

Wealth and Investment Management (WIM)

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Senior Executive Vice President

May 11, 2017

Together we'll go far



WIM is poised for continued growth

Client-Driven Approach	<ul style="list-style-type: none">▪ Relationships focus on client goals and outcomes▪ Plan-based offerings expand as client needs evolve▪ Services satisfy a full range of individual/institutional needs▪ Internal partnerships unlock greater value for clients through access to Wells Fargo's breadth of products and solutions	90% of clients believe their financial plan/advice aligns with their needs ⁽¹⁾
Strong Financials	<ul style="list-style-type: none">▪ Consistent financial results have continued over the long term▪ Diversified revenue mix drives stable returns▪ Large deposit base provides funding source for Wells Fargo	26% Long term earnings CAGR
Foundation of Risk Management	<ul style="list-style-type: none">▪ WIM has a long history of strong Risk Management▪ Independent oversight functions provide credible challenge to leadership and strong governance of business practices▪ Enhanced alignment, capabilities, and controls mitigate cross-functional risk and facilitate regulatory compliance	Operating losses 83 bps of revenue (avg. 2013 2016)
Key Investments for Growth	<ul style="list-style-type: none">▪ Focused investment in technology, talent, and efficiency is advancing the business and long-term growth opportunities▪ Early wins provide Asset Management a strong start on its path towards expansion and innovation	Invested over \$800MM in strategic initiatives in 2013 2016

Data as of 12/31/16. (1) WIM Internal Data, Jan 2016 – Dec 2016.

Business Overview



Diversified model meets a broad spectrum of needs

**WELLS
FARGO**

**Wealth & Investment
Management**

Individuals

Mass/ Mass Affluent ▶ *Affluent* ▶ *High Net Worth* ▶ *Ultra High Net Worth* ▶ *Family Offices*

Institutions

- *Pensions*
- *Insurance*
- *Endowments*
- *Sovereigns*
- *Corporates*
- *Intermediaries*

Wells Fargo Advisors

Advisory, brokerage, and financial services

The Private Bank

Comprehensive wealth management solutions

Abbot Downing

Services for ultra-high-net-worth families and individuals

Wells Fargo Asset Management (WFAM)

Investment solutions managed by specialized investment teams






Institutional Retirement & Trust

Administration of 401(k), pension, other retirement plans, and custody assets

Wells Fargo Investment Institute

Delivering the highest quality investment expertise and advice

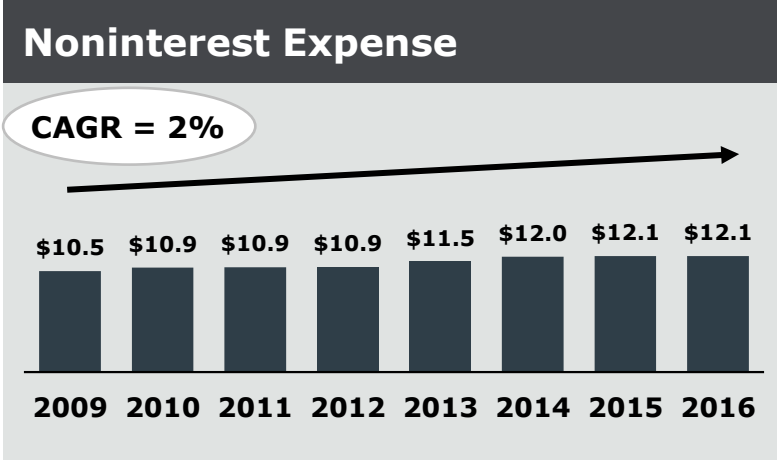
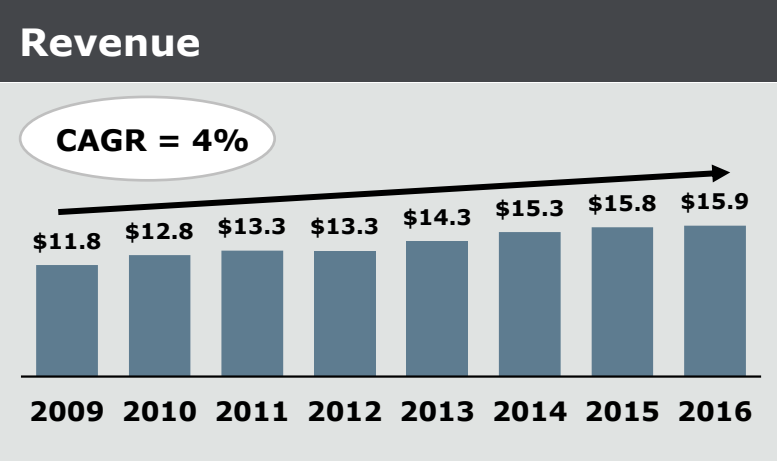
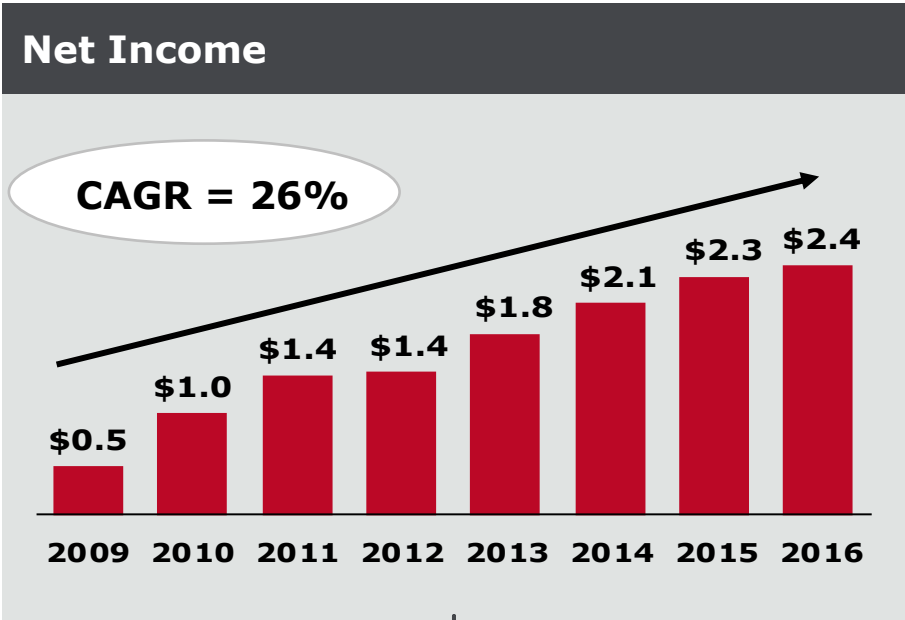
Serve over 7MM individuals and institutions

	Client Assets	Client Counts	Industry Rankings
	\$1.5T	3.1MM households	#3 U.S. Retail Brokerage firm ⁽¹⁾ #3 Managed account provider ⁽²⁾
	\$190B	80,000 relationships	#4 Wealth Management firm ⁽³⁾
	\$41B	Over 600 relationships	"Best National Private Asset Manager" ⁽⁴⁾
	\$482B assets under management (AUM)	Over 1,000 institutional clients	#20 U.S. asset manager ⁽⁵⁾ #16 Fund complex group, including 3rd largest bank-sponsored mutual fund company ⁽⁶⁾ #2 Largest manager of proprietary stable value assets (Galliard) ⁽⁷⁾
	\$351B institutional retirement assets	4.1MM institutional plan participants	#8 Institutional Retirement Plan Recordkeeper ⁽⁸⁾

Client assets and counts as of 12/31/16. Retail Brokerage, Wealth Management, Abbot Downing and Institutional Retirement assets include deposits and Wells Fargo Fund holdings. Households (HHs) defined as an address-based account grouping with WIM product ownership. Relationships represent clients grouped by relationship manager and may include multiple households. (1) Company and peer data; based on financial advisors (December 2016). (2) Cerulli Associates (December 2016). (3) Barron's 2016 Wealth Manager survey (based on Retail Brokerage and Wealth Management assets in accounts >\$5MM). (4) Family Wealth Report Awards (2016). (5) Institutional Investor 300 rankings (July 2016). (6) Strategic Insight (December 2016). (7) Pension & Investments 2016 survey. (8) PLANSPONSOR magazine (June 2016).

Results in 2016 build on strong performance

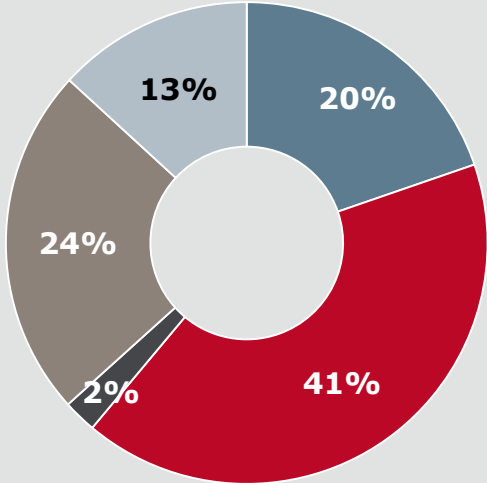
(\$ in billions)



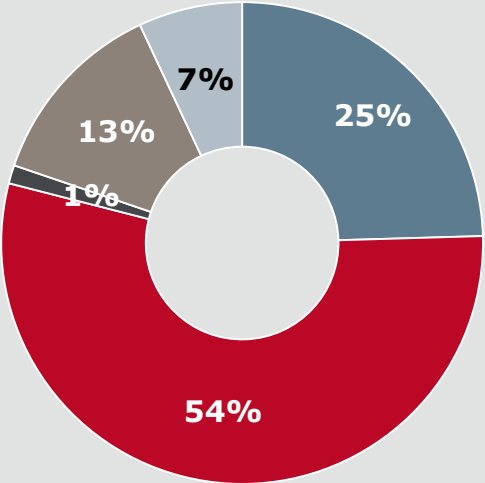
2009-2016 CAGR for Non-Commission Expense: +1.0%
 2009-2016 CAGR for Broker Commissions: +5.2%

Plan-based solutions have grown recurring revenue

2009 Revenue Mix



2016 Revenue Mix



Asset Based Fees	41%	Recurring Revenue 63%
Net Interest Income	20%	
Other Recurring Revenue	2%	

Transaction Based Revenue	24%
Other Non-Recurring Revenue	13%

Asset Based Fees	54%	Recurring Revenue 80%
Net Interest Income	25%	
Other Recurring Revenue	1%	

Transaction Based Revenue	13%
Other Non-Recurring Revenue	7%

Risk management continues to be a focus for WIM

Leadership

- **Proactive risk management** has always been a priority
- **Key risk appetite metrics and "Raise Your Hand" team member training** originally developed by WIM are used enterprise-wide
- **Enhanced risk indicators** monitor cross-functional risk
- **Client-facing teams** adhere to Know Your Customer, and engage in client listening and response

Governance

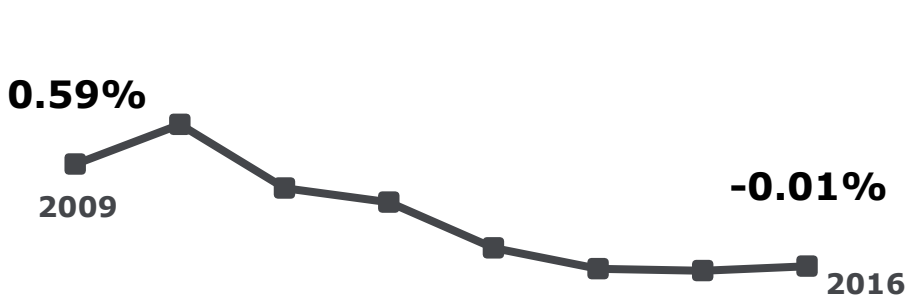
- **Chief Compliance Officer role** established in 2009
- **Compliance/Risk committees** provide credible challenge to leadership and ensure strong governance of business practices
- **Centralized Wells Fargo Risk** in 2016 has strengthened risk emphasis, alignment and controls
- **All controls** undergo in-depth testing and monitoring

Oversight

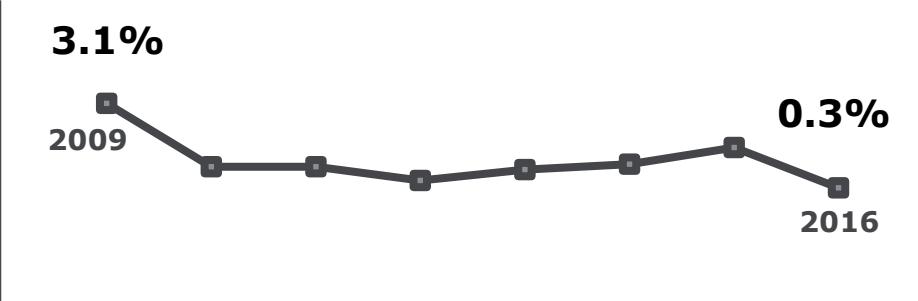
- **Transparency** is maintained with regulators and industry groups
- **Brokerage sales practices** are examined annually by FINRA, with continued satisfactory results
- **Internal and external auditing** provide independent lines of sight
- **Compensation and partnership** structures undergo strict review
- **Risk capabilities** are thoroughly assessed and enhanced regularly

----- **Resulting in solid performance** -----

Net Charge-Off's
(% of Outstanding Loan Balances)



Operating Loss
(% of Revenue)



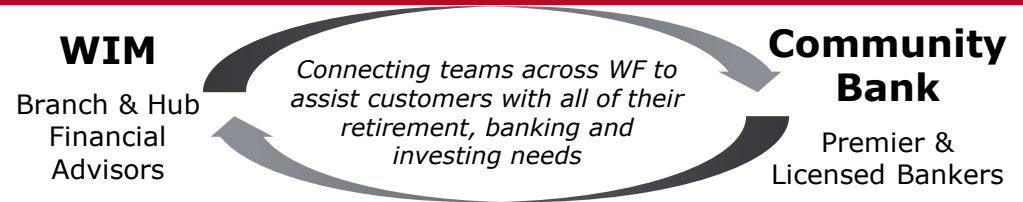
Deepening Relationships



WIM partnership with the Community Bank is strong

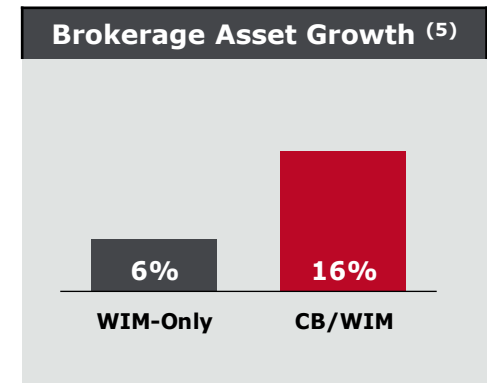
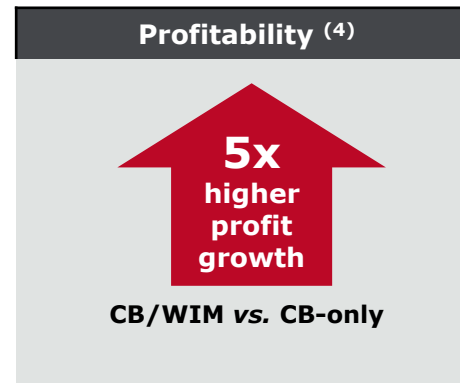
Customer focused

- Discussion starts with the customer
- Referral-only model for investments
- All sales are reviewed and approved by supervisory principals



Strong results

- Averaged ~**\$1B/month in closed referred investment assets** in 2016, driving growth towards capturing a **\$2.2T affluent away opportunity**⁽¹⁾
- **59% of referred investment assets** in 2016 were from customers investing with Wells Fargo for first time⁽²⁾
- **95% retention**⁽³⁾ for shared Community Bank/WIM households



Looking ahead

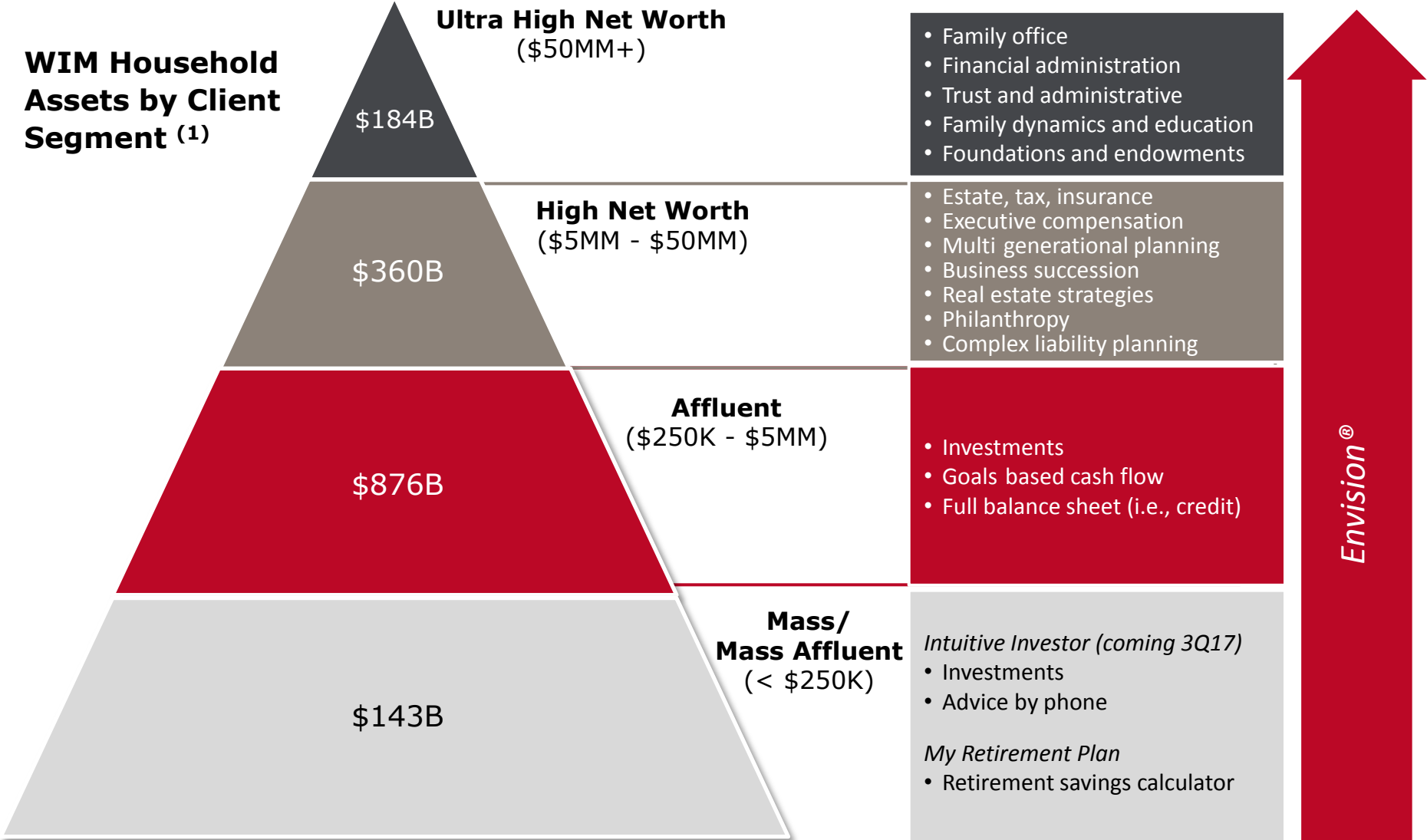
- Continue focus on expanding dedicated FA/banker affluent teams
- Launch of Intuitive Investor will offer an additional entry point for new investors

Goal: Achieve \$2B/month in closed Referred Investment Assets

(1) Affluent away are Retail Banking households with total deposit and investment balances greater than \$100,000 but less than \$100,000 of deposits and investments with Wells Fargo, as of December 2016. Total deposit and investment balances based on external data sourced from IXI, a division of Equifax, as of December 2015. Affluent away opportunity considers affluent away households acquiring the same level of penetration and average asset balances with Wells Fargo as our current affluent households. (2) Based on all assets referred in 2016. (3) CB/WIM households at December 2015 that were retained in the Community Bank at December 2016. (4) Annual profit growth impacts of adding WIM relationship to retained Retail Bank-only households from December 2015 through December 2016. (5) Growth in brokerage assets from 4Q13 to 4Q16.

Planning helps meet the unique needs of WIM clients

WIM Household Assets by Client Segment ⁽¹⁾



Envision®

(1) Roll up of all WIM client accounts with same address into single entity. Assets include all balances in investments and deposits; including retail retirement and excluding Institutional Retirement Assets and First Clearing.

Planning leads to better outcomes for clients and WIM

2016 Best Practices Results

- **75%** of affluent households have a plan ⁽¹⁾
- **31%** increase in the number of “well-aligned” client portfolios to their plans year-over-year ⁽²⁾
- **35%** of plans contain full balance sheet information; liability planning has doubled since 2012 ⁽³⁾

Benefits for Clients ⁽⁴⁾

- **Greater asset growth**
Households with a plan had 5.6% asset growth vs. 3.1% for households without a plan ⁽⁵⁾
- **Distribution of returns closer to benchmark**
72% of accounts in “aligned” plans performed within 3% of their benchmark vs. only 64% of accounts without a plan ⁽²⁾

Benefits for WIM/Wells Fargo

- **Greater client loyalty and likelihood to recommend**
Clients who report having an up-to-date plan are 21% more loyal to FA than other clients and 15% more likely to recommend ⁽⁶⁾
- **Higher client retention**
 - Households with a plan had **41% better client retention** ⁽⁵⁾
 - Households with a plan **stay 6 years longer** on average ⁽⁵⁾
- **Revenue lift**
Households with a plan had 53% faster revenue growth ⁽⁵⁾

(1) WIM HHs with >\$250k in investible assets; excludes IPCS, FCCS, and WellsTrade. (2) The definition of “well-aligned” is a measure of how closely a client’s actual asset allocation aligns with his/her strategic asset allocation; a higher degree of portfolio alignment increases the probability of a client achieving his/her investment goals. Based on 3 years of performance through the end of 1Q17. (3) Source: WFA Innovation & Strategy Analytics. (4) Benefits for clients with a plan compared to clients without a plan. (5) Asset and revenue growth rate is the compound annual growth rate between Jan 2012 and Dec 2016. (6) Fall 2016 Client Listening Program (proprietary client satisfaction survey).

Revitalizing Our Asset Management Business



Wells Fargo Asset Management has a strong foundation

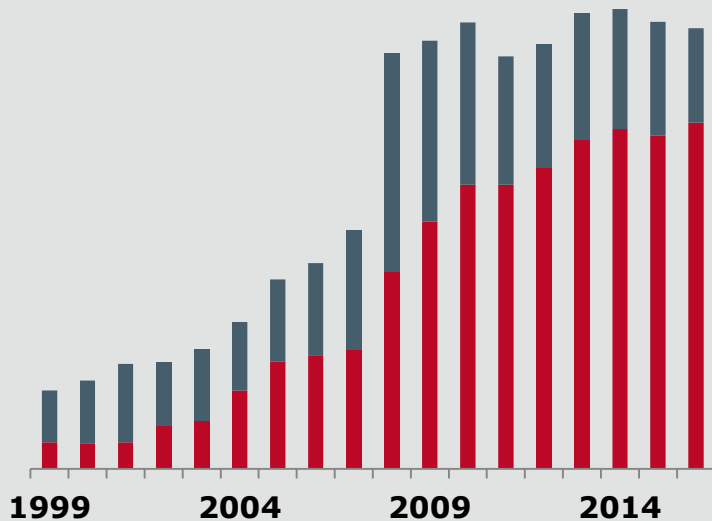
Established Scale Business

WFAM AUM (\$B)
(1999-2016)

2016 AUM

Money Market=\$104B

Long-Term & Stable
Value=\$378B



■ Money Markets

■ Long-Term Mutual Funds & Stable Value

Core Strengths

Diversified Client Base

\$482B AUM

68% Institutional
17% Defined Contribution
15% Intermediary

Diversified Investment Capabilities

Fundamental

Systematic⁽¹⁾

Multi Asset Solutions

Liquidity

49%

6%

6%

38%

Strong Performance

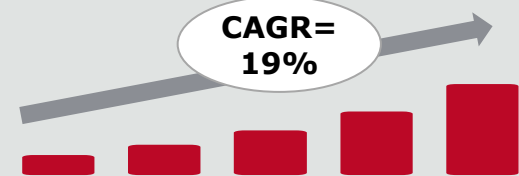


Top 36% ranking

Long-Term Mutual Fund strategies vs. peers on a 10-year basis ⁽²⁾

Consistent Growth

CAGR=19%



15-Yr. Long-Term & Stable Value AUM ⁽³⁾

Data as of 12/31/16. (1) Systematic defined as quantitative factor-based strategies. (2) Asset-weighted 10-year percentile ranking; Morningstar Direct. (3) Includes acquisitions.

With a broad and global client base

Institutional

43%

penetration of top 100 retirement plan sponsors ⁽¹⁾

- 10th ranked manager of North American insurance assets ⁽⁴⁾
- 68 dedicated professionals covering Pensions, Taft Hartley, Corporates, Endowments & Foundations, and Insurance

Defined Contribution (DC)

11th

Largest Target Date Fund Manager ⁽²⁾

- Diversified solutions across target date, stable value and customized accounts

Intermediary

16th

Largest Fund Manager ⁽³⁾

- 135k FAs from over 1,100 firms have assets with WFAM
- 79% of our funds are recommended by a 3rd-party intermediary distributor
- 152 dedicated professionals covering Broker-Dealers, RIAs, Private Bank, Intermediary Self-Directed, and DC

Leveraging Wells Fargo Relationships








47%

of AUM from shared Wells Fargo clients

- Provide asset management services to clients across the greater Wells Fargo network
- Deeper understanding of end-client needs through relationship with Wells Fargo partner channels

Data as of 12/31/16 unless otherwise noted. (1) Penetration of top 100 Defined Benefit and Defined Contribution plan sponsors in Pension & Investments top 100 database as of 9/30/16. (2) Strategic Insight; includes only mutual funds. (3) Strategic Insight; includes Long-Term and Money Market AUM. (4) Insurance Asset Outsourcing Exchange 2016 edition based on management of North American Insurance General Account assets.

Our investment platform is robust and diversified

Fundamental (\$237B)			Systematic ⁽¹⁾ Quantitative factor based (\$30B)			Multi-Asset Solutions (\$31B)	Liquidity (\$184B)
Equity	Fixed	Alternatives	Equity	Fixed	Alternatives	Allocation	Stable Value
Annualized excess returns (Asset weighted 10 year % where available) ⁽²⁾							#1 in US stable value AUM
1.82	0.94	3.02	0.88	1.17	3.80 ⁽³⁾	0.52 ⁽⁴⁾	
Ranking by peer category (Asset weighted 10 year percentile) ⁽⁵⁾							
Top 29%	26%	27%	38%	52%	39% ⁽³⁾	50% ⁽⁶⁾	Money Markets
							
Awards and recognition							
<ul style="list-style-type: none"> 1 Lipper award in 2016 	<ul style="list-style-type: none"> 7th largest muni fund provider 2 Lipper awards in 2017 6 Lipper awards in 2016 	<ul style="list-style-type: none"> Rock Creek founder awarded Institutional Investor Lifetime Achievement Award in 2016 	<ul style="list-style-type: none"> Two-time winner of Graham & Dodd Three-time winner of Fabozzi/Levy Awards for research and whitepapers 			<ul style="list-style-type: none"> 6 Lipper awards in 2017 	10 th largest money market fund family

Data as of 12/31/16 unless otherwise noted. (1) Systematic defined as quantitative factor-based strategies. (2) eVestment Alliance. Asset weighted excess return calculated gross of fees versus stated benchmark on an annualized 10-year basis for separate accounts unless otherwise stated. (3) Calculated based on 5-year performance; Analytic Investors Covered Call strategy is classified as an alternative and its excess return is calculated versus the CBOE S&P BuyWrite Index, and it is ranked within the eVestment Covered Call category. (4) Morningstar Direct. Calculated based on mutual fund vehicles. (5) eVestment Alliance. Based on category ranking versus separate account peers on a 10-year basis unless otherwise stated. (6) Morningstar Direct. Calculated based on net returns of mutual fund vehicles.

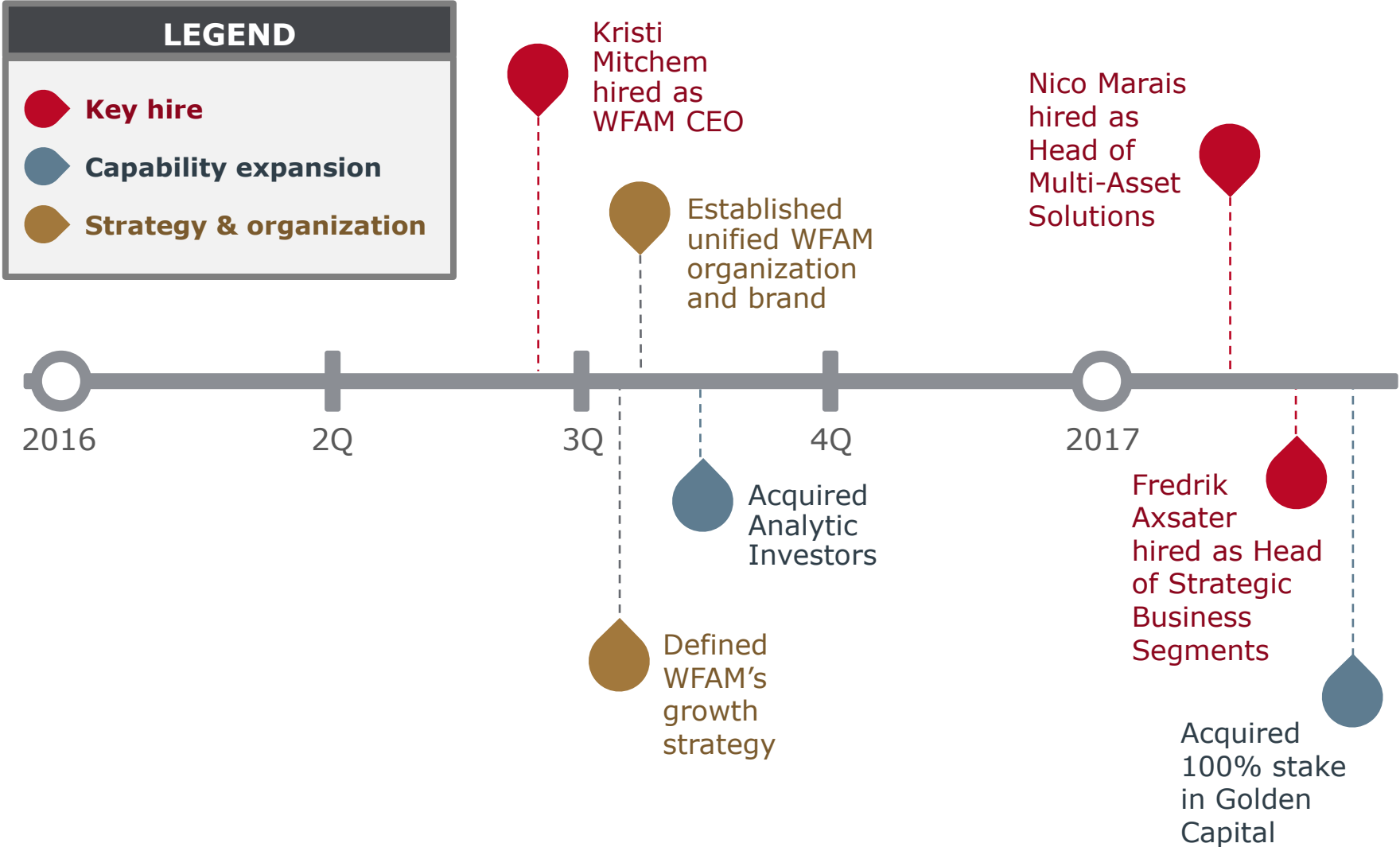
Building a winning active management business...

	Two Asset Manager Archetypes		Creators must adapt
	Replicator	Creator	Next-Gen Creator
Description	Focus on providing beta exposures by replicating common indices	Focus on generating alpha or creating more efficient betas	Delivers alpha and efficient betas , priced to reflect amount and type of expected return
Size	Almost always large in total and by strategy	Typically smaller by strategy than the replicator but varies in total size	Strategy size varies based on orientation (Sharpe ratio vs. information ratio-focused) and firm size dependent on mix and breadth
Competitive Advantage	Efficiency through scale ; value chain optimization	Top talent to deliver investment acumen	Top talent to deliver investment acumen supported by data/technology; disciplined capacity management
Value Proposition	Low Fees	Performance	Value for fees

...by focusing our efforts

WFAM Strategic Priorities		
	Description	Progress to Date
Systematic Capabilities	<ul style="list-style-type: none"> Build-out systematic factor-based investment capabilities to generate more efficient betas Provides an offering that is cost-competitive with plain vanilla passive 	<ul style="list-style-type: none"> Acquired Analytic Investors (\$18B AUM, 20+ year track record) Acquired Golden Capital (\$7B AUM, 20+ year track record)
Multi-Asset Solutions	<ul style="list-style-type: none"> Enhance existing multi-asset capabilities and solutions/advisory expertise 	<ul style="list-style-type: none"> Hired Nico Marais, former head of Multi-Asset Investment and Portfolio Solutions at Schrodgers
Fundamental Investment Capabilities	<ul style="list-style-type: none"> Continue relentless focus on performance and value for fees Employ rigorous analytics to focus managers in areas where they have skill, and in constructing better portfolios Complement fundamental insights with signals derived from new data sources and quantitative techniques 	<ul style="list-style-type: none"> Building out scientific research team and enhancing portfolio risk management and analytics team
Strategic Segments	<ul style="list-style-type: none"> Strengthen overall value proposition in Defined Contribution Build out Environmental, Social, and Corporate Governance (ESG) capabilities Strengthen internal Wells Fargo partnerships 	<ul style="list-style-type: none"> Hired Fredrik Axsater, former global head of Defined Contribution and ESG at SSgA

We are charting a course to propel WFAM forward



Looking Ahead



Continued progress towards WIM long-term targets

	2014-2016 Average Results	2016 Results	Long-Term Targets
Revenue Growth	4%	1%	4-6%
Recurring Revenue	79%	80%	80%+
Pretax Margin	23%	24%	30%

Biography





David M. Carroll

Senior Executive Vice President

Head of Wealth and Investment Management

- David Carroll leads Wealth and Investment Management (WIM) at Wells Fargo. Approximately 36,000 team members in this unit provide a full range of personalized wealth management, investment, and retirement products and services to clients across U.S.-based businesses.
- A financial services veteran with more than 35 years in the industry, David joined Wachovia Bank & Trust Company in 1979 and then First Union National Bank (Wachovia's predecessor) in 1981. From 2005 until the merger with Wells Fargo, Mr. Carroll served as senior executive vice president and head of Wachovia's Capital Management Group, which included retail brokerage (Wachovia Securities), asset management (Evergreen Investments), and Retirement and Investment Products. Previously, he was head of corporate services and merger integration, chief of eCommerce and technology, and head of First Union's General Banking Group region in Florida and earlier in Georgia.
- David earned his bachelor's degree in business administration from the University of North Carolina at Chapel Hill. He is a board member of Trees Charlotte, the UNC Chapel Hill Foundation, and the Chapel Hill Investment Fund. He also serves on the Board of Visitors at the Kenan-Flagler Business School at the University of North Carolina.