



Wells Fargo & Company

Net Stable Funding Ratio Disclosure

For the quarters ended June 30, 2024 and March 31, 2024

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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 Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (second quarter 2024 Form 10-Q) and 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 127% for the quarter ended June 30, 2024 (second quarter 2024) and 128% for the quarter ended March 31, 2024 (first quarter 2024), which exceeded the regulatory minimum threshold of 100%. The excess of the average weighted amount of ASF over the average weighted amount of RSF for second quarter 2024 and first quarter 2024 was \$265 billion and \$275 billion, respectively.

The quarterly average NSFR decreased 1% from the prior quarter, primarily due to an increase in the amount of subsidiary funding excluded from the consolidated entity.

	Average for quarter ended		
(in millions, except ratio)	June 30, 2024	March 31, 2024	June 30, 2023
Available Stable Funding (1)	\$ 1,233,535	\$ 1,260,737	\$ 1,257,039
Required Stable Funding	968,982	985,514	998,135
Net Stable Funding Ratio	127%	128%	126%

(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 & Investment Management.

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 second quarter 2024 Form 10-Q and 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;
- Netting of certain receivables and payables based on requirements specified in the Rule; and
- Maturity requirements which apply the earliest possible maturity date to an NSFR liability and the latest possible maturity date to an asset.

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.

The daily calculation of NSFR is evaluated against the minimum threshold of 100%. Regulatory guidance indicates that during certain periods of systemic or idiosyncratic stress, it would be acceptable to fall below the minimum NSFR requirement.

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 April 1 to June 30, 2024.

Table 2: Net Stable Funding Ratio (1)

Quarter ended June 30, 2024 (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:	-	23,760	12,520	157,106	196,886	360,252
2 NSFR regulatory capital	-	-	-	16,803	196,886	213,688
3 Other capital elements and securities	-	23,760	12,520	140,304	-	146,564
4 Retail Funding:	857,907	27,884	32,755	23,515	-	816,848
5 Stable deposits	541,053	-	-	-	-	514,001
6 Less stable deposits	229,771	-	-	-	-	206,794
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits	84,109	27,265	32,755	23,515	-	94,256
8 Other retail funding	2,974	619	-	-	-	1,797
9 Wholesale funding:	384,798	97,627	11,459	2,141	-	192,632
10 Operational deposits	275,210	-	-	-	-	137,605
11 Other Wholesale Funding	109,589	97,627	11,459	2,141	-	55,027
Other liabilities:						
12 NSFR derivatives liability amount					-	-
13 Total derivatives liability amount					30,102	-
14 All other liabilities not included in the above categories	31,369	11,676	897	4,724	-	5,173
15 TOTAL ASF (2)						1,233,535
Required Stable Funding (RSF)						
16 Total High Quality Liquid Assets (HQLA)	194,334	16,156	7,294	388,354	2,685	41,151
17 Level 1 liquid assets	194,280	14,624	6,012	173,468	1	5,076
18 Level 2A liquid assets	5	387	1,037	212,966	3	32,858
19 Level 2B liquid assets	49	1,145	245	1,919	2,680	3,217
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	8,173	17,326	-	-	-	-
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	3,116	16	-	-	-	1,566
22 Loans and securities:	47,118	147,158	96,719	731,352	79,928	767,303
23 Loans to financial sector entities secured by level 1 liquid assets	9,384	24,270	-	-	-	310
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	15,401	28,487	15,796	37,179	-	52,120
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	22,333	73,280	55,604	282,866	52,516	361,863
26 Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 21)	-	688	612	1,451	-	1,614
27 Retail mortgages	-	19,864	22,394	330,103	-	257,015
28 Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 21)	-	3,203	3,419	233,231	-	156,850
29 Securities that do not qualify as HQLA:	-	1,256	2,925	81,204	27,412	95,995
Other Assets:						
30 Commodities					2,518	2,518
31 Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements					13,524	11,496
32 NSFR derivatives asset amount					9,833	9,833
33 Total derivatives asset amount					25,465	-
34 RSF for potential derivatives portfolio valuation changes					34,973	1,749
35 All other assets not included in the above categories, including nonperforming assets	15,787	763	7	83,376	26,616	109,992
36 Undrawn Commitments:	467,493	-	-	-	-	23,375
37 TOTAL RSF prior to application of required stable funding adjustment percentage						968,982
38 Required stable funding adjustment percentage						100%
39 Total adjusted RSF						968,982
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.

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 January 1 to March 31, 2024.

Table 3: Net Stable Funding Ratio (1)

Quarter ended March 31, 2024 (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:	-	22,419	17,368	157,145	201,496	367,325
2	NSFR regulatory capital	-	-	-	17,476	201,496	218,973
3	Other capital elements and securities	-	22,419	17,368	139,669	-	148,353
4	Retail Funding:	848,478	30,998	29,310	27,090	-	814,588
5	Stable deposits	538,044	-	-	-	-	511,142
6	Less stable deposits	229,350	-	-	-	-	206,415
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	77,981	30,382	29,310	27,090	-	95,172
8	Other retail funding	3,102	617	-	-	-	1,859
9	Wholesale funding:	380,733	84,479	18,145	14,316	-	205,009
10	Operational deposits	260,828	-	-	-	-	130,414
11	Other Wholesale Funding	119,905	84,479	18,145	14,316	-	74,595
Other liabilities:							
12	NSFR derivatives liability amount					-	-
13	Total derivatives liability amount					27,881	-
14	All other liabilities not included in the above categories	29,920	12,187	1,307	4,393	-	5,046
15	TOTAL ASF (2)						1,260,737
Required Stable Funding (RSF)							
16	Total High Quality Liquid Assets	205,295	15,377	10,025	372,913	1,620	39,776
17	Level 1 liquid assets	205,229	13,848	9,002	156,972	6	4,226
18	Level 2A liquid assets	8	460	859	213,970	8	33,023
19	Level 2B liquid assets	58	1,069	164	1,972	1,606	2,527
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries	8,412	17,104	-	-	-	-
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	3,423	16	1	-	-	1,720
22	Loans and securities:	48,677	147,086	89,664	752,817	77,065	786,337
23	Loans to financial sector entities secured by level 1 liquid assets	9,944	20,297	-	-	-	353
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	17,433	27,767	12,546	30,004	-	43,469
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	21,301	79,080	54,726	298,023	51,597	375,487
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 21)	-	289	536	958	-	1,048
27	Retail mortgages	-	18,922	19,937	337,494	-	267,765
28	Of which: With a risk weight of no greater than 50 percent under Regulation Q (12 CFR part 21)	-	3,233	3,401	235,525	-	164,907
29	Securities that do not qualify as HQLA:	-	1,019	2,456	87,296	25,468	99,263
Other Assets:							
30	Commodities					1,826	1,826
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss sharing arrangements					12,224	12,224
32	NSFR derivatives asset amount					9,210	9,210
33	Total derivatives asset amount					23,584	-
34	RSF for potential derivatives portfolio valuation changes					32,409	1,620
35	All other assets not included in the above categories, including nonperforming assets	12,732	1,295	-	82,916	26,272	109,189
36	Undrawn Commitments:	472,226	-	-	-	-	23,611
37	TOTAL RSF prior to application of required stable funding adjustment percentage						985,514
38	Required stable funding adjustment percentage						100%
39	Total adjusted RSF						985,514
40	NET STABLE FUNDING RATIO:						128%

(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 \$1,234 billion in second quarter 2024, from \$1,261 billion in first quarter 2024, primarily due to an increase in the amount of subsidiary funding excluded from the consolidated entity combined with a decrease in Wholesale Funding.

The primary source of our ASF comes from retail funding which averaged \$817 billion and \$815 billion in second quarter 2024 and first quarter 2024, respectively. Retail funding is primarily composed of stable deposits, which include fully insured deposits, and averaged \$514 billion and \$511 billion in second quarter 2024 and first quarter 2024, respectively. Less stable deposits, which averaged \$207 billion and \$206 billion in second quarter 2024 and first quarter 2024, respectively, are a major portion of retail funding.

Wholesale funding was also a large portion of ASF averaging \$193 billion and \$205 billion for second quarter 2024 and first quarter 2024, respectively. As shown in Table 2 and Table 3, our average weighted ASF from wholesale funding primarily consists of wholesale operational deposits. ASF from operational deposits was \$138 billion and \$130 billion for second quarter 2024 and first quarter 2024, 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.

Capital and securities accounted for \$360 billion and \$367 billion of second quarter 2024 and first quarter 2024 average weighted ASF, respectively. NSFR regulatory capital, which averaged \$214 billion in second quarter 2024 and \$219 billion in first quarter 2024, 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 \$147 billion and \$148 billion in second quarter 2024 and first quarter 2024, respectively, is predominantly made up of senior unsecured debt.

RSF Components

As shown in Table 2 and Table 3, average weighted Total RSF decreased to \$969 billion in second quarter 2024, from \$986 billion in first quarter 2024, primarily due to a reduction in encumbered loans and securities that do not qualify as HQLA.

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 \$362 billion and \$375 billion for second quarter 2024 and first quarter 2024, respectively. The majority of these loans consist of secured loans.

RSF from retail mortgages was \$257 billion and \$268 billion in second quarter 2024 and first quarter 2024, respectively. 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 make up the majority of the total.

RSF from securities that do not qualify as HQLA was \$96 billion and \$99 billion for second quarter 2024 and first quarter 2024, respectively. Securities that do not qualify as HQLA include trading and investment portfolio debt and equity assets.

Total HQLA represent large, unweighted balances, but the RSF weighted amounts are lower reflecting their lower risk. Level 2A assets of \$33 billion for both second quarter 2024 and first quarter 2024 made up substantially all of our Total HQLA amount.

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 expectations regarding noninterest expense and our 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 second quarter 2024 Form 10-Q, as well as to our other reports filed with the Securities and Exchange Commission and available on its website at www.sec.gov¹, including the discussion under “Risk Factors” in our 2023 Form 10-K.

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