WELLS FARGO

Wells Fargo & Company

Net Stable Funding Ratio Disclosure

For the quarters ended September 30, 2023 and December 31, 2023

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Any reference to "Wells Fargo," "the Company," "we," "our", or "us" in this disclosure, means Wells Fargo & Company and Subsidiaries (consolidated). When we refer to the "Parent," we mean Wells Fargo & Company. This disclosure contains forward-looking statements, which may include our current expectations and assumptions regarding our business, the economy, and other future conditions. Please see the "Forward-Looking Statements" section for additional information, including factors that could cause our actual results to differ materially from our forward-looking statements.

Introduction

Executive Summary

The Net Stable Funding Ratio (NSFR) disclosures included within this document are required by the NSFR public disclosure rule issued by the Board of Governors of the Federal Reserve System (FRB) to promote market discipline through the provision of comparable liquidity information. These disclosures should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K). The NSFR disclosures provide quantitative and qualitative information about the NSFR calculated in conformity with the final NSFR rule (the Rule) issued by the FRB, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, which established a standardized minimum liquidity and stable funding requirement for large and internationally active banking organizations.

As shown in Table 1, the Company's average value for the daily-calculated NSFR was 125% for the quarter ended September 30, 2023 (third quarter 2023) and 127% for the quarter ended December 31, 2023 (fourth quarter 2023), which exceeded the regulatory minimum threshold of 100%. Pursuant to the NSFR rule and its requirements, the ratio is calculated as the quarterly average of the daily amount of available stable funding (ASF) divided by required stable funding (RSF) over a one-year time horizon. The excess of the average weighted amount of ASF over the average weighted amount of RSF for third quarter 2023 and fourth quarter 2023 was $257 billion and $266 billion, respectively.

The quarterly average NSFR increased 2% from third quarter 2023 to fourth quarter 2023, primarily due to a decline in Required Stable Funding from decreases in assets that do not qualify as High Quality Liquidity Assets, which outpaced the decline in Available Stable Funding.

Table 1: Net Stable Funding Ratio

	Average for quarter ended	
(in millions, except ratio)	**September 30, 2023**	**December 31, 2023**
Available Stable Funding (1)	$ 1,269,469	$ 1,266,181
Required Stable Funding	1,012,391	1,000,601
Net Stable Funding Ratio	125%	127%

(1) Excludes ASF at certain subsidiaries that is not transferable to other Wells Fargo entities.

Company Overview

Wells Fargo & Company is a leading financial services company that has approximately $1.9 trillion in assets. We provide a diversified set of banking, investment and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth and Investment Management.

Wells Fargo manages a variety of risks that can significantly affect our financial performance and our ability to meet the expectations of our customers, shareholders, regulators, and other stakeholders. Risk is the possibility of an event occurring that could adversely affect the Company's ability to achieve its strategic or business objectives. The Company routinely takes risks to achieve its business goals and to serve its customers. These risks include financial risks, such as interest rate, credit, liquidity, and market risks, and non-financial risks, such as operational risk, which includes compliance and model risks, and strategic and reputation risks. A discussion of the Company's risk management framework and culture is provided in the introduction to "Risk Management", "Risk Management – Risk Governance", and "Risk

Management – Risk Operating Model – Roles and Responsibilities” sections in Management's Discussion and Analysis to our 2023 Form 10-K and is applicable to our management of liquidity risk as discussed in this disclosure.

NSFR Rule Overview

The NSFR is a standardized measure of a banking organization’s funding relative to its assets and commitments. The liquidity requirements under the Rule are consistent with the minimum standards for funding and liquidity issued by the Basel Committee on Banking Supervision (BCBS) as part of its liquidity framework. See the “Risk Management – Asset/Liability Management – Liquidity Risk and Funding” section in Management's Discussion and Analysis to our 2023 Form 10-K for additional information concerning regulatory liquidity rules applicable to us.

The Rule requires covered companies to avoid excessively funding long-term and less-liquid assets with short-term or less-reliable funding and thus reduces the likelihood that disruptions in a banking organization’s regular funding sources would compromise its funding stability and liquidity position.

The Rule establishes a quantitative metric to measure the stability of the funding profile of certain large banking organizations and requires these banking organizations to maintain minimum amounts of stable funding to support their assets, commitments, and derivatives exposures. A covered company must calculate its NSFR based on the ratio of its available stable funding (ASF) amount to its required stable funding (RSF) amount, subject to detailed specifications around the calculation process which include the following:

- ASF and RSF amounts based on the carrying values of on-balance sheet assets and liabilities weighted by the application of prescribed standardized factors;
- Adjustments to account for certain off-balance sheet add-ons; and
- Netting of certain receivables and payables based on requirements specified in the Rule.

The Rule establishes factors assigned to ASF and RSF items on a scale from zero to 100 percent. For ASF factors, a zero percent weighting represents the lowest relative stability and a 100 percent weighting represents the highest relative stability. The Rule assigns an ASF factor to NSFR regulatory capital elements and NSFR liabilities based on three characteristics relating to the stability of the funding: (1) funding tenor, (2) funding type, and (3) counterparty type. The Rule assigns an RSF factor to assets, derivative exposures, and committed facilities based on the following liquidity characteristics: (1) tenor, (2) encumbrance, (3) type of counterparty, (4) credit quality, and (5) market characteristics.

Maturity requirements of a covered company’s NSFR assets and liabilities are outlined in the Rule. Per the Rule, a covered company is required to apply the earliest possible maturity date to an NSFR liability and the latest possible maturity date to an asset, taking into account any notice periods or options that may modify that maturity date.

The daily calculation of NSFR is evaluated against the minimum threshold of 100%, and in the event that a covered company’s daily calculation of NSFR falls below the threshold on any given business day, the covered company is required under the Rule to provide notification to the FRB within 10 business days. Regulatory guidance indicates that during certain periods of systemic or idiosyncratic stress, it would be acceptable to fall below the minimum NSFR requirement.

The Rule is applicable to the Company on a consolidated basis, Wells Fargo Bank, N.A., and Wells Fargo National Bank West. The basis of consolidation used for regulatory reporting is the same as that used under U.S. Generally Accepted Accounting Principles (U.S. GAAP). For additional information on our basis for consolidating entities for accounting purposes, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K.

Net Stable Funding Ratio Results

The following table sets forth the average values for our NSFR and related components calculated pursuant to the NSFR rule and its requirements for the period from July 1 to September 30, 2023.

Table 2: Net Stable Funding Ratio (1)

Quarter ended September 30, 2023 (in millions)		Average Unweighted Amount					Average Weighed Amount
		Open	< 6 Months	6 Months to < 1 Year	>= 1 Year	Perpetual	Total
Available Stable Funding (ASF)							
1	Capital and Securities:	-	12,466	14,111	132,528	200,624	340,207
2	NSFR regulatory capital	-	-	-	17,580	200,624	218,204
3	Other capital elements and securities	-	12,466	14,111	114,948	-	122,003
4	Retail Funding:	865,890	35,196	28,682	17,467	-	827,766
5	Stable deposits	549,598	-	-	-	-	522,118
6	Less stable deposits	240,771	-	-	-	-	216,694
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	72,741	34,704	28,682	17,467	-	87,317
8	Other retail funding	2,780	492	-	-	-	1,636
9	Wholesale funding:	385,855	79,585	14,446	15,011	-	203,536
10	Operational deposits	248,039	-	-	-	-	124,020
11	Other Wholesale Funding	137,815	79,585	14,446	15,011	-	79,516
Other liabilities:							
12	NSFR derivatives liability amount					-	-
13	Total derivatives liability amount					30,990	-
14	All other liabilities not included in the above categories	-	39,561	1,329	9,706	141	10,512
15	**TOTAL ASF (2)**						**1,269,469**
Required Stable Funding (RSF)							
16	Total High Quality Liquid Assets	156,763	11,512	9,386	383,943	2,848	41,417
17	Level 1 liquid assets	156,763	9,980	9,058	164,242	-	5,096
18	Level 2A liquid assets	-	445	150	218,468	-	33,616
19	Level 2B liquid assets	-	1,088	178	1,233	2,848	2,705
20	Zero percent RSF assets that are not Level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	8,891	16,559	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	2,905	16	-	-	-	1,460
22	Loans and securities:	46,700	146,750	89,301	776,722	78,474	805,703
23	Loans to financial sector entities secured by Level 1 liquid assets	9,064	19,097	-	-	-	517
24	Loans to financial sector entities secured by assets other than Level 1 liquid assets and unsecured loans to financial sector entities	15,978	28,360	16,451	20,360	-	35,742
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	21,658	78,499	52,680	316,921	48,835	387,823
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 21)	-	141	174	1,124	-	900
27	Retail mortgages	-	19,150	17,278	347,524	-	274,383
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 21)	-	3,266	3,433	240,381	-	168,363
29	Securities that do not qualify as HQLA:	-	1,644	2,892	91,917	29,638	107,237
Other Assets:							
30	Commodities					1,859	1,859
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements					13,498	11,474
32	NSFR derivatives asset amount					7,727	7,727
33	Total derivatives asset amount					26,400	-
34	RSF for potential derivatives portfolio valuation changes					36,198	1,810
35	All other assets not included in the above categories, including nonperforming assets	-	125	1	88,577	27,933	116,519
36	Undrawn Commitments:	488,459	-	-	-	-	24,423
37	**TOTAL RSF prior to application of required stable funding adjustment percentage**						**1,012,391**
38	**Required stable funding adjustment percentage**						**100%**
39	**Total adjusted RSF**						**1,012,391**
40	**NET STABLE FUNDING RATIO:**						**125%**

(1) As required under 12 CFR Part 249, subpart N.

(2) Total ASF may not equal the sum of the ASF Items above due to the exclusion of excess ASF that is not transferable from subsidiaries.

The following table sets forth the average values for our NSFR and related components calculated pursuant to the NSFR rule and its requirements for the period from October 1 to December 31, 2023.

Table 3: Net Stable Funding Ratio (1)

	Quarter ended December 31, 2023 (in millions)	Average Unweighted Amount					Average Weighed Amount
		Open	< 6 Months	6 Months to < 1 Year	>= 1 Year	Perpetual	Total
	Available Stable Funding (ASF)						
1	Capital and Securities:	-	19,625	23,237	144,890	202,892	359,400
2	NSFR regulatory capital	-	-	-	16,864	202,892	219,756
3	Other capital elements and securities	-	19,625	23,237	128,026	-	139,645
4	Retail Funding:	844,181	36,116	27,868	24,358	-	812,562
5	Stable deposits	539,992	-	-	-	-	512,992
6	Less stable deposits	231,159	-	-	-	-	208,043
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	70,039	35,518	27,868	24,358	-	89,733
8	Other retail funding	2,991	598	-	-	-	1,795
9	Wholesale funding:	384,568	82,145	11,754	20,140	-	210,208
10	Operational deposits	259,131	-	-	-	-	129,566
11	Other Wholesale Funding	125,437	82,145	11,754	20,140	-	80,643
	Other liabilities:						
12	NSFR derivatives liability amount					-	-
13	Total derivatives liability amount					32,036	-
14	All other liabilities not included in the above categories	16,166	23,781	1,137	5,057	-	5,625
15	**TOTAL ASF (2)**						**1,266,181**
	Required Stable Funding (RSF)						
16	Total High Quality Liquid Assets	190,889	13,305	10,778	367,705	1,833	39,088
17	Level 1 liquid assets	190,869	11,501	10,179	151,981	-	3,642
18	Level 2A liquid assets	2	371	376	214,335	1	32,953
19	Level 2B liquid assets	18	1,433	222	1,389	1,832	2,493
20	Zero percent RSF assets that are not Level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	8,470	17,103	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	3,188	18	-	-	-	1,603
22	Loans and securities:	46,709	154,708	84,353	764,396	77,538	798,818
23	Loans to financial sector entities secured by Level 1 liquid assets	9,096	20,331	-	-	-	835
24	Loans to financial sector entities secured by assets other than Level 1 liquid assets and unsecured loans to financial sector entities	16,202	31,507	12,631	26,267	-	40,204
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	21,410	82,270	52,317	306,162	51,146	382,161
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 21)	-	111	387	1,137	-	1,001
27	Retail mortgages	-	19,267	17,099	342,780	-	273,882
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 21)	-	3,247	3,427	238,672	-	170,417
29	Securities that do not qualify as HQLA:	-	1,333	2,306	89,187	26,393	101,734
	Other Assets:						
30	Commodities					2,050	2,050
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements					14,279	12,137
32	NSFR derivatives asset amount					8,807	8,807
33	Total derivatives asset amount					27,104	-
34	RSF for potential derivatives portfolio valuation changes					37,619	1,881
35	All other assets not included in the above categories, including nonperforming assets	6,512	1,269	1	85,319	27,044	112,365
36	Undrawn Commitments:	477,059	-	-	-	-	23,853
37	**TOTAL RSF prior to application of required stable funding adjustment percentage**						**1,000,601**
38	**Required stable funding adjustment percentage**						**100%**
39	**Total adjusted RSF**						**1,000,601**
40	**NET STABLE FUNDING RATIO:**						**127%**

(1) As required under 12 CFR Part 249, subpart N.

(2) Total ASF may not equal the sum of the ASF Items above due to the exclusion of excess ASF that is not transferable from subsidiaries.

Net Stable Funding Ratio Components

ASF Components

As shown in Table 2 and Table 3, average weighted Total ASF decreased to $1,266 billion in fourth quarter 2023, from $1,269 billion in third quarter 2023, primarily due to an increase in subsidiary funding excluded from the consolidated entity, partially offset by the issuance of long-term debt by the Parent.

The primary source of our ASF comes from retail funding which averaged $828 billion and $813 billion in third quarter 2023 and fourth quarter 2023, respectively. Retail funding is primarily composed of stable deposits which averaged $522 billion and $513 billion in third quarter 2023 and fourth quarter 2023, respectively. Stable deposits include fully insured deposits and receive a 95% ASF factor. Less stable deposits, which averaged $217 billion and $208 billion in third quarter 2023 and fourth quarter 2023, respectively, are a major portion of retail funding and receive a 90% ASF factor.

Sweep deposits, brokered reciprocal deposits, and brokered deposits, , which averaged $87 billion for third quarter 2023 and $90 billion for fourth quarter 2023, are primarily made up of less stable deposits swept from an affiliate and brokered certificates of deposits to retail counterparties. Brokered certificates of deposits maturing in one year or more and less stable deposits swept from an affiliate both receive a 90% ASF factor. Brokered certificates of deposits maturing in six months to one year and deposits swept from external financial institutions receive a 50% ASF factor.

Wholesale funding was also a large portion of ASF averaging $204 billion and $210 billion for third quarter 2023 and fourth quarter 2023, respectively. As shown in Table 2 and Table 3, our average weighted ASF from wholesale funding primarily consists of wholesale operational deposits. Operational deposits, including escrow deposits, are assigned a 50% ASF factor. ASF from operational deposits was $124 billion and $130 billion for third quarter 2023 and fourth quarter 2023, respectively. We generally consider operational deposits to be a stable source of funding as these deposits are associated with key operational services provided to our wholesale customers.

Other wholesale funding of $80 billion and $81 billion in third quarter 2023 and fourth quarter 2023, respectively, is composed primarily of wholesale deposit accounts which do not satisfy the characteristics of operational deposits. Non-financial counterparties are included at a 50% ASF factor, while financial counterparties receive a 0% ASF factor. Secured funding also represents a large portion of other wholesale funding. As of fourth quarter 2023, ASF from secured funding transactions consists predominantly of advances from the Federal Home Loan Bank. This funding is primarily longer term in nature and advances maturing in more than one year receive a 100% ASF factor. Advances maturing in less than one year receive a 50% ASF factor. Secured financing transactions, such as repurchase and security lending agreements, represent large, unweighted balances. However, the weighted amounts are lower given that funding with financial counterparties maturing in less than six months receives a 0% ASF factor.

Capital and securities accounted for $340 billion and $359 billion of third quarter 2023 and fourth quarter 2023 average weighted ASF, respectively. NSFR regulatory capital, which averaged $218 billion in third quarter 2023 and $220 billion in fourth quarter 2023, is composed of any capital element included in a covered company's Common Equity Tier 1 capital, additional Tier 1 capital, and Tier 2 capital, as defined in FRB's risk-based capital rule, prior to the application of capital adjustments or deductions set forth in FRB's risk-based capital rule. Other capital elements and securities, which averaged $122 billion and $140 billion in third quarter 2023 and fourth quarter 2023, respectively, is predominantly made up of senior unsecured debt, but also includes other debt issuances in the wholesale sector, such as certificates of deposits issued to institutional customers. Debt maturing in greater than one year receives a 100% ASF factor, debt maturing in six months to one year receives a 50% ASF factor, and debt maturing in less than six months receives a 0% ASF factor.

As shown in Table 2 and Table 3, other liabilities accounted for the remaining sources of funding, which averaged $11 billion and $6 billion in third quarter 2023 and fourth quarter 2023, respectively.

RSF Components
As shown in Table 2 and Table 3, average weighted Total RSF decreased to $1,001 billion in fourth quarter 2023, from $1,012 billion in third quarter 2023, primarily due to a reduction in assets that do not qualify as High Quality Liquidity Assets.

The largest category of the Company’s RSF was attributable to loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties which averaged $388 billion and $382 billion for third quarter 2023 and fourth quarter 2023, respectively. The majority of these loans consist of wholesale secured loans. Most wholesale secured loans with maturities greater than one year receive an 85% RSF factor, while loans with maturities less than one year receive a 50% RSF factor.

Loans to financial sector entities secured by assets other than Level 1 liquid assets and unsecured loans to financial sector entities accounted for $36 billion and $40 billion of RSF for third quarter 2023 and fourth quarter 2023, respectively. These loans generally receive an RSF factor ranging from 15% to 50% if the loans mature or are encumbered for less than one year. Loans maturing in greater than one year receive a 100% RSF factor.

RSF from retail mortgages was $274 billion for both third quarter 2023 and fourth quarter 2023. Retail mortgages are segmented between low and high risk weights as per the agencies’ risk-based capital rule. Low risk weight retail mortgages greater than one year receive a 65% RSF factor and make up the majority of the total. High risk weight retail mortgages in this category receive an 85% RSF factor.

RSF from other assets was $139 billion and $137 billion for third quarter 2023 and fourth quarter 2023, respectively. Balances in this category are predominantly based on a 100% RSF factor. Other assets include nonmarketable equity securities, mortgage servicing rights and company owned life insurance, NSFR derivatives assets, assets deducted from regulatory capital, such as goodwill, and other miscellaneous assets.

RSF from securities that do not qualify as High Quality Liquid Assets was $107 billion and $102 billion for third quarter 2023 and fourth quarter 2023, respectively. These non-HQLA securities, maturing in greater than or equal to one year, receive an 85% factor if unencumbered or encumbered for less than one year. Securities encumbered greater than one year receive a 100% RSF factor.

Total High Quality Liquid Assets represent large, unweighted balances, but the RSF weighted amounts are lower reflecting their lower risk. RSF from Level 2A assets was $34 billion and $33 billion for third quarter 2023 and fourth quarter 2023, respectively, based on an RSF factor of 15% if unencumbered or encumbered for less than 6 months.

Undrawn commitments account for $24 billion of RSF for both third quarter 2023 and fourth quarter 2023. These off-balance sheet commitments include credit and liquidity facilities and are prescribed a 5% RSF factor by the Rule.

Required Stable Funding Adjustment Percentage
A covered Company’s total adjusted RSF amount is multiplied by an adjustment percentage specified in the Rule. The adjustment percentage applicable to the Company is 100%.

Total Adjusted RSF Amount
The total adjusted RSF amount, which is the denominator of the NSFR, is derived by aggregating the weighted carrying values of a covered company’s assets and the undrawn amounts of its committed credit and liquidity facilities with the company’s derivatives RSF amount and then multiplying by the adjustment percentage.

Forward-Looking Statements

This document contains forward-looking statements. In addition, we may make forward-looking statements in our other documents filed or furnished with the Securities and Exchange Commission, 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, our allowance for credit losses, and the economic scenarios considered to develop the allowance; (iv) our expectations regarding net interest income and net interest margin; (v) loan growth or the reduction or mitigation of risk in our loan portfolios; (vi) future capital or liquidity levels, ratios or targets; (vii) our expectations regarding our mortgage business and any related commitments or exposures; (viii) the expected outcome and impact of legal, regulatory and legislative developments, as well as our expectations regarding compliance therewith; (ix) future common stock dividends, common share repurchases and other uses of capital; (x) our targeted range for return on assets, return on equity, and return on tangible common equity; (xi) expectations regarding our effective income tax rate; (xii) the outcome of contingencies, such as legal actions; (xiii) environmental, social and governance related goals or commitments; and (xiv) 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 may 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 additional information about factors that could cause actual results to differ materially from our expectations, refer to the “Forward-Looking Statements” section in Management’s Discussion and Analysis in our 2023 Form 10-K, as well as to our other reports filed with the Securities and Exchange Commission and available on its website at www.sec.gov[1], including the discussion under “Risk Factors” in our 2023 Form 10-K.

[1] We do not control this website. Wells Fargo has provided this link for your convenience, but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.