WELLS FARGO

# Credit Suisse Financial Services Forum

John Shrewsberry
Chief Financial Officer

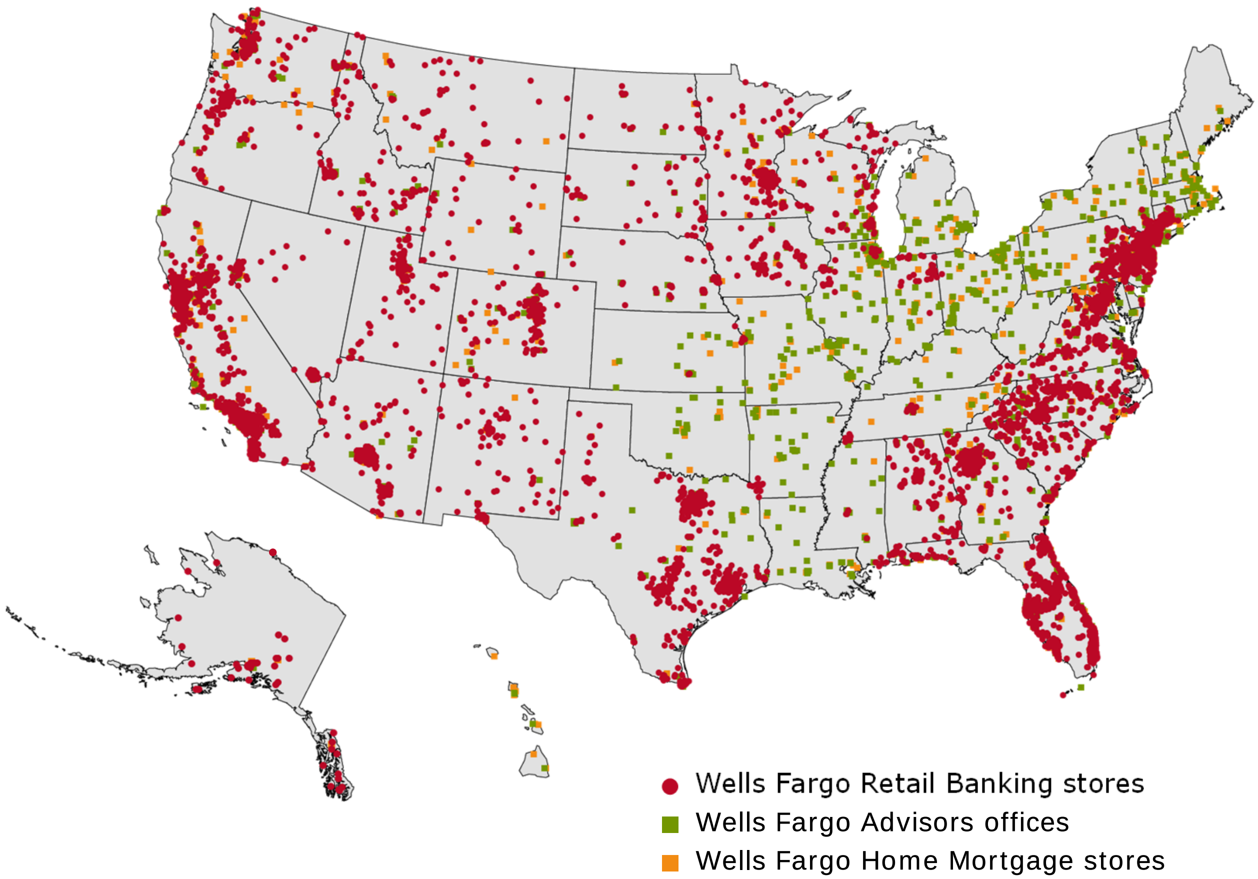
Together we'll go far

February 9, 2016

# Wells Fargo Vision

"We want to satisfy our customers' financial needs and help them succeed financially."

# Strong national distribution




| 70+ MM customers | |
|---|---|
| **8,643 stores** | |
| **Store Distribution** | |
| Retail banking | 6,132 |
| Wells Fargo Advisors | 1,383 |
| Wholesale | 663 |
| Mortgage | 465 |
| **Sales Force** | |
| Platform bankers (1) | 31,130 |
| Financial advisors (2) | 14,960 |
| Home Mortgage consultants | 7,739 |
| **Other Distribution Channels** | |
| ATMs | 12,954 |
| Online banking customers (3) | 26.4 MM |
| Mobile customers (3) | 16.2 MM |

*As of December 31, 2015.*
*(1) Active, full-time equivalent.*
*(2) Series 7 brokers.*
*(3) Regional banking online and mobile customers, based on 90-day active accounts, as of November 2015.*

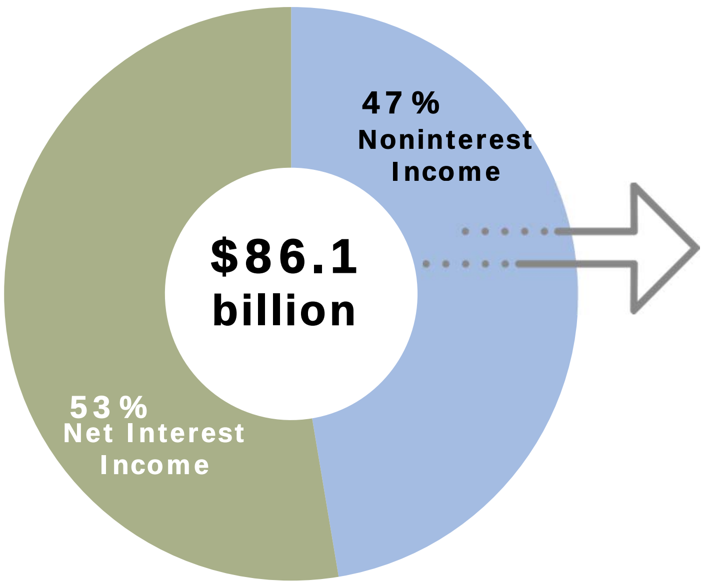
# Delivering products and services our customers want and need

| | |
|---|---|
| **Commercial** | ▪ #1 Commercial real estate originator (1)<br>▪ #1 Middle-market commercial lender (2) |
| **Residential Mortgage** | ▪ #1 Mortgage originator (3)<br>▪ #1 Mortgage servicing portfolio (3) |
| **Other Consumer Lending** | ▪ #1 Small business lender (4)<br>▪ #2 Auto lender (5) |
| **Deposits** | ▪ #3 in total deposits and #1 in retail deposits (6)<br>▪ #2 Debit card issuer (7) |
| **Wealth Management / Brokerage** | ▪ #3 Full-service retail brokerage (based on FAs) (8)<br>▪ #4 Wealth management provider (based on AUM) (9) |

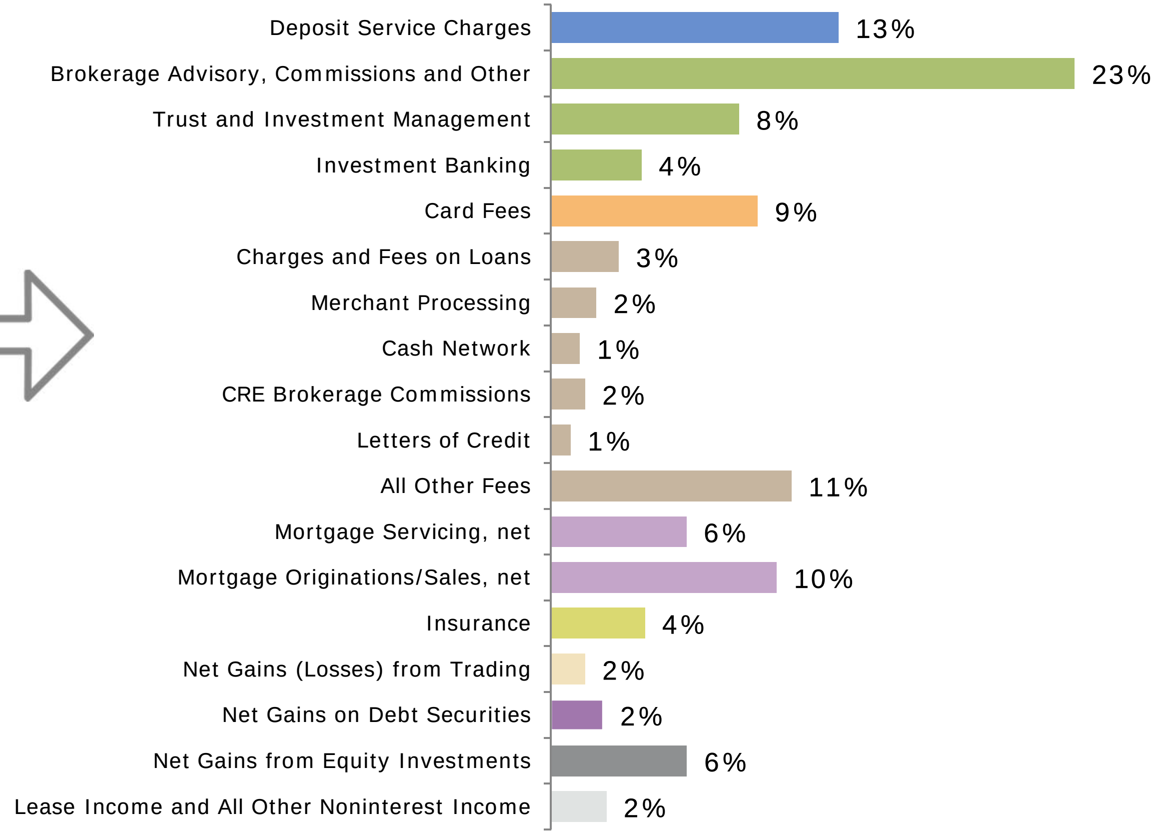
*(1) Based on 2014 U.S. commercial real estate originations, MBA Commercial Real Estate/Multifamily Finance Firms, 12/31/14. (2) 2015, TNS Choice Awards Leading Market Share recognizes banks and other financial service providers that outperform their competitors in acquiring, retaining, and developing customers. (3) Inside Mortgage Finance, 4Q15. (4) U.S. in dollars per CRA data, 2014. (5) Autocount, December 2014 – November 2015. Based on annual fundings, excludes leases. (6) FDIC data, SNL Financial, June 2015. Retail deposit data is pro forma for acquisitions and caps deposits at $1 billion in a single banking store and excludes credit union deposits. (7) Nilson Report, April 2014. (8) Internal and peer reports, 4Q15. (9) Based on AUM of accounts > $5 million, Barron's, 2015.*

# Balanced spread and fee income

**2015 Revenue Diversification**



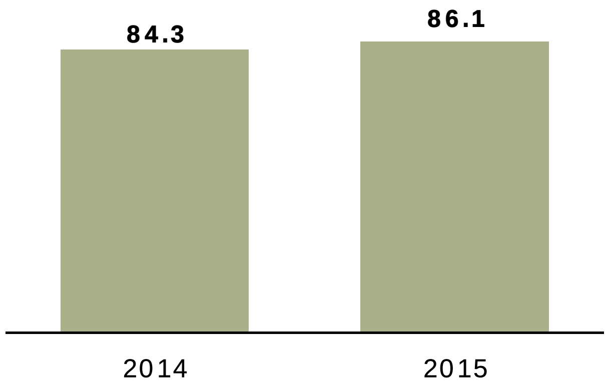

**Diversified Fee Generation (% of noninterest income)**



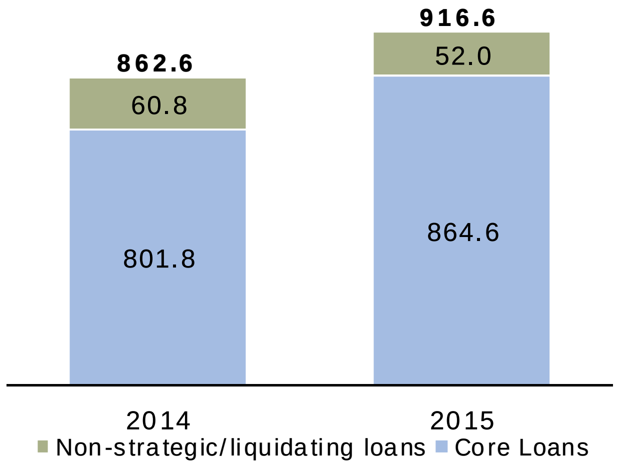

| | | | |
|---|---|---|---|
| Deposit Service Charges | 13% | Insurance | 4% |
| Total Trust & Investment Fees | 35% | Net Gains (Losses) from Trading | 2% |
| Card Fees | 9% | Net Gains on Debt Securities | 2% |
| Total Other Fees | 11% | Net Gains from Equity Inv. | 6% |
| Total Mortgage Banking | 16% | Lease Income and All Other Noninterest Income | 2% |

# Year-over-year results

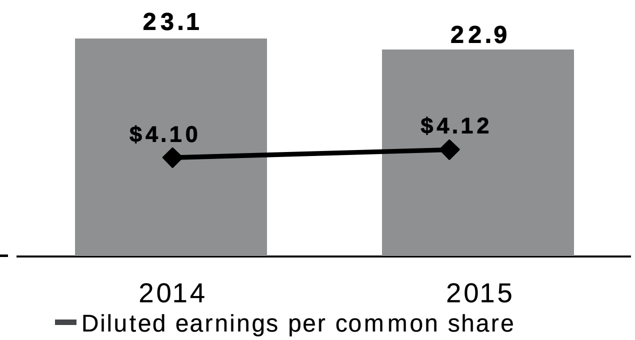
**Revenue**
*($ in billions)*



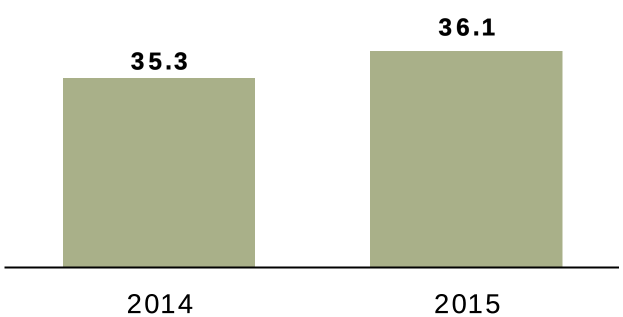

**Period-end Loans**
*($ in billions)*



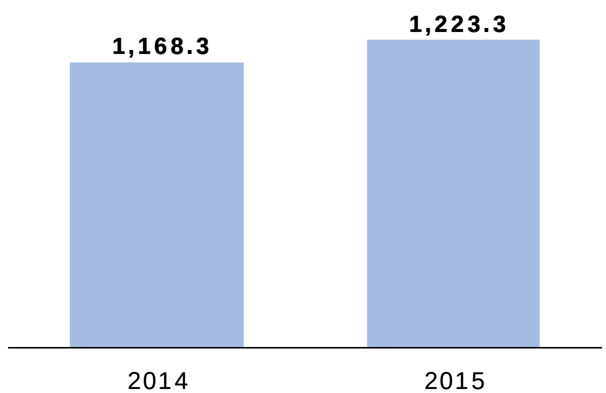

**Net Income**
*($ in billions, except EPS)*



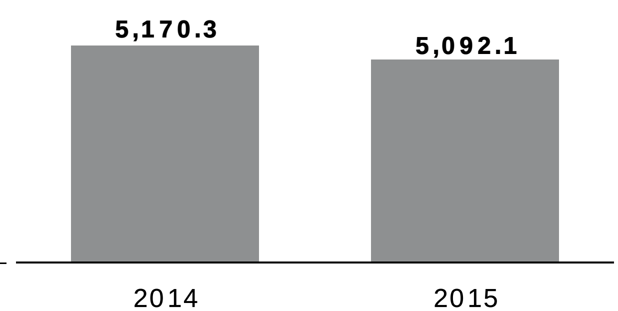

**Pre-tax Pre-provision Profit (1)**
*($ in billions)*




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

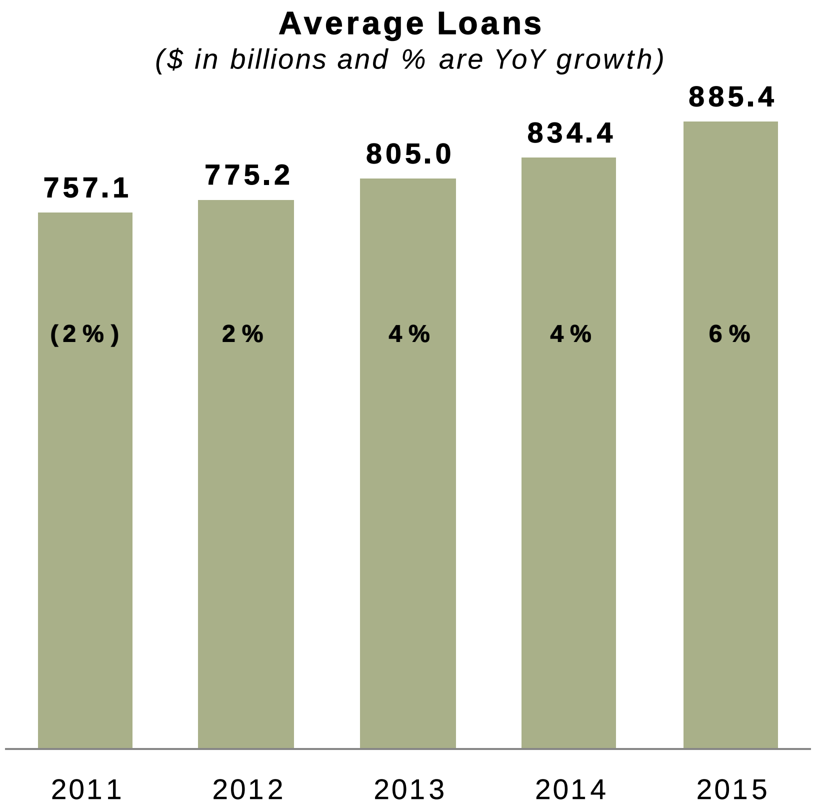


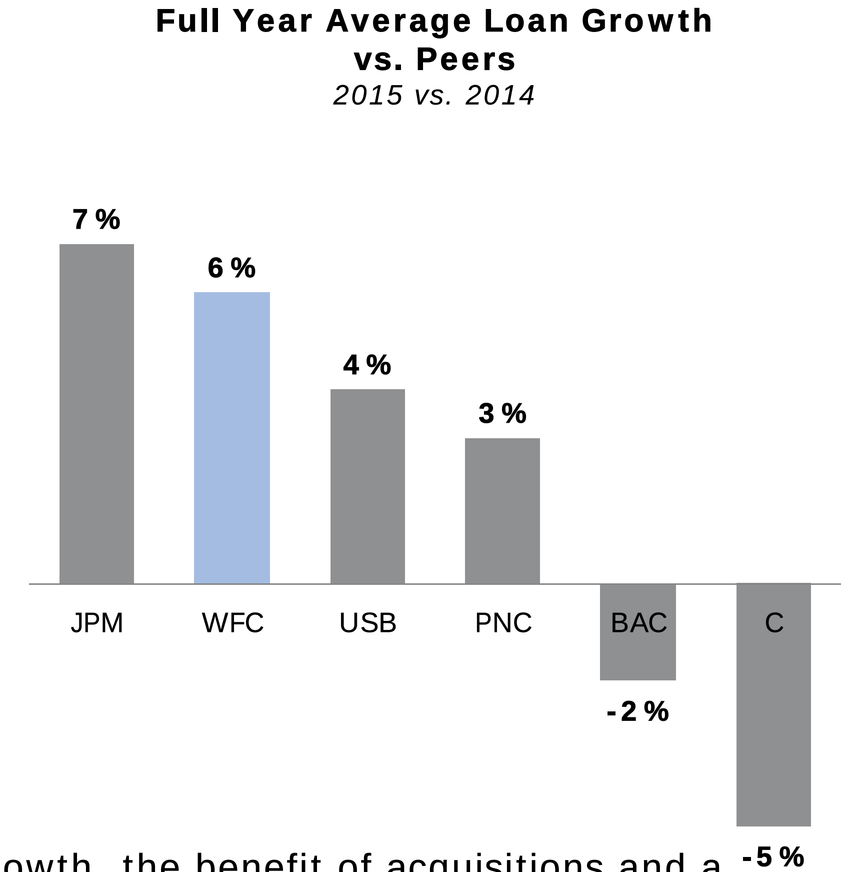

**Period-end Common Shares Outstanding**
*(shares in millions)*




*(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.*

# Loan growth



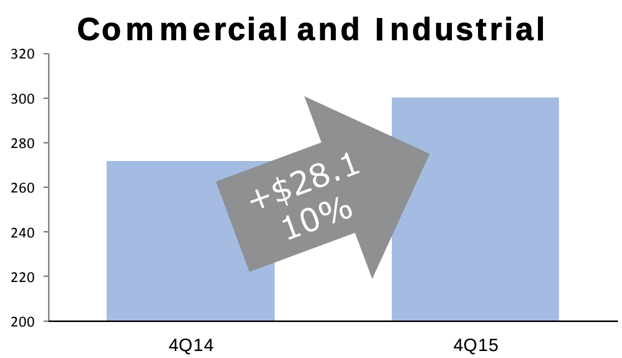




- Loan growth in 2015 reflected strong organic growth, the benefit of acquisitions and a smaller liquidating portfolio
- 2016 will benefit from GE Capital loan acquisitions
  - 1/1/16 closed purchase of GE Railcar Services with $4.1 billion of loans and leases
    - $3.1 billion in operating lease assets recorded in other assets (1)
    - $1.0 billion in capital lease assets recorded in lease financing loans (1)
  - 1H16 anticipated closings of ~$31 billion of assets from GE Capital CDF, Vendor Finance and other corporate finance loans and leases

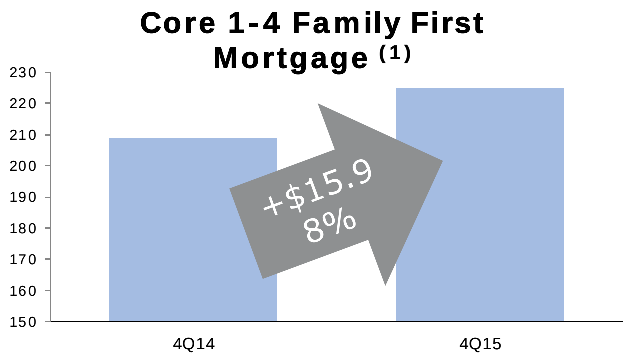
*(1) As of 1/1/2016.*

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

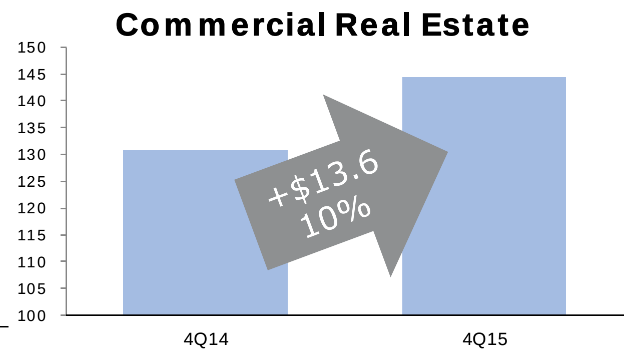
*($ in billions)*



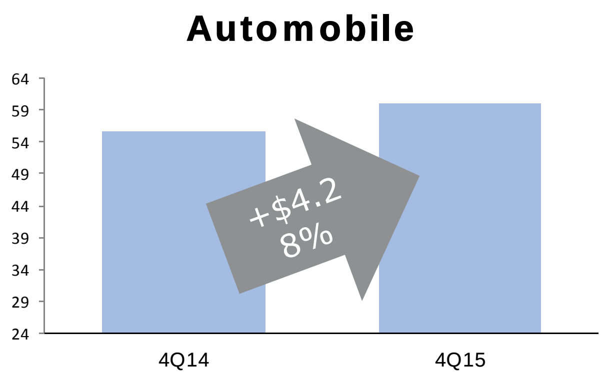

- Broad-based growth



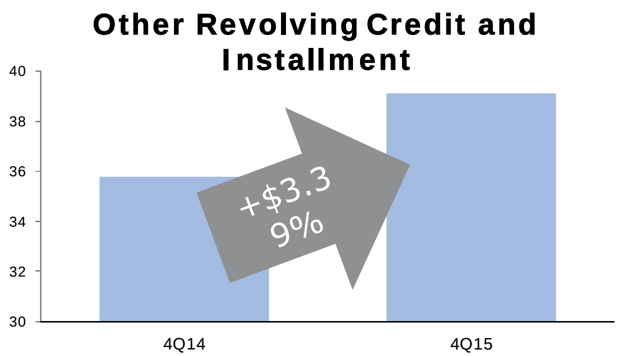

- Nonconforming mortgage loan growth



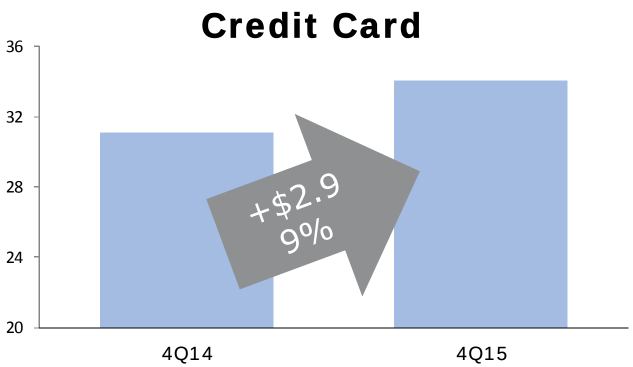

- 2Q15 GE Capital CRE loan portfolio acquisition and organic growth




- Record originations in 2015



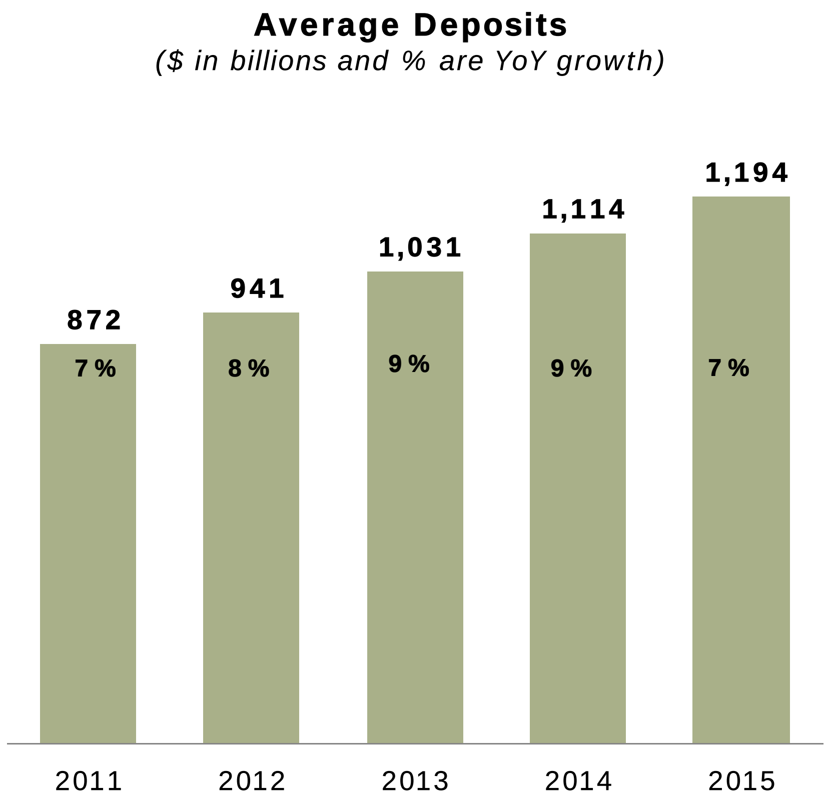

- Growth in securities-based lending, personal lines and loans and student loans

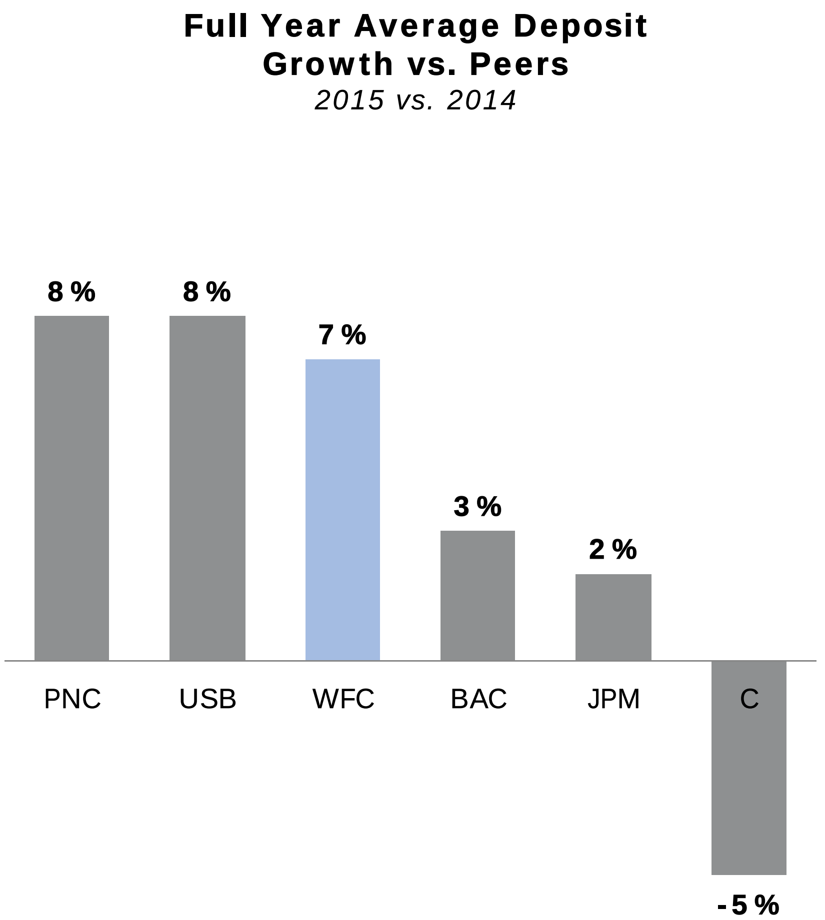



- Growth reflected 2.7 million new accounts opened in 2015, up 18% from 2014

*Period-end balances.*
*(1) See page 21 of the 4Q15 Quarterly Supplement for additional information, which is available on our website at www.wellsfargo.com..*

# Deposit growth

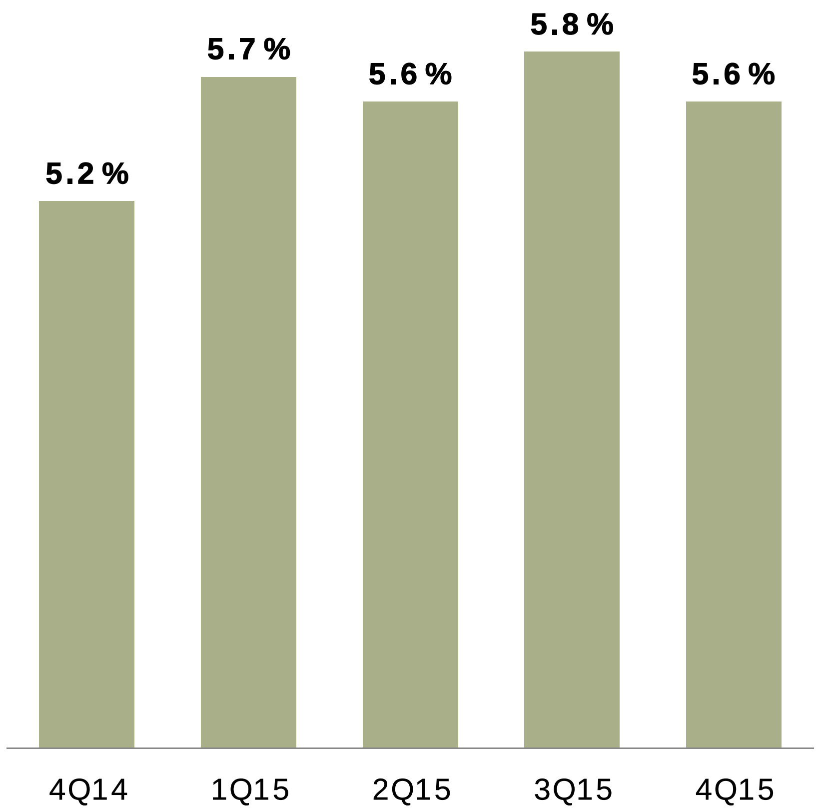


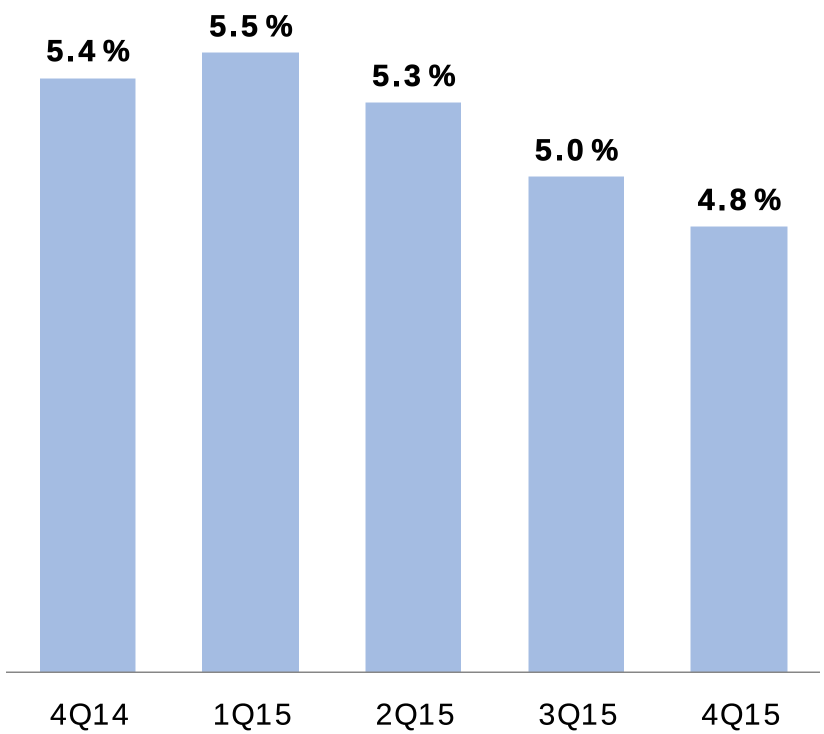

- Average deposit growth of 7% in 2015 reflected growth across the franchise
- Average deposit cost of 8 bps in 4Q15, stable from 3Q15 and down 1 bp from 4Q14

# Deposit growth reflects primary checking customer [1] growth

**Primary Consumer Checking Customer [1] YoY Growth**

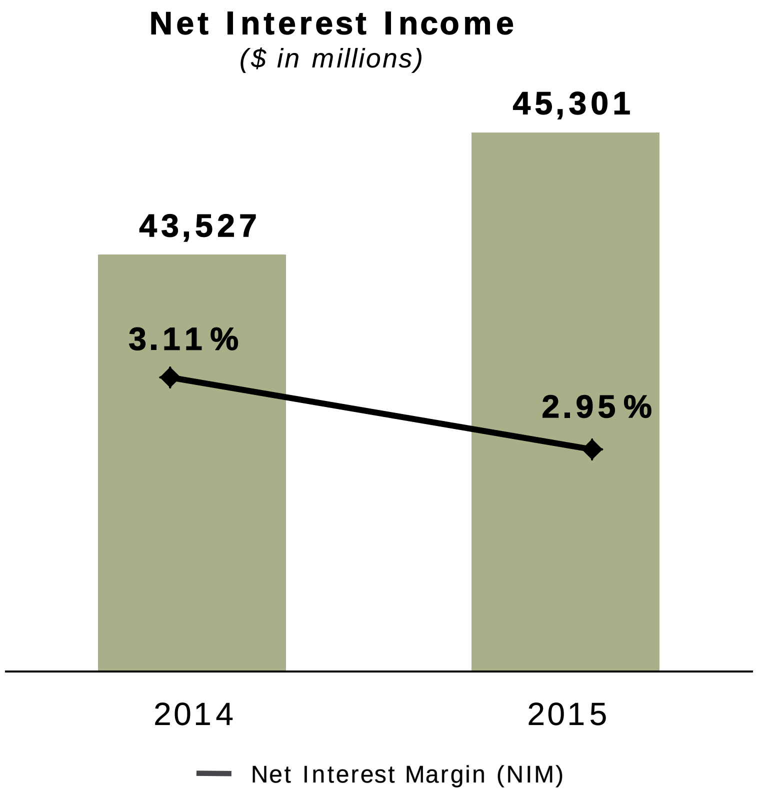



**Primary Small Business and Business Banking Checking Customer [1] YoY Growth**



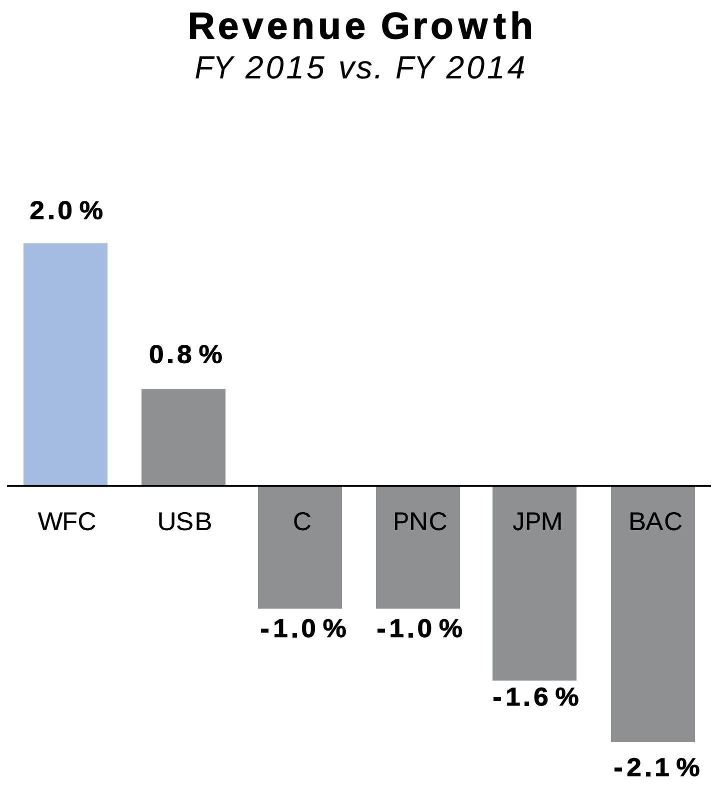

*Growth rate reported on a one-month lag from reported quarter-end; for example 4Q15 data as of November 2015 compared with November 2014.*
*(1) Customers who actively use their checking account with transactions such as debit card purchases, online bill payments, and direct deposit.*

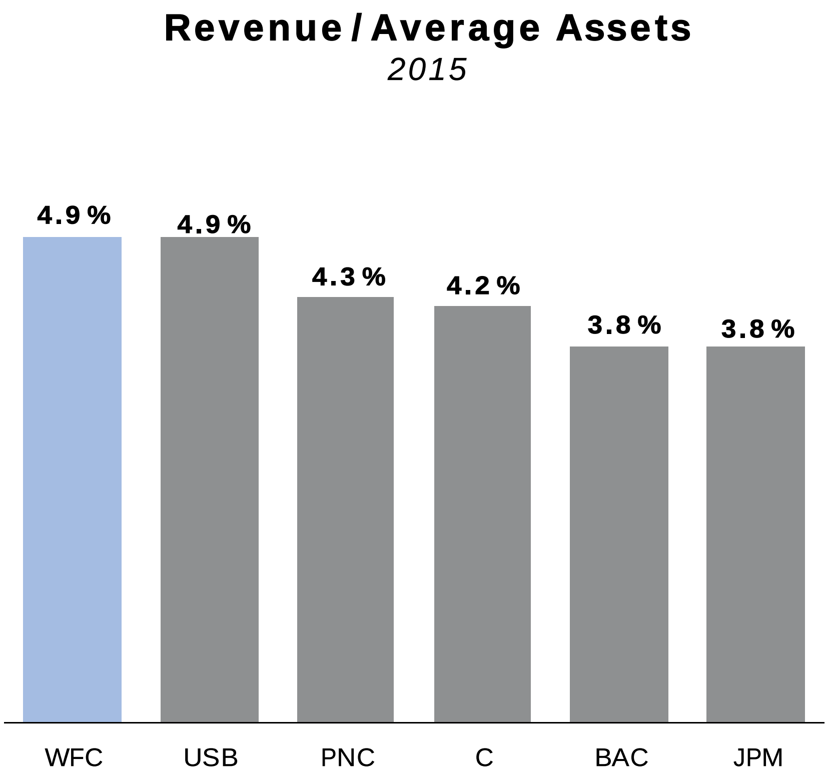
# Net interest income




- Net interest income up $1.8 billion, or 4%, YoY reflecting growth in earning assets
  - Average loans up 6% YoY
  - Average investment securities up 20%
- 4Q15 NIM of 2.92% down 4 bps from 3Q15 on:
  - Customer-driven deposit growth = (3) bps
  - All other Balance Sheet repricing, growth and mix = (3) bps
    - Largely driven by increased debt balances including funding raised in anticipation of closing previously announced GE Capital acquisitions
  - Variable income = 2 bps

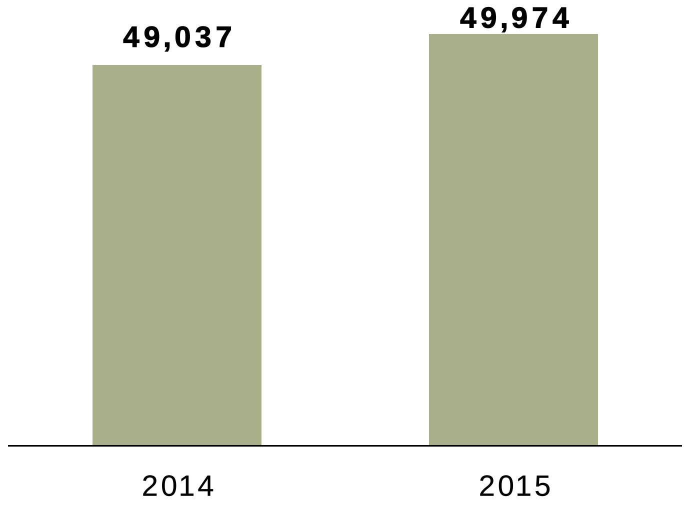
# Revenue growth and asset productivity vs. peers

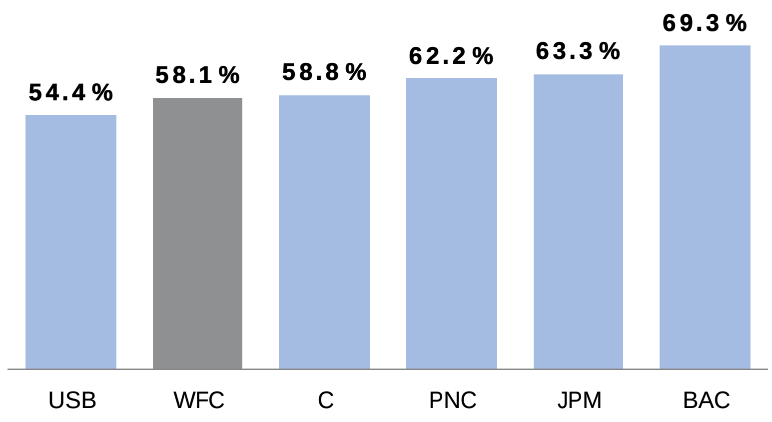



*Source: SNL.*

# Noninterest expense and efficiency ratio (1)



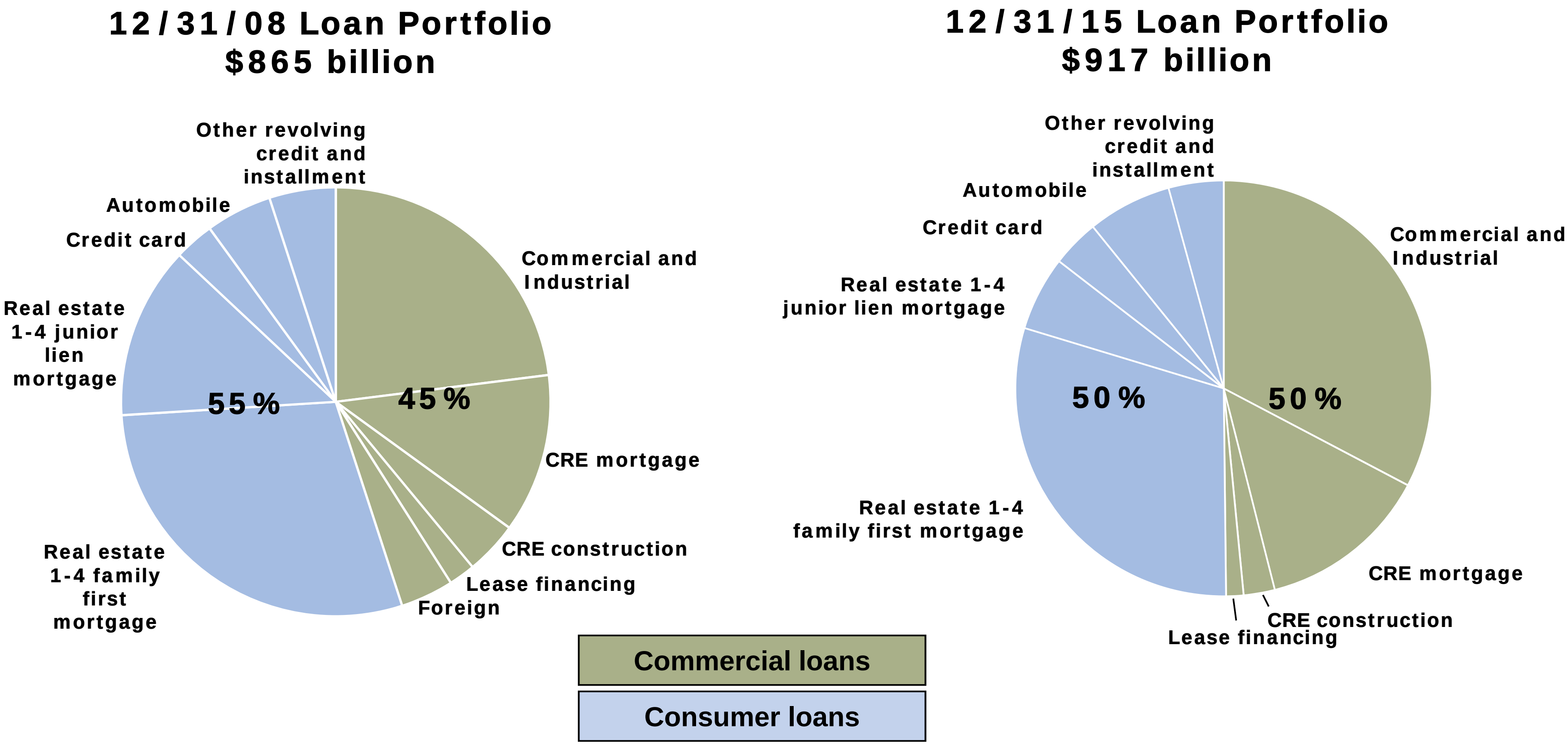

- Noninterest expense up 2% YoY driven by higher personnel expenses reflecting merit increases, higher revenue-related incentive compensation, FTE growth and higher operating losses

- Cost savings in non-customer facing activities such as travel (down 23% YoY), being reinvested in the business, risk, compliance, cybersecurity and technology

*(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.*

# Balanced loan portfolio with low loss content

**Loan portfolio's composition, balance and risk profile has improved**




*Period-end balances.*
*Commercial loan balances as of 12/31/15 included $58 billion of foreign loans.*

# Strong 2015 credit performance

| Net Loan Charge off Ratio | 2015 | | 2014 |
|---|---|---|---|
| **Commercial:** | | | |
| Commercial and industrial | 0.17 | % | 0.10 |
| Real estate mortgage | (0.06) | | (0.08) |
| Real estate construction | (0.16) | | (0.72) |
| Lease financing | 0.05 | | 0.06 |
| **Total Commercial** | **0.09** | | **0.01** |
| **Consumer:** | | | |
| Real estate 1-4 family first mortgage | 0.10 | | 0.19 |
| Real estate 1-4 family junior lien mortgage | 0.67 | | 1.00 |
| Credit card | 3.00 | | 3.14 |
| Automobile | 0.72 | | 0.70 |
| Other revolving credit and installment | 1.36 | | 1.35 |
| **Total Consumer** | **0.55** | | **0.65** |
| **Total net charge-off ratio** | **0.33** | **%** | **0.35** |

- 2015 net charge-offs of 33 bps of average loans
- Commercial losses were up 8 bps on lower recoveries and higher gross losses
- Residential real estate continued to improve throughout 2015 reflecting broad-based improvement in housing valuations

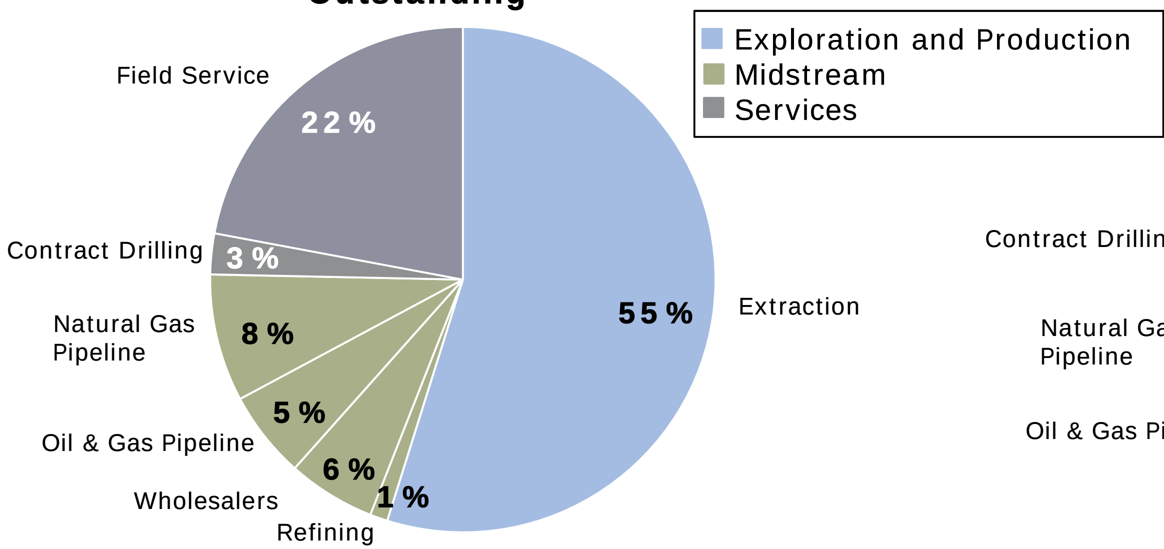
- 2015 provision expense of $2.4 billion
  - 2H15 did not include a net reserve build or release [(1)] as continued improvement in residential real estate was offset by higher commercial reserves reflecting deterioration in the energy sector
- Future allowance levels may increase or decrease based on a variety of factors, including loan growth, portfolio performance and general economic conditions

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

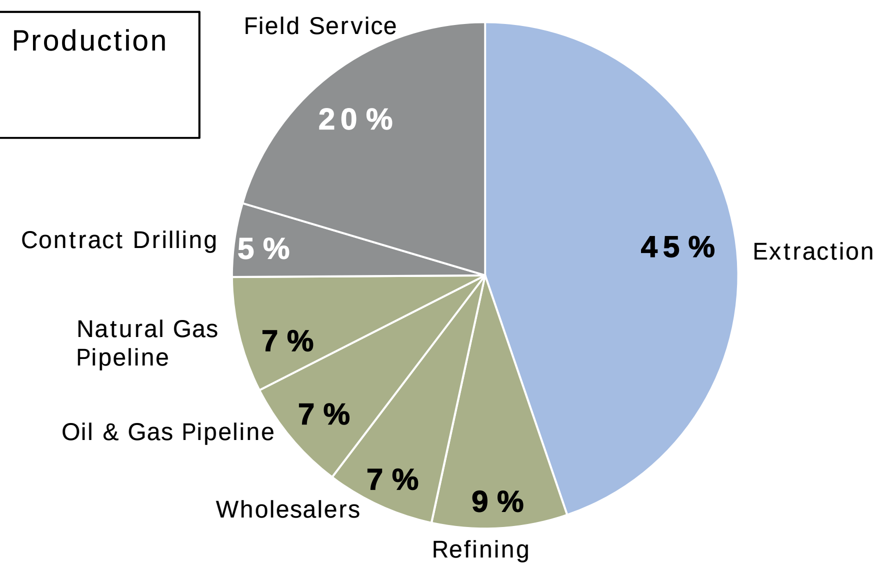
# Oil and gas portfolio

- Wells Fargo Energy Group manages the majority of oil and gas exposure
  - Oil and gas banking customers have deep relationships with Wells Fargo
    - 625+ relationships with an average 7 products per relationship [1] and an average tenure of over 9 years with Wells Fargo
- Over 350 team members located throughout the U.S., Canada and the U.K. are focused on the oil and gas sector including an in house engineering team of 22 professionals who complete independent collateral analyses of our reserve based loans
  - Management team has an average tenure of 13 years with Wells Fargo and an average 23 years of experience in the industry
  - Credit and risk team has an average tenure of 17 years with Wells Fargo and an average 22 years of experience in the industry

**$17.4 billion of Oil and Gas Loans Outstanding** [1]



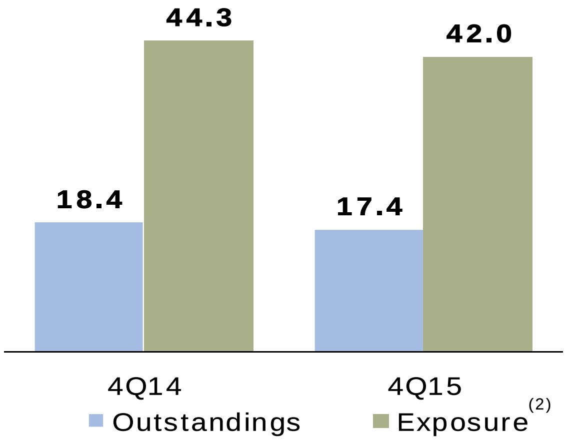

**$42.0 billion of Oil and Gas Exposure** [1] [2]




*As of December 31, 2015.*
*(1) Industry classifications based on NAICS classifications.*
*(2) Exposure = Loans outstanding + commitments.*

# Oil and gas portfolio, continued

**Loans Outstanding and Exposure [1]**
*($ in billions)*




## Portfolio characteristics

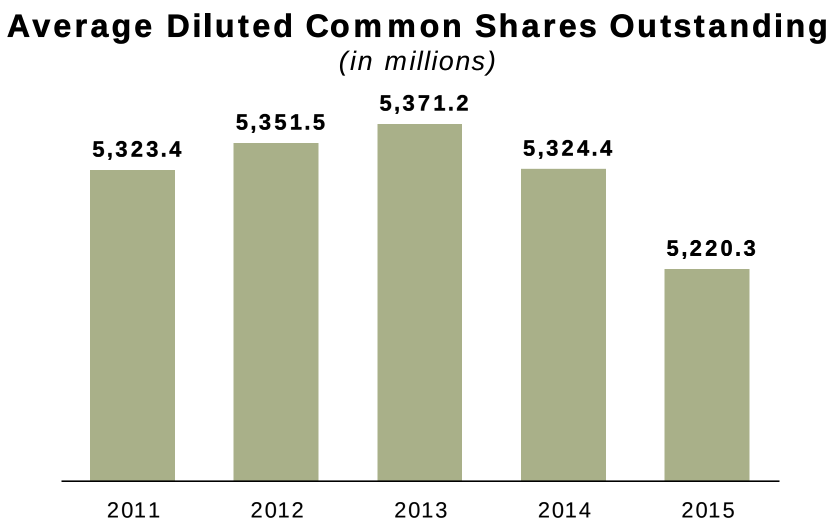
- Loans outstanding down 6% from 4Q14
  - 55% Exploration and Production: Majority of outstandings are senior secured, reserve-based loans
    - Borrowing bases determined by proved reserves
  - 20% Midstream: Collateralized by assets; credit facilities are governed by credit agreements containing quarterly financial covenants
  - 25% Energy Services: Majority of outstandings are senior secured; credit facilities are governed by credit agreements containing quarterly financial covenants

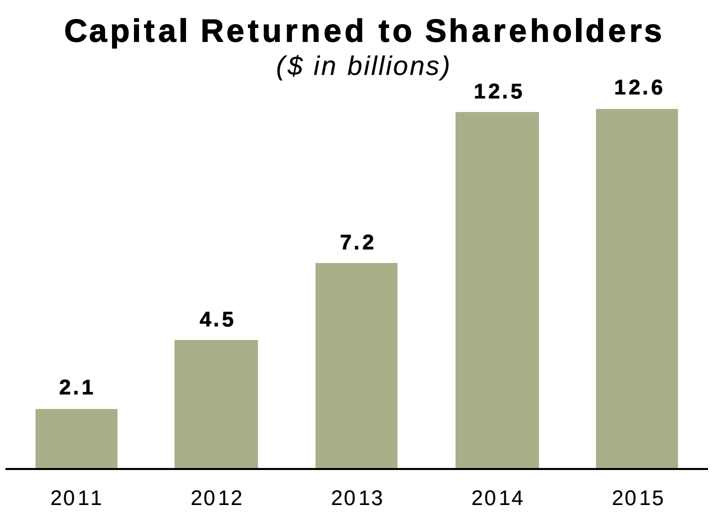
## Credit overview

- $118 million of net charge-offs in 4Q15, up $90 million from 3Q15
- Nonaccrual loans of $843 million, up $277 million from 3Q15
  - Over 90% of nonaccruals current on interest
- $1.2 billion of allowance for credit losses allocated for oil and gas portfolio
  - 6.7% of total oil and gas loans outstanding
  - Allowance reflected individual borrower analysis with careful consideration of inherent stress in repayment capabilities from the decline of energy prices reflected in credit quality grades
  - We continue to consider portfolio performance and economic conditions in our allowance

*As of December 31, 2015.*
*(1) Industry classifications based on NAICS classifications.*
*(2) Exposure = Loans outstanding + commitments.*

# Capital




### Strong Capital Position

- Common Equity Tier 1 ratio well above the regulatory minimum and buffers, as well our internal buffer
  - Common Equity Tier 1 ratio (fully phased-in) of 10.7% at 12/31/15 (1)

### Capital Return

- Average diluted common shares outstanding down 2%, or 104.1 million shares, in 2015
- Period-end common shares outstanding down 16.3 million in 4Q15
- Entered into a $500 million forward repurchase transaction which settled in early 1Q16 for 9.2 million shares
- Our strong capital levels allowed us to continue to return capital to shareholders
  - Returned $12.6 billion to shareholders in 2015
  - Net payout ratio (2) of 58% in 2015

*(1) 4Q15 capital ratio is a preliminary estimate. Fully phased-in capital ratios are calculated assuming the full phase-in of the Basel III capital rules. See page 20 for additional information regarding capital ratios.*

*(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.*

# Wells Fargo's model is based on sustainable long-term advantages

- Strong distribution
- Leading market share in key financial products
- Diversified and balanced revenue sources
- Large and low cost deposit base
- Relationship focus
- Comprehensive risk discipline
- Capital strength
- Deep culture and the right team

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# Common Equity Tier 1 (Fully Phased-In)

Wells Fargo & Company and Subsidiaries

**COMMON EQUITY TIER 1 UNDER BASEL III (FULLY PHASED-IN) (1)**

| (in billions) | | Estimated Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 | Mar 31, 2015 | Dec 31, 2014 |
|---|---|---|---|---|---|---|
| Total equity | | **$ 193.9** | 194.0 | 190.7 | 190.0 | 185.3 |
| Noncontrolling interests | | **(0.9)** | (0.9) | (1.1) | (1.2) | (0.9) |
| Total Wells Fargo stockholders' equity | | **193.0** | 193.1 | 189.6 | 188.8 | 184.4 |
| Adjustments: | | | | | | |
| Preferred stock | | **(21.0)** | (21.0) | (20.0) | (20.0) | (18.0) |
| Goodwill and other intangible assets (2) | | **(28.7)** | (28.7) | (29.1) | (28.9) | (29.0) |
| Investment in certain subsidiaries and other | | **(0.9)** | (1.6) | (0.6) | (0.9) | (0.7) |
| Common Equity Tier 1 (Fully Phased-In) under Basel III (1) | (A) | **142.5** | 141.8 | 139.9 | 139.0 | 136.7 |
| Total risk-weighted assets (RWAs) anticipated under Basel III (3)(4) | (B) | **$ 1,334.9** | 1,331.8 | 1,325.6 | 1,326.3 | 1,310.5 |
| Common Equity Tier 1 to total RWAs anticipated under Basel III (Fully Phased-In) (4) | (A)/(B) | **10.7 %** | 10.6 | 10.6 | 10.5 | 10.4 |

(1) Basel III capital rules, adopted by the Federal Reserve Board on July 2, 2013, revised the definition of capital, increased minimum capital ratios, and introduced a minimum Common Equity Tier 1 (CET1) ratio. These rules established a new comprehensive capital framework for U.S. banking organizations that implements the Basel III capital framework and certain provisions of the Dodd-Frank Act. The rules are being phased in through the end of 2021. Fully phased-in capital amounts, ratios and RWAs are calculated assuming the full phase-in of the Basel III capital rules. 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) The final Basel III capital rules provide for two capital frameworks: the Standardized Approach, which replaced Basel I, and the Advanced Approach applicable to certain institutions. Under the final rules, we are subject to the lower of our CET1 ratio calculated under the Standardized Approach and under the Advanced Approach in the assessment of our capital adequacy. Because the final determination of our CET1 ratio and which approach will produce the lower CET1 ratio as of December 31, 2015, is subject to detailed analysis of considerable data, our CET1 ratio at that date has been estimated using the Basel III definition of capital under the Basel III Standardized Approach RWAs. The capital ratio for September 30, 2015, and June 30, 2015, was calculated under the Basel III Standardized Approach RWAs, and the capital ratio for March 31, 2015, and December 31, 2014, was calculated under the Basel III Advanced Approach RWAs.

(4) The Company's December 31, 2015, RWAs and capital ratio are preliminary estimates.

# 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 levels; (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 or targets 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 2015 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, 2014.*

**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 page 31 of the press release announcing our 4Q15 results for additional information regarding the purchased credit-impaired loans.*