $5.5 billion C&I growth on strength in Asset-Backed Finance
  - Consumer loans up $4.8 billion LQ on strength in nonconforming mortgage, credit card and auto
- Core loans grew $39.8 billion, or 6%, YoY and $16.7 billion LQ
- Non-strategic/liquidating loans (1) down $13.6 billion YoY and $3.2 billion from 3Q13
- Total average loans of $816.7 billion up $29.5 billion YoY and $11.9 billion LQ
- Total average loan yield of 4.35%, down 6 bps LQ
  - Core loan yield excluding the non-strategic/ liquidating portfolio was down 9 bps
  - Non-strategic/liquidating portfolio yield of 5.35%

(1) *See page 21 for additional information regarding the non-strategic/liquidating portfolio, which comprises the Pick-a-Pay, liquidating home equity, legacy WFF indirect auto, legacy WFF debt consolidation, Education Finance-government guaranteed, and legacy Wachovia commercial & industrial, commercial real estate, foreign and other PCI loan portfolios.*

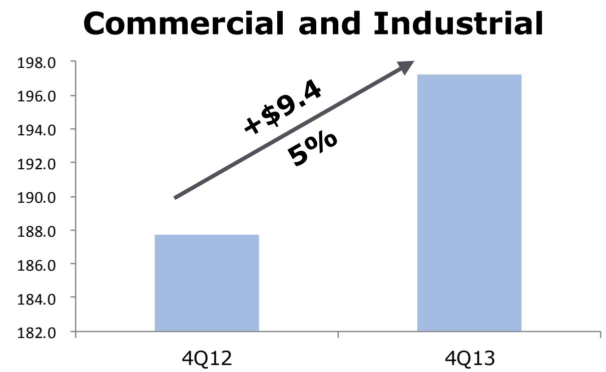
# Broad-based, year-over-year loan growth

**Period-end loans up $26.2 billion, or 3% year-over-year**

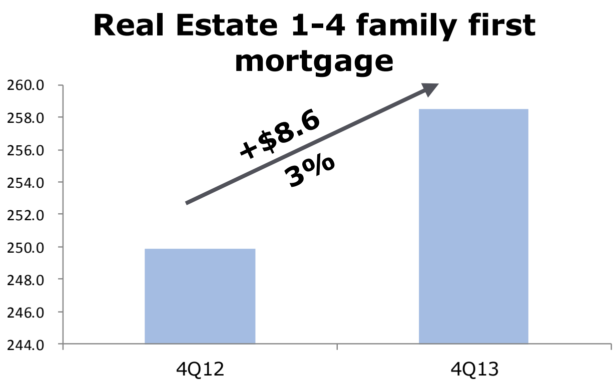
*($ in billions)*



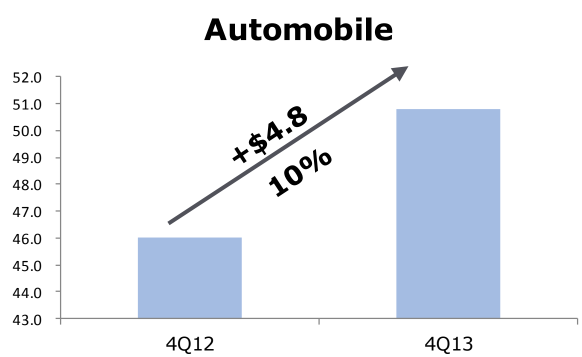

- Trade finance growth and 3Q13 U.K. CRE acquisition



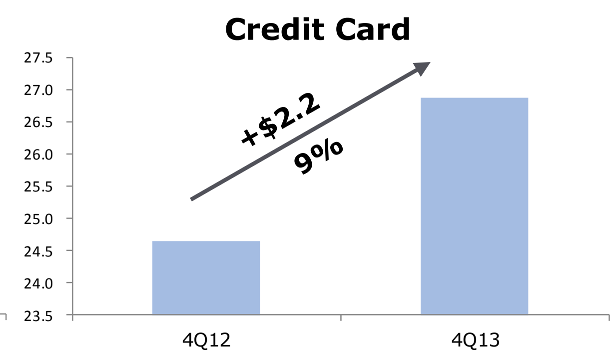

- Growth in Asset Backed Finance, Government Banking and Corporate Banking




- Included nonconforming mortgage growth and conforming mortgage retention

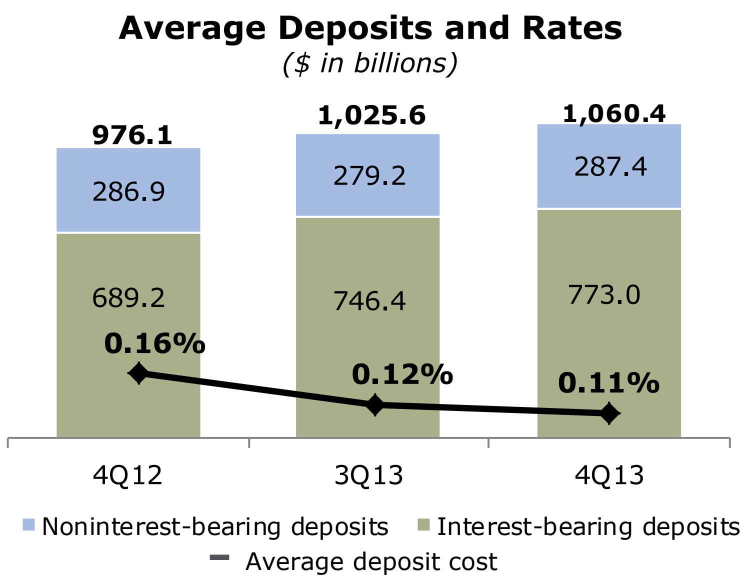


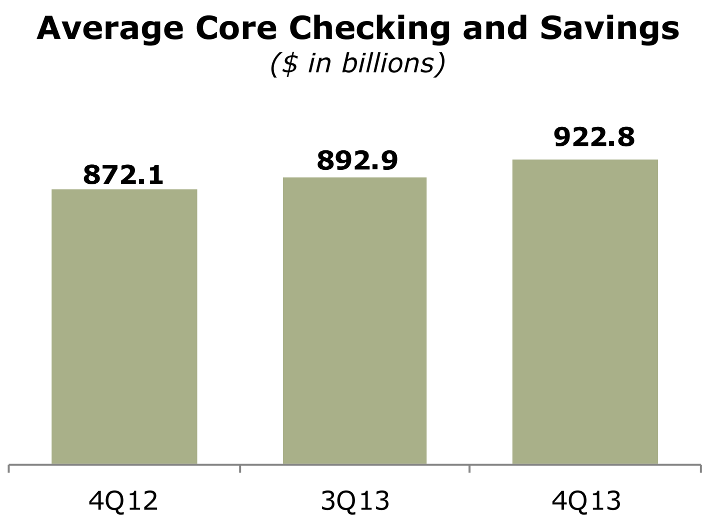

- Continued strong originations




- New account growth up 29%

# Deposits
## Continued growth and reduced average cost

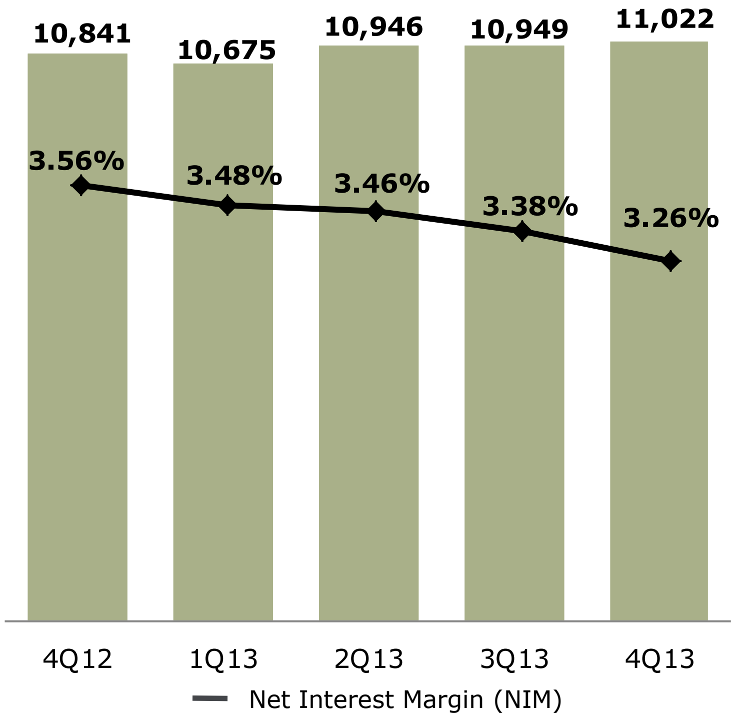



- Average deposits up $84.3 billion YoY and $34.8 billion LQ on strong commercial and consumer growth and an increase in liquidity-related term deposits
- Average core deposits of $965.8 billion up $37.0 billion, or 4%, YoY and up $25.5 billion, or 11% annualized, LQ
  - 118% of average loans
  - Average retail core deposits up 5% YoY and 5% annualized LQ
- Average core checking and savings up $50.7 billion, or 6% YoY, and up $29.8 billion from 3Q13
  - 96% of average core deposits
- Continued decline in funding costs to 11 bps, down 5 bps from 4Q12

# Net interest income

**Net Interest Income (TE) (1)**
*($ in millions)*

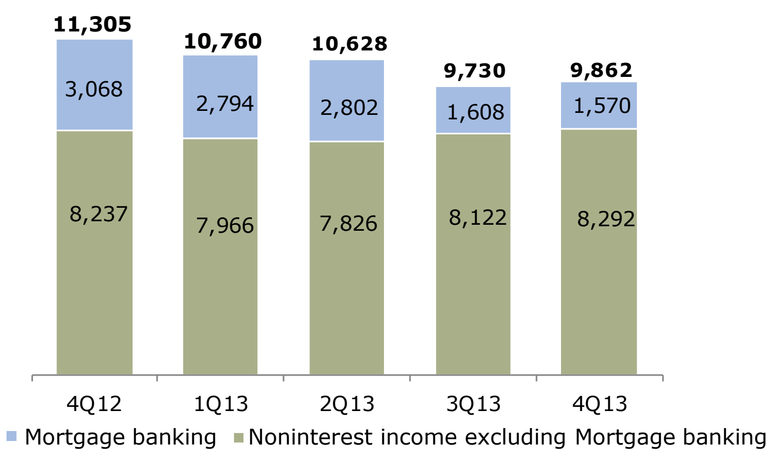



- Net interest income (TE) [1] up $73 million LQ as higher securities balances, higher interest income on trading assets and loan growth were partially offset by a decline in mortgages held for sale
- Average earning assets up $58.3 billion, or 5%, LQ
  - Short-term investments/fed funds sold up $49.4 billion
  - Loans up $11.9 billion
  - Investment securities up $7.9 billion
- NIM of 3.26% down 12 bps from 3Q13 on:
  - Customer-driven deposit growth = (6) bps
  - Liquidity–related activity = (6) bps
  - Variable income = 0 bps
  - Balance sheet repricing, growth and mix = 0 bps

*(1) Tax-equivalent net interest income is based on the federal statutory rate of 35% for the periods presented. Net interest income was $10,643 million, $10,499 million, $10,750 million, $10,748 million and $10,803 million for 4Q12, 1Q13, 2Q13, 3Q13 and 4Q13 respectively.*

# Noninterest income

| ($ in millions) | | 4Q13 | vs 3Q13 | | vs 4Q12 |
|---|---|---|---|---|---|
| Noninterest income | | | | | |
| Service charges on deposit accounts | $ | 1,283 | - | % | 3 |
| Trust and investment fees | | | | | |
| Brokerage advisory, commissions and other fees | | 2,150 | 4 | | 10 |
| Trust and investment management | | 850 | 5 | | 7 |
| Investment banking | | 458 | 15 | | 4 |
| Card fees | | 827 | 2 | | 12 |
| Other fees | | 1,119 | 2 | | (6) |
| Mortgage banking | | 1,570 | (2) | | (49) |
| Insurance | | 453 | 10 | | 15 |
| Net gains from trading activities | | 325 | (18) | | 18 |
| Net losses on debt securities | | (14) | n.m. | | (78) |
| Net gains from equity investments | | 654 | 30 | | (9) |
| Lease income | | 148 | (8) | | (13) |
| Other | | 39 | (80) | | (89) |
| **Total noninterest income** | **$** | **9,862** | **1** | **%** | **(13)** |




- Trust and investment fees up $182 million, or 6%, LQ
- Mortgage banking down $38 million
  - Gain on sale revenue down $243 million reflecting lower origination volumes
  - Net servicing income up $205 million reflecting higher net MSR results
- Card fees up $14 million on stronger credit card transaction activity
- Other fees up $21 million on higher commercial real estate brokerage commissions
- Insurance up $40 million on seasonally higher crop insurance
- Trading gains down $72 million on lower customer accommodation trading despite higher deferred compensation plan investment income (P&L neutral), $142 million vs. $136 million in 3Q13
- Equity gains up $152 million reflecting strong business results

# Residential mortgage
## Production, servicing and repurchase trends

### Mortgage production

- $50 billion of mortgage originations, down 38% LQ
  - 68% of originations were purchases, up from 35% in 4Q12
- Announced team member reductions of approximately 1,100 FTEs in 4Q13

| Residential mortgage production trends<br>($ in billions) | 4Q13 | | 3Q13 | 2Q13 | 1Q13 | 4Q12 |
|---|---|---|---|---|---|---|
| Applications | $ 65 | | 87 | 146 | 140 | 152 |
| Pipeline | 25 | | 35 | 63 | 74 | 81 |
| Originations | 50 | | 80 | 112 | 109 | 125 |
| Refinance % | 32 | % | 41 | 56 | 69 | 65 |
| Purchase % | 68 | | 59 | 44 | 31 | 35 |
| Gain on Sale (1) | 1.77 | | 1.42 | 2.21 | 2.56 | 2.56 |

### Servicing portfolio

- Residential servicing portfolio of $1.8 trillion
  - Wells Fargo servicing portfolio’s total delinquency and foreclosure ratio for 4Q13 was 6.40%, up 7 bps LQ and down 64 bps YoY

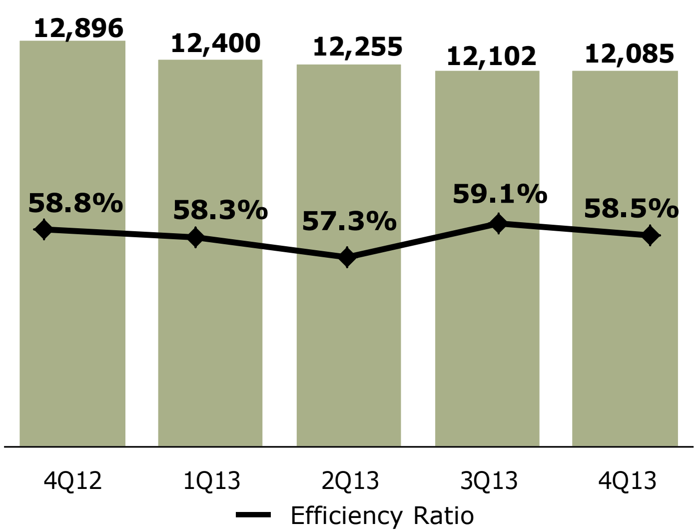
### Repurchase demands and reserves

- Number and balance of total outstanding repurchase demands down 45% and 46% LQ, respectively, reflecting agreement with Fannie Mae resolving substantially all repurchase liabilities related to loans sold to Fannie Mae that were originated prior to 2009
- Repurchase reserves of $899 million decreased $522 million, or 37%, LQ
  - Decrease includes cash payment to Fannie Mae

*(1) Net gains on mortgage loan origination/or sales activities less repurchase reserve build divided by total originations.*

# Noninterest expense and efficiency ratio (1)

| ($ in millions) | | 4Q13 | vs 3Q13 | | vs 4Q12 |
|---|---|---|---|---|---|
| Noninterest expense | | | | | |
| Salaries | $ | 3,811 | (3) | % | 2 |
| Commission and incentive compensation | | 2,347 | (2) | | (1) |
| Employee benefits | | 1,160 | (1) | | 30 |
| Equipment | | 567 | 20 | | 5 |
| Net occupancy | | 732 | 1 | | 1 |
| Core deposit and other intangibles | | 375 | - | | (10) |
| FDIC and other deposit assessments | | 196 | (8) | | (36) |
| Other | | 2,897 | 2 | | (26) |
| **Total noninterest expense** | **$** | **12,085** | **-** | **%** | **(6)** |




- Noninterest expense stable LQ
  - Personnel expense down $165 million
    - Salaries down $99 million reflecting lower mortgage banking staffing and severance
    - Commission and incentive compensation down $54 million as lower mortgage variable compensation was partially offset by higher revenue-based compensation
    - Benefits expense down $12 million despite $21 million higher deferred compensation
  - FDIC expense down $18 million on lower assessment rate
  - Equipment expense up $96 million on annual license renewals
  - Other expense up $66 million
    - Outside professional services up $131 million on seasonally higher project spend on business investments and compliance and regulatory-related initiatives
    - Foreclosed assets down $58 million on lower non-government balances and commercial recoveries
    - Insurance down $39 million on seasonality
- Efficiency ratio down 62 bps LQ to 58.5%
- Expect to operate within targeted efficiency ratio range of 55%-59% in 1Q14

*(1) Efficiency ratio defined as noninterest expense divided by total revenue (net interest income plus noninterest income). Noninterest expense and our efficiency ratio may be affected by a variety of factors, including business and economic cyclicality, seasonality, changes in our business composition and operating environment, growth in our business and/or acquisitions, and unexpected expenses relating to, among other things, litigation and regulatory matters.*

# Community Banking

| ($ in millions) | | 4Q13 | vs 3Q13 | | vs 4Q12 |
|---|---|---|---|---|---|
| Net interest income | $ | 7,225 | - | % | 1 |
| Noninterest income | | 5,029 | 1 | | (24) |
| Provision for credit losses | | 490 | n.m. | | (72) |
| Noninterest expense | | 7,073 | - | | (12) |
| Income tax expense | | 1,373 | (9) | | 50 |
| **Segment net income** | **$** | **3,222** | **(4)** | **%** | **12** |
| *($ in billions)* | | | | | |
| Avg loans, net | $ | 502.5 | 1 | | 2 |
| Avg core deposits | | 620.2 | - | | 2 |

| | 4Q13 | | 3Q13 | 4Q12 |
|---|---|---|---|---|
| **Regional Banking** | | | | |
| Primary consumer checking customers (1)(2)(3) | 4.7 | % | 3.9 | |
| Primary business checking customers (1)(2)(3) | 4.7 | | 3.6 | |
| Retail Bank household cross-sell (1) | 6.16 | | 6.15 | 6.05 |

| ($ in billions) | | 4Q13 | | vs 3Q13 | | vs 4Q12 |
|---|---|---|---|---|---|---|
| **Consumer Lending** | | | | | | |
| Credit card payment volumes (POS) | $ | 14.4 | | 5 | % | 14 |
| Credit card penetration (1)(4) | | 37.0 | % | 105 | bps | 395 |
| Home Lending | | | | | | |
| Applications | $ | 65 | | (25) | % | (57) |
| Application pipeline | | 25 | | (29) | | (69) |
| Originations | | 50 | | (38) | | (60) |

- Net income of $3.2 billion, up 12% YoY and down 4% LQ

**Regional Banking**

- Continued franchise and cross-sell growth (1)
  - Primary consumer checking customers (2) (3) up a net 4.7% YoY
  - Primary business checking customers (2) (3) up a net 4.7% YoY
  - Retail bank cross-sell of 6.16 products per household up from 6.05 in 4Q12

**Consumer Lending**

- Credit card penetration (1) (4) rose to 37.0%, up from 36.0% in 3Q13 and 33.1% in 4Q12
- Consumer auto originations of $6.8 billion, down 2% LQ and up 26% YoY
- Mortgage originations of $50 billion down 38% LQ and 60% YoY
  - 6% of originations were from HARP (5) vs. 8% in 3Q13 and 12% in 4Q12

*(1) Metrics reported on a one-month lag from reported quarter-end; for example 4Q13 cross-sell is as of November 2013.*
*(2) Checking customer growth is 12-months ending for each respective period.*
*(3) Customers who actively use their checking account with transactions such as debit card purchases, online bill payments, and direct deposit.*
*(4) Household penetration as of November 2013 and defined as the percentage of retail bank households that have a credit card with Wells Fargo.*
*(5) Home Affordable Refinance Program.*

# Wholesale Banking

| ($ in millions) | | 4Q13 | vs 3Q13 | | vs 4Q12 |
|---|---|---|---|---|---|
| Net interest income | $ | 3,133 | 2 | % | 1 |
| Noninterest income | | 2,839 | 1 | | (2) |
| Reversal of provision for credit losses | | (125) | (13) | | n.m. |
| Noninterest expense | | 3,020 | (2) | | - |
| Income tax expense | | 960 | 1 | | 8 |
| **Segment net income** | **$** | **2,111** | **7** | **%** | **4** |
| *($ in billions)* | | | | | |
| Avg loans, net | $ | 298.0 | 3 | | 7 |
| Avg core deposits | | 258.5 | 10 | | 7 |

| ($ in billions) | | 4Q13 | | vs 3Q13 | | vs 4Q12 |
|---|---|---|---|---|---|---|
| **Key Metrics:** | | | | | | |
| Cross-sell [1] | | 7.1 | | 1 | % | 4 |
| Commercial card spend volume | $ | 5.1 | | 2 | | 18 |
| YTD U.S. investment banking market share % [2] | | 5.6 | % | (2) | | 12 |
| Total AUM | $ | 487.2 | | 2 | % | 8 |
| Advantage Funds AUM | | 243.5 | | 3 | | 12 |

- Net income of $2.1 billion, up 4% YoY and up 7% LQ
- Net interest income up 2% LQ; average loans up 3% on broad-based growth
- Noninterest income up 1% LQ from higher investment banking, crop insurance and asset management

**Cross-sell**

- Cross-sell of 7.1 products per relationship [1] up from 6.8 in 4Q12

**Treasury Management**

- Commercial card spend volume of $5.1 billion up 2% LQ and 18% YoY

**Investment Banking**

- 2013 Investment Banking fees from Wholesale Banking customers up 22% YoY
- 2013 U.S. investment banking market share [2] of 5.6% up from 5.0% in 2012

**Asset Management**

- Total AUM up $11.8 billion LQ on growth in long term assets reflecting net client inflows and increased market valuation

*(1) Cross-sell reported on a one-quarter lag.*
*(2) Source: Dealogic U.S. investment banking fee market share.*

# Wealth, Brokerage and Retirement

| *($ in millions)* | | *4Q13* | *vs 3Q13* | | *vs 4Q12* |
|---|---|---|---|---|---|
| Net interest income | $ | 770 | 3 | % | 12 |
| Noninterest income | | 2,668 | 4 | | 11 |
| Reversal of provision for credit losses | | (11) | (71) | | n.m. |
| Noninterest expense | | 2,655 | 1 | | 6 |
| Income tax expense | | 302 | 10 | | 40 |
| **Segment net income** | **$** | **491** | 9 | **%** | 40 |
| *($ in billions)* | | | | | |
| Avg loans, net | $ | 48.4 | 4 | | 12 |
| Avg core deposits | | 153.9 | 2 | | 7 |

| *($ in billions, except where noted)* | | *4Q13* | *vs 3Q13* | | *vs 4Q12* |
|---|---|---|---|---|---|
| **Key Metrics:** | | | | | |
| WBR Client Assets [(1)] *($ in trillions)* | $ | 1.6 | 5 | % | 11 |
| Cross-sell [(2)] | | 10.42 | - | | 1 |
| Retail Brokerage | | | | | |
| Financial Advisors | | 15,280 | - | | (1) |
| Managed account assets | $ | 375 | 7 | | 23 |
| Client assets [(1)] *($ in trillions)* | | 1.4 | 5 | | 12 |
| Wealth Management | | | | | |
| Client assets [(1)] | | 218 | 4 | | 7 |
| Retirement | | | | | |
| IRA Assets | | 341 | 5 | | 15 |
| Institutional Retirement Plan Assets | | 298 | 3 | | 12 |

*(1) Includes deposits.*
*(2) Data as of November 2013.*

- Net income up 40% YoY and 9% LQ
- Net interest income up 3% LQ; average loans up 4% and average core deposits up 2% LQ
- Noninterest income up 4% LQ primarily driven by growth in asset-based fees as well as higher brokerage transaction revenue
- Noninterest expense up 1% on increased incentives and higher non-personnel expenses, which were largely offset by lower FDIC insurance expense

**Retail Brokerage**

- Managed account assets of $375 billion, up 7% LQ and up 23% YoY driven by strong market performance and net flows

**Wealth Management**

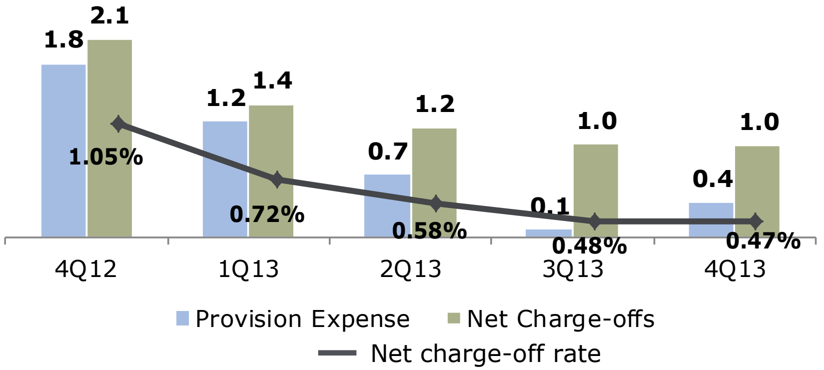
- Wealth Management client assets up 4% LQ and 7% YoY

**Retirement**

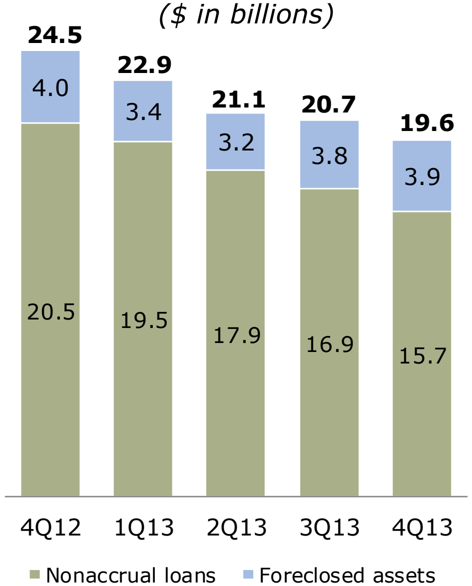
- IRA assets up 5% LQ and 15% YoY
- Institutional Retirement plan assets up 3% LQ and 12% YoY

# Credit quality
## Trends continued to improve

**Provision Expense and Net Charge-offs**
*($ in billions)*



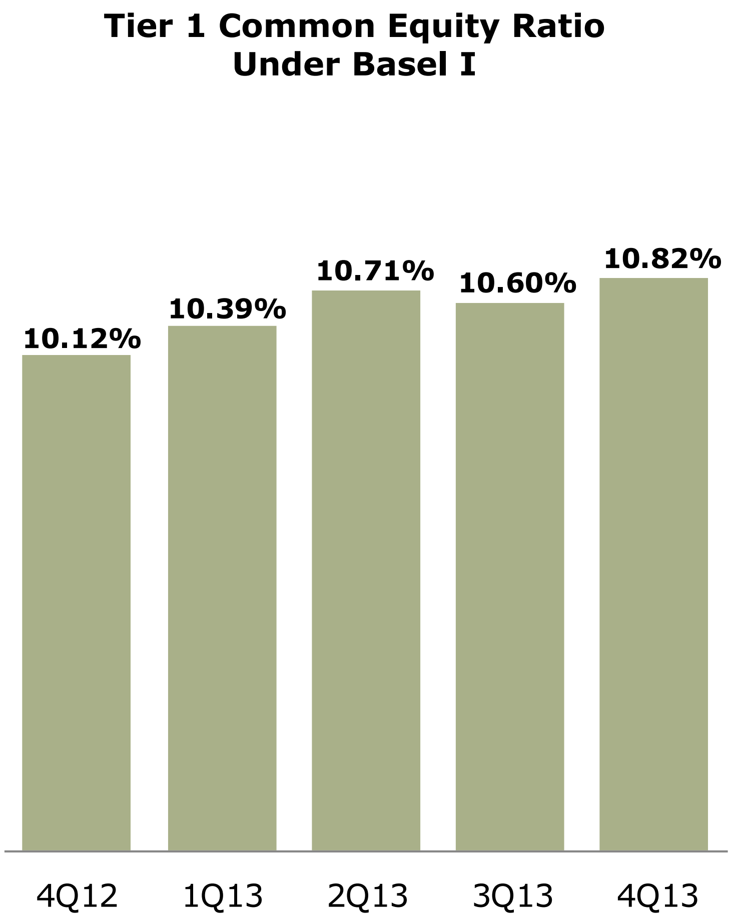

**Nonperforming Assets (1)**
*($ in billions)*




- Provision expense of $363 million, up $288 million from 3Q13
- Net charge-offs of $963 million, down $12 million, or 1%, LQ
- 0.47% net charge-off rate
  - Commercial losses of 0.06%, up 4 bps LQ
  - Consumer losses of 0.82%, down 4 bps LQ
- NPAs declined $1.1 billion LQ
  - $1.2 billion decline in nonaccrual loans
  - $135 million increase in foreclosed assets reflecting an increase in government insured foreclosed assets (2)
- Reserve release (3) of $600 million vs. $900 million in 3Q13
  - Given current favorable conditions, we continue to expect future reserve releases, absent significant deterioration in the economy
- Allowance for credit losses = $15.0 billion
  - Allowance covered 3.9x annualized 4Q13 net charge-offs
- PCI nonaccretable = 20.2% of remaining UPB (4)

*(1) 30-89 days and 90 days or more past due and still accruing, and nonperforming loans, include held for sale loans reported on Balance Sheet.*
*(2) The increase in government-insured foreclosed assets was primarily driven by changes to loan modification programs, slowing foreclosures in prior quarters.*
*(3) Provision expense minus net charge-offs.*
*(4) Unpaid principal balance for PCI loans that have not had a UPB charge-off.*

# Capital




- Capital continued to strengthen
- Tier 1 common equity ratio under Basel I of 10.82% increased 22 bps LQ
- Common Equity Tier 1 ratio under Basel III, using the advanced approach, of 9.78% at 12/31/13 (1)
- Period-end common shares outstanding down 16.6 million LQ
  - Purchased 30.0 million common shares in 4Q13
  - Entered into a $500 million forward repurchase transaction which is expected to settle in 1Q14 for an estimated 11.3 million shares

*See pages 30-31 for additional information regarding common equity ratios under Basel I and Basel III.*
*4Q13 capital ratios are preliminary estimates.*
*(1) Estimated based on management's interpretation of final rules adopted July 2, 2013, by the Federal Reserve Board establishing a new comprehensive capital framework for U.S. banking organizations that would implement the Basel III capital framework and certain provisions of the Dodd-Frank Act.*

# Summary

**2013**

- Record earnings of $21.9 billion, up $3.0 billion, or 16% from 2012
- Record diluted earnings per share (EPS) of $3.89, up 16%
- Returned $11.4 billion to shareholders through dividends and share repurchases

**4Q13**

- Record earnings of $5.6 billion, up $520 million, or 10% from 4Q12
- Record diluted EPS of $1.00, up 10%
  - 16 consecutive quarters of EPS growth
- Solid returns
  - ROA = 1.47%, up 1 bp
  - ROE = 13.81%, up 46 bps
- Strengthened Balance Sheet
  - Loans up $26.2 billion, or 3%, on broad-based growth
  - Deposits up $76.3 billion, or 8%
- Improved credit quality
  - Net charge-offs of 0.47%, down 1 bp
- Capital continued to strengthen
  - Returned $3.0 billion to shareholders through dividends and share repurchases

# Appendix

# Non-strategic/liquidating loan portfolio

| ($ in billions) | | 4Q13 | 3Q13 | 2Q13 | 1Q13 | 4Q12 | 4Q08 |
|---|---|---|---|---|---|---|---|
| Pick-a-Pay mortgage (1) | $ | 51.0 | 52.8 | 54.8 | 56.6 | 58.3 | 95.3 |
| Liquidating home equity | | 3.7 | 3.9 | 4.2 | 4.4 | 4.6 | 10.3 |
| Legacy WFF indirect auto | | 0.2 | 0.3 | 0.5 | 0.6 | 0.8 | 18.2 |
| Legacy WFF debt consolidation | | 12.9 | 13.3 | 13.7 | 14.1 | 14.5 | 25.3 |
| Education Finance - gov't guaranteed | | 10.7 | 11.1 | 11.5 | 11.9 | 12.5 | 20.5 |
| Legacy WB C&I, CRE and foreign PCI loans (1) | | 2.0 | 2.3 | 2.5 | 2.8 | 3.2 | 18.7 |
| Legacy WB other PCI loans (1) | | 0.4 | 0.4 | 0.4 | 0.4 | 0.6 | 2.5 |
| **Total** | **$** | **80.9** | **84.1** | **87.6** | **90.8** | **94.5** | **190.8** |

**-$3.2** **-$3.5** **-$3.2** **-$3.7** **-$96.3**

**-$109.9**

*(1) Net of purchase accounting adjustments.*

# Purchased credit-impaired (PCI) portfolios
## Legacy Wachovia PCI loans continued to perform better than originally expected

| *($ in billions)* | | *Commercial* | *Pick-a-Pay* | *Other consumer* | *Total* |
|---|---|---|---|---|---|
| **Adjusted unpaid principal balance** [1] | | | | | |
| December 31, 2008 | $ | 29.2 | 62.5 | 6.5 | **98.2** |
| September 30, 2013 | | 3.7 | 29.4 | 0.9 | **34.0** |
| December 31, 2013 | | 3.1 | 28.8 | 0.8 | **32.7** |
| **Nonaccretable difference rollforward** | | | | | |
| 12/31/08 Nonaccretable difference | $ | 10.4 | 26.5 | 4.0 | **40.9** |
| Addition of nonaccretable difference due to acquisitions | | 0.2 | - | - | **0.2** |
| Losses from loan resolutions and write-downs | | (6.9) | (17.9) | (2.9) | **(27.7)** |
| Release of nonaccretable difference since merger | | (3.4) | (3.9) | (0.9) | **(8.2)** [2] |
| 12/31/13 Remaining nonaccretable difference | | 0.3 | 4.7 | 0.2 | **5.2** |
| **Life-to-date net performance** | | | | | |
| Additional provision since 2008 merger | $ | (1.6) | - | (0.1) | **(1.7)** |
| Release of nonaccretable difference since 2008 merger | | 3.4 | 3.9 | 0.9 | **8.2** [2] |
| Net performance | | 1.8 | 3.9 | 0.8 | **6.5** |

*(1) Includes write-downs taken on loans where severe delinquency (normally 180 days) or other indications of severe borrower financial stress exist that indicate there will be a loss of contractually due amounts upon final resolution of the loan.*

*(2) Reflects releases of $1.9 billion for loan resolutions and $6.3 billion from the reclassification of nonaccretable difference to the accretable yield, which will result in increasing income over the remaining life of the loan or pool of loans.*

# PCI nonaccretable difference and accretable yield

**Nonaccretable difference**

- $5.2 billion remains to absorb losses on PCI loans
  - Nonaccretable = 20.2% of remaining unpaid principal balance (UPB) (1)
    - Pick-a-Pay nonaccretable = 20.7% of Pick-a-Pay UPB (1)
- $31 million in losses from loan resolutions and write-downs in the quarter

**Accretable yield**

- $19.1 billion expected to accrete to income over the remaining life of the underlying loans
  - Commercial accretable yield balance of $555 million; weighted average life of portfolio is 2.5 years
  - Pick-a-Pay accretable yield balance of $18.2 billion; weighted average life of 14.0 years
- Balance decreased $394 million LQ and included $447 million accreted into interest income in 4Q13
  - $55 million reclassified from nonaccretable difference

*(1) Unpaid principal balance of loans without write-downs.*

# Real estate 1-4 family first mortgage portfolio

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| Total real estate 1-4 family first mortgage | $ | 258,497 | | 254,924 |
| Less consumer non-strategic/liquidating portfolios: | | | | |
| Pick-a-Pay non-PCI first lien mortgage | | 27,123 | | 28,354 |
| PCI first lien mortgage | | 24,100 | | 24,730 |
| Debt consolidation first mortgage portfolio | | 12,621 | | 12,995 |
| Core first lien mortgage | | 194,653 | | 188,845 |
| Legacy WFF debt consolidation first mortgage loan performance (1) | | | | |
| Nonaccrual loans | $ | 2,156 | | 2,219 |
| as % of loans | | 17.08 | % | 17.08 |
| Net charge-offs | $ | 77 | | 81 |
| as % of average loans | | 2.38 | % | 2.45 |
| Core first lien mortgage loan performance (2) | | | | |
| Nonaccrual loans | $ | 4,195 | | 4,422 |
| as % of loans | | 2.16 | % | 2.34 |
| Net charge-offs | $ | 84 | | 117 |
| as % of loans | | 0.17 | % | 0.25 |

- First lien mortgage loans up 1% as growth in core first lien mortgage was partially offset by continued run-off in the liquidating portfolio
  - Core first lien up $5.8 billion, or 3%, reflecting nonconforming mortgage originations
    - Nonconforming mortgages increased $9.2 billion to $81.6 billion (3)
  - Pick-a-Pay non-PCI portfolio down 4%
  - PCI portfolio down 3%
  - Debt consolidation first lien down 3%
- Core net charge-offs down $33 million, or 8 bps, from 3Q13

*(1) Ratios on Legacy WFF debt consolidation first mortgage loan portfolio only.*
*(2) Ratios on non run-off first lien mortgage loan portfolio only.*
*(3) Nonconforming mortgages originated post February 2009.*

# Pick-a-Pay credit highlights

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| **Non-PCI loans** | | | | |
| Carrying value (1) | $ | 27,123 | | 28,354 |
| Nonaccrual loans | | 3,448 | | 3,809 |
| as a % of loans | | 12.71 | % | 13.43 |
| Net charge-offs | $ | 34 | | 44 |
| as % of avg loans | | 0.49 | % | 0.61 |
| 90+ days past due as % of loans | | 8.79 | | 9.72 |
| Current average LTV (2) | | 70 | % | 75 |

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| **PCI loans** | | | | |
| Adjusted unpaid principal balance (3) | $ | 28,800 | | 29,445 |
| Carrying value (1) | | 23,848 | | 24,451 |
| Current average LTV (2) | | 72 | % | 78 |

**Non-PCI portfolio**

- Loans down 4% LQ driven by loans paid-in-full
- 86% of portfolio current
- Nonaccrual loans decreased $361 million, or 9%, LQ
  - $118 million of nonaccrual TDRs reclassified to accruing TDR status based on borrower payment performance
- $3.4 billion in nonaccruals included $1.8 billion of nonaccruing TDRs
- Net charge-offs of $34 million down $10 million LQ on improved portfolio performance and lower severities
- 68% of portfolio with LTV (2) ≤ 80%

**PCI portfolio**

- Carrying value down 2%
- 71% of portfolio current, consistent with 3Q13
- Life-of-loan losses continued to be lower than originally projected at time of merger

*(1) The carrying value, which does not reflect the allowance for loan losses, includes purchase accounting adjustments, which, for PCI loans, are the nonaccretable difference and the accretable yield, and for all other loans, an adjustment to mark the loans to a market yield at date of merger less any subsequent charge-offs.*
*(2) The current loan-to-value (LTV) ratio is calculated as the net carrying value (defined in (1) above) divided by the collateral value.*
*(3) The adjusted unpaid principal balance includes write-downs taken on loans where severe delinquency (normally 180 days) or other indications of severe borrower financial stress exist that indicate there will be a loss of contractually due amounts upon final resolution of the loan.*

# Home equity portfolio

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| **Core Portfolio** [1] | | | | |
| Outstandings | $ | 80,434 | | 82,305 |
| Net charge-offs | | 215 | | 253 |
| as % of avg loans | | 1.05 | % | 1.20 |
| 2+ payments past due | $ | 2,026 | | 2,066 |
| as % loans | | 2.53 | % | 2.52 |
| % CLTV > 100% [2] | | 23 | | 27 |
| 2+ payments past due | | 3.23 | | 3.19 |
| % Unsecured balances [3] | | 9 | | 11 |
| % 1st lien position | | 23 | | 22 |

*Excludes purchased credit-impaired loans.*

*(1) Includes equity lines of credit and closed-end junior liens associated with the Pick-a-Pay portfolio totaling $1.2 billion at December 31, 2013 and $1.3 billion at September 30, 2013.*

*(2) CLTV is calculated based on outstanding balance plus unused lines of credit divided by estimated home value. Estimated home values are determined predominantly based on automated valuation models updated through December 2013.*

*(3) Unsecured balances, representing the percentage of outstanding balances above the most recent home value.*

**Core Portfolio** [1]

- Outstandings down 2%
  - High quality new originations with weighted average CLTV of 62%, 776 FICO, and 32% total debt service ratio
- 4Q13 losses decreased $38 million
- 2+ delinquencies decreased $40 million
- Delinquency rate for loans with a CLTV >100% increased 4 bps

**Liquidating Portfolio**

- Outstandings of $3.7 billion down 6%
- Credit performance continued to improve

**Total home equity portfolio = $84 billion**

- 22% in 1st lien position
- 39% in junior lien position behind WFC owned or serviced 1st lien
  - Current 1st lien, Current junior lien = 96.6%
  - Current 1st lien, Delinquent junior lien = 1.0%
  - Delinquent 1st lien, Current junior lien = 1.1%
  - Delinquent 1st lien, Delinquent junior lien = 1.3%
- 39% in junior lien position behind third party 1st lien

# Consumer credit card portfolio

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| Credit card outstandings | $ | 26,870 | | 25,448 |
| Net charge-offs | | 220 | | 207 |
| as % of avg loans | | 3.38 | % | 3.28 |
| **Key Metrics:** | | | | |
| Purchase volume | $ | 14,355 | | 13,727 |
| POS transactions *(millions)* | | 202 | | 192 |
| New accounts | | 565,277 | | 591,699 |
| Penetration (1) | | 37.0 | % | 36.0 |

- Credit card outstandings rose 6% LQ on seasonal holiday spending and 9% YoY reflecting continued new account growth
  - New accounts in 4Q13 down 5% LQ and up 29% YoY
  - Credit Card household penetration of 37.0% (1), up from 36.0% in 3Q13
  - Purchase dollar volume up 5% LQ and 14% YoY while POS transactions up 5% LQ and 16% YoY reflecting new accounts and increases in active accounts
- Net charge-offs up $13 million, or 10 bps, LQ

*(1) Household penetration as of November 2013 and defined as the percentage of retail banking deposit households that have a credit card with Wells Fargo.*

# Auto portfolios [1]

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| **Indirect Consumer Portfolio** | | | | |
| Auto outstandings | $ | 48,335 | | 47,249 |
| Nonaccrual loans | | 159 | | 170 |
| as % of loans | | 0.33 | % | 0.36 |
| Net charge-offs | $ | 105 | | 76 |
| as % of avg loans | | 0.87 | % | 0.65 |
| 30+ days past due | $ | 1,030 | | 800 |
| as % of loans | | 2.13 | % | 1.69 |
| **Direct Consumer Portfolio** | | | | |
| Auto outstandings | $ | 2,473 | | 2,444 |
| Nonaccrual loans | | 14 | | 18 |
| as % of loans | | 0.57 | % | 0.72 |
| Net charge-offs | $ | 3 | | 2 |
| as % of avg loans | | 0.51 | % | 0.31 |
| 30+ days past due | $ | 16 | | 15 |
| as % of loans | | 0.65 | % | 0.63 |
| **Commercial Portfolio** | | | | |
| Auto outstandings | $ | 8,424 | | 7,469 |
| Nonaccrual loans | | 2 | | 2 |
| as % of loans | | 0.02 | % | 0.02 |
| Net charge-offs | $ | - | | - |
| as % of avg loans | | n.m. | % | n.m. |

**Consumer Portfolio**

- Auto outstandings of $50.8 billion up 2% LQ and 10% YoY
  - 4Q13 originations of $6.8 billion down 2% LQ and up 26% YoY
- Nonaccrual loans declined $15 million LQ and $72 million YoY
- Net charge-offs were up $30 million LQ reflecting seasonality, and down $4 million YoY
  - December Manheim index of 121.7 down 1% LQ and 2% from December 2012
- 30+ days past due increased $231 million LQ reflecting seasonality and increased $75 million YoY

**Commercial Portfolio**

- Loans of $8.4 billion up 13% LQ and 14% YoY reflecting higher line utilization to support growth in car sales, as well as new relationships
- Continued strong credit performance

*(1) The consumer auto portfolio includes the liquidating legacy Wells Fargo Financial indirect portfolio of $207 million.*

# Student lending portfolio

| ($ in millions) | | 4Q13 | | 3Q13 |
|---|---|---|---|---|
| **Education Finance** | | | | |
| Total outstandings | $ | 22,073 | | 22,392 |
| **Private Portfolio** | | | | |
| Private outstandings | $ | 11,361 | | 11,298 |
| Net charge-offs | | 39 | | 29 |
| as % of avg loans | | 1.36 | % | 1.05 |
| 30 days past due | $ | 258 | | 228 |
| as % of loans | | 2.27 | % | 2.02 |
| **Government Guaranteed Portfolio** | | | | |
| Government outstandings | $ | 10,712 | | 11,094 |

- $22.1 billion student lending outstandings down 1% LQ

**Private Portfolio**

- $11.4 billion private loans outstandings up 1% LQ and 7% YoY
  - Average FICO of 749 and 80% of the total outstandings have been co-signed
  - Originations decreased 59% LQ due to seasonality, up 4% YoY
- Net charge-offs up $10 million LQ, due to repayment seasonality
- 30+ days past due rose $30 million, or 25 bps, LQ on seasonality

**Government Portfolio**

- $10.7 billion liquidating government guaranteed outstandings declined 3% LQ and 14% YoY

# Tier 1 common equity under Basel I

Wells Fargo & Company and Subsidiaries

**FIVE QUARTER RISK-BASED CAPITAL COMPONENTS UNDER BASEL I**

| (in billions) | | | **Dec. 31, 2013** | Sept. 30, 2013 | June 30, 2013 | Mar. 31, 2013 | Dec. 31, 2012 |
|---|---|---|---|---|---|---|---|
| Total equity | | $ | **171.0** | 168.8 | 163.8 | 163.4 | 158.9 |
| Noncontrolling interests | | | **(0.9)** | (1.6) | (1.4) | (1.3) | (1.3) |
| Total Wells Fargo stockholders' equity | | | **170.1** | 167.2 | 162.4 | 162.1 | 157.6 |
| Adjustments: | | | | | | | |
| Preferred stock | | | **(15.2)** | (14.3) | (12.6) | (12.6) | (12.0) |
| Cumulative other comprehensive income | | | **(1.4)** | (2.2) | (1.8) | (5.1) | (5.6) |
| Goodwill and other intangible assets (1) | | | **(29.6)** | (29.8) | (30.0) | (30.2) | (30.4) |
| Investment in certain subsidiaries and other | | | **(0.4)** | (0.6) | (0.5) | (0.6) | (0.6) |
| Tier 1 common equity (2) | (A) | | **123.5** | 120.3 | 117.5 | 113.6 | 109.0 |
| Preferred stock | | | **15.2** | 14.3 | 12.6 | 12.6 | 12.0 |
| Qualifying hybrid securities and noncontrolling interests | | | **2.0** | 2.9 | 2.9 | 2.9 | 5.6 |
| Total Tier 1 capital | | | **140.7** | 137.5 | 133.0 | 129.1 | 126.6 |
| Long-term debt and other instruments qualifying as Tier 2 | | | **20.5** | 18.9 | 18.0 | 18.4 | 17.2 |
| Qualifying allowance for credit losses | | | **14.3** | 14.3 | 13.8 | 13.8 | 13.6 |
| Other | | | **0.7** | 0.6 | 0.2 | 0.3 | 0.2 |
| Total Tier 2 capital | | | **35.5** | 33.8 | 32.0 | 32.5 | 31.0 |
| Total capital | (B) | $ | **176.2** | 171.3 | 165.0 | 161.6 | 157.6 |
| Risk-weighted assets (3) (4): | | | | | | | |
| Credit risk | | $ | **1,103.7** | 1,099.2 | 1,061.1 | 1,056.5 | 1,066.2 |
| Market risk | | | **37.3** | 35.9 | 36.3 | 37.8 | 10.9 |
| Total risk-weighted assets | (C) | $ | **1,141.0** | 1,135.1 | 1,097.4 | 1,094.3 | 1,077.1 |
| Capital Ratios (4): | | | | | | | |
| Tier 1 common equity to total risk-weighted assets | (A)/(C) | | **10.82 %** | 10.60 | 10.71 | 10.39 | 10.12 |
| Total capital to total risk-weighted assets | (B)/(C) | | **15.44** | 15.09 | 15.03 | 14.76 | 14.63 |

(1) Goodwill and other intangible assets are net of any associated deferred tax liabilities.

(2) Tier 1 common equity is a non-GAAP financial measure that is used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Management reviews Tier 1 common equity along with other measures of capital as part of its financial analyses and has included this non-GAAP financial information, and the corresponding reconciliation to total equity, because of current interest in such information on the part of market participants.

(3) Under the regulatory guidelines for risk-based capital, on-balance sheet assets and credit equivalent amounts of derivatives and off-balance sheet items are assigned to one of several broad risk categories according to the obligor, or, if relevant, the guarantor or the nature of any collateral. The aggregate dollar amount in each risk category is then multiplied by the risk weight associated with that category. The resulting weighted values from each of the risk categories are aggregated for determining total risk-weighted assets.

(4) The Company's December 31, 2013, risk-weighted assets (RWA) and capital ratios are preliminary.

# Common Equity Tier 1 under Basel III (1)

Wells Fargo & Company and Subsidiaries

**COMMON EQUITY TIER 1 UNDER BASEL III** (1) (2)

| (in billions) | | Dec. 31, 2013 |
|---|---|---|
| Tier 1 common equity under Basel I | | $ 123.5 |
| Adjustments from Basel I to Basel III (3) (5): | | |
| Cumulative other comprehensive income related to AFS securities and defined benefit pension plans | | 1.3 |
| Other | | 1.2 |
| Total adjustments from Basel I to Basel III | | 2.5 |
| Threshold deductions, as defined under Basel III (4) (5) | | - |
| Common Equity Tier 1 anticipated under Basel III | (C) | $ 126.0 |
| Total risk-weighted assets anticipated under Basel III (6) | (D) | $ 1,288.7 |
| Common Equity Tier 1 to total risk-weighted assets anticipated under Basel III | (C)/(D) | 9.78 % |

(1) Common Equity Tier 1 is a non-GAAP financial measure that is used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Management reviews Common Equity Tier 1 along with other measures of capital as part of its financial analyses and has included this non-GAAP financial information, and the corresponding reconciliation to total equity, because of current interest in such information on the part of market participants.

(2) The Basel III Common Equity Tier 1 and RWA are estimated based on management's interpretation of the Basel III capital rules adopted July 2, 2013, by the FRB. The rules establish a new comprehensive capital framework for U.S. banking organizations that implement the Basel III capital framework and certain provisions of the Dodd-Frank Act.

(3) Adjustments from Basel I to Basel III represent reconciling adjustments, primarily certain components of cumulative other comprehensive income deducted for Basel I purposes, to derive Common Equity Tier 1 under Basel III.

(4) Threshold deductions, as defined under Basel III, include individual and aggregate limitations, as a percentage of Common Equity Tier 1, with respect to MSRs (net of related deferred tax liability, which approximates the MSR book value times the applicable statutory tax rates), deferred tax assets and investments in unconsolidated financial companies.

(5) Volatility in interest rates can have a significant impact on the valuation of cumulative other comprehensive income and MSRs and therefore, may impact adjustments from Basel I to Basel III, and MSRs subject to threshold deductions, as defined under Basel III, in future reporting periods.

(6) The final Basel III capital rules provide for two capital frameworks: the "standardized" approach intended to replace Basel I, and the "advanced" approach applicable to certain institutions as originally defined under Basel II. Under the final rules, we will be subject to the lower of our Common Equity Tier 1 ratio calculated under the standardized approach and under the advanced approach in the assessment of our capital adequacy. Accordingly, the estimate of RWA reflects management's interpretation of RWA determined under the advanced approach because management expects RWA to be higher using the advanced approach compared with the standardized approach. Basel III capital rules adopted by the Federal Reserve Board incorporate different classification of assets, with certain risk weights based on a borrower's credit rating or Wells Fargo's own models, along with adjustments to address a combination of credit/counterparty, operational and market risks, and other Basel III elements.

# Forward-looking statements and additional information

**Forward-looking statements:**

*This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, we may make forward-looking statements in our other documents filed or furnished with the SEC, and our management may make forward-looking statements orally to analysts, investors, representatives of the media and others. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "target," "projects," "outlook," "forecast," "will," "may," "could," "should," "can" and similar references to future periods. In particular, forward-looking statements include, but are not limited to, statements we make about: (i) the future operating or financial performance of the Company, including our outlook for future growth; (ii) our noninterest expense and efficiency ratio; (iii) future credit quality and performance, including our expectations regarding future loan losses and allowance releases; (iv) the appropriateness of the allowance for credit losses; (v) our expectations regarding net interest income and net interest margin; (vi) loan growth or the reduction or mitigation of risk in our loan portfolios; (vii) future capital levels and our estimated Common Equity Tier 1 ratio under Basel III capital standards; (viii) the performance of our mortgage business and any related exposures; (ix) the expected outcome and impact of legal, regulatory and legislative developments, as well as our expectations regarding compliance therewith; (x) future common stock dividends, common share repurchases and other uses of capital; (xi) our targeted range for return on assets and return on equity; (xii) the outcome of contingencies, such as legal proceedings; and (xiii) the Company's plans, objectives and strategies. Forward-looking statements are not based on historical facts but instead represent our current expectations and assumptions regarding our business, the economy and other future conditions. Investors are urged to not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date. For more information about factors that could cause actual results to differ materially from expectations, refer to the "Forward-Looking Statements" discussion in Wells Fargo's press release announcing our fourth quarter 2013 results and in our most recent Quarterly Report on Form 10-Q, as well as to Wells Fargo's other reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012.*

**Purchased credit-impaired loan portfolio:**

*Loans that were acquired from Wachovia that were considered credit impaired were written down at acquisition date in purchase accounting to an amount estimated to be collectible and the related allowance for loan losses was not carried over to Wells Fargo's allowance. In addition, such purchased credit-impaired loans are not classified as nonaccrual or nonperforming, and are not included in loans that were contractually 90+ days past due and still accruing. Any losses on such loans are charged against the nonaccretable difference established in purchase accounting and are not reported as charge-offs (until such difference is fully utilized). As a result of accounting for purchased loans with evidence of credit deterioration, certain ratios of the combined company are not comparable to a portfolio that does not include purchased credit-impaired loans.*

*In certain cases, the purchased credit-impaired loans may affect portfolio credit ratios and trends. Management believes that the presentation of information adjusted to exclude the purchased credit-impaired loans provides useful disclosure regarding the credit quality of the non-impaired loan portfolio. Accordingly, certain of the loan balances and credit ratios in this document have been adjusted to exclude the purchased credit-impaired loans. References in this document to impaired loans mean the purchased credit-impaired loans. Please see pages 32-34 of the press release announcing our 4Q13 results for additional information regarding the purchased credit-impaired loans.*