Corporate Treasury

Neal Blinde, Executive Vice President, Treasurer

May 24, 2016

Investor areas of interest

Corporate Treasury

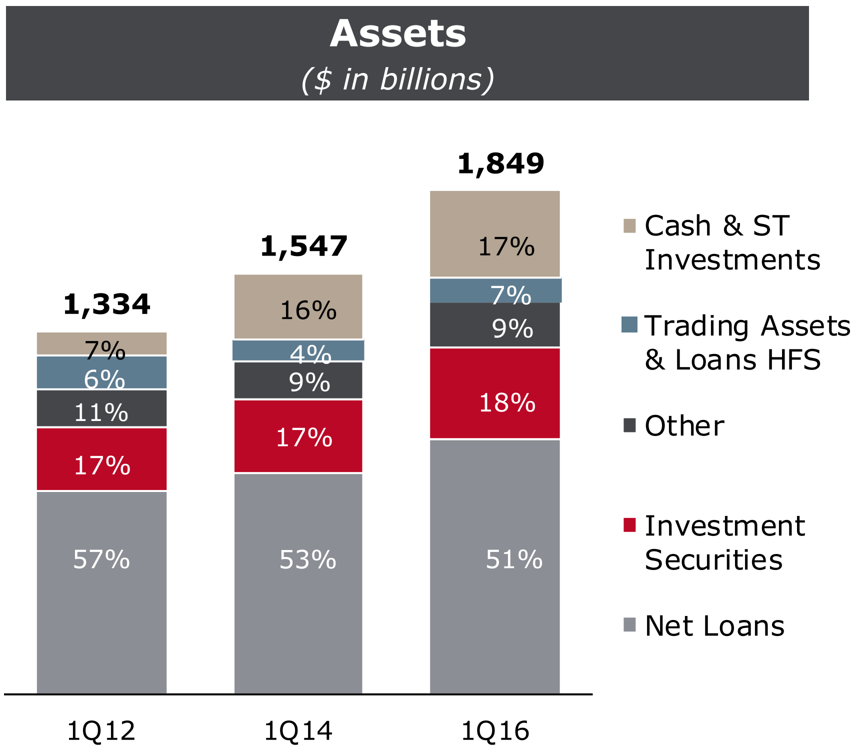
Balance Sheet Management

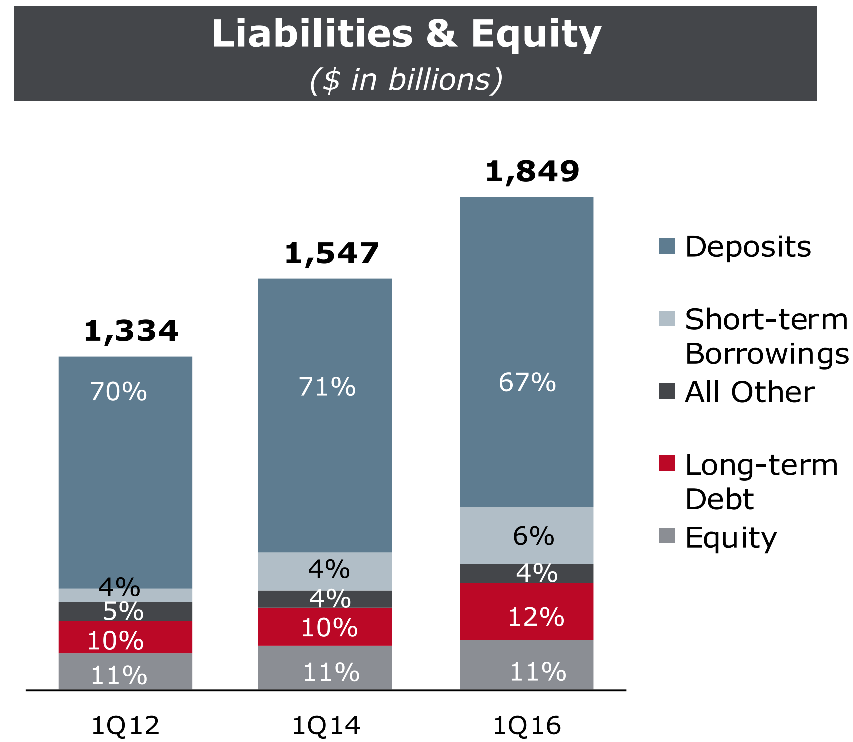
- Evolution of the Balance Sheet
- Impact of total loss-absorbing capacity (TLAC)
- Asset sensitivity position
- Net interest income and net interest margin (NIM) performance

Capital and Return Targets

- Target capital structure
- Capital deployment and return of capital

Balance Sheet composition has evolved





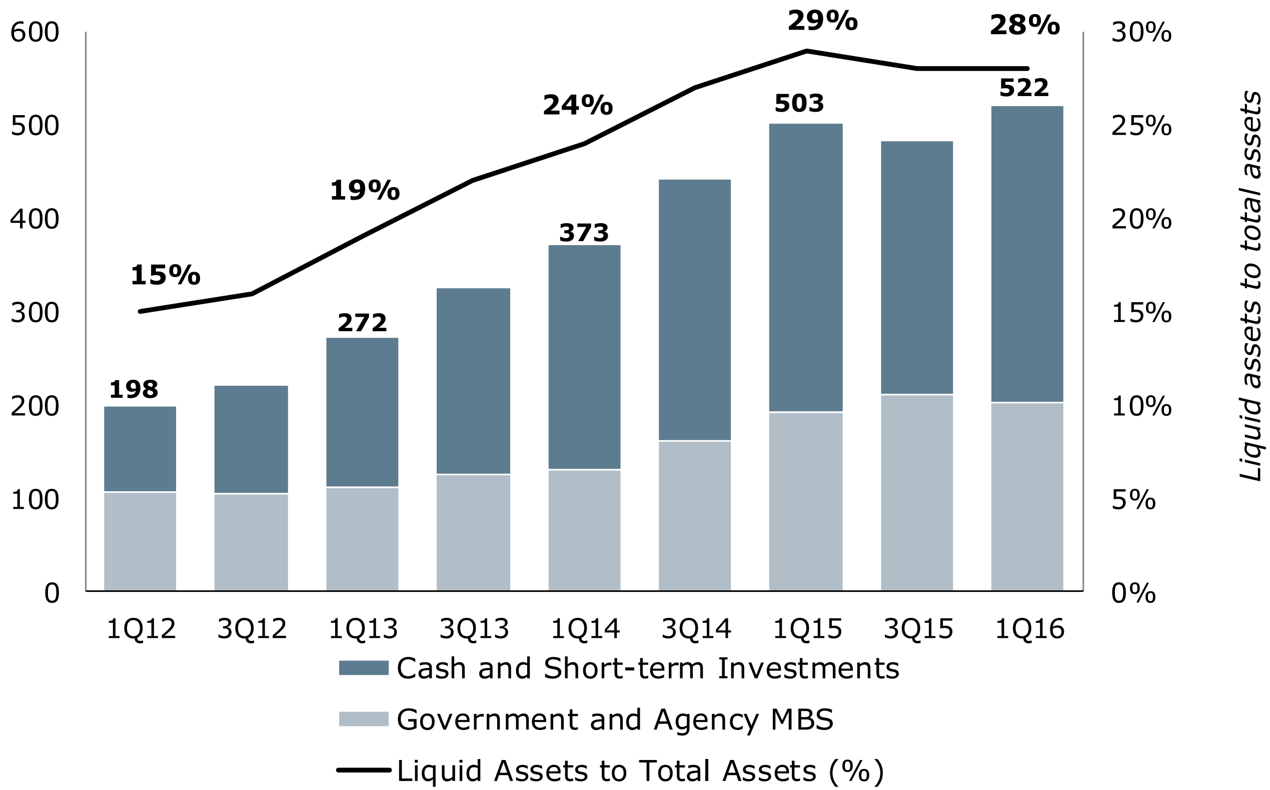
- Cash & Short-term Investments = 17% of Total Assets, up from 7% in 1Q12
- Net loans = 51% of Total Assets, down from 57% in 1Q12

- Deposits = 67% of Total Liabilities & Equity, down from 70% in 1Q12
- Long-term Debt = 12% of Total Liabilities & Equity, up from 10% in 1Q12

Period-end balances.

Highly liquid Balance Sheet

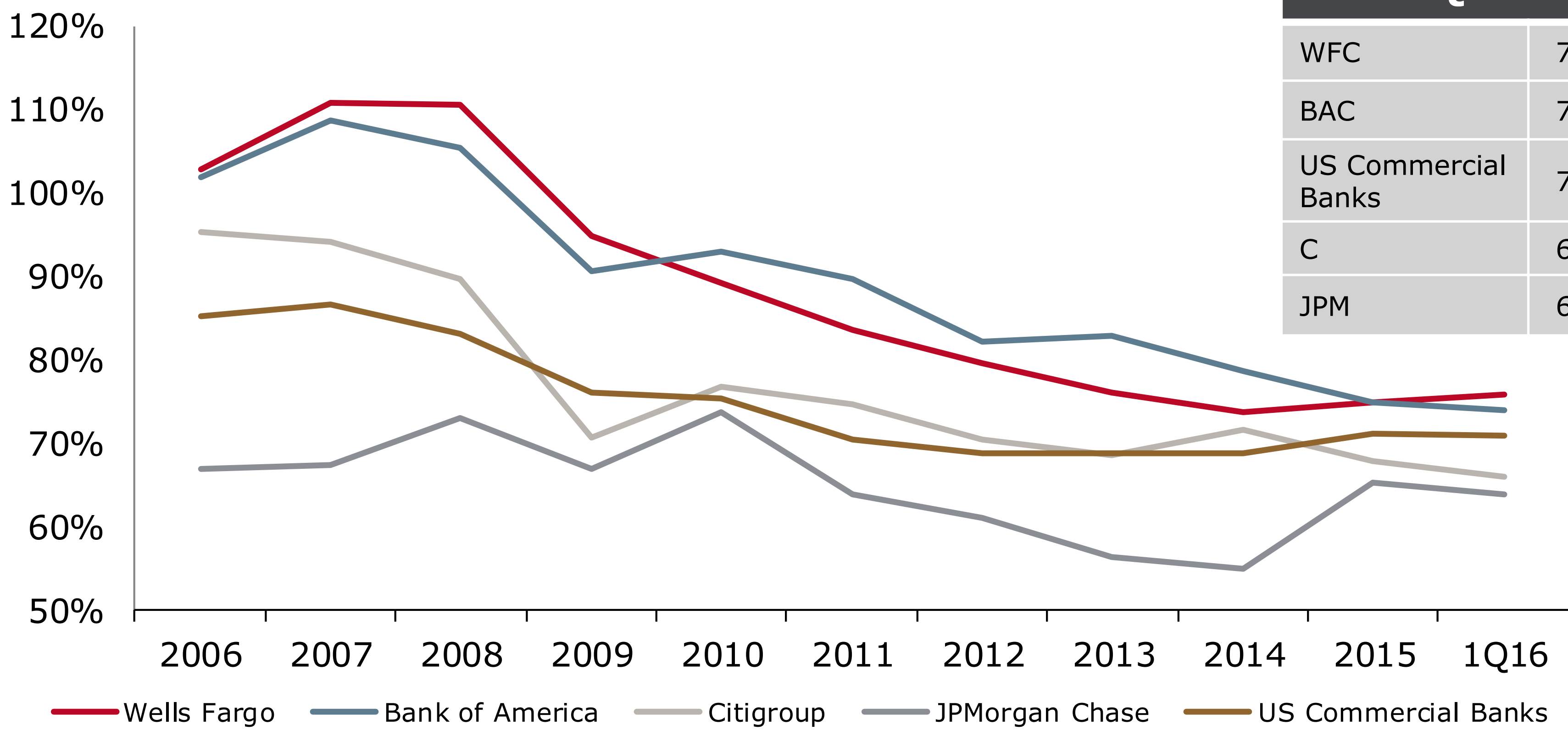
($ in billions)



- LCR: Exceeds requirement with an internal buffer
- NSFR: Not expected to be an issue due to balance sheet structure

Period-end balances.

Loan-to-deposit ratio

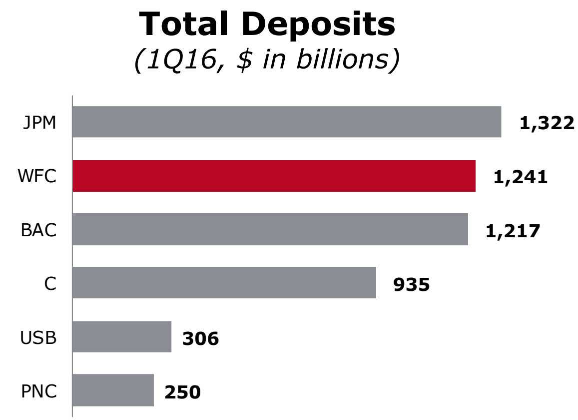


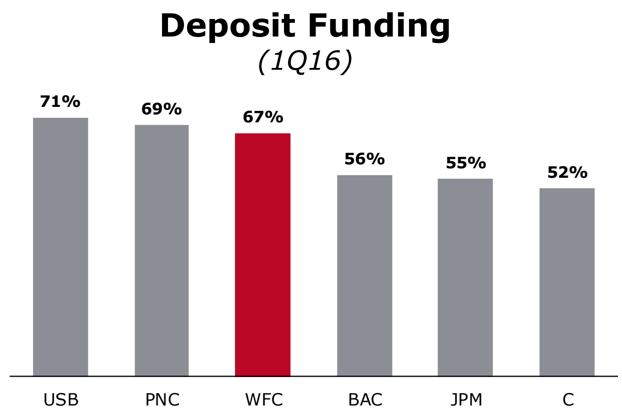
1Q16	
WFC	76%
BAC	74%
US Commercial Banks	71%
C	66%
JPM	64%

- Industry loan-to-deposit ratios have declined as the requirements for holding liquid assets have increased
- WFC's loan-to-deposit ratio has stabilized at a higher level than large bank peers

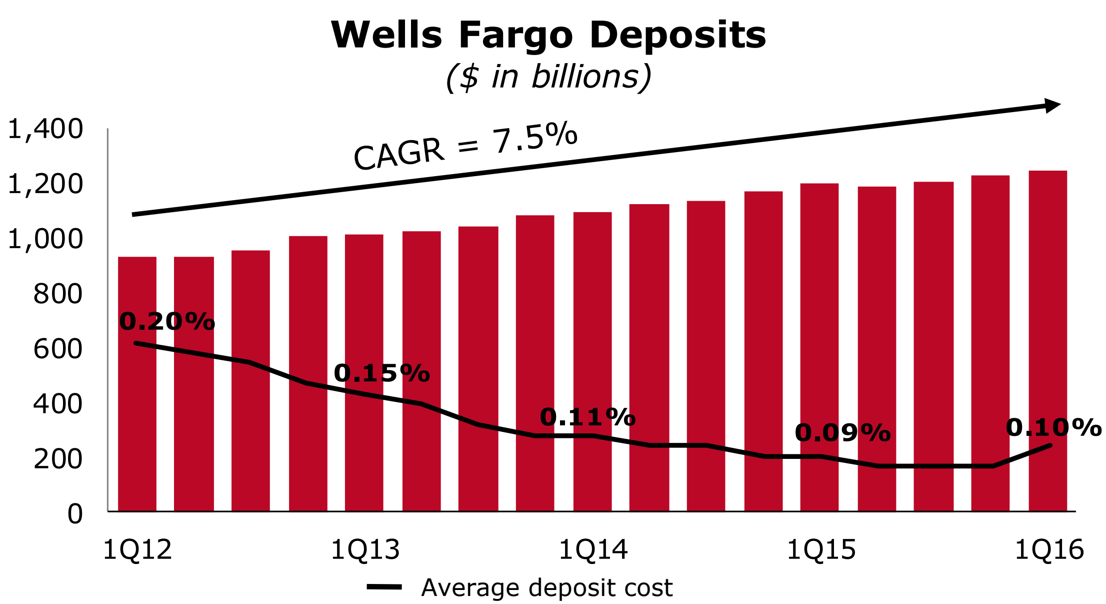
Source: SNL.

Deposits remain a significant competitive advantage





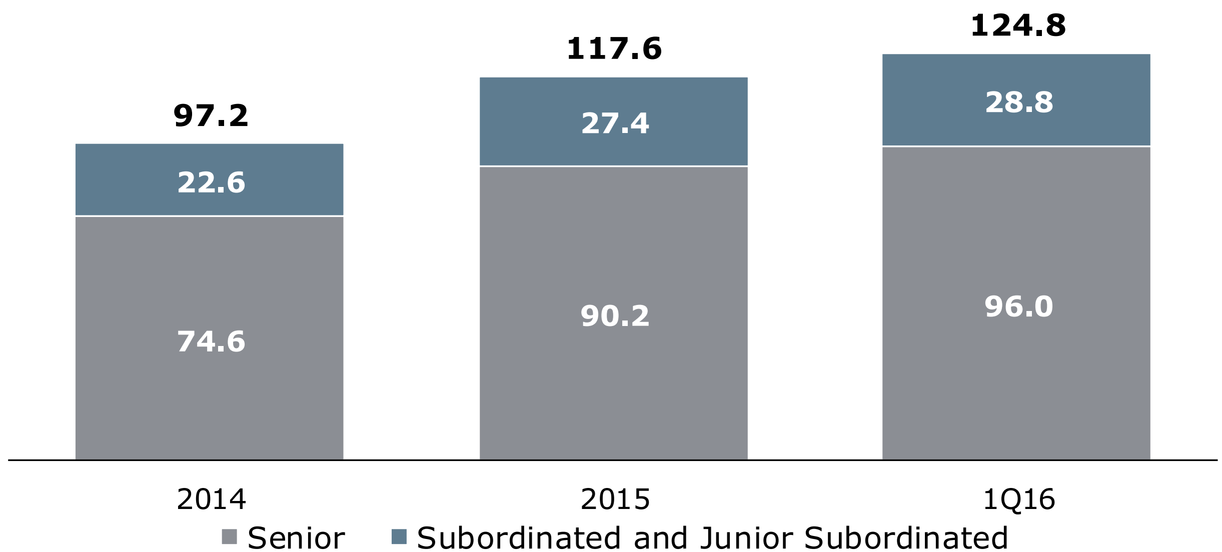
- Deposits fund 67% of our Balance Sheet
- Grew deposits $311 billion in four years
- Average deposit cost = 10 bps in 1Q16



Period-end balances.
Source: SNL.

Long-term debt has increased as we prepare for TLAC

Parent Long-term Debt (1)
($ in billions)



- Total year-to-date (2) parent issuance of $13.1 billion of senior debt:
  - 1Q16 = $5.3 billion
  - 2Q16 to date (2) = $7.8 billion

(1) Period-end balances.
(2) Notional amounts through April 29, 2016.

Estimated TLAC requirement

- The following preliminary estimates are based upon the Federal Reserve Board's Notice of Proposed Rulemaking (NPR) issued on 10/30/2015 and rely upon certain interpretations and assumptions including those listed below

	External TLAC		LTD Requirement	
($ in billions)	***3/31/16 Actual***	***% of RWA***	***3/31/16 Actual***	***% of RWA***
Total Risk Weighted Assets	$ 1,345.1		$ 1,345.1	
Common Equity Tier 1	142.7	10.6 %		
Qualifying Tier 1 instruments	22.0	1.6		
Qualifying Tier 2 instruments	23.4	1.7	23.4	1.7 %
Senior unsecured debt	62.3	4.6	54.3	4.0
Total TLAC	250.3	18.6	77.6	5.8
Required TLAC / LTD		21.5		8.0
Estimated Shortfall	38.9	2.9	30.0	2.2 %
Estimated Shortfall with 100 bps Internal Buffer	$ 52.3	3.9 %		

- Current interpretation of the NPR assumes:
  - Structured notes do not qualify as TLAC
  - Final rule will provide for the grandfathering of existing long-term debt instruments for a meaningful length of time

We expect to meet the required minimums on 1/1/19 and 1/1/22 through measured issuance over the phase-in period

Managing through the current rate cycle

- Our philosophy:
  - Remain conservatively positioned for a range of outcomes
  - Be prepared to respond as the environment evolves
- Current environmental factors to consider:
  - Persistent low rates in the U.S. and abroad
  - Slow domestic and international economic expansion
  - Below target inflation
- Wells Fargo balance sheet positioning:
  - Our asset sensitivity has declined from 2014 Investor Day as we took actions to protect against a "lower for longer" scenario
    - These actions have been beneficial
    - We remain positioned to protect against low rates
  - While our balance sheet is conservatively positioned to protect against low rates, we remain asset sensitive and will benefit if rates rise

- Our diversified business model, consistent loan and deposit growth, and proactive balance sheet management have enabled us to outperform through the cycle

Asset sensitivity illustration

- While the balance sheet remains positioned to benefit from rising rates, our asset sensitivity has declined from 2014 Investor Day as we took actions to protect against a "lower for longer" scenario
- The table below provides a static illustration of our balance sheet sensitivity, as of 3/31/16, to an instantaneous 100 bps parallel shift in the yield curve
  - We take actions to adjust our balance sheet sensitivity over time so future sensitivity could differ from the estimated ranges below
  - Actions we may take that impact sensitivity include, but are not limited to, adjusting our: business mix, balance sheet composition including liquidity deployment into high quality liquid assets (HQLA), loan production and funding

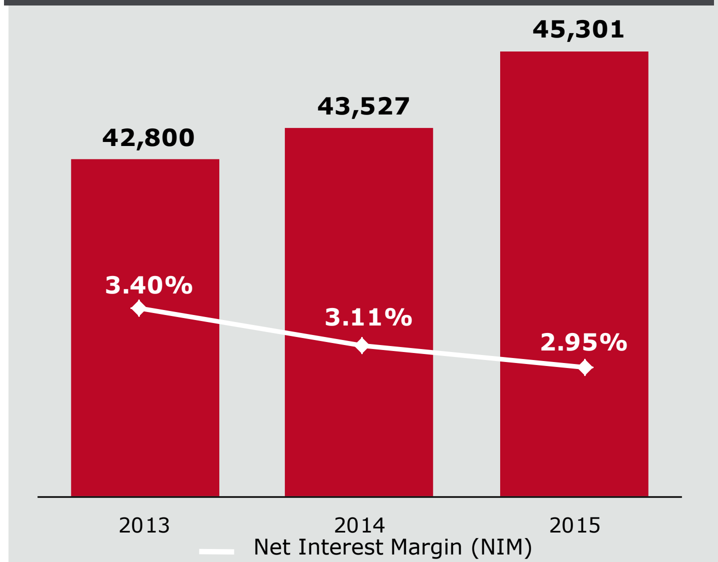
($ in billions)	1Q16 Balance	1Q16 Yield	Estimated Repricing bps (Beta) (1)
Short-term investments	$ 285	0.49 %	> 95 bps
Investments	341	2.99	35 - 45
Loans held for sale & Trading assets	99	3.12	85 - 95
Commercial loans	468	3.31	60 - 70
Consumer loans	460	5.02	25 - 35
Total Earning Assets	**1,652**	**3.22**	**50 - 60**
Interest-bearing deposits	874	0.14	45 - 55
Market funding	341	1.17	85 - 95
Noninterest-bearing liabilities supporting earning assets	436		
Total Funding Sources	**$ 1,652**	**0.32**	**40 - 50**
Net Interest Margin Benefit		**2.90 %**	**5 - 15 bps**

- Implied Net Interest Margin benefit from a 100 bps shock = 5 – 15 bps in the first 12 months
- Implied Net Interest Income benefit from a 100 bps shock = 2 – 5% in the first 12 months

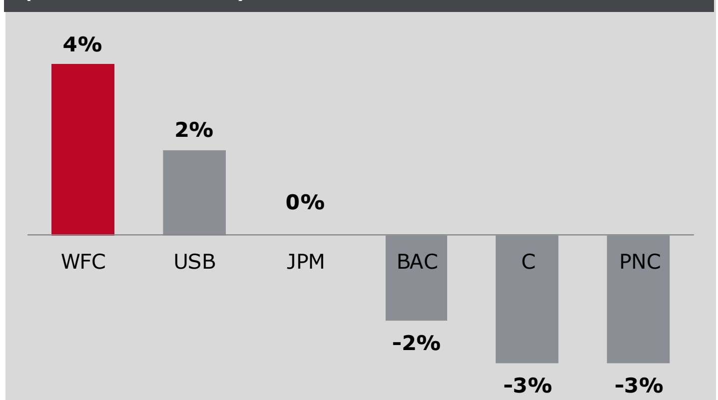
(1) Repricing percentage (bps) is the estimated change in yield over 12 months as a result of an instantaneous 100 bps parallel shift in the yield curve. For example, a 100 bps shift in market rates is expected to increase the yield of our Commercial loans by 60 bps to 70 bps.

We expect to continue to grow net interest income

Net Interest Income (NII)
($ in millions)



NII Growth vs. Peers
(2015 vs. 2014) Source: SNL.



Net Interest Income Growth Drivers

- Strong earning asset growth
- Low funding costs
- Balance sheet positioning

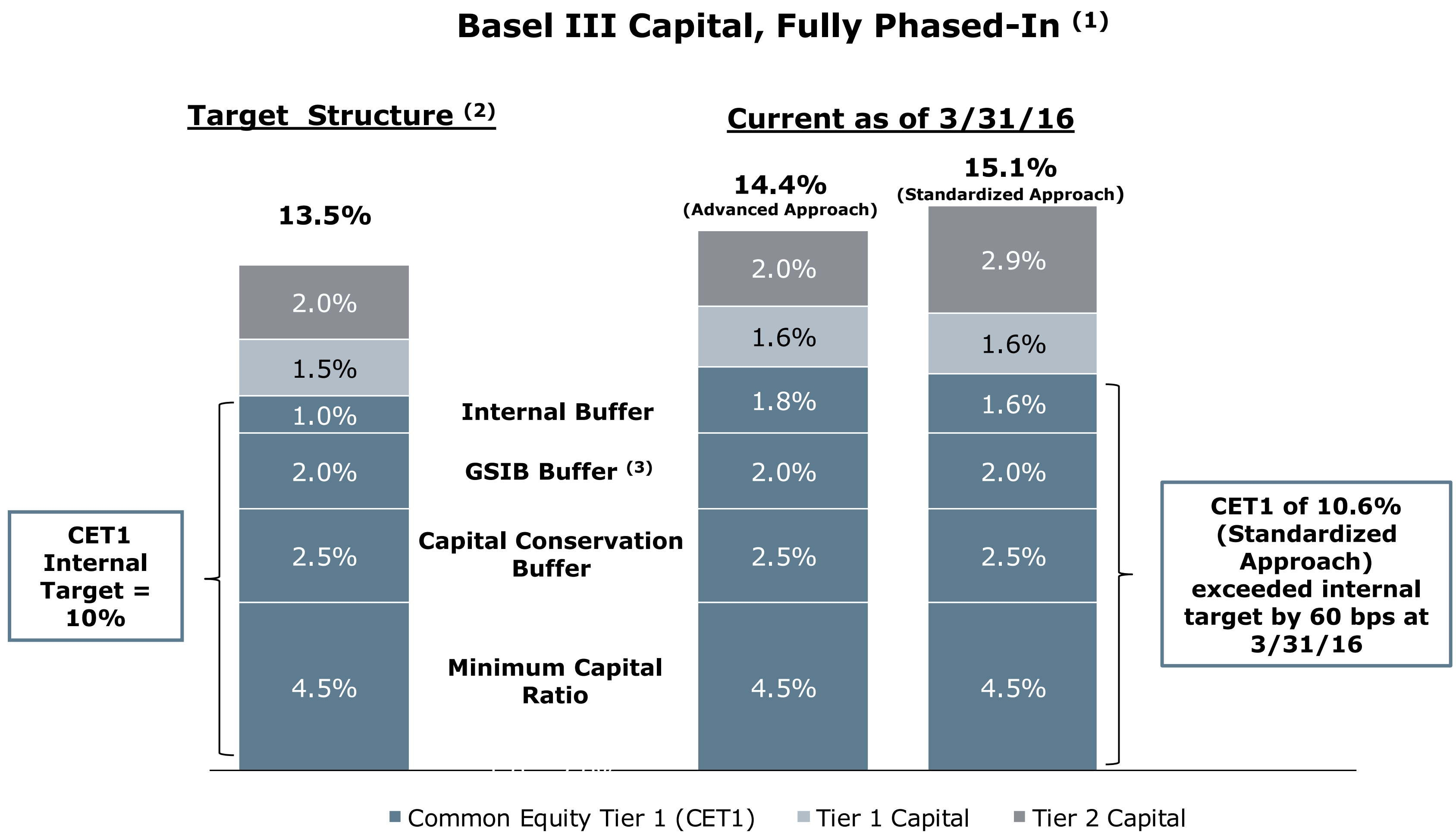
Net Interest Margin Pressures

Internal
- Strong deposit growth
- Growth in high quality liquid assets

External
- Persistent low rate environment
- Incremental cost from TLAC

Expect to grow net interest income year-over-year in 2016 even without additional rate increases

Strong capital position in excess of internal target

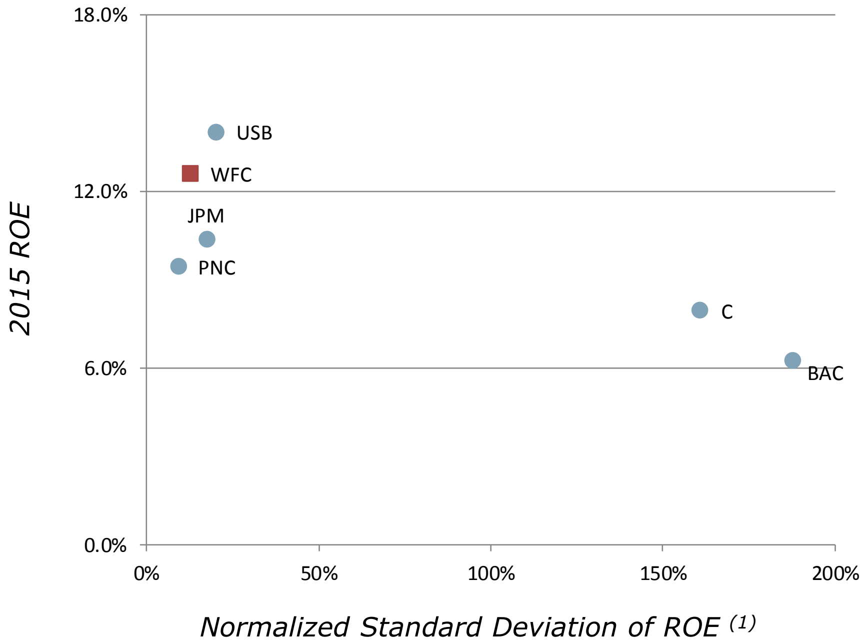


Our targets are established through a robust capital planning and stress testing (CCAR) process.

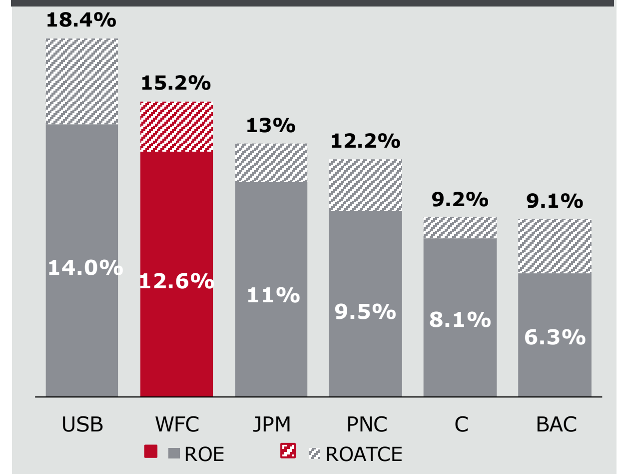
(1) Capital ratios are calculated assuming the full phase-in of the Basel III capital rules. Under the Basel III capital rules, we are subject to the lower of each of our capital ratios calculated under the Standardized Approach and under the Advanced Approach in the assessment of our capital adequacy. See page 18 for additional information regarding our capital ratios. See the Capital Management section in our First Quarter 2016 Form 10-Q for additional information on our capital requirements. (2) Estimated long-term targets; subject to change. (3) Reflects Method 2 GSIB buffer.

Strong organic capital generation and strong ROE support capital return

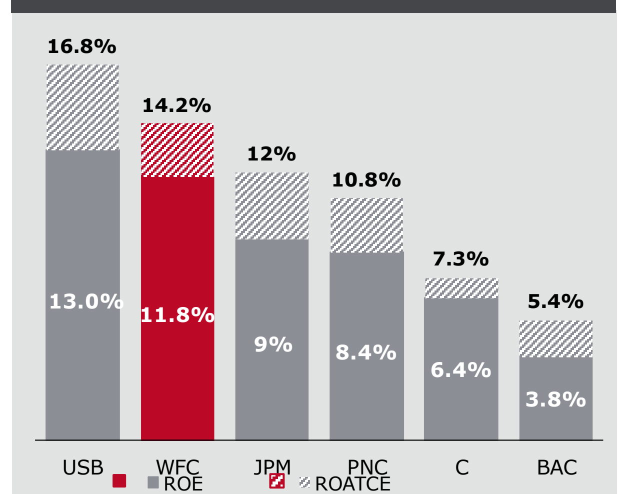
Return on Equity (ROE) vs. Volatility [1]



2015 ROE & ROATCE [2]



1Q16 ROE & ROATCE [2]



Source: Company filings, SNL.
(1) Results from 2009-2015.
(2) See page 19 for additional information regarding Return on Average Tangible Common Equity (ROATCE).

ROE target range of 11% - 14% reflects:

- External environment
  - Persistent low rate environment
  - Modest economic growth
  - Commercial loan market spread compression
- Balance sheet composition changes
  - Growth in high quality liquid assets
  - Loan mix shift from Consumer to Commercial
  - Growth in long-term debt driven by TLAC
  - Declining carry and resolution income on non-strategic/liquidating loan portfolio
- Expense considerations
  - Ongoing risk and compliance spend
  - FDIC deposit insurance assessments – incremental surcharge
- Evolving credit trends
  - Residential real estate-related reserve releases have slowed

Organic capital growth has supported strong payouts

($ in millions)	2012	2013	2014	2015	1Q16
Net Income Applicable to Common Stock	$ 17,999	20,889	21,821	21,470	5,085
Common Stock Dividends	4,658	6,086	7,067	7,580	1,904
Gross Share Repurchases	3,918	5,356	9,414	8,697	2,029
Gross Capital Returned to Shareholders	8,576	11,442	16,481	16,277	3,934
Net Share Repurchases / (Issuance)	(160)	1,098	5,398	5,037	1,134
Net Capital Returned to Shareholders	$ 4,499	7,184	12,465	12,616	3,039
Dividend Payout Ratio (1)	**25.9%**	**29.1%**	**32.4%**	**35.3%**	**37.5%**
Net Payout Ratio (2)	**25.0%**	**34.4%**	**57.1%**	**58.8%**	**59.8%**

(1) Dividend payout ratio means the ratio of (i) common stock dividends, divided by (ii) net income applicable to common stock.

(2) Net payout ratio means the ratio of (i) common stock dividends and share repurchases less issuances and stock compensation-related items, divided by (ii) net income applicable to common stock.

Net payout ratio target

	Financial Targets
ROE	11% - 14%
Annual Growth of Capital to Support Business Growth	4% - 5%
Amount of Capital Retained to Support Business Growth	25% - 45%
Potential Full Year Net Payout Ratio (1)	55% - 75%

- Targets depend on the overall economic, interest rate and evolving regulatory environment and assume continued annual revenue and earnings growth over time

(1) Net payout ratio means the ratio of (i) common stock dividends and share repurchases less issuances and stock compensation-related items, divided by (ii) net income applicable to common stock.

Summary

Liquidity	▪ Balance sheet remains a source of strength and a competitive advantage
	▪ Dry powder exists to fund growth
Net Interest Income and NIM	▪ The balance sheet is positioned to protect against a "lower for longer" scenario and will benefit if rates rise
	▪ We expect to grow net interest income year-over-year in 2016 even without additional rate increases
Capital and Returns	▪ Strong and stable earnings support organic capital generation and return of capital to shareholders
	▪ Full year ROE target of 11%-14% and full year net payout ratio target of 55%-75%

Appendix

Basel III capital components and ratios (Fully phased-in)

Risk-Based Capital Calculation, Components and Ratios (Fully Phased-In) (1)

			March 31, 2016	
(in billions, except ratios)			**Advanced Approach**	**Standardized Approach**
Total equity		$	**198.5**	**198.5**
Noncontrolling interests			**(1.0)**	**(1.0)**
Total Wells Fargo stockholders' equity			**197.5**	**197.5**
Adjustments:				
Preferred stock			**(22.0)**	**(22.0)**
Cumulative other comprehensive income			**—**	**—**
Goodwill and other intangible assets (2)			**(30.9)**	**(30.9)**
Investment in certain subsidiaries and other			**(1.9)**	**(1.9)**
Common Equity Tier 1 (Fully Phased-In)	(A)	$	**142.7**	**142.7**
Adjustments:				
Preferred stock			**22.0**	**22.0**
Other			**(0.5)**	**(0.5)**
Total Tier 1 capital (Fully Phased-In)	(B)	$	**164.2**	**164.2**
Adjustments:				
Long-term debt and other instruments qualifying as Tier 2			**25.8**	**25.8**
Qualifying allowance for credit losses (3)			**1.2**	**12.7**
Other			**(0.3)**	**(0.3)**
Total Tier 2 capital (Fully Phased-In)	(C)	$	**26.7**	**38.2**
Total qualifying capital (Fully Phased-In)	(B+C)	$	**190.9**	**202.4**
Risk-Weighted Assets (RWAs) (4)(5):				
Credit risk		$	**1,021.3**	**1,309.9**
Market risk			**35.2**	**35.2**
Operational risk			**267.2**	**N/A**
Total RWAs (Fully Phased-In)	(D)	$	**1,323.7**	**1,345.1**
Common Equity Tier 1 capital ratio	(A/D)		**10.8 %**	**10.6**
Tier 1 capital ratio	(B/D)		**12.4**	**12.2**
Total capital ratio	(B+C/D)		**14.4**	**15.1**

(1) Fully phased-in regulatory capital amounts, ratios and RWAs are considered non-GAAP financial measures that are used by management, bank regulatory agencies, investors and analysts to assess and monitor the Company's capital position. We have 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) Goodwill and other intangible assets are net of any associated deferred tax liabilities.
(3) Under the Advanced Approach the allowance for credit losses that exceeds expected credit losses is eligible for inclusion in Tier 2 Capital, to the extent the excess allowance does not exceed 0.6% of Advanced credit RWAs, and under the Standardized Approach, the allowance for credit losses is includable in Tier 2 Capital up to 1.25% of Standardized credit RWAs, with any excess allowance for credit losses being deducted from total RWAs.
(4) RWAs calculated under the Advanced Approach utilize a risk-sensitive methodology, which relies upon the use of internal credit models based upon our experience with internal rating grades. Advanced Approach also includes an operational risk component, which reflects the risk of operating loss resulting from inadequate or failed internal processes or systems.
(5) 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 RWAs.

Return on Average Common and Tangible Common Equity

Wells Fargo & Company
Return on Average Common and Tangible Common Equity (1)
($ In millions, except ratios)

			Quarter Ended March 31, 2016	Year Ended December 31, 2015
Net income applicable to common stock	(A)	$	**5,085**	**21,470**
Average total Equity			**196,586**	**191,584**
Less:				
Average preferred equity			(21,654)	(20,137)
Average noncontrolling Interests			(904)	(1,048)
Average common equity	(B)		**174,027**	**170,399**
Less:				
Average goodwill and certain identifiable intangible assets (other than MSRs)			(31,541)	(31,120)
Applicable deferred taxes			1,985	2,216
Average goodwill and certain identifiable intangible assets (other than MSRs), net of deferred taxes			(29,556)	(28,904)
Average tangible common equity	(C)	$	**144,472**	**141,495**
Return on average common equity	(A)/(B)		**11.75%**	**12.60%**
Return on average tangible common equity	(A)/(C)		**14.16%**	**15.17%**

(1) Tangible common equity is a non-GAAP financial measure and represents total equity less preferred equity, noncontrolling interests, and goodwill and certain indentifiable intangible assets (including goodwill and intangible assets associated with certain of our nonmarketable equity investments but excluding mortgage servicing rights), net of applicable deferred taxes. The methodology of determining tangible common equity may differ among companies. Management believes that tangible common equity and return on average tangible common equity are useful financial measures of interest to investors and others to assess the Company's use of equity.

Biography

Neal Blinde

Executive Vice President, Treasurer

- Neal Blinde serves as Corporate Treasurer responsible for Wells Fargo’s funding, liquidity management, and capital management, including its annual Comprehensive Capital Analysis and Review (CCAR).

- Prior to joining Corporate Treasury, Neal was a Managing Director in the Investment Banking division at Wells Fargo Securities and was responsible for leading the firm’s bank sector coverage globally. Neal joined Wells Fargo in 2002 and has executed capital raising, financial advisory, and structured finance transactions for clients in the bank, specialty finance, and asset management sectors.

- Prior to joining Wells Fargo, Neal worked in the asset management division of American Express, now Ameriprise Financial.

- Neal earned a B.S.B. in accounting from the University of Minnesota and an M.B.A. from Georgetown University. He is a chartered financial analyst.