Barclays 2019 Global Financial Services Conference

September 9, 2019

John Shrewsberry
Chief Financial Officer
Our Vision
We want to satisfy our customers’ financial needs and help them succeed financially.

Our Values
- What’s right for customers
- People as a competitive advantage
- Ethics
- Diversity and inclusion
- Leadership

Our Goals
We want to become the financial services leader in these areas:

<table>
<thead>
<tr>
<th>Customer service and advice</th>
<th>Team member engagement</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk management</td>
<td>Corporate citizenship</td>
<td>Shareholder value</td>
</tr>
</tbody>
</table>
Building from a strong foundation

- Revenue: 58% net interest income and 42% noninterest income
- Loan portfolio: 54% commercial and 46% consumer
- Branches in more states and ~2x as many markets as peers
- Over 13,000 card-free ATMs
- 30.0 million digital active customers as of May 2019
- Mobile active customers up 8% year-over-year (YoY) as of May 2019
- 70+ million customers
- Serving one in three U.S. households
- Ranked #25 in 2019 LinkedIn Top Companies list
- Voluntary team member attrition in 2018 at its lowest level in 6 years
- #1 in retail deposits(1)
- $1.3 trillion in average deposits in 2Q19 at average cost of 70 bps
- $423 billion credit and debit card purchase volume
- #1 Residential mortgage originator, CRE and small business lender(2)
- Net charge-offs of 0.28% of average loans (annualized) in 2Q19
- Nonaccrual loans in 2Q19 down 17% from 2Q18
- Over $21 billion in earnings for six straight years
- 13.26% ROE and 15.78% ROTCE(3) in 2Q19
- Common Equity Tier 1 ratio (fully phased-in) of 12.0% at 6/30/19(4)
- Returned $25.8 billion to shareholders, up 78% from 2017

All data is for full year 2018, unless otherwise noted. (1) FDIC data, SNL Financial, as of June 2018. Retail deposit data is pro forma for acquisitions and caps deposits at $1 billion in a single banking branch and excludes credit union deposits. (2) Residential mortgage originator based on Inside Mortgage Finance, 2018. Commercial Real Estate (CRE) based on 2018 U.S. commercial real estate originations, MBA Commercial Real Estate/Multifamily Finance Firms, 12/31/18. Small Business lender based on U.S. dollars per Community Reinvestment Act data, 2017. (3) Tangible common equity is a non-GAAP financial measure and represents total equity less preferred equity, noncontrolling interests, and goodwill and certain identifiable intangible assets (including goodwill and intangible assets associated with certain of our nonmarketable equity securities but excluding mortgage servicing rights), net of applicable deferred taxes. The methodology of determining tangible common equity may differ among companies. Management believes that return on average tangible common equity, which utilizes tangible common equity, is a useful financial measure because it enables investors and others to assess the Company's use of equity. For additional information, including a corresponding reconciliation to GAAP financial measures, see page 13. (4) Fully phased-in capital ratios are calculated assuming the full phase-in of the Basel III capital rules. See page 14 for additional information regarding capital ratios.
2Q19 Earnings

- Earnings of $6.2 billion and diluted earnings per common share (EPS) of $1.30
- Revenue relatively stable linked quarter (LQ)
  - Net interest income down 2%
  - Noninterest income up 2%
- Credit quality
  - Net charge-offs of 28 bps of average loans (annualized), down 2 bps LQ
  - $150 million reserve release \(^{(1)}\)
- Capital position and return
  - Common Equity Tier 1 ratio (fully phased-in) of 12.0% at 6/30/19 \(^{(2)}\) well above both the regulatory minimum and our current internal target of 10%
  - Returned $6.1 billion to shareholders through common stock dividends and net share repurchases in 2Q19
  - Received a non-objection to our 2019 Capital Plan submission from the Federal Reserve

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\(^{(1)}\) Reserve build represents the amount by which the provision for credit losses exceeds net charge-offs, while reserve release represents the amount by which net charge-offs exceed the provision for credit losses.

\(^{(2)}\) Fully phased-in capital ratios are calculated assuming the full phase-in of the Basel III capital rules. See page 14 for additional information regarding capital ratios.
2Q19 business momentum with strong customer activity

- Customer Loyalty’ and ‘Overall Satisfaction with Most Recent Visit’ branch survey scores in June reached highest levels in more than 3 years
- Year-over-year (YoY) growth in period-end loans and deposits
  - Loans up 1% on growth in commercial & industrial loans, consumer real estate first mortgage loans and credit card loans
  - Deposits up 2%
- Primary consumer checking customers (1) up 1.3% YoY; the 4Q18 sale of 52 branches reduced the growth rate by 0.4%
- Increased debit and credit card usage YoY
  - Debit card point-of-sale (POS) purchase volume (2) up 6%
  - Consumer general purpose credit card POS purchase volume up 6%
  - Commercial card spend volume up 6%
- Higher loan originations in first mortgage and auto YoY
  - Home lending originations of $53 billion, up 6%
    - First mortgage loan originations held-for-investment of $19.8 billion, up 61%
  - Consumer auto originations of $6.3 billion, up 43%
- Closed referred investment assets (referrals resulting from the WIM/Community Banking partnership) of $2.7 billion, up 12% LQ and 1% YoY
- YTD U.S. investment banking market share of 3.5% (3) vs. YTD 2018 of 3.3% (3) and full year 2018 of 3.2% (3) on market share expansion in loan syndications, high grade and advisory

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(1) Customers who actively use their checking account with transactions such as debit card purchases, online bill payments, and direct deposit, reported on a one-month lag from reported quarter-end so as of May 2019 compared with May 2018. (2) Combined consumer and business debit card purchase volume dollars. (3) Year-to-date (YTD) through June. Source: Dealogic U.S. investment banking fee market share.
Revenue stable YoY

- Net interest income down $446 million YoY, or 4%
  - YoY decrease reflected the lower interest rate environment including the unfavorable impacts from growth, mix and repricing, and lower variable sources of interest income

- Noninterest income up $477 million YoY, or 5%
  - YoY increase driven by higher deposit service charges, net gains from trading activities, card fees, and other income which included a $721 million gain on the sale of Pick-a-Pay purchased credit-impaired (PCI) loans compared with a $479 million gain in 2Q18
Current interest rate curves and implied forwards

- Interest rates have continued to rally since the start of the year and our net interest income expectations have trended down throughout 2019.
- Compared to when we announced second quarter earnings in July, the market is pricing in lower fed funds, lower long end rates and a flatter yield curve.

Yield Curve Levels and Shape

Market Expectations for December 2019
Rates as of July 16 and August 30

Spread (10Y - 2Y) in bps
- 2Y CMT
- 10Y CMT
- Fed Funds Effective

CMT = constant maturity treasury rate.
Net interest income expectations

2019 Net interest income (NII) expectation

- If rates remain within the existing range of market expectations, our current expectation is for full year 2019 NII to down ~6% from full year 2018
  - Current expectations are for 2H19 net interest income to be down ~$1.8 billion from 1H19

- 1H19 net interest income results and 2H19 NII expectations reflect the impacts of a lower absolute level of interest rates and a flatter yield curve, as well as strategic asset sales

- The yield curve dynamics impact our assets, investments and deposit pricing
  - Assets repricing down
    - Slightly more than 50% of loans were variable rate as of 6/30/19; roughly 80% of variable rate loans were tied to LIBOR, and largely skewed to 1 month LIBOR
    - Mortgage loans refinancing at lower rates are partially offset by mortgage spreads widening
  - Lagged deposit pricing
    - Retail deposit costs only recently started moving up
    - Our ability to reprice deposits down in a declining rate environment will be challenging and heavily influenced by the magnitude of future rate cuts, as well as the competitive environment
  - Higher prepaes driving mortgage-backed securities (MBS) premium amortization

- Asset sales, including sales of above market rate purchased credit-impaired Pick-a-Pay loans, reduce risk but result in lower average loan yields
Mortgage banking

### Mortgage originations and applications
- 2018 mortgage industry originations were down 4% from 2017 \(^{(1)}\), while Mortgage Bankers Association (MBA) forecast for 2019 is for a 15% increase from 2018 reflecting an estimated 38% increase in refinance originations \(^{(1)}\).
- 2Q19 first mortgage applications of $90 billion, up 41% LQ and 34% YoY; strong application volumes have continued through August.

### Mortgage production margin
- 2Q19 production margin on residential held-for-sale mortgage loan originations \(^{(2)}\) of 0.98%, down 7 bps LQ but up 21 bps YoY.

### Mortgage servicing
- 1H19 net servicing income of $641 million, down 27% from 1H18.

#### 3Q19 expectations
- Expect 3Q19 mortgage originations to be up from 2Q19 on higher refinance volumes; 3Q19 production margin expected to be up from 2Q19 driven by higher retail margins.
- Lower long-term interest rates have resulted in accelerated payoffs creating a headwind to mortgage servicing results.

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\(^{(1)}\) Source: Mortgage Bankers Association, finance forecast as of August 15, 2019.

\(^{(2)}\) Production margin represents net gains on residential mortgage loan origination/sales activities divided by total residential held-for-sale mortgage originations.
2019 expense target

- We are working hard to deliver on our 2019 expense target of $52.0-$53.0 billion and currently expect 2019 noninterest expense to be near the high-end of the range as expense efficiencies are being offset by higher ongoing investment spend.

- Our 2019 expense target excludes:
  - Annual operating losses in excess of $600 million, such as litigation and remediation accruals and penalties.
  - Deferred compensation expense, which is subject to market fluctuations and is P&L neutral ($471 million expense in first half of 2019 vs. $242 million benefit in FY18).

- Factors impacting expenses include:
  - As part of our regulatory-related spending, investments in risk management including compliance and operational risk, as well as data and technology, have exceeded expectations and are anticipated to continue.
  - Elevated revenue-related expenses due to, among other things, strength in mortgage banking and in the capital markets. We do not want to forgo revenue to manage to an expense target.

(1) 1H 2019 = first half of 2019 results through June 30.
Capital

**Common Equity Tier 1 Ratio (Fully Phased-In) (1)**

<table>
<thead>
<tr>
<th></th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
<th>2Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>12.0%</td>
<td>11.9%</td>
<td>11.7%</td>
<td>11.9%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

- Announced 9/16/19 partial redemption of non-cumulative perpetual Class A Preferred Stock, Series K
  - Expected to reduce 3Q19 EPS by ~$0.05 as a result of eliminating the recorded discount

**Capital Position**
- Common Equity Tier 1 ratio (fully phased-in) of 12.0% at 6/30/19 (1) was well above both the regulatory minimum of 9% and our current internal target of 10%

**Capital Return**
- Received a non-objection to our 2019 Capital Plan submission from the Federal Reserve
- Period-end common shares outstanding down 92.4 million shares, or 2%, LQ
  - Settled 104.9 million common share repurchases
  - Issued 12.5 million common shares
- Continued de-risking of the balance sheet and consistent level of profitability have contributed to capital levels well above regulatory requirements and internal targets, enabling significant capital returns to shareholders
  - Returned $6.1 billion to shareholders in 2Q19, up 52% YoY
    - Net share repurchases of $4.1 billion, 1.9x net share repurchases in 2Q18
    - Quarterly common stock dividend of $0.45 per share, up 15% YoY

**Total Loss Absorbing Capacity (TLAC) Update**
- As of 6/30/19, our eligible external TLAC as a percentage of total risk-weighted assets was 24.1% compared with the required minimum of 22.0%

(1) Fully phased-in capital ratios are calculated assuming the full phase-in of the Basel III capital rules. See page 14 for additional information regarding the Common Equity Tier 1 capital ratio.
Appendix
# Return on average tangible common equity (ROTCE)

Wells Fargo & Company and Subsidiaries  
**TANGIBLE COMMON EQUITY (1)**  

<table>
<thead>
<tr>
<th>(in millions, except ratios)</th>
<th>Quarter ended Jun 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on average tangible common equity (1):</td>
<td></td>
</tr>
<tr>
<td>Net income applicable to common stock</td>
<td>(A)</td>
</tr>
<tr>
<td>Average total equity</td>
<td></td>
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<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital on ESOP preferred stock</td>
<td></td>
</tr>
<tr>
<td>Unearned ESOP shares</td>
<td></td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td></td>
</tr>
<tr>
<td>Average common stockholders’ equity</td>
<td>(B)</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td></td>
</tr>
<tr>
<td>Certain identifiable intangible assets (other than MSRs)</td>
<td></td>
</tr>
<tr>
<td>Other assets (2)</td>
<td></td>
</tr>
<tr>
<td>Applicable deferred taxes (3)</td>
<td></td>
</tr>
<tr>
<td>Average tangible common equity</td>
<td>(C)</td>
</tr>
<tr>
<td>Return on average common stockholders’ equity (ROE) (annualized)</td>
<td>(A)/(B)</td>
</tr>
<tr>
<td>Return on average tangible common equity (ROTCE) (annualized)</td>
<td>(A)/(C)</td>
</tr>
</tbody>
</table>

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

(2) Represents goodwill and other intangibles on nonmarketable equity securities, which are included in other assets.

(3) Applicable deferred taxes relate to goodwill and other intangible assets. They were determined by applying the combined federal statutory rate and composite state income tax rates to the difference between book and tax basis of the respective goodwill and intangible assets at period end.
Common Equity Tier 1 (Fully Phased-In)

<table>
<thead>
<tr>
<th>Wells Fargo &amp; Company and Subsidiaries</th>
<th>COMMON EQUITY TIER 1 UNDER BASEL III (FULLY PHASEDIN) (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity</td>
<td>$200.0</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Preferred stock</td>
<td>(23.0)</td>
</tr>
<tr>
<td>Additional paid-in capital on ESOP</td>
<td></td>
</tr>
<tr>
<td>preferred stock</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Unearned ESOP shares</td>
<td>1.3</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Total common stockholders’ equity</td>
<td>177.2</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>(26.4)</td>
</tr>
<tr>
<td>Certain identifiable intangible assets (other than MSRs)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Other assets (2)</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Applicable deferred taxes (3)</td>
<td>0.8</td>
</tr>
<tr>
<td>Investment in certain subsidiaries and other</td>
<td>0.3</td>
</tr>
<tr>
<td>Common Equity Tier 1 (Fully Phased-In) under Basel III (A)</td>
<td>149.2</td>
</tr>
<tr>
<td>Total risk-weighted assets (RWAs) under Basel III (4)(5) (B)</td>
<td>$1,246.7</td>
</tr>
<tr>
<td>Common Equity Tier 1 to total RWAs under Basel III (Fully Phased-In) (A)/(B)</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

(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. 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. Beginning January 1, 2018, the requirements for calculating CET1 and tier 1 capital, along with RWAs, became fully phased-in.

(2) Represents goodwill and other intangibles on nonmarketable equity securities, which are included in other assets.

(3) Applicable deferred taxes relate to goodwill and other intangible assets. They were determined by applying the combined federal statutory rate and composite state income tax rates to the difference between book and tax basis of the respective goodwill and intangible assets at period end.

(4) 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. The capital ratio for June 30, 2019, and March 31, December 31, September 30 and June 30, 2018, was calculated under the Basel III Standardized Approach RWAs.
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 or liquidity 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, return on equity, and return on tangible common 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 second quarter 2019 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, 2018.