

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-2979

**WELLS FARGO & COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of incorporation)

**No. 41-0449260**  
(I.R.S. Employer Identification No.)

**420 Montgomery Street, San Francisco, California 94104**

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **1-866-249-3302**

**Securities registered pursuant to Section 12(b) of the Act:**

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$1-2/3	WFC	New York Stock Exchange (NYSE)
7.5% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L	WFC.PRL	NYSE
Depository Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series Y	WFC.PRY	NYSE
Depository Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series Z	WFC.PRZ	NYSE
Depository Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series AA	WFC.PRA	NYSE
Depository Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series CC	WFC.PRC	NYSE
Depository Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series DD	WFC.PRD	NYSE
Guarantee of Medium-Term Notes, Series A, due October 30, 2028 of Wells Fargo Finance LLC	WFC/28A	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

	Shares Outstanding
Common stock, \$1-2/3 par value	April 23, 2024 3,486,315,358

**FORM 10-Q**  
**CROSS-REFERENCE INDEX**

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## FINANCIAL REVIEW

### Summary Financial Data

(\$ in millions, except ratios and per share amounts)	Quarter ended				Mar 31, 2024
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023	Dec 31, 2023	% Change from Mar 31, 2023
<b>Selected Income Statement Data</b>					
Total revenue	\$ 20,863	20,478	20,729	2%	1
Noninterest expense	14,338	15,786	13,676	(9)	5
Pre-tax pre-provision profit (PTPP) (1)	6,525	4,692	7,053	39	(7)
Provision for credit losses (2)	938	1,282	1,207	(27)	(22)
Wells Fargo net income	4,619	3,446	4,991	34	(7)
Wells Fargo net income applicable to common stock	4,313	3,160	4,713	36	(8)
<b>Common Share Data</b>					
Diluted earnings per common share	1.20	0.86	1.23	40	(2)
Dividends declared per common share	0.35	0.35	0.30	-	17
Common shares outstanding	3,501.7	3,598.9	3,763.2	(3)	(7)
Average common shares outstanding	3,560.1	3,620.9	3,785.6	(2)	(6)
Diluted average common shares outstanding	3,600.1	3,657.0	3,818.7	(2)	(6)
Book value per common share (3)	\$ 46.40	46.25	43.02	-	8
Tangible book value per common share (3)(4)	39.17	39.23	35.87	-	9
<b>Selected Equity Data (period-end)</b>					
Total equity	182,674	187,443	183,220	(3)	-
Common stockholders' equity	162,481	166,444	161,893	(2)	-
Tangible common equity (4)	137,163	141,193	134,992	(3)	2
<b>Performance Ratios</b>					
Return on average assets (ROA) (5)	0.97 %	0.72	1.09		
Return on average equity (ROE) (6)	10.5	7.6	11.7		
Return on average tangible common equity (ROTCE) (4)	12.3	9.0	14.0		
Efficiency ratio (7)	69	77	66		
Net interest margin on a taxable-equivalent basis	2.81	2.92	3.20		
<b>Selected Balance Sheet Data (average)</b>					
Loans	\$ 928,075	938,041	948,651	(1)	(2)
Assets	1,916,974	1,907,535	1,863,676	-	3
Deposits	1,341,628	1,340,916	1,356,694	-	(1)
<b>Selected Balance Sheet Data (period-end)</b>					
Debt securities	506,280	490,458	511,597	3	(1)
Loans	922,784	936,682	947,991	(1)	(3)
Allowance for credit losses for loans	14,862	15,088	13,705	(1)	8
Equity securities	59,556	57,336	60,610	4	(2)
Assets	1,959,153	1,932,468	1,886,400	1	4
Deposits	1,383,147	1,358,173	1,362,629	2	2
Headcount (#) (period-end)	224,824	225,869	235,591	-	(5)
<b>Capital and Other Metrics</b>					
Risk-based capital ratios and components (8):					
Standardized Approach:					
Common Equity Tier 1 (CET1)	11.19 %	11.43	10.81		
Tier 1 capital	12.68	12.98	12.34		
Total capital	15.40	15.67	15.09		
Risk-weighted assets (RWAs) (in billions)	\$ 1,221.6	1,231.7	1,243.8	(1)	(2)
Advanced Approach:					
Common Equity Tier 1 (CET1)	12.43 %	12.63	12.03		
Tier 1 capital	14.09	14.34	13.73		
Total capital	16.17	16.40	15.92		
Risk-weighted assets (RWAs) (in billions)	\$ 1,099.6	1,114.3	1,117.9	(1)	(2)
Tier 1 leverage ratio	8.20 %	8.50	8.36		
Supplementary Leverage Ratio (SLR)	6.85	7.09	6.96		
Total Loss Absorbing Capacity (TLAC) Ratio (9)	25.10	25.05	23.34		
Liquidity Coverage Ratio (LCR) (10)	126	125	122		

- (1) Pre-tax pre-provision profit (PTPP) is total revenue less noninterest expense. Management believes that 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.
- (2) Includes provision for credit losses for loans, debt securities, and other financial assets.
- (3) Book value per common share is common stockholders' equity divided by common shares outstanding. Tangible book value per common share is tangible common equity divided by common shares outstanding.
- (4) Tangible common equity is a non-GAAP financial measure and represents total equity less preferred equity, noncontrolling interests, goodwill, certain identifiable intangible assets (other than mortgage servicing rights) and goodwill and other intangibles on investments in consolidated portfolio companies, 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 and tangible book value per common share, which utilize tangible common equity, are useful financial measures because they enable management, investors, and others to assess the Company's use of equity. For additional information, including a corresponding reconciliation to generally accepted accounting principles (GAAP) financial measures, see the "Capital Management - Tangible Common Equity" section in this Report.
- (5) Represents Wells Fargo net income divided by average assets.
- (6) Represents Wells Fargo net income applicable to common stock divided by average common stockholders' equity.
- (7) The efficiency ratio is noninterest expense divided by total revenue (net interest income and noninterest income).
- (8) For additional information, see the "Capital Management" section and Note 22 (Regulatory Capital Requirements and Other Restrictions) to Financial Statements in this Report.
- (9) Represents TLAC divided by RWAs, which is our binding TLAC ratio, determined by using the greater of RWAs under the Standardized and Advanced Approaches.
- (10) Represents average high-quality liquid assets divided by average projected net cash outflows, as each is defined under the LCR rule.

*This Quarterly Report, including the Financial Review and the Financial Statements and related Notes, contains forward-looking statements, which may include forecasts of our financial results and condition, expectations for our operations and business, and our assumptions for those forecasts and expectations. Do not unduly rely on forward-looking statements. Actual results may differ materially from our forward-looking statements due to several factors. Factors that could cause our actual results to differ materially from our forward-looking statements are described in this Report, including in the "Forward-Looking Statements" section, and in the "Risk Factors" and "Regulation and Supervision" sections of our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K).*

When we refer to "Wells Fargo," "the Company," "we," "our," or "us" in this Report, we mean Wells Fargo & Company and Subsidiaries (consolidated). When we refer to the "Parent," we mean Wells Fargo & Company. See the "Glossary of Acronyms" for definitions of terms used throughout this Report.

## Financial Review

### Overview

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Wells Fargo & Company is a leading financial services company that has approximately \$1.96 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 ranked No. 47 on Fortune's 2023 rankings of America's largest corporations. We ranked fourth in assets and third in the market value of our common stock among all U.S. banks at March 31, 2024.

Wells Fargo's top priority remains building a risk and control infrastructure appropriate for its size and complexity. The Company is subject to a number of consent orders and other regulatory actions, some of which are described below. These regulatory actions may require the Company, among other things, to undertake certain changes to its business, operations, products and services, and risk management practices. Addressing these regulatory actions is expected to take multiple years, and we are likely to continue to experience issues or delays along the way in satisfying their requirements. We are also likely to continue to identify more issues as we implement our risk and control infrastructure, which may result in additional regulatory actions. Regulators have indicated the potential for escalating consequences for banks that do not timely resolve open issues or have repeat issues. Furthermore, issues or delays with one regulatory action could affect our progress on others. Failure to satisfy the requirements of a regulatory action on a timely basis could result in additional fines, penalties, business restrictions, limitations on subsidiary capital distributions, increased capital or liquidity requirements, enforcement actions, and other adverse consequences, which could be significant. While we still have significant work to do and have not yet satisfied certain aspects of these regulatory actions, the Company is committed to devoting the resources necessary to operate with strong business practices and controls, maintain the highest level of integrity, and have an appropriate culture in place.

#### **Federal Reserve Board Consent Order Regarding Governance Oversight and Compliance and Operational Risk Management**

On February 2, 2018, the Company entered into a consent order with the Board of Governors of the Federal Reserve System (FRB). As required by the consent order, the Company's Board of Directors (Board) submitted to the FRB a plan to further enhance the Board's governance and oversight of the Company, and the Company submitted to the FRB a plan to further improve the Company's compliance and operational risk management program. The Company continues to engage with the FRB as the

Company works to address the consent order provisions. The consent order also requires the Company, following the FRB's acceptance and approval of the plans and the Company's adoption and implementation of the plans, to complete an initial third-party review of the enhancements and improvements provided for in the plans. Until this third-party review is complete and the plans are adopted and implemented to the satisfaction of the FRB, the Company's total consolidated assets as defined under the consent order will be limited to the level as of December 31, 2017. Compliance with this asset cap is measured on a two-quarter daily average basis to allow for management of temporary fluctuations. After removal of the asset cap, a second third-party review must also be conducted to assess the efficacy and sustainability of the enhancements and improvements.

#### **Consent Orders with the Consumer Financial Protection Bureau and Office of the Comptroller of the Currency Regarding Compliance Risk Management Program, Automobile Collateral Protection Insurance Policies, and Mortgage Interest Rate Lock Extensions**

On April 20, 2018, the Company entered into consent orders with the Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC) to pay an aggregate of \$1 billion in civil money penalties to resolve matters regarding the Company's compliance risk management program and past practices involving certain automobile collateral protection insurance policies and certain mortgage interest rate lock extensions. As required by the consent orders, the Company submitted to the CFPB and OCC an enterprise-wide compliance risk management plan and a plan to enhance the Company's internal audit program with respect to federal consumer financial law and the terms of the consent orders. In addition, as required by the consent orders, the Company submitted for non-objection plans to remediate customers affected by the automobile collateral protection insurance and mortgage interest rate lock matters, as well as a plan for the management of remediation activities conducted by the Company. The Company continues to work to address the provisions of the consent orders. On September 9, 2021, the OCC assessed a \$250 million civil money penalty against the Company related to insufficient progress in addressing requirements under the OCC's April 2018 consent order and loss mitigation activities in the Company's Home Lending business. On December 20, 2022, the CFPB modified its consent order to clarify how it would terminate.

## Overview (continued)

### Consent Order with the OCC Regarding Loss Mitigation Activities

On September 9, 2021, the Company entered into a consent order with the OCC requiring the Company to improve the execution, risk management, and oversight of loss mitigation activities in its Home Lending business. In addition, the consent order restricts the Company from acquiring certain third-party residential mortgage servicing and limits transfers of certain mortgage loans requiring customer remediation out of the Company's mortgage servicing portfolio until remediation is provided.

### Consent Order with the CFPB Regarding Automobile Lending, Consumer Deposit Accounts, and Mortgage Lending

On December 20, 2022, the Company entered into a consent order with the CFPB requiring the Company to provide customer remediation for multiple matters related to automobile lending, consumer deposit accounts, and mortgage lending; maintain practices designed to ensure auto lending customers receive refunds for the unused portion of certain guaranteed automobile protection agreements; comply with certain business practice requirements related to consumer deposit accounts; and pay a \$1.7 billion civil penalty to the CFPB. The required actions related to many of these matters were already substantially complete at the time we entered into the consent order, and the consent order lays out a path to termination after the Company completes the remainder of the required actions.

### Customer Remediation Activities

Our work to build a better company has included an effort to identify areas or instances where customers may have experienced financial harm, provide remediation as appropriate, and implement additional operational and control procedures. We are working with our regulatory agencies in this effort.

We have accrued for the probable and estimable costs related to our customer remediation activities, which amounts may change based on additional facts and information, as well as ongoing reviews and communications with our regulators. We had \$1.0 billion and \$819 million of accrued liabilities for customer remediation activities as of March 31, 2024, and December 31, 2023, respectively. As our ongoing reviews continue and as we continue to strengthen our risk and control infrastructure, we have identified and may in the future identify additional items or areas of potential concern. To the extent issues are identified, we will continue to assess any customer harm and provide remediation as appropriate.

### Recent Developments

#### **Federal Deposit Insurance Corporation Special Assessment**

In November 2023, the Federal Deposit Insurance Corporation (FDIC) finalized a rule to recover losses to the FDIC deposit insurance fund as a result of bank failures in the first half of 2023. Under the rule, the FDIC will collect a special assessment based on an insured depository institution's estimated amount of uninsured deposits. Upon the FDIC's finalization of the rule, we expensed an estimated amount of our special assessment of \$1.9 billion (pre-tax) in fourth quarter 2023. Subsequent to the filing of our 2023 Form 10-K, the FDIC provided an update on losses to the deposit insurance fund, and we expensed an additional \$284 million (pre-tax) in first quarter 2024 for the estimated amount of the special assessment. We expect the ultimate amount of the special assessment may continue to change as the FDIC determines the actual net losses to the deposit insurance fund.

#### **Overdraft Fees Proposal**

On January 17, 2024, the CFPB issued a proposed rule that would limit overdraft fees charged by certain banks. We expect a significant reduction to our overdraft fees, which are included in deposit-related fees, if the rule is adopted as currently proposed.

#### **Debit Card Interchange Fees Proposal**

On October 25, 2023, the FRB issued a proposed rule that would reduce the amount of debit card interchange fees received by debit card issuers. In addition, the proposed rule would allow for an update to the debit card interchange fee cap every other year based on an analysis of certain costs incurred by debit card issuers. We expect a significant reduction to our debit card interchange fees, which are included in card fees, if the rule is adopted as currently proposed.

## Financial Performance

### Consolidated Financial Highlights

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Selected income statement data</b>				
Net interest income	\$ 12,227	13,336	(1,109)	(8)%
Noninterest income	8,636	7,393	1,243	17
Total revenue	20,863	20,729	134	1
Net charge-offs	1,157	564	593	105
Change in the allowance for credit losses	(219)	643	(862)	NM
Provision for credit losses (1)	938	1,207	(269)	(22)
Noninterest expense	14,338	13,676	662	5
Income tax expense	964	966	(2)	-
Wells Fargo net income	4,619	4,991	(372)	(7)
Wells Fargo net income applicable to common stock	4,313	4,713	(400)	(8)

NM - Not meaningful

(1) Includes provision for credit losses for loans, debt securities, and other financial assets.

In first quarter 2024, we generated \$4.6 billion of net income and diluted earnings per common share (EPS) of \$1.20, compared with \$5.0 billion of net income and diluted EPS of \$1.23 in the same period a year ago. Financial performance for first quarter 2024, compared with the same period a year ago, included the following:

- total revenue increased due to higher noninterest income, partially offset by lower net interest income;
- provision for credit losses reflected decreases for commercial real estate loans and auto loans, partially offset by increases for credit card loans;
- noninterest expense increased due to higher operating losses, technology, telecommunications and equipment expense, and other expense driven by the estimated FDIC special assessment, partially offset by lower professional and outside services expense;
- average loans decreased driven by a decline in loans in both our commercial and consumer loan portfolios; and
- average deposits decreased driven by reductions in Consumer Banking and Lending, Commercial Banking, and Wealth and Investment Management, partially offset by growth in Corporate and Investment Banking and Corporate.

### Capital and Liquidity

We maintained a strong capital position in first quarter 2024, with total equity of \$182.7 billion at March 31, 2024, compared with \$187.4 billion at December 31, 2023. In addition, capital and liquidity at March 31, 2024, included the following:

- our Common Equity Tier 1 (CET1) ratio was 11.19% under the Standardized Approach (our binding ratio), which continued to exceed the regulatory minimum and buffers of 8.90%;
- our total loss absorbing capacity (TLAC) as a percentage of total risk-weighted assets was 25.10%, compared with the regulatory minimum of 21.50%; and
- our liquidity coverage ratio (LCR) was 126%, which continued to exceed the regulatory minimum of 100%.

See the "Capital Management" and the "Risk Management - Asset/Liability Management - Liquidity Risk and Funding" sections in this Report for additional information regarding our capital and liquidity, including the calculation of our regulatory capital and liquidity amounts.

### Credit Quality

Credit quality reflected the following:

- The allowance for credit losses (ACL) for loans of \$14.9 billion at March 31, 2024, decreased \$226 million from December 31, 2023.
- Our provision for credit losses for loans was \$926 million in first quarter 2024, compared with \$1.1 billion in the same period a year ago. The ACL for loans and the provision for credit losses for loans reflected decreases for commercial real estate loans and auto loans, partially offset by increases for credit card loans.
- The allowance coverage for total loans was 1.61% at both March 31, 2024, and December 31, 2023.
- Commercial portfolio net loan charge-offs were \$341 million, or 25 basis points of average commercial loans, in first quarter 2024, compared with net loan charge-offs of \$63 million, or 5 basis points of average commercial loans, in the same period a year ago, due to higher losses in all commercial portfolios, primarily in our commercial real estate portfolio driven by the office property type.
- Consumer portfolio net loan charge-offs were \$808 million, or 84 basis points of average consumer loans, in first quarter 2024, compared with net loan charge-offs of \$541 million, or 56 basis points of average consumer loans, in the same period a year ago, due to higher losses in our credit card portfolio.
- Nonperforming assets (NPAs) of \$8.2 billion at March 31, 2024, decreased \$203 million, or 2%, from December 31, 2023, driven by charge-offs and paydowns of commercial real estate nonaccrual loans, predominantly within the office property type. NPAs represented 0.89% of total loans at March 31, 2024.
- Criticized loans in the commercial portfolio were \$34.4 billion at March 31, 2024, compared with \$33.0 billion at December 31, 2023, predominantly driven by an increase in criticized commercial and industrial loans.

## Earnings Performance

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Wells Fargo net income for first quarter 2024 was \$4.6 billion (\$1.20 diluted EPS), compared with \$5.0 billion (\$1.23 diluted EPS) in the same period a year ago. Net income decreased in first quarter 2024, compared with the same period a year ago, predominantly due to a \$1.1 billion decrease in net interest income and a \$662 million increase in noninterest expense, partially offset by a \$1.2 billion increase in noninterest income.

### Net Interest Income

Net interest income and net interest margin decreased in first quarter 2024, compared with the same period a year ago, driven by the impact of higher interest rates on interest-bearing deposits and long-term debt, as well as lower loan balances, partially offset by higher interest rates on interest-earning assets.

Table 1 presents the individual components of net interest income and net interest margin. Net interest income and net interest margin are presented on a taxable-equivalent basis in Table 1 to consistently reflect income from taxable and tax-exempt loans and debt and equity securities based on a 21% federal statutory tax rate for the periods ended March 31, 2024 and 2023.

For additional information about net interest income and net interest margin, see the “Earnings Performance - Net Interest Income” section in our 2023 Form 10-K.

**Table 1: Average Balances, Yields and Rates Paid (Taxable-Equivalent Basis) (1)**

(\$ in millions)	2024			2023		
	Average balance	Interest income/expense	Average interest rates	Average balance	Interest income/expense	Average interest rates
Quarter ended March 31,						
2023						
<b>Assets</b>						
Interest-earning deposits with banks	\$ 207,568	2,573	4.99 %	\$ 114,858	1,167	4.12%
Federal funds sold and securities purchased under resale agreements	69,719	914	5.28	68,633	696	4.12
Debt securities:						
Trading debt securities	112,170	1,144	4.08	96,405	801	3.33
Available-for-sale debt securities	139,986	1,396	3.99	145,894	1,282	3.54
Held-to-maturity debt securities	264,755	1,783	2.70	279,955	1,780	2.55
Total debt securities	516,911	4,323	3.35	522,254	3,863	2.97
Loans held for sale (2)	5,835	114	7.82	6,611	97	5.90
Loans:						
Commercial and industrial - U.S.	305,159	5,437	7.16	307,176	4,772	6.30
Commercial and industrial - Non-U.S.	70,434	1,277	7.29	76,101	1,134	6.04
Commercial real estate mortgage	126,295	2,103	6.70	130,845	1,949	6.04
Commercial real estate construction	23,788	488	8.24	24,229	438	7.33
Lease financing	16,363	218	5.34	14,832	172	4.63
Total commercial loans	542,039	9,523	7.06	553,183	8,465	6.20
Residential mortgage - first lien	248,259	2,144	3.45	255,018	2,088	3.28
Residential mortgage - junior lien	10,794	198	7.36	12,966	210	6.53
Credit card	51,708	1,689	13.14	45,842	1,440	12.74
Auto	47,114	584	4.98	53,065	597	4.56
Other consumer	28,161	603	8.62	28,577	545	7.74
Total consumer loans	386,036	5,218	5.42	395,468	4,880	4.98
Total loans (2)	928,075	14,741	6.38	948,651	13,345	5.69
Equity securities	21,350	150	2.82	28,651	170	2.39
Other	8,940	114	5.14	11,043	125	4.60
Total interest-earning assets	\$ 1,758,398	22,929	5.24 %	\$ 1,700,701	19,463	4.62%
Cash and due from banks	27,515	-	-	28,147	-	-
Goodwill	25,174	-	-	25,173	-	-
Other	105,887	-	-	109,655	-	-
Total noninterest-earning assets	\$ 158,576	-	-	162,975	-	-
<b>Total assets</b>	<b>\$ 1,916,974</b>	<b>22,929</b>		<b>1,863,676</b>	<b>19,463</b>	
<b>Liabilities</b>						
Deposits:						
Demand deposits	\$ 439,176	2,254	2.06 %	\$ 420,835	1,379	1.33%
Savings deposits	350,807	907	1.04	402,285	547	0.55
Time deposits	186,758	2,453	5.28	78,866	725	3.72
Deposits in non-U.S. offices	20,133	197	3.93	18,240	110	2.45
Total interest-bearing deposits	996,874	5,811	2.34	920,226	2,761	1.22
Short-term borrowings:						
Federal funds purchased and securities sold under agreements to repurchase	78,917	1,054	5.37	39,235	416	4.30
Other short-term borrowings	16,071	164	4.09	19,261	154	3.25
Total short-term borrowings	94,988	1,218	5.16	58,496	570	3.95
Long-term debt	197,116	3,349	6.80	172,567	2,511	5.83
Other liabilities	32,821	235	2.88	33,427	178	2.16
Total interest-bearing liabilities	\$ 1,321,799	10,613	3.22 %	\$ 1,184,716	6,020	2.05%
Noninterest-bearing deposits	344,754	-	-	436,468	-	-
Other noninterest-bearing liabilities	63,752	-	-	58,195	-	-
Total noninterest-bearing liabilities	\$ 408,506	-	-	494,663	-	-
<b>Total liabilities</b>	<b>\$ 1,730,305</b>	<b>10,613</b>		<b>1,679,379</b>	<b>6,020</b>	
Total equity	186,669	-	-	184,297	-	-
<b>Total liabilities and equity</b>	<b>\$ 1,916,974</b>	<b>10,613</b>		<b>1,863,676</b>	<b>6,020</b>	
<b>Interest rate spread on a taxable-equivalent basis (3)</b>			<b>2.02 %</b>			<b>2.57%</b>
<b>Net interest margin and net interest income on a taxable-equivalent basis (3)</b>		<b>\$ 12,316</b>	<b>2.81 %</b>		<b>\$ 13,443</b>	<b>3.20%</b>

(1) The average balance amounts represent amortized costs, except for certain held-to-maturity (HTM) debt securities, which exclude unamortized basis adjustments related to the transfer of those securities from available-for-sale (AFS) debt securities. The average interest rates are based on interest income or expense amounts for the period and are annualized. Interest rates and amounts include the effects of hedge and risk management activities associated with the respective asset and liability categories.

(2) Nonaccrual loans and any related income are included in their respective loan categories.

(3) Includes taxable-equivalent adjustments of \$89 million, and \$107 million for the quarters ended March 31, 2024 and 2023, respectively, predominantly related to tax-exempt income on certain loans and securities.



## Earnings Performance (continued)

### Noninterest Income

**Table 2: Noninterest Income**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
Deposit-related fees	\$ 1,230	1,148	82	7%
Lending-related fees	367	356	11	3
Investment advisory and other asset-based fees	2,331	2,114	217	10
Commissions and brokerage services fees	626	619	7	1
Investment banking fees	627	326	301	92
Card fees	1,061	1,033	28	3
Net servicing income	125	112	13	12
Net gains on mortgage loan originations/sales	105	120	(15)	(13)
Mortgage banking	230	232	(2)	(1)
Net gains from trading activities	1,454	1,342	112	8
Net losses from debt securities	(25)	-	(25)	NM
Net gains (losses) from equity securities	18	(357)	375	105
Lease income	421	347	74	21
Other	296	233	63	27
<b>Total</b>	<b>\$ 8,636</b>	<b>7,393</b>	<b>1,243</b>	<b>17</b>

NM - Not meaningful

#### First quarter 2024 vs. first quarter 2023

**Deposit-related fees** increased reflecting higher treasury management fees on commercial accounts driven by increased transaction service volumes and repricing.

**Investment advisory and other asset-based fees** increased reflecting higher market valuations.

Fees from the majority of Wealth and Investment Management (WIM) advisory assets are based on a percentage of the market value of the assets at the beginning of the quarter. For additional information on certain client investment assets, see the "Earnings Performance - Operating Segment Results - Wealth and Investment Management - WIM Advisory Assets" section in this Report.

**Investment banking fees** increased due to increased activity across all products.

**Net gains from trading activities** increased driven by higher revenue in structured products and foreign exchange, partially offset by lower revenue in rates and commodities.

**Net gains from equity securities** increased driven by lower impairment of equity securities from our venture capital investments.

**Lease income** increased driven by a gain associated with the resolution of a legacy lease transaction.

**Other income** increased driven by a gain related to earn-out provisions from the sale of Wells Fargo Asset Management in 2021.

## Noninterest Expense

**Table 3: Noninterest Expense**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
Personnel	\$ 9,492	9,415	77	% 1
Technology, telecommunications and equipment	1,053	922	131	14
Occupancy	714	713	1	-
Operating losses (1)	633	267	366	137
Professional and outside services	1,101	1,229	(128)	(10)
Losses (2)	164	177	(13)	(7)
Advertising and promotion	197	154	43	28
Other	984	799	185	23
<b>Total</b>	<b>\$ 14,338</b>	<b>13,676</b>	<b>662</b>	<b>5</b>

(1) Includes expenses for customer remediation activities of \$428 million and \$57 million for the quarters ended March 31, 2024 and 2023, respectively.  
(2) Represents expenses for assets we lease to customers.

### First quarter 2024 vs. first quarter 2023

**Personnel expense** increased due to:

- higher revenue-related compensation expense driven by higher fees in our Wealth and Investment Management business; partially offset by:
- the impact of efficiency initiatives; and
- lower severance expense.

**Technology, telecommunications and equipment expense**

increased due to higher expense for software maintenance and licenses and for the amortization of internally developed software.

**Operating losses** increased driven by higher expense for customer remediation activities related to the further refinement of the remediation costs for historical mortgage lending and other consumer products matters. For additional

information on customer remediation activities, see the "Overview" section above.

As previously disclosed, we have outstanding legal actions and customer remediation activities that could impact operating losses in the coming quarters.

For additional information on operating losses, see Note 18 (Revenue and Expenses) to Financial Statements in this Report.

**Professional and outside services expense** decreased driven by efficiency initiatives to reduce our spending on consultants and contractors.

**Other expense** increased reflecting an additional expense of \$284 million for the estimated FDIC special assessment. For additional information on the FDIC's special assessment, see Note 18 (Revenue and Expenses) to Financial Statements in this Report.

## Income Tax Expense

**Table 4: Income Tax Expense**

(\$ in millions)	Quarter ended March 31,			
	2024	2023	\$ Change	% Change
Income before income tax expense	\$ 5,587	5,846	(259)	(4)%
Income tax expense	964	966	(2)	-
<b>Effective income tax rate (1)</b>	<b>17.3 %</b>	<b>16.2</b>		

(1) Represents (i) Income tax expense (benefit) divided by (ii) Income (loss) before income tax expense (benefit) less Net income (loss) from noncontrolling interests.

The increase in the effective income tax rate for first quarter 2024, compared with the same period a year ago, was driven by the impacts related to the expanded use of the proportional amortization method of accounting for renewable energy tax credit investments. For additional information on our adoption in first quarter 2024 of Accounting Standards Update (ASU) 2023-02 - Investments - Equity Method and Joint Ventures (Topic 323): *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in this Report.

For additional information on income taxes, see Note 23 (Income Taxes) to Financial Statements in our 2023 Form 10-K.

**Earnings Performance (continued)**

**Operating Segment Results**

Our management reporting is organized into four reportable operating segments: Consumer Banking and Lending; Commercial Banking; Corporate and Investment Banking; and Wealth and Investment Management. All other business activities that are not included in the reportable operating segments have been included in Corporate. For additional information, see Table 5 below. We define our reportable operating segments by type of product and customer segment, and their results are based on our management reporting process. The management reporting process measures the performance of the reportable operating segments based on the Company's management structure, and the results are regularly reviewed with our Chief Executive Officer and relevant senior management. The management reporting process is based on U.S. GAAP and includes specific adjustments, such as funds transfer pricing for asset/liability management, shared revenue and expenses, and taxable-equivalent adjustments to consistently reflect income from taxable and tax-exempt sources, which allows management to assess performance consistently across the operating segments.

**Funds Transfer Pricing** Corporate treasury manages a funds transfer pricing methodology that considers interest rate risk, liquidity risk, and other product characteristics. Operating segments pay a funding charge for their assets and receive a funding credit for their deposits, both of which are included in net interest income. The net impact of the funding charges or credits is recognized in corporate treasury.

**Revenue and Expense Sharing** When lines of business jointly serve customers, the line of business that is responsible for providing the product or service recognizes revenue or expense with a referral fee paid or an allocation of cost to the other line of

business based on established internal revenue-sharing agreements.

When a line of business uses a service provided by another line of business or enterprise function (included in Corporate), expense is generally allocated based on the cost and use of the service provided. We periodically assess and update our revenue and expense allocation methodologies.

**Taxable-Equivalent Adjustments** Taxable-equivalent adjustments related to tax-exempt income on certain loans and debt securities are included in net interest income, while taxable-equivalent adjustments related to income tax credits for affordable housing and renewable energy investments are included in noninterest income, in each case with corresponding impacts to income tax expense (benefit). Adjustments are included in Corporate, Commercial Banking, and Corporate and Investment Banking and are eliminated to reconcile to the Company's consolidated financial results.

**Allocated Capital** Reportable operating segments are allocated capital under a risk-sensitive framework that is primarily based on aspects of our regulatory capital requirements, and the assumptions and methodologies used to allocate capital are periodically assessed and updated. Management believes that return on allocated capital is a useful financial measure because it enables management, investors, and others to assess a reportable operating segment's use of capital.

**Selected Metrics** We present certain financial and nonfinancial metrics that management uses when evaluating reportable operating segment results. Management believes that these metrics are useful to investors and others to assess the performance, customer growth, and trends of reportable operating segments or lines of business.

**Table 5: Management Reporting Structure**

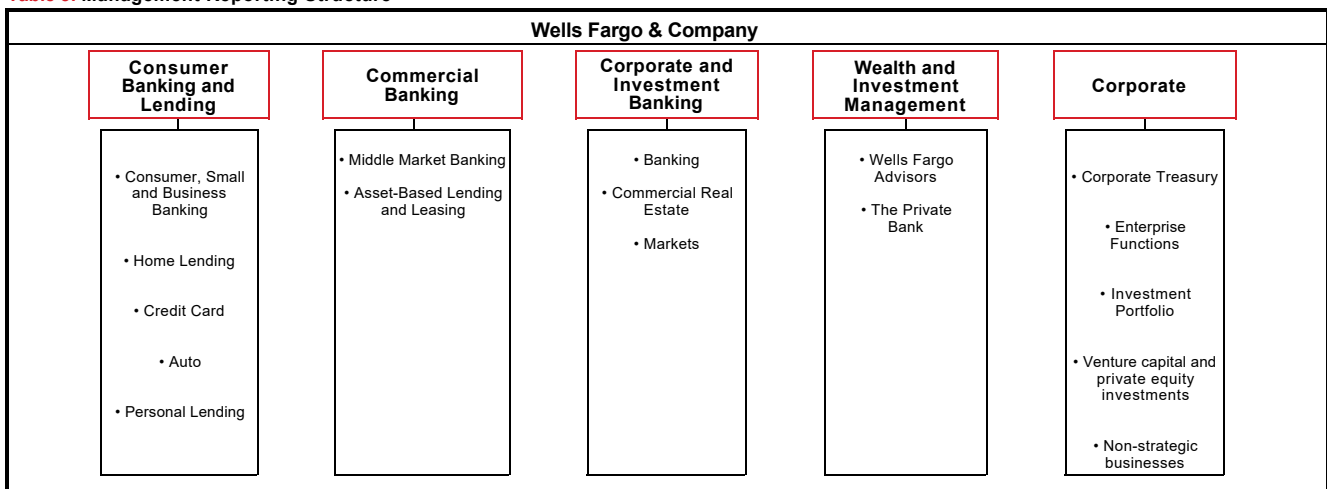


Table 6 and the following discussion present our results by reportable operating segment. For additional information, see Note 17 (Operating Segments) to Financial Statements in this Report.

**Table 6: Operating Segment Results - Highlights**

(in millions)	Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate (1)	Reconciling Items (2)	Consolidated Company
<b>Quarter ended March 31, 2024</b>							
Net interest income	\$ 7,110	2,278	2,027	869	32	(89)	12,227
Noninterest income	1,981	874	2,955	2,873	291	(338)	8,636
Total revenue	9,091	3,152	4,982	3,742	323	(427)	20,863
Provision for credit losses	788	143	5	3	(1)	-	938
Noninterest expense	6,024	1,679	2,330	3,230	1,075	-	14,338
Income (loss) before income tax expense (benefit)	2,279	1,330	2,647	509	(751)	(427)	5,587
Income tax expense (benefit)	573	341	666	128	(317)	(427)	964
Net income (loss) before noncontrolling interests	1,706	989	1,981	381	(434)	-	4,623
Less: Net income from noncontrolling interests	-	3	-	-	1	-	4
Net income (loss)	\$ 1,706	986	1,981	381	(435)	-	4,619
<b>Quarter ended March 31, 2023</b>							
Net interest income	\$ 7,433	2,489	2,461	1,044	16	(107)	13,336
Noninterest income	1,931	818	2,441	2,637	5	(439)	7,393
Total revenue	9,364	3,307	4,902	3,681	21	(546)	20,729
Provision for credit losses	867	(43)	252	11	120	-	1,207
Noninterest expense	6,038	1,752	2,217	3,061	608	-	13,676
Income (loss) before income tax expense (benefit)	2,459	1,598	2,433	609	(707)	(546)	5,846
Income tax expense (benefit)	618	399	615	152	(272)	(546)	966
Net income (loss) before noncontrolling interests	1,841	1,199	1,818	457	(435)	-	4,880
Less: Net income (loss) from noncontrolling interests	-	3	-	-	(114)	-	(111)
Net income (loss)	\$ 1,841	1,196	1,818	457	(321)	-	4,991

(1) All other business activities that are not included in the reportable operating segments have been included in Corporate. For additional information, see the "Corporate" section below.

(2) Taxable-equivalent adjustments related to tax-exempt income on certain loans and debt securities are included in net interest income, while taxable-equivalent adjustments related to income tax credits for affordable housing and renewable energy investments are included in noninterest income, in each case with corresponding impacts to income tax expense (benefit). Adjustments are included in Corporate, Commercial Banking, and Corporate and Investment Banking and are eliminated to reconcile to the Company's consolidated financial results.

## Earnings Performance (continued)

Consumer Banking and Lending offers diversified financial products and services for consumers and small businesses with annual sales generally up to \$10 million. These financial products and services include checking and savings accounts, credit and

debit cards, as well as home, auto, personal, and small business lending. Table 6a and Table 6b provide additional information for Consumer Banking and Lending.

**Table 6a: Consumer Banking and Lending - Income Statement and Selected Metrics**

(\$ in millions, unless otherwise noted)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Income Statement</b>				
Net interest income	\$ 7,110	7,433	(323)	(4)%
<b>Noninterest income:</b>				
Deposit-related fees	677	672	5	1
Card fees	990	958	32	3
Mortgage banking	193	160	33	21
Other	121	141	(20)	(14)
Total noninterest income	1,981	1,931	50	3
Total revenue	9,091	9,364	(273)	(3)
Net charge-offs	881	589	292	50
Change in the allowance for credit losses	(93)	278	(371)	NM
Provision for credit losses	788	867	(79)	(9)
Noninterest expense	6,024	6,038	(14)	-
Income before income tax expense	2,279	2,459	(180)	(7)
Income tax expense	573	618	(45)	(7)
Net income	\$ 1,706	1,841	(135)	(7)
<b>Revenue by Line of Business</b>				
Consumer, Small and Business Banking (1)	\$ 6,092	6,374	(282)	(4)
<b>Consumer Lending:</b>				
Home Lending	864	863	1	-
Credit Card (1)	1,496	1,417	79	6
Auto	300	392	(92)	(23)
Personal Lending	339	318	21	7
Total revenue	\$ 9,091	9,364	(273)	(3)
<b>Selected Metrics</b>				
<b>Consumer Banking and Lending:</b>				
Return on allocated capital (2)	14.5 %	16.5		
Efficiency ratio (3)	66	64		
Retail bank branches (#, period-end)	4,247	4,525		(6)
Digital active customers (# in millions, period-end) (4)	35.5	34.3		3
Mobile active customers (# in millions, period-end) (4)	30.5	28.8		6
<b>Consumer, Small and Business Banking:</b>				
Deposit spread (5)	2.5 %	2.5		
Debit card purchase volume (\$ in billions) (6)	\$ 121.5	117.3	4.2	4
Debit card purchase transactions (# in millions) (6)	2,442	2,369		3

(continued on following page)

(continued from previous page)

(\$ in millions, unless otherwise noted)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Home Lending:</b>				
Mortgage banking:				
Net servicing income	\$ 91	84	7	8%
Net gains on mortgage loan originations/sales	102	76	26	34
Total mortgage banking	\$ 193	160	33	21
Retail originations (\$ in billions)	\$ 3.5	5.6	(2.1)	(38)
% of originations held for sale (HFS)	43.5 %	46.8		
Third-party mortgage loans serviced (\$ in billions, period-end) (7)	\$ 527.5	666.8	(139.3)	(21)
Mortgage servicing rights (MSR) carrying value (period-end)	7,249	8,819	(1,570)	(18)
Ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end) (7)	1.37 %	1.32		
Home lending loans 30+ days delinquency rate (period-end) (8)(9)(10)	0.30	0.26		
<b>Credit Card (1):</b>				
Point of sale (POS) volume (\$ in billions)	\$ 39.1	34.2	4.9	14
New accounts (# in thousands)	651	579		12
Credit card loans 30+ days delinquency rate (period-end) (9)(10)	2.92 %	2.18		
Credit card loans 90+ days delinquency rate (period-end) (9)(10)	1.55	1.09		
<b>Auto:</b>				
Auto originations (\$ in billions)	\$ 4.1	5.0	(0.9)	(18)
Auto loans 30+ days delinquency rate (period-end) (9)(10)	2.36 %	2.25		
<b>Personal Lending:</b>				
New volume (\$ in billions)	\$ 2.2	2.9	(0.7)	(24)

NM - Not meaningful

- (1) In first quarter 2024, we transferred our small business credit card business from Consumer, Small and Business Banking to Credit Card. Prior period balances have been revised to conform with the current period presentation.
- (2) Return on allocated capital is segment net income (loss) applicable to common stock divided by segment average allocated capital. Segment net income (loss) applicable to common stock is segment net income (loss) less allocated preferred stock dividends.
- (3) Efficiency ratio is segment noninterest expense divided by segment total revenue (net interest income and noninterest income).
- (4) Digital and mobile active customers is based on the number of consumer and small business customers who have logged on via a digital or mobile device, respectively, in the prior 90 days. Digital active customers includes both online and mobile customers.
- (5) Deposit spread is (i) the internal funds transfer pricing credit on segment deposits minus interest paid to customers for segment deposits, divided by (ii) average segment deposits.
- (6) Debit card purchase volume and transactions reflect combined activity for both consumer and business debit card purchases.
- (7) Excludes residential mortgage loans subserviced for others.
- (8) Excludes residential mortgage loans insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA).
- (9) Excludes loans held for sale.
- (10) Delinquency balances exclude nonaccrual loans.

### First quarter 2024 vs. first quarter 2023

**Revenue** decreased driven by lower net interest income due to lower deposit balances.

**Provision for credit losses** reflected a decrease driven by a lower allowance for auto loans, partially offset by a higher allowance for credit card and small business loans, as well as higher net charge-offs for credit card loans.

**Noninterest expense** was stable reflecting:

- lower operating costs driven by the impact of efficiency initiatives; offset by:
- higher operating losses due to higher expense for customer remediation activities; and
- higher advertising expense due to higher marketing volume.

## Earnings Performance (continued)

**Table 6b: Consumer Banking and Lending - Balance Sheet**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Selected Balance Sheet Data (average)</b>				
Loans by Line of Business:				
Consumer, Small and Business Banking (1)	\$ 6,465	7,037	(572)	(8)%
Consumer Lending:				
Home Lending	214,335	222,561	(8,226)	(4)
Credit Card (1)	46,412	40,516	5,896	15
Auto	47,621	53,676	(6,055)	(11)
Personal Lending	14,896	14,518	378	3
<b>Total loans</b>	<b>\$ 329,729</b>	<b>338,308</b>	<b>(8,579)</b>	<b>(3)</b>
Total deposits	773,248	841,265	(68,017)	(8)
Allocated capital	45,500	44,000	1,500	3
<b>Selected Balance Sheet Data (period-end)</b>				
Loans by Line of Business:				
Consumer, Small and Business Banking (1)	\$ 6,584	7,111	(527)	(7)
Consumer Lending:				
Home Lending	213,289	222,012	(8,723)	(4)
Credit Card (1)	46,867	40,547	6,320	16
Auto	46,692	53,244	(6,552)	(12)
Personal Lending	14,575	14,597	(22)	-
<b>Total loans</b>	<b>\$ 328,007</b>	<b>337,511</b>	<b>(9,504)</b>	<b>(3)</b>
Total deposits	794,160	851,304	(57,144)	(7)

(1) In first quarter 2024, we transferred our small business credit card business from Consumer, Small and Business Banking to Credit Card. Prior period balances have been revised to conform with the current period presentation.

### First quarter 2024 vs. first quarter 2023

**Total loans (average and period-end)** decreased due to:

- a decline in loan balances in our Home Lending business reflecting lower loan demand due to the impact of the higher interest rate environment; and
- a decline in loan balances in our Auto business due to lower origination volumes reflecting credit tightening actions;

partially offset by:

- an increase in loan balances in our Credit Card business driven by higher point of sale volume and new account growth due to recent product launches.

**Total deposits (average and period-end)** decreased driven by customer migration to higher yielding alternatives and consumer and small business deposit outflows.

**Commercial Banking** provides financial solutions to private, family owned and certain public companies. Products and services include banking and credit products across multiple

industry sectors and municipalities, secured lending and lease products, and treasury management. Table 6c and Table 6d provide additional information for Commercial Banking.

**Table 6c: Commercial Banking - Income Statement and Selected Metrics**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Income Statement</b>				
Net interest income	\$ 2,278	2,489	(211)	(8)%
Noninterest income:				
Deposit-related fees	284	236	48	20
Lending-related fees	138	129	9	7
Lease income	149	169	(20)	(12)
Other	303	284	19	7
Total noninterest income	874	818	56	7
Total revenue	3,152	3,307	(155)	(5)
Net charge-offs	75	(39)	114	292
Change in the allowance for credit losses	68	(4)	72	NM
Provision for credit losses	143	(43)	186	433
Noninterest expense	1,679	1,752	(73)	(4)
Income before income tax expense	1,330	1,598	(268)	(17)
Income tax expense	341	399	(58)	(15)
Less: Net income from noncontrolling interests	3	3	-	-
Net income	\$ 986	1,196	(210)	(18)
<b>Revenue by Line of Business</b>				
Middle Market Banking	\$ 2,078	2,155	(77)	(4)
Asset-Based Lending and Leasing	1,074	1,152	(78)	(7)
Total revenue	\$ 3,152	3,307	(155)	(5)
<b>Revenue by Product</b>				
Lending and leasing	\$ 1,309	1,324	(15)	(1)
Treasury management and payments	1,421	1,562	(141)	(9)
Other	422	421	1	-
Total revenue	\$ 3,152	3,307	(155)	(5)
<b>Selected Metrics</b>				
Return on allocated capital	14.3 %	18.1		
Efficiency ratio	53	53		

NM - Not meaningful

### First quarter 2024 vs. first quarter 2023

**Revenue** decreased driven by:

- lower net interest income reflecting higher deposit costs; partially offset by:
- higher deposit-related fees driven by higher treasury management fees on commercial accounts driven by increased transaction service volumes and repricing.

**Provision for credit losses** reflected an increase in net charge-offs.

**Noninterest expense** decreased due to lower personnel expense reflecting the impact of efficiency initiatives.



## Earnings Performance (continued)

**Table 6d: Commercial Banking - Balance Sheet**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Selected Balance Sheet Data (average)</b>				
Loans:				
Commercial and industrial	\$ 163,273	163,210	63	-%
Commercial real estate	45,296	45,862	(566)	(1)
Lease financing and other	15,352	13,754	1,598	12
Total loans	\$ 223,921	222,826	1,095	-
Loans by Line of Business:				
Middle Market Banking	\$ 119,273	121,625	(2,352)	(2)
Asset-Based Lending and Leasing	104,648	101,201	3,447	3
Total loans	\$ 223,921	222,826	1,095	-
Total deposits	164,027	170,467	(6,440)	(4)
Allocated capital	26,000	25,500	500	2
<b>Selected Balance Sheet Data (period-end)</b>				
Loans:				
Commercial and industrial	\$ 166,842	166,853	(11)	-
Commercial real estate	45,292	45,895	(603)	(1)
Lease financing and other	15,526	13,851	1,675	12
Total loans	\$ 227,660	226,599	1,061	-
Loans by Line of Business:				
Middle Market Banking	\$ 120,401	121,626	(1,225)	(1)
Asset-Based Lending and Leasing	107,259	104,973	2,286	2
Total loans	\$ 227,660	226,599	1,061	-
Total deposits	168,547	169,827	(1,280)	(1)

### First quarter 2024 vs. first quarter 2023

**Total loans (average and period-end)** increased driven by:

- loan growth in Asset-Based Lending and Leasing due to an increase in client working capital needs; partially offset by:
- lower loan demand in Middle Market Banking reflecting the impact of a higher interest rate environment.

**Total deposits (average and period-end)** decreased due to customer migration to higher yielding alternatives.

**Corporate and Investment Banking** delivers a suite of capital markets, banking, and financial products and services to corporate, commercial real estate, government and institutional clients globally. Products and services include corporate banking, investment banking, treasury management, commercial real

estate lending and servicing, equity and fixed income solutions as well as sales, trading, and research capabilities. Table 6e and Table 6f provide additional information for Corporate and Investment Banking.

**Table 6e: Corporate and Investment Banking - Income Statement and Selected Metrics**

(\$ in millions)	Quarter ended Mar 31,		\$ Change	% Change
	2024	2023		
<b>Income Statement</b>				
Net interest income	\$ 2,027	2,461	(434)	(18)%
Noninterest income:				
Deposit-related fees	262	236	26	11
Lending-related fees	203	194	9	5
Investment banking fees	647	314	333	106
Net gains from trading activities	1,405	1,257	148	12
Other	438	440	(2)	-
Total noninterest income	2,955	2,441	514	21
Total revenue	4,982	4,902	80	2
Net charge-offs	196	17	179	NM
Change in the allowance for credit losses	(191)	235	(426)	NM
Provision for credit losses	5	252	(247)	(98)
Noninterest expense	2,330	2,217	113	5
Income before income tax expense	2,647	2,433	214	9
Income tax expense	666	615	51	8
Net income	\$ 1,981	1,818	163	9
<b>Revenue by Line of Business</b>				
Banking:				
Lending	\$ 681	692	(11)	(2)
Treasury Management and Payments	686	785	(99)	(13)
Investment Banking	474	280	194	69
Total Banking	1,841	1,757	84	5
Commercial Real Estate	1,223	1,311	(88)	(7)
Markets:				
Fixed Income, Currencies, and Commodities (FICC)	1,359	1,285	74	6
Equities	450	437	13	3
Credit Adjustment (CVA/DVA) and Other	19	71	(52)	(73)
Total Markets	1,828	1,793	35	2
Other	90	41	49	120
Total revenue	\$ 4,982	4,902	80	2
<b>Selected Metrics</b>				
Return on allocated capital	17.2 %	15.9		
Efficiency ratio	47	45		

NM - Not meaningful

### First quarter 2024 vs. first quarter 2023

**Revenue** increased driven by:

- higher investment banking fees due to increased activity across all products; and
- higher net gains from trading activities driven by higher revenue in structured products and foreign exchange, partially offset by lower revenue in rates and commodities;

partially offset by:

- lower net interest income driven by higher deposit costs and lower loan balances.

**Provision for credit losses** reflected a decrease in the allowance for credit losses driven by commercial real estate loans.

**Noninterest expense** increased driven by higher operating costs, partially offset by the impact of efficiency initiatives.

## Earnings Performance (continued)

**Table 6f: Corporate and Investment Banking - Balance Sheet**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Selected Balance Sheet Data (average)</b>				
Loans:				
Commercial and industrial	\$ 185,432	193,770	(8,338)	(4)%
Commercial real estate	97,811	100,972	(3,161)	(3)
Total loans	\$ 283,243	294,742	(11,499)	(4)
Loans by Line of Business:				
Banking	\$ 90,897	99,078	(8,181)	(8)
Commercial Real Estate	131,709	136,806	(5,097)	(4)
Markets	60,637	58,858	1,779	3
Total loans	\$ 283,243	294,742	(11,499)	(4)
Trading-related assets:				
Trading account securities	\$ 121,347	112,628	8,719	8
Reverse repurchase agreements/securities borrowed	62,856	57,818	5,038	9
Derivative assets	17,033	17,928	(895)	(5)
Total trading-related assets	\$ 201,236	188,374	12,862	7
Total assets	550,933	548,808	2,125	-
Total deposits	183,273	157,551	25,722	16
Allocated capital	44,000	44,000	-	-
<b>Selected Balance Sheet Data (period-end)</b>				
Loans:				
Commercial and industrial	\$ 178,986	191,020	(12,034)	(6)
Commercial real estate	96,611	100,797	(4,186)	(4)
Total loans	\$ 275,597	291,817	(16,220)	(6)
Loans by Line of Business:				
Banking	\$ 86,066	97,178	(11,112)	(11)
Commercial Real Estate	129,627	135,728	(6,101)	(4)
Markets	59,904	58,911	993	2
Total loans	\$ 275,597	291,817	(16,220)	(6)
Trading-related assets:				
Trading account securities	\$ 133,079	115,198	17,881	16
Reverse repurchase agreements/securities borrowed	62,019	57,502	4,517	8
Derivative assets	17,726	16,968	758	4
Total trading-related assets	\$ 212,824	189,668	23,156	12
Total assets	553,105	542,168	10,937	2
Total deposits	195,969	158,564	37,405	24

### First quarter 2024 vs. first quarter 2023

**Total loans (average and period-end)** decreased due to lower origination volumes reflecting decreased loan demand.

**Total trading-related assets (average and period-end)** increased reflecting:

- higher trading account securities driven by higher mortgage-backed securities; and
- an increased volume of reverse repurchase agreements.

**Total deposits (average and period-end)** increased driven by additions of deposits from new and existing customers.

**Wealth and Investment Management** provides personalized wealth management, brokerage, financial planning, lending, private banking, trust and fiduciary products and services to affluent, high-net worth and ultra-high-net worth clients. We operate through financial advisors in our brokerage and wealth

offices, consumer bank branches, independent offices, and digitally through WellsTrade® and Intuitive Investor®. Table 6g and Table 6h provide additional information for Wealth and Investment Management (WIM).

**Table 6g: Wealth and Investment Management**

(\$ in millions, unless otherwise noted)	Quarter ended Mar 31,		\$ Change	% Change
	2024	2023		
<b>Income Statement</b>				
Net interest income	\$ 869	1,044	(175)	(17)%
Noninterest income:				
Investment advisory and other asset-based fees	2,267	2,061	206	10
Commissions and brokerage services fees	545	541	4	1
Other	61	35	26	74
Total noninterest income	2,873	2,637	236	9
Total revenue	3,742	3,681	61	2
Net charge-offs	6	(1)	7	700
Change in the allowance for credit losses	(3)	12	(15)	NM
Provision for credit losses	3	11	(8)	(73)
Noninterest expense	3,230	3,061	169	6
Income before income tax expense	509	609	(100)	(16)
Income tax expense	128	152	(24)	(16)
Net income	\$ 381	457	(76)	(17)
<b>Selected Metrics</b>				
Return on allocated capital	22.7 %	28.9		
Efficiency ratio	86	83		
Client assets (\$ in billions, period-end):				
Advisory assets	\$ 939	825	114	14
Other brokerage assets and deposits	1,247	1,104	143	13
Total client assets	\$ 2,186	1,929	257	13
<b>Selected Balance Sheet Data (average)</b>				
Total loans	\$ 82,483	83,621	(1,138)	(1)
Total deposits	101,474	126,604	(25,130)	(20)
Allocated capital	6,500	6,250	250	4
<b>Selected Balance Sheet Data (period-end)</b>				
Total loans	\$ 82,999	82,817	182	-
Total deposits	102,478	117,252	(14,774)	(13)

NM- Not meaningful

### First quarter 2024 vs. first quarter 2023

**Revenue** increased driven by:

- higher investment advisory and other asset-based fees reflecting higher market valuations;
- partially offset by:
- lower net interest income driven by lower deposit balances.

**Noninterest expense** increased driven by:

- higher personnel expense driven by higher revenue-related compensation;
- partially offset by:
- the impact of efficiency initiatives.

**Total deposits (average and period-end)** decreased due to customer migration to higher yielding alternatives.

## Earnings Performance (continued)

**WIM Advisory Assets** In addition to transactional accounts, WIM offers advisory account relationships to brokerage customers. Fees from advisory accounts are based on a percentage of the market value of the assets as of the beginning of the quarter, which vary across the account types based on the distinct services provided, and are affected by investment performance as well as asset inflows and outflows. Advisory accounts include assets that are financial advisor-directed and separately managed by third-party managers as well as certain client-directed brokerage assets where we earn a fee for advisory and other services, but do not have investment discretion.

WIM also manages personal trust and other assets for high net worth clients, with fee income earned based on a percentage of the market value of these assets. Table 6h presents advisory assets activity by WIM line of business. Management believes that advisory assets is a useful metric because it allows management, investors, and others to assess how changes in asset amounts may impact the generation of certain asset-based fees.

For the first quarter of both 2024 and 2023, the average fee rate by account type ranged from 50 to 120 basis points.

**Table 6h: WIM Advisory Assets**

(in billions)					Quarter ended
	Balance, beginning of period	Inflows (1)	Outflows (2)	Market impact (3)	Balance, end of period
<b>March 31, 2024</b>					
<b>Client-directed (4)</b>	\$ 185.3	8.9	(10.3)	10.3	194.2
<b>Financial advisor-directed (5)</b>	264.6	12.0	(10.4)	18.3	284.5
<b>Separate accounts (6)</b>	198.4	7.4	(7.5)	10.9	209.2
<b>Mutual fund advisory (7)</b>	83.3	2.2	(3.1)	4.3	86.7
<b>Total Wells Fargo Advisors</b>	\$ 731.6	30.5	(31.3)	43.8	774.6
<b>The Private Bank (8)</b>	159.5	5.6	(8.0)	7.1	164.2
<b>Total WIM advisory assets</b>	\$ 891.1	36.1	(39.3)	50.9	938.8
<b>March 31, 2023</b>					
<b>Client-directed (4)</b>	\$ 165.2	8.2	(8.4)	6.9	171.9
<b>Financial advisor-directed (5)</b>	222.9	9.4	(9.2)	10.0	233.1
<b>Separate accounts (6)</b>	176.5	5.9	(6.1)	6.4	182.7
<b>Mutual fund advisory (7)</b>	78.6	2.0	(3.1)	3.1	80.6
<b>Total Wells Fargo Advisors</b>	\$ 643.2	25.5	(26.8)	26.4	668.3
<b>The Private Bank (8)</b>	153.6	7.3	(9.3)	5.2	156.8
<b>Total WIM advisory assets</b>	\$ 796.8	32.8	(36.1)	31.6	825.1

(1) Inflows include new advisory account assets, contributions, dividends, and interest.

(2) Outflows include closed advisory account assets, withdrawals, and client management fees.

(3) Market impact reflects gains and losses on portfolio investments.

(4) Investment advice and other services are provided to the client, but decisions are made by the client and the fees earned are based on a percentage of the advisory account assets, not the number and size of transactions executed by the client.

(5) Professionally managed portfolios with fees earned based on respective strategies and as a percentage of certain client assets.

(6) Professional advisory portfolios managed by third-party asset managers. Fees are earned based on a percentage of certain client assets.

(7) Program with portfolios constructed of load-waived, no-load, and institutional share class mutual funds. Fees are earned based on a percentage of certain client assets.

(8) Discretionary and non-discretionary portfolios held in personal trusts, investment agency, or custody accounts with fees earned based on a percentage of client assets.

**Corporate** includes corporate treasury and enterprise functions, net of allocations (including funds transfer pricing, capital, liquidity and certain expenses), in support of the reportable operating segments, as well as our investment portfolio and venture capital and private equity investments. Corporate also

includes certain lines of business that management has determined are no longer consistent with the long-term strategic goals of the Company as well as results for previously divested businesses. Table 6i and Table 6j provide additional information for Corporate.

**Table 6i: Corporate - Income Statement**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Income Statement</b>				
Net interest income	\$ 32	16	16	100%
Noninterest income	291	5	286	NM
Total revenue	323	21	302	NM
Net charge-offs	(1)	(2)	1	50
Change in the allowance for credit losses	-	122	(122)	(100)
Provision for credit losses	(1)	120	(121)	NM
Noninterest expense	1,075	608	467	77
Loss before income tax benefit	(751)	(707)	(44)	(6)
Income tax benefit	(317)	(272)	(45)	(17)
Less: Net income (loss) from noncontrolling interests (1)	1	(114)	115	101
Net loss	\$ (435)	(321)	(114)	(36)

NM - Not meaningful

(1) Reflects results attributable to noncontrolling interests predominantly associated with the Company's consolidated venture capital investments.

### First quarter 2024 vs. first quarter 2023

**Revenue** increased driven by higher net gains from equity securities reflecting lower impairment of equity securities from our venture capital investments.

**Provision for credit losses** reflected a decrease in allowance for credit losses.

**Noninterest expense** increased driven by:

- higher operating losses due to higher expense for customer remediation activities; and
- an additional expense of \$284 million for the estimated FDIC special assessment.

Corporate includes our rail car leasing business, which had long-lived operating lease assets, net of accumulated depreciation, of \$4.6 billion at both March 31, 2024, and December 31, 2023. We may incur impairment charges based on changing economic and market conditions affecting the long-term demand and utility of specific types of rail cars. For additional information, see the "Earnings Performance - Operating Segment Results - Corporate" section in our 2023 Form 10-K.

## Earnings Performance (continued)

**Table 6j: Corporate - Balance Sheet**

(\$ in millions)	Quarter ended Mar 31,			
	2024	2023	\$ Change	% Change
<b>Selected Balance Sheet Data (average)</b>				
Cash and due from banks, and interest-earning deposits with banks	\$ 211,612	117,419	94,193	80%
Available-for-sale debt securities	122,794	128,770	(5,976)	(5)
Held-to-maturity debt securities	257,088	272,718	(15,630)	(6)
Equity securities	15,958	15,519	439	3
Total loans	8,699	9,154	(455)	(5)
Total assets	663,483	596,087	67,396	11
Total deposits	119,606	60,807	58,799	97
<b>Selected Balance Sheet Data (period-end)</b>				
Cash and due from banks, and interest-earning deposits with banks	\$ 246,057	136,093	109,964	81
Available-for-sale debt securities	127,084	133,311	(6,227)	(5)
Held-to-maturity debt securities	255,761	274,202	(18,441)	(7)
Equity securities	15,798	15,200	598	4
Total loans	8,521	9,247	(726)	(8)
Total assets	699,401	620,241	79,160	13
Total deposits	121,993	65,682	56,311	86

### First quarter 2024 vs. first quarter 2023

**Total assets (average and period-end)** increased driven by:

- an increase in cash and due from banks, and interest-earning deposits with banks that are managed by corporate treasury as a result of an increase in issuances of certificates of deposits (CDs) and long-term debt, partially offset by a reduction in deposits held by our operating segments; partially offset by:
- paydowns and maturities of AFS and HTM debt securities.

**Total deposits (average and period-end)** increased driven by issuances of CDs.

## Balance Sheet Analysis

At March 31, 2024, our assets totaled \$1.96 trillion, up \$26.7 billion from December 31, 2023.

The following discussion provides additional information about the major components of our consolidated balance sheet. See the "Capital Management" section in this Report for information on changes in our equity.

### Available-for-Sale and Held-to-Maturity Debt Securities

**Table 7: Available-for-Sale and Held-to-Maturity Debt Securities**

(\$ in millions)	March 31, 2024				December 31, 2023			
	Amortized cost, net (1)	Net unrealized gains (losses)	Fair value	Weighted average expected maturity (yrs)	Amortized cost, net (1)	Net unrealized gains (losses)	Fair value	Weighted average expected maturity (yrs)
Available-for-sale (2)	\$ 145,606	(7,361)	138,245	5.1	\$ 137,155	(6,707)	130,448	4.7
Held-to-maturity (3)	258,711	(40,179)	218,532	7.7	262,708	(35,392)	227,316	7.6
<b>Total</b>	<b>\$ 404,317</b>	<b>(47,540)</b>	<b>356,777</b>	<b>n/a</b>	<b>\$ 399,863</b>	<b>(42,099)</b>	<b>357,764</b>	<b>n/a</b>

- (1) Represents amortized cost of the securities, net of the allowance for credit losses of \$2 million and \$1 million related to available-for-sale debt securities and \$96 million and \$93 million related to held-to-maturity debt securities at March 31, 2024, and December 31, 2023, respectively.  
(2) Available-for-sale debt securities are carried on our consolidated balance sheet at fair value.  
(3) Held-to-maturity debt securities are carried on our consolidated balance sheet at amortized cost, net of the allowance for credit losses.

Table 7 presents a summary of our portfolio of investments in available-for-sale (AFS) and held-to-maturity (HTM) debt securities. See the "Balance Sheet Analysis - Available-for-Sale and Held-to-Maturity Debt Securities" section in our 2023 Form 10-K for additional information on our investment management objectives and practices and the "Risk Management - Asset/Liability Management" section in this Report for information on liquidity and interest rate risk.

The amortized cost, net of the allowance for credit losses, of the total AFS and HTM debt securities portfolio increased from December 31, 2023. Purchases of AFS debt securities were partially offset by paydowns and maturities of AFS and HTM debt securities, as well as sales of AFS debt securities.

The total net unrealized losses on AFS and HTM debt securities increased from December 31, 2023, due to changes in interest rates.

At March 31, 2024, 99% of the combined AFS and HTM debt securities portfolio was rated AA- or above. Ratings are based on external ratings where available and, where not available, based on internal credit grades. See Note 3 (Available-for-Sale and Held-to-Maturity Debt Securities) to Financial Statements in this Report for additional information on AFS and HTM debt securities, including a summary of debt securities by security type.



## Balance Sheet Analysis (continued)

### Loan Portfolios

Table 8 provides a summary of total outstanding loans by portfolio segment. Commercial loans decreased from December 31, 2023, due to decreases in both the commercial and industrial and commercial real estate loan portfolios as

paydowns exceeded originations and advances. Consumer loans decreased from December 31, 2023, driven by decreases in the residential mortgage and auto loan portfolios as paydowns exceeded originations.

**Table 8: Loan Portfolios**

(\$ in millions)	Mar 31, 2024	Dec 31, 2023	\$ Change	% Change
Commercial	\$ 538,328	547,427	(9,099)	(2)%
Consumer	384,456	389,255	(4,799)	(1)
Total loans	\$ 922,784	936,682	(13,898)	(1)

Average loan balances and a comparative detail of average loan balances is included in Table 1 under "Earnings Performance - Net Interest Income" earlier in this Report. Additional information on total loans outstanding by portfolio segment and class of financing receivable is included in the "Risk Management - Credit Risk Management" section in this Report. Period-end balances and other loan related information are in Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

See the "Balance Sheet Analysis - Loan Portfolios" section in our 2023 Form 10-K for additional information regarding contractual loan maturities and the distribution of loans to changes in interest rates.

### Deposits

Deposits increased from December 31, 2023, reflecting:

- growth in commercial deposits; and
- higher time deposits driven by issuances of CDs; partially offset by:
  - customer migration to higher yielding alternatives; and
  - consumer and small business deposit outflows.

Table 9 provides additional information regarding deposit balances. Information regarding the impact of deposits on net interest income and a comparison of average deposit balances is provided in the "Earnings Performance - Net Interest Income" section and Table 1 earlier in this Report. Our average deposit cost in first quarter 2024 increased to 1.74%, compared with 1.58% in fourth quarter 2023.

**Table 9: Deposits**

(\$ in millions)	Mar 31, 2024	% of total deposits	Dec 31, 2023	% of total deposits	\$ Change	% Change
Noninterest-bearing demand deposits	\$ 356,162	26 %	\$ 360,279	26%	\$ (4,117)	(1)%
Interest-bearing demand deposits	460,826	33	436,908	32	23,918	5
Savings deposits	356,587	26	349,181	26	7,406	2
Time deposits	189,909	14	187,989	14	1,920	1
Interest-bearing deposits in non-U.S. offices	19,663	1	23,816	2	(4,153)	(17)
Total deposits	\$ 1,383,147	100 %	\$ 1,358,173	100%	\$ 24,974	2

## Off-Balance Sheet Arrangements

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In the ordinary course of business, we engage in financial transactions that are not recorded on our consolidated balance sheet, or may be recorded on our consolidated balance sheet in amounts that are different from the full contract or notional amount of the transaction. Our off-balance sheet arrangements include unfunded credit commitments, transactions with unconsolidated entities, guarantees, derivatives, and other commitments. These transactions are designed to (1) meet the financial needs of customers, (2) manage our credit, market or liquidity risks, and/or (3) diversify our funding sources.

### Unfunded Credit Commitments

Unfunded credit commitments are legally binding agreements to lend to customers with terms covering usage of funds, contractual interest rates, expiration dates, and any required collateral. The maximum credit risk for these commitments will generally be lower than the contractual amount because these commitments may expire without being used or may be cancelled at the customer's request. Our credit risk monitoring activities include managing the amount of commitments, both to individual customers and in total, and the size and maturity structure of these commitments. For additional information, see Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

### Transactions with Unconsolidated Entities

In the normal course of business, we enter into various types of on- and off-balance sheet transactions with special purpose entities (SPEs), which are corporations, trusts, limited liability companies or partnerships that are established for a limited purpose. Generally, SPEs are formed in connection with securitization transactions and are considered variable interest entities (VIEs). For additional information, see Note 13 (Securitizations and Variable Interest Entities) to Financial Statements in this Report.

### Guarantees and Other Commitments

Guarantees are contracts that contingently require us to make payments to a guaranteed party based on an event or a change in an underlying asset, liability, rate or index. Guarantees are generally in the form of standby and direct pay letters of credit, written options, recourse obligations, exchange and clearing house guarantees, indemnifications, and other types of similar arrangements. We also enter into other commitments such as commitments to purchase securities under resale agreements. For additional information, see Note 14 (Guarantees and Other Commitments) to Financial Statements in this Report.

### Derivatives

We use derivatives to manage exposure to market risk, including interest rate risk, credit risk and foreign currency risk, and to assist customers with their risk management objectives. Derivatives are recorded on our consolidated balance sheet at fair value, and volume can be measured in terms of the notional amount, which is generally not exchanged, but is used only as the basis on which interest and other payments are determined. The notional amount is not recorded on our consolidated balance sheet and is not, when viewed in isolation, a meaningful measure of the risk profile of the instruments. For additional information, see Note 11 (Derivatives) to Financial Statements in this Report.

## Risk 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.

For additional information about how we manage risk, see the “Risk Management” section in our 2023 Form 10-K. The discussion that follows supplements our discussion of the management of certain risks contained in the “Risk Management” section in our 2023 Form 10-K.

### Credit Risk Management

Credit risk is the risk of loss associated with a borrower or counterparty default (failure to meet obligations in accordance with agreed upon terms). Credit risk exists with many of the Company’s assets and exposures such as debt security holdings, certain derivatives, and loans.

The Board’s Risk Committee has primary oversight responsibility for credit risk. A Credit Subcommittee of the Risk Committee assists the Risk Committee in providing oversight of credit risk. At the management level, Corporate Credit Risk, which is part of Independent Risk Management, has oversight responsibility for credit risk. Corporate Credit Risk reports to the Chief Risk Officer and supports periodic reports related to credit risk provided to the Board’s Risk Committee or its Credit Subcommittee.

**Loan Portfolio** Our loan portfolios represent the largest component of assets on our consolidated balance sheet for which we have credit risk. Table 10 presents our total loans outstanding by portfolio segment and class of financing receivable.

**Table 10: Total Loans Outstanding by Portfolio Segment and Class of Financing Receivable**

(in millions)	Mar 31, 2024	Dec 31, 2023
Commercial and industrial	\$ 372,963	380,388
Commercial real estate	148,786	150,616
Lease financing	16,579	16,423
Total commercial	538,328	547,427
Residential mortgage	257,622	260,724
Credit card	52,035	52,230
Auto	46,202	47,762
Other consumer	28,597	28,539
Total consumer	384,456	389,255
Total loans	\$ 922,784	936,682

We manage our credit risk by establishing what we believe are sound credit policies for underwriting new business, while monitoring and reviewing the performance of our existing loan portfolios. We employ various credit risk management and monitoring activities to mitigate risks associated with multiple risk factors affecting loans we hold including:

- Loan concentrations and related credit quality;
- Counterparty credit risk;
- Economic and market conditions;
- Legislative or regulatory mandates;
- Changes in interest rates;
- Merger and acquisition activities; and
- Reputation risk.

In addition, the Company will continue to integrate climate considerations into its credit risk management activities.

Our credit risk management oversight process is governed centrally, but provides for direct management and accountability by our lines of business. Our overall credit process includes comprehensive credit policies, disciplined credit underwriting, frequent and detailed risk measurement and modeling, extensive credit training programs, and a continual loan review and audit process.

A key to our credit risk management is adherence to a well-controlled underwriting process, which we believe is appropriate for the needs of our customers as well as investors who purchase the loans or securities collateralized by the loans.

**Credit Quality Overview** Table 11 provides credit quality trends.

**Table 11: Credit Quality Overview**

(\$ in millions)	Mar 31, 2024	Dec 31, 2023
<b>Nonaccrual loans</b>		
Commercial loans	\$ 4,739	4,914
Consumer loans	3,336	3,342
<b>Total nonaccrual loans</b>	\$ 8,075	8,256
Nonaccrual loans as a % of total loans	0.88 %	0.88
<b>Allowance for credit losses (ACL) for loans</b>	\$ 14,862	15,088
<b>ACL for loans as a % of total loans</b>	1.61 %	1.61
	Mar 31, 2024	Mar 31, 2023
<b>Net loan charge-offs as a % of:</b>		
Average commercial loans	0.25 %	0.05
Average consumer loans	0.84	0.56

Additional information on our loan portfolios and our credit quality trends follows.

**Significant Loan Portfolio Reviews** Our credit risk monitoring process is designed to enable early identification of developing risk and to support our determination of an appropriate allowance for credit losses. The following discussion provides additional characteristics and analysis of our significant portfolios. See Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report for more analysis and credit metric information for each of the following portfolios.

#### COMMERCIAL AND INDUSTRIAL LOANS AND LEASE FINANCING

For purposes of portfolio risk management, we aggregate commercial and industrial loans and lease financing according to market segmentation and standard industry codes. We generally subject commercial and industrial loans and lease financing to individual risk assessment using our internal borrower and collateral quality ratings. Our ratings are aligned to regulatory definitions of pass and criticized categories with criticized segmented among special mention, substandard, doubtful, and loss categories.

We had \$16.1 billion of the commercial and industrial loans and lease financing portfolio internally classified as criticized in accordance with regulatory guidance at March 31, 2024, compared with \$14.6 billion at December 31, 2023. The increase was driven by the utilities, entertainment and recreation, health care and pharmaceuticals, and food and beverage manufacturing industries, partially offset by the financials except banks industry.

The majority of our commercial and industrial loans and lease financing portfolio is secured by short-term assets, such as accounts receivable, inventory and debt securities, as well as long-lived assets, such as equipment and other business assets. Generally, the primary source of repayment for this portfolio is the operating cash flows of customers, with the collateral securing this portfolio representing a secondary source of repayment.

The portfolio decreased at March 31, 2024, compared with December 31, 2023, as a result of paydowns and decreased loan draws. Table 12 provides our commercial and industrial loans and lease financing by industry. The industry categories are based on the North American Industry Classification System.

**Table 12: Commercial and Industrial Loans and Lease Financing by Industry**

(\$ in millions)	March 31, 2024				December 31, 2023			
	Nonaccrual loans	Loans outstanding balance	% of total loans	Total commitments (1)	Nonaccrual loans	Loans outstanding balance	% of total loans	Total commitments (1)
Financials except banks	\$ 40	140,105	15 %	\$ 230,518	9	146,635	16%	\$ 234,513
Technology, telecom and media	95	25,021	3	63,450	60	25,460	3	59,216
Real estate and construction	64	25,800	3	54,633	55	24,987	3	54,345
Retail	59	19,841	2	48,926	72	19,596	2	48,829
Equipment, machinery and parts manufacturing	35	25,914	3	48,633	37	24,785	3	48,265
Materials and commodities	86	15,301	2	38,653	112	14,235	2	37,758
Food and beverage manufacturing	20	16,321	2	33,212	15	16,047	2	33,957
Oil, gas and pipelines	30	10,125	1	32,316	2	10,730	1	32,544
Health care and pharmaceuticals	69	15,001	2	29,857	26	14,863	2	30,386
Auto related	11	15,669	2	29,298	8	15,203	2	28,795
Commercial services	43	10,813	1	26,054	37	11,095	1	26,025
Utilities	1	7,020	*	24,515	1	8,325	*	25,710
Diversified or miscellaneous	52	9,191	*	22,072	67	8,284	*	22,877
Entertainment and recreation	20	13,830	1	19,837	18	13,968	1	20,250
Insurance and fiduciaries	1	5,230	*	16,482	1	4,715	*	15,724
Transportation services	133	8,956	*	15,901	134	9,277	*	16,750
Agribusiness	17	6,476	*	11,927	31	6,466	*	12,080
Government and education	24	5,320	*	11,471	26	5,603	*	11,552
Banks	-	9,163	*	10,307	-	11,820	1	12,981
Other (2)	26	4,445	*	12,486	15	4,717	*	12,297
<b>Total</b>	<b>\$ 826</b>	<b>389,542</b>	<b>42 %</b>	<b>\$ 780,548</b>	<b>726</b>	<b>396,811</b>	<b>42%</b>	<b>\$ 784,854</b>

\* Less than 1%.

(1) Total commitments consist of loans outstanding plus unfunded credit commitments, excluding issued letters of credit and discretionary amounts where our approval or consent is required prior to any loan funding or commitment increase. For additional information on issued letters of credit, see Note 14 (Guarantees and Other Commitments) to Financial Statements in this Report.

(2) No other single industry had total loans in excess of \$3.3 billion and \$3.0 billion at March 31, 2024, and December 31, 2023, respectively.

## Risk Management - Credit Risk Management (continued)

Table 12a provides further loan segmentation for our largest industry category, financials except banks. This category includes loans to investment firms, financial vehicles, nonbank creditors, rental and leasing companies, securities firms, and investment banks. These loans are generally secured and have features to help manage credit risk, such as structural credit enhancements,

collateral eligibility requirements, contractual re-margining of collateral supporting the loans, and loan amounts limited to a percentage of the value of the underlying assets considering underlying credit risk, asset duration, and ongoing performance.

**Table 12a: Financials Except Banks Industry Category**

(\$ in millions)	March 31, 2024				December 31, 2023			
	Nonaccrual loans	Loans outstanding balance	% of total loans	Total commitments (1)	Nonaccrual loans	Loans outstanding balance	% of total loans	Total commitments (1)
Asset managers and funds (2)	\$ 32	50,202	6 %	\$ 96,145	-	51,842	6%	\$ 98,074
Commercial finance (3)	2	49,770	5	77,939	2	52,007	6	78,369
Consumer finance (4)	-	18,724	2	32,686	-	20,308	2	33,547
Real estate finance (5)	6	21,409	2	23,748	7	22,478	2	24,523
<b>Total</b>	<b>\$ 40</b>	<b>140,105</b>	<b>15 %</b>	<b>\$ 230,518</b>	<b>9</b>	<b>146,635</b>	<b>16%</b>	<b>\$ 234,513</b>

(1) Total commitments consist of loans outstanding plus unfunded credit commitments, excluding issued letters of credit and discretionary amounts where our approval or consent is required prior to any loan funding or commitment increase. For additional information on issued letters of credit, see Note 14 (Guarantees and Other Commitments) to Financial Statements in this Report.

(2) Includes loans for subscription or capital calls and loans to prime brokerage customers and securities firms.

(3) Includes asset-based lending and leasing, including loans to special purpose entities, loans to commercial leasing entities, structured lending facilities to commercial loan managers, and also includes collateralized loan obligations (CLOs) in loan form, all of which were rated AA or above, of \$7.1 billion and \$7.6 billion at March 31, 2024, and December 31, 2023, respectively.

(4) Includes originators or servicers of financial assets collateralized by consumer loans such as auto loans and leases, and credit cards.

(5) Includes originators or servicers of financial assets collateralized by commercial or residential real estate loans.

Our commercial and industrial loans and lease financing portfolio included non-U.S. loans of \$69.1 billion and \$72.9 billion at March 31, 2024, and December 31, 2023, respectively. Significant industry concentrations of non-U.S. loans at March 31, 2024, and December 31, 2023, respectively, included:

- \$39.3 billion and \$40.5 billion in the financials except banks industry;
- \$8.8 billion and \$11.4 billion in the banks industry; and
- \$1.7 billion and \$2.0 billion in the oil, gas and pipelines industry.

**COMMERCIAL REAL ESTATE (CRE)** Our CRE loan portfolio is composed of CRE mortgage and CRE construction loans. The total CRE loan portfolio decreased \$1.8 billion from December 31, 2023, as paydowns exceeded originations and advances. The portfolio is diversified both geographically and by property type. The largest geographic concentrations of CRE loans are in California, New York, Florida, and Texas, which represented a combined 48% of the total CRE portfolio. The largest property type concentrations are apartments at 29% and office at 20% of the portfolio. Unfunded credit commitments at March 31, 2024, and December 31, 2023, were \$6.0 billion and \$7.7 billion, respectively, for CRE mortgage loans and \$11.0 billion and \$13.2 billion, respectively, for CRE construction loans.

We generally subject CRE loans to individual risk assessment using our internal borrower and collateral quality ratings. We had \$17.5 billion of CRE mortgage loans classified as criticized at both March 31, 2024, and December 31, 2023. We had \$909 million of CRE construction loans classified as criticized at March 31, 2024, compared with \$830 million at December 31, 2023.

We continue to closely monitor the credit quality of the office property type given weakened demand for office space. Loans in California and New York represented approximately 40% of the office property type at both March 31, 2024, and December 31, 2023.

Table 13 provides our CRE loans by state and property type.

**Table 13: CRE Loans by State and Property Type**

(\$ in millions)	March 31, 2024								December 31, 2023	
	Real estate mortgage		Real estate construction		Total commercial real estate			Total commercial real estate		
	Nonaccrual loans	Loans outstanding balance	Nonaccrual loans	Loans outstanding balance	Nonaccrual loans	Loans outstanding balance	Loans as % of total loans	Total commitments (1)	Loans outstanding balance	Total commitments (1)
By state:										
California	\$ 1,020	27,431	-	3,771	1,020	31,202	3%	\$ 34,884	31,619	35,629
New York	902	14,486	-	2,550	902	17,036	2	18,142	16,575	17,930
Florida	103	9,503	-	2,465	103	11,968	1	13,693	12,492	14,577
Texas	92	10,590	-	1,281	92	11,871	1	13,297	12,033	14,224
Georgia	184	5,300	-	1,076	184	6,376	*	6,824	6,105	6,804
North Carolina	25	4,331	-	1,208	25	5,539	*	6,170	5,397	6,408
Arizona	11	4,612	-	585	11	5,197	*	5,864	5,182	5,806
Washington	219	4,099	-	1,016	219	5,115	*	5,758	5,247	5,994
New Jersey	7	2,727	-	1,807	7	4,534	*	5,136	4,364	5,130
Virginia	159	3,405	-	994	159	4,399	*	4,875	4,372	4,983
Other (2)	1,166	38,692	25	6,857	1,191	45,549	5	51,157	47,230	53,982
<b>Total</b>	<b>\$ 3,888</b>	<b>125,176</b>	<b>25</b>	<b>23,610</b>	<b>3,913</b>	<b>148,786</b>	<b>16%</b>	<b>\$ 165,800</b>	<b>150,616</b>	<b>171,467</b>
By property:										
Apartments	\$ 46	30,966	-	11,714	46	42,680	5%	\$ 50,220	42,585	51,749
Office	3,136	27,546	-	2,931	3,136	30,477	3	32,725	31,526	34,295
Industrial/warehouse	26	21,380	-	4,354	26	25,734	3	27,972	25,413	28,493
Hotel/motel	186	11,849	-	674	186	12,523	1	13,239	12,725	13,612
Retail (excl shopping center)	263	11,402	1	78	264	11,480	1	12,220	11,670	12,338
Shopping center	177	8,313	-	348	177	8,661	*	9,263	8,745	9,356
Institutional	18	4,420	23	1,375	41	5,795	*	6,284	5,986	6,568
Mixed use properties	27	2,921	-	50	27	2,971	*	3,095	3,511	3,763
Storage facility	-	2,593	-	151	-	2,744	*	2,964	2,782	3,002
1-4 family structure	-	7	-	1,390	-	1,397	*	2,756	1,195	2,691
Other	9	3,779	1	545	10	4,324	*	5,062	4,478	5,600
<b>Total</b>	<b>\$ 3,888</b>	<b>125,176</b>	<b>25</b>	<b>23,610</b>	<b>3,913</b>	<b>148,786</b>	<b>16 %</b>	<b>\$ 165,800</b>	<b>150,616</b>	<b>171,467</b>

\* Less than 1%.

(1) Total commitments consist of loans outstanding plus unfunded credit commitments, excluding issued letters of credit. For additional information on issued letters of credit, see Note 14 (Guarantees and Other Commitments) to Financial Statements in this Report.

(2) Includes 40 states and non-U.S. loans. No state in Other had loans in excess of \$4.2 billion and \$4.4 billion at March 31, 2024, and December 31, 2023, respectively. Non-U.S. loans were \$6.3 billion and \$6.9 billion at March 31, 2024, and December 31, 2023, respectively.

## Risk Management - Credit Risk Management (continued)

**NON-U.S. LOANS** Our classification of non-U.S. loans is based on whether the borrower's primary address is outside of the United States. At March 31, 2024, non-U.S. loans totaled \$75.5 billion, representing approximately 8% of our total consolidated loans outstanding, compared with \$80.0 billion, or approximately 9% of our total consolidated loans outstanding, at December 31, 2023. Non-U.S. loans were approximately 4% of our total consolidated assets at both March 31, 2024, and December 31, 2023.

**COUNTRY RISK EXPOSURE** Our country risk monitoring process incorporates centralized monitoring of economic, political, social, legal, and transfer risks in countries where we do or plan to do business, along with frequent dialogue with our customers, counterparties and regulatory agencies. We establish exposure limits for each country through a centralized oversight process based on customer needs, and through consideration of the relevant and distinct risk of each country. We monitor exposures closely and adjust our country limits in response to changing conditions. We evaluate our individual country risk exposure based on our assessment of a borrower's ability to repay, which gives consideration for allowable transfers of risk, such as guarantees and collateral, and may be different from the reporting based on a borrower's primary address.

Our largest single country exposure outside the U.S. at March 31, 2024, was the United Kingdom, which totaled

\$27.6 billion, or approximately 1% of our total assets, and included \$4.4 billion of sovereign claims. Our United Kingdom sovereign claims arise from deposits we have placed with the Bank of England pursuant to regulatory requirements in support of our London branch.

Table 14 provides information regarding our top 20 exposures by country (excluding the U.S.), based on our assessment of risk, which gives consideration to the country of any guarantors and/or underlying collateral. With respect to Table 14:

- Lending and deposits with banks exposure includes outstanding loans, unfunded credit commitments (excluding discretionary amounts where our approval or consent is required prior to any loan funding or commitment increase), and deposits with non-U.S. banks. These balances are presented prior to the deduction of the allowance for credit losses or collateral received under the terms of the credit agreements, if any.
- Securities exposure represents debt and equity securities of non-U.S. issuers. Long and short positions are netted, and net short positions are reflected as negative exposure.
- Derivatives and other exposure represents foreign exchange contracts, derivative contracts, securities resale agreements, and securities lending agreements.

**Table 14: Select Country Exposures**

March 31, 2024										
(in millions)	Lending and deposits with banks (1)		Securities		Derivatives and other		Non-sovereign (2)		Total exposure	
	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Total
	<b>Top 20 country exposures:</b>									
United Kingdom	\$ 4,322	22,222	28	(55)	7	1,044	4,357	23,211		27,568
Canada	7	15,922	158	119	155	426	320	16,467		16,787
Japan	8,972	672	-	72	-	61	8,972	805		9,777
Luxembourg	-	8,059	-	293	-	229	-	8,581		8,581
Cayman Islands	-	7,739	-	-	-	140	-	7,879		7,879
Ireland	5	4,592	-	157	-	278	5	5,027		5,032
France	33	4,063	-	389	-	35	33	4,487		4,520
Germany	-	3,181	70	100	11	211	81	3,492		3,573
Bermuda	-	3,481	-	11	-	66	-	3,558		3,558
Netherlands	-	2,351	-	196	-	58	-	2,605		2,605
Guernsey	-	2,558	-	-	-	10	-	2,568		2,568
Australia	-	1,543	-	289	-	18	-	1,850		1,850
South Korea	-	1,501	-	210	5	8	5	1,719		1,724
Switzerland	-	1,252	-	36	-	295	-	1,583		1,583
China	3	1,056	(50)	526	16	9	(31)	1,591		1,560
Hong Kong	-	562	-	860	1	2	1	1,424		1,425
Chile	-	1,349	-	30	-	-	-	1,379		1,379
Brazil	-	1,201	-	(10)	7	-	7	1,191		1,198
Spain	-	612	-	145	-	244	-	1,001		1,001
Norway	-	932	-	3	-	20	-	955		955
<b>Total top 20 country exposures</b>	<b>\$ 13,342</b>	<b>84,848</b>	<b>206</b>	<b>3,371</b>	<b>202</b>	<b>3,154</b>	<b>13,750</b>	<b>91,373</b>		<b>105,123</b>

(1) Includes sovereign and non-sovereign deposits with banks of \$13.3 billion and \$2.8 billion, respectively.

(2) Total non-sovereign exposure consisted of \$43.0 billion exposure to financial institutions and \$48.4 billion to non-financial corporations at March 31, 2024.

**RESIDENTIAL MORTGAGE LOANS** Our residential mortgage loan portfolio is composed of 1-4 family first and junior lien mortgage loans. Residential mortgage - first lien loans represented 96% of the total residential mortgage loan portfolio at both March 31, 2024, and December 31, 2023.

The residential mortgage loan portfolio includes loans with adjustable-rate features. We monitor the risk of default as a result of interest rate increases on adjustable-rate mortgage (ARM) loans, which may be mitigated by product features that limit the amount of the increase in the contractual interest rate. The default risk of these loans is considered in our ACL for loans. ARM loans totaled \$66.2 billion, or 7% of total loans, at March 31, 2024, compared with \$66.7 billion, or 7% of total loans, at December 31, 2023, with an initial reset date in 2026 or later for the majority of this portfolio at March 31, 2024. We do not offer option ARM products, nor do we offer variable-rate mortgage products with fixed payment amounts, commonly referred to within the financial services industry as negative amortizing mortgage loans.

The residential mortgage - junior lien portfolio consists of residential mortgage lines of credit and loans that are subordinate in rights to an existing lien on the same property. These lines and loans may have draw periods, interest-only payments, balloon payments, adjustable rates and similar features. The outstanding balance of residential mortgage lines of credit was \$14.2 billion at March 31, 2024, compared with \$15.0 billion at December 31, 2023. The unfunded credit commitments for these lines of credit totaled \$27.4 billion at March 31, 2024, compared with \$28.6 billion at December 31, 2023. For additional information on our residential mortgage loan portfolio, see the "Risk Management - Credit Risk Management - Residential Mortgage Loans" section in our 2023 Form 10-K.

We monitor changes in real estate values and underlying economic or market conditions for the geographic areas of our

residential mortgage loan portfolio as part of our credit risk management process. Our periodic review of this portfolio includes original appraisals adjusted for the change in Home Price Index (HPI) or estimates from automated valuation models (AVMs) to support property values. For additional information about our use of appraisals and AVMs, see Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report and the "Risk Management - Credit Risk Management - Residential Mortgage Loans" section in our 2023 Form 10-K.

Part of our credit monitoring includes tracking delinquency, current Fair Isaac Corporation (FICO) credit scores and loan to collateral values (LTV) on the entire residential mortgage loan portfolio. For junior lien mortgages, LTV uses the total combined loan balance of first and junior lien mortgages (including unused line of credit amounts). For additional information regarding credit quality indicators, see Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

We continue to modify residential mortgage loans to assist homeowners and other borrowers experiencing financial difficulties. For additional information on loan modifications, see Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report and the "Risk Management - Credit Risk Management - Residential Mortgage Loans" section in our 2023 Form 10-K.

**Residential Mortgage - First Lien Portfolio** Our residential mortgage - first lien portfolio decreased \$2.6 billion from December 31, 2023, due to loan paydowns, partially offset by originations.

Table 15 shows certain delinquency and loss information for the residential mortgage - first lien portfolio and lists the top five states by outstanding balance.

**Table 15: Residential Mortgage - First Lien Portfolio Performance**

(\$ in millions)	Outstanding balance		% of total loans		% of loans 30 days or more past due		Net loan charge-off rate quarter ended (1)	
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023
California (2)	\$ 109,271	109,972	11.84 %	11.74	0.37	0.36	-	0.03
New York	31,144	31,322	3.38	3.34	0.76	0.79	(0.01)	0.02
Washington	10,628	10,672	1.15	1.14	0.21	0.29	(0.03)	-
New Jersey	10,056	10,161	1.09	1.08	1.12	1.13	(0.04)	(0.03)
Florida	9,867	10,065	1.07	1.07	1.23	1.11	(0.06)	(0.06)
Other (3)	68,750	69,893	7.45	7.46	0.82	0.82	(0.01)	0.02
Total	239,716	242,085	25.98	25.83	0.61	0.61	(0.01)	0.02
Government insured/guaranteed loans (4)	7,387	7,568	0.80	0.81				
Total first lien mortgage portfolio	\$ 247,103	249,653	26.78 %	26.64				

(1) Quarterly net charge-offs as a percentage of average respective loans are annualized.

(2) Our residential mortgage loans to borrowers in California are located predominantly within the larger metropolitan areas, with no single California metropolitan area consisting of more than 4% of total loans.

(3) Consists of 45 states; no state in Other had loans in excess of \$7.3 billion and \$7.4 billion at March 31, 2024, and December 31, 2023, respectively.

(4) Represents loans, substantially all of which were purchased from Government National Mortgage Association (GNMA) loan securitization pools, where the repayment of the loans is predominantly insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA). For additional information on GNMA loan securitization pools, see the "Risk Management - Credit Risk Management - Mortgage Banking Activities" section in this Report.



## Risk Management - Credit Risk Management (continued)

**Residential Mortgage - Junior Lien Portfolio** Our residential mortgage - junior lien portfolio decreased \$552 million from December 31, 2023, driven by loan paydowns.

Table 16 shows certain delinquency and loss information for the residential mortgage - junior lien portfolio and lists the top five states by outstanding balance.

**Table 16: Residential Mortgage - Junior Lien Portfolio Performance**

(\$ in millions)	Outstanding balance		% of total loans		% of loans 30 days or more past due		Net loan charge-off rate quarter ended (1)	
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023
California	\$ 2,983	3,101	0.32 %	0.33	1.67	1.65	(0.23)	(0.16)
New Jersey	1,052	1,114	0.11	0.12	2.86	2.81	(0.27)	(0.25)
Florida	873	924	0.09	0.10	2.17	2.42	(0.55)	(0.71)
Pennsylvania	634	673	0.07	0.07	2.43	2.70	0.26	(0.08)
New York	629	661	0.07	0.07	3.11	3.26	0.06	0.14
Other (2)	4,348	4,598	0.47	0.49	2.03	2.05	(0.49)	(0.31)
Total junior lien mortgage portfolio	\$ 10,519	11,071	1.13 %	1.18	2.11	2.16	(0.32)	(0.26)

(1) Quarterly net charge-offs as a percentage of average respective loans are annualized.

(2) Consists of 45 states; no state in Other had loans in excess of \$610 million and \$640 million at March 31, 2024, and December 31, 2023, respectively.

**CREDIT CARD, AUTO, AND OTHER CONSUMER LOANS** Table 17 shows the outstanding balance of our credit card, auto, and other consumer loan portfolios. For information regarding credit quality indicators for these portfolios, see Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

**Credit Card** The decrease in the outstanding balance at March 31, 2024, compared with December 31, 2023, was driven by seasonal paydowns.

**Auto** The decrease in the outstanding balance at March 31, 2024, compared with December 31, 2023, was due to paydowns exceeding originations.

**Other Consumer** The outstanding balance at March 31, 2024, was stable compared with December 31, 2023.

**Table 17: Credit Card, Auto, and Other Consumer Loans**

(\$ in millions)	March 31, 2024		December 31, 2023	
	Outstanding balance	% of total loans	Outstanding balance	% of total loans
Credit card	\$ 52,035	5.64 %	\$ 52,230	5.58%
Auto	46,202	5.01	47,762	5.10
Other consumer (1)	28,597	3.10	28,539	3.05
Total	\$ 126,834	13.75 %	\$ 128,531	13.73%

(1) Includes \$18.8 billion and \$18.3 billion at March 31, 2024, and December 31, 2023, respectively, of securities-based loans originated by the WIM operating segment.

**NONPERFORMING ASSETS (NONACCRUAL LOANS AND FORECLOSED ASSETS)** For information about when we generally place loans on nonaccrual status, see Note 1 (Summary of Significant

Accounting Policies) to Financial Statements in our 2023 Form 10-K. Table 18 summarizes nonperforming assets.

**Table 18: Nonperforming Assets (Nonaccrual Loans and Foreclosed Assets)**

(\$ in millions)	Mar 31, 2024	Dec 31, 2023
<b>Nonaccrual loans:</b>		
Commercial and industrial	\$ 750	662
Commercial real estate	3,913	4,188
Lease financing	76	64
<b>Total commercial</b>	<b>4,739</b>	<b>4,914</b>
Residential mortgage (1)	3,193	3,192
Auto	109	115
Other consumer	34	35
<b>Total consumer</b>	<b>3,336</b>	<b>3,342</b>
<b>Total nonaccrual loans</b>	<b>\$ 8,075</b>	<b>8,256</b>
As a percentage of total loans	0.88 %	0.88
<b>Foreclosed assets:</b>		
Government insured/guaranteed (2)	\$ 1	12
Non-government insured/guaranteed	164	175
<b>Total foreclosed assets</b>	<b>165</b>	<b>187</b>
<b>Total nonperforming assets</b>	<b>\$ 8,240</b>	<b>8,443</b>
As a percentage of total loans	0.89 %	0.90

(1) Residential mortgage loans predominantly insured by the FHA or guaranteed by the VA are not placed on nonaccrual status because they are insured or guaranteed.

(2) Consistent with regulatory reporting requirements, foreclosed real estate resulting from government insured/guaranteed loans are classified as nonperforming. Both principal and interest related to these foreclosed real estate assets are collectible because the loans were predominantly insured by the FHA or guaranteed by the VA. Receivables related to the foreclosure of certain government guaranteed real estate mortgage loans are excluded from this table and included in accounts receivable in other assets. For additional information on the classification of certain government-guaranteed mortgage loans upon foreclosure, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K.

Commercial nonaccrual loans decreased \$175 million from December 31, 2023, driven by charge-offs and paydowns of commercial real estate nonaccrual loans, predominantly within the office property type. For additional information on commercial nonaccrual loans, see the "Risk Management - Credit Risk Management - Commercial and Industrial Loans and Lease Financing" and "Risk Management - Credit Risk Management - Commercial Real Estate" sections in this Report.

Consumer nonaccrual loans were stable compared with December 31, 2023.

## Risk Management - Credit Risk Management (continued)

Table 19 provides an analysis of the changes in nonaccrual loans. Typically, changes to nonaccrual loans period-over-period represent inflows for loans that are placed on nonaccrual status in accordance with our policies, offset by reductions for loans

that are paid down, charged off, sold, foreclosed, or are no longer classified as nonaccrual as a result of continued performance and an improvement in the borrower's financial condition and loan repayment capabilities.

**Table 19: Analysis of Changes in Nonaccrual Loans**

(in millions)	Quarter ended March 31,	
	2024	2023
<b>Commercial nonaccrual loans</b>		
Balance, beginning of period	\$ 4,914	1,823
Inflows	774	1,046
Outflows:		
Returned to accruing	(153)	(146)
Foreclosures	-	-
Charge-offs	(353)	(115)
Payments, sales and other	(443)	(333)
Total outflows	(949)	(594)
Balance, end of period	4,739	2,275
<b>Consumer nonaccrual loans</b>		
Balance, beginning of period	3,342	3,803
Inflows	342	347
Outflows:		
Returned to accruing	(141)	(192)
Foreclosures	(24)	(26)
Charge-offs	(30)	(38)
Payments, sales and other	(153)	(159)
Total outflows	(348)	(415)
Balance, end of period	3,336	3,735
Total nonaccrual loans	\$ 8,075	6,010

We considered the risk of losses on nonaccrual loans in developing our allowance for loan losses. We believe exposure to losses on nonaccrual loans is mitigated by the following factors at March 31, 2024:

- 97% of total commercial nonaccrual loans were secured, predominantly by real estate.
- 66% of total commercial nonaccrual loans were current on interest and 48% of commercial nonaccrual loans were current on both principal and interest, but were on nonaccrual status because the full or timely collection of interest or principal had become uncertain.

- 99% of total consumer nonaccrual loans were secured, of which 96% were secured by real estate and 97% had an LTV ratio of 80% or less.
- \$473 million of the \$604 million of consumer loans in bankruptcy or discharged in bankruptcy, and classified as nonaccrual, were current.

Table 20 provides a summary of foreclosed assets and an analysis of changes in foreclosed assets.

**Table 20: Foreclosed Assets**

(in millions)	Mar 31, 2024	Dec 31, 2023
<b>Summary by loan segment</b>		
Government insured/guaranteed	\$ 1	12
Commercial	125	135
Consumer	39	40
Total foreclosed assets	\$ 165	187
Quarter ended March 31,		
(in millions)	2024	2023
<b>Analysis of changes in foreclosed assets</b>		
Balance, beginning of period	\$ 187	137
Net change in government insured/guaranteed (1)	(11)	(4)
Additions to foreclosed assets (2)	105	123
Reductions from sales and write-downs	(116)	(124)
Balance, end of period	\$ 165	132

- (1) Foreclosed government insured/guaranteed loans are temporarily transferred to and held by us as servicer, until reimbursement is received from the FHA or the VA.  
(2) Includes loans moved into foreclosed assets from nonaccrual status and repossessed autos.

NET CHARGE-OFFS Table 21 presents net loan charge-offs.

**Table 21: Net Loan Charge-offs**

(\$ in millions)	Quarter ended March 31,			
	2024		2023	
	Net loan charge-offs	% of avg. loans (1)	Net loan charge-offs	% of avg. loans (1)
Commercial and industrial	\$ 148	0.16 %	\$ 43	0.05%
Commercial real estate	187	0.50	17	0.04
Lease financing	6	0.13	3	0.07
Total commercial	341	0.25	63	0.05
Residential mortgage	(13)	(0.02)	(11)	(0.02)
Credit card	577	4.48	344	3.05
Auto	112	0.96	121	0.93
Other consumer	132	1.88	87	1.21
Total consumer	808	0.84	541	0.56
Total	\$ 1,149	0.50 %	\$ 604	0.26%

(1) Net loan charge-offs (recoveries) as a percentage of average loans are annualized.

The increase in commercial net loan charge-offs in first quarter 2024, compared with the same period a year ago, was due to higher losses in all commercial portfolios, primarily in our commercial real estate portfolio driven by the office property type.

The increase in consumer net loan charge-offs in first quarter 2024, compared with the same period a year ago, was due to higher losses in our credit card portfolio.

**ALLOWANCE FOR CREDIT LOSSES** We maintain an allowance for credit losses (ACL) for loans, which is management's estimate of the expected lifetime credit losses in the loan portfolio and unfunded credit commitments, at the balance sheet date, excluding loans and unfunded credit commitments carried at fair value or held for sale. Additionally, we maintain an ACL for debt securities classified as either AFS or HTM, other financial assets measured at amortized cost, including deposits with banks, net investments in leases, and other off-balance sheet credit exposures.

The process for establishing the ACL for loans takes into consideration many factors, including historical and forecasted loss trends, loan-level credit quality ratings and loan grade-specific characteristics. The process involves subjective and complex judgments. In addition, we review a variety of credit metrics and trends. These credit metrics and trends, however, do not solely determine the amount of the allowance as we use several analytical tools. For additional information on our ACL, see the "Critical Accounting Policies - Allowance for Credit Losses" section and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K. For additional information on our ACL for loans, see Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report, and for additional information on our ACL for debt securities, see Note 3 (Available-for-Sale and Held-to-Maturity Debt Securities) to Financial Statements in this Report.

Table 22 presents the allocation of the ACL for loans by loan portfolio segment and class.

## Risk Management - Credit Risk Management (continued)

**Table 22: Allocation of the ACL for Loans**

(\$ in millions)	Mar 31, 2024				Dec 31, 2023	
	ACL	ACL as % of loan class	Loans as % of total loans	ACL	ACL as % of loan class	Loans as % of total loans
Commercial and industrial	\$ 4,332	1.16 %	40	\$ 4,272	1.12%	40
Commercial real estate	3,782	2.54	16	3,939	2.62	16
Lease financing	203	1.22	2	201	1.22	2
Total commercial	8,317	1.54	58	8,412	1.54	58
Residential mortgage (1)	596	0.23	28	652	0.25	28
Credit card	4,321	8.30	6	4,223	8.09	6
Auto	894	1.93	5	1,042	2.18	5
Other consumer	734	2.57	3	759	2.66	3
Total consumer	6,545	1.70	42	6,676	1.72	42
Total	\$ 14,862	1.61 %	100	\$ 15,088	1.61%	100
<b>Components:</b>						
Allowance for loan losses			\$ 14,421			14,606
Allowance for unfunded credit commitments			441			482
Allowance for credit losses			\$ 14,862			15,088
Ratio of allowance for loan losses to total net loan charge-offs (2)			3.12x			4.21
Ratio of allowance for loan losses to total nonaccrual loans			1.79			1.77
Allowance for loan losses as a percentage of total loans			1.56 %			1.56

- (1) Includes negative allowance for expected recoveries of amounts previously charged off.  
(2) Total net loan charge-offs are annualized for the quarter ended March 31, 2024.

The ratios for the allowance for loan losses and the ACL for loans presented in Table 22 may fluctuate from period to period due to such factors as the mix of loan types in the portfolio, borrower credit strength, and the value and marketability of collateral.

The ACL for loans decreased \$226 million, or 1%, from December 31, 2023, reflecting decreases for commercial real estate loans and auto loans, partially offset by increases for credit card loans. The detail of the changes in the ACL for loans by portfolio segment (including charge-offs and recoveries by loan class) is included in Note 5 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

We consider multiple economic scenarios to develop our estimate of the ACL for loans, which generally include a base scenario, along with an optimistic (upside) and one or more pessimistic (downside) scenarios. We weighted the base scenario and the downside scenarios in our estimate of the ACL for loans at March 31, 2024. The base scenario assumed slowing inflation with slowing economic growth and also reflected a significant decline in commercial real estate prices and increased unemployment rates from historically low levels. The downside scenarios assumed a more substantial economic contraction due to declining property values, high inflation, and lower business and consumer confidence.

Additionally, we consider qualitative factors that represent the risk of limitations inherent in our processes and assumptions such as economic environmental factors, modeling assumptions and performance, and other subjective factors, including industry trends and emerging risk assessments.

The forecasted key economic variables used in our estimate of the ACL for loans at March 31, 2024, and December 31, 2023, are presented in Table 23.

**Table 23: Forecasted Key Economic Variables**

	2Q 2024	4Q 2024	2Q 2025
<b>Weighted blend of economic scenarios:</b>			
<b>U.S. unemployment rate (1):</b>			
March 31, 2024	4.1 %	4.9	5.6
December 31, 2023	4.4	5.3	5.9
<b>U.S. real GDP (2):</b>			
March 31, 2024	(0.3)	(0.5)	0.4
December 31, 2023	(1.2)	(0.5)	0.8
<b>Home price index (3):</b>			
March 31, 2024	1.2	(5.2)	(6.3)
December 31, 2023	(2.3)	(6.7)	(6.6)
<b>Commercial real estate asset prices (3):</b>			
March 31, 2024	(2.4)	(11.2)	(13.6)
December 31, 2023	(6.6)	(14.0)	(10.4)

- (1) Quarterly average.  
(2) Percent change from the preceding period, seasonally adjusted annualized rate.  
(3) Percent change year over year of national average; outlook differs by geography and property type.

Future amounts of the ACL for loans will be based on a variety of factors, including loan balance changes, portfolio credit quality and mix changes, and changes in general economic conditions and expectations (including for unemployment and real GDP), among other factors.

We believe the ACL for loans of \$14.9 billion at March 31, 2024, was appropriate to cover expected credit losses, including unfunded credit commitments, at that date. The entire allowance is available to absorb credit losses from the total loan portfolio. The ACL for loans is subject to change and reflects existing factors as of the date of determination, including economic or market conditions and ongoing internal and external examination processes. Due to the sensitivity of the ACL for loans to changes in the economic and business environment, it is possible that we will incur incremental credit losses not anticipated as of the balance sheet date. Our process for determining the ACL is discussed in the "Critical Accounting Policies - Allowance for Credit Losses" section and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K.

**MORTGAGE BANKING ACTIVITIES** We sell residential and commercial mortgage loans to various parties. In connection with our sales and securitization of residential mortgage loans, we have established a mortgage repurchase liability. For information on our repurchase liability, see the "Risk Management - Credit Risk Management - Mortgage Banking Activities" section in our 2023 Form 10-K.

In addition to servicing loans in our portfolio, we act as servicer and/or master servicer of residential and commercial mortgage loans included in government-sponsored enterprise (GSE) mortgage securitizations, GNMA-guaranteed mortgage securitizations of FHA-insured/VA-guaranteed mortgages and private label mortgage securitizations, as well as for unsecuritized loans owned by institutional investors.

As a servicer, we are required to advance certain delinquent payments of principal and interest on mortgage loans we service. The amount and timing of reimbursement for advances of delinquent payments vary by investor and the applicable servicing agreements. See Note 6 (Mortgage Banking Activities) to Financial Statements in this Report for additional information about residential and commercial servicing rights, servicer advances and servicing fees.

In accordance with applicable servicing guidelines, upon transfer as servicer, we have the option to repurchase loans from certain loan securitizations, which generally becomes exercisable based on delinquency status such as when three scheduled loan payments are past due. When we have the unilateral option to repurchase a loan, we recognize the loan and a corresponding liability on our balance sheet regardless of our intent to repurchase the loan. We may repurchase these loans for cash and as a result, our total consolidated assets do not change.

Loans repurchased from GNMA securitization pools that regain current status or are otherwise modified in accordance with applicable servicing guidelines may be included in future GNMA loan securitization pools. At March 31, 2024, and December 31, 2023, these loans, which we have repurchased or have the unilateral option to repurchase, were \$7.7 billion and \$7.8 billion, respectively, which included \$7.3 billion and \$7.4 billion, respectively, in loans held for investment, with the remainder in loans held for sale. See Note 13 (Securitizations and Variable Interest Entities) to Financial Statements in this Report for additional information about our involvement with mortgage loan securitizations.

For additional information about the risks related to our servicing activities, see the "Risk Management - Credit Risk Management - Mortgage Banking Activities" section in our 2023 Form 10-K. For additional information on mortgage banking activities, see Note 6 (Mortgage Banking Activities) to Financial Statements in this Report.

## Asset/Liability Management

Asset/liability management involves measuring, monitoring and managing interest rate risk, market risk, liquidity and funding. For additional information on our oversight of asset/liability risks, see the "Risk Management - Asset/Liability Management" section in our 2023 Form 10-K.

**INTEREST RATE RISK** Interest rate risk is the risk that market fluctuations in interest rates, credit spreads, or foreign exchange can cause a loss of the Company's earnings and capital stemming from mismatches in the cash flows of the Company's assets and liabilities generally arising from customer-related lending and deposit-taking activities. We are subject to interest rate risk because:

- assets and liabilities may mature or reprice at different times or by different amounts;
- short-term and long-term market interest rates may change independently or with different magnitudes;
- the remaining maturity for various assets or liabilities may shorten or lengthen as interest rates change; or
- interest rates may also have a direct or indirect effect on loan demand, collateral values, credit losses, loan origination volume, and the fair value of financial instruments and MSR's.

We assess interest rate risk by comparing the earnings outcomes from multiple interest rate scenarios that differ in the direction of interest rate changes, the degree and speed of interest rate changes over time, and the projected shape of the yield curve. These scenarios require assumptions regarding drivers of earnings and balance sheet composition such as loan originations, prepayment rates on loans and debt securities, deposit flows and mix, as well as pricing strategies. We periodically assess and enhance our scenarios and assumptions. Our scenario assumptions reflected the following:

- Scenarios are dynamic and reflect anticipated changes to our assets and liabilities over time.
- Mortgage prepayment and origination assumptions vary across scenarios and reflect only the impact of the higher or lower interest rates.
- Other macroeconomic variables that could be correlated with the changes in interest rates are held constant.
- The funding forecast in our base scenario incorporates deposit mix changes and market funding levels consistent with the base interest rate trajectory. Our hypothetical scenarios incorporate deposit mix that is the same as in the base scenario. In higher interest rate scenarios, customer deposit activity that shifts balances into higher yielding products and/or requires additional market funding could reduce the expected benefit from higher rates.
- The interest rate sensitivity of deposits as market interest rates change, referred to as deposit betas, are informed by historical behavior and expectations for near-term pricing strategies. Our actual experience may differ from expectations due to the lag or acceleration of deposit repricing, changes in consumer behavior, and other factors.

## Risk Management - Asset/Liability Management (continued)

Table 24 presents the results of the estimated net interest income sensitivity over the next 12 months from the multiple scenarios compared with our base scenario. The base scenario is a reference point used by the Company for financial planning purposes. These hypothetical scenarios include instantaneous movements across the yield curve with both lower and higher interest rates under a parallel shift, as well as steeper and flatter non-parallel changes in the yield curve. Long-term interest rates are defined as all tenors three years and longer, and short-term interest rates are defined as all tenors less than three years.

**Table 24: Net Interest Income Sensitivity Over the Next 12 Months Using Instantaneous Movements**

(\$ in billions)	Mar 31, 2024	Dec 31, 2023
<b>Parallel shift:</b>		
+100 bps shift in interest rates	\$ 1.5	1.8
-100 bps shift in interest rates	(1.9)	(2.0)
<b>Steeper yield curve:</b>		
+100 bps shift in long-term interest rates	1.2	1.1
-100 bps shift in short-term interest rates	(0.7)	(1.0)
<b>Flatter yield curve:</b>		
+100 bps shift in short-term interest rates	0.3	0.7
-100 bps shift in long-term interest rates	(1.2)	(1.1)

Our interest rate sensitivity indicates that we would expect to benefit from higher interest rates as our assets would reprice faster and to a greater degree than our liabilities, while in the case of lower interest rates, our assets would reprice downward and to a greater degree than our liabilities resulting in lower net interest income. The changes in our interest rate sensitivity from December 31, 2023, to March 31, 2024, reflected updates for our expected balance sheet composition, including a shift to higher cost deposits. The magnitude of the benefit, if any, from higher interest rates may vary from our scenarios, including because future deposit pricing and balances may be different from our current expectations. The realized impact of interest rate changes may also vary from our base and hypothetical scenarios for various reasons, including any deposit pricing lags.

We use interest rate derivatives and our debt securities portfolio to manage our interest rate exposures. We use derivatives for asset/liability management to (i) convert cash flows from selected assets and/or liabilities from floating-rate payments to fixed-rate payments, or vice versa, (ii) reduce accumulated other comprehensive income (AOCI) sensitivity of our AFS debt securities portfolio, and/or (iii) economically hedge our mortgage origination pipeline, funded mortgage loans, and MSR. Derivatives used to hedge our interest rate risk exposures are presented in Note 11 (Derivatives) to Financial Statements in this Report. As interest rates increase, changes in the fair value of AFS debt securities may negatively affect AOCI, which lowers the amount of our regulatory capital. AOCI also includes unrealized gains or losses related to the transfer of debt securities from AFS to HTM, which are subsequently amortized into earnings over the life of the security with no further impact from interest rate changes. See Note 1 (Summary of Significant Accounting Policies) and Note 3 (Available-for-Sale and Held-to-Maturity Debt Securities) to Financial Statements in this Report for additional information on our debt securities portfolio.

In addition to the net interest income sensitivity above, we also measure and evaluate the economic value sensitivity (EVS) of our balance sheet. EVS is the change in the present value of the life-time cash flows of the Company's assets and liabilities across a range of scenarios. It is based on the existing balance

sheet, at a point in time, and helps indicate whether we are exposed to higher or lower interest rates. We manage EVS through a set of limits that are designed to align with our interest rate risk appetite.

Our interest rate sensitive noninterest income and expense are impacted by mortgage banking activities that may have sensitivity impacts that move in the opposite direction of our net interest income. See the "Risk Management - Asset/Liability Management - Mortgage Banking Interest Rate and Market Risk" section in our 2023 Form 10-K for additional information.

Interest rate sensitive noninterest income is also impacted by changes in earnings credit for noninterest-bearing deposits that reduce treasury management deposit-related service fees on commercial accounts, and by trading assets. In addition, the impact to net interest income does not include the fair value changes of trading securities, which, along with the effects of related economic hedges, are recorded in noninterest income. In addition to changes in interest rates, net interest income and noninterest income from trading securities may be impacted by the actual composition of the trading portfolio. For additional information on our trading assets and liabilities, see Note 2 (Trading Activities) to Financial Statements in this Report.

**MORTGAGE BANKING INTEREST RATE AND MARKET RISK** We originate and service mortgage loans, which subjects us to various risks, including market, interest rate, credit, and liquidity risks that can be substantial. Based on market conditions and other factors, we reduce credit and liquidity risks by selling or securitizing mortgage loans. We determine whether mortgage loans will be held for investment or held for sale at the time of commitment, but may change our intent to hold loans for investment or sale as part of our corporate asset/liability management activities. We may also retain securities in our investment portfolio at the time we securitize mortgage loans.

Changes in interest rates may impact mortgage banking noninterest income, including origination and servicing fees, and the fair value of our residential MSR, LHFS, and derivative loan commitments (interest rate "locks") extended to mortgage applicants. Interest rate changes will generally impact our mortgage banking noninterest income on a lagging basis due to the time it takes for the market to reflect a shift in customer demand, as well as the time required for processing a new application, providing the commitment, and securitizing and selling the loan. The amount and timing of the impact will depend on the magnitude, speed and duration of the changes in interest rates. For additional information on mortgage banking, including key assumptions and the sensitivity of the fair value of MSR, see the "Risk Management - Asset/Liability Management - Mortgage Banking Interest Rate and Market Risk" section and Note 6 (Mortgage Banking Activities), Note 14 (Derivatives), and Note 15 (Fair Values of Assets and Liabilities) to Financial Statements in our 2023 Form 10-K.

**MARKET RISK** Market risk is the risk of possible economic loss from adverse changes in market risk factors such as interest rates, credit spreads, foreign exchange rates, equity and commodity prices, and the risk of possible loss due to counterparty exposure. This applies to implied volatility risk, basis risk, and market liquidity risk. It includes price risk in the trading book, mortgage servicing rights, the hedge effectiveness risk associated with the mortgage book held at fair value, and impairment on private equity investments. For additional information on our oversight of market risk, see the "Risk Management - Asset/Liability Management - Market Risk" section in our 2023 Form 10-K.



**MARKET RISK - TRADING ACTIVITIES** We engage in trading activities to accommodate the investment and risk management activities of our customers and to execute economic hedging to manage certain balance sheet risks. These trading activities predominantly occur within our CIB businesses. Debt and equity securities held for trading, trading loans, and trading derivatives are financial instruments used in our trading activities, and are measured at fair value through earnings. Income earned on the financial instruments used in our trading activities include net interest income, changes in fair value, and realized gains and losses. Net interest income earned from our trading activities is reflected in the interest income and interest expense components of our consolidated statement of income. Changes in fair value and realized gains and losses of the financial instruments used in our trading activities are reflected in net gains from trading activities. For additional information on the

financial instruments used in our trading activities and the income from these trading activities, see Note 2 (Trading Activities) to Financial Statements in this Report.

Value-at-risk (VaR) is a statistical risk measure used to estimate the potential loss from adverse moves in the financial markets, and Trading VaR is a measure used to provide insight into the market risk exhibited by the Company's trading positions on our consolidated balance sheet. The Company uses these VaR metrics complemented with sensitivity analysis and stress testing in measuring and monitoring market risk. Table 25 shows the Company's Trading General VaR by risk category. For additional information on our monitoring activities, sensitivity analysis, stress testing, Trading VaR, and Trading General VaR, see the "Risk Management - Asset/Liability Management - Market Risk - Trading Activities" section in our 2023 Form 10-K.

**Table 25: Trading 1-Day 99% General VaR by Risk Category**

(in millions)	March 31, 2024				December 31, 2023				Quarter ended March 31, 2023			
	Period end	Average	Low	High	Period end	Average	Low	High	Period end	Average	Low	High
	<b>Company Trading General VaR Risk Categories</b>											
Credit	\$ 35	40	29	58	30	34	29	38	34	27	20	37
Interest rate	33	26	13	45	16	22	9	33	40	32	19	48
Equity	22	21	18	24	23	22	18	28	24	24	19	31
Commodity	2	3	2	4	3	3	2	5	3	4	3	8
Foreign exchange	1	1	0	1	1	1	0	2	0	1	0	3
Diversification benefit (1)	(57)	(51)			(36)	(50)			(67)	(49)		
<b>Company Trading General VaR</b>	<b>\$ 36</b>	<b>40</b>			<b>37</b>	<b>32</b>			<b>34</b>	<b>39</b>		

(1) The period-end VaR was less than the sum of the VaR components described above due to portfolio diversification. The diversification effect arises because the risks are not perfectly correlated causing a portfolio of positions to usually be less risky than the sum of the risks of the positions alone. The diversification benefit is not meaningful for low and high metrics since they may occur on different days.

**MARKET RISK - EQUITY SECURITIES** We are directly and indirectly affected by changes in the equity markets. We make and manage equity investments in various businesses, such as start-up companies and emerging growth companies. We also invest in funds that make similar private equity investments. For additional information, see the "Risk Management - Asset/Liability Management - Market Risk - Equity Securities" section in our 2023 Form 10-K.

As part of our business to support our customers, we trade public equities, listed/over-the-counter equity derivatives, and convertible bonds. We have parameters that govern these activities. We also have marketable equity securities that include investments relating to our venture capital activities. For additional information, see Note 4 (Equity Securities) to Financial Statements in this Report.

Changes in equity market prices may also indirectly affect our net income by (1) the value of third-party assets under management and, hence, fee income, (2) borrowers whose ability to repay principal and/or interest may be affected by the stock market, or (3) brokerage activity, related commission income and other business activities. Each business line monitors and manages these indirect risks.

**LIQUIDITY RISK AND FUNDING** Liquidity risk is the risk arising from the inability of the Company to meet obligations when they come due, or roll over funds at a reasonable cost, without incurring heightened costs. In the ordinary course of business, we enter into contractual obligations that may require future cash payments, including funding for customer loan requests, customer deposit maturities and withdrawals, debt service,

leases for premises and equipment, and other cash commitments. Liquidity risk also considers the stability of deposits, including the risk of losing uninsured or non-operational deposits. The objective of effective liquidity management is to be able to meet our contractual obligations and other cash commitments efficiently under both normal operating conditions and under periods of Wells Fargo-specific and/or market stress.

To help achieve this objective, the Board establishes liquidity guidelines that require sufficient asset-based liquidity to cover potential funding requirements and to avoid over-dependence on volatile, less reliable funding markets. These guidelines are monitored on a monthly basis by the management-level Corporate Asset/Liability Committee and on a quarterly basis by the Board. These guidelines are established and monitored for both the Company and the Parent on a stand-alone basis so that the Parent is a source of strength for its banking subsidiaries. For additional information on liquidity risk and funding management, see the "Risk Management - Liquidity Risk and Funding" section in our 2023 Form 10-K.

**Liquidity Standards** We are subject to a rule issued by the FRB, OCC and FDIC that establishes a quantitative minimum liquidity requirement consistent with the liquidity coverage ratio (LCR) established by the Basel Committee on Banking Supervision (BCBS). The rule requires a covered banking organization to hold high-quality liquid assets (HQLA) in an amount equal to or greater than its projected net cash outflows during a 30-day stress period. Our HQLA under the rule mainly consists of central bank deposits, government debt securities, and mortgage-



## Risk Management - Asset/Liability Management (continued)

backed securities of federal agencies. The LCR applies to the Company and to our insured depository institutions (IDIs) with total assets of \$10 billion or more. In addition, rules issued by the FRB impose enhanced liquidity risk management standards on large bank holding companies (BHCs), such as Wells Fargo.

We are also subject to a rule issued by the FRB, OCC and FDIC that establishes a stable funding requirement, known as the net stable funding ratio (NSFR), which requires a covered banking organization, such as Wells Fargo, to maintain a minimum amount of stable funding, including common equity, long-term debt and most types of deposits, in relation to its assets, derivative exposures and commitments over a one-year horizon

period. The NSFR applies to the Company and to our IDIs with total assets of \$10 billion or more. As of March 31, 2024, we were compliant with the NSFR requirement.

**Liquidity Coverage Ratio** As of March 31, 2024, the Company, Wells Fargo Bank, N.A., and Wells Fargo National Bank West exceeded the minimum LCR requirement of 100%. Table 26 presents the Company's quarterly average values for the daily-calculated LCR and its components calculated pursuant to the LCR rule requirements. The LCR represents average HQLA divided by average projected net cash outflows, as each is defined under the LCR rule.

**Table 26: Liquidity Coverage Ratio**

(in millions, except ratio)	Average for quarter ended		
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
HQLA (1):			
Eligible cash	\$ 201,358	187,133	108,725
Eligible securities (2)	151,669	162,930	239,123
Total HQLA	353,027	350,063	347,848
Projected net cash outflows (3)	281,173	279,903	284,290
LCR	126 %	125	122

(1) Excludes excess HQLA at certain subsidiaries that are not transferable to other Wells Fargo entities.

(2) Net of applicable haircuts required under the LCR rule.

(3) Projected net cash outflows are calculated by applying a standardized set of outflow and inflow assumptions, defined by the LCR rule, to various exposures and liability types, such as deposits and unfunded loan commitments, which are prescribed based on a number of factors, including the type of customer and the nature of the account.

**Liquidity Sources** We maintain liquidity in the form of cash, interest-earning deposits with banks, and unencumbered high-quality, liquid debt securities. These assets make up our primary sources of liquidity. Our primary sources of liquidity are substantially the same in composition as HQLA under the LCR rule; however, our primary sources of liquidity will generally

exceed HQLA calculated under the LCR rule due to the applicable haircuts to HQLA and the exclusion of excess HQLA at our subsidiary IDIs required under the LCR rule. Our primary sources of liquidity are presented in Table 27 at fair value, which also includes encumbered securities that are not included as available HQLA in the calculation of the LCR.

**Table 27: Primary Sources of Liquidity**

(in millions)	March 31, 2024			December 31, 2023		
	Total	Encumbered	Unencumbered	Total	Encumbered	Unencumbered
Interest-earning deposits with banks (1)	\$ 238,416	-	238,416	203,026	-	203,026
Debt securities of U.S. Treasury and federal agencies	45,019	6,676	38,343	47,754	9,351	38,403
Federal agency mortgage-backed securities (2)	245,843	20,192	225,651	237,966	28,471	209,495
Total	\$ 529,278	26,868	502,410	488,746	37,822	450,924

(1) Excludes time deposits, which are included in interest-earning deposits with banks in our consolidated balance sheet.

(2) Encumbered securities at March 31, 2024, includes securities with a fair value of \$690 million which were purchased in March 2024, but settled in April 2024.

Our interest-earning deposits with banks are mainly on deposit with the Federal Reserve. We believe the debt securities included in Table 27 provide quick and reliable sources of liquidity through sales or by pledging to obtain financing, regardless of market conditions. Debt securities within our HTM portfolio are not intended for sale but may be pledged to obtain financing.

As of March 31, 2024, we had approximately \$516.2 billion of available borrowing capacity at various Federal Home Loan Banks (FHLB) and the Federal Reserve Discount Window, based on collateral pledged. Although available, we do not view this borrowing capacity as a primary source of liquidity.

In addition, liquidity is also available through the sale or financing of other debt securities, including trading and/or AFS debt securities, as well as through the sale, securitization, or financing of loans, to the extent such debt securities and loans are not encumbered.

**Funding Sources** The Parent acts as a source of funding for the Company through the issuance of long-term debt and equity. WFC Holdings, LLC (the "IHC") is an intermediate holding

company and subsidiary of the Parent, which provides funding support for the ongoing operational requirements of the Parent and certain of its direct and indirect subsidiaries. For additional information on the IHC, see the "Regulatory Matters - 'Living Will' Requirements and Related Matters" section in our 2023 Form 10-K. Additional subsidiary funding is provided by deposits, short-term borrowings and long-term debt.

Deposits have historically provided a sizable source of relatively low-cost funds. Loans were 67% and 69% of total deposits at March 31, 2024, and December 31, 2023, respectively.

Table 28 presents a summary of our short-term borrowings, which generally mature in less than 30 days. The balances of federal funds purchased and securities sold under agreements to repurchase may vary over time due to client activity, our own demand for financing, and our overall mix of liabilities. For additional information on the classification of our short-term borrowings, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K. We pledge certain financial instruments that we own to collateralize

repurchase agreements and other securities financings, as well as borrowings from the FHLB. For additional information, see the

“Pledged Assets” section of Note 16 (Pledged Assets and Collateral) to Financial Statements in this Report.

**Table 28: Short-Term Borrowings**

(in millions)	Mar 31, 2024	Dec 31, 2023
Federal funds purchased and securities sold under agreements to repurchase	\$ 86,486	77,676
Other short-term borrowings (1)	22,528	11,883
<b>Total</b>	<b>\$ 109,014</b>	<b>89,559</b>

(1) Includes \$8.0 billion and \$0 of FHLB advances at March 31, 2024, and December 31, 2023, respectively.

We access domestic and international capital markets for long-term funding through issuances of registered debt securities, private placements, securitizations, and asset-backed secured funding. We issue long-term debt in a variety of maturities and currencies to achieve cost-efficient funding and to maintain an appropriate maturity profile. Proceeds from securities issued were used for general corporate purposes unless otherwise specified in the applicable prospectus or prospectus supplement, and we expect the proceeds from securities issued in the future will be used for the same purposes. Depending on market conditions and our liquidity position, we may redeem or

repurchase, and subsequently retire, our outstanding debt securities in privately negotiated or open market transactions, by tender offer, or otherwise. In March 2024, we issued long-term debt of \$1.2 billion by securitizing credit card loans. For additional information about credit card securitizations, see Note 13 (Securitizations and Variable Interest Entities) to Financial Statements in this Report. We also issued \$5.2 billion of long-term debt in April 2024. Table 29 provides the aggregate carrying value of long-term debt maturities (based on contractual payment dates) for the remainder of 2024 and the following years thereafter, as of March 31, 2024.

**Table 29: Maturity of Long-Term Debt**

(in millions)	March 31, 2024						Total
	Remaining 2024	2025	2026	2027	2028	Thereafter	
<b>Wells Fargo &amp; Company (Parent Only)</b>							
Senior notes	\$ 4,902	14,507	24,063	7,753	13,509	63,627	128,361
Subordinated notes	-	963	2,638	2,352	-	11,552	17,505
Junior subordinated notes	-	-	-	358	-	802	1,160
<b>Total long-term debt - Parent</b>	<b>4,902</b>	<b>15,470</b>	<b>26,701</b>	<b>10,463</b>	<b>13,509</b>	<b>75,981</b>	<b>147,026</b>
<b>Wells Fargo Bank, N.A. and other bank entities (Bank)</b>							
Senior notes (1)	11,734	7,363	7,645	3	5,004	179	31,928
Subordinated notes	-	148	-	27	192	2,939	3,306
Junior subordinated notes	-	-	-	418	-	-	418
Credit card securitizations	-	-	-	1,247	-	-	1,247
Other bank debt	34	43	17	29	27	2,659	2,809
<b>Total long-term debt - Bank</b>	<b>11,768</b>	<b>7,554</b>	<b>7,662</b>	<b>1,724</b>	<b>5,223</b>	<b>5,777</b>	<b>39,708</b>
<b>Other consolidated subsidiaries</b>							
Senior notes	53	395	220	-	5	357	1,030
<b>Total long-term debt - Other consolidated subsidiaries</b>	<b>53</b>	<b>395</b>	<b>220</b>	<b>-</b>	<b>5</b>	<b>357</b>	<b>1,030</b>
<b>Total long-term debt</b>	<b>\$ 16,723</b>	<b>23,419</b>	<b>34,583</b>	<b>12,187</b>	<b>18,737</b>	<b>82,115</b>	<b>187,764</b>

(1) Includes \$20.0 billion of FHLB advances.

## Risk Management - Asset/Liability Management (continued)

**Credit Ratings** Investors in the long-term capital markets, as well as other market participants, generally will consider, among other factors, a company's debt rating in making investment decisions. Rating agencies base their ratings on many quantitative and qualitative factors, including capital adequacy, liquidity, asset quality, business mix, the level and quality of earnings, and rating agency assumptions regarding the probability and extent of federal financial assistance or support for certain large financial institutions. Adverse changes in these factors could result in a reduction of our credit rating; however, our debt securities do not contain credit rating covenants.

There were no actions undertaken by the rating agencies with regard to our credit ratings during first quarter 2024.

See the "Risk Factors" section in our 2023 Form 10-K for additional information regarding our credit ratings and the potential impact a credit rating downgrade would have on our liquidity and operations as well as Note 11 (Derivatives) to Financial Statements in this Report for information regarding additional collateral and funding obligations required for certain derivative instruments in the event our credit ratings were to fall below investment grade.

The credit ratings of the Parent and Wells Fargo Bank, N.A., as of March 31, 2024, are presented in Table 30.

**Table 30: Credit Ratings as of March 31, 2024**

	Wells Fargo & Company		Wells Fargo Bank, N.A.	
	Senior debt	Short-term borrowings	Long-term deposits	Short-term borrowings
Moody's	A1	P-1	Aa1	P-1
S&P Global Ratings	BBB+	A-2	A+	A-1
Fitch Ratings	A+	F 1	AA	F 1+
DBRS Morningstar	AA (low)	R-1 (middle)	AA	R-1 (high)

## Capital Management

We have an active program for managing capital through a comprehensive process for assessing the Company's overall capital adequacy. Our objective is to maintain capital at an amount commensurate with our risk profile and risk tolerance objectives, and to meet both regulatory and market expectations. We primarily fund our capital needs through the retention of earnings net of both dividends and share repurchases, as well as through the issuance of preferred stock and long- and short-term debt. Retained earnings at March 31, 2024, increased \$2.7 billion from December 31, 2023, predominantly as a result of \$4.6 billion of Wells Fargo net income, partially offset by \$1.6 billion of common and preferred stock dividends. During first quarter 2024, we issued \$599 million of common stock, substantially all of which was issued in connection with employee compensation and benefits. In first quarter 2024, we repurchased 112 million shares of common stock at a cost of \$6.1 billion. For additional information about capital planning, see the "Capital Planning and Stress Testing" section below.

In March 2024, we redeemed all of our Preferred Stock, Series R. For additional information, see Note 9 (Preferred Stock) to Financial Statements in this Report.

### Regulatory Capital Requirements

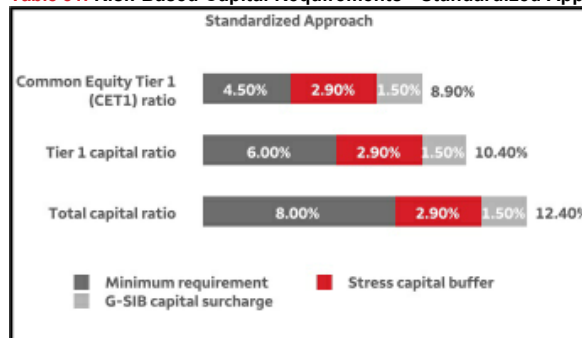
The Company and each of our IDIs are subject to various regulatory capital adequacy requirements administered by the FRB and the OCC. Risk-based capital rules establish risk-adjusted ratios relating regulatory capital to different categories of assets and off-balance sheet exposures as discussed below.

**RISK-BASED CAPITAL AND RISK-WEIGHTED ASSETS** The Company is subject to rules issued by federal banking regulators to implement Basel III capital requirements for U.S. banking organizations. The rules contain two frameworks for calculating capital requirements, a Standardized Approach and an Advanced Approach applicable to certain institutions, including Wells Fargo, and we must calculate our risk-based capital ratios under both approaches. The Company is required to satisfy the risk-based capital ratio requirements to avoid restrictions on capital distributions and discretionary bonus payments.

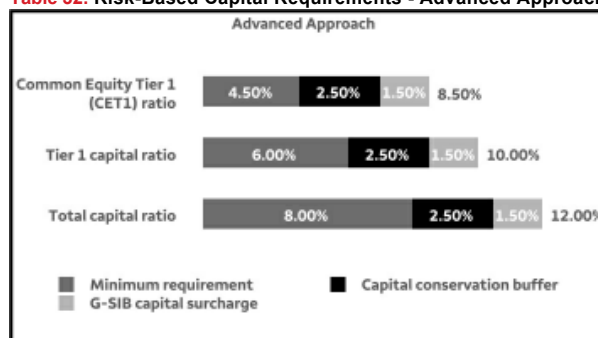
On July 27, 2023, federal banking regulators issued a proposed rule to implement the final components of Basel III, which would impact risk-based capital requirements for certain banks. The proposed rule would eliminate the current Advanced Approach and replace it with a new expanded risk-based approach for the measurement of risk-weighted assets, including more granular risk weights for credit risk, a new market risk framework, and a new standardized approach for measuring operational risk. Based on the proposed rule, the new requirements would be phased in over a three-year period beginning July 1, 2025. If the rule is adopted as currently proposed, the Company would expect a significant increase in its risk-weighted assets and a net increase in its capital requirements based on an assessment of the proposed rule. The Company is considering a range of potential actions to address the impact of the proposed rule, including balance sheet and capital optimization strategies.

Table 31 and Table 32 present the risk-based capital requirements applicable to the Company under the Standardized Approach and Advanced Approach, respectively, as of March 31, 2024.

**Table 31: Risk-Based Capital Requirements - Standardized Approach**



**Table 32: Risk-Based Capital Requirements - Advanced Approach**



In addition to the risk-based capital requirements described in Table 31 and Table 32, if the FRB determines that a period of excessive credit growth is contributing to an increase in systemic risk, a countercyclical buffer of up to 2.50% could be added to the risk-based capital ratio requirements under federal banking regulations. The countercyclical buffer in effect at March 31, 2024, was 0.00%.

The capital conservation buffer is applicable to certain institutions, including Wells Fargo, under the Advanced Approach and is intended to absorb losses during times of economic or financial stress.

The stress capital buffer is calculated based on the decrease in a BHC's risk-based capital ratios under the severely adverse scenario in the FRB's annual supervisory stress test and related Comprehensive Capital Analysis and Review (CCAR), plus four quarters of planned common stock dividends. Because the stress capital buffer is calculated annually based on data that can differ over time, our stress capital buffer, and thus our risk-based capital ratio requirements under the Standardized Approach, are subject to change in future periods. Our stress capital buffer for the period October 1, 2023, through September 30, 2024, is 2.90%.

## Capital Management (continued)

As a global systemically important bank (G-SIB), we are also subject to the FRB's rule implementing an additional capital surcharge between 1.00-4.50% on the risk-based capital requirements of G-SIBs. Under the rule, we must annually calculate our surcharge under two methods and use the higher of the two surcharges. The first method (method one) considers our size, interconnectedness, cross-jurisdictional activity, substitutability, and complexity, consistent with the methodology developed by the BCBS and the Financial Stability Board (FSB). The second method (method two) uses similar inputs, but replaces substitutability with use of short-term wholesale funding and will generally result in higher surcharges than under method one. Because the G-SIB capital surcharge is calculated annually based on data that can differ over time, the amount of the surcharge is subject to change in future years. If our annual calculation results in a decrease to our G-SIB capital surcharge, the decrease takes effect the next calendar year. If our annual calculation results in an increase to our G-SIB capital

surcharge, the increase takes effect in two calendar years. Our G-SIB capital surcharge will continue to be 1.50% in 2024. On July 27, 2023, the FRB issued a proposed rule that would impact the methodology used to calculate the G-SIB capital surcharge.

Under the risk-based capital rules, on-balance sheet assets and credit equivalent amounts of derivatives and off-balance sheet items are assigned to one of several broad risk categories according to the obligor, or, if relevant, the guarantor or the nature of any collateral. The aggregate dollar amount in each risk category is then multiplied by the risk weight associated with that category. The resulting weighted values from each of the risk categories are aggregated for determining total risk-weighted assets (RWAs).

The tables that follow provide information about our risk-based capital and related ratios as calculated under Basel III capital rules. Table 33 summarizes our CET1, Tier 1 capital, total capital, RWAs and capital ratios.

**Table 33: Capital Components and Ratios**

(\$ in millions)		Standardized Approach			Advanced Approach		
		Required Capital Ratios (1)	Mar 31, 2024	Dec 31, 2023	Required Capital Ratios (1)	Mar 31, 2024	Dec 31, 2023
Common Equity Tier 1	(A)	\$	136,717	140,783		136,717	140,783
Tier 1 capital	(B)		154,915	159,823		154,915	159,823
Total capital	(C)		188,100	193,061		177,843	182,726
Risk-weighted assets	(D)		1,221,647	1,231,668		1,099,557	1,114,281
Common Equity Tier 1 capital ratio	(A)/(D)	8.90 %	11.19 *	11.43	8.50	12.43	12.63
Tier 1 capital ratio	(B)/(D)	10.40	12.68 *	12.98	10.00	14.09	14.34
Total capital ratio	(C)/(D)	12.40	15.40 *	15.67	12.00	16.17	16.40

\* Denotes the binding ratio under the Standardized and Advanced Approaches at March 31, 2024.

(1) Represents the minimum ratios required to avoid restrictions on capital distributions and discretionary bonus payments at March 31, 2024.

Table 34 provides information regarding the calculation and composition of our risk-based capital under the Standardized and Advanced Approaches.

**Table 34: Risk-Based Capital Calculation and Components**

(in millions)	Mar 31, 2024	Dec 31, 2023
Total equity	\$ 182,674	187,443
Adjustments:		
Preferred stock	(18,608)	(19,448)
Additional paid-in capital on preferred stock	146	157
Noncontrolling interests	(1,731)	(1,708)
Total common stockholders' equity	\$ 162,481	166,444
Adjustments:		
Goodwill	(25,173)	(25,175)
Certain identifiable intangible assets (other than MSRs)	(107)	(118)
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)	(965)	(878)
Applicable deferred taxes related to goodwill and other intangible assets (1)	927	919
Other (2)	(446)	(409)
Common Equity Tier 1 under the Standardized and Advanced Approaches	\$ 136,717	140,783
Preferred stock	18,608	19,448
Additional paid-in capital on preferred stock	(146)	(157)
Other	(264)	(251)
Total Tier 1 capital under the Standardized and Advanced Approaches	(A) \$ 154,915	159,823
Long-term debt and other instruments qualifying as Tier 2	18,986	19,020
Qualifying allowance for credit losses (3)	14,721	14,805
Other	(522)	(587)
Total Tier 2 capital under the Standardized Approach	(B) \$ 33,185	33,238
Total qualifying capital under the Standardized Approach	(A)+(B) \$ 188,100	193,061
Long-term debt and other instruments qualifying as Tier 2	18,986	19,020
Qualifying allowance for credit losses (3)	4,464	4,470
Other	(522)	(587)
Total Tier 2 capital under the Advanced Approach	(C) \$ 22,928	22,903
Total qualifying capital under the Advanced Approach	(A)+(C) \$ 177,843	182,726

- (1) 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.
- (2) Includes a \$60 million increase and \$120 million increase at March 31, 2024, and December 31, 2023, respectively, related to a current expected credit loss accounting standard (CECL) transition provision. In second quarter 2020, the Company elected to apply a modified transition provision issued by federal banking regulators related to the impact of CECL on regulatory capital. The rule permits certain banking organizations to exclude from regulatory capital the initial adoption impact of CECL, plus 25% of the cumulative changes in the allowance for credit losses (ACL) under CECL for each period until December 31, 2021, followed by a three-year phase-out period in which the benefit is reduced by 25% in year one, 50% in year two and 75% in year three.
- (3) Differences between the approaches are driven by the qualifying amounts of ACL includable in Tier 2 capital. Under the Advanced Approach, eligible credit reserves represented by the amount of qualifying ACL in excess of expected credit losses (using regulatory definitions) is limited to 0.60% of Advanced credit RWAs, whereas the Standardized Approach includes ACL in Tier 2 capital up to 1.25% of Standardized credit RWAs. Under both approaches, any excess ACL is deducted from the respective total RWAs.

## Capital Management (continued)

Table 35 provides the composition and net changes in the components of RWAs under the Standardized and Advanced Approaches.

**Table 35: Risk-Weighted Assets**

(in millions)	Standardized Approach			Advanced Approach (1)		
	Mar 31, 2024	Dec 31, 2023	\$ Change 2024/2023	Mar 31, 2024	Dec 31, 2023	\$ Change 2024/2023
<b>Risk-weighted assets (RWAs):</b>						
Credit risk	\$ 1,176,331	1,182,805	(6,474)	756,678	756,905	(227)
Market risk	45,316	48,863	(3,547)	45,316	48,863	(3,547)
Operational risk	N/A	N/A	N/A	297,563	308,513	(10,950)
<b>Total RWAs</b>	<b>\$ 1,221,647</b>	<b>1,231,668</b>	<b>(10,021)</b>	<b>1,099,557</b>	<b>1,114,281</b>	<b>(14,724)</b>

(1) RWAs calculated under the Advanced Approach utilize a risk-sensitive methodology, which relies upon the use of internal credit models based upon our experience with internal rating grades. The Advanced Approach also includes an operational risk component, which reflects the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Table 36 provides an analysis of changes in CET1.

**Table 36: Analysis of Changes in Common Equity Tier 1**

(in millions)	
Common Equity Tier 1 at December 31, 2023	\$ 140,783
Cumulative effect from change in accounting policy (1)	(158)
Net income applicable to common stock	4,313
Common stock dividends	(1,249)
Common stock issued, repurchased, and stock compensation-related items	(5,903)
Changes in accumulated other comprehensive income (loss)	(966)
Goodwill	2
Certain identifiable intangible assets (other than MSRs)	11
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)	(87)
Applicable deferred taxes related to goodwill and other intangible assets (2)	8
Other (3)	(37)
Change in Common Equity Tier 1	(4,066)
<b>Common Equity Tier 1 at March 31, 2024</b>	<b>\$ 136,717</b>

(1) Effective January 1, 2024, we adopted ASU 2023-02. For additional information, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in this Report.

(2) 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.

(3) Includes a \$60 million decrease from December 31, 2023, related to a CECL transition provision. In second quarter 2020, the Company elected to apply a modified transition provision issued by federal banking regulators related to the impact of CECL on regulatory capital. The rule permits certain banking organizations to exclude from regulatory capital the initial adoption impact of CECL, plus 25% of the cumulative changes in the allowance for credit losses (ACL) under CECL for each period until December 31, 2021, followed by a three-year phase-out period in which the benefit is reduced by 25% in year one, 50% in year two and 75% in year three.

**TANGIBLE COMMON EQUITY** We also evaluate our business based on certain ratios that utilize tangible common equity. Tangible common equity is a non-GAAP financial measure and represents total equity less preferred equity, noncontrolling interests, goodwill, certain identifiable intangible assets (other than MSRs) and goodwill and other intangibles on investments in consolidated portfolio companies, net of applicable deferred taxes. The ratios are (i) tangible book value per common share, which represents tangible common equity divided by common shares outstanding; and (ii) return on average tangible common

equity (ROTCE), which represents our annualized earnings as a percentage of tangible common equity. The methodology of determining tangible common equity may differ among companies. Management believes that tangible book value per common share and return on average tangible common equity, which utilize tangible common equity, are useful financial measures because they enable management, investors, and others to assess the Company's use of equity.

Table 37 provides a reconciliation of these non-GAAP financial measures to GAAP financial measures.

**Table 37: Tangible Common Equity**

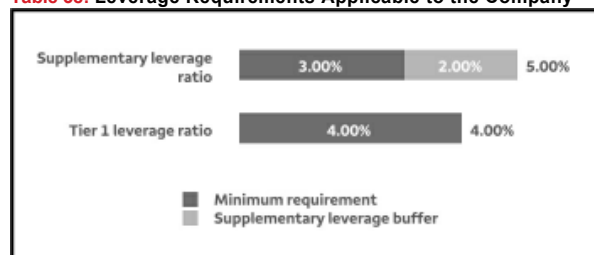
	Balance at period-end			Average balance		
	Period ended			Quarter ended		
(in millions, except ratios)	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023	Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Total equity	\$ 182,674	187,443	183,220	186,669	185,853	184,297
Adjustments:						
Preferred stock	(18,608)	(19,448)	(19,448)	(19,291)	(19,448)	(19,448)
Additional paid-in capital on preferred stock	146	157	173	155	157	173
Noncontrolling interests	(1,731)	(1,708)	(2,052)	(1,710)	(1,664)	(2,019)
Total common stockholders' equity (A)	162,481	166,444	161,893	165,823	164,898	163,003
Adjustments:						
Goodwill	(25,173)	(25,175)	(25,173)	(25,174)	(25,173)	(25,173)
Certain identifiable intangible assets (other than MSRs)	(107)	(118)	(139)	(112)	(124)	(145)
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets) (1)	(965)	(878)	(2,486)	(879)	(878)	(2,440)
Applicable deferred taxes related to goodwill and other intangible assets (2)	927	920	897	924	918	895
Tangible common equity (B)	\$ 137,163	141,193	134,992	140,582	139,641	136,140
Common shares outstanding (C)	3,501.7	3,598.9	3,763.2	N/A	N/A	N/A
Net income applicable to common stock (D)	N/A	N/A	N/A	\$ 4,313	3,160	4,713
Book value per common share (A)/(C)	\$ 46.40	46.25	43.02	N/A	N/A	N/A
Tangible book value per common share (B)/(C)	39.17	39.23	35.87	N/A	N/A	N/A
Return on average common stockholders' equity (ROE) (D)/(A)	N/A	N/A	N/A	10.46 %	7.60	11.73
Return on average tangible common equity (ROTCE) (D)/(B)	N/A	N/A	N/A	12.34	8.98	14.04

(1) In third quarter 2023, we sold investments in certain private equity funds. As a result, we have removed the related goodwill and other intangible assets on investments in consolidated portfolio companies.

(2) 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.

**LEVERAGE REQUIREMENTS** As a BHC, we are required to maintain a supplementary leverage ratio (SLR) to avoid restrictions on capital distributions and discretionary bonus payments and maintain a minimum Tier 1 leverage ratio. Table 38 presents the leverage requirements applicable to the Company as of March 31, 2024.

**Table 38: Leverage Requirements Applicable to the Company**





## Capital Management (continued)

In addition, our IDIs are required to maintain an SLR of at least 6.00% to be considered well capitalized under applicable regulatory capital adequacy rules and maintain a minimum Tier 1 leverage ratio of 4.00%.

Table 39 presents information regarding the calculation and components of the Company's SLR and Tier 1 leverage ratio. At March 31, 2024, each of our IDIs exceeded their applicable SLR requirements.

**Table 39: Leverage Ratios for the Company**

(\$ in millions)	Quarter ended March 31, 2024	
	(A)	\$
Tier 1 capital		154,915
Total average assets		1,917,034
Less: Goodwill and other permitted Tier 1 capital deductions (net of deferred tax liabilities)		27,261
Total adjusted average assets		1,889,773
Plus adjustments for off-balance sheet exposures:		
Derivatives (1)		55,083
Repo-style transactions (2)		4,668
Other (3)		312,630
Total off-balance sheet exposures		372,381
Total leverage exposure	(B)	\$ 2,262,154
Supplementary leverage ratio	(A)/(B)	6.85%
Tier 1 leverage ratio (4)		8.20%

- (1) Adjustment represents derivatives and collateral netting exposures as defined for supplementary leverage ratio determination purposes.  
(2) Adjustment represents counterparty credit risk for repo-style transactions where Wells Fargo & Company is the principal counterparty facing the client.  
(3) Adjustment represents credit equivalent amounts of other off-balance sheet exposures not already included as derivatives and repo-style transactions exposures.  
(4) The Tier 1 leverage ratio consists of Tier 1 capital divided by total average assets, excluding goodwill and certain other items as determined under the rule.

**TOTAL LOSS ABSORBING CAPACITY** As a G-SIB, we are required to have a minimum amount of equity and unsecured long-term debt for purposes of resolvability and resiliency, often referred to as Total Loss Absorbing Capacity (TLAC). U.S. G-SIBs are required to have a minimum amount of TLAC (consisting of CET1 capital and additional Tier 1 capital issued directly by the top-tier or covered BHC plus eligible external long-term debt) to avoid restrictions on capital distributions and discretionary bonus payments as well as a minimum amount of eligible unsecured long-term debt. The components used to calculate our minimum TLAC and eligible unsecured long-term debt requirements as of March 31, 2024, are presented in Table 40.

**Table 40: Components Used to Calculate TLAC and Eligible Unsecured Long-Term Debt Requirements**

TLAC requirement	
Greater of:	
18.00% of RWAs	7.50% of total leverage exposure (the denominator of the SLR calculation)
+	+
TLAC buffer (equal to 2.50% of RWAs + method one G-SIB capital surcharge + any countercyclical buffer)	External TLAC leverage buffer (equal to 2.00% of total leverage exposure)
<b>Minimum amount of eligible unsecured long-term debt</b>	
Greater of:	
6.00% of RWAs	4.50% of total leverage exposure
+	
Greater of method one and method two G-SIB capital surcharge	

In August 2023, the FRB proposed rules that would, among other things, modify the calculation of eligible long-term debt that counts towards the TLAC requirements, which would reduce our TLAC ratios.

Table 41 provides our TLAC and eligible unsecured long-term debt and related ratios.

**Table 41: TLAC and Eligible Unsecured Long-Term Debt**

(\$ in millions)	March 31, 2024			
	TLAC (1)	Regulatory Minimum (2)	Eligible Unsecured Long-term Debt	Regulatory Minimum
Total eligible amount	\$ 306,606		143,536	
Percentage of RWAs (3)	25.10%	21.50	11.75	7.50
Percentage of total leverage exposure	13.55	9.50	6.35	4.50

- (1) TLAC ratios are calculated using the CECL transition provision issued by federal banking regulators.  
(2) Represents the minimum required to avoid restrictions on capital distributions and discretionary bonus payments.  
(3) Our minimum TLAC and eligible unsecured long-term debt requirements are calculated based on the greater of RWAs determined under the Standardized and Advanced Approaches.

**OTHER REGULATORY CAPITAL AND LIQUIDITY MATTERS** For information regarding the U.S. implementation of the Basel III LCR and NSFR, see the "Risk Management - Asset/ Liability Management - Liquidity Risk and Funding - Liquidity Standards" section in this Report.

Our principal U.S. broker-dealer subsidiaries, Wells Fargo Securities, LLC, and Wells Fargo Clearing Services, LLC, are subject to regulations to maintain minimum net capital requirements. As of March 31, 2024, these broker-dealer subsidiaries were in compliance with their respective regulatory minimum net capital requirements.

### Capital Planning and Stress Testing

Our planned long-term capital structure is designed to meet regulatory and market expectations. We believe that our long-term targeted capital structure enables us to invest in and grow our business, satisfy our customers' financial needs in varying environments, access markets, and maintain flexibility to return capital to our shareholders. Our long-term targeted capital structure also considers capital levels sufficient to exceed capital requirements, including the G-SIB capital surcharge and the stress capital buffer, as well as potential changes to regulatory requirements for our capital ratios, planned capital actions, changes in our risk profile and other factors. Accordingly, our long-term target capital levels are set above their respective regulatory minimums plus buffers.

The FRB capital plan rule establishes capital planning and other requirements that govern capital distributions, including dividends and share repurchases, by certain BHCs, including Wells Fargo. The FRB assesses, among other things, the overall financial condition, risk profile, and capital adequacy of BHCs when evaluating their capital plans.

As part of the annual CCAR, the FRB generates a supervisory stress test. The FRB reviews the supervisory stress test results as required under the Dodd-Frank Act using a common set of capital actions for all large BHCs and also reviews the Company's proposed capital actions.

Federal banking regulators also require large BHCs and banks to conduct their own stress tests to evaluate whether the institution has sufficient capital to continue to operate during periods of adverse economic and financial conditions.

### Securities Repurchases

On July 25, 2023, we announced that our Board authorized a common stock repurchase program of up to \$30 billion. Unless modified or revoked by the Board, this authorization does not expire and is our only common stock repurchase program in effect. At March 31, 2024, we had remaining Board authority to repurchase up to approximately \$20.7 billion of common stock.

Various factors impact the amount and timing of our share repurchases, including the earnings, cash requirements and financial condition of the Company, the impact to our balance sheet of expected customer activity, our capital requirements and long-term targeted capital structure, the results of supervisory stress tests, market conditions (including the trading price of our stock), and regulatory and legal considerations, including regulatory requirements under the FRB's capital plan

rule. Although we announce when the Board authorizes a share repurchase program, we typically do not give any public notice before we repurchase our shares. Due to the various factors that may impact the amount and timing of our share repurchases and the fact that we may be in the market throughout the year, our share repurchases occur at various prices. We may suspend share repurchase activity at any time.

Furthermore, the Company has a variety of benefit plans in which employees may own or obtain shares of our common stock. The Company may buy shares from these plans to accommodate employee preferences and these purchases are subtracted from our repurchase authority.

For additional information about share repurchases during first quarter 2024, see Part II, Item 2 in this Report.

## Regulatory Matters

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The U.S. financial services industry is subject to significant regulation and regulatory oversight initiatives. This regulation and oversight may continue to impact how U.S. financial services companies conduct business and may continue to result in increased regulatory compliance costs.

For a discussion of certain consent orders applicable to the Company, see the "Overview" section in this Report. The following supplements our discussion of other significant regulations and regulatory oversight initiatives that have affected or may affect our business contained in the "Regulatory Matters" and "Risk Factors" sections in our 2023 Form 10-K.

**Regulatory Developments in Response to Climate Change** Federal, state, and non-U.S. governments and government agencies have demonstrated increased attention to the impacts and potential risks associated with climate change. For example, federal banking regulators are reviewing the implications of climate change on the financial stability of the United States and have issued guidance on the identification and management by large banks of climate-related financial risks. In addition, the Securities and Exchange Commission (SEC) adopted final rules requiring public companies to disclose certain climate-related information, including climate-related risks and impacts, certain greenhouse gas emissions, climate-related targets and goals, and governance of climate-related risks and relevant risk management processes. Similarly, California's state legislature finalized climate-related disclosure laws, while the European Union finalized its Corporate Sustainability Reporting Directive. The approaches taken by various governments and government agencies can vary significantly, evolve over time, and sometimes conflict. Any current or future rules, regulations, and guidance related to climate change and its impacts could require us to change certain of our business practices, reduce our revenue and earnings, impose additional costs on us, subject us to legal or regulatory proceedings, or otherwise adversely affect our business operations and/or competitive position.

## Critical Accounting Policies

Our significant accounting policies are fundamental to understanding our results of operations and financial condition because they require that we use estimates and assumptions that may affect the value of our assets or liabilities and financial results. Six of these policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. These policies govern:

- the allowance for credit losses;
- the valuation of residential MSRs;

- the fair value of financial instruments;
- income taxes;
- liability for legal actions; and
- goodwill impairment.

Management has discussed these critical accounting policies and the related estimates and judgments with the Board's Audit Committee. For additional information, see the "Critical Accounting Policies" section and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in this Report.

## Current Accounting Developments

Table 42 provides the significant accounting updates applicable to us that have been issued by the Financial Accounting Standards Board (FASB) but are not yet effective.

**Table 42: Current Accounting Developments - Issued Standards**

Description and Effective Date	Financial statement impact
<b>ASU 2023-07 - Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures</b>	
The Update, effective December 31, 2024 (with early adoption permitted), enhances reportable segment disclosure requirements, primarily through enhanced disclosures related to significant segment expenses and additional interim disclosure requirements.	<p>The Update impacts disclosure only, and therefore does not have an impact on our consolidated financial statements. We are currently evaluating the impact of the Update to our operating segment disclosures. The following aspects of the Update may result in disclosure changes:</p> <ul style="list-style-type: none"> <li>• Requirement to disclose significant segment expenses by reportable segment if they are regularly provided to the chief operating decision maker (CODM) and included in the reported measure of segment profit or loss.</li> <li>• Requirement to disclose an amount for "other segment items" by reportable segment and provide a description of its composition; other segment items is measured as the difference between reported segment revenues less the significant segment expenses disclosed in accordance with the principle described above and reported segment profit or loss.</li> <li>• Requirement to disclose the CODM's title and position and explain how the CODM uses the reported segment profit or loss measure in assessing segment performance and deciding how to allocate resources.</li> </ul>
<b>ASU 2023-09 - Income Taxes (Topic 740): Improvements to Income Tax Disclosures</b>	
The Update, effective January 1, 2025 (with early adoption permitted), enhances annual income tax disclosures primarily to further disaggregate existing disclosures related to the effective income tax rate reconciliation and income taxes paid.	<p>The impact of the Update is limited to our annual income tax disclosures. We are currently evaluating the impact of the Update to our income tax disclosures. Upon adoption, those disclosures may change as follows:</p> <ul style="list-style-type: none"> <li>• For the tabular effective income tax rate reconciliation, alignment to specific categories (where applicable) and further disaggregation of certain categories (where applicable) by nature and/or jurisdiction if the reconciling item is 5% or more of the statutory tax expense.</li> <li>• Description of states and local jurisdictions that contribute the majority of the effect of the state and local income tax category of the effective income tax rate reconciliation.</li> <li>• Disaggregate the amount of income taxes paid (net of refunds) by federal, state, and non-U.S. taxes and further disaggregate by individual jurisdictions where income taxes paid (net of refunds) is 5% or more of total income taxes paid (net of refunds).</li> <li>• Disaggregate net income (or loss) before income tax expense (or benefit) between domestic and non-U.S.</li> </ul>

## Other Accounting Developments

The following Update is applicable to us but is not expected to have a material impact on our consolidated financial statements:

- ASU 2023-08 - Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): *Accounting for and Disclosure of Crypto Assets*

## Forward-Looking Statements

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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. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. We caution you, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. While there is no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those in the forward-looking statements include the following, without limitation:

- current and future economic and market conditions, including the effects of declines in housing prices, high unemployment rates, declines in commercial real estate prices, U.S. fiscal debt, budget and tax matters, geopolitical matters, and any slowdown in global economic growth;
- our capital and liquidity requirements (including under regulatory capital standards, such as the Basel III capital standards) and our ability to generate capital internally or raise capital on favorable terms;
- current, pending or future legislation or regulation that could have a negative effect on our revenue and businesses, including rules and regulations relating to bank products and financial services;

- our ability to realize any efficiency ratio or expense target as part of our expense management initiatives, including as a result of business and economic cyclicality, seasonality, changes in our business composition and operating environment, growth in our businesses and/or acquisitions, and unexpected expenses relating to, among other things, litigation and regulatory matters;
- the effect of the current interest rate environment or changes in interest rates or in the level or composition of our assets or liabilities on our net interest income, net interest margin and our mortgage originations, mortgage servicing rights and mortgage loans held for sale;
- significant turbulence or a disruption in the capital or financial markets, which could result in, among other things, reduced investor demand for mortgage loans, a reduction in the availability of funding or increased funding costs, and declines in asset values and/or recognition of impairment of securities held in our debt securities and equity securities portfolios;
- the effect of a fall in stock market prices on our investment banking business and our fee income from our brokerage and wealth management businesses;
- developments in our mortgage banking business, including any negative effects relating to our mortgage servicing, loan modification or foreclosure practices, and any changes in industry standards, regulatory or judicial requirements, or our strategic plans for the business;
- negative effects from instances where customers may have experienced financial harm, including on our legal, operational and compliance costs, our ability to engage in certain business activities or offer certain products or services, our ability to keep and attract customers, our ability to attract and retain qualified employees, and our reputation;
- regulatory matters, including the failure to resolve outstanding matters on a timely basis and the potential impact of new matters, litigation, or other legal actions, which may result in, among other things, additional costs, fines, penalties, restrictions on our business activities, reputational harm, or other adverse consequences;
- a failure in or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber attacks;
- the effect of changes in the level of checking or savings account deposits on our funding costs and net interest margin;
- fiscal and monetary policies of the Federal Reserve Board;
- changes to tax laws, regulations, and guidance as well as the effect of discrete items on our effective income tax rate;
- our ability to develop and execute effective business plans and strategies; and
- the other risk factors and uncertainties described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023.

In addition to the above factors, we also caution that the amount and timing of any future common stock dividends or repurchases will depend on the earnings, cash requirements and financial condition of the Company, the impact to our balance sheet of expected customer activity, our capital requirements and long-term targeted capital structure, the results of supervisory stress tests, market conditions (including the trading

## Forward-Looking Statements *(continued)*

price of our stock), regulatory and legal considerations, including regulatory requirements under the Federal Reserve Board's capital plan rule, and other factors deemed relevant by the Company, and may be subject to regulatory approval or conditions.

For additional information about factors that could cause actual results to differ materially from our expectations, refer to our 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, 2023, as filed with the Securities and Exchange Commission and available on its website at [www.sec.gov](http://www.sec.gov).<sup>1</sup>

Any forward-looking statement made by us speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Forward-looking Non-GAAP Financial Measures. From time to time management may discuss forward-looking non-GAAP financial measures, such as forward-looking estimates or targets for return on average tangible common equity. We are unable to provide a reconciliation of forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures because we are unable to provide, without unreasonable effort, a meaningful or accurate calculation or estimation of amounts that would be necessary for the reconciliation due to the complexity and inherent difficulty in forecasting and quantifying future amounts or when they may occur. Such unavailable information could be significant to future results.

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<sup>1</sup> 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.



## Risk Factors

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An investment in the Company involves risk, including the possibility that the value of the investment could fall substantially and that dividends or other distributions on the investment could be reduced or eliminated. For a discussion of risk factors that could adversely affect our financial results and condition, and the value of, and return on, an investment in the Company, we refer you to the "Risk Factors" section in our 2023 Form 10-K.

## **Controls and Procedures**

### **Disclosure Controls and Procedures**

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The Company's management evaluated the effectiveness, as of March 31, 2024, of the Company's disclosure controls and procedures. The Company's chief executive officer and chief financial officer participated in the evaluation. Based on this evaluation, the Company's chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures were effective as of March 31, 2024.





Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles (GAAP) and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. No change occurred during first quarter 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## Financial Statements

### Wells Fargo & Company and Subsidiaries Consolidated Statement of Income (Unaudited)

(in millions, except per share amounts)	Quarter ended March 31,	
	2024	2023
<b>Interest income</b>		
Debt securities	\$ 4,262	3,783
Loans held for sale	114	97
Loans	14,713	13,318
Equity securities	150	170
Other interest income	3,601	1,988
Total interest income	22,840	19,356
<b>Interest expense</b>		
Deposits	5,811	2,761
Short-term borrowings	1,218	570
Long-term debt	3,349	2,511
Other interest expense	235	178
Total interest expense	10,613	6,020
<b>Net interest income</b>	12,227	13,336
<b>Noninterest income</b>		
Deposit and lending-related fees	1,597	1,504
Investment advisory and other asset-based fees	2,331	2,114
Commissions and brokerage services fees	626	619
Investment banking fees	627	326
Card fees	1,061	1,033
Mortgage banking	230	232
Net gains from trading and securities	1,447	985
Other	717	580
Total noninterest income	8,636	7,393
<b>Total revenue</b>	20,863	20,729
Provision for credit losses	938	1,207
<b>Noninterest expense</b>		
Personnel	9,492	9,415
Technology, telecommunications and equipment	1,053	922
Occupancy	714	713
Operating losses	633	267
Professional and outside services	1,101	1,229
Advertising and promotion	197	154
Other	1,148	976
Total noninterest expense	14,338	13,676
<b>Income before income tax expense</b>	5,587	5,846
Income tax expense	964	966
<b>Net income before noncontrolling interests</b>	4,623	4,880
Less: Net income (loss) from noncontrolling interests	4	(111)
<b>Wells Fargo net income</b>	\$ 4,619	4,991
Less: Preferred stock dividends and other	306	278
<b>Wells Fargo net income applicable to common stock</b>	\$ 4,313	4,713
<b>Per share information</b>		
Earnings per common share	\$ 1.21	1.24
Diluted earnings per common share	1.20	1.23
<b>Average common shares outstanding</b>	3,560.1	3,785.6
<b>Diluted average common shares outstanding</b>	3,600.1	3,818.7

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

**Consolidated Statement of Comprehensive Income (Unaudited)**

(in millions)	Quarter ended March 31,	
	2024	2023
Net income before noncontrolling interests	\$ 4,623	4,880
Other comprehensive income (loss), after tax:		
Net change in debt securities	(422)	362
Net change in derivatives and hedging activities	(497)	378
Defined benefit plans adjustments	21	21
Other	(68)	28
<b>Other comprehensive income (loss), after tax</b>	<b>(966)</b>	<b>789</b>
<b>Total comprehensive income before noncontrolling interests</b>	<b>3,657</b>	<b>5,669</b>
Less: Other comprehensive loss from noncontrolling interests	-	(1)
Less: Net income (loss) from noncontrolling interests	4	(111)
<b>Wells Fargo comprehensive income</b>	<b>\$ 3,653</b>	<b>5,781</b>

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries  
**Consolidated Balance Sheet (Unaudited)**

(in millions, except shares)	Mar 31, 2024	Dec 31, 2023
<b>Assets</b>		
Cash and due from banks	\$ 30,180	33,026
Interest-earning deposits with banks	239,467	204,193
Federal funds sold and securities purchased under resale agreements	68,751	80,456
Debt securities:		
Trading, at fair value (includes assets pledged as collateral of \$72,150 and \$62,537)	109,324	97,302
Available-for-sale, at fair value (amortized cost of \$145,606 and \$137,155, and includes assets pledged as collateral of \$3,519 and \$5,055)	138,245	130,448
Held-to-maturity, at amortized cost (fair value \$218,532 and \$227,316)	258,711	262,708
Loans held for sale (includes \$3,467 and \$2,892 carried at fair value)	5,473	4,936
Loans	922,784	936,682
Allowance for loan losses	(14,421)	(14,606)
Net loans	908,363	922,076
Mortgage servicing rights (includes \$7,249 and \$7,468 carried at fair value)	8,248	8,508
Premises and equipment, net	9,426	9,266
Goodwill	25,173	25,175
Derivative assets	17,653	18,223
Equity securities (includes \$21,257 and \$19,841 carried at fair value; and assets pledged as collateral of \$5,150 and \$2,683)	59,556	57,336
Other assets	80,583	78,815
Total assets (1)	\$ 1,959,153	1,932,468
<b>Liabilities</b>		
Noninterest-bearing deposits	\$ 356,162	360,279
Interest-bearing deposits (includes \$1,285 and \$1,297 carried at fair value)	1,026,985	997,894
Total deposits	1,383,147	1,358,173
Short-term borrowings (includes \$242 and \$219 carried at fair value)	109,014	89,559
Derivative liabilities	17,116	18,495
Accrued expenses and other liabilities (includes \$27,732 and \$25,335 carried at fair value)	79,438	71,210
Long-term debt (includes \$2,865 and \$2,308 carried at fair value)	187,764	207,588
Total liabilities (2)	1,776,479	1,745,025
<b>Equity</b>		
Wells Fargo stockholders' equity:		
Preferred stock - aggregate liquidation preference of \$19,376 and \$20,216	18,608	19,448
Common stock - \$1-2/3 par value, authorized 9,000,000,000 shares; issued 5,481,811,474 shares	9,136	9,136
Additional paid-in capital	60,131	60,555
Retained earnings	203,870	201,136
Accumulated other comprehensive loss	(12,546)	(11,580)
Treasury stock, at cost - 1,980,132,879 shares and 1,882,948,892 shares	(98,256)	(92,960)
Total Wells Fargo stockholders' equity	180,943	185,735
Noncontrolling interests	1,731	1,708
Total equity	182,674	187,443
Total liabilities and equity	\$ 1,959,153	1,932,468

- (1) Our consolidated assets at March 31, 2024, and December 31, 2023, include the following assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs: Loans, \$5.1 billion and \$4.9 billion; all other assets, \$500 million and \$435 million; and Total assets, \$5.6 billion and \$5.3 billion, respectively.
- (2) Our consolidated liabilities at March 31, 2024, and December 31, 2023, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Long-term debt, \$1.2 billion and \$0; all other liabilities, \$126 million and \$115 million; and Total liabilities \$1.4 billion and \$115 million, respectively.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

**Consolidated Statement of Changes in Equity (Unaudited)**

(\$ and shares in millions)	Wells Fargo stockholders' equity										
	Preferred stock		Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Unearned ESOP shares	Noncontrolling interests	Total equity
	Shares	Amount	Shares	Amount							
Balance December 31, 2023	4.7	\$ 19,448	3,598.9	\$ 9,136	60,555	201,136	(11,580)	(92,960)	-	1,708	187,443
Cumulative effect from change in accounting policy (1)						(158)					(158)
Balance January 1, 2024	4.7	19,448	3,598.9	9,136	60,555	200,978	(11,580)	(92,960)	-	1,708	187,285
Net income						4,619				4	4,623
Other comprehensive loss, net of tax							(966)			-	(966)
Noncontrolling interests										19	19
Common stock issued			15.3			(142)		741			599
Common stock repurchased			(112.5)					(6,053)			(6,053)
Preferred stock redeemed (2)	-	(840)			12	(20)					(848)
Common stock dividends					30	(1,279)					(1,249)
Preferred stock dividends						(286)					(286)
Stock-based compensation					574						574
Net change in deferred compensation and related plans					(1,040)			16			(1,024)
Net change	-	(840)	(97.2)	-	(424)	2,892	(966)	(5,296)	-	23	(4,611)
Balance March 31, 2024	4.7	\$ 18,608	3,501.7	\$ 9,136	60,131	203,870	(12,546)	(98,256)	-	1,731	182,674
Balance December 31, 2022	4.7	\$ 19,448	3,833.8	\$ 9,136	60,319	187,968	(13,362)	(82,853)	(429)	1,986	182,213
Cumulative effect from change in accounting policy (3)						323					323
Balance January 1, 2023	4.7	19,448	3,833.8	9,136	60,319	188,291	(13,362)	(82,853)	(429)	1,986	182,536
Net income (loss)						4,991				(111)	4,880
Other comprehensive income (loss), net of tax							790			(1)	789
Noncontrolling interests										178	178
Common stock issued			15.8			(154)		830			676
Common stock repurchased			(86.4)					(4,049)			(4,049)
Preferred stock redeemed	-	-									-
Common stock dividends					24	(1,162)					(1,138)
Preferred stock dividends						(278)					(278)
Stock-based compensation					474						474
Net change in deferred compensation and related plans					(871)			23			(848)
Net change	-	-	(70.6)	-	(373)	3,397	790	(3,196)	-	66	684
Balance March 31, 2023	4.7	\$ 19,448	3,763.2	\$ 9,136	59,946	191,688	(12,572)	(86,049)	(429)	2,052	183,220

- (1) Effective January 1, 2024, we adopted ASU 2023-02 - Investments - Equity Method and Joint Ventures (Topic 323): *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. For additional information, see Note 1 (Summary of Significant Accounting Policies).
- (2) Represents the impact of the redemption of Preferred Stock, Series R, in first quarter 2024.
- (3) Effective January 1, 2023, we adopted ASU 2022-02 - Financial Instruments - Credit Losses (Topic 326): *Troubled Debt Restructurings and Vintage Disclosures*.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries  
**Consolidated Statement of Cash Flows (Unaudited)**

(in millions)	Quarter ended March 31,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income before noncontrolling interests	\$ 4,623	4,880
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	938	1,207
Changes in fair value of MSRs and LHFS carried at fair value	(66)	441
Depreciation, amortization and accretion	1,819	1,552
Deferred income tax expense	289	600
Other, net	(1,944)	3,703
Originations and purchases of loans held for sale	(6,278)	(8,924)
Proceeds from sales of and paydowns on loans originally classified as held for sale	5,055	7,776
Net change in:		
Debt and equity securities, held for trading	(12,244)	1,663
Derivative assets and liabilities	(1,376)	3,126
Other assets	(3,052)	(7,473)
Other accrued expenses and liabilities	111	(1,145)
Net cash provided (used) by operating activities	(12,125)	7,406
<b>Cash flows from investing activities:</b>		
Net change in:		
Federal funds sold and securities purchased under resale agreements	11,705	1,106
Available-for-sale debt securities:		
Proceeds from sales	4,526	-
Paydowns and maturities	8,083	2,821
Purchases	(19,672)	(12,393)
Held-to-maturity debt securities:		
Paydowns and maturities	3,981	3,910
Purchases	-	(4,225)
Equity securities, not held for trading:		
Proceeds from sales and capital returns	750	476
Purchases	(1,468)	(947)
Loans:		
Loans originated by banking subsidiaries, net of principal collected	13,838	4,073
Proceeds from sales of loans originally classified as held for investment	565	1,588
Purchases of loans	(231)	(415)
Principal collected on nonbank entities' loans	287	2,385
Loans originated by nonbank entities	(1,617)	(189)
Other, net	348	(6,145)
Net cash provided (used) by investing activities	21,095	(7,955)
<b>Cash flows from financing activities:</b>		
Net change in:		
Deposits	24,974	(21,356)
Short-term borrowings	19,455	29,862
Long-term debt:		
Proceeds from issuance	14,592	157
Repayment	(26,605)	(5,158)
Preferred stock:		
Redeemed	(840)	-
Cash dividends paid	(227)	(220)
Common stock:		
Repurchased	(6,001)	(4,016)
Cash dividends paid	(1,247)	(1,137)
Other, net	(527)	(309)
Net cash provided (used) by financing activities	23,574	(2,177)
<b>Net change in cash, cash equivalents, and restricted cash</b>	<b>32,544</b>	<b>(2,726)</b>
Cash, cash equivalents, and restricted cash at beginning of period (1)	236,052	159,157
<b>Cash, cash equivalents, and restricted cash at end of period (1)</b>	<b>\$ 268,596</b>	<b>156,431</b>
Supplemental cash flow disclosures:		
Cash paid for interest	\$ 10,385	5,477
Net cash paid (refunded) for income taxes	(1,855)	(827)

(1) Includes Cash and due from banks and Interest-earning deposits with banks on our consolidated balance sheet and excludes time deposits, which are included in Interest-earning deposits with banks.

The accompanying notes are an integral part of these statements. See Note 1 (Summary of Significant Accounting Policies) for noncash activities.

## Notes to Financial Statements

See the "Glossary of Acronyms" at the end of this Report for terms used throughout the Financial Statements and related Notes.

### Note 1: Summary of Significant Accounting Policies

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Wells Fargo & Company is a diversified financial services company. We provide banking, investment and mortgage products and services, as well as consumer and commercial finance, through banking locations and offices, the internet and other distribution channels to individuals, businesses and institutions in all 50 states, the District of Columbia, and in countries outside the U.S. When we refer to "Wells Fargo," "the Company," "we," "our" or "us," we mean Wells Fargo & Company and Subsidiaries (consolidated). Wells Fargo & Company (the Parent) is a financial holding company and a bank holding company. We also hold a majority interest in a real estate investment trust, which has publicly traded preferred stock outstanding.

Our accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. For a discussion of our significant accounting policies, see Note 1 (Summary of Significant Accounting Policies) in our Annual Report on Form 10-K for the year ended December 31, 2023 (2023 Form 10-K). There were no material changes to these policies in first quarter 2024.

To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period and the related disclosures. Although our estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition. Management has made significant estimates in several areas, including:

- allowance for credit losses (Note 5 (Loans and Related Allowance for Credit Losses) and Note 3 (Available-for-Sale and Held-to-Maturity Debt Securities));
- valuations of residential mortgage servicing rights (MSRs) (Note 6 (Mortgage Banking Activities) and Note 13 (Securizations and Variable Interest Entities));
- valuations of financial instruments (Note 12 (Fair Values of Assets and Liabilities));
- liability for legal actions (Note 10 (Legal Actions));
- income taxes; and
- goodwill impairment (Note 7 (Intangible Assets and Other Assets)).

Actual results could differ from those estimates.

These unaudited interim financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed in this Form 10-Q. The results of operations in the interim financial statements do not necessarily indicate the results that may be expected for the full year. The interim financial information should be read in conjunction with our 2023 Form 10-K.

#### Accounting Standards Adopted in 2024

In 2024, we adopted the following new accounting guidance:

- Accounting Standards Update (ASU) 2023-02, Investments - Equity Method and Joint Ventures (Topic 323): *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*
- ASU 2022-03, Fair Value Measurement (Topic 820): *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*

**ASU 2023-02** expands the use of the proportional amortization method of accounting for tax credit investments, which previously was limited to affordable housing investments that generate low-income housing tax credits. Upon adoption of the Update, an entity may elect to account for equity investments that generate income tax credits and benefits using the proportional amortization method if certain eligibility criteria are met.

The proportional amortization method amortizes the cost of a tax credit investment in proportion to the income tax credits and income tax benefits received. The amortization and related income tax credits and benefits are recorded on a net basis within income tax expense. The cost of an investment includes unfunded commitments that are either legally binding or contingent but probable of funding. Such unfunded commitments are not recognized under other methods of accounting.

We adopted the Update on January 1, 2024, on a modified retrospective basis with a cumulative effect adjustment to retained earnings. Upon adoption, we elected to account for eligible investments in our renewable energy tax credit portfolio using the proportional amortization method. These investments were previously accounted for using the equity method. We also elected to continue use of the proportional amortization method to account for our affordable housing investments. In addition, we elected to classify liabilities recognized for unfunded commitments related to proportional amortization method investments in accrued expenses and other liabilities on our consolidated balance sheet, including a change to unfunded commitments for affordable housing investments that were previously included in long-term debt. Prior period amounts were not impacted by these accounting changes.



Table 1.1 presents the transition adjustments recorded upon the adoption of ASU 2023-02 as of January 1, 2024.

**Table 1.1: Transition Adjustment of ASU 2023-02**

(in millions)	Dec 31, 2023	Transition adjustment upon adoption	Jan 1, 2024
<b>Selected Balance Sheet Data</b>			
Equity securities	\$ 57,336	1,700	59,036
Other assets	78,815	548	79,363
Accrued expenses and other liabilities	71,210	7,333	78,543
Long-term debt	207,588	(4,927)	202,661
Retained earnings	201,136	(158)	200,978

**ASU 2022-03** clarifies the guidance regarding the measurement of fair value of equity securities subject to contractual restrictions that prohibit the sale of the security. Specifically, that such restrictions are not part of the unit of account of the

security and therefore are not considered when measuring fair value. We adopted the Update on January 1, 2024, on a prospective basis. The Update did not have a material impact to our consolidated financial statements.

### Supplemental Cash Flow Information

Significant noncash activities are presented in Table 1.2.

**Table 1.2: Supplemental Cash Flow Information**

(in millions)	Quarter ended March 31,	
	2024	2023
Transfers from available-for-sale debt securities to held-to-maturity debt securities	\$ -	3,687
Transfers from held-to-maturity debt securities to available-for-sale debt securities (1)	-	23,919
Reclassification of long-term debt to accrued expenses and other liabilities (2)	4,927	-

- (1) In first quarter 2023, we reclassified HTM debt securities to AFS debt securities in connection with the adoption of ASU 2022-01, Derivatives and Hedging (Topic 815): *Fair Value Hedging - Portfolio Layer Method*. For additional information, see Note 1 (Summary of Significant Accounting Policies) in our 2023 Form 10-K.
- (2) Effective January 1, 2024, we reclassified unfunded commitment liabilities for affordable housing investments from Long-term debt to Accrued expenses and other liabilities in connection with the adoption of ASU 2023-02.

### Subsequent Events

We have evaluated the effects of events that have occurred subsequent to March 31, 2024, and there have been no material events that would require recognition in our first quarter 2024 consolidated financial statements or disclosure in the Notes to the consolidated financial statements.

## Note 2: Trading Activities

Table 2.1 presents a summary of our trading assets and liabilities measured at fair value through earnings.

**Table 2.1: Trading Assets and Liabilities**

(in millions)	Mar 31, 2024	Dec 31, 2023
<b>Trading assets:</b>		
Debt securities	\$ 109,324	97,302
Equity securities	19,303	18,449
Loans held for sale	2,376	1,793
Gross trading derivative assets	66,055	71,990
Netting (1)	(48,599)	(54,069)
Total trading derivative assets	17,456	17,921
Total trading assets	148,459	135,465
<b>Trading liabilities:</b>		
Short sale and other liabilities	27,913	25,471
Interest-bearing deposits	1,285	1,297
Long-term debt	2,865	2,308
Gross trading derivative liabilities	69,708	77,807
Netting (1)	(53,431)	(60,366)
Total trading derivative liabilities	16,277	17,441
Total trading liabilities	\$ 48,340	46,517

(1) Represents balance sheet netting for trading derivative asset and liability balances, and trading portfolio level counterparty valuation adjustments.

Table 2.2 provides net interest income earned from trading securities, and net gains and losses due to the realized and unrealized gains and losses from trading activities.

Net interest income also includes dividend income on trading securities and dividend expense on trading securities we have sold, but not yet purchased.

**Table 2.2: Net Interest Income and Net Gains (Losses) from Trading Activities**

(in millions)	Quarter ended March 31,	
	2024	2023
<b>Net interest income:</b>		
Interest income (1)	\$ 1,243	910
Interest expense	181	143
Total net interest income	1,062	767
<b>Net gains (losses) from trading activities, by risk type:</b>		
Interest rate	128	487
Commodity	68	91
Equity	288	239
Foreign exchange	781	226
Credit	189	299
Total net gains from trading activities	1,454	1,342
Total trading-related net interest and noninterest income	\$ 2,516	2,109

(1) Substantially all relates to interest income on debt and equity securities.

### Note 3: Available-for-Sale and Held-to-Maturity Debt Securities

Table 3.1 provides the amortized cost, net of the allowance for credit losses (ACL) for debt securities, and fair value by major categories of available-for-sale (AFS) debt securities, which are carried at fair value, and held-to-maturity (HTM) debt securities, which are carried at amortized cost, net of the ACL. The net unrealized gains (losses) for AFS debt securities are reported as a component of accumulated other comprehensive income (AOCI), net of the ACL and applicable income taxes. Information on debt securities held for trading is included in Note 2 (Trading Activities).

Outstanding balances exclude accrued interest receivable on AFS and HTM debt securities, which are included in other assets. See Note 7 (Intangible Assets and Other Assets) for additional information on accrued interest receivable. Amounts considered to be uncollectible are reversed through interest income. The interest income reversed in first quarter 2024 and 2023 was insignificant.

**Table 3.1: Available-for-Sale and Held-to-Maturity Debt Securities Outstanding**

(in millions)	Amortized cost, net (1)	Gross unrealized gains	Gross unrealized losses	Net unrealized gains (losses)	Fair value
<b>March 31, 2024</b>					
<b>Available-for-sale debt securities:</b>					
Securities of U.S. Treasury and federal agencies	\$ 44,473	2	(1,629)	(1,627)	42,846
Securities of U.S. states and political subdivisions (2)	16,218	23	(589)	(566)	15,652
Federal agency mortgage-backed securities	80,316	80	(5,246)	(5,166)	75,150
Non-agency mortgage-backed securities (3)	2,551	1	(103)	(102)	2,449
Collateralized loan obligations	1,551	1	(1)	-	1,551
Other debt securities	571	29	(3)	26	597
<b>Total available-for-sale debt securities, excluding portfolio level basis adjustments</b>	<b>145,680</b>	<b>136</b>	<b>(7,571)</b>	<b>(7,435)</b>	<b>138,245</b>
Portfolio level basis adjustments (4)	(74)			74	-
<b>Total available-for-sale debt securities</b>	<b>145,606</b>	<b>136</b>	<b>(7,571)</b>	<b>(7,361)</b>	<b>138,245</b>
<b>Held-to-maturity debt securities:</b>					
Securities of U.S. Treasury and federal agencies	3,791	-	(1,618)	(1,618)	2,173
Securities of U.S. states and political subdivisions	18,587	1	(3,264)	(3,263)	15,324
Federal agency mortgage-backed securities	205,924	6	(35,237)	(35,231)	170,693
Non-agency mortgage-backed securities (3)	1,262	29	(101)	(72)	1,190
Collateralized loan obligations	27,420	93	(11)	82	27,502
Other debt securities	1,727	-	(77)	(77)	1,650
<b>Total held-to-maturity debt securities</b>	<b>258,711</b>	<b>129</b>	<b>(40,308)</b>	<b>(40,179)</b>	<b>218,532</b>
<b>Total</b>	<b>\$ 404,317</b>	<b>265</b>	<b>(47,879)</b>	<b>(47,540)</b>	<b>356,777</b>
<b>December 31, 2023</b>					
<b>Available-for-sale debt securities:</b>					
Securities of U.S. Treasury and federal agencies	\$ 47,351	2	(1,886)	(1,884)	45,467
Securities of U.S. states and political subdivisions (2)	20,654	36	(624)	(588)	20,066
Federal agency mortgage-backed securities	63,741	111	(4,274)	(4,163)	59,578
Non-agency mortgage-backed securities (3)	2,892	1	(144)	(143)	2,749
Collateralized loan obligations	1,538	-	(5)	(5)	1,533
Other debt securities	1,025	46	(16)	30	1,055
<b>Total available-for-sale debt securities, excluding portfolio level basis adjustments</b>	<b>137,201</b>	<b>196</b>	<b>(6,949)</b>	<b>(6,753)</b>	<b>130,448</b>
Portfolio level basis adjustments (4)	(46)			46	-
<b>Total available-for-sale debt securities</b>	<b>137,155</b>	<b>196</b>	<b>(6,949)</b>	<b>(6,707)</b>	<b>130,448</b>
<b>Held-to-maturity debt securities:</b>					
Securities of U.S. Treasury and federal agencies	3,790	-	(1,503)	(1,503)	2,287
Securities of U.S. states and political subdivisions	18,624	3	(2,939)	(2,936)	15,688
Federal agency mortgage-backed securities	209,170	136	(30,918)	(30,782)	178,388
Non-agency mortgage-backed securities (3)	1,276	18	(120)	(102)	1,174
Collateralized loan obligations	28,122	75	(63)	12	28,134
Other debt securities	1,726	-	(81)	(81)	1,645
<b>Total held-to-maturity debt securities</b>	<b>262,708</b>	<b>232</b>	<b>(35,624)</b>	<b>(35,392)</b>	<b>227,316</b>
<b>Total</b>	<b>\$ 399,863</b>	<b>428</b>	<b>(42,573)</b>	<b>(42,099)</b>	<b>357,764</b>

- (1) Represents amortized cost of the securities, net of the ACL of \$2 million and \$1 million related to AFS debt securities at March 31, 2024, and December 31, 2023, respectively, and \$96 million and \$93 million related to HTM debt securities at March 31, 2024, and December 31, 2023, respectively.
- (2) Includes investments in tax-exempt preferred debt securities issued by investment funds or trusts that predominantly invest in tax-exempt municipal securities. The amortized cost, net of the ACL, and fair value of these types of securities, was \$5.3 billion at March 31, 2024, and \$5.5 billion at December 31, 2023.
- (3) Predominantly consists of commercial mortgage-backed securities at both March 31, 2024, and December 31, 2023.
- (4) Represents fair value hedge basis adjustments related to active portfolio layer method hedges of AFS debt securities, which are not allocated to individual securities in the portfolio. For additional information, see Note 11 (Derivatives).

### Note 3: Available-for-Sale and Held-to-Maturity Debt Securities (continued)

Table 3.2 details the breakout of purchases of and transfers to HTM debt securities by major category of security. The table excludes the transfer of HTM debt securities with a fair value of \$23.2 billion to AFS debt securities in first quarter 2023 in

connection with the adoption of ASU 2022-01. For additional information, see Note 1 (Summary of Significant Accounting Policies) in our 2023 Form 10-K.

**Table 3.2: Held-to-Maturity Debt Securities Purchases and Transfers**

(in millions)	Quarter ended March 31,	
	2024	2023
<b>Purchases of held-to-maturity debt securities (1):</b>		
Federal agency mortgage-backed securities	\$ -	4,225
Non-agency mortgage-backed securities	-	26
Total purchases of held-to-maturity debt securities	-	4,251
<b>Transfers from available-for-sale debt securities to held-to-maturity debt securities (2):</b>		
Federal agency mortgage-backed securities	-	3,687
Total transfers from available-for-sale debt securities to held-to-maturity debt securities	\$ -	3,687

(1) Inclusive of securities purchased but not yet settled and noncash purchases from securitization of loans held for sale (LHFS).

(2) Represents fair value as of the date of the transfers. Debt securities transferred from available-for-sale to held-to-maturity had pre-tax unrealized losses recorded in AOCI of \$320 million for first quarter 2023, at the time of the transfers.

Table 3.3 shows the composition of interest income, provision for credit losses, and gross realized gains and losses

from sales and impairment write-downs included in earnings related to AFS and HTM debt securities (pre-tax).

**Table 3.3: Income Statement Impacts for Available-for-Sale and Held-to-Maturity Debt Securities**

(in millions)	Quarter ended March 31,	
	2024	2023
<b>Interest income (1):</b>		
Available-for-sale	\$ 1,366	1,240
Held-to-maturity	1,755	1,746
Total interest income	3,121	2,986
<b>Provision for credit losses:</b>		
Available-for-sale	9	(39)
Held-to-maturity	3	(8)
Total provision for credit losses	12	(47)
<b>Realized gains and losses (2):</b>		
Gross realized gains	23	-
Gross realized losses	(48)	-
Net realized losses	\$ (25)	-

(1) Excludes interest income from trading debt securities, which is disclosed in Note 2 (Trading Activities).

(2) Realized gains and losses relate to AFS debt securities. There were no realized gains or losses from HTM debt securities in all periods presented.

### Credit Quality

We monitor credit quality of debt securities by evaluating various attributes and utilize such information in our evaluation of the appropriateness of the ACL for debt securities. The credit quality indicators that we most closely monitor include credit ratings and delinquency status and are based on information as of our financial statement date.

credit agencies. Substantially all of our debt securities were rated by NRSROs at March 31, 2024, and December 31, 2023.

Table 3.4 shows the percentage of fair value of AFS debt securities and amortized cost of HTM debt securities determined to be rated investment grade, inclusive of securities rated based on internal credit grades.

**CREDIT RATINGS** Credit ratings express opinions about the credit quality of a debt security. We determine the credit rating of a security according to the lowest credit rating made available by national recognized statistical rating organizations (NRSROs). Debt securities rated investment grade, that is those with ratings similar to BBB-/Baa3 or above, as defined by NRSROs, are generally considered by the rating agencies and market participants to be low credit risk. Conversely, debt securities rated below investment grade, labeled as "speculative grade" by the rating agencies, are considered to be distinctively higher credit risk than investment grade debt securities. For debt securities not rated by NRSROs, we determine an internal credit grade of the debt securities (used for credit risk management purposes) equivalent to the credit ratings assigned by major

**Table 3.4: Investment Grade Debt Securities**

(\$ in millions)	Available-for-Sale		Held-to-Maturity	
	Fair value	% investment grade	Amortized cost	% investment grade
<b>March 31, 2024</b>				
<b>Total portfolio (1)</b>	\$ 138,245	99 %	\$ 258,807	99 %
<b>Breakdown by category:</b>				
Securities of U.S. Treasury and federal agencies (2)	\$ 117,996	100 %	\$ 209,715	100 %
Securities of U.S. states and political subdivisions	15,652	99	18,597	100
Collateralized loan obligations (3)	1,551	100	27,449	100
<b>All other debt securities (4)</b>	<b>3,046</b>	<b>94</b>	<b>3,046</b>	<b>65</b>
<b>December 31, 2023</b>				
<b>Total portfolio (1)</b>	\$ 130,448	99 %	\$ 262,801	99 %
<b>Breakdown by category:</b>				
Securities of U.S. Treasury and federal agencies (2)	\$ 105,045	100 %	\$ 212,960	100 %
Securities of U.S. states and political subdivisions	20,066	99	18,635	100
Collateralized loan obligations (3)	1,533	100	28,154	100
<b>All other debt securities (4)</b>	<b>3,804</b>	<b>95</b>	<b>3,052</b>	<b>64</b>

(1) 99% were rated AA- and above at both March 31, 2024, and December 31, 2023.

(2) Includes federal agency mortgage-backed securities.

(3) 100% were rated AA- and above at both March 31, 2024, and December 31, 2023.

(4) Includes non-U.S. government, non-agency mortgage-backed, and all other debt securities.

**DELINQUENCY STATUS AND NONACCRUAL DEBT SECURITIES** Debt security issuers that are delinquent in payment of amounts due under contractual debt agreements have a higher probability of recognition of credit losses. As such, as part of our monitoring of the credit quality of the debt security portfolio, we consider whether debt securities we own are past due in payment of principal or interest payments and whether any securities have been placed into nonaccrual status.

Debt securities that are past due and still accruing or in nonaccrual status were insignificant at both March 31, 2024, and December 31, 2023. Net charge-offs on debt securities were insignificant in the first quarter of both 2024 and 2023.

Purchased debt securities with credit deterioration (PCD) are not considered to be in nonaccrual status, as payments from issuers of these securities remain current. PCD securities were insignificant in the first quarter of both 2024 and 2023.

**Note 3: Available-for-Sale and Held-to-Maturity Debt Securities (continued)**

**Unrealized Losses of Available-for-Sale Debt Securities**

Table 3.5 shows the gross unrealized losses and fair value of AFS debt securities by length of time those individual securities in each category have been in a continuous loss position. Debt securities on which we have recorded credit impairment are

categorized as being “less than 12 months” or “12 months or more” in a continuous loss position based on the point in time that the fair value declined to below the amortized cost basis, net of the allowance for credit losses.

**Table 3.5: Gross Unrealized Losses and Fair Value - Available-for-Sale Debt Securities**

(in millions)	Less than 12 months		12 months or more		Total	
	Gross unrealized losses (1)	Fair value	Gross unrealized losses (1)	Fair value	Gross unrealized losses (1)	Fair value
<b>March 31, 2024</b>						
<b>Available-for-sale debt securities:</b>						
Securities of U.S. Treasury and federal agencies	\$ (4)	446	(1,625)	41,566	(1,629)	42,012
Securities of U.S. states and political subdivisions	(9)	829	(580)	8,488	(589)	9,317
Federal agency mortgage-backed securities	(110)	16,628	(5,136)	46,692	(5,246)	63,320
Non-agency mortgage-backed securities	-	-	(103)	2,448	(103)	2,448
Collateralized loan obligations	-	-	(1)	493	(1)	493
Other debt securities	(1)	61	(2)	95	(3)	156
<b>Total available-for-sale debt securities</b>	<b>\$ (124)</b>	<b>17,964</b>	<b>(7,447)</b>	<b>99,782</b>	<b>(7,571)</b>	<b>117,746</b>
<b>December 31, 2023</b>						
<b>Available-for-sale debt securities:</b>						
Securities of U.S. Treasury and federal agencies	\$ (5)	942	(1,881)	43,722	(1,886)	44,664
Securities of U.S. states and political subdivisions	(12)	1,405	(612)	11,247	(624)	12,652
Federal agency mortgage-backed securities	(76)	7,149	(4,198)	41,986	(4,274)	49,135
Non-agency mortgage-backed securities	(1)	42	(143)	2,697	(144)	2,739
Collateralized loan obligations	-	-	(5)	979	(5)	979
Other debt securities	-	-	(16)	420	(16)	420
<b>Total available-for-sale debt securities</b>	<b>\$ (94)</b>	<b>9,538</b>	<b>(6,855)</b>	<b>101,051</b>	<b>(6,949)</b>	<b>110,589</b>

(1) Gross unrealized losses exclude portfolio level basis adjustments.

We have assessed each debt security with gross unrealized losses included in the previous table for credit impairment. As part of that assessment we evaluated and concluded that we do not intend to sell any of the debt securities, and that it is more likely than not that we will not be required to sell, prior to recovery of the amortized cost basis. We evaluate, where necessary, whether credit impairment exists by comparing the present value of the expected cash flows to the debt securities' amortized cost basis. Credit impairment is recorded as an ACL for debt securities.

For descriptions of the factors we consider when analyzing debt securities for impairment as well as methodology and significant inputs used to measure credit losses, see Note 1 (Summary of Significant Accounting Policies) in our 2023 Form 10-K.

### Contractual Maturities

Table 3.6 and Table 3.7 show the remaining contractual maturities, amortized cost, net of the ACL, fair value and weighted average effective yields of AFS and HTM debt securities, respectively. The remaining contractual principal

maturities for mortgage-backed securities (MBS) do not consider prepayments. Remaining expected maturities will differ from contractual maturities because borrowers may have the right to prepay obligations before the underlying mortgages mature.

**Table 3.6: Contractual Maturities - Available-for-Sale Debt Securities**

By remaining contractual maturity (\$ in millions)	Total	Within one year	After one year through five years	After five years through ten years	After ten years
March 31, 2024					
Available-for-sale debt securities (1)(2):					
Securities of U.S. Treasury and federal agencies					
Amortized cost, net	\$ 44,473	15,610	26,428	1,015	1,420
Fair value	42,846	15,416	25,140	937	1,353
Weighted average yield	1.70 %	2.20	1.43	1.50	1.44
Securities of U.S. states and political subdivisions					
Amortized cost, net	\$ 16,218	1,368	3,556	4,248	7,046
Fair value	15,652	1,367	3,523	3,934	6,828
Weighted average yield	3.38 %	4.25	3.80	3.08	3.19
Federal agency mortgage-backed securities					
Amortized cost, net	\$ 80,316	5	139	700	79,472
Fair value	75,150	5	135	655	74,355
Weighted average yield	4.01 %	2.93	2.15	2.56	4.03
Non-agency mortgage-backed securities					
Amortized cost, net	\$ 2,551	-	-	105	2,446
Fair value	2,449	-	-	77	2,372
Weighted average yield	5.13 %	-	-	5.36	5.12
Collateralized loan obligations					
Amortized cost, net	\$ 1,551	-	-	1,020	531
Fair value	1,551	-	-	1,019	532
Weighted average yield	6.98 %	-	-	7.02	6.92
Other debt securities					
Amortized cost, net	\$ 571	57	154	336	24
Fair value	597	57	158	339	43
Weighted average yield	5.63 %	3.35	6.70	5.79	1.89
<b>Total available-for-sale debt securities</b>					
Amortized cost, net	\$ 145,680	17,040	30,277	7,424	90,939
Fair value	138,245	16,845	28,956	6,961	85,483
Weighted average yield	3.29 %	2.36	1.72	3.51	3.97

(1) Weighted average yields displayed by maturity bucket are weighted based on amortized cost without effect for any related hedging derivatives and are shown pre-tax.

(2) Amortized cost, net excludes portfolio level basis adjustments of \$(74) million.

**Note 3: Available-for-Sale and Held-to-Maturity Debt Securities (continued)**

**Table 3.7: Contractual Maturities - Held-to-Maturity Debt Securities**

By remaining contractual maturity (\$ in millions)	Total	Within one year	After one year through five years	After five years through ten years	After ten years
<b>March 31, 2024</b>					
Held-to-maturity debt securities (1):					
Securities of U.S. Treasury and federal agencies					
Amortized cost, net	\$ 3,791	-	-	-	3,791
Fair value	2,173	-	-	-	2,173
Weighted average yield	1.59 %	-	-	-	1.59
Securities of U.S. states and political subdivisions					
Amortized cost, net	\$ 18,587	208	497	621	17,261
Fair value	15,324	207	480	602	14,035
Weighted average yield	2.37 %	2.39	1.90	2.74	2.37
Federal agency mortgage-backed securities					
Amortized cost, net	\$ 205,924	-	-	-	205,924
Fair value	170,693	-	-	-	170,693
Weighted average yield	2.36 %	-	-	-	2.36
Non-agency mortgage-backed securities					
Amortized cost, net	\$ 1,262	-	30	36	1,196
Fair value	1,190	-	34	36	1,120
Weighted average yield	3.28 %	-	4.63	4.34	3.21
Collateralized loan obligations					
Amortized cost, net	\$ 27,420	-	-	15,800	11,620
Fair value	27,502	-	-	15,868	11,634
Weighted average yield	6.99 %	-	-	7.10	6.83
Other debt securities					
Amortized cost, net	\$ 1,727	-	1,727	-	-
Fair value	1,650	-	1,650	-	-
Weighted average yield	4.47 %	-	4.47	-	-
<b>Total held-to-maturity debt securities</b>					
Amortized cost, net	\$ 258,711	208	2,254	16,457	239,792
Fair value	218,532	207	2,164	16,506	199,655
Weighted average yield	2.86 %	2.39	3.91	6.93	2.57

(1) Weighted average yields displayed by maturity bucket are weighted based on amortized cost, excluding unamortized basis adjustments related to the transfer of certain debt securities from AFS to HTM, and are shown pre-tax.



## Note 4: Equity Securities

Table 4.1 provides a summary of our equity securities by business purpose and accounting method.

**Table 4.1: Equity Securities**

(in millions)	Mar 31, 2024	Dec 31, 2023
<b>Held for trading at fair value:</b>		
Marketable equity securities	\$ 9,718	9,509
Nonmarketable equity securities	9,585	8,940
Total equity securities held for trading (1)	19,303	18,449
<b>Not held for trading:</b>		
Equity securities at fair value	1,954	1,392
Tax credit investments (2)	21,185	20,016
Private equity (3)	12,249	12,203
Federal Reserve Bank stock and other at cost (4)	4,865	5,276
Total equity securities not held for trading	40,253	38,887
Total equity securities	\$ 59,556	57,336

(1) Represents securities held as part of our customer accommodation trading activities. For additional information on these activities, see Note 2 (Trading Activities).

(2) Includes affordable housing investments of \$12.5 billion and \$12.9 billion at March 31, 2024, and December 31, 2023, respectively, and renewable energy investments of \$8.4 billion and \$6.8 billion at March 31, 2024, and December 31, 2023, respectively. Tax credit investments are accounted for using either the proportional amortization method or the equity method. See Note 13 (Securitizations and Variable Interest Entities) for information about tax credit investments.

(3) Includes nonmarketable equity securities accounted for under the measurement alternative of \$9.1 billion at both March 31, 2024, and December 31, 2023, which were predominantly securities associated with our venture capital investments. The remaining securities are accounted for using the equity method.

(4) Includes \$3.5 billion of investments in Federal Reserve Bank stock at both March 31, 2024, and December 31, 2023, and \$1.3 billion and \$1.7 billion of investments in Federal Home Loan Bank stock at March 31, 2024, and December 31, 2023, respectively.

### Net Gains and Losses Not Held for Trading

Table 4.2 provides a summary of the net gains and losses from equity securities not held for trading, which excludes equity method adjustments for our share of the investee's earnings or

losses that are recognized in other noninterest income. Gains and losses for securities held for trading are reported in net gains from trading and securities.

**Table 4.2: Net Gains (Losses) from Equity Securities Not Held for Trading**

(in millions)	Quarter ended March 31,	
	2024	2023
<b>Net gains (losses) from equity securities carried at fair value:</b>		
Marketable equity securities	\$ 7	(37)
Nonmarketable equity securities	4	(1)
Total equity securities carried at fair value	11	(38)
<b>Net gains (losses) from nonmarketable equity securities not carried at fair value (1):</b>		
Impairment write-downs	(197)	(490)
Net unrealized gains (2)	127	151
Net realized gains from sale	77	20
Total nonmarketable equity securities not carried at fair value	7	(319)
Total net gains (losses) from equity securities not held for trading	\$ 18	(357)

(1) Includes amounts related to venture capital and private equity investments in consolidated portfolio companies, which are not reported in equity securities on our consolidated balance sheet.

(2) Includes unrealized gains (losses) due to observable price changes from equity securities accounted for under the measurement alternative.

### Measurement Alternative

Table 4.3 provides additional information about the impairment write-downs and observable price changes from nonmarketable

equity securities accounted for under the measurement alternative. Gains and losses related to these adjustments are also included in Table 4.2.

**Table 4.3: Net Gains (Losses) from Measurement Alternative Equity Securities**

(in millions)	Quarter ended March 31,	
	2024	2023
Net gains (losses) recognized in earnings during the period:		
Gross unrealized gains from observable price changes	\$ 127	161
Gross unrealized losses from observable price changes	-	(10)
Impairment write-downs	(169)	(482)
Net realized gains from sale	62	12
Total net gains (losses) recognized during the period	\$ 20	(319)

Table 4.4 presents cumulative carrying value adjustments to nonmarketable equity securities accounted for under the measurement alternative that were still held at the end of each reporting period presented.

**Table 4.4: Measurement Alternative Cumulative Gains (Losses)**

(in millions)	Mar 31,	Dec 31,
	2024	2023
Cumulative gains (losses):		
Gross unrealized gains from observable price changes	\$ 7,684	7,614
Gross unrealized losses from observable price changes	(44)	(44)
Impairment write-downs	(3,881)	(3,772)

## Note 5: Loans and Related Allowance for Credit Losses

Table 5.1 presents total loans outstanding by portfolio segment and class of financing receivable. Outstanding balances include unearned income, net deferred loan fees or costs, and unamortized discounts and premiums. These amounts were less than 1% of our total loans outstanding at both March 31, 2024, and December 31, 2023.

Outstanding balances exclude accrued interest receivable on loans, except for certain revolving loans, such as credit card loans.

See Note 7 (Intangible Assets and Other Assets) for additional information on accrued interest receivable. Amounts considered to be uncollectible are reversed through interest income. During first quarter 2024, we reversed accrued interest receivable of \$15 million for our commercial portfolio segment and \$96 million for our consumer portfolio segment, compared with \$9 million and \$55 million, respectively, for the same period a year ago.

**Table 5.1: Loans Outstanding**

(in millions)	Mar 31, 2024	Dec 31, 2023
Commercial and industrial	\$ 372,963	380,388
Commercial real estate	148,786	150,616
Lease financing	16,579	16,423
Total commercial	538,328	547,427
Residential mortgage	257,622	260,724
Credit card	52,035	52,230
Auto	46,202	47,762
Other consumer (1)	28,597	28,539
Total consumer	384,456	389,255
Total loans	\$ 922,784	936,682

(1) Includes \$18.8 billion and \$18.3 billion at March 31, 2024, and December 31, 2023, respectively, of securities-based loans originated by the Wealth and Investment Management (WIM) operating segment.

Our non-U.S. loans are reported by respective class of financing receivable in the table above. Substantially all of our non-U.S. loan portfolio is commercial loans. Table 5.2 presents

total non-U.S. commercial loans outstanding by class of financing receivable.

**Table 5.2: Non-U.S. Commercial Loans Outstanding**

(in millions)	Mar 31, 2024	Dec 31, 2023
Commercial and industrial	\$ 68,392	72,215
Commercial real estate	6,309	6,916
Lease financing	665	697
Total non-U.S. commercial loans	\$ 75,366	79,828

### Loan Purchases, Sales, and Transfers

Table 5.3 presents the proceeds paid or received for purchases and sales of loans and transfers from loans held for investment to mortgages/loans held for sale. The table excludes loans for

which we have elected the fair value option and government insured/guaranteed loans because their loan activity normally does not impact the ACL.

**Table 5.3: Loan Purchases, Sales, and Transfers**

(in millions)	2024			2023		
	Commercial	Consumer	Total	Commercial	Consumer	Total
<b>Quarter ended March 31,</b>						
Purchases	\$ 230	1	231	416	3	419
Sales and net transfers (to)/from LHFS	(422)	(66)	(488)	(1,115)	(1)	(1,116)

## Note 5: Loans and Related Allowance for Credit Losses (continued)

### Unfunded Credit Commitments

Unfunded credit commitments are legally binding agreements to lend to customers with terms covering usage of funds, contractual interest rates, expiration dates, and any required collateral. Our commercial lending commitments include, but are not limited to, (i) commitments for working capital and general corporate purposes, (ii) financing to customers who warehouse financial assets secured by real estate, consumer, or corporate loans, (iii) financing that is expected to be syndicated or replaced with other forms of long-term financing, and (iv) commercial real estate lending. We also originate multipurpose lending commitments under which commercial customers have the option to draw on the facility in one of several forms, including the issuance of letters of credit, which reduces the unfunded commitment amounts of the facility.

The maximum credit risk for these commitments will generally be lower than the contractual amount because these commitments may expire without being used or may be cancelled at the customer's request. We may reduce or cancel lines of credit in accordance with the contracts and applicable law. Our credit risk monitoring activities include managing the amount of commitments, both to individual customers and in total, and the size and maturity structure of these commitments. We do not recognize an ACL for commitments that are unconditionally cancellable at our discretion.

We issue commercial letters of credit to assist customers in purchasing goods or services, typically for international trade. At both March 31, 2024, and December 31, 2023, we had \$1.1 billion of outstanding issued commercial letters of credit. See Note 14 (Guarantees and Other Commitments) for additional information on issued standby letters of credit.

We may be a fronting bank, whereby we act as a representative for other lenders, and advance funds or provide for the issuance of letters of credit under syndicated loan or letter of credit agreements. Any advances are generally repaid in less than a week and would normally require default of both the customer and another lender to expose us to loss.

The contractual amount of our unfunded credit commitments, including unissued letters of credit, is summarized in Table 5.4. The table is presented net of commitments syndicated to others, including the fronting arrangements described above, and excludes issued letters of credit and discretionary amounts where our approval or consent is required prior to any loan funding or commitment increase.

**Table 5.4: Unfunded Credit Commitments**

(in millions)	Mar 31, 2024	Dec 31, 2023
Commercial and industrial	\$ 391,006	388,043
Commercial real estate	17,014	20,851
<b>Total commercial</b>	<b>408,020</b>	<b>408,894</b>
Residential mortgage (1)	29,089	29,754
Credit card	159,373	156,012
Other consumer	8,806	8,847
<b>Total consumer</b>	<b>197,268</b>	<b>194,613</b>
<b>Total unfunded credit commitments</b>	<b>\$ 605,288</b>	<b>603,507</b>

(1) Includes lines of credit totaling \$27.4 billion and \$28.6 billion as of March 31, 2024, and December 31, 2023, respectively.

## Allowance for Credit Losses

Table 5.5 presents the ACL for loans, which consists of the allowance for loan losses and the allowance for unfunded credit commitments. The ACL for loans decreased \$226 million from

December 31, 2023, reflecting decreases for commercial real estate loans and auto loans, partially offset by increases for credit card loans.

**Table 5.5: Allowance for Credit Losses for Loans**

(\$ in millions)	Quarter ended March 31,	
	2024	2023
Balance, beginning of period	\$ 15,088	13,609
Cumulative effect from change in accounting policy (1)	-	(429)
Balance, beginning of period, adjusted	15,088	13,180
Provision for credit losses	926	1,129
Loan charge-offs:		
Commercial and industrial	(172)	(101)
Commercial real estate	(192)	(27)
Lease financing	(11)	(7)
Total commercial	(375)	(135)
Residential mortgage	(19)	(28)
Credit card	(664)	(424)
Auto	(191)	(217)
Other consumer	(147)	(105)
Total consumer	(1,021)	(774)
Total loan charge-offs	(1,396)	(909)
Loan recoveries:		
Commercial and industrial	24	58
Commercial real estate	5	10
Lease financing	5	4
Total commercial	34	72
Residential mortgage	32	39
Credit card	87	80
Auto	79	96
Other consumer	15	18
Total consumer	213	233
Total loan recoveries	247	305
Net loan charge-offs	(1,149)	(604)
Other	(3)	-
Balance, end of period	\$ 14,862	13,705
Components:		
Allowance for loan losses	\$ 14,421	13,120
Allowance for unfunded credit commitments	441	585
Allowance for credit losses	\$ 14,862	13,705
Net loan charge-offs (annualized) as a percentage of average total loans	0.50 %	0.26
Allowance for loan losses as a percentage of total loans	1.56	1.38
Allowance for credit losses for loans as a percentage of total loans	1.61	1.45

(1) Represents the change in our allowance for credit losses for loans as a result of our adoption of ASU 2022-02, Financial Instruments - Credit Losses (Topic 326): *Troubled Debt Restructurings and Vintage Disclosures*, on January 1, 2023. For additional information, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K.

**Note 5: Loans and Related Allowance for Credit Losses (continued)**

Table 5.6 summarizes the activity in the ACL by our commercial and consumer portfolio segments.

**Table 5.6: Allowance for Credit Losses for Loans Activity by Portfolio Segment**

(in millions)	2024			2023		
	Commercial	Consumer	Total	Commercial	Consumer	Total
<b>Quarter ended March 31,</b>						
Balance, beginning of period	\$ 8,412	6,676	15,088	6,956	6,653	13,609
Cumulative effect from change in accounting policy (1)	-	-	-	27	(456)	(429)
Balance, beginning of period, adjusted	8,412	6,676	15,088	6,983	6,197	13,180
Provision for credit losses	249	677	926	304	825	1,129
Loan charge-offs	(375)	(1,021)	(1,396)	(135)	(774)	(909)
Loan recoveries	34	213	247	72	233	305
Net loan charge-offs	(341)	(808)	(1,149)	(63)	(541)	(604)
Other	(3)	-	(3)	-	-	-
Balance, end of period	\$ 8,317	6,545	14,862	7,224	6,481	13,705

(1) Represents the change in our allowance for credit losses for loans as a result of our adoption of ASU 2022-02, Financial Instruments - Credit Losses (Topic 326): *Troubled Debt Restructurings and Vintage Disclosures*, on January 1, 2023. For additional information, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2023 Form 10-K.

**Credit Quality**

We monitor credit quality by evaluating various attributes and utilize such information in our evaluation of the appropriateness of the ACL for loans. The following sections provide the credit quality indicators we most closely monitor. The credit quality indicators are generally based on information as of our financial statement date.

**COMMERCIAL CREDIT QUALITY INDICATORS** We manage a consistent process for assessing commercial loan credit quality. Commercial loans are generally subject to individual risk assessment using our internal borrower and collateral quality ratings, which is our primary credit quality indicator. Our ratings are aligned to regulatory definitions of pass and criticized categories with the criticized segmented among special mention, substandard, doubtful, and loss categories.

Table 5.7 provides the outstanding balances of our commercial loan portfolio by risk category and credit quality information by origination year for term loans. Revolving loans may convert to term loans as a result of a contractual provision in the original loan agreement or if modified for a borrower experiencing financial difficulty. At March 31, 2024, we had \$503.9 billion and \$34.4 billion of pass and criticized commercial loans, respectively. Gross charge-offs by loan class are included in the following table for the quarter ended March 31, 2024, and year ended December 31, 2023, which we monitor as part of our credit risk management practices; however, charge-offs are not a primary credit quality indicator for our loan portfolio.

**Table 5.7: Commercial Loan Categories by Risk Categories and Vintage**

(in millions)	Term loans by origination year						Revolving loans	Revolving loans converted to term loans	Total
	2024	2023	2022	2021	2020	Prior			
<b>March 31, 2024</b>									
<b>Commercial and industrial</b>									
Pass	\$ 12,817	32,552	34,836	19,454	9,338	14,093	234,837	290	358,217
Criticized	223	1,023	1,709	1,225	227	500	9,839	-	14,746
<b>Total commercial and industrial</b>	<b>13,040</b>	<b>33,575</b>	<b>36,545</b>	<b>20,679</b>	<b>9,565</b>	<b>14,593</b>	<b>244,676</b>	<b>290</b>	<b>372,963</b>
Gross charge-offs (1)	5	31	5	16	4	2	109	-	172
<b>Commercial real estate</b>									
Pass	4,377	17,152	31,917	29,656	10,857	29,358	6,928	163	130,408
Criticized	1,121	2,279	4,296	4,609	1,349	4,335	389	-	18,378
<b>Total commercial real estate</b>	<b>5,498</b>	<b>19,431</b>	<b>36,213</b>	<b>34,265</b>	<b>12,206</b>	<b>33,693</b>	<b>7,317</b>	<b>163</b>	<b>148,786</b>
Gross charge-offs	-	54	23	16	26	73	-	-	192
<b>Lease financing</b>									
Pass	1,039	5,675	3,549	2,160	1,008	1,825	-	-	15,256
Criticized	76	392	297	170	96	292	-	-	1,323
<b>Total lease financing</b>	<b>1,115</b>	<b>6,067</b>	<b>3,846</b>	<b>2,330</b>	<b>1,104</b>	<b>2,117</b>	<b>-</b>	<b>-</b>	<b>16,579</b>
Gross charge-offs	-	3	4	2	1	1	-	-	11
<b>Total commercial loans</b>	<b>\$ 19,653</b>	<b>59,073</b>	<b>76,604</b>	<b>57,274</b>	<b>22,875</b>	<b>50,403</b>	<b>251,993</b>	<b>453</b>	<b>538,328</b>
<b>December 31, 2023</b>									
<b>Commercial and industrial</b>									
Pass	\$ 40,966	38,756	21,702	7,252	10,024	8,342	239,456	348	366,846
Criticized	892	1,594	1,237	160	204	480	8,975	-	13,542
<b>Total commercial and industrial</b>	<b>41,858</b>	<b>40,350</b>	<b>22,939</b>	<b>7,412</b>	<b>10,228</b>	<b>8,822</b>	<b>248,431</b>	<b>348</b>	<b>380,388</b>
Gross charge-offs (1)	102	22	53	11	8	7	307	-	510
<b>Commercial real estate</b>									
Pass	18,181	33,557	30,629	12,001	11,532	19,686	6,537	163	132,286
Criticized	2,572	4,091	4,597	1,822	2,748	2,141	359	-	18,330
<b>Total commercial real estate</b>	<b>20,753</b>	<b>37,648</b>	<b>35,226</b>	<b>13,823</b>	<b>14,280</b>	<b>21,827</b>	<b>6,896</b>	<b>163</b>	<b>150,616</b>
Gross charge-offs	20	107	32	134	197	103	-	-	593
<b>Lease financing</b>									
Pass	5,593	3,846	2,400	1,182	798	1,518	-	-	15,337
Criticized	345	292	182	98	84	85	-	-	1,086
<b>Total lease financing</b>	<b>5,938</b>	<b>4,138</b>	<b>2,582</b>	<b>1,280</b>	<b>882</b>	<b>1,603</b>	<b>-</b>	<b>-</b>	<b>16,423</b>
Gross charge-offs	3	8	8	5	4	3	-	-	31
<b>Total commercial loans</b>	<b>\$ 68,549</b>	<b>82,136</b>	<b>60,747</b>	<b>22,515</b>	<b>25,390</b>	<b>32,252</b>	<b>255,327</b>	<b>511</b>	<b>547,427</b>

(1) Includes charge-offs on overdrafts, which are generally charged-off at 60 days past due.

**Note 5: Loans and Related Allowance for Credit Losses (continued)**

Table 5.8 provides days past due (DPD) information for commercial loans, which we monitor as part of our credit risk management practices; however, delinquency is not a primary credit quality indicator for commercial loans.

**Table 5.8: Commercial Loan Categories by Delinquency Status**

(in millions)	Still accruing				Total commercial loans
	Current-29 DPD	30-89 DPD	90+ DPD	Nonaccrual loans	
<b>March 31, 2024</b>					
Commercial and industrial	\$ 371,711	466	36	750	372,963
Commercial real estate	144,258	445	170	3,913	148,786
Lease financing	16,336	167	-	76	16,579
<b>Total commercial loans</b>	<b>\$ 532,305</b>	<b>1,078</b>	<b>206</b>	<b>4,739</b>	<b>538,328</b>
<b>December 31, 2023</b>					
Commercial and industrial	\$ 379,099	584	43	662	380,388
Commercial real estate	145,721	562	145	4,188	150,616
Lease financing	16,177	182	-	64	16,423
<b>Total commercial loans</b>	<b>\$ 540,997</b>	<b>1,328</b>	<b>188</b>	<b>4,914</b>	<b>547,427</b>

**CONSUMER CREDIT QUALITY INDICATORS** We have various classes of consumer loans that present unique credit risks. Loan delinquency, Fair Isaac Corporation (FICO) credit scores and loan-to-value (LTV) for residential mortgage loans are the primary credit quality indicators that we monitor and utilize in our evaluation of the appropriateness of the ACL for the consumer loan portfolio segment.

Many of our loss estimation techniques used for the ACL for loans rely on delinquency-based models; therefore, delinquency is an important indicator of credit quality in the establishment of our ACL for consumer loans.

We obtain FICO scores at loan origination and the scores are generally updated at least quarterly, except in limited circumstances, including compliance with the Fair Credit Reporting Act (FCRA). FICO scores are not available for certain loan types or may not be required if we deem it unnecessary due to strong collateral and other borrower attributes.

LTV is the ratio of the outstanding loan balance divided by the property collateral value. For junior lien mortgages, we use the total combined loan balance of first and junior lien mortgages (including unused line of credit amounts). We obtain LTVs using a cascade approach which first uses values provided by automated valuation models (AVMs) for the property. If an AVM is not available, then the value is estimated using the original appraised value adjusted by the change in Home Price Index (HPI) for the property location. If an HPI is not available, the original appraised value is used. The HPI value is normally the only method considered for high value properties, generally with an original value of \$1.5 million or more, as the AVM values have proven less accurate for these properties. Generally, we update LTVs on a quarterly basis. Certain loans do not have an LTV due to a lack of industry data availability and portfolios acquired from or serviced by other institutions.

Gross charge-offs by loan class are included in the following tables for the quarter ended March 31, 2024, and year ended December 31, 2023, which we monitor as part of our credit risk management practices; however, charge-offs are not a primary credit quality indicator for our loan portfolio.

Credit quality information is provided with the year of origination for term loans. Revolving loans may convert to term loans as a result of a contractual provision in the original loan agreement or if modified for a borrower experiencing financial difficulty.

Table 5.9 provides the outstanding balances of our residential mortgage loans by our primary credit quality indicators.



**Table 5.9: Credit Quality Indicators for Residential Mortgage Loans by Vintage**

(in millions)	Term loans by origination year						Revolving loans	Revolving loans converted to term loans	Total
	2024	2023	2022	2021	2020	Prior			
<b>March 31, 2024</b>									
<b>By delinquency status:</b>									
Current-29 DPD	\$ 1,942	12,813	45,517	61,789	34,677	77,851	7,340	6,617	248,546
30-89 DPD	-	5	59	80	22	744	35	146	1,091
90+ DPD	-	-	23	12	8	345	23	187	598
Government insured/guaranteed loans (1)	-	6	19	37	99	7,226	-	-	7,387
<b>Total</b>	<b>\$ 1,942</b>	<b>12,824</b>	<b>45,618</b>	<b>61,918</b>	<b>34,806</b>	<b>86,166</b>	<b>7,398</b>	<b>6,950</b>	<b>257,622</b>
<b>By updated FICO:</b>									
740+	\$ 1,838	11,872	42,080	58,246	32,807	67,363	5,780	4,023	224,009
700-739	95	649	2,265	2,400	1,223	5,180	806	935	13,553
660-699	8	203	826	821	397	2,468	383	597	5,703
620-659	-	33	205	182	114	1,043	139	309	2,025
<620	-	29	131	119	56	1,310	172	479	2,296
No FICO available	1	32	92	113	110	1,576	118	607	2,649
Government insured/guaranteed loans (1)	-	6	19	37	99	7,226	-	-	7,387
<b>Total</b>	<b>\$ 1,942</b>	<b>12,824</b>	<b>45,618</b>	<b>61,918</b>	<b>34,806</b>	<b>86,166</b>	<b>7,398</b>	<b>6,950</b>	<b>257,622</b>
<b>By updated LTV:</b>									
0-80%	\$ 1,936	11,588	39,371	60,654	34,320	78,302	7,271	6,795	240,237
80.01-100%	5	1,140	6,012	1,119	306	400	98	106	9,186
>100% (2)	-	64	167	59	23	53	17	24	407
No LTV available	1	26	49	49	58	185	12	25	405
Government insured/guaranteed loans (1)	-	6	19	37	99	7,226	-	-	7,387
<b>Total</b>	<b>\$ 1,942</b>	<b>12,824</b>	<b>45,618</b>	<b>61,918</b>	<b>34,806</b>	<b>86,166</b>	<b>7,398</b>	<b>6,950</b>	<b>257,622</b>
Gross charge-offs	\$ -	-	-	1	-	11	-	7	19

(in millions)	Term loans by origination year						Revolving loans	Revolving loans converted to term loans	Total
	2023	2022	2021	2020	2019	Prior			
<b>December 31, 2023</b>									
<b>By delinquency status:</b>									
Current-29 DPD	\$ 13,192	46,065	62,529	35,124	19,364	60,391	8,044	6,735	251,444
30-89 DPD	6	70	58	28	30	724	41	151	1,108
90+ DPD	-	18	12	8	14	327	24	201	604
Government insured/guaranteed loans (1)	5	15	39	97	112	7,300	-	-	7,568
<b>Total</b>	<b>\$ 13,203</b>	<b>46,168</b>	<b>62,638</b>	<b>35,257</b>	<b>19,520</b>	<b>68,742</b>	<b>8,109</b>	<b>7,087</b>	<b>260,724</b>
<b>By updated FICO:</b>									
740+	\$ 12,243	42,550	58,827	33,232	18,000	50,938	6,291	4,092	226,173
700-739	679	2,324	2,510	1,219	888	4,478	883	979	13,960
660-699	185	843	861	422	310	2,261	417	601	5,900
620-659	45	227	179	110	66	978	150	322	2,077
<620	11	122	100	64	46	1,245	174	464	2,226
No FICO available	35	87	122	113	98	1,542	194	629	2,820
Government insured/guaranteed loans (1)	5	15	39	97	112	7,300	-	-	7,568
<b>Total</b>	<b>\$ 13,203</b>	<b>46,168</b>	<b>62,638</b>	<b>35,257</b>	<b>19,520</b>	<b>68,742</b>	<b>8,109</b>	<b>7,087</b>	<b>260,724</b>
<b>By updated LTV:</b>									
0-80%	\$ 12,434	39,624	61,421	34,833	19,123	61,043	7,903	6,923	243,304
80.01-100%	687	6,286	1,065	232	203	207	103	114	8,897
>100% (2)	51	193	57	33	31	38	21	24	448
No LTV available	26	50	56	62	51	154	82	26	507
Government insured/guaranteed loans (1)	5	15	39	97	112	7,300	-	-	7,568
<b>Total</b>	<b>\$ 13,203</b>	<b>46,168</b>	<b>62,638</b>	<b>35,257</b>	<b>19,520</b>	<b>68,742</b>	<b>8,109</b>	<b>7,087</b>	<b>260,724</b>
Gross charge-offs	\$ -	1	-	-	2	63	4	66	136

- (1) Government insured or guaranteed loans represent loans whose repayments are predominantly insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA). Loans insured/guaranteed by the FHA/VA and 90+ DPD totaled \$2.7 billion and \$2.6 billion at March 31, 2024, and December 31, 2023, respectively.
- (2) Reflects total loan balances with LTV amounts in excess of 100%. In the event of default, the loss content would generally be limited to only the amount in excess of 100% LTV.

**Note 5: Loans and Related Allowance for Credit Losses (continued)**

Table 5.10 provides the outstanding balances of our credit card loan portfolio by primary credit quality indicators. The revolving loans converted to term loans in the credit

card loan category represent credit card loans with modified terms that require payment over a specific term.

**Table 5.10: Credit Quality Indicators for Credit Card Loans**

(in millions)	March 31, 2024			December 31, 2023		
	Revolving loans	Revolving loans converted to term loans	Total	Revolving loans	Revolving loans converted to term loans	Total
<b>By delinquency status:</b>						
Current-29 DPD	\$ 50,141	392	50,533	50,428	350	50,778
30-89 DPD	638	51	689	660	49	709
90+ DPD	780	33	813	717	26	743
<b>Total</b>	<b>\$ 51,559</b>	<b>476</b>	<b>52,035</b>	<b>51,805</b>	<b>425</b>	<b>52,230</b>
<b>By updated FICO:</b>						
740+	\$ 19,442	24	19,466	19,153	21	19,174
700-739	11,612	57	11,669	11,727	51	11,778
660-699	10,341	93	10,434	10,592	84	10,676
620-659	5,047	85	5,132	5,273	76	5,349
<620	4,923	215	5,138	4,861	192	5,053
No FICO available	194	2	196	199	1	200
<b>Total</b>	<b>\$ 51,559</b>	<b>476</b>	<b>52,035</b>	<b>51,805</b>	<b>425</b>	<b>52,230</b>
Gross charge-offs	\$ 627	37	664	1,909	100	2,009

Table 5.11 provides the outstanding balances of our Auto loan portfolio by primary credit quality indicators.

**Table 5.11: Credit Quality Indicators for Auto Loans by Vintage**

(in millions)	Term loans by origination year						Total
	2024	2023	2022	2021	2020	Prior	
<b>March 31, 2024</b>							
<b>By delinquency status:</b>							
Current-29 DPD	\$ 3,925	12,596	11,844	11,038	3,705	1,979	45,087
30-89 DPD	2	47	285	437	152	104	1,027
90+ DPD	-	5	29	37	10	7	88
<b>Total</b>	<b>\$ 3,927</b>	<b>12,648</b>	<b>12,158</b>	<b>11,512</b>	<b>3,867</b>	<b>2,090</b>	<b>46,202</b>
<b>By updated FICO:</b>							
740+	\$ 2,762	8,382	6,023	4,847	1,555	830	24,399
700-739	651	1,954	1,734	1,612	585	308	6,844
660-699	391	1,286	1,534	1,491	521	265	5,488
620-659	92	576	1,009	1,052	353	182	3,264
<620	31	448	1,834	2,468	828	481	6,090
No FICO available	-	2	24	42	25	24	117
<b>Total</b>	<b>\$ 3,927</b>	<b>12,648</b>	<b>12,158</b>	<b>11,512</b>	<b>3,867</b>	<b>2,090</b>	<b>46,202</b>
<b>Gross charge-offs</b>	<b>\$ -</b>	<b>11</b>	<b>71</b>	<b>82</b>	<b>18</b>	<b>9</b>	<b>191</b>
<b>December 31, 2023</b>							
<b>By delinquency status:</b>							
Current-29 DPD	\$ 14,022	13,052	12,376	4,335	2,161	448	46,394
30-89 DPD	43	328	545	195	106	40	1,257
90+ DPD	4	34	49	14	7	3	111
<b>Total</b>	<b>\$ 14,069</b>	<b>13,414</b>	<b>12,970</b>	<b>4,544</b>	<b>2,274</b>	<b>491</b>	<b>47,762</b>
<b>By updated FICO:</b>							
740+	\$ 9,460	6,637	5,487	1,853	963	176	24,576
700-739	2,232	1,969	1,861	701	347	68	7,178
660-699	1,405	1,745	1,729	623	295	61	5,858
620-659	572	1,162	1,228	425	195	46	3,628
<620	388	1,876	2,621	915	452	130	6,382
No FICO available	12	25	44	27	22	10	140
<b>Total</b>	<b>\$ 14,069</b>	<b>13,414</b>	<b>12,970</b>	<b>4,544</b>	<b>2,274</b>	<b>491</b>	<b>47,762</b>
<b>Gross charge-offs</b>	<b>\$ 15</b>	<b>265</b>	<b>392</b>	<b>99</b>	<b>52</b>	<b>9</b>	<b>832</b>

**Note 5: Loans and Related Allowance for Credit Losses (continued)**

Table 5.12 provides the outstanding balances of our Other consumer loans portfolio by primary credit quality indicators.

**Table 5.12: Credit Quality Indicators for Other Consumer Loans by Vintage**

(in millions)	Term loans by origination year						Revolving loans	Revolving loans converted to term loans	Total
	2024	2023	2022	2021	2020	Prior			
<b>March 31, 2024</b>									
<b>By delinquency status:</b>									
Current-29 DPD	\$ 576	2,825	1,843	473	145	120	22,359	116	28,457
30-89 DPD	-	25	25	7	1	3	15	7	83
90+ DPD	-	12	13	3	-	1	15	13	57
<b>Total</b>	<b>\$ 576</b>	<b>2,862</b>	<b>1,881</b>	<b>483</b>	<b>146</b>	<b>124</b>	<b>22,389</b>	<b>136</b>	<b>28,597</b>
<b>By updated FICO:</b>									
740+	\$ 450	1,576	786	209	76	49	1,042	34	4,222
700-739	77	559	347	89	20	19	481	16	1,608
660-699	21	380	307	84	13	15	362	16	1,198
620-659	2	128	139	35	5	8	139	10	466
<620	1	98	149	44	6	11	150	18	477
No FICO available (1)	25	121	153	22	26	22	20,215	42	20,626
<b>Total</b>	<b>\$ 576</b>	<b>2,862</b>	<b>1,881</b>	<b>483</b>	<b>146</b>	<b>124</b>	<b>22,389</b>	<b>136</b>	<b>28,597</b>
<b>Gross charge-offs (2)</b>	<b>\$ 13</b>	<b>60</b>	<b>39</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>17</b>	<b>3</b>	<b>147</b>
<b>December 31, 2023</b>									
<b>By delinquency status:</b>									
Current-29 DPD	\$ 3,273	2,132	571	167	93	61	21,988	106	28,391
30-89 DPD	24	32	9	1	1	2	17	6	92
90+ DPD	9	14	3	1	-	1	15	13	56
<b>Total</b>	<b>\$ 3,306</b>	<b>2,178</b>	<b>583</b>	<b>169</b>	<b>94</b>	<b>64</b>	<b>22,020</b>	<b>125</b>	<b>28,539</b>
<b>By updated FICO:</b>									
740+	\$ 1,911	926	265	85	36	28	1,152	27	4,430
700-739	642	409	107	27	14	10	507	16	1,732
660-699	403	365	93	16	11	8	395	16	1,307
620-659	129	166	45	6	6	5	147	11	515
<620	75	152	49	8	8	6	152	17	467
No FICO available (1)	146	160	24	27	19	7	19,667	38	20,088
<b>Total</b>	<b>\$ 3,306</b>	<b>2,178</b>	<b>583</b>	<b>169</b>	<b>94</b>	<b>64</b>	<b>22,020</b>	<b>125</b>	<b>28,539</b>
<b>Gross charge-offs (2)</b>	<b>\$ 178</b>	<b>158</b>	<b>52</b>	<b>9</b>	<b>9</b>	<b>6</b>	<b>62</b>	<b>11</b>	<b>485</b>

(1) Substantially all loans do not require a FICO score and are revolving securities-based loans originated by the WIM operating segment.

(2) Includes charge-offs on overdrafts, which are generally charged-off at 60 days past due.

**NONACCRUAL LOANS** Table 5.13 provides loans on nonaccrual status. Nonaccrual loans may have an ACL or a negative allowance for credit losses from expected recoveries of amounts previously written off.

**Table 5.13: Nonaccrual Loans**

(in millions)	Nonaccrual loans		Amortized cost Nonaccrual loans without related allowance for credit losses (1)		Recognized interest income	
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023	Quarter ended March 31,	
					2024	2023
Commercial and industrial	\$ 750	662	94	149	9	5
Commercial real estate	3,913	4,188	31	107	4	8
Lease financing	76	64	14	10	-	-
Total commercial	4,739	4,914	139	266	13	13
Residential mortgage	3,193	3,192	2,027	2,047	44	47
Auto	109	115	-	-	4	5
Other consumer	34	35	-	-	1	1
Total consumer	3,336	3,342	2,027	2,047	49	53
Total nonaccrual loans	\$ 8,075	8,256	2,166	2,313	62	66

(1) Nonaccrual loans may not have an allowance for credit losses if the loss expectations are zero given the related collateral value.

**LOANS IN PROCESS OF FORECLOSURE** Our recorded investment in consumer mortgage loans collateralized by residential real estate property that are in process of foreclosure was \$738 million and \$837 million at March 31, 2024, and December 31, 2023, respectively, which included \$578 million and \$660 million, respectively, of loans that are government insured/guaranteed. Under the Consumer Financial Protection Bureau guidelines, we do not commence the foreclosure process on residential mortgage loans until after the loan is 120 days delinquent. Foreclosure procedures and timelines vary depending on whether the property address resides in a judicial or non-judicial state. Judicial states require the foreclosure to be processed through the state's courts while non-judicial states are processed without court intervention. Foreclosure timelines vary according to state law.

**LOANS 90 DAYS OR MORE PAST DUE AND STILL ACCRUING** Certain loans 90 days or more past due are still accruing, because they are (1) well-secured and in the process of collection or (2) residential mortgage or consumer loans exempt under regulatory rules from being classified as nonaccrual until later delinquency, usually 120 days past due.

Table 5.14 shows loans 90 days or more past due and still accruing by class for loans not government insured/guaranteed.

**Table 5.14: Loans 90 Days or More Past Due and Still Accruing**

(in millions)	Mar 31, 2024	Dec 31, 2023
Total:	\$ 3,831	3,751
Less: FHA insured/VA guaranteed (1)	2,663	2,646
Total, not government insured/guaranteed	\$ 1,168	1,105
By segment and class, not government insured/guaranteed:		
Commercial and industrial	\$ 36	43
Commercial real estate	170	145
Total commercial	206	188
Residential mortgage	31	31
Credit card	813	743
Auto	75	101
Other consumer	43	42
Total consumer	962	917
Total, not government insured/guaranteed	\$ 1,168	1,105

(1) Represents loans whose repayments are predominantly insured by the FHA or guaranteed by the VA.

**Note 5: Loans and Related Allowance for Credit Losses (continued)**

**LOAN MODIFICATIONS TO BORROWERS EXPERIENCING FINANCIAL DIFFICULTY** We may agree to modify the contractual terms of a loan to a borrower experiencing financial difficulty.

The following disclosures were added on a prospective basis as a result of our adoption of ASU 2022-02, Financial Instruments-Credit Losses (Topic 326): *Troubled Debt Restructurings and Vintage Disclosures*, on January 1, 2023. These disclosures provide information on loan modifications in the form of principal forgiveness, interest rate reductions, other-than-insignificant (e.g., greater than three months) payment delays, term extensions or a combination of these modifications, as well as the financial effects of these modifications, and loan performance in the twelve months following the modification. Loans that both modify and are paid off or charged-off during the period are not included in the disclosures below. Additionally,

where amortized cost balances are presented below, accrued interest receivable is not included. See Note 7 (Intangible Assets and Other Assets) for additional information on accrued interest receivable. These disclosures do not include loans discharged by a bankruptcy court as the only concession, which were insignificant for the first quarter of both 2024 and 2023.

For additional information on our loan modifications to borrowers experiencing financial difficulty, see Note 5 (Loans and Related Allowance for Credit Losses) in our 2023 Form 10-K.

Table 5.15 presents the amortized cost of modified commercial loans and the related financial effects of these modifications.

**Table 5.15: Commercial Loan Modifications and Financial Effects**

(\$ in millions)	Quarter ended March 31,	
	2024	2023
<b>Commercial and industrial modifications:</b>		
Term extension	\$ 169	112
All other modifications and combinations	19	25
<b>Total commercial and industrial modifications</b>	<b>\$ 188</b>	<b>137</b>
Total commercial and industrial modifications as a % of loan class	0.05 %	0.04
<b>Financial effects:</b>		
Weighted average interest rate reduction (1)	12.60 %	13.66
Weighted average payments deferred (months)	7	6
Weighted average term extension (months)	12	6
<b>Commercial real estate modifications:</b>		
Term extension	\$ 100	56
All other modifications and combinations	2	16
<b>Total commercial real estate modifications</b>	<b>\$ 102</b>	<b>72</b>
Total commercial real estate modifications as a % of loan class	0.07 %	0.05
<b>Financial effects:</b>		
Weighted average interest rate reduction	1.59 %	2.80
Weighted average payments deferred (months)	-	6
Weighted average term extension (months)	28	20

(1) Includes modifications for small business credit card customers.

Commercial loans that received a modification in the past 12 months as of March 31, 2024, and subsequently defaulted in first quarter 2024, were insignificant. Commercial loans that received a modification in the first quarter of 2023, and subsequently defaulted in the same period were insignificant.

Table 5.16 provides past due information as of March 31, 2024, for commercial loans that received a modification in the

past 12 months and past due information for commercial loans that received a modification in the first quarter of 2023. For loan modifications that include a payment deferral, payment performance is not included in the table below until the loan exits the deferral period and payments resume. The table also includes the amount of gross charge-offs that occurred on these modifications during the first quarter of both 2024 and 2023.

**Table 5.16: Payment Performance of Commercial Loan Modifications**

(in millions)	By delinquency status				Gross charge-offs Quarter ended
	Current-29 DPD	30-89 DPD	90+ DPD	Total	
<b>March 31, 2024</b>					
Commercial and industrial	\$ 404	10	3	417	39
Commercial real estate	488	4	28	520	-
<b>Total commercial</b>	<b>\$ 892</b>	<b>14</b>	<b>31</b>	<b>937</b>	<b>39</b>
<b>March 31, 2023</b>					
Commercial and industrial	\$ 115	19	-	134	10
Commercial real estate	70	1	-	71	-
<b>Total commercial</b>	<b>\$ 185</b>	<b>20</b>	<b>-</b>	<b>205</b>	<b>10</b>

Table 5.17 presents the amortized cost of modified consumer loans and the related financial effects of these modifications. Modified loans within the Auto and Other consumer loan classes were insignificant for the first quarter of both 2024 and 2023.

Loans in a trial payment period are not included in the following loan modification disclosures until the borrower has successfully completed the trial period and the loan modification is formally executed. Residential mortgage loans in a trial payment period totaled \$116 million and \$161 million at March 31, 2024 and 2023, respectively.

**Table 5.17: Consumer Loan Modifications and Financial Effects**

(\$ in millions)	Quarter ended March 31,	
	2024	2023
<b>Residential mortgage modifications:</b>		
Payment delay (1)	\$ 85	376
Term extension	20	25
Term extension and payment delay	18	30
Interest rate reduction, and term extension, and payment delay	12	31
All other modifications and combinations	13	20
<b>Total residential mortgage modifications</b>	<b>\$ 148</b>	<b>482</b>
Total residential mortgage modifications as a % of loan class	0.06 %	0.18
<b>Financial effects:</b>		
Weighted average interest rate reduction	1.77 %	1.58
Weighted average payments deferred (months) (2)	6	3
Weighted average term extension (years)	10.8	10.2
<b>Credit card modifications:</b>		
Interest rate reduction	\$ 183	122
<b>Total credit card modifications</b>	<b>\$ 183</b>	<b>122</b>
Total credit card modifications as a % of loan class	0.35 %	0.27
<b>Financial effects:</b>		
Weighted average interest rate reduction	21.94 %	21.64

(1) Includes residential mortgage loan modifications that defer a set amount of principal to the end of the loan term.

(2) Excludes the financial effects of residential mortgage loans with a set amount of principal deferred to the end of the loan term. The weighted average period of principal deferred was 23.7 years in first quarter 2024 and 27.1 years in first quarter 2023.

**Note 5: Loans and Related Allowance for Credit Losses (continued)**

Consumer loans that received a modification within the past 12 months as of March 31, 2024, and subsequently defaulted in first quarter 2024, totaled \$111 million. A significant portion of these defaults related to payment delay modifications in the residential mortgage loan portfolio. Consumer loans that received a modification in the first quarter of 2023, and subsequently defaulted in the same period totaled \$21 million and predominantly related to payment delay modifications in the residential mortgage loan portfolio.

Table 5.18 provides past due information as of March 31, 2024 for consumer loans that received a modification in the past 12 months and past due information for consumer loans that received a modification in the first quarter of 2023. For loan modifications that include a payment deferral, payment performance is not included in the table below until the loan exits the deferral period and payments resume. The table also includes the amount of gross charge-offs that occurred on these modifications during the first quarter of both 2024 and 2023.

**Table 5.18: Payment Performance of Consumer Loan Modifications**

(in millions)	By delinquency status			Total	Gross charge-offs Quarter ended
	Current-29 DPD	30-89 DPD	90+ DPD		
<b>March 31, 2024</b>					
Residential mortgage	\$ 523	144	192	859	2
Credit card (1)	433	72	63	568	49
<b>Total consumer</b>	<b>\$ 956</b>	<b>216</b>	<b>255</b>	<b>1,427</b>	<b>51</b>
<b>March 31, 2023</b>					
Residential mortgage (2)	\$ 124	14	19	157	1
Credit card (1)	75	28	19	122	4
<b>Total consumer</b>	<b>\$ 199</b>	<b>42</b>	<b>38</b>	<b>279</b>	<b>5</b>

(1) Credit card loans that are past due at the time of the modification do not become current until they have three consecutive months of payment performance.  
(2) Includes loans that were past due prior to entering a payment delay modification. Delinquency advancement is paused during the deferral period and resumes upon exit.

Commitments to lend additional funds on commercial loans modified during the first quarter of 2024 and 2023, were \$142 million and \$30 million, respectively, substantially all of which were in the commercial and industrial portfolio.

Commitments to lend additional funds on consumer loans modified during the first quarter of both 2024 and 2023, were insignificant.



## Note 6: Mortgage Banking Activities

Mortgage banking activities consist of residential and commercial mortgage originations, sales and servicing.

We apply the fair value method to residential mortgage servicing rights (MSRs) and apply the amortization method to

commercial MSRs. Table 6.1 presents MSRs, including the changes in MSRs measured using the fair value method and the amortization method.

**Table 6.1: Mortgage Servicing Rights**

(in millions)	Quarter ended March 31,	
	2024	2023
Residential MSRs at fair value, beginning of period	\$ 7,468	9,310
Originations/purchases	19	48
Sales and other	(263)	7
Net additions	(244)	55
Changes in fair value:		
Due to valuation inputs or assumptions:		
Market interest rates (1)	277	(181)
Servicing and foreclosure costs	(16)	1
Discount rates	(8)	(25)
Prepayment estimates and other (2)	(2)	(20)
Net changes in valuation inputs or assumptions	251	(225)
Changes due to collection/realization of expected cash flows (3)	(226)	(321)
Total changes in fair value	25	(546)
Residential MSRs at fair value, end of period	7,249	8,819
Commercial MSRs at amortized cost, end of period (4)	999	1,131
Total MSRs	\$ 8,248	9,950

(1) Includes prepayment rate changes due to changes in market interest rates. Residential MSRs are economically hedged with derivative instruments to reduce exposure to changes in market interest rates.

(2) Represents other changes in valuation model inputs or assumptions, including prepayment rate estimation changes that are independent of mortgage interest rate changes.

(3) Represents the reduction in the residential MSR fair value for the cash flows expected to be collected during the period, net of income accreted due to the passage of time.

(4) The estimated fair value of commercial MSRs was \$1.7 billion and \$2.0 billion, at March 31, 2024 and 2023, respectively.

Table 6.2 provides key weighted-average assumptions used in the valuation of residential MSRs and sensitivity of the current fair value of residential MSRs to immediate adverse changes in

those assumptions. See Note 12 (Fair Values of Assets and Liabilities) for additional information on key assumptions for residential MSRs.

**Table 6.2: Assumptions and Sensitivity of Residential MSRs**

(\$ in millions, except cost to service amounts)	Mar 31, 2024	Dec 31, 2023
Fair value of interests held	\$ 7,249	7,468
Expected weighted-average life (in years)	6.3	6.3
Key assumptions:		
Prepayment rate assumption (1)	8.7 %	8.9
Impact on fair value from 10% adverse change	\$ 213	224
Impact on fair value from 25% adverse change	511	538
Discount rate assumption	9.7 %	9.4
Impact on fair value from 100 basis point increase	\$ 283	294
Impact on fair value from 200 basis point increase	543	565
Cost to service assumption (\$ per loan)	108	105
Impact on fair value from 10% adverse change	139	148
Impact on fair value from 25% adverse change	344	369

(1) Includes a blend of prepayment speeds and expected defaults. Prepayment speeds are influenced by mortgage interest rates as well as our estimation of drivers of borrower behavior.

The sensitivities in the preceding table are hypothetical and caution should be exercised when relying on this data. Changes in value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in the assumption to the change in value may not be linear. Also, the effect of a variation in a particular assumption on the value of the other interests held is calculated independently without changing any other assumptions. In reality, changes in one factor may

result in changes in others, which might magnify or counteract the sensitivities.

## Note 6: Mortgage Banking Activities (continued)

We present information for our managed servicing portfolio in Table 6.3 using unpaid principal balance for loans serviced and subserviced for others and carrying value for owned loans serviced.

As the servicer of loans for others, we advance certain payments of principal, interest, taxes, insurance, and default-related expenses. The credit risk related to these advances is limited since the reimbursement is generally senior to cash payments to investors and are generally reimbursed within a short timeframe from cash flows from the trust, government-

sponsored enterprises (GSEs), insurer, or borrower. We maintain an allowance for uncollectible amounts for advances on loans serviced for others that may not be reimbursed if the payments were not made in accordance with applicable servicing agreements or if the insurance or servicing agreements contain limitations on reimbursements. We also advance payments of taxes and insurance for our owned loans which are collectible from the borrower. Servicing advances on owned loans are written-off when deemed uncollectible.

**Table 6.3: Managed Servicing Portfolio**

(\$ in billions, unless otherwise noted)	Mar 31, 2024		Dec 31, 2023	
	Residential mortgages	Commercial mortgages	Residential mortgages	Commercial mortgages
Serviced and subserviced for others	\$ 536	545	560	548
Owned loans serviced	259	126	262	128
<b>Total managed servicing portfolio</b>	<b>795</b>	<b>671</b>	<b>822</b>	<b>676</b>
Total serviced for others, excluding subserviced for others	528	535	560	539
MSRs as a percentage of loans serviced for others	1.37 %	0.19	1.33	0.19
Weighted average note rate (mortgage loans serviced for others)	3.73	5.26	3.76	5.27
Servicer advances, net of an allowance for uncollectible amounts (\$ in millions)	\$ 966	1,065	1,103	1,031

Table 6.4 presents the components of mortgage banking noninterest income.

**Table 6.4: Mortgage Banking Noninterest Income**

(in millions)	Quarter ended March 31,	
	2024	2023
Contractually specified servicing fees, late charges and ancillary fees	\$ 474	567
Unreimbursed servicing costs (1)	(46)	(33)
Amortization for commercial MSR (2)	(57)	(61)
Changes due to collection/realization of expected cash flows (3)	(A)	(226)
<b>Net servicing fees</b>	<b>145</b>	<b>152</b>
Changes in fair value of MSR due to valuation inputs or assumptions (4)	(B)	251
Net derivative losses from economic hedges (5)	(271)	185
Market-related valuation changes to residential MSR, net of hedge results	(20)	(40)
<b>Total net servicing income</b>	<b>125</b>	<b>112</b>
Net gains on mortgage loan originations/sales (6)	105	120
<b>Total mortgage banking noninterest income</b>	<b>\$ 230</b>	<b>232</b>
Total changes in residential MSR carried at fair value	(A)+(B)	\$ 25
		(546)

(1) Includes costs associated with foreclosures, unreimbursed interest advances to investors, other interest costs, and transaction costs associated with sales of residential MSR.

(2) Estimated future amortization expense for commercial MSR was \$171 million for the remainder of 2024, and \$200 million, \$161 million, \$127 million, \$107 million, and \$77 million for the years ended December 31, 2025, 2026, 2027, 2028, and 2029, respectively.

(3) Represents the reduction in the cash flows expected to be collected during the period, net of income accreted due to the passage of time, for residential MSR measured using the fair value method.

(4) Refer to the analysis of changes in residential MSR presented in Table 6.1 in this Note for more detail.

(5) See Note 11 (Derivatives) for additional information on economic hedges for residential MSR.

(6) Includes net gains (losses) of \$37 million and \$(39) million in first quarter 2024 and 2023, respectively, related to derivatives used as economic hedges of mortgage loans held for sale and derivative loan commitments.

## Note 7: Intangible Assets and Other Assets

Intangible assets include MSRs, goodwill, and customer relationship and other intangibles. For additional information on MSRs, see Note 6 (Mortgage Banking Activities). Customer relationship and other intangibles, which are included in other assets on our consolidated balance sheet, had a net carrying

value of \$107 million and \$118 million at March 31, 2024, and December 31, 2023, respectively.

Table 7.1 shows the allocation of goodwill to our reportable operating segments.

**Table 7.1: Goodwill**

(in millions)	Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Consolidated Company
December 31, 2023	\$ 16,418	2,933	5,375	344	105	25,175
Foreign currency translation	-	(2)	-	-	-	(2)
<b>March 31, 2024</b>	<b>\$ 16,418</b>	<b>2,931</b>	<b>5,375</b>	<b>344</b>	<b>105</b>	<b>25,173</b>

Table 7.2 presents the components of other assets.

**Table 7.2: Other Assets**

(in millions)	Mar 31, 2024	Dec 31, 2023
Corporate/bank-owned life insurance (1)	\$ 19,692	19,705
Accounts receivable (2)	32,440	30,541
Interest receivable:		
AFS and HTM debt securities	1,574	1,616
Loans	3,839	3,933
Trading and other	1,418	1,211
Operating lease assets (lessor)	5,509	5,558
Operating lease ROU assets (lessee)	3,450	3,412
Other (3)	12,661	12,839
<b>Total other assets</b>	<b>\$ 80,583</b>	<b>78,815</b>

(1) Corporate/bank-owned life insurance is recorded at cash surrender value.

(2) Primarily includes derivatives clearinghouse receivables, trade date receivables, and servicer advances, which are recorded at amortized cost.

(3) Primarily includes income tax receivables, prepaid expenses, foreclosed assets, and venture capital and private equity investments in consolidated portfolio companies.

## Note 8: Leasing Activity

The information below provides a summary of our leasing activities as a lessor and lessee. See Note 8 (Leasing Activity) in our 2023 Form 10-K for additional information about our leasing activities.

### As a Lessor

Noninterest income on leases, included in Table 8.1, is included in other noninterest income on our consolidated statement of income. Lease expense, included in other noninterest expense on our consolidated statement of income, was \$164 million and \$177 million in first quarter 2024 and 2023, respectively.

**Table 8.1: Leasing Revenue**

(in millions)	Quarter ended March 31,	
	2024	2023
Interest income on lease financing	\$ 216	169
Other lease revenue:		
Variable revenue on lease financing	25	25
Fixed revenue on operating leases	239	249
Variable revenue on operating leases	9	11
Other lease-related revenue (1)	148	62
Noninterest income on leases	421	347
Total leasing revenue	\$ 637	516

(1) Includes net gains (losses) on disposition of assets leased under operating leases or lease financings.

### As a Lessee

Substantially all of our leases are operating leases. Table 8.2 presents balances for our operating leases.

**Table 8.2: Operating Lease Right-of-Use (ROU) Assets and Lease Liabilities**

(in millions)	Mar 31, 2024	Dec 31, 2023
ROU assets	\$ 3,450	3,412
Lease liabilities	4,068	4,060

Total lease costs, which are predominantly included in occupancy expense, were \$293 million and \$306 million in first quarter 2024 and 2023, respectively.

## Note 9: Preferred Stock

We are authorized to issue 20 million shares of preferred stock, without par value. Outstanding preferred shares rank senior to common shares both as to the payment of dividends and liquidation preferences but have no general voting rights. All outstanding preferred stock with a liquidation preference value, except for Series L Preferred Stock, may be redeemed for the liquidation preference value, plus any accrued but unpaid dividends, on any dividend payment date on or after the earliest redemption date for that series. Additionally, these same series of preferred stock may be redeemed following a "regulatory

capital treatment event," as described in the terms of each series. Capital actions, including redemptions of our preferred stock, may be subject to regulatory approval or conditions.

In addition, we are authorized to issue 4 million shares of preference stock, without par value. We have not issued any preference shares under this authorization. If issued, preference shares would be limited to one vote per share.

In March 2024, we redeemed our Preferred Stock, Series R. Table 9.1 summarizes information about our preferred stock.

**Table 9.1: Preferred Stock**

(in millions, except shares)	Earliest redemption date	Shares authorized and designated	Shares issued and outstanding	March 31, 2024		December 31, 2023				
				Liquidation preference value	Carrying value	Shares authorized and designated	Shares issued and outstanding	Liquidation preference value	Carrying value	
<b>DEP Shares</b>										
Dividend Equalization Preferred Shares (DEP)	Currently redeemable	97,000	96,546	\$ -	-	97,000	96,546	\$ -	-	
<b>Preferred Stock:</b>										
<b>Series L (1)</b>										
7.50% Non-Cumulative Perpetual Convertible Class A	-	4,025,000	3,967,981	3,968	3,200	4,025,000	3,967,981	3,968	3,200	
<b>Series R</b>										
6.625% Fixed-to-Floating Non-Cumulative Perpetual Class A	Redeemed	-	-	-	-	34,500	33,600	840	840	
<b>Series S</b>										
5.90% Fixed-to-Floating Non-Cumulative Perpetual Class A	6/15/2024	80,000	80,000	2,000	2,000	80,000	80,000	2,000	2,000	
<b>Series U</b>										
5.875% Fixed-to-Floating Non-Cumulative Perpetual Class A	6/15/2025	80,000	80,000	2,000	2,000	80,000	80,000	2,000	2,000	
<b>Series Y</b>										
5.625% Non-Cumulative Perpetual Class A	Currently redeemable	27,600	27,600	690	690	27,600	27,600	690	690	
<b>Series Z</b>										
4.75% Non-Cumulative Perpetual Class A	3/15/2025	80,500	80,500	2,013	2,013	80,500	80,500	2,013	2,013	
<b>Series AA</b>										
4.70% Non-Cumulative Perpetual Class A	12/15/2025	46,800	46,800	1,170	1,170	46,800	46,800	1,170	1,170	
<b>Series BB</b>										
3.90% Fixed-Reset Non-Cumulative Perpetual Class A	3/15/2026	140,400	140,400	3,510	3,510	140,400	140,400	3,510	3,510	
<b>Series CC</b>										
4.375% Non-Cumulative Perpetual Class A	3/15/2026	46,000	42,000	1,050	1,050	46,000	42,000	1,050	1,050	
<b>Series DD</b>										
4.25% Non-Cumulative Perpetual Class A	9/15/2026	50,000	50,000	1,250	1,250	50,000	50,000	1,250	1,250	
<b>Series EE</b>										
7.625% Fixed-Reset Non-Cumulative Perpetual Class A	9/15/2028	69,000	69,000	1,725	1,725	69,000	69,000	1,725	1,725	
Total		4,742,300	4,680,827	\$ 19,376	18,608	4,776,800	4,714,427	\$ 20,216	19,448	

(1) At the option of the holder, each share of Series L Preferred Stock may be converted at any time into 6.3814 shares of common stock, plus cash in lieu of fractional shares, subject to anti-dilution adjustments. If converted within 30 days of certain liquidation or change of control events, the holder may receive up to 16.5916 additional shares, or, at our option, receive an equivalent amount of cash in lieu of common stock. We may convert some or all of the Series L Preferred Stock into shares of common stock if the closing price of our common stock exceeds 130 percent of the conversion price of the Series L Preferred Stock for 20 trading days during any period of 30 consecutive trading days. We declared dividends of \$74 million on Series L Preferred Stock for both quarters ended March 31, 2024, and March 31, 2023.

## Note 10: Legal Actions

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Wells Fargo and certain of our subsidiaries are involved in a number of judicial, regulatory, governmental, arbitration, and other proceedings or investigations concerning matters arising from the conduct of our business activities, and many of those proceedings and investigations expose Wells Fargo to potential financial loss or other adverse consequences. These proceedings and investigations include actions brought against Wells Fargo and/or our subsidiaries with respect to corporate-related matters and transactions in which Wells Fargo and/or our subsidiaries were involved. In addition, Wells Fargo and our subsidiaries may be requested to provide information to or otherwise cooperate with government authorities in the conduct of investigations of other persons or industry groups. We establish accruals for legal actions when potential losses associated with the actions become probable and the costs can be reasonably estimated. For such accruals, we record the amount we consider to be the best estimate within a range of potential losses that are both probable and estimable; however, if we cannot determine a best estimate, then we record the low end of the range of those potential losses. There can be no assurance as to the ultimate outcome of legal actions, including the matters described below, and the actual costs of resolving legal actions may be substantially higher or lower than the amounts accrued for those actions.

**ADVISORY ACCOUNT CASH SWEEP INVESTIGATION** The United States Securities and Exchange Commission (SEC) has undertaken an investigation regarding the cash sweep options that the Company provides to investment advisory clients at account opening.

**COMPANY 401(K) PLAN LITIGATION** On September 26, 2022, participants in the Company's 401(k) plan filed a putative class action in the United States District Court for the District of Minnesota alleging that the Company violated the Employee Retirement Income Security Act of 1974 in connection with certain transactions associated with the Employee Stock Ownership Plan feature of the Company's 401(k) plan, including the manner in which the 401(k) plan purchased certain securities used in connection with the Company's contributions to the 401(k) plan.

**HIRING PRACTICES MATTERS** Government agencies, including the United States Department of Justice and the SEC, have undertaken formal or informal inquiries or investigations regarding the Company's hiring practices related to diversity. The United States Department of Justice and the SEC have since closed their investigations without taking action. A putative securities fraud class action has also been filed in the United States District Court for the Northern District of California alleging that the Company and certain of its executive officers made false or misleading statements about the Company's hiring practices related to diversity. Allegations related to the Company's hiring practices related to diversity are also among the subjects of a shareholder derivative lawsuit pending in the United States District Court for the Northern District of California.

**INTERCHANGE LITIGATION** Plaintiffs representing a class of merchants have filed putative class actions, and individual merchants have filed individual actions, against Wells Fargo Bank, N.A., Wells Fargo & Company, Wachovia Bank, N.A., and

Wachovia Corporation regarding the interchange fees associated with Visa and MasterCard payment card transactions. Visa, MasterCard, and several other banks and bank holding companies are also named as defendants in these actions. These actions have been consolidated in the United States District Court for the Eastern District of New York. The amended and consolidated complaint asserts claims against defendants based on alleged violations of federal and state antitrust laws and seeks damages as well as injunctive relief. Plaintiff merchants allege that Visa, MasterCard, and payment card issuing banks unlawfully colluded to set interchange rates. Plaintiffs also allege that enforcement of certain Visa and MasterCard rules and alleged tying and bundling of services offered to merchants are anticompetitive. Wells Fargo and Wachovia, along with other defendants and entities, are parties to Loss and Judgment Sharing Agreements, which provide that they, along with other entities, will share, based on a formula, in any losses from the Interchange Litigation. On July 13, 2012, Visa, MasterCard, and the financial institution defendants, including Wells Fargo, signed a memorandum of understanding with plaintiff merchants to resolve the consolidated class action and reached a separate settlement in principle of the consolidated individual actions. The settlement payments to be made by all defendants in the consolidated class and individual actions totaled approximately \$6.6 billion before reductions applicable to certain merchants opting out of the settlement. The class settlement also provided for the distribution to class merchants of 10 basis points of default interchange across all credit rate categories for a period of eight consecutive months. The district court granted final approval of the settlement, which was appealed to the United States Court of Appeals for the Second Circuit by settlement objector merchants. Other merchants opted out of the settlement and are pursuing several individual actions. On June 30, 2016, the Second Circuit vacated the settlement agreement and reversed and remanded the consolidated action to the United States District Court for the Eastern District of New York for further proceedings. On November 30, 2016, the district court appointed lead class counsel for a damages class and an equitable relief class. The parties have entered into a settlement agreement to resolve the damages class claims pursuant to which defendants will pay a total of approximately \$6.2 billion, which includes approximately \$5.3 billion of funds remaining from the 2012 settlement and \$900 million in additional funding. The Company's allocated responsibility for the additional funding is approximately \$94.5 million. The court granted final approval of the settlement on December 13, 2019, which was appealed to the United States Court of Appeals for the Second Circuit by settlement objector merchants. On March 15, 2023, the Second Circuit affirmed the damages class settlement. On September 27, 2021, the district court granted the plaintiffs' motion for class certification in the equitable relief case. On March 26, 2024, Visa and MasterCard entered into a settlement agreement with the equitable relief class to resolve the equitable relief class claims, which is subject to court approval. Several of the opt-out and direct action litigations have been settled while others remain pending.

**RMBS TRUSTEE LITIGATION** In December 2014, Phoenix Light SF Limited (Phoenix Light) and certain related entities filed a complaint in the United States District Court for the Southern District of New York alleging claims against Wells Fargo Bank, N.A., in its capacity as trustee for a number of residential

mortgage-backed securities (RMBS) trusts. Complaints raising similar allegations have been filed by Commerzbank AG in the Southern District of New York, IKB International and IKB Deutsche Industriebank (together, IKB) in New York state court, and Park Royal I LLC and Park Royal II LLC in New York state court. In each case, the plaintiffs allege that Wells Fargo Bank, N.A., as trustee, caused losses to investors, and plaintiffs assert causes of action based upon, among other things, the trustee's alleged failure to notify and enforce repurchase obligations of mortgage loan sellers for purported breaches of representations and warranties, notify investors of alleged events of default, and abide by appropriate standards of care following alleged events of default. In July 2022, the district court dismissed Phoenix Light's claims and certain of the claims asserted by Commerzbank AG, and subsequently entered judgment in each case in favor of Wells Fargo Bank, N.A. In August 2022, Phoenix Light and Commerzbank AG each appealed the district court's decision to the United States Court of Appeals for the Second Circuit. Phoenix Light dismissed its appeal in May 2023, terminating its case. In November 2023, the Company entered into an agreement with IKB to resolve IKB's claims. The Company previously settled two class actions filed by institutional investors and an action filed by the National Credit Union Administration with similar allegations.

**SEMINOLE TRIBE TRUSTEE LITIGATION** The Seminole Tribe of Florida filed a complaint in Florida state court alleging that Wells Fargo, as trustee, charged excess fees in connection with the administration of a minor's trust and failed to invest the assets of the trust prudently. The complaint was later amended to include three individual current and former beneficiaries as plaintiffs and to remove the Tribe as a party to the case.

**ZELLE INVESTIGATION** Government authorities have been conducting formal or informal inquiries or investigations regarding the handling of customer disputes related to fund transfers made through the Zelle Network.

**OUTLOOK** As described above, the Company establishes accruals for legal actions when potential losses associated with the actions become probable and the costs can be reasonably estimated. The high end of the range of reasonably possible losses in excess of the Company's accrual for probable and estimable losses was approximately \$1.8 billion as of March 31, 2024. The outcomes of legal actions are unpredictable and subject to significant uncertainties, and it is inherently difficult to determine whether any loss is probable or even possible. It is also inherently difficult to estimate the amount of any loss and there may be matters for which a loss is probable or reasonably possible but not currently estimable. Accordingly, actual losses may be in excess of the established accrual or the range of reasonably possible loss. Based on information currently available, advice of counsel, available insurance coverage, and established reserves, Wells Fargo believes that the eventual outcome of the actions against Wells Fargo and/or its subsidiaries will not, individually or in the aggregate, have a material adverse effect on Wells Fargo's consolidated financial condition. However, it is possible that the ultimate resolution of a matter, if unfavorable, may be material to Wells Fargo's results of operations for any particular period.

## Note 11: Derivatives

We use derivatives to manage exposure to market risk, including interest rate risk, credit risk and foreign currency risk, and to assist customers with their risk management objectives. We designate certain derivatives as hedging instruments in qualifying hedge accounting relationships (fair value or cash flow hedges). Our remaining derivatives consist of economic hedges that do not qualify for hedge accounting and derivatives held for customer accommodation trading purposes. For additional information on our derivative activities, see Note 14 (Derivatives) in our 2023 Form 10-K.

Table 11.1 presents the total notional or contractual amounts and fair values for our derivatives. Derivative transactions can be measured in terms of the notional amount, but this amount is not recorded on our consolidated balance sheet and is not, when viewed in isolation, a meaningful measure of the risk profile of the instruments. The notional amount is generally not exchanged, but is used only as the basis on which derivative cash flows are determined.

**Table 11.1: Notional or Contractual Amounts and Fair Values of Derivatives**

(in millions)	March 31, 2024			December 31, 2023		
	Notional or contractual amount	Fair value		Notional or contractual amount	Fair value	
		Derivative assets	Derivative liabilities		Derivative assets	Derivative liabilities
<b>Derivatives designated as hedging instruments</b>						
Interest rate contracts	\$ 368,567	480	730	357,096	639	570
Commodity contracts	3,205	23	12	2,600	24	12
Foreign exchange contracts	3,848	22	459	4,193	60	395
Total derivatives designated as qualifying hedging instruments		525	1,201		723	977
<b>Derivatives not designated as hedging instruments</b>						
Interest rate contracts	11,187,286	29,906	35,038	10,409,720	31,806	36,312
Commodity contracts	85,706	3,141	2,500	88,491	2,717	2,734
Equity contracts	466,301	15,635	15,462	438,458	13,305	13,810
Foreign exchange contracts	2,405,527	17,800	17,970	2,273,383	24,707	26,762
Credit contracts	64,705	114	65	60,439	113	44
Total derivatives not designated as hedging instruments		66,596	71,035		72,648	79,662
Total derivatives before netting		67,121	72,236		73,371	80,639
<b>Netting</b>		(49,468)	(55,120)		(55,148)	(62,144)
Total		\$ 17,653	17,116		18,223	18,495

### Balance Sheet Offsetting

We execute substantially all of our derivative transactions under master netting arrangements. Where legally enforceable, these master netting arrangements give the ability, in the event of default by the counterparty, to liquidate securities held as collateral and to offset receivables and payables with the same counterparty. We reflect all derivative balances and related cash collateral subject to enforceable master netting arrangements on a net basis on our consolidated balance sheet. We do not net non-cash collateral that we receive or pledge against derivative balances on our consolidated balance sheet.

For disclosure purposes, we present "Total Derivatives, net" which represents the aggregate of our net exposure to each counterparty after considering the balance sheet netting

adjustments and any non-cash collateral. We manage derivative exposure by monitoring the credit risk associated with each counterparty using counterparty-specific credit risk limits, using master netting arrangements and obtaining collateral.

Table 11.2 provides information on the fair values of derivative assets and liabilities subject to enforceable master netting arrangements, the balance sheet netting adjustments and the resulting net fair value amount recorded on our consolidated balance sheet, as well as the non-cash collateral associated with such arrangements. In addition to the netting amounts included in the table, we also have balance sheet netting related to resale and repurchase agreements that are disclosed within Note 15 (Securities and Other Collateralized Financing Activities).



**Table 11.2: Offsetting of Derivative Assets and Liabilities**

(in millions)	March 31, 2024		December 31, 2023	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
<b>Interest rate contracts</b>				
Over-the-counter (OTC)	\$ 28,486	32,274	29,040	31,809
OTC cleared	534	516	1,581	1,397
Exchange traded	153	150	195	201
Total interest rate contracts	29,173	32,940	30,816	33,407
<b>Commodity contracts</b>				
OTC	2,493	2,072	2,014	2,254
Exchange traded	433	336	512	356
Total commodity contracts	2,926	2,408	2,526	2,610
<b>Equity contracts</b>				
OTC	6,294	9,417	5,375	8,501
Exchange traded	6,495	4,794	4,790	3,970
Total equity contracts	12,789	14,211	10,165	12,471
<b>Foreign exchange contracts</b>				
OTC	17,702	18,186	24,511	26,961
Total foreign exchange contracts	17,702	18,186	24,511	26,961
<b>Credit contracts</b>				
OTC	106	55	77	39
Total credit contracts	106	55	77	39
Total derivatives subject to enforceable master netting arrangements, gross	62,696	67,800	68,095	75,488
<b>Less: Gross amounts offset</b>				
Counterparty netting (1)	(44,030)	(43,992)	(50,692)	(50,606)
Cash collateral netting	(5,438)	(11,128)	(4,456)	(11,538)
Total derivatives subject to enforceable master netting arrangements, net	13,228	12,680	12,947	13,344
Derivatives not subject to enforceable master netting arrangements	4,425	4,436	5,276	5,151
Total derivatives recognized in consolidated balance sheet, net	17,653	17,116	18,223	18,495
Non-cash collateral	(2,130)	(2,690)	(2,587)	(4,388)
Total Derivatives, net	\$ 15,523	14,426	15,636	14,107

(1) Represents amounts with counterparties subject to enforceable master netting arrangements that have been offset in our consolidated balance sheet, including portfolio level counterparty valuation adjustments related to customer accommodation and other trading derivatives. Counterparty valuation adjustments related to derivative assets were \$240 million and \$292 million and debit valuation adjustments related to derivative liabilities were \$201 million and \$222 million as of March 31, 2024, and December 31, 2023, respectively, and were primarily related to interest rate contracts.

### Fair Value and Cash Flow Hedges

For fair value hedges, we use interest rate swaps to convert certain of our fixed-rate long-term debt and time certificates of deposit to floating rates to hedge our exposure to interest rate risk. We also enter into cross-currency swaps, cross-currency interest rate swaps and forward contracts to hedge our exposure to foreign currency risk and interest rate risk associated with the issuance of non-U.S. dollar denominated long-term debt. We also enter into futures contracts, forward contracts, and swap contracts to hedge our exposure to the price risk of physical commodities included in other assets on our consolidated balance sheet. In addition, we use interest rate swaps, cross-currency swaps, cross-currency interest rate swaps and forward contracts to hedge against changes in fair value of certain investments in AFS debt securities due to changes in interest rates, foreign currency rates, or both. For certain fair value hedges of interest rate risk, we use the portfolio layer method to hedge stated amounts of closed portfolios of AFS debt securities. For certain fair value hedges of foreign currency risk, changes in fair value of cross-currency swaps attributable to changes in cross-currency basis spreads are excluded from the assessment of hedge effectiveness and recorded in other

comprehensive income (OCI). See Note 21 (Other Comprehensive Income) for the amounts recognized in other comprehensive income.

For cash flow hedges, we use interest rate swaps to hedge the variability in interest payments received on certain interest-earning deposits with banks and certain floating-rate commercial loans. We also use cross-currency swaps to hedge variability in interest payments on fixed-rate foreign currency-denominated long-term debt due to changes in foreign exchange rates.

We estimate \$797 million pre-tax of deferred net losses related to cash flow hedges in OCI at March 31, 2024, will be reclassified into net interest income during the next twelve months. For cash flow hedges as of March 31, 2024, we are hedging our interest rate and foreign currency exposure to the variability of future cash flows for all forecasted transactions for a maximum of approximately 8 years. For additional information on our accounting hedges, see Note 1 (Summary of Significant Accounting Policies) in our 2023 Form 10-K.

Table 11.3 and Table 11.4 show the net gains (losses) related to derivatives in cash flow and fair value hedging relationships, respectively.

**Note 11: Derivatives (continued)**

**Table 11.3: Gains (Losses) Recognized on Cash Flow Hedging Relationships**

(in millions)	Net interest income			Total recorded in net income	Total recorded in OCI
	Loans	Other interest income	Long-term debt	Derivative gains (losses)	Derivative gains (losses)
<b>Quarter ended March 31, 2024</b>					
Total amounts presented in the consolidated statement of income and other comprehensive income	\$ 14,713	3,601	(3,349)	N/A	(660)
<b>Interest rate contracts:</b>					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	(97)	(145)	-	(242)	242
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	(907)
Total gains (losses) (pre-tax) on interest rate contracts	(97)	(145)	-	(242)	(665)
<b>Foreign exchange contracts:</b>					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	-	-	(2)	(2)	2
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	(1)
Total gains (losses) (pre-tax) on foreign exchange contracts	-	-	(2)	(2)	1
Total gains (losses) (pre-tax) recognized on cash flow hedges	\$ (97)	(145)	(2)	(244)	(664)
<b>Quarter ended March 31, 2023</b>					
Total amounts presented in the consolidated statement of income and other comprehensive income	\$ 13,318	1,988	(2,511)	N/A	503
<b>Interest rate contracts:</b>					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	(53)	(58)	-	(111)	111
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	383
Total gains (losses) (pre-tax) on interest rate contracts	(53)	(58)	-	(111)	494
<b>Foreign exchange contracts:</b>					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	-	-	(2)	(2)	2
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	1
Total gains (losses) (pre-tax) on foreign exchange contracts	-	-	(2)	(2)	3
Total gains (losses) (pre-tax) recognized on cash flow hedges	\$ (53)	(58)	(2)	(113)	497

**Table 11.4: Gains (Losses) Recognized on Fair Value Hedging Relationships**

(in millions)	Net interest income			Noninterest income		Total recorded in net income	Total recorded in OCI
	Debt securities	Deposits	Long-term debt	Net gains from trading and securities	Other	Derivative gains (losses)	Derivative gains (losses)
<b>Quarter ended March 31, 2024</b>							
Total amounts presented in the consolidated statement of income and other comprehensive income	\$ 4,262	(5,811)	(3,349)	1,447	717	N/A	(660)
<b>Interest contracts</b>							
Amounts related to cash flows on derivatives	269	(132)	(1,011)	-	-	(874)	N/A
Recognized on derivatives	576	(298)	(2,515)	-	-	(2,237)	-
Recognized on hedged items	(572)	294	2,509	-	-	2,231	N/A
<b>Total gains (losses) (pre-tax) on interest rate contracts</b>	<b>273</b>	<b>(136)</b>	<b>(1,017)</b>	<b>-</b>	<b>-</b>	<b>(880)</b>	<b>-</b>
<b>Foreign exchange contracts</b>							
Amounts related to cash flows on derivatives	-	-	(29)	-	-	(29)	N/A
Recognized on derivatives	-	-	(7)	(100)	-	(107)	4
Recognized on hedged items	-	-	7	100	-	107	N/A
<b>Total gains (losses) (pre-tax) on foreign exchange contracts</b>	<b>-</b>	<b>-</b>	<b>(29)</b>	<b>-</b>	<b>-</b>	<b>(29)</b>	<b>4</b>
<b>Commodity contracts</b>							
Recognized on derivatives	-	-	-	-	(69)	(69)	-
Recognized on hedged items	-	-	-	-	77	77	N/A
<b>Total gains (losses) (pre-tax) on commodity contracts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>
<b>Total gains (losses) (pre-tax) recognized on fair value hedges</b>	<b>\$ 273</b>	<b>(136)</b>	<b>(1,046)</b>	<b>-</b>	<b>8</b>	<b>(901)</b>	<b>4</b>
<b>Quarter ended March 31, 2023</b>							
Total amounts presented in the consolidated statement of income and other comprehensive income	\$ 3,783	(2,761)	(2,511)	985	580	N/A	503
<b>Interest contracts</b>							
Amounts related to cash flows on derivatives	269	(30)	(682)	-	-	(443)	N/A
Recognized on derivatives	(700)	105	2,358	-	-	1,763	-
Recognized on hedged items	692	(108)	(2,360)	-	-	(1,776)	N/A
<b>Total gains (losses) (pre-tax) on interest rate contracts</b>	<b>261</b>	<b>(33)</b>	<b>(684)</b>	<b>-</b>	<b>-</b>	<b>(456)</b>	<b>-</b>
<b>Foreign exchange contracts</b>							
Amounts related to cash flows on derivatives	-	-	(103)	-	-	(103)	N/A
Recognized on derivatives	-	-	52	-	35	87	6
Recognized on hedged items	-	-	(60)	-	(29)	(89)	N/A
<b>Total gains (losses) (pre-tax) on foreign exchange contracts</b>	<b>-</b>	<b>-</b>	<b>(111)</b>	<b>-</b>	<b>6</b>	<b>(105)</b>	<b>6</b>
<b>Commodity contracts</b>							
Recognized on derivatives	-	-	-	-	(12)	(12)	-
Recognized on hedged items	-	-	-	-	25	25	N/A
<b>Total gains (losses) (pre-tax) on commodity contracts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>	<b>-</b>
<b>Total gains (losses) (pre-tax) recognized on fair value hedges</b>	<b>\$ 261</b>	<b>(33)</b>	<b>(795)</b>	<b>-</b>	<b>19</b>	<b>(548)</b>	<b>6</b>

## Note 11: Derivatives (continued)

Table 11.5 shows the carrying amount and associated cumulative basis adjustment related to the application of hedge accounting that is included in the carrying amount of hedged assets and liabilities in fair value hedging relationships.

**Table 11.5: Hedged Items in Fair Value Hedging Relationships**

(in millions)	Hedged items currently designated		Hedged items no longer designated	
	Carrying amount of assets/(liabilities) (1)(2)	Hedge accounting basis adjustment assets/(liabilities) (3)	Carrying amount of assets/(liabilities) (2)	Hedge accounting basis adjustment assets/(liabilities)
<b>March 31, 2024</b>				
Available-for-sale debt securities (4)(5)	\$ 51,227	(2,901)	10,806	407
Other assets	2,158	145	-	-
Deposits	(90,162)	192	-	-
Long-term debt	(151,942)	13,447	-	-
December 31, 2023				
Available-for-sale debt securities (4)	\$ 55,898	(2,384)	13,418	504
Other assets	2,262	67	-	-
Deposits	(89,641)	(101)	-	-
Long-term debt	(146,940)	10,990	-	-

- Does not include the carrying amount of hedged items where only foreign currency risk is the designated hedged risk. The carrying amount excluded \$270 million and \$404 million for AFS debt securities where only foreign currency risk is the designated hedged risk as of March 31, 2024, and December 31, 2023, respectively.
- Represents the full carrying amount of the hedged asset or liability item as of the balance sheet date, except for circumstances in which only a portion of the asset or liability was designated as the hedged item in which case only the portion designated is presented.
- The balance includes \$27 million and \$675 million of debt securities and long-term debt cumulative basis adjustments, respectively, as of March 31, 2024, and \$32 million and \$731 million of debt securities and long-term debt cumulative basis adjustments, respectively, as of December 31, 2023, on terminated hedges whereby the hedged items have subsequently been re-designated into existing hedges.
- Carrying amount represents the amortized cost.
- The balance includes cumulative basis adjustments of \$(74) million and \$(46) million as of March 31, 2024, and December 31, 2023, respectively, related to certain AFS debt securities designated as the hedged item in a fair value hedge using the portfolio layer method. At March 31, 2024, the aggregated designated hedged items using the portfolio layer method had a carrying amount of \$21.8 billion from closed portfolios of financial assets totaling \$21.8 billion. At December 31, 2023, the aggregated designated hedged items using the portfolio layer method had a carrying amount of \$25.8 billion from closed portfolios of financial assets totaling \$28.2 billion.

### Derivatives Not Designated as Hedging Instruments

Derivatives not designated as hedging instruments include economic hedges and derivatives entered into for customer accommodation trading purposes.

We use economic hedge derivatives to manage our exposure to interest rate risk, equity price risk, foreign currency risk, and credit risk. We also use economic hedge derivatives to mitigate the periodic earnings volatility caused by mismatches between the changes in fair value of the hedged item and hedging instrument recognized on our fair value accounting hedges.

For additional information on economic hedges and other derivatives, see Note 14 (Derivatives) in our 2023 Form 10-K.

Table 11.6 shows the net gains (losses) related to derivatives not designated as hedging instruments. Gains (losses) on customer accommodation trading derivatives are excluded from the following table. For additional information, see Note 2 (Trading Activities).

**Table 11.6: Gains (Losses) on Derivatives Not Designated as Hedging Instruments**

(in millions)	Quarter ended March 31,	
	2024	2023
Interest rate contracts (1)	\$ (297)	192
Equity contracts (2)	47	47
Foreign exchange contracts (3)	152	(366)
Credit contracts (4)	8	(1)
<b>Net gains (losses) recognized related to derivatives not designated as hedging instruments</b>	<b>\$ (90)</b>	<b>(128)</b>

- Derivative gains and (losses) related to mortgage banking activities were recorded in mortgage banking noninterest income. Other derivative gains and (losses) not related to mortgage banking were recorded in other noninterest income. For additional information on our mortgage banking interest rate contracts, see Note 6 (Mortgage Banking Activities).
- Includes derivative gains and (losses) used to economically hedge the deferred compensation plan, which were recorded in personnel noninterest expense, and derivative instruments related to the retained litigation risk associated with our previous sales of Visa Class B shares, which were recorded in other noninterest income.
- Includes derivatives used to mitigate foreign exchange risk of specified foreign currency-denominated assets and liabilities. In 2024, gains and (losses) were recorded in net gains from trading and securities within noninterest income. Prior to 2024, gains and (losses) were recorded in other noninterest income.
- Includes credit derivatives used to mitigate credit risk associated with lending exposure. Gains and (losses) were recorded in other noninterest income.

## Credit Derivatives

Credit derivative contracts are arrangements whose value is derived from the transfer of credit risk of a reference asset or entity from one party (the purchaser of credit protection) to another party (the seller of credit protection). We generally use credit derivatives to assist customers with their risk management objectives by purchasing and selling credit protection on corporate debt obligations through the use of credit default swaps or through risk participation swaps to help manage counterparty exposure. We would be required to perform under the credit derivatives we sold in the event of default by the referenced obligors. Events of default include events such as bankruptcy, capital restructuring or lack of principal and/or interest payment.

Table 11.7 provides details of sold credit derivatives.

**Table 11.7: Sold Credit Derivatives**

(in millions)	Protection sold	Notional amount	
		Protection sold	non-investment grade
<b>March 31, 2024</b>			
Credit default swaps	\$	21,638	5,044
Risk participation swaps		6,785	4,297
<b>Total credit derivatives</b>	<b>\$</b>	<b>28,423</b>	<b>9,341</b>
<b>December 31, 2023</b>			
Credit default swaps	\$	18,453	1,399
Risk participation swaps		6,632	6,485
<b>Total credit derivatives</b>	<b>\$</b>	<b>25,085</b>	<b>7,884</b>

Protection sold represents the estimated maximum exposure to loss that would be incurred if, upon an event of default, the value of our interests and any associated collateral declined to zero, and does not take into consideration any recovery value from the referenced obligation or offset from collateral held or any economic hedges.

The amounts under non-investment grade represent the notional amounts of those credit derivatives on which we have a higher risk of being required to perform under the terms of the credit derivative and are a function of the underlying assets.

We consider the credit risk to be low if the underlying assets under the credit derivative have an external rating that is investment grade. If an external rating is not available, we classify the credit derivative as non-investment grade.

Our maximum exposure to sold credit derivatives is managed through posted collateral and purchased credit derivatives with identical or similar reference positions in order to achieve our desired credit risk profile. The credit risk management is designed to provide an ability to recover a significant portion of any amounts that would be paid under sold credit derivatives.

## Credit-Risk Contingent Features

Certain of our derivative contracts contain provisions whereby if the credit rating of our debt were to be downgraded by certain major credit rating agencies, the counterparty could demand additional collateral or require termination or replacement of derivative instruments in a net liability position. Table 11.8 illustrates our exposure to OTC bilateral derivative contracts with credit-risk contingent features, collateral we have posted, and the additional collateral we would be required to post if the credit rating of our debt was downgraded below investment grade.

**Table 11.8: Credit-Risk Contingent Features**

(in billions)	Mar 31, 2024	Dec 31, 2023
Net derivative liabilities with credit-risk contingent features	\$ 21.2	23.7
Collateral posted	18.5	21.4
Additional collateral to be posted upon a below investment grade credit rating (1)	2.7	2.3

(1) Any credit rating below investment grade requires us to post the maximum amount of collateral.

## Note 12: Fair Values of Assets and Liabilities

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We use fair value measurements to record fair value adjustments to certain assets and liabilities and to fulfill fair value disclosure requirements. Assets and liabilities recorded at fair value on a recurring basis, such as derivatives, residential MSRs, and trading or AFS debt securities, are presented in Table 12.1 in this Note. Additionally, from time to time, we record fair value adjustments on a nonrecurring basis. These nonrecurring adjustments typically involve application of lower of cost or fair value (LOCOM) accounting, write-downs of individual assets or application of the measurement alternative for nonmarketable equity securities. Assets recorded at fair value on a nonrecurring basis are presented in Table 12.4 in this Note. We provide in Table 12.9 estimates of fair value for financial instruments that are not recorded at fair value, such as loans and debt liabilities carried at amortized cost.

See Note 1 (Summary of Significant Accounting Policies) in our 2023 Form 10-K for a discussion of how we determine fair value. For descriptions of the valuation methodologies we use for assets and liabilities recorded at fair value on a recurring or nonrecurring basis, see Note 15 (Fair Values of Assets and Liabilities) in our 2023 Form 10-K.

**FAIR VALUE HIERARCHY** We classify our assets and liabilities recorded at fair value as either Level 1, 2, or 3 in the fair value hierarchy. The highest priority (Level 1) is assigned to valuations based on unadjusted quoted prices in active markets and the lowest priority (Level 3) is assigned to valuations based on significant unobservable inputs. See Note 1 (Summary of Significant Accounting Policies) in our 2023 Form 10-K for a detailed description of the fair value hierarchy.

In the determination of the classification of financial instruments in Level 2 or Level 3 of the fair value hierarchy, we consider all available information, including observable market data, indications of market liquidity and orderliness, and our understanding of the valuation techniques and significant inputs used. This determination is ultimately based upon the specific facts and circumstances of each instrument or instrument category and judgments are made regarding the significance of the unobservable inputs to the instruments' fair value measurement in its entirety. If unobservable inputs are considered significant, the instrument is classified as Level 3.

We do not classify nonmarketable equity securities in the fair value hierarchy if we use the non-published net asset value (NAV) per share (or its equivalent) as a practical expedient to measure fair value. Marketable equity securities with published NAVs are classified in the fair value hierarchy.

## Assets and Liabilities Recorded at Fair Value on a Recurring Basis

Table 12.1 presents the balances of assets and liabilities recorded at fair value on a recurring basis.

**Table 12.1: Fair Value on a Recurring Basis**

(in millions)	March 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Trading debt securities:</b>								
Securities of U.S. Treasury and federal agencies	\$ 36,228	5,469	-	41,697	32,178	3,027	-	35,205
Collateralized loan obligations	-	868	66	934	-	762	64	826
Corporate debt securities	-	15,219	54	15,273	-	12,859	82	12,941
Federal agency mortgage-backed securities	-	45,274	-	45,274	-	42,944	-	42,944
Non-agency mortgage-backed securities	-	1,392	3	1,395	-	1,477	10	1,487
Other debt securities	-	4,751	-	4,751	-	3,898	1	3,899
<b>Total trading debt securities</b>	<b>36,228</b>	<b>72,973</b>	<b>123</b>	<b>109,324</b>	<b>32,178</b>	<b>64,967</b>	<b>157</b>	<b>97,302</b>
<b>Available-for-sale debt securities:</b>								
Securities of U.S. Treasury and federal agencies	42,846	-	-	42,846	45,467	-	-	45,467
Securities of U.S. states and political subdivisions	-	15,623	29	15,652	-	20,009	57	20,066
Federal agency mortgage-backed securities	-	75,150	-	75,150	-	59,578	-	59,578
Non-agency mortgage-backed securities	-	2,449	-	2,449	-	2,748	1	2,749
Collateralized loan obligations	-	1,551	-	1,551	-	1,533	-	1,533
Other debt securities	-	433	164	597	-	892	163	1,055
<b>Total available-for-sale debt securities</b>	<b>42,846</b>	<b>95,206</b>	<b>193</b>	<b>138,245</b>	<b>45,467</b>	<b>84,760</b>	<b>221</b>	<b>130,448</b>
Loans held for sale	-	3,145	322	3,467	-	2,444	448	2,892
Mortgage servicing rights (residential)	-	-	7,249	7,249	-	-	7,468	7,468
<b>Derivative assets (gross):</b>								
Interest rate contracts	153	29,636	597	30,386	195	31,434	816	32,445
Commodity contracts	-	3,139	25	3,164	-	2,723	18	2,741
Equity contracts	99	15,316	220	15,635	71	13,041	193	13,305
Foreign exchange contracts	-	17,812	10	17,822	-	24,730	37	24,767
Credit contracts	-	109	5	114	-	74	39	113
<b>Total derivative assets (gross)</b>	<b>252</b>	<b>66,012</b>	<b>857</b>	<b>67,121</b>	<b>266</b>	<b>72,002</b>	<b>1,103</b>	<b>73,371</b>
<b>Equity securities:</b>								
Marketable	11,605	21	1	11,627	10,849	9	6	10,864
Nonmarketable	-	9,582	48	9,630	-	8,940	37	8,977
<b>Total equity securities</b>	<b>11,605</b>	<b>9,603</b>	<b>49</b>	<b>21,257</b>	<b>10,849</b>	<b>8,949</b>	<b>43</b>	<b>19,841</b>
Other assets	-	-	168	168	-	-	49	49
<b>Total assets prior to derivative netting</b>	<b>\$ 90,931</b>	<b>246,939</b>	<b>8,961</b>	<b>346,831</b>	<b>88,760</b>	<b>233,122</b>	<b>9,489</b>	<b>331,371</b>
Derivative netting (1)	-	-	-	(49,468)	-	-	-	(55,148)
<b>Total assets after derivative netting</b>				<b>\$ 297,363</b>				<b>276,223</b>
<b>Derivative liabilities (gross):</b>								
Interest rate contracts	\$ (150)	(30,296)	(5,322)	(35,768)	(201)	(32,298)	(4,383)	(36,882)
Commodity contracts	-	(2,491)	(21)	(2,512)	-	(2,719)	(27)	(2,746)
Equity contracts	(46)	(13,597)	(1,819)	(15,462)	(35)	(12,108)	(1,667)	(13,810)
Foreign exchange contracts	-	(18,408)	(21)	(18,429)	-	(27,138)	(19)	(27,157)
Credit contracts	-	(61)	(4)	(65)	-	(39)	(5)	(44)
<b>Total derivative liabilities (gross)</b>	<b>(196)</b>	<b>(64,853)</b>	<b>(7,187)</b>	<b>(72,236)</b>	<b>(236)</b>	<b>(74,302)</b>	<b>(6,101)</b>	<b>(80,639)</b>
Short-sale and other liabilities	(21,476)	(6,437)	(61)	(27,974)	(19,695)	(5,776)	(83)	(25,554)
Interest-bearing deposits	-	(1,285)	-	(1,285)	-	(1,297)	-	(1,297)
Long-term debt	-	(2,865)	-	(2,865)	-	(2,308)	-	(2,308)
<b>Total liabilities prior to derivative netting</b>	<b>\$ (21,672)</b>	<b>\$ (75,440)</b>	<b>(7,248)</b>	<b>(104,360)</b>	<b>(19,931)</b>	<b>(83,683)</b>	<b>(6,184)</b>	<b>(109,798)</b>
Derivative netting (1)	-	-	-	55,120	-	-	-	62,144
<b>Total liabilities after derivative netting</b>				<b>\$ (49,240)</b>				<b>(47,654)</b>

(1) Represents balance sheet netting of derivative asset and liability balances, related cash collateral, and portfolio level counterparty valuation adjustments. See Note 11 (Derivatives) for additional information.

**Note 12: Fair Values of Assets and Liabilities (continued)**

**Level 3 Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

Table 12.2 presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis.

**Table 12.2: Changes in Level 3 Fair Value Assets and Liabilities on a Recurring Basis**

(in millions)	Balance, beginning of period	Net gains/(losses) (1)	Purchases (2)	Sales	Settlements	Transfers into Level 3 (3)	Transfers out of Level 3 (4)	Balance, end of period	Net unrealized gains (losses) related to assets and liabilities held at period end (5)
<b>Quarter ended March 31, 2024</b>									
Trading debt securities	\$ 157	-	46	(79)	(2)	14	(13)	123	1 (6)
Available-for-sale debt securities	221	(2)	5	-	(3)	-	(28)	193	(2) (6)
Loans held for sale	448	(2)	71	(19)	(47)	34	(163)	322	(2) (7)
Mortgage servicing rights (residential) (8)	7,468	25	19	(263)	-	-	-	7,249	251 (7)
<b>Net derivative assets and liabilities:</b>									
Interest rate contracts	(3,567)	(1,872)	-	-	714	-	-	(4,725)	(1,199)
Equity contracts	(1,474)	(263)	-	-	155	(45)	28	(1,599)	(128)
Other derivative contracts	43	25	-	(1)	(73)	-	-	(6)	(60)
Total derivative contracts	(4,998)	(2,110)	-	(1)	796	(45)	28	(6,330)	(1,387) (9)
Equity securities	43	3	8	(5)	-	-	-	49	3 (6)
Other assets and liabilities	(34)	142	-	(1)	-	-	-	107	142 (10)
<b>Quarter ended March 31, 2023</b>									
Trading debt securities	\$ 185	1	76	(112)	(1)	-	(17)	132	1 (6)
Available-for-sale debt securities	276	(20)	69	-	(6)	233	(47)	505	(19) (6)
Loans held for sale	793	10	73	(49)	(39)	16	(240)	564	10 (7)
Mortgage servicing rights (residential) (8)	9,310	(546)	48	7	-	-	-	8,819	(225) (7)
<b>Net derivative assets and liabilities:</b>									
Interest rate contracts	(2,582)	295	-	-	267	(746)	14	(2,752)	509
Equity contracts	(1,224)	(303)	-	-	285	(38)	2	(1,278)	(2)
Other derivative contracts	9	(55)	2	(1)	37	(2)	-	(10)	(41)
Total derivative contracts	(3,797)	(63)	2	(1)	589	(786)	16	(4,040)	466 (9)
Equity securities	20	(1)	-	-	-	13	-	32	(1) (6)
Other assets and liabilities	(167)	(26)	-	-	-	-	-	(193)	(26) (10)

- (1) All amounts represent net gains (losses) included in net income except for AFS debt securities and other assets and liabilities which also included net gains (losses) in other comprehensive income. Net gains (losses) included in other comprehensive income for AFS debt securities were \$0 and \$(16) million for first quarter 2024 and 2023, respectively. Net gains (losses) included in other comprehensive income for other assets and liabilities were \$(2) million and \$0 for first quarter 2024 and 2023, respectively.
- (2) Includes originations of mortgage servicing rights and loans held for sale.
- (3) All assets and liabilities transferred into Level 3 were previously classified within Level 2.
- (4) All assets and liabilities transferred out of Level 3 are classified as Level 2.
- (5) All amounts represent net unrealized gains (losses) related to assets and liabilities held at period end included in net income except for AFS debt securities and other assets and liabilities which also included net unrealized gains (losses) related to assets and liabilities held at period end in other comprehensive income. Net unrealized gains (losses) included in other comprehensive income for AFS debt securities were \$0 and \$(15) million for first quarter 2024 and 2023, respectively. Net unrealized gains (losses) included in other comprehensive income for other assets and liabilities were \$(2) million and \$0 for first quarter 2024 and 2023, respectively.
- (6) Included in net gains from trading and securities on our consolidated statement of income.
- (7) Included in mortgage banking income on our consolidated statement of income.
- (8) For additional information on the changes in mortgage servicing rights, see Note 6 (Mortgage Banking Activities).
- (9) Included in mortgage banking income, net gains from trading and securities, and other noninterest income on our consolidated statement of income.
- (10) Included in other noninterest income on our consolidated statement of income.



Table 12.3 provides quantitative information about the valuation techniques and significant unobservable inputs used in the valuation of our Level 3 assets and liabilities measured at fair value on a recurring basis.

The significant unobservable inputs for Level 3 assets inherent in the fair values obtained from third-party vendors are not included in the table, as the specific inputs applied are not

provided by the vendor (for additional information on vendor-developed valuations, see Note 15 (Fair Values of Assets and Liabilities) in our 2023 Form 10-K).

Weighted averages of inputs are calculated using outstanding unpaid principal balance for cash instruments, such as loans and securities, and notional amounts for derivative instruments.

**Table 12.3: Valuation Techniques - Recurring Basis**

(\$ in millions, except cost to service amounts)	Fair Value Level 3	Valuation Technique	Significant Unobservable Input	Range of Inputs	Weighted Average
<b>March 31, 2024</b>					
Trading and available-for-sale debt securities	\$ 30	Discounted cash flow	Discount rate	3.0 - 7.1 %	4.0
	123	Market comparable pricing	Comparability adjustment	(26.3) - 26.4	(11.4)
	163	Market comparable pricing	Multiples	0.9x - 9.8x	4.9x
Loans held for sale	208	Discounted cash flow	Default rate	0.0 - 30.3 %	1.3
			Discount rate	1.5 - 15.8	9.1
			Loss severity	0.0 - 58.3	16.1
			Prepayment rate	3.2 - 13.4	10.8
	114	Market comparable pricing	Comparability adjustment	(4.1) - 3.1	(0.2)
Mortgage servicing rights (residential)	7,249	Discounted cash flow	Cost to service per loan (1)	\$ 52 - 539	108
			Discount rate	9.2 - 15.0 %	9.7
			Prepayment rate (2)	7.1 - 23.8	8.7
<b>Net derivative assets and (liabilities):</b>					
Interest rate contracts	(4,644)	Discounted cash flow	Discount rate	3.6 - 5.3	4.7
	(36)	Discounted cash flow	Default rate	0.4 - 1.7	0.6
			Loss severity	50.0 - 50.0	50.0
Interest rate contracts: derivative loan commitments	(45)	Discounted cash flow	Fall-out factor	1.0 - 99.0	27.8
			Initial-value servicing	5.0 - 141.0 bps	45.7
Equity contracts	(987)	Discounted cash flow	Conversion factor	(6.7) - 0.0 %	(6.3)
			Weighted average life	0.2 - 1.8 yrs	0.8
	(612)	Option model	Correlation factor	(70.0) - 99.0 %	73.2
			Volatility factor	6.5 - 118.0	38.0
Insignificant Level 3 assets, net of liabilities	150				
<b>Total Level 3 assets, net of liabilities</b>	<b>\$ 1,713 (3)</b>				
<b>December 31, 2023</b>					
Trading and available-for-sale debt securities	\$ 60	Discounted cash flow	Discount rate	2.7 - 7.3 %	4.7
	157	Market comparable pricing	Comparability adjustment	(27.1) - 20.1	(1.9)
	161	Market comparable pricing	Multiples	1.2x - 10.3x	5.6x
Loans held for sale	359	Discounted cash flow	Default rate	0.0 - 28.0 %	1.1
			Discount rate	1.7 - 15.4	9.8
			Loss severity	0.0 - 58.1	15.7
			Prepayment rate	2.6 - 12.1	10.6
	89	Market comparable pricing	Comparability adjustment	(6.4) - 1.1	(1.1)
Mortgage servicing rights (residential)	7,468	Discounted cash flow	Cost to service per loan (1)	\$ 52 - 527	105
			Discount rate	8.9 - 13.9 %	9.4
			Prepayment rate (2)	7.3 - 24.3	8.9
<b>Net derivative assets and (liabilities):</b>					
Interest rate contracts	(3,501)	Discounted cash flow	Discount rate	3.6 - 5.4	4.2
	(36)	Discounted cash flow	Default rate	0.4 - 5.0	1.2
			Loss severity	50.0 - 50.0	50.0
			Prepayment rate	22.0 - 22.0	22.0
Interest rate contracts: derivative loan commitments	(30)	Discounted cash flow	Fall-out factor	1.0 - 99.0	30.2
			Initial-value servicing	(5.5) - 141.0 bps	10.0
Equity contracts	(1,020)	Discounted cash flow	Conversion factor	(6.9) - 0.0 %	(6.4)
			Weighted average life	0.5 - 2.0 yrs	1.1
	(454)	Option model	Correlation factor	(67.0) - 99.0 %	73.8
			Volatility factor	6.5 - 147.0	38.6
Insignificant Level 3 assets, net of liabilities	52				
<b>Total Level 3 assets, net of liabilities</b>	<b>\$ 3,305 (3)</b>				

(1) The high end of the range of inputs is for servicing modified loans. For non-modified loans, the range is \$52 - \$164 at March 31, 2024, and \$52 - \$167 at December 31, 2023.

(2) Includes a blend of prepayment speeds and expected defaults. Prepayment speeds are influenced by mortgage interest rates as well as our estimation of drivers of borrower behavior.

(3) Consists of total Level 3 assets of \$9.0 billion and \$9.5 billion and total Level 3 liabilities of \$7.2 billion and \$6.2 billion, before netting of derivative balances, at March 31, 2024, and December 31, 2023, respectively.

## Note 12: Fair Values of Assets and Liabilities (continued)

For additional information on the valuation techniques and significant unobservable inputs used in the valuation of our Level 3 assets and liabilities, including how changes in these inputs affect fair value estimates, see Note 15 (Fair Values of Assets and Liabilities) in our 2023 Form 10-K.

### Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis

We may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with

GAAP. These adjustments to fair value usually result from application of LOCOM accounting, write-downs of individual assets, or application of the measurement alternative for certain nonmarketable equity securities.

Table 12.4 provides the fair value hierarchy and fair value at the date of the nonrecurring fair value adjustment for all assets that were still held as of March 31, 2024, and December 31, 2023, and for which a nonrecurring fair value adjustment was recorded during the quarter ended March 31, 2024, and the year ended December 31, 2023.

**Table 12.4: Fair Value on a Nonrecurring Basis**

(in millions)	March 31, 2024			December 31, 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Loans held for sale (1)	\$ 385	303	688	326	297	623
Loans:						
Commercial	692	-	692	1,565	-	1,565
Consumer	43	-	43	97	-	97
Total loans	735	-	735	1,662	-	1,662
Nonmarketable equity securities	395	1,396	1,791	2,086	2,354	4,440
Other assets	2,236	2	2,238	2,451	58	2,509
Total assets at fair value on a nonrecurring basis	\$ 3,751	1,701	5,452	6,525	2,709	9,234

(1) Consists of commercial mortgages and residential mortgage - first lien loans.

Table 12.5 presents the gains (losses) on certain assets held at the end of the reporting periods presented for which a nonrecurring fair value adjustment was recognized in earnings during the respective periods.

**Table 12.5: Gains (Losses) on Assets with Nonrecurring Fair Value Adjustment**

(in millions)	Quarter ended March 31,	
	2024	2023
Loans held for sale	\$ (7)	(8)
Loans:		
Commercial	(226)	(68)
Consumer	(175)	(214)
Total loans	(401)	(282)
Nonmarketable equity securities (1)	(71)	(339)
Other assets (2)	83	20
Total	\$ (396)	(609)

(1) Includes impairment of nonmarketable equity securities and observable price changes related to nonmarketable equity securities accounted for under the measurement alternative.

(2) Includes impairment of operating lease ROU assets, valuation of physical commodities, valuation losses on foreclosed real estate and other collateral owned, and impairment of venture capital and private equity investments in consolidated portfolio companies.

Table 12.6 provides quantitative information about the valuation techniques and significant unobservable inputs used in the valuation of our Level 3 assets that are measured at fair value on a nonrecurring basis and determined using an internal model. The table is limited to financial instruments that had nonrecurring fair value adjustments during the periods presented. Weighted averages of inputs are calculated using outstanding unpaid principal balance for cash instruments, such as loans, and carrying value prior to the nonrecurring fair value measurement for nonmarketable equity securities and venture capital and private equity investments in consolidated portfolio companies.

**Table 12.6: Valuation Techniques - Nonrecurring Basis**

(\$ in millions)	Fair Value Level 3	Valuation Technique (1)	Significant Unobservable Input (1)	Range of Inputs Positive (Negative)		Weighted Average
<b>March 31, 2024</b>						
<b>Loans held for sale</b>	<b>\$ 303</b>	<b>Discounted cash flow</b>	<b>Default rate</b>	<b>0.1</b>	<b>- 89.9 %</b>	<b>16.8</b>
			<b>Discount rate</b>	<b>3.4</b>	<b>- 14.3</b>	<b>6.0</b>
			<b>Loss severity</b>	<b>5.0</b>	<b>- 58.0</b>	<b>16.1</b>
			<b>Prepayment rate</b>	<b>2.5</b>	<b>- 30.5</b>	<b>11.9</b>
<b>Nonmarketable equity securities</b>	<b>963</b>	<b>Market comparable pricing</b>	<b>Multiples</b>	<b>0.9x</b>	<b>- 9.8x</b>	<b>2.3x</b>
	<b>433</b>	<b>Market comparable pricing</b>	<b>Comparability Adjustment</b>	<b>(85.0)</b>	<b>- (11.3)%</b>	<b>(29.7)</b>
<b>Insignificant Level 3 assets</b>	<b>2</b>					
<b>Total</b>	<b>\$ 1,701</b>					
<b>December 31, 2023</b>						
<b>Loans held for sale</b>	<b>\$ 297</b>	<b>Discounted cash flow</b>	<b>Default rate</b>	<b>0.1</b>	<b>- 95.8 %</b>	<b>17.5</b>
			<b>Discount rate</b>	<b>3.0</b>	<b>- 13.2</b>	<b>5.8</b>
			<b>Loss severity</b>	<b>5.4</b>	<b>- 58.6</b>	<b>16.6</b>
			<b>Prepayment rate</b>	<b>2.1</b>	<b>- 33.8</b>	<b>11.8</b>
<b>Nonmarketable equity securities</b>	<b>1,721</b>	<b>Market comparable pricing</b>	<b>Multiples</b>	<b>0.7x</b>	<b>- 27.1x</b>	<b>8.4x</b>
	<b>591</b>	<b>Market comparable pricing</b>	<b>Comparability Adjustment</b>	<b>(100.0)</b>	<b>- (11.5)%</b>	<b>(42.9)</b>
	<b>42</b>	<b>Discounted cash flow</b>	<b>Discount rate</b>	<b>5.0</b>	<b>- 5.0</b>	<b>5.0</b>
<b>Insignificant Level 3 assets</b>	<b>58</b>					
<b>Total</b>	<b>\$ 2,709</b>					

(1) See Note 15 (Fair Values of Assets and Liabilities) in our 2023 Form 10-K for additional information on the valuation technique(s) and significant unobservable inputs used in the valuation of Level 3 assets.

**Note 12: Fair Values of Assets and Liabilities (continued)**

**Fair Value Option**

The fair value option is an irrevocable election, generally only permitted upon initial recognition of financial assets or liabilities, to measure eligible financial instruments at fair value with changes in fair value reflected in earnings. We may elect the fair value option to align the measurement model with how the financial assets or liabilities are managed or to reduce complexity or accounting asymmetry. Following is a discussion of the

portfolios for which we elected the fair value option. For additional information, including the basis for our fair value option elections, see Note 15 (Fair Values of Assets and Liabilities) in our 2023 Form 10-K.

Table 12.7 reflects differences between the fair value carrying amount of the assets and liabilities for which we have elected the fair value option and the contractual aggregate unpaid principal amount at maturity.

**Table 12.7: Fair Value Option**

(in millions)	March 31, 2024			December 31, 2023		
	Fair value carrying amount	Aggregate unpaid principal	Fair value carrying amount less aggregate unpaid principal	Fair value carrying amount	Aggregate unpaid principal	Fair value carrying amount less aggregate unpaid principal
Loans held for sale (1)	\$ 3,467	3,631	(164)	2,892	3,119	(227)
Interest-bearing deposits	(1,285)	(1,287)	2	(1,297)	(1,298)	1
Long-term debt (2)	(2,865)	(3,459)	594	(2,308)	(2,864)	556

(1) Nonaccrual loans and loans 90 days or more past due and still accruing included in LHFS for which we have elected the fair value option were insignificant at March 31, 2024, and December 31, 2023.  
(2) Includes zero coupon notes for which the aggregate unpaid principal amount reflects the contractual principal due at maturity.

Table 12.8 reflects amounts included in earnings related to initial measurement and subsequent changes in fair value, by income statement line item, for assets and liabilities for which

the fair value option was elected. Amounts recorded in net interest income are excluded from the table below.

**Table 12.8: Gains (Losses) on Changes in Fair Value Included in Earnings**

(in millions)	2024			2023		
	Mortgage banking noninterest income	Net gains from trading and securities	Other noninterest income	Mortgage banking noninterest income	Net gains (losses) from trading and securities	Other noninterest income
<b>Quarter ended March 31,</b>						
Loans held for sale	\$ 23	18	-	97	12	(4)
Interest-bearing deposits	-	2	-	-	-	-
Long-term debt	-	41	-	-	(30)	-

For performing loans, instrument-specific credit risk gains or losses are derived principally by determining the change in fair value of the loans due to changes in the observable or implied credit spread. Credit spread is the market yield on the loans less the relevant risk-free benchmark interest rate. For nonperforming loans, we attribute all changes in fair value to instrument-specific credit risk. For LHFS accounted for under the fair value option, instrument-specific credit gains or losses were insignificant during the first quarter of both 2024 and 2023.

For interest-bearing deposits and long-term debt, instrument-specific credit risk gains or losses represent the impact of changes in fair value due to changes in our credit spread and are generally derived using observable secondary bond market information. These impacts are recorded within the debit valuation adjustments (DVA) in OCI. See Note 21 (Other Comprehensive Income) for additional information.

### Disclosures about Fair Value of Financial Instruments

Table 12.9 presents a summary of fair value estimates for financial instruments that are not carried at fair value on a recurring basis. Some financial instruments are excluded from the scope of this table, such as certain insurance contracts, certain nonmarketable equity securities, and leases. This table also excludes assets and liabilities that are not financial instruments such as the value of the long-term relationships with our deposit, credit card and trust customers, MSRs, premises and equipment, goodwill and deferred taxes.

Loan commitments, standby letters of credit and commercial and similar letters of credit are not included in Table 12.9. A reasonable estimate of the fair value of these instruments is the carrying value of deferred fees plus the allowance for unfunded credit commitments, which totaled \$536 million and \$575 million at March 31, 2024, and December 31, 2023, respectively.

The total of the fair value calculations presented does not represent, and should not be construed to represent, the underlying fair value of the Company.

**Table 12.9: Fair Value Estimates for Financial Instruments**

(in millions)	Carrying amount	Estimated fair value			Total
		Level 1	Level 2	Level 3	
<b>March 31, 2024</b>					
<b>Financial assets</b>					
Cash and due from banks (1)	\$ 30,180	30,180	-	-	30,180
Interest-earning deposits with banks (1)	239,467	239,236	231	-	239,467
Federal funds sold and securities purchased under resale agreements (1)	68,751	-	68,751	-	68,751
Held-to-maturity debt securities	258,711	2,173	213,520	2,839	218,532
Loans held for sale	2,006	-	890	1,156	2,046
Loans, net (2)	891,987	-	50,130	806,350	856,480
Nonmarketable equity securities (cost method)	4,865	-	-	4,933	4,933
<b>Total financial assets</b>	<b>\$ 1,495,967</b>	<b>271,589</b>	<b>333,522</b>	<b>815,278</b>	<b>1,420,389</b>
<b>Financial liabilities</b>					
Deposits (3)	\$ 192,685	-	124,658	67,319	191,977
Short-term borrowings	108,772	-	108,797	-	108,797
Long-term debt (4)	184,880	-	187,288	2,106	189,394
<b>Total financial liabilities</b>	<b>\$ 486,337</b>	<b>-</b>	<b>420,743</b>	<b>69,425</b>	<b>490,168</b>
<b>December 31, 2023</b>					
<b>Financial assets</b>					
Cash and due from banks (1)	\$ 33,026	33,026	-	-	33,026
Interest-earning deposits with banks (1)	204,193	203,960	233	-	204,193
Federal funds sold and securities purchased under resale agreements (1)	80,456	-	80,456	-	80,456
Held-to-maturity debt securities	262,708	2,288	222,209	2,819	227,316
Loans held for sale	2,044	-	848	1,237	2,085
Loans, net (2)	905,764	-	52,127	818,358	870,485
Nonmarketable equity securities (cost method)	5,276	-	-	5,344	5,344
<b>Total financial assets</b>	<b>\$ 1,493,467</b>	<b>239,274</b>	<b>355,873</b>	<b>827,758</b>	<b>1,422,905</b>
<b>Financial liabilities</b>					
Deposits (3)	\$ 190,970	-	127,738	62,372	190,110
Short-term borrowings	89,340	-	89,340	-	89,340
Long-term debt (4)	205,261	-	205,705	2,028	207,733
<b>Total financial liabilities</b>	<b>\$ 485,571</b>	<b>-</b>	<b>422,783</b>	<b>64,400</b>	<b>487,183</b>

- (1) Amounts consist of financial instruments for which carrying value approximates fair value.  
(2) Excludes lease financing with a carrying amount of \$16.4 billion and \$16.2 billion at March 31, 2024, and December 31, 2023, respectively.  
(3) Excludes deposit liabilities with no defined or contractual maturity of \$1.2 trillion at both March 31, 2024, and December 31, 2023.  
(4) Excludes obligations under finance leases of \$19 million at both March 31, 2024, and December 31, 2023.

## Note 13: Securitizations and Variable Interest Entities

### Involvement with Variable Interest Entities (VIEs)

In the normal course of business, we enter into various types of on- and off-balance sheet transactions with special purpose entities (SPEs), which are corporations, trusts, limited liability companies or partnerships that are established for a limited purpose. SPEs are often formed in connection with securitization transactions whereby financial assets are transferred to an SPE. SPEs formed in connection with securitization transactions are generally considered variable interest entities (VIEs). The VIE may alter the risk profile of the asset by entering into derivative transactions or obtaining credit support, and issues various forms of interests in those assets to investors. When we transfer financial assets from our consolidated balance sheet to a VIE in connection with a securitization, we typically receive cash and sometimes other interests in the VIE as proceeds for the assets we transfer. In certain transactions with VIEs, we may retain the right to service the transferred assets and repurchase the transferred assets if the outstanding balance of the assets falls below the level at which the cost to service the assets exceed the benefits. In addition, we may purchase the right to service loans transferred to a VIE by a third party.

In connection with our securitization or other VIE activities, we have various forms of ongoing involvement with VIEs, which may include:

- underwriting securities issued by VIEs and subsequently making markets in those securities;
- providing credit enhancement on securities issued by VIEs through the use of letters of credit or financial guarantees;
- entering into other derivative contracts with VIEs;
- holding senior or subordinated interests in VIEs;
- acting as servicer or investment manager for VIEs;
- providing administrative or trustee services to VIEs; and
- providing seller financing to VIEs.

### Loan Sales and Securitization Activity

We periodically transfer consumer and commercial loans and other types of financial assets in securitization and whole loan sale transactions.

**MORTGAGE LOANS SOLD TO GOVERNMENT SPONSORED ENTERPRISES AND TRANSACTIONS WITH GINNIE MAE** In the normal course of business we sell residential and commercial mortgage loans to GSEs. These loans are generally transferred into securitizations sponsored by the GSEs, which provide certain credit guarantees to investors and servicers. We also transfer mortgage loans into securitization pools pursuant to Government National Mortgage Association (GNMA) guidelines which are insured by the FHA or guaranteed by the VA. Mortgage loans eligible for securitization with the GSEs or GNMA are considered conforming loans. The GSEs or GNMA design the structure of these securitizations, sponsor the involved VIEs, and have power over the activities most significant to the VIE.

We account for loans transferred in conforming mortgage loan securitization transactions as sales and do not consolidate the VIEs as we are not the primary beneficiary. In exchange for the transfer of loans, we typically receive securities issued by the VIEs which we sell to third parties for cash or hold for investment purposes as HTM or AFS securities. We also retain servicing rights on the transferred loans. As a servicer, we retain the option to repurchase loans from certain loan securitizations, which becomes exercisable based on delinquency status such as when three scheduled loan payments are past due. When we have the

unilateral option to repurchase a loan, we recognize the loan and a corresponding liability on our balance sheet regardless of our intent to repurchase the loan, and the loans remain pledged to the securitization. At March 31, 2024, and December 31, 2023, we recorded assets and related liabilities of \$1.2 billion and \$1.0 billion, respectively, where we did not exercise our option to repurchase eligible loans. We repurchased loans of \$90 million and \$92 million during the first quarter of 2024 and 2023, respectively.

Upon transfers of loans, we also provide indemnification for losses incurred due to material breaches of contractual representations and warranties as well as other recourse arrangements. At March 31, 2024, and December 31, 2023, our liability for these repurchase and recourse arrangements was \$194 million and \$229 million, respectively, and the maximum exposure to loss was \$13.6 billion at both March 31, 2024, and December 31, 2023, respectively.

Substantially all residential servicing activity is related to assets transferred to GSE and GNMA securitizations. See Note 6 (Mortgage Banking Activities) for additional information about residential and commercial servicing rights, advances and servicing fees.

**NONCONFORMING MORTGAGE LOAN SECURITIZATIONS** In the normal course of business, we sell nonconforming mortgage loans in securitization transactions that we design and sponsor. Nonconforming mortgage loan securitizations do not involve a government credit guarantee, and accordingly, beneficial interest holders are subject to credit risk of the underlying assets held by the securitization VIE. We typically originate the transferred loans and account for the transfers as sales. We also typically retain the right to service the loans and may hold other beneficial interests issued by the VIE, such as debt securities held for investment purposes. Our servicing role related to nonconforming commercial mortgage loan securitizations is limited to primary or master servicer. We do not consolidate the VIE because the most significant decisions impacting the performance of the VIE are generally made by the special servicer or the controlling class security holder. For our residential nonconforming mortgage loan securitizations accounted for as sales, we either do not hold variable interests that we consider potentially significant or are not the primary servicer for a majority of the VIE assets.

**WHOLE LOAN SALE TRANSACTIONS** We may also sell whole loans to VIEs where we have continuing involvement in the form of financing. We account for these transfers as sales, and do not consolidate the VIEs as we do not have the power to direct the most significant activities of the VIEs.

Table 13.1 presents information about transfers of assets during the periods presented for which we recorded the transfers as sales and have continuing involvement with the transferred assets. In connection with these transfers, we received proceeds and recorded servicing assets and securities. Each of these interests are initially measured at fair value. Servicing rights are classified as Level 3 measurements, and generally securities are classified as Level 2. The majority of our transfers relate to residential mortgage securitizations with the GSEs or GNMA and generally result in no gain or loss because the loans are measured at fair value on a recurring basis. Additionally, we may transfer certain government insured loans that we previously

repurchased. These loans are carried at the lower of cost or market, and we recognize gains on such transfers when the

market value is greater than the carrying value of the loan when it is sold.

**Table 13.1: Transfers with Continuing Involvement**

(in millions)	2024		2023	
	Residential mortgages	Commercial mortgages	Residential mortgages	Commercial mortgages
<b>Quarter ended March 31,</b>				
Assets sold	\$ 1,684	1,549	4,461	1,499
Proceeds from transfer (1)	1,684	1,570	4,461	1,540
Net gains (losses) on sale	-	21	-	41
Continuing involvement (2):				
Servicing rights recognized	\$ 16	10	47	18
Securities recognized (3)	-	-	-	26

- (1) Represents cash proceeds and the fair value of non-cash beneficial interests recognized at securitization settlement.  
(2) Represents assets or liabilities recognized at securitization settlement date related to our continuing involvement in the transferred assets.  
(3) Represents debt securities obtained at securitization settlement held for investment purposes that are classified as available-for-sale or held-to-maturity. Excludes trading debt securities held temporarily for market-marking purposes, which are sold to third parties at or shortly after securitization settlement, of \$642 million and, \$1.9 billion, during the quarters ended March 31, 2024 and 2023, respectively.

In the normal course of business, we purchase certain non-agency securities at initial securitization or subsequently in the secondary market, which we hold for investment. We also provide seller financing in the form of loans. During the quarters ended March 31, 2024 and 2023, we received cash flows of \$158 million and \$50 million, respectively, related to principal and interest payments on these securities and loans, which exclude cash flows related to trading activities.

Table 13.2 presents the key weighted-average assumptions we used to initially measure residential MSRs recognized during the periods presented.

**Table 13.2: Residential MSRs - Assumptions at Securitization Date**

	2024	2023
<b>Quarter ended March 31,</b>		
Prepayment rate (1)	17.3 %	18.6
Discount rate	10.3	9.7
Cost to service (\$ per loan)	\$ 265	193

- (1) Includes a blend of prepayment speeds and expected defaults. Prepayment speeds are influenced by mortgage interest rates as well as our estimation of drivers of borrower behavior.

See Note 12 (Fair Values of Assets and Liabilities) and Note 6 (Mortgage Banking Activities) for additional information on key assumptions for residential MSRs.

**RESECURITIZATION ACTIVITIES** We enter into resecuritization transactions as part of our trading activities to accommodate the investment and risk management activities of our customers. In resecuritization transactions, we transfer trading debt securities to VIEs in exchange for new beneficial interests that are sold to third parties at or shortly after securitization settlement. This activity is performed for customers seeking a specific return or risk profile. Substantially all of our transactions involve the resecuritization of conforming mortgage-backed securities issued by the GSEs or guaranteed by GNMA. We do not consolidate the resecuritization VIEs as we share in the decision-making power with third parties and do not hold significant economic interests in the VIEs other than for market-making activities. During the quarters ended March 31, 2024 and 2023, we transferred securities of \$2.7 billion and \$3.2 billion, respectively, to resecuritization VIEs, and retained \$229 million and \$198 million, respectively. These amounts are not included in Table 13.1. Related total VIE assets were \$110.4 billion at both March 31, 2024, and December 31, 2023. As of March 31, 2024, and December 31, 2023, we held \$583 million and \$984 million of securities, respectively.

## Note 13: Securitizations and Variable Interest Entities (continued)

### Sold or Securitized Loans Serviced for Others

Table 13.3 presents information about loans that we have originated and sold or securitized in which we have ongoing involvement as servicer. For loans sold or securitized where servicing is our only form of continuing involvement, we generally experience a loss only if we were required to repurchase a delinquent loan or foreclosed asset due to a breach in representations and warranties associated with our loan sale or servicing contracts. Table 13.3 excludes mortgage loans sold to

and held or securitized by GSEs or GNMA of \$564.0 billion and \$592.5 billion at March 31, 2024, and December 31, 2023, respectively. Delinquent loans include loans 90 days or more past due and loans in bankruptcy, regardless of delinquency status. Delinquent loans and foreclosed assets related to loans sold to and held or securitized by GSEs and GNMA were \$2.9 billion and \$3.4 billion at March 31, 2024, and December 31, 2023, respectively.

**Table 13.3: Sold or Securitized Loans Serviced for Others**

(in millions)					Net charge-offs	
	Total loans		Delinquent loans and foreclosed assets (1)		Quarter ended March 31,	
	Mar 31, 2024	Dec 31, 2023	Mar 31, 2024	Dec 31, 2023	2024	2023
Commercial	\$ 68,110	67,232	894	1,000	5	14
Residential	8,145	8,311	368	393	2	5
<b>Total off-balance sheet sold or securitized loans</b>	<b>\$ 76,255</b>	<b>75,543</b>	<b>1,262</b>	<b>1,393</b>	<b>7</b>	<b>19</b>

(1) Includes \$159 million and \$163 million of commercial foreclosed assets and \$20 million and \$22 million of residential foreclosed assets at March 31, 2024, and December 31, 2023, respectively.

### Transactions with Unconsolidated VIEs

**MORTGAGE LOAN SECURITIZATIONS** Table 13.4 includes nonconforming mortgage loan securitizations where we originate and transfer the loans to the unconsolidated securitization VIEs that we sponsor. For additional information about these VIEs, see the "Loan Sales and Securitization Activity" section within this Note. Nonconforming mortgage loan securitizations also include commercial mortgage loan securitizations sponsored by third parties where we did not originate or transfer the loans but serve as master servicer and invest in securities that could be potentially significant to the VIE.

Conforming loan securitization and resecuritization transactions involving the GSEs and GNMA are excluded from Table 13.4 because we are not the sponsor or we do not have power over the activities most significant to the VIEs. Additionally, due to the nature of the guarantees provided by the GSEs and the FHA and VA, our credit risk associated with these VIEs is limited. For additional information about conforming mortgage loan securitizations and resecuritizations, see the "Loan Sales and Securitization Activity" and "Resecuritization Activities" sections within this Note.

**COMMERCIAL REAL ESTATE LOANS** We may transfer purchased industrial development bonds and GSE credit enhancements to VIEs in exchange for beneficial interests. We may also acquire such beneficial interests in transactions where we do not act as a transferor. We own all of the beneficial interests and may also service the underlying mortgages that serve as collateral to the bonds. The GSEs have the power to direct the servicing and workout activities of the VIE in the event of a default, therefore we do not have control over the key decisions of the VIEs.

**OTHER VIE STRUCTURES** We engage in various forms of structured finance arrangements with other VIEs, including asset-backed finance structures and other securitizations collateralized by asset classes other than mortgages. Collateral may include rental properties, asset-backed securities, student loans and mortgage loans. We may participate in structuring or marketing the arrangements as well as provide financing, service one or more of the underlying assets, or enter into derivatives with the VIEs. We may also receive fees for those services. We are not the primary beneficiary of these structures because we

do not have power to direct the most significant activities of the VIEs. Table 13.4 provides a summary of our exposure to the unconsolidated VIEs described above, which includes investments in securities, loans, guarantees, liquidity agreements, commitments and certain derivatives. We exclude certain transactions with unconsolidated VIEs when our continuing involvement is temporary or administrative in nature or insignificant in size.

In Table 13.4, "Total VIE assets" represents the remaining principal balance of assets held by unconsolidated VIEs using the most current information available. "Carrying value" is the amount in our consolidated balance sheet related to our involvement with the unconsolidated VIEs. "Maximum exposure to loss" is determined as the carrying value of our investment in the VIEs excluding the unconditional repurchase options that have not been exercised, plus the remaining undrawn liquidity and lending commitments, the notional amount of net written derivative contracts, and generally the notional amount of, or stressed loss estimate for, other commitments and guarantees.

Debt, guarantees and other commitments include amounts related to lending arrangements, liquidity agreements, and certain loss sharing obligations associated with loans originated, sold, and serviced under certain GSE programs.

"Maximum exposure to loss" represents estimated loss that would be incurred under severe, hypothetical circumstances, for which we believe the possibility is extremely remote, such as where the value of our interests and any associated collateral declines to zero, without any consideration of recovery or offset from any economic hedges. Accordingly, this disclosure is not an indication of expected loss.



**Table 13.4: Unconsolidated VIEs**

(in millions)	Total VIE assets	Carrying value - asset (liability)					
		Loans	Debt securities (1)	Equity securities	All other assets (2)	Debt and other liabilities	Net assets
<b>March 31, 2024</b>							
Nonconforming mortgage loan securitizations	\$ 153,838	-	2,346	-	530	(9)	2,867
Commercial real estate loans	5,578	5,561	-	-	17	-	5,578
Other	1,405	77	-	52	13	-	142
<b>Total</b>	<b>\$ 160,821</b>	<b>5,638</b>	<b>2,346</b>	<b>52</b>	<b>560</b>	<b>(9)</b>	<b>8,587</b>
Maximum exposure to loss							
		Loans	Debt securities (1)	Equity securities	All other assets (2)	Debt, guarantees, and other commitments	Total exposure
Nonconforming mortgage loan securitizations	\$	-	2,346	-	530	9	2,885
Commercial real estate loans		5,561	-	-	17	698	6,276
Other		77	-	52	13	157	299
<b>Total</b>	<b>\$</b>	<b>5,638</b>	<b>2,346</b>	<b>52</b>	<b>560</b>	<b>864</b>	<b>9,460</b>
Carrying value - asset (liability)							
(in millions)	Total VIE assets	Loans	Debt securities (1)	Equity securities	All other assets (2)	Debt and other liabilities	Net assets
<b>December 31, 2023</b>							
Nonconforming mortgage loan securitizations	\$ 154,730	-	2,471	-	591	(8)	3,054
Commercial real estate loans	5,588	5,571	-	-	17	-	5,588
Other	1,898	213	-	47	17	-	277
<b>Total</b>	<b>\$ 162,216</b>	<b>5,784</b>	<b>2,471</b>	<b>47</b>	<b>625</b>	<b>(8)</b>	<b>8,919</b>
Maximum exposure to loss							
		Loans	Debt securities (1)	Equity securities	All other assets (2)	Debt, guarantees, and other commitments	Total exposure
Nonconforming mortgage loan securitizations	\$	-	2,471	-	591	8	3,070
Commercial real estate loans		5,571	-	-	17	700	6,288
Other		213	-	47	17	158	435
<b>Total</b>	<b>\$</b>	<b>5,784</b>	<b>2,471</b>	<b>47</b>	<b>625</b>	<b>866</b>	<b>9,793</b>

(1) Includes \$259 million and \$301 million of securities classified as trading at March 31, 2024, and December 31, 2023, respectively.  
(2) All other assets includes mortgage servicing rights, derivative assets, and other assets (predominantly servicing advances).

**INVOLVEMENT WITH TAX CREDIT VIES** In addition to the unconsolidated VIEs in Table 13.4, we may invest in or provide funding to affordable housing, renewable energy or similar projects that are designed to generate a return primarily through the realization of federal income tax credits and other income tax benefits. Our affordable housing investments generate low-income housing tax credits and our renewable energy investments generate either production tax credits, investment tax credits, or both. The projects are typically managed by third-party sponsors who have the power over the VIE's assets; therefore, we do not consolidate the VIEs. The carrying value of our equity investments in tax credit VIEs was \$20.9 billion and \$19.7 billion at March 31, 2024, and December 31, 2023, respectively. Additionally, we had loans to tax credit VIEs with a carrying value of \$2.0 billion and \$2.1 billion at March 31, 2024, and December 31, 2023, respectively.

Our maximum exposure to loss for tax credit VIEs at March 31, 2024, and December 31, 2023, was \$29.8 billion and \$30.6 billion, respectively. Our maximum exposure to loss included total unfunded equity and lending commitments of \$6.9 billion and \$8.7 billion at March 31, 2024, and December 31, 2023, respectively. Under these commitments, we are required to provide additional financial support during the investment period, at the discretion of project sponsors, or for certain renewable energy investments, on a contingent basis based on the amount of income tax credits earned. For equity investments

accounted for using the proportional amortization method, a liability is recognized for unfunded commitments that are either legally binding or contingent but probable of funding. The liability recognized for these commitments at March 31, 2024, and December 31, 2023, was \$7.2 billion and \$4.9 billion, respectively. Substantially all of these commitments are expected to be funded within three years. See Note 1 (Summary of Significant Accounting Policies) for additional information on our adoption of ASU 2023-02 effective January 1, 2024, which impacted the accounting for our tax credit equity investments and related unfunded commitments. See also Note 14 (Guarantees and Other Commitments) for additional information about unrecognized commitments to purchase equity securities.

Table 13.5 summarizes the impacts to our consolidated statement of income related to our affordable housing and renewable energy equity investments.

## Note 13: Securitizations and Variable Interest Entities (continued)

**Table 13.5: Income Statement Impacts for Affordable Housing and Renewable Energy Tax Credit Investments (1)**

(in millions)	Quarter ended March 31,	
	2024	2023
Loss before income tax expense (2)	(A) \$ (42)	(167)
Income tax expense (benefit):		
Proportional amortization of investments	930	436
Income tax credits and other income tax benefits	(1,188)	(840)
Net expense (benefit) recognized within income tax expense	(B) (258)	(404)
Net income related to affordable housing and renewable energy tax credit investments	(A)-(B) \$ 216	237

(1) Amounts presented include the impacts for affordable housing and renewable energy tax credit investments, which are accounted for using either the proportional amortization method or the equity method. Prior period balances in this table do not reflect accounting changes related to our adoption of ASU 2023-02, effective January 1, 2024. For additional information, see Note 1 (Summary of Significant Accounting Policies).

(2) Loss before income tax expense predominantly relates to equity method losses from renewable energy tax credit investments, which are recorded in other noninterest income on our consolidated statement of income.

### Consolidated VIEs

We consolidate VIEs where we are the primary beneficiary. We are the primary beneficiary of the following structure types:

**COMMERCIAL AND INDUSTRIAL LOANS AND LEASES** We previously securitized dealer floor plan loans in a revolving master trust entity. As servicer and holder of all beneficial interests, we control the key decisions of the trust and consolidate the VIE. In first quarter 2024, we removed the loans held by the master trust entity by transferring them to another subsidiary of Wells Fargo, which had no impact on our consolidated balance sheet. In a separate transaction structure, we may provide the majority of debt and equity financing to an SPE that engages in lending and leasing to specific vendors and we service the underlying collateral.

**CREDIT CARD SECURITIZATIONS** In first quarter 2024, we securitized a portion of our credit card loans to provide a source of funding. Credit card securitizations involve the transfer of credit card loans to a master trust that issues debt securities to third party investors that are collateralized by the transferred credit card loans. The underlying securitized credit card loans and other assets in the master trust are available only for payment of the debt securities issued by the master trust; they are not available to pay our other obligations. In addition, the investors in the debt securities do not have recourse to the general credit of Wells Fargo.

We consolidate the master trust because, as the servicer of the credit card loans, we have the power to direct the activities that most significantly impact the economic performance and hold variable interests potentially significant to the VIE. We hold a minimum of 5% seller's interest in the transferred credit card loans and we retain subordinated securities issued by the master trust, which collectively could result in exposure to potentially significant losses or benefits from the master trust. As of March 31, 2024, we held seller's interest of \$1.7 billion in the transferred credit card loans and subordinated securities of \$750 million (at par) issued by the master trust, which are both eliminated in our consolidated financial statements. The transferred credit card loans and debt securities issued to third parties are recognized on our consolidated balance sheet, and classified as loans and long-term debt, respectively.

Table 13.6 presents a summary of financial assets and liabilities of our consolidated VIEs. The carrying value represents assets and liabilities recognized on our consolidated balance sheet. "Total VIE assets" includes affiliate balances that are eliminated upon consolidation, and therefore in some instances will differ from the carrying value of assets.

On our consolidated balance sheet, we separately disclose (1) the consolidated assets of certain VIEs that can only be used to settle the liabilities of those VIEs, and (2) the consolidated liabilities of certain VIEs for which the VIE creditors do not have recourse to Wells Fargo.

**Table 13.6: Transactions with Consolidated VIEs**

(in millions)	Total VIE assets	Carrying value - asset (liability)			
		Loans	All other assets (1)	Long-term debt	All other liabilities (2)
<b>March 31, 2024</b>					
Commercial and industrial loans and leases	\$ 1,595	1,416	179	-	(121)
Credit card securitizations	3,846	3,726	15	(1,247)	(5)
Other	310	-	306	-	-
<b>Total consolidated VIEs</b>	<b>\$ 5,751</b>	<b>5,142</b>	<b>500</b>	<b>(1,247)</b>	<b>(126)</b>
<b>December 31, 2023</b>					
Commercial and industrial loans and leases	\$ 7,579	4,880	203	-	(115)
Credit card securitizations	-	-	-	-	-
Other	232	-	232	-	-
<b>Total consolidated VIEs</b>	<b>\$ 7,811</b>	<b>4,880</b>	<b>435</b>	<b>-</b>	<b>(115)</b>

(1) All other assets includes loans held for sale and other assets.

(2) All other liabilities include short-term borrowings, and accrued expenses and other liabilities.

**Other Transactions**

In addition to the transactions included in the previous tables, we have used wholly-owned trust preferred security VIEs to issue debt securities or preferred equity exclusively to third-party investors. As the sole assets of the VIEs are receivables from us, we do not consolidate the VIEs even though we own all of the voting equity shares of the VIEs, have fully guaranteed the obligations of the VIEs, and may have the right to redeem the third-party securities under certain circumstances. On our consolidated balance sheet, we reported the debt securities issued to the VIEs as long-term junior subordinated debt with a carrying value of \$418 million and \$414 million at March 31, 2024, and December 31, 2023, respectively.

## Note 14: Guarantees and Other Commitments

Guarantees are contracts that contingently require us to make payments to a guaranteed party based on an event or a change in an underlying asset, liability, rate or index. For additional

descriptions of our guarantees, see Note 17 (Guarantees and Other Commitments) in our 2023 Form 10-K. Table 14.1 shows carrying value and maximum exposure to loss on our guarantees.

**Table 14.1: Guarantees - Carrying Value and Maximum Exposure to Loss**

(in millions)	Carrying value of obligation	Expires in one year or less	Expires after one year through three years	Expires after three years through five years	Expires after five years	Maximum exposure to loss		
						Total	Non-investment grade	
<b>March 31, 2024</b>								
Standby letters of credit (1)	\$ 93	15,497	4,542	2,542	51	22,632	7,823	
Direct pay letters of credit (1)	8	1,746	1,960	247	5	3,958	950	
Loans and LHFS sold with recourse	83	330	3,156	3,573	6,828	13,887	10,642	
Exchange and clearing house guarantees	-	14,262	-	-	-	14,262	-	
Other guarantees and indemnifications	27	754	1,134	71	496	2,455	737	
<b>Total guarantees</b>	<b>\$ 211</b>	<b>32,589</b>	<b>10,792</b>	<b>6,433</b>	<b>7,380</b>	<b>57,194</b>	<b>20,152</b>	
<b>December 31, 2023</b>								
Standby letters of credit (1)	\$ 90	14,211	5,209	2,931	105	22,456	7,711	
Direct pay letters of credit (1)	8	1,446	2,268	247	5	3,966	957	
Loans and LHFS sold with recourse	72	249	2,957	3,385	7,228	13,819	10,612	
Exchange and clearing house guarantees	-	13,550	-	-	-	13,550	-	
Other guarantees and indemnifications	22	687	854	116	463	2,120	634	
<b>Total guarantees</b>	<b>\$ 192</b>	<b>30,143</b>	<b>11,288</b>	<b>6,679</b>	<b>7,801</b>	<b>55,911</b>	<b>19,914</b>	

(1) Standby and direct pay letters of credit are reported net of syndications and participations.

Maximum exposure to loss represents the estimated loss that would be incurred under an assumed hypothetical circumstance, despite what we believe is a remote possibility, where the value of our interests and any associated collateral declines to zero. Maximum exposure to loss estimates in Table 14.1 do not reflect economic hedges or collateral we could use to offset or recover losses we may incur under our guarantee agreements. Accordingly, these amounts are not an indication of expected loss. We believe the carrying value is more representative of our current exposure to loss than maximum exposure to loss. The carrying value represents the fair value of the guarantee, if any, and also includes an ACL for guarantees, if applicable. In determining the ACL for guarantees, we consider the credit risk of the related contingent obligation.

For our guarantees in Table 14.1, non-investment grade represents those guarantees on which we have a higher risk of performance under the terms of the guarantee, which is determined based on an external rating or an internal credit grade that is below investment grade, if applicable.

**WRITTEN OPTIONS** We enter into written foreign currency options and over-the-counter written equity put options that are derivative contracts that have the characteristics of a guarantee. The fair value of written options represents our view of the probability that we will be required to perform under the contract. The fair value of these written options was an asset of \$332 million and \$178 million at March 31, 2024, and December 31, 2023, respectively. The fair value may be an asset as a result of deferred premiums on certain option trades. The maximum exposure to loss represents the notional value of these derivative contracts. At March 31, 2024, the maximum exposure to loss was \$31.6 billion, with \$29.1 billion expiring in three years or less compared with \$34.0 billion and \$31.9 billion, respectively, at December 31, 2023. See Note 11 (Derivatives) for additional information regarding written derivative contracts.

**MERCHANT PROCESSING SERVICES** We provide debit and credit card transaction processing services through payment networks directly for merchants and as a sponsor for merchant processing servicers, including our joint venture with a third party that is accounted for as an equity method investment. In our role as the merchant acquiring bank, we have a potential obligation in connection with payment and delivery disputes between the merchant and the cardholder that are resolved in favor of the cardholder, referred to as a charge-back transaction. We estimate our potential maximum exposure to be the total merchant transaction volume processed in the preceding four months, which is generally the lifecycle for a charge-back transaction. As of March 31, 2024, our potential maximum exposure was approximately \$728.4 billion, and related losses, including those from our joint venture entity, were insignificant.

**GUARANTEES OF SUBSIDIARIES** The Parent fully and unconditionally guarantees the payment of principal, interest, and any other amounts that may be due on securities that its 100% owned finance subsidiary, Wells Fargo Finance LLC, may issue. These securities are not guaranteed by any other subsidiary of the Parent. The guaranteed liabilities were \$1.1 billion and \$834 million at March 31, 2024, and December 31, 2023, respectively. These guarantees rank on parity with all of the Parent's other unsecured and unsubordinated indebtedness.

**OTHER COMMITMENTS** As of March 31, 2024, and December 31, 2023, we had commitments to purchase equity securities of \$7.4 billion and \$9.2 billion, respectively, which predominantly included Federal Reserve Bank stock and tax credit investments accounted for using the equity method.

As part of maintaining our memberships in certain clearing organizations, we are required to stand ready to provide liquidity to sustain market clearing activity in the event unforeseen events occur or are deemed likely to occur. Certain of these

obligations are guarantees of other members' performance and accordingly are included in Table 14.1 in Other guarantees and indemnifications.

We have commitments to enter into resale and securities borrowing agreements as well as repurchase and securities lending agreements with certain counterparties, including central clearing organizations. The amount of our unfunded contractual commitments for resale and securities borrowing agreements was \$16.1 billion and \$17.5 billion as of March 31, 2024, and December 31, 2023, respectively. The amount of our unfunded contractual commitments for repurchase and securities lending agreements was \$1.9 billion and \$746 million as of March 31, 2024, and December 31, 2023, respectively.

Given the nature of these commitments, they are excluded from Table 5.4 (Unfunded Credit Commitments) in Note 5 (Loans and Related Allowance for Credit Losses).

## Note 15: Securities and Other Collateralized Financing Activities

We enter into resale and repurchase agreements and securities borrowing and lending agreements (collectively, "securities financing activities") typically to finance trading positions (including securities and derivatives), acquire securities to cover short trading positions, accommodate customers' financing needs, and settle other securities obligations. These activities are conducted through our broker-dealer subsidiaries and, to a lesser extent, through other bank entities. Our securities financing activities primarily involve high-quality, liquid securities such as U.S. Treasury securities and government agency securities and, to a lesser extent, less liquid securities, including equity securities, corporate bonds and asset-backed securities. We account for these transactions as collateralized financings in which we typically receive or pledge securities as collateral. We believe these financing transactions generally do not have material credit risk given the collateral provided and the related monitoring processes. We also enter into resale agreements involving collateral other than securities, such as loans, as part of our commercial lending business activities.

**OFFSETTING OF SECURITIES AND OTHER COLLATERALIZED FINANCING ACTIVITIES** Table 15.1 presents resale and repurchase agreements subject to master repurchase agreements (MRA) and securities borrowing and lending agreements subject to master securities lending agreements (MSLA). Where legally enforceable, these master netting arrangements give the ability, in the event of default by the counterparty, to liquidate securities held as collateral and to offset receivables and payables with the

same counterparty. Collateralized financings with the same counterparty are presented net on our consolidated balance sheet, provided certain criteria are met that permit balance sheet netting. The majority of transactions subject to these agreements do not meet those criteria and thus are not eligible for balance sheet netting.

Collateral we pledged consists of non-cash instruments, such as securities or loans, and is not netted on our consolidated balance sheet against the related liability. Collateral we received includes securities or loans and is not recognized on our consolidated balance sheet. Collateral pledged or received may be increased or decreased over time to maintain certain contractual thresholds, as the assets underlying each arrangement fluctuate in value. For additional information on collateral pledged and accepted, see Note 16 (Pledged Assets and Collateral). Generally, these agreements require collateral to exceed the asset or liability recognized on the balance sheet. The following table includes the amount of collateral pledged or received related to exposures subject to enforceable MRAs or MSLAs. While these agreements are typically over-collateralized, the disclosure in this table is limited to the reported amount of such collateral to the amount of the related recognized asset or liability for each counterparty.

In addition to the amounts included in Table 15.1, we also have balance sheet netting related to derivatives that is disclosed in Note 11 (Derivatives).

**Table 15.1: Offsetting - Securities and Other Collateralized Financing Activities**

(in millions)	Mar 31, 2024	Dec 31, 2023
<b>Assets:</b>		
Resale and securities borrowing agreements		
Gross amounts recognized	\$ 119,050	129,282
Gross amounts offset in consolidated balance sheet (1)	(30,969)	(28,402)
Net amounts in consolidated balance sheet (2)	88,081	100,880
Collateral received not recognized in consolidated balance sheet (3)	(87,344)	(99,970)
Net amount (4)	\$ 737	910
<b>Liabilities:</b>		
Repurchase and securities lending agreements		
Gross amounts recognized	\$ 117,444	106,060
Gross amounts offset in consolidated balance sheet (1)	(30,969)	(28,402)
Net amounts in consolidated balance sheet (5)	86,475	77,658
Collateral pledged but not netted in consolidated balance sheet (6)	(86,420)	(77,529)
Net amount (4)	\$ 55	129

(1) Represents recognized amount of resale and repurchase agreements with counterparties subject to enforceable MRAs that have been offset within our consolidated balance sheet.

(2) Includes \$68.7 billion and \$80.4 billion classified on our consolidated balance sheet in federal funds sold and securities purchased under resale agreements at March 31, 2024, and December 31, 2023, respectively. Also includes \$19.4 billion and \$20.5 billion classified on our consolidated balance sheet in loans at March 31, 2024, and December 31, 2023, respectively.

(3) Represents the fair value of collateral we have received under enforceable MRAs or MSLAs, limited in the table above to the amount of the recognized asset due from each counterparty.

(4) Represents the amount of our exposure (assets) or obligation (liabilities) that is not collateralized and/or is not subject to an enforceable MRA or MSLA.

(5) Amount is classified in short-term borrowings on our consolidated balance sheet.

(6) Represents the fair value of collateral we have pledged, related to enforceable MRAs or MSLAs, limited in the table above to the amount of the recognized liability owed to each counterparty.

**REPURCHASE AND SECURITIES LENDING AGREEMENTS** Securities sold under repurchase agreements and securities lending arrangements are effectively short-term collateralized borrowings. In these transactions, we receive cash in exchange for transferring securities as collateral and recognize an obligation to reacquire the securities for cash at the transaction's maturity. These types of transactions create risks, including (1) the counterparty may fail to return the securities at maturity, (2) the fair value of the securities transferred may decline below the amount of our obligation to reacquire the securities, and therefore create an obligation for us to pledge additional amounts, and (3) the counterparty may accelerate the maturity on demand, requiring us to reacquire the security prior to

contractual maturity. We attempt to mitigate these risks in various ways. Our collateral primarily consists of highly liquid securities. In addition, we underwrite and monitor the financial strength of our counterparties, monitor the fair value of collateral pledged relative to contractually required repurchase amounts, and monitor that our collateral is properly returned through the clearing and settlement process in advance of our cash repayment. Table 15.2 provides the gross amounts recognized on our consolidated balance sheet (before the effects of offsetting) of our liabilities for repurchase and securities lending agreements disaggregated by underlying collateral type.

**Table 15.2: Gross Obligations by Underlying Collateral Type**

(in millions)	Mar 31, 2024	Dec 31, 2023
<b>Repurchase agreements:</b>		
Securities of U.S. Treasury and federal agencies	\$ 46,949	38,742
Securities of U.S. States and political subdivisions	465	579
Federal agency mortgage-backed securities	48,813	48,019
Non-agency mortgage-backed securities	2,068	1,889
Corporate debt securities	7,977	7,925
Asset-backed securities	2,559	2,176
Equity securities	1,164	635
Other	740	541
<b>Total repurchases</b>	<b>110,735</b>	<b>100,506</b>
<b>Securities lending arrangements:</b>		
Securities of U.S. Treasury and federal agencies	251	251
Federal agency mortgage-backed securities	34	31
Corporate debt securities	408	293
Equity securities	6,000	4,965
Other	16	14
<b>Total securities lending</b>	<b>6,709</b>	<b>5,554</b>
<b>Total repurchases and securities lending</b>	<b>\$ 117,444</b>	<b>106,060</b>

Table 15.3 provides the contractual maturities of our gross obligations under repurchase and securities lending agreements. Securities lending is executed under agreements that allow either party to terminate the transaction without notice, while

repurchase agreements have a term structure that matures at a point in time. The overnight agreements require an election by both parties to roll the trade, while continuous agreements require an election by either party to terminate the agreement.

**Table 15.3: Contractual Maturities of Gross Obligations**

(in millions)	Repurchase agreements	Securities lending agreements
<b>March 31, 2024</b>		
Overnight/continuous	\$ 74,417	6,058
Up to 30 days	7,676	-
30-90 days	16,809	651
>90 days	11,833	-
<b>Total gross obligation</b>	<b>110,735</b>	<b>6,709</b>
<b>December 31, 2023</b>		
Overnight/continuous	\$ 54,810	4,903
Up to 30 days	13,704	-
30-90 days	23,264	200
>90 days	8,728	451
<b>Total gross obligation</b>	<b>100,506</b>	<b>5,554</b>

## Note 16: Pledged Assets and Collateral

### Pledged Assets

We pledge financial assets that we own to counterparties for the collateralization of securities and other collateralized financing activities, to secure trust and public deposits, and to collateralize derivative contracts. See Note 15 (Securities and Other Collateralized Financing Activities) for additional information on securities financing activities. As part of our liquidity management strategy, we may also pledge assets to secure borrowings and letters of credit from Federal Home Loan Banks (FHLBs), to maintain potential borrowing capacity with FHLBs and at the discount window of the Board of Governors of the Federal Reserve System (FRB), and for other purposes as required or permitted by law or insurance statutory requirements. The collateral that we pledge may include our own collateral as well as collateral that we have received from third parties and have the right to repledge.

Table 16.1 provides the carrying values of assets recognized on our consolidated balance sheet that we have pledged to third parties. Assets pledged in transactions where our counterparty has the right to sell or repledge those assets are presented parenthetically on our consolidated balance sheet.

**VIE RELATED** We also pledge assets in connection with various types of transactions entered into with VIEs, which are excluded from Table 16.1. These pledged assets can only be used to settle the liabilities of those entities. We also have loans recorded on our consolidated balance sheet which represent certain delinquent loans that are eligible for repurchase from GNMA loan securitizations. See Note 13 (Securitizations and Variable Interest Entities) for additional information on consolidated and unconsolidated VIE assets.

**Table 16.1: Pledged Assets**

(in millions)	Mar 31, 2024	Dec 31, 2023
Pledged to counterparties that had the right to sell or repledge:		
Debt securities:		
Trading	\$ 72,150	62,537
Available-for-sale	3,519	5,055
Equity securities	5,150	2,683
All other assets	564	495
<b>Total assets pledged to counterparties that had the right to sell or repledge</b>	<b>81,383</b>	<b>70,770</b>
Pledged to counterparties that did not have the right to sell or repledge:		
Debt securities:		
Trading	2,527	2,757
Available-for-sale	75,340	64,511
Held-to-maturity	239,681	246,218
Loans	459,893	445,092
Equity securities	1,762	1,502
All other assets	1,080	1,195
<b>Total assets pledged to counterparties that did not have the right to sell or repledge</b>	<b>780,283</b>	<b>761,275</b>
<b>Total pledged assets</b>	<b>\$ 861,666</b>	<b>832,045</b>

### Collateral Accepted

We receive financial assets as collateral that we are permitted to sell or repledge. This collateral is obtained in connection with securities purchased under resale agreements and securities borrowing transactions, customer margin loans, and derivative contracts. We may use this collateral in connection with securities sold under repurchase agreements and securities lending transactions, derivative contracts, and short sales. At March 31, 2024, and December 31, 2023, the fair value of this collateral received that we have the right to sell or repledge was \$207.1 billion and \$216.6 billion, respectively, of which \$116.1 billion and \$103.3 billion, respectively, were sold or repledged.



## Note 17: Operating Segments

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Our management reporting is organized into four reportable operating segments: Consumer Banking and Lending; Commercial Banking; Corporate and Investment Banking; and Wealth and Investment Management. All other business activities that are not included in the reportable operating segments have been included in Corporate. We define our reportable operating segments by type of product and customer segment, and their results are based on our management reporting process. The management reporting process measures the performance of the reportable operating segments based on the Company's management structure, and the results are regularly reviewed with our Chief Executive Officer and relevant senior management. The management reporting process is based on U.S. GAAP and includes specific adjustments, such as funds transfer pricing for asset/liability management, shared revenue and expenses, and taxable-equivalent adjustments to consistently reflect income from taxable and tax-exempt sources, which allows management to assess performance consistently across the operating segments.

**Consumer Banking and Lending** offers diversified financial products and services for consumers and small businesses with annual sales generally up to \$10 million. These financial products and services include checking and savings accounts, credit and debit cards as well as home, auto, personal, and small business lending.

**Commercial Banking** provides financial solutions to private, family owned and certain public companies. Products and services include banking and credit products across multiple industry sectors and municipalities, secured lending and lease products, and treasury management.

**Corporate and Investment Banking** delivers a suite of capital markets, banking, and financial products and services to corporate, commercial real estate, government and institutional clients globally. Products and services include corporate banking, investment banking, treasury management, commercial real estate lending and servicing, equity and fixed income solutions as well as sales, trading, and research capabilities.

**Wealth and Investment Management** provides personalized wealth management, brokerage, financial planning, lending, private banking, trust and fiduciary products and services to affluent, high-net worth and ultra-high-net worth clients. We operate through financial advisors in our brokerage and wealth offices, consumer bank branches, independent offices, and digitally through WellsTrade® and Intuitive Investor®.

**Corporate** includes corporate treasury and enterprise functions, net of allocations (including funds transfer pricing, capital, liquidity and certain expenses), in support of the reportable operating segments, as well as our investment portfolio and venture capital and private equity investments. Corporate also includes certain lines of business that management has determined are no longer consistent with the long-term strategic goals of the Company as well as results for previously divested businesses.

### Basis of Presentation

**FUNDS TRANSFER PRICING** Corporate treasury manages a funds transfer pricing methodology that considers interest rate risk, liquidity risk, and other product characteristics. Operating segments pay a funding charge for their assets and receive a funding credit for their deposits, both of which are included in net interest income. The net impact of the funding charges or credits is recognized in corporate treasury.

**REVENUE AND EXPENSE SHARING** When lines of business jointly serve customers, the line of business that is responsible for providing the product or service recognizes revenue or expense with a referral fee paid or an allocation of cost to the other line of business based on established internal revenue-sharing agreements.

When a line of business uses a service provided by another line of business or enterprise function (included in Corporate), expense is generally allocated based on the cost and use of the service provided. We periodically assess and update our revenue and expense allocation methodologies.

**TAXABLE-EQUIVALENT ADJUSTMENTS** Taxable-equivalent adjustments related to tax-exempt income on certain loans and debt securities are included in net interest income, while taxable-equivalent adjustments related to income tax credits for affordable housing and renewable energy investments are included in noninterest income, in each case with corresponding impacts to income tax expense (benefit). Adjustments are included in Corporate, Commercial Banking, and Corporate and Investment Banking and are eliminated to reconcile to the Company's consolidated financial results.

**Note 17: Operating Segments (continued)**

Table 17.1 presents our results by operating segment.

**Table 17.1: Operating Segments**

(in millions)	Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Reconciling Items (1)	Consolidated Company
<b>Quarter ended March 31, 2024</b>							
Net interest income (2)	\$ 7,110	2,278	2,027	869	32	(89)	12,227
Noninterest income	1,981	874	2,955	2,873	291	(338)	8,636
<b>Total revenue</b>	<b>9,091</b>	<b>3,152</b>	<b>4,982</b>	<b>3,742</b>	<b>323</b>	<b>(427)</b>	<b>20,863</b>
Provision for credit losses	788	143	5	3	(1)	-	938
Noninterest expense	6,024	1,679	2,330	3,230	1,075	-	14,338
<b>Income (loss) before income tax expense (benefit)</b>	<b>2,279</b>	<b>1,330</b>	<b>2,647</b>	<b>509</b>	<b>(751)</b>	<b>(427)</b>	<b>5,587</b>
Income tax expense (benefit)	573	341	666	128	(317)	(427)	964
<b>Net income (loss) before noncontrolling interests</b>	<b>1,706</b>	<b>989</b>	<b>1,981</b>	<b>381</b>	<b>(434)</b>	<b>-</b>	<b>4,623</b>
Less: Net income from noncontrolling interests	-	3	-	-	1	-	4
<b>Net income (loss)</b>	<b>\$ 1,706</b>	<b>986</b>	<b>1,981</b>	<b>381</b>	<b>(435)</b>	<b>-</b>	<b>4,619</b>
<b>Quarter ended March 31, 2023</b>							
Net interest income (2)	\$ 7,433	2,489	2,461	1,044	16	(107)	13,336
Noninterest income	1,931	818	2,441	2,637	5	(439)	7,393
<b>Total revenue</b>	<b>9,364</b>	<b>3,307</b>	<b>4,902</b>	<b>3,681</b>	<b>21</b>	<b>(546)</b>	<b>20,729</b>
Provision for credit losses	867	(43)	252	11	120	-	1,207
Noninterest expense	6,038	1,752	2,217	3,061	608	-	13,676
<b>Income (loss) before income tax expense (benefit)</b>	<b>2,459</b>	<b>1,598</b>	<b>2,433</b>	<b>609</b>	<b>(707)</b>	<b>(546)</b>	<b>5,846</b>
Income tax expense (benefit)	618	399	615	152	(272)	(546)	966
<b>Net income (loss) before noncontrolling interests</b>	<b>1,841</b>	<b>1,199</b>	<b>1,818</b>	<b>457</b>	<b>(435)</b>	<b>-</b>	<b>4,880</b>
Less: Net income (loss) from noncontrolling interests	-	3	-	-	(114)	-	(111)
<b>Net income (loss)</b>	<b>\$ 1,841</b>	<b>1,196</b>	<b>1,818</b>	<b>457</b>	<b>(321)</b>	<b>-</b>	<b>4,991</b>
<b>Quarter ended March 31, 2024</b>							
Loans (average)	\$ 329,729	223,921	283,243	82,483	8,699	-	928,075
Assets (average)	366,381	246,242	550,933	89,935	663,483	-	1,916,974
Deposits (average)	773,248	164,027	183,273	101,474	119,606	-	1,341,628
<b>Loans (period-end)</b>	<b>328,007</b>	<b>227,660</b>	<b>275,597</b>	<b>82,999</b>	<b>8,521</b>	<b>-</b>	<b>922,784</b>
<b>Assets (period-end)</b>	<b>366,036</b>	<b>249,963</b>	<b>553,105</b>	<b>90,648</b>	<b>699,401</b>	<b>-</b>	<b>1,959,153</b>
<b>Deposits (period-end)</b>	<b>794,160</b>	<b>168,547</b>	<b>195,969</b>	<b>102,478</b>	<b>121,993</b>	<b>-</b>	<b>1,383,147</b>
<b>Quarter ended March 31, 2023</b>							
Loans (average)	\$ 338,308	222,826	294,742	83,621	9,154	-	948,651
Assets (average)	381,757	246,101	548,808	90,923	596,087	-	1,863,676
Deposits (average)	841,265	170,467	157,551	126,604	60,807	-	1,356,694
<b>Loans (period-end)</b>	<b>337,511</b>	<b>226,599</b>	<b>291,817</b>	<b>82,817</b>	<b>9,247</b>	<b>-</b>	<b>947,991</b>
<b>Assets (period-end)</b>	<b>381,487</b>	<b>252,914</b>	<b>542,168</b>	<b>89,590</b>	<b>620,241</b>	<b>-</b>	<b>1,886,400</b>
<b>Deposits (period-end)</b>	<b>851,304</b>	<b>169,827</b>	<b>158,564</b>	<b>117,252</b>	<b>65,682</b>	<b>-</b>	<b>1,362,629</b>

- (1) Taxable-equivalent adjustments related to tax-exempt income on certain loans and debt securities are included in net interest income, while taxable-equivalent adjustments related to income tax credits for affordable housing and renewable energy investments are included in noninterest income, in each case with corresponding impacts to income tax expense (benefit). Adjustments are included in Corporate, Commercial Banking, and Corporate and Investment Banking and are eliminated to reconcile to the Company's consolidated financial results.
- (2) Net interest income is interest earned on assets minus the interest paid on liabilities to fund those assets. Segment interest earned includes actual interest income on segment assets as well as a funding credit for their deposits. Segment interest paid on liabilities includes actual interest expense on segment liabilities as well as a funding charge for their assets.

## Note 18: Revenue and Expenses

### Revenue

Our revenue includes net interest income on financial instruments and noninterest income. Table 18.1 presents our revenue by operating segment. For additional description of our operating segments, including additional financial information

and the underlying management accounting process, see Note 17 (Operating Segments). For a description of our revenue from contracts with customers, see Note 21 (Revenue and Expenses) in our 2023 Form 10-K.

**Table 18.1: Revenue by Operating Segment**

(in millions)	Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Reconciling Items (1)	Consolidated Company
<b>Quarter ended March 31, 2024</b>							
Net interest income (2)	\$ 7,110	2,278	2,027	869	32	(89)	12,227
<b>Noninterest income:</b>							
Deposit-related fees	677	284	262	6	1	-	1,230
Lending-related fees (2)	24	138	203	2	-	-	367
Investment advisory and other asset-based fees (3)	-	23	41	2,267	-	-	2,331
Commissions and brokerage services fees	-	-	81	545	-	-	626
Investment banking fees	(2)	17	647	-	(35)	-	627
<b>Card fees:</b>							
Card interchange and network revenue (4)	870	54	15	1	1	-	941
Other card fees (2)	120	-	-	-	-	-	120
Total card fees	990	54	15	1	1	-	1,061
Mortgage banking (2)	193	-	40	(3)	-	-	230
Net gains from trading activities (2)	-	-	1,405	44	5	-	1,454
Net losses from debt securities (2)	-	-	-	-	(25)	-	(25)
Net gains (losses) from equity securities (2)	-	20	5	-	(7)	-	18
Lease income (2)	-	149	122	-	150	-	421
Other (2)	99	189	134	11	201	(338)	296
<b>Total noninterest income</b>	<b>1,981</b>	<b>874</b>	<b>2,955</b>	<b>2,873</b>	<b>291</b>	<b>(338)</b>	<b>8,636</b>
<b>Total revenue</b>	<b>\$ 9,091</b>	<b>3,152</b>	<b>4,982</b>	<b>3,742</b>	<b>323</b>	<b>(427)</b>	<b>20,863</b>
<b>Quarter ended March 31, 2023</b>							
Net interest income (2)	\$ 7,433	2,489	2,461	1,044	16	(107)	13,336
<b>Noninterest income:</b>							
Deposit-related fees	672	236	236	5	(1)	-	1,148
Lending-related fees (2)	31	129	194	2	-	-	356
Investment advisory and other asset-based fees (3)	-	18	35	2,061	-	-	2,114
Commissions and brokerage services fees	-	-	78	541	-	-	619
Investment banking fees	-	20	314	-	(8)	-	326
<b>Card fees:</b>							
Card interchange and network revenue (4)	863	56	17	1	1	-	938
Other card fees (2)	95	-	-	-	-	-	95
Total card fees	958	56	17	1	1	-	1,033
Mortgage banking (2)	160	-	75	(3)	-	-	232
Net gains (losses) from trading activities (2)	-	(1)	1,257	23	63	-	1,342
Net gains from debt securities (2)	-	-	-	-	-	-	-
Net losses from equity securities (2)	-	(12)	(1)	(2)	(342)	-	(357)
Lease income (2)	-	169	42	-	136	-	347
Other (2)	110	203	194	9	156	(439)	233
<b>Total noninterest income</b>	<b>1,931</b>	<b>818</b>	<b>2,441</b>	<b>2,637</b>	<b>5</b>	<b>(439)</b>	<b>7,393</b>
<b>Total revenue</b>	<b>\$ 9,364</b>	<b>3,307</b>	<b>4,902</b>	<b>3,681</b>	<b>21</b>	<b>(546)</b>	<b>20,729</b>

(1) Taxable-equivalent adjustments related to tax-exempt income on certain loans and debt securities are included in net interest income, while taxable-equivalent adjustments related to income tax credits for affordable housing and renewable energy investments are included in noninterest income, in each case with corresponding impacts to income tax expense (benefit). Adjustments are included in Corporate, Commercial Banking, and Corporate and Investment Banking and are eliminated to reconcile to the Company's consolidated financial results.

(2) These revenue types are related to financial assets and liabilities, including loans, leases, securities and derivatives, with additional details included in other footnotes to our financial statements.

(3) We earned trailing commissions of \$231 million and \$227 million for the quarters ended March 31, 2024 and 2023, respectively.

(4) The cost of credit card rewards and rebates of \$651 million and \$592 million for the quarters ended March 31, 2024 and 2023, respectively, are presented net against the related revenue.

## Note 18: Revenue and Expenses (continued)

### Expenses

**OPERATING LOSSES** Operating losses consist of expenses related to:

- Legal actions such as litigation and regulatory matters. For additional information on legal actions, see Note 10 (Legal Actions);
- Customer remediation activities, which are associated with our efforts to identify areas or instances where customers may have experienced financial harm and provide remediation as appropriate. We have accrued for the probable and estimable costs related to our customer remediation activities, which amounts may change based on additional facts and information, as well as ongoing reviews and communications with our regulators; and
- Other business activities such as deposit overdraft losses, fraud losses, and isolated instances of customer redress.

Table 18.2 provides the components of our operating losses included in our consolidated statement of income.

**Table 18.2: Operating Losses**

(\$ in millions)	Quarter ended March 31,	
	2024	2023
Legal actions	\$ 17	6
Customer remediation	428	57
Other	188	204
Total operating losses	\$ 633	267

Operating losses may have significant variability given the inherent and unpredictable nature of legal actions and customer remediation activities. The timing and determination of the amount of any associated losses for these matters depends on a variety of factors, some of which are outside of our control.

**OTHER EXPENSES** Regulatory Charges and Assessments expense, which is included in other noninterest expense, was \$551 million in first quarter 2024, compared with \$271 million in the same period a year ago, and predominantly consisted of Federal Deposit Insurance Corporation (FDIC) deposit assessment expense.

In November 2023, the FDIC finalized a rule to recover losses to the FDIC deposit insurance fund as a result of bank failures in the first half of 2023. Under the rule, the FDIC will collect a special assessment based on an insured depository institution's estimated amount of uninsured deposits. Upon the FDIC's finalization of the rule, we expensed an estimated amount of our special assessment of \$1.9 billion (pre-tax) in fourth quarter 2023. Subsequent to the filing of our 2023 Form 10-K, the FDIC provided an update on losses to the deposit insurance fund, and we expensed an additional \$284 million (pre-tax) in first quarter 2024 for the estimated amount of the special assessment. We expect the ultimate amount of the special assessment may continue to change as the FDIC determines the actual net losses to the deposit insurance fund.

## Note 19: Employee Benefits

### Pension and Postretirement Plans

We sponsor a frozen noncontributory qualified defined benefit retirement plan, the Wells Fargo & Company Cash Balance Plan (Cash Balance Plan), which covers eligible employees of Wells Fargo. The Cash Balance Plan was frozen on July 1, 2009, and no new benefits accrue after that date. For additional information on our pension and postretirement plans, including plan assumptions, investment strategy and asset allocation,

projected benefit payments, and valuation methodologies used for assets measured at fair value, see Note 1 (Summary of Significant Accounting Policies) and Note 22 (Employee Benefits) in our 2023 Form 10-K.

Table 19.1 presents the components of net periodic benefit cost. Service cost is reported in personnel expense and all other components of net periodic benefit cost are reported in other noninterest expense on our consolidated statement of income.

**Table 19.1: Net Periodic Benefit Cost**

(in millions)	2024			2023		
	Pension benefits			Pension benefits		
	Qualified	Non-qualified	Other benefits	Qualified	Non-qualified	Other benefits
<b>Quarter ended March 31,</b>						
Service cost	\$ 7	-	-	6	-	-
Interest cost	97	5	3	101	5	4
Expected return on plan assets	(118)	-	(6)	(126)	-	(6)
Amortization of net actuarial loss (gain)	35	1	(6)	35	1	(6)
Amortization of prior service credit	-	-	(3)	-	-	(3)
<b>Net periodic benefit cost</b>	<b>\$ 21</b>	<b>6</b>	<b>(12)</b>	<b>16</b>	<b>6</b>	<b>(11)</b>

## Note 20: Earnings and Dividends Per Common Share

Table 20.1 shows earnings per common share and diluted earnings per common share and reconciles the numerator and denominator of both earnings per common share calculations.

**Table 20.1: Earnings Per Common Share Calculations**

(in millions, except per share amounts)	Quarter ended March 31,	
	2024	2023
Wells Fargo net income	\$ 4,619	4,991
Less: Preferred stock dividends and other (1)	306	278
Wells Fargo net income applicable to common stock (numerator)	\$ 4,313	4,713
<b>Earnings per common share</b>		
Average common shares outstanding (denominator)	3,560.1	3,785.6
Per share	\$ 1.21	1.24
<b>Diluted earnings per common share</b>		
Average common shares outstanding	3,560.1	3,785.6
Add: Restricted share rights (2)	40.0	33.1
Diluted average common shares outstanding (denominator)	3,600.1	3,818.7
Per share	\$ 1.20	1.23

(1) The quarter ended March 31, 2024, balance includes \$20 million for costs associated with redemptions of preferred stock.  
(2) Calculated using the treasury stock method.

Table 20.2 presents the outstanding securities that were anti-dilutive and therefore not included in the calculation of diluted earnings per common share.

**Table 20.2: Outstanding Anti-Dilutive Securities**

(in millions)	Weighted-average shares	
	Quarter ended March 31,	
	2024	2023
Convertible Preferred Stock, Series L (1)	25.3	25.3
Restricted share rights (2)	0.2	0.4

(1) Calculated using the if-converted method.  
(2) Calculated using the treasury stock method.

Table 20.3 presents dividends declared per common share.

**Table 20.3: Dividends Declared Per Common Share**

	Quarter ended March 31,	
	2024	2023
Per common share	\$ 0.35	0.30

## Note 21: Other Comprehensive Income

Table 21.1 provides the components of other comprehensive income (OCI), reclassifications to net income by income statement line item, and the related tax effects.

**Table 21.1: Summary of Other Comprehensive Income**

(in millions)	Three months ended March 31,					
	2024			2023		
	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
<b>Debt securities:</b>						
Net unrealized gains (losses) arising during the period	\$ (672)	165	(507)	358	(87)	271
Reclassification of net (gains) losses to net income	112	(27)	85	121	(30)	91
Net change	(560)	138	(422)	479	(117)	362
<b>Derivatives and hedging activities:</b>						
<b>Fair Value Hedges:</b>						
Change in fair value of excluded components on fair value hedges (1)	4	-	4	6	(2)	4
<b>Cash Flow Hedges:</b>						
Net unrealized gains (losses) arising during the period on cash flow hedges	(908)	224	(684)	384	(95)	289
Reclassification of net (gains) losses to net income	244	(61)	183	113	(28)	85
Net change	(660)	163	(497)	503	(125)	378
<b>Defined benefit plans adjustments:</b>						
Net actuarial and prior service gains (losses) arising during the period	-	-	-	-	-	-
Reclassification of amounts to noninterest expense (2)	27	(6)	21	27	(6)	21
Net change	27	(6)	21	27	(6)	21
<b>Debit valuation adjustments (DVA) and other:</b>						
Net unrealized gains (losses) arising during the period	(23)	6	(17)	4	(1)	3
Reclassification of net (gains) losses to net income	-	-	-	-	-	-
Net change	(23)	6	(17)	4	(1)	3
<b>Foreign currency translation adjustments:</b>						
Net unrealized gains (losses) arising during the period	(50)	(1)	(51)	26	(1)	25
Reclassification of net (gains) losses to net income	-	-	-	-	-	-
Net change	(50)	(1)	(51)	26	(1)	25
Other comprehensive income (loss)	\$ (1,266)	300	(966)	1,039	(250)	789
Less: Other comprehensive loss from noncontrolling interests, net of tax			-			(1)
Wells Fargo other comprehensive income (loss), net of tax			\$ (966)			790

- (1) Represents changes in fair value of cross-currency swaps attributable to changes in cross-currency basis spreads, which are excluded from the assessment of hedge effectiveness and recorded in other comprehensive income.  
(2) These items are included in the computation of net periodic benefit cost (see Note 19 (Employee Benefits) for additional information).

**Note 21: Other Comprehensive Income (continued)**

Table 21.2 provides the accumulated OCI balance activity on an after-tax basis.

**Table 21.2: Accumulated OCI Balances**

(in millions)	Debt securities (1)	Fair value hedges (2)	Cash flow hedges (3)	Defined benefit plans adjustments	Debit valuation adjustments (DVA) and other	Foreign currency translation adjustments	Accumulated other comprehensive income (loss)
<b>Quarter ended March 31, 2024</b>							
Balance, beginning of period	\$ (8,564)	(61)	(788)	(1,833)	(15)	(319)	(11,580)
Net unrealized gains (losses) arising during the period	(507)	4	(684)	-	(17)	(51)	(1,255)
Amounts reclassified from accumulated other comprehensive income	85	-	183	21	-	-	289
<b>Net change</b>	<b>(422)</b>	<b>4</b>	<b>(501)</b>	<b>21</b>	<b>(17)</b>	<b>(51)</b>	<b>(966)</b>
<b>Balance, end of period</b>	<b>\$ (8,986)</b>	<b>(57)</b>	<b>(1,289)</b>	<b>(1,812)</b>	<b>(32)</b>	<b>(370)</b>	<b>(12,546)</b>
<b>Quarter ended March 31, 2023</b>							
Balance, beginning of period	\$ (9,835)	(77)	(1,183)	(1,901)	(6)	(380)	(13,382)
Transition adjustment	-	-	-	-	20	-	20
Balance, beginning of period	(9,835)	(77)	(1,183)	(1,901)	14	(380)	(13,362)
Net unrealized gains arising during the period	271	4	289	-	3	25	592
Amounts reclassified from accumulated other comprehensive income	91	-	85	21	-	-	197
<b>Net change</b>	<b>362</b>	<b>4</b>	<b>374</b>	<b>21</b>	<b>3</b>	<b>25</b>	<b>789</b>
Less: Other comprehensive loss from noncontrolling interests	-	-	-	-	-	(1)	(1)
<b>Balance, end of period</b>	<b>\$ (9,473)</b>	<b>(73)</b>	<b>(809)</b>	<b>(1,880)</b>	<b>17</b>	<b>(354)</b>	<b>(12,572)</b>

- (1) At March 31, 2024 and 2023, accumulated other comprehensive loss includes unamortized after-tax unrealized losses of \$3.4 billion and \$3.9 billion, respectively, associated with the transfer of securities from AFS to HTM. These amounts are subsequently amortized into earnings over the same period as the related unamortized premiums and discounts.
- (2) Substantially all of the amounts for fair value hedges are foreign exchange contracts.
- (3) Substantially all of the amounts for cash flow hedges are interest rate contracts.



## Note 22: Regulatory Capital Requirements and Other Restrictions

### Regulatory Capital Requirements

The Company and each of its subsidiary banks are subject to regulatory capital adequacy requirements promulgated by federal banking regulators. The FRB establishes capital requirements for the consolidated financial holding company, and the Office of the Comptroller of the Currency (OCC) has similar requirements for the Company's national banks, including Wells Fargo Bank, N.A. (the Bank).

Table 22.1 presents regulatory capital information for the Company and the Bank in accordance with Basel III capital requirements. We must calculate our risk-based capital ratios

under both the Standardized and Advanced Approaches. The Standardized Approach applies assigned risk weights to broad risk categories, while the calculation of risk-weighted assets (RWAs) under the Advanced Approach differs by requiring applicable banks to utilize a risk-sensitive methodology, which relies upon the use of internal credit models, and includes an operational risk component.

At March 31, 2024, the Bank and our other insured depository institutions were considered well-capitalized under the requirements of the Federal Deposit Insurance Act.

**Table 22.1: Regulatory Capital Information**

(in millions, except ratios)	Wells Fargo & Company				Wells Fargo Bank, N.A.			
	Standardized Approach		Advanced Approach		Standardized Approach		Advanced Approach	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
<b>Regulatory capital:</b>								
Common Equity Tier 1	\$ 136,717	140,783	136,717	140,783	142,959	142,108	142,959	142,108
Tier 1	154,915	159,823	154,915	159,823	142,959	142,108	142,959	142,108
Total	188,100	193,061	177,843	182,726	166,353	165,634	156,393	155,560
<b>Assets:</b>								
Risk-weighted assets	1,221,647	1,231,668	1,099,557	1,114,281	1,128,621	1,137,605	944,342	956,545
Adjusted average assets (1)	1,889,773	1,880,981	1,889,773	1,880,981	1,688,899	1,682,199	1,688,899	1,682,199
<b>Regulatory capital ratios:</b>								
Common Equity Tier 1 capital	11.19 % *	11.43	12.43	12.63	12.67 *	12.49	15.14	14.86
Tier 1 capital	12.68 *	12.98	14.09	14.34	12.67 *	12.49	15.14	14.86
Total capital	15.40 *	15.67	16.17	16.40	14.74 *	14.56	16.56	16.26
<b>Required minimum capital ratios:</b>								
Common Equity Tier 1 capital	8.90	8.90	8.50	8.50	7.00	7.00	7.00	7.00
Tier 1 capital	10.40	10.40	10.00	10.00	8.50	8.50	8.50	8.50
Total capital	12.40	12.40	12.00	12.00	10.50	10.50	10.50	10.50
<b>Regulatory leverage:</b>								
Total leverage exposure (1)	\$ 2,262,154		2,253,933		2,050,910		2,048,633	
Supplementary leverage ratio (1)	6.85 %		7.09		6.97		6.94	
Tier 1 leverage ratio (2)	8.20		8.50		8.46		8.45	
<b>Required minimum leverage:</b>								
Supplementary leverage ratio	5.00		5.00		6.00		6.00	
Tier 1 leverage ratio	4.00		4.00		4.00		4.00	

\* Denotes the binding ratio under the Standardized and Advanced Approaches at March 31, 2024.

(1) The supplementary leverage ratio consists of Tier 1 capital divided by total leverage exposure. Total leverage exposure consists of adjusted average assets plus certain off-balance sheet exposures. Adjusted average assets consists of total quarterly average assets less goodwill and other permitted Tier 1 capital deductions (net of deferred tax liabilities).

(2) The Tier 1 leverage ratio consists of Tier 1 capital divided by total quarterly average assets, excluding goodwill and certain other items as determined under the rule.

At March 31, 2024, the Common Equity Tier 1 (CET1), Tier 1 and total capital ratio requirements for the Company included a global systemically important bank (G-SIB) surcharge of 1.50%. The G-SIB surcharge is not applicable to the Bank. In addition, the CET1, Tier 1 and total capital ratio requirements for the Company included a stress capital buffer of 2.90% under the Standardized Approach and a capital conservation buffer of 2.50% under the Advanced Approach. The capital ratio requirements for the Bank included a capital conservation buffer of 2.50% under both the Standardized and Advanced Approaches. The Company is required to maintain these risk-based capital ratios and to maintain a supplementary leverage ratio (SLR) of at least 5.00% (composed of a 3.00% minimum requirement plus a supplementary leverage buffer of 2.00%) to

avoid restrictions on capital distributions and discretionary bonus payments. The Bank is required to maintain an SLR of at least 6.00% to be considered well-capitalized under applicable regulatory capital adequacy rules.

### Capital Planning Requirements

The FRB's capital plan rule establishes capital planning and other requirements that govern capital distributions, including dividends and share repurchases, by certain large bank holding companies (BHCs), including Wells Fargo. The FRB conducts an annual Comprehensive Capital Analysis and Review exercise and has also published guidance regarding its supervisory expectations for capital planning, including capital policies

## Note 22: Regulatory Capital Requirements and Other Restrictions (continued)

regarding the process relating to common stock dividend and repurchase decisions in the FRB's SR Letter 15-18. The Parent's ability to make certain capital distributions is subject to the requirements of the capital plan rule and is also subject to the Parent meeting or exceeding certain regulatory capital minimums.

### Loan and Dividend Restrictions

Federal law restricts the amount and the terms of both credit and non-credit transactions between a bank and its nonbank affiliates. Additionally, federal laws and regulations limit, and regulators can impose additional limitations on, the dividends that a national bank may pay.

Our nonbank subsidiaries are also limited by certain federal and state statutory provisions and regulations covering the amount of dividends that may be paid in any given year. In addition, we have entered into a Support Agreement dated June 28, 2017, as amended and restated on June 26, 2019, among Wells Fargo & Company, the parent holding company (Parent), WFC Holdings, LLC, an intermediate holding company and subsidiary of the Parent (IHC), the Bank, Wells Fargo Securities, LLC, Wells Fargo Clearing Services, LLC, and certain other subsidiaries of the Parent designated from time to time as material entities for resolution planning purposes or identified from time to time as related support entities in our resolution plan, pursuant to which the IHC may be restricted from making dividend payments to the Parent if certain liquidity and/or capital metrics fall below defined triggers or if the Parent's board of directors authorizes it to file a case under the U.S. Bankruptcy Code.

For additional information on loan and dividend restrictions, see Note 26 (Regulatory Capital Requirements and Other Restrictions) in our 2023 Form 10-K.

### Cash Restrictions

Cash and cash equivalents may be restricted as to usage or withdrawal. Table 22.2 provides a summary of restrictions on cash and cash equivalents.

**Table 22.2: Nature of Restrictions on Cash and Cash Equivalents**

(in millions)	Mar 31, 2024	Dec 31, 2023
Reserve balance for non-U.S. central banks	\$ 176	230
Segregated for benefit of brokerage customers under federal and other brokerage regulations	985	986

## Glossary of Acronyms

<b>ACL</b>	Allowance for credit losses	<b>HQLA</b>	High-quality liquid assets
<b>AFS</b>	Available-for-sale	<b>HTM</b>	Held-to-maturity
<b>AOCI</b>	Accumulated other comprehensive income	<b>LCR</b>	Liquidity coverage ratio
<b>ARM</b>	Adjustable-rate mortgage	<b>LHFS</b>	Loans held for sale
<b>ASC</b>	Accounting Standards Codification	<b>LOCOM</b>	Lower of cost or fair value
<b>ASU</b>	Accounting Standards Update	<b>LTV</b>	Loan-to-value
<b>AVM</b>	Automated valuation model	<b>MBS</b>	Mortgage-backed securities
<b>BCBS</b>	Basel Committee on Banking Supervision	<b>MSR</b>	Mortgage servicing right
<b>BHC</b>	Bank holding company	<b>NAV</b>	Net asset value
<b>CCAR</b>	Comprehensive Capital Analysis and Review	<b>NPA</b>	Nonperforming asset
<b>CD</b>	Certificate of deposit	<b>NSFR</b>	Net stable funding ratio
<b>CECL</b>	Current expected credit loss	<b>OCC</b>	Office of the Comptroller of the Currency
<b>CET1</b>	Common Equity Tier 1	<b>OCI</b>	Other comprehensive income
<b>CFPB</b>	Consumer Financial Protection Bureau	<b>OTC</b>	Over-the-counter
<b>CLO</b>	Collateralized loan obligation	<b>PCD</b>	Purchased credit-deteriorated
<b>CRE</b>	Commercial real estate	<b>RMBS</b>	Residential mortgage-backed securities
<b>DPD</b>	Days past due	<b>ROA</b>	Return on average assets
<b>ESOP</b>	Employee Stock Ownership Plan	<b>ROE</b>	Return on average equity
<b>FASB</b>	Financial Accounting Standards Board	<b>ROTCE</b>	Return on average tangible common equity
<b>FDIC</b>	Federal Deposit Insurance Corporation	<b>RWAs</b>	Risk-weighted assets
<b>FHA</b>	Federal Housing Administration	<b>SEC</b>	Securities and Exchange Commission
<b>FHLB</b>	Federal Home Loan Bank	<b>S&amp;P</b>	Standard & Poor's Global Ratings
<b>FHLMC</b>	Federal Home Loan Mortgage Corporation	<b>SLR</b>	Supplementary leverage ratio
<b>FICO</b>	Fair Isaac Corporation (credit rating)	<b>SOFR</b>	Secured Overnight Financing Rate
<b>FNMA</b>	Federal National Mortgage Association	<b>SPE</b>	Special purpose entity
<b>FRB</b>	Board of Governors of the Federal Reserve System	<b>TLAC</b>	Total Loss Absorbing Capacity
<b>GAAP</b>	Generally accepted accounting principles	<b>VA</b>	Department of Veterans Affairs
<b>GNMA</b>	Government National Mortgage Association	<b>VaR</b>	Value-at-Risk
<b>GSE</b>	Government-sponsored enterprise	<b>VIE</b>	Variable interest entity
<b>G-SIB</b>	Global systemically important bank	<b>WIM</b>	Wealth and Investment Management

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

Information in response to this item can be found in Note 10 (Legal Actions) to Financial Statements in this Report which information is incorporated by reference into this item.

### Item 1A. Risk Factors

Information in response to this item can be found under the "Financial Review - Risk Factors" section in this Report which information is incorporated by reference into this item.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table shows Company repurchases of its common stock for each calendar month in the quarter ended March 31, 2024.

Calendar month	Total number of shares repurchased (1)	Weighted average price paid per share	Approximate dollar value of shares that may yet be repurchased under the authorization (in millions)
January	33,200,121	\$ 48.50	\$ 25,111
February	29,509,999	52.99	23,547
March	49,755,514	56.80	20,721
Total	112,465,634		

(1) All shares were repurchased under an authorization covering up to \$30 billion of common stock approved by the Board of Directors and publicly announced by the Company on July 25, 2023. Unless modified or revoked by the Board of Directors, this authorization does not expire.

### Item 5. Other Information

#### Trading Plans

During the three months ended March 31, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

A list of exhibits to this Form 10-Q is set forth below.

The Company's SEC file number is 001-2979. On and before November 2, 1998, the Company filed documents with the SEC under the name Norwest Corporation. The former Wells Fargo & Company filed documents under SEC file number 001-6214.

<u>Exhibit Number</u>	<u>Description</u>	<u>Location</u>
<a href="#">3(a)</a>	<a href="#">Restated Certificate of Incorporation, as amended and in effect on the date hereof.</a>	Filed herewith.
<a href="#">3(b)</a>	<a href="#">By-Laws.</a>	Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed January 24, 2024.
4(a)	See Exhibits 3(a) and 3(b).	
4(b)	The Company agrees to furnish upon request to the Commission a copy of each instrument defining the rights of holders of senior and subordinated debt of the Company.	
<a href="#">22</a>	<a href="#">Subsidiary guarantors and issuers of guaranteed securities and affiliates whose securities collateralize securities of the registrant.</a>	Incorporated by reference to Exhibit 22 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.
<a href="#">31(a)</a>	<a href="#">Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	Filed herewith.
<a href="#">31(b)</a>	<a href="#">Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	Filed herewith.
<a href="#">32(a)</a>	<a href="#">Certification of Periodic Financial Report by Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. § 1350.</a>	Furnished herewith.
<a href="#">32(b)</a>	<a href="#">Certification of Periodic Financial Report by Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. § 1350.</a>	Furnished herewith.
101.INS	Inline XBRL Instance Document	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definitions Linkbase Document	Filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	Cover Page Interactive Data File	Formatted as Inline XBRL and contained in Exhibit 101.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 2, 2024 WELLS FARGO & COMPANY

By: /s/ MUNEERA S. CARR  
Muneera S. Carr  
Executive Vice President,  
Chief Accounting Officer  
and Controller  
(Principal Accounting  
Officer)

**Exhibit 3(a)**

**RESTATED CERTIFICATE OF INCORPORATION**  
**OF**  
**WELLS FARGO & COMPANY**

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**Pursuant to Section 245 of the  
General Corporation Law of the State of Delaware**

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Wells Fargo & Company, a corporation organized and existing under the General Corporation Law of the State of Delaware, hereby certifies as follows:

1. The present name of the corporation is Wells Fargo & Company.

2. The corporation was originally incorporated under the name Northwest Bancorporation, and its original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on January 24, 1929. On April 26, 1983 the corporation filed an amendment to its Certificate of Incorporation to change its name from Northwest Bancorporation to Norwest Corporation effective April 29, 1983, and on November 2, 1998 the corporation filed an amendment to its Certificate of Incorporation to change its name from Norwest Corporation to Wells Fargo & Company.

3. The corporation's Board of Directors has duly adopted this Restated Certificate of Incorporation in accordance with the provisions of Section 245 of the General Corporation Law of the State of Delaware. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the corporation's Certificate of Incorporation, as theretofore amended or supplemented or restated, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

4. The text of the corporation's Certificate of Incorporation, as heretofore amended or supplemented or restated, is hereby restated to read in its entirety as follows:

FIRST: The name of this corporation is Wells Fargo & Company.

SECOND: Its registered office in the State of Delaware is located in the City of Wilmington, County of New Castle. The name and address of its registered agent is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808.

THIRD: The nature of the business, or objects or purposes to be transacted, promoted or carried on, are:

To acquire by purchase, subscription or otherwise, and to own and hold, for investment purposes, the capital stock, scrip or any voting trust certificates in respect of the shares of

capital stock issued or created by any moneyed, financial or investment corporation or association created and organized, or to be created and organized, under the laws of the United States of America or of any State or territory thereof; and to issue in exchange therefor shares of the capital stock of this corporation; and while the holder or owner of any such shares of capital stock, scrip or voting trust certificates, to possess and exercise in respect thereof any and all rights, powers and privileges of ownership, including the right to vote thereon;

To loan money to any aforesaid corporation or association, any of whose shares of capital stock, scrip or voting trust certificates aforesaid shall be owned at the time of such loan by this corporation, and to do any and all lawful things designed to protect, preserve, improve or enhance the value of any such shares, scrip or voting trust certificates;

In addition to and not in limitation of any of the aforesaid powers, to invest temporarily any of its capital or surplus funds in bonds, mortgages or evidences of indebtedness and any other securities issued or created by any individual, copartnership or other corporation, joint stock company or association, public or private, or of the Government of the United States of America, or of any Foreign Government, or of any State, territory, municipality or other political subdivision or of any governmental agency;

To acquire, hold, sell, reissue or cancel any shares of its own capital stock; provided, however, that this corporation may not use any of its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital of this corporation, and provided further that the shares of its own capital stock belonging to this corporation shall not be voted, directly or indirectly;

To organize, incorporate and reorganize subsidiary corporations for all lawful purposes;

To conduct all or any part of its operations and business without restriction or limit as to amount in the State of Delaware or in any or all other States, territories, districts, colonies and dependencies of the United States of America;

To have and to exercise any and all powers and privileges now or hereafter conferred by the laws of the State of Delaware upon corporations formed under the Acts hereinafter referred to, or under any Act amendatory thereof or supplemental thereto or substituted therefor;

The foregoing clauses shall be construed both as objects and powers; and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

~~FOURTH: The total number of shares of all classes of stock which the corporation shall have authority to issue is Six Billion Twenty-Four Million (6,024,000,000), consisting of Twenty Million (20,000,000) shares of Preferred Stock without par value, Four Million (4,000,000) shares of Preference Stock without par value, and Six Billion (6,000,000,000) shares of Common Stock of the par value of \$1-2/3 per share.\*~~

\*On April 29, 2010, Wells Fargo & Company filed a Certificate of Amendment Amending Article Fourth to increase the authorized common stock to 9,000,000,000 shares.



The designations and the voting powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the Preferred Stock, the Preference Stock and the Common Stock which are fixed by the Certificate of Incorporation and the express grant of authority to the Board of Directors of the corporation (hereinafter referred to as the "Board of Directors") to fix by resolution or resolutions the designations and the voting powers, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of the Preferred Stock and the Preference Stock which are not fixed by the Certificate of Incorporation are as follows:

1. The Preferred Stock may be issued at any time or from time to time in any amount, provided not more than 20,000,000 shares thereof shall be outstanding at any one time, as Preferred Stock of one or more series, as hereinafter provided. Each share of any one series of Preferred Stock shall be identical in all respects except as to the date from which dividends thereon may be cumulative, each series of Preferred Stock shall be distinctly designated by letter or descriptive words, and all series of Preferred Stock shall rank equally and be identical in all respects except as permitted by the provisions of Section 2 of this Article FOURTH. Shares of Preferred Stock shall be issued only as fully paid and non-assessable shares.

The Preference Stock may be issued at any time or from time to time in any amount, provided not more than 4,000,000 shares thereof shall be outstanding at any one time, as Preference Stock of one or more series, as hereinafter provided. Each share of any one series of Preference Stock shall be identical in all respects except as to the date from which dividends thereon may be cumulative, each series of Preference Stock shall be distinctly designated by letter or descriptive words, and all series of Preference Stock shall rank equally and be identical in all respects except as permitted by the provisions of Section 2 of this Article FOURTH. Shares of Preference Stock shall be issued only as fully paid and non-assessable shares.

2. Authority is hereby expressly granted to and vested in the Board of Directors at any time or from time to time to issue the Preferred Stock as Preferred Stock of any series and the Preference Stock as Preference Stock of any series and, in connection with the creation of each such series, to fix by resolution or resolutions providing for the issue of shares thereof the designations and the voting powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of such series so far as not inconsistent with the provisions of this Article FOURTH applicable to all series of Preferred Stock or Preference Stock, respectively, and to the full extent now or hereafter permitted by the laws of the State of Delaware, including the following:

(a) The distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(b) The annual rate or rates of dividends payable on shares of such series, whether dividends shall be cumulative and, if so, the date or dates from which dividends shall be cumulative on the shares of such series, the preferences, restrictions, limitations and conditions upon the payment of dividends, and the dates on which dividends, if declared, shall be payable;

(c) Whether shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be

redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(d) The rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the corporation, and the relative rights of priority, if any, of payment of shares of such series;

(e) Whether shares of such series shall have a purchase, retirement or sinking fund for the purchase, retirement, or redemption of shares of such series and, if so, the terms and provisions thereof;

(f) Whether shares of such series shall have conversion privileges and, if so, the terms and provisions thereof, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(g) Whether shares of such series shall have voting rights, in addition to voting rights provided by law, and, if so, the terms and provisions thereof; and

(h) Any other preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof.

3. The holders of the Preferred Stock of each series and the holders of the Preference Stock of each series, respectively, shall be entitled to receive such dividends, when and as declared by the Board of Directors, out of funds legally available therefor, as they may be entitled to in accordance with the resolution or resolutions adopted by the Board of Directors providing for the issue of such series, payable on such dates as may be fixed in such resolution or resolutions. So long as there shall be outstanding any shares of Preferred Stock of any series or any shares of Preference Stock of any series entitled to cumulative dividends pursuant to the resolution or resolutions providing for the issue of such series, no dividend, whether in cash or property, shall be paid or declared, nor shall any distribution be made, on the Common Stock, nor shall any shares of Common Stock be purchased, redeemed or otherwise acquired for value by the corporation, if at the time of making such payment, declaration, distribution, purchase, redemption or acquisition the corporation shall be in default with respect to any dividend payable on, or obligation to maintain a purchase, retirement or sinking fund with respect to or to redeem, shares of Preferred Stock of any series or shares of Preference Stock of any series. The foregoing provisions of this Section 3 shall not, however, apply to a dividend payable in Common Stock or to the acquisition of shares of Common Stock in exchange for, or through application of the proceeds of the sale of, shares of Common Stock.

Subject to the foregoing and to any further limitations prescribed in accordance with the provisions of Section 2 of this Article FOURTH, the Board of Directors may declare, out of any funds legally available therefor, dividends upon the then outstanding shares of Common Stock, and shares of Preferred Stock of any series and shares of Preference Stock of any series shall not be entitled to participate therein.

4. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the corporation, the holders of the Preferred Stock of each series and the holders of the Preference Stock of each series shall be entitled to receive, out of the assets of the corporation available for distribution to its stockholders, before any distribution of assets shall be made to

the holders of the Common Stock, the amount per share fixed by the Board of Directors pursuant to Section 2 of this Article FOURTH, plus in each such case an amount equal to any cumulative dividends thereon to the date of final distribution to the holders of the Preferred Stock or to the holders of the Preference Stock, respectively; and the holders of the Common Stock shall be entitled, to the exclusion of the holders of the Preferred Stock of any and all series and the holders of the Preference Stock of any and all series, respectively, to participate ratably in all the assets of the corporation then remaining in accordance with their respective rights and preferences. If upon any liquidation, dissolution or winding up of the corporation the assets available for distribution shall be insufficient to pay the holders of all outstanding shares of Preferred Stock or the holders of all outstanding shares of Preference Stock the full amounts to which they respectively shall be entitled, the holders of shares of Preferred Stock of all series and the holders of shares of Preference Stock of all series, respectively, shall participate ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares of Preferred Stock or shares of Preference Stock held by them upon such distribution if all amounts payable in respect of the Preferred Stock of all series or the Preference Stock of all series, respectively, were paid in full. Neither the statutory merger nor consolidation of the corporation into or with any other corporation, nor the statutory merger or consolidation of any other corporation into or with the corporation, nor a sale, transfer or lease of all or any part of the assets of the corporation, shall be deemed to be a liquidation, dissolution or winding up of the corporation within the meaning of this Section 4.

5. The corporation, at the option of the Board of Directors, may redeem the whole or any part of the Preferred Stock of any series or of the Preference Stock of any series at the price or prices and on the terms and conditions provided in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series.

6. Anything herein or in any resolution or resolutions adopted by the Board of Directors providing for the issue of any series of Preferred Stock or any series of Preference Stock contained to the contrary notwithstanding, the rights of the holders of all classes of stock of the corporation in respect of dividends and purchase, retirement or sinking funds, if any, shall at all times be subject to the power of the Board of Directors from time to time to set aside such reserves and to make such other provisions, if any, as the Board of Directors shall deem to be necessary or advisable for working capital, for expansion of the corporation's business (including the acquisition of real and personal property for that purpose) and for any other purpose of the corporation.

7. Except as otherwise provided by the statutes of the State of Delaware or by the Certificate of Incorporation or by the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of Preferred Stock or any series of Preference Stock, the holders of the Preferred Stock and the holders of the Preference Stock shall have no right to vote. The holders of the Preferred Stock and the holders of the Preference Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote or consent. The holders of shares of Preference Stock shall not be entitled to more than one vote per share.

8. Except as otherwise provided by the statutes of the State of Delaware or by the Certificate of Incorporation or by the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of Preferred Stock or any series of Preference Stock, the vote of the holders of all or any portion of any class of stock, as a class, shall not be required for

any action whatsoever to be taken or authorized by the stockholders of the corporation, including any amendment of the Certificate of Incorporation.

9. No holder of shares of the corporation of any class or of any security or obligation convertible into, or of any warrant, option or right to subscribe for, purchase or otherwise acquire, shares of the corporation of any class, whether now or hereafter authorized, shall, as such holder, have any preemptive right whatsoever to subscribe for, purchase or otherwise acquire shares of the corporation of any class or any security or obligation convertible into, or any warrant, option or right to subscribe for, purchase or otherwise acquire, shares of the corporation of any class, whether now or hereafter authorized.

10. If it deems it desirable so to do, the Board of Directors may from time to time issue scrip for fractional shares of stock. Such scrip shall not confer upon the holder any voting or other rights of a stockholder of the corporation, but the corporation shall from time to time, within such time as the Board of Directors may determine, issue one whole share of stock upon the surrender of scrip for fractional shares aggregating one whole share, properly endorsed if in registered form.

Pursuant to the authority conferred by this Article FOURTH, the following series of Preferred Stock have been designated, each such series consisting of such number of shares, with such voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as are stated and expressed in the exhibit with respect to such series attached hereto as specified below and incorporated herein by reference:

Exhibit A	<del>1997 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit B	<del>1998 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit C	<del>1999 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit D	<del>2000 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit E	<del>2001 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit F	<del>2002 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit G	<del>2003 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit H	<del>2004 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit I	<del>2005 ESOP Cumulative Convertible Preferred Stock*</del>
Exhibit J	<del>2006 ESOP Cumulative Convertible Preferred Stock*</del>

\*Wells Fargo & Company has filed Certificates Eliminating the Certificates of Designations for each of Wells Fargo's 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005 and 2006 ESOP Cumulative Convertible Preferred Stock (Exhibits A through J above)

FIFTH: The amount of capital with which this corporation will commence business is One Thousand Dollars (\$1,000.00), being twenty (20) shares of the par value of Fifty Dollars (\$50.00) each.

SIXTH: The names and places of residence of the subscribers to the capital stock and the number of shares subscribed for by each are as follows:

Name Residence No. of Shares

A. V. Lane Wilmington, Delaware 18  
C. S. Peabbles Wilmington, Delaware 1  
L. E. Gray Wilmington, Delaware 1

SEVENTH: This corporation is to have perpetual existence.

EIGHTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

NINTH: The number of Directors of the corporation shall be as specified in the By-Laws, and such number may from time to time be increased or decreased in such manner as may be prescribed in the By-Laws, provided the number of Directors of the corporation shall not be less than three (3). In case of any increase in the number of Directors, the additional Directors may be elected by the Board of Directors to hold office until the next annual meeting of the stockholders and until their successors are elected and qualified. In case of a vacancy in the Board of Directors, a majority of the remaining members of the Board may elect Directors to fill such vacancy.

Directors shall be stockholders.

TENTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized:

To make, alter, amend or repeal the By-Laws of the corporation, except as otherwise provided in said By-Laws;

To determine from time to time whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the corporation except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors, or of the stockholders.

To set apart out of any funds of the corporation available for dividends a reserve or reserves for working capital or for any other lawful purpose, and also to abolish any such reserve in the same manner in which it was created;

If the By-Laws so provide, to designate two or more of its number to constitute an Executive Committee, which Committee shall for the time being, as provided in said resolution or in the By-Laws of this corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this corporation and have power to authorize the seal of this corporation to be affixed to all papers which may require it.

This corporation may in its By-Laws confer powers upon its Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon them by the Statute.

Both stockholders and Directors shall have power, if the By-Laws so provide, to hold their meetings and to have one or more offices within or without the State of Delaware and to keep the books of this corporation (subject to the provisions of the Statutes) outside of the State of Delaware at such places as may be from time to time designated by the Board of Directors.

ELEVENTH: In the absence of fraud, no contract or transaction between this corporation and any other association or corporation shall be affected by the fact that any of the Directors or officers of this corporation are interested in or are Directors or officers of such other association or corporation, and any Director or officer of this corporation individually may be a party to or may be interested in any such contract or transaction of this corporation; and no such contract or transaction of this corporation with any person or persons, firm, association or corporation shall be affected by the fact that any Director or officer of this corporation is a party to or interested in such contract or transaction in any way connected with such person or persons, firm, association or corporation; provided that such contract or other transaction shall be authorized or ratified by the vote of a majority of the Directors of this corporation not so interested; and each and every person who may become a Director or officer of this corporation is hereby relieved from any liability that might otherwise exist from thus contracting with this corporation for the benefit of himself or any person, firm, association or corporation in which he may be in anywise interested.

TWELFTH: This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by Statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

THIRTEENTH: The Board of Directors is expressly authorized:

(i) to adopt, and from time to time to amend, one or more pension, profit sharing, retirement, and benefit plans benefiting any or all officers and employees and former officers and employees of this corporation and affiliated banks and companies;

(ii) to adopt, and from time to time to amend, one or more stock option, stock purchase, stock bonus, incentive, and compensation plans benefiting any or all officers and employees of this corporation and affiliated banks and corporations; and

(iii) to authorize affiliated banks and companies, on behalf of this corporation as a stockholder therein, to adopt, and from time to time to amend, any of said types of plans enumerated in clause (i) of this Article THIRTEENTH benefiting any or all officers and employees and former officers and employees thereof and any of said types of plans enumerated in clause (ii) of this Article THIRTEENTH benefiting any or all officers and employees thereof.

No action shall be taken under this Article except by the affirmative vote of a majority of the directors in office at the time such action is taken, and such majority shall not include any director who is a salaried officer of the corporation or of any affiliated bank or company.

FOURTEENTH: (a) Elimination of Certain Liability of Directors. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in

good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

(b)(1) Right to Indemnification. Each person who was or is made a party or is threatened to be a made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except as provided in subparagraph (b)(2), the corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this paragraph (b) shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this paragraph (b) or otherwise. The corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(2) Right of Claimant to Bring Suit. If a claim under subparagraph (b)(1) is not paid in full by the corporation within 30 days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be

on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(3) Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this paragraph (b) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

(4) Insurance. The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation is executed on behalf of the corporation by its Chairman and attested by its Secretary this 28th day of September, 2006.

/s/ Richard M. Kovacevich  
Richard M. Kovacevich, Chairman

Attest: /s/ Laurel A. Holschuh  
Laurel A. Holschuh, Secretary

[As filed with the Delaware Secretary of State on September 28, 2006.]



**WELLS FARGO & COMPANY  
CERTIFICATE OF DESIGNATIONS  
Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware**

**DIVIDEND EQUALIZATION PREFERRED SHARES  
(Without Par Value)**

WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "Board of Directors") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorizes the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the "Committee") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "General Corporation Law"), the following resolutions were duly adopted by the Committee pursuant to the written consent of the Committee duly adopted on November 20, 2008, in accordance with Section 141(f) of the General Corporation Law:

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 2, 2008, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

1. Designation.

(a) The shares of such series of Preferred Stock shall be designated Dividend Equalization Preferred Shares ("DEPs"), and the number of shares constituting such series shall be 97,000.

(b) DEPs redeemed, purchased or otherwise acquired by the Corporation or any of its subsidiaries (other than in a bona fide fiduciary capacity) shall be cancelled and may not be reissued. DEPs may be issued in fractional shares which are whole number multiples of one one-millionth of a share, which fractional shares shall entitle the holder, in proportion to such holder's fractional share, to all rights of a holder of a whole share of DEPs.

(c) DEPs shall, with respect to distributions upon the liquidation, winding-up and dissolution of the Corporation, rank (x) senior to the Common Stock for the Liquidation Preference stated and defined in Section 3(a) below and (y) junior to each class or series of preferred stock issued in exchange for preferred stock of Wachovia Corporation established by the board of directors of Wachovia Corporation after September 1, 2001 and each class or series of preferred stock established by the Board of Directors after the date hereof.

2. Dividends. DEPs shall not entitle the holders thereof to any dividends, whether payable in cash, property, stock or otherwise.

3. Liquidation.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the holders of full and fractional DEPs shall be entitled, before any distribution or payment is made on any date to the holders of the Common Stock or any other stock of the Corporation ranking junior to the DEPs upon liquidation, to be paid in full an amount per whole share of DEPs equal to \$10.00 (the "Liquidation Preference"), together with accrued dividends to such distribution or payment date, whether or not earned or declared. If such payment shall have been made in full to all holders of DEPs, the holders of DEPs as such shall have no right or claim to any of the remaining assets of the Corporation.

(b) In the event the assets of the Corporation available for distribution to the holders of DEPs upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to Section 3(a), no such distribution shall be made on account of any shares of any other class or series of Preferred Stock ranking on a parity with the DEPs upon such liquidation, dissolution or winding up unless proportionate distributive amounts shall be paid on account of the DEPs, ratably in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such liquidation, dissolution or winding up.

(c) Upon the liquidation, dissolution or winding up of the Corporation, the holders of DEPs then outstanding shall be entitled to be paid out of assets of the Corporation available for distribution to its shareholders all amounts to which such holders are entitled pursuant to the first paragraph of this Section 3 before any payment shall be made to the holders of Common Stock or any other stock of the Corporation ranking junior upon liquidation to the DEPs.

(d) For the purposes of this Section 3, the consolidation or merger of, or binding statutory share exchange by, the Corporation with any other corporation shall not be deemed to constitute a liquidation, dissolution or winding up of the Corporation.

4. Redemption, Conversion, Exchange.

(a) The DEPs shall not be convertible or exchangeable. Other than as described in the next sentence, the DEPs shall not be redeemable. The DEPs shall be redeemable by the Corporation, at the Corporation's option and in its sole discretion, for an amount in cash equal to the Liquidation Preference per share of DEPs, after December 31, 2021.

(b) In case of redemption of less than all of the DEPs at the time outstanding, the shares to be redeemed shall be selected pro rata or by lot as determined by the Corporation in its sole discretion, provided that the Corporation may redeem all shares held by holders of fewer than 0.100 DEPs (or by holders that would hold fewer than 0.100 DEPs following such redemption) prior to its redemption of other DEPs.

(c) Notice of any redemption shall be sent by or on behalf of the Corporation no less than 30 nor more than 60 days prior to the date specified for redemption in such notice (the "Redemption Date"), by first class mail, postage prepaid, to all holders of record of the DEPs at their last addresses as they appear on the books of the Corporation; provided, however, that no failure to give such notice or any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any DEPs except as to the holder to whom the Corporation has failed to give notice or except as to the holder to whom notice was defective. In addition to any information required by applicable law or regulation or the rules of any exchange upon which the DEPs may be listed or admitted to trading, such notice shall state (1) that such redemption is being made pursuant to the redemption provisions of this Section 5, (2) the Redemption Date, (3) the redemption price, (4) the total number of DEPs to be redeemed and, if less than all shares held by such holder are to be redeemed, the number of such shares to be redeemed, and (5) the place or places where certificates for such shares are to be surrendered for payment of the redemption price, including any procedures applicable to redemption to be accomplished through book-entry transfers. Upon the mailing of any such notice of redemption, the Corporation shall become obligated to redeem, on the Redemption Date, all shares called for redemption.

5. Voting Rights. Except as otherwise required by applicable law or regulation or the rules of a securities exchange upon which the DEPs may be listed or quoted, holders of the DEPs shall have no voting rights.

**IN WITNESS WHEREOF, WELLS FARGO & COMPANY** has caused this Certificate of Designations to be signed by Barbara S. Brett, its Senior Vice President and Assistant Treasurer, and Laurel A. Holschuh, its Secretary, this 30<sup>th</sup> day of December, 2008.

WELLS FARGO & COMPANY

By: /s/ Barbara S. Brett

Barbara S. Brett, Senior Vice President  
and Assistant Treasurer

/s/ Laurel A. Holschuh  
Laurel A. Holschuh, Secretary

[As filed with the Delaware Secretary of State on December 30, 2008.]

**WELLS FARGO & COMPANY  
CERTIFICATE OF DESIGNATIONS  
Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware**

**7.50% NON-CUMULATIVE PERPETUAL CONVERTIBLE  
CLASS A PREFERRED STOCK, SERIES L  
(Without Par Value)**

WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "Board of Directors") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorizes the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the "Committee") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "General Corporation Law"), the following resolutions were duly adopted by the Committee pursuant to the written consent of the Committee duly adopted on November 20, 2008, in accordance with Section 141(f) of the General Corporation Law:

RESOLVED, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 2, 2008, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

Section 1. Designation. The shares of such series of Preferred Stock shall be designated 7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock, Series L, with no par value and a liquidation preference of \$1,000 per share (hereinafter referred to as the "Series L Preferred Stock"). Each share of Series L Preferred Stock shall be identical in all respects to every other share of Series L Preferred Stock. Series L Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary dissolution, winding-up and liquidation of the Corporation.

Section 2. Number of Shares. The authorized number of shares of Series L Preferred Stock shall be 4,025,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series L Preferred Stock then outstanding) by the board of directors. Shares of Series L Preferred Stock that are converted in accordance with the terms hereof, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of Preferred Stock undesignated as to series. The Corporation shall have the authority to issue fractional shares of Series L Preferred Stock.

Section 3. Definitions. As used herein with respect to Series L Preferred Stock:

“Applicable Conversion Price” at any given time means, for each share of Series L Preferred Stock, the price equal to \$1,000 divided by the Applicable Conversion Rate in effect at such time.

“Applicable Conversion Rate” means the Conversion Rate in effect at any given time.

“Base Price” has the meaning set forth in Section 13(d)(i).

“Business Day” means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in Charlotte, North Carolina or New York, New York are not authorized or obligated by law, regulation or executive order to close.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, excluding any debt securities convertible into such equity.

“Closing Price” of the Common Stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of the Common Stock on the New York Stock Exchange on that date. If the Common Stock is not traded on the New York Stock Exchange on any date of determination, the Closing Price of the Common Stock on such date of determination means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange or securities exchange in the European Economic Area on which the Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal U.S. national or regional securities exchange or securities exchange in the European Economic Area on which the Common Stock is so listed or quoted, or if the Common Stock is not so listed or quoted on a U.S. national or regional securities exchange or securities exchange in the European Economic Area, the last quoted bid price for the Common Stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization, or, if that bid price is not available, the market price of the Common Stock on that date as determined by a nationally recognized independent investment banking firm (unaffiliated with the Corporation) retained by the Corporation for this purpose. The “Closing Price” for any other share of Capital Stock shall be determined on a comparable basis, *mutatis mutandis*.

For purposes of this Certificate of Designations, all references herein to the “Closing Price” and “last reported sale price” of the Common Stock on the New York Stock Exchange shall be such closing sale price and last reported sale price as reflected on the website of the New York Stock Exchange (<http://www.nyse.com>) and as reported by Bloomberg Professional Service; provided that in the event that there is a discrepancy between the closing sale price or last reported sale price as reflected on the website of the New York Stock Exchange and as reported by Bloomberg Professional Service, the closing sale price and last reported sale price on the website of the New York Stock Exchange will govern.

For purposes of calculating the Closing Price, if a Reorganization Event has occurred and (1) the Exchange Property consists only of shares of common securities, the Closing Price shall be based on the Closing Price of such common securities; (2) the Exchange

Property consists only of cash, the Closing Price shall be the cash amount paid per share; and (3) the Exchange Property consists of securities, cash and/or other property, the Closing Price shall be based on the sum, as applicable, of (x) the Closing Price of such common securities, (y) the cash amount paid per share of Common Stock and (z) the value (as determined by the board of directors from time-to-time) of any other securities or property paid to holders of Common Stock in connection with the Reorganization Event.

“Common Stock” means the common stock, \$1-2/3 par value per share, of the Corporation.

“Conversion Agent” means American Stock Transfer & Trust Company acting in its capacity as conversion agent for the Series L Preferred Stock, and its successors and assigns or any other conversion agent appointed by the Corporation.

“Conversion Date” has the meaning set forth in Section 13(a)(iv)(B).

“Conversion Rate” means for each share of Series L Preferred Stock, 6.3814 shares of Common Stock, plus cash in lieu of fractional shares, subject to adjustment as set forth herein.

“Current Market Price” per share of Common Stock on any date of determination means the average of the VWAP per share of Common Stock on each of the 10 consecutive VWAP Trading Days ending on the earlier of the day in question and the day before the Ex-Date or other specified date with respect to the issuance or distribution requiring such computation, appropriately adjusted to take into account the occurrence during such period of any event described in Section 14(a)(i) through (v).

“Depository” means DTC or its nominee or any successor depository appointed by the Corporation.

“Dividend Payment Date” has the meaning set forth in Section 4(a).

“Dividend Period” has the meaning set forth in Section 4(a).

“Dividend Threshold Amount” has the meaning set forth in Section 14(a)(iv).

“DTC” means The Depository Trust Company, together with its successors and assigns.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Property” has the meaning set forth in Section 15(a).

“Ex-Date” when used with respect to any issuance or distribution, means the first date on which such shares of Common Stock or other securities trade without the right to receive an issuance or distribution with respect thereto.

“Expiration Time” has the meaning set forth in Section 12(a)(v).

“Expiration Date” has the meaning set forth in Section 14(a)(v).

“Fiscal Quarter” means, with respect to the Corporation, the fiscal quarter publicly disclosed by the Corporation.

“Fundamental Change” has the meaning set forth in Section 13(d)(i).

“Holder” means the Person in whose name the shares of Series L Preferred Stock are registered, which may be treated by the Corporation, Transfer Agent, Registrar, paying agent and Conversion Agent as the absolute owner of the shares of Series L Preferred Stock for the purpose of making payment and settling conversions and for all other purposes.

“Junior Stock” means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series L Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets in the event of any voluntary or involuntary dissolution, liquidation or winding-up of the affairs of the Corporation.

“Make-Whole Acquisition” means the occurrence, prior to any Conversion Date, of one of the following:

(a) “person” or “group” within the meaning of Section 13(d) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate “beneficial owner,” as defined in Rule 13d-3 under the Exchange Act, of common equity of the Corporation representing more than 50% of the voting power of the Common Stock; or

(b) consummation of any consolidation or merger of the Corporation or similar transaction or any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, to any Person other than one of the Corporation’s subsidiaries, in each case, pursuant to which the Common Stock will be converted into cash, securities, or other property, other than pursuant to a transaction in which the Persons that “beneficially owned” (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly, Voting Shares immediately prior to such transaction beneficially own, directly or indirectly, Voting Shares representing a majority of the total voting power of all outstanding classes of Voting Shares of the continuing or surviving Person immediately after the transaction; *provided, however* that a Make-Whole Acquisition will not be deemed to have occurred if at least 90% of the consideration received by holders of the Common Stock in the transaction or transactions (as determined by the board of directors) consists of shares of common securities of a Person or American Depositary Receipts in respect of such common securities that are traded on a U.S. national securities exchange or a securities exchange in the European Economic Area or that will be traded on a U.S. national securities exchange or a securities exchange in the European Economic Area when issued or exchanged in connection with a Make-Whole Acquisition.

“Make-Whole Acquisition Conversion” has the meaning set forth in Section 13(c)(i).

“Make-Whole Acquisition Conversion Period” has the meaning set forth in Section 13(c)(i).

“Make-Whole Acquisition Effective Date” has the meaning set forth in Section 13(c)(i).

“Make-Whole Acquisition Stock Price” means the price paid per share of Common Stock in the event of a Make-Whole Acquisition. If the holders of shares of Common Stock receive only cash in the Make-Whole Acquisition in a single per-share amount, other than with respect to appraisal and similar rights, the Make-Whole Acquisition Stock Price shall be the cash amount paid per share of Common Stock. For purposes of the preceding sentence as applied to a Make-Whole Acquisition of the type set forth in clause (a) of the definition Make-Whole Acquisition, a single price per share of Common Stock shall be deemed to have been paid only if the transaction or transactions that caused the Make-Whole Acquisition to occur was a tender offer for more than 50% of the then-outstanding Common Stock. Otherwise, the Make-Whole Acquisition Stock Price shall be the average of the Closing Price per share of Common Stock on the ten Trading Days up to, but not including, the Make-Whole Acquisition Effective Date.

“Make-Whole Shares” has the meaning set forth in Section 13(c)(i).

“Mandatory Conversion Date” has the meaning set forth in Section 13(b)(iii).

“Market Disruption Event” means any of the following events that has occurred:

(a) change or quotation system on which the VWAP is determined pursuant to the definition of the VWAP Trading Day (a “Relevant Exchange”) during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) and whether by reason of movements in price exceeding limits permitted by the Relevant Exchange, or otherwise relating to Common Stock or in futures or options contracts relating to the Common Stock on the Relevant Exchange;

(b) any event (other than an event described in clause (c)) that disrupts or impairs (as determined by the Corporation in its reasonable discretion) the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) in general to effect transactions in, or obtain market values for, the Common Stock on the Relevant Exchange or to effect transactions in, or obtain market values for, futures or options contracts relating to the Common Stock on the Relevant Exchange; or

(c) the failure to open of the Relevant Exchange on which futures or options contracts relating to the Common Stock, are traded or the closure of such Relevant Exchange prior to its respective scheduled closing time for the regular trading session on such day (without regard to after hours or any other trading outside of the regular trading session hours) unless such earlier closing time is announced by such Relevant Exchange at least one hour prior to the earlier of the actual closing time for the regular trading session on such day and the submission deadline for orders to be entered into such Relevant Exchange for execution at the actual closing time on such day.



“Nonpayment Event” has the meaning set forth in Section 7(a).

“Notice of Mandatory Conversion” has the meaning set forth in Section 13(b)(iii).

“Parity Stock” means any other class or series of stock of the Corporation that ranks on a par with Series L Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary dissolution, winding-up and liquidation of the Corporation.

“Person” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company or trust.

“Preferred Stock Directors” has the meaning set forth in Section 7(a).

“Purchased Shares” has the meaning set forth in Section 12(a)(v).

“Record Date” has the meaning set forth in Section 12(d), except for purposes of Section 14.

“Reference Price” means the applicable Make-Whole Acquisition Stock Price.

“Registrar” means American Stock Transfer & Trust Company acting in its capacity as registrar for the Series L Preferred Stock, and its successors and assigns or any other registrar appointed by the Corporation.

“Relevant Exchange” has the meaning set forth above in the definition of Market Disruption Event.

“Reorganization Event” has the meaning set forth in Section 15(a).

“Series L Preferred Stock” has the meaning set forth in Section 1.

“Trading Day” means a day on which the shares of Common Stock:

(a) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and

(b) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

“Transfer Agent” shall mean American Stock Transfer & Trust Company acting in its capacity as transfer agent for the Series L Preferred Stock, and its successors and assigns or any other transfer agent appointed by the Corporation.

“Voting Parity Stock” means any Parity Stock having similar voting rights as the Series L Preferred Stock.

“Voting Shares” of a Person means shares of all classes of Capital Stock of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of the board of directors of such Person.

“VWAP” per share of the Common Stock on any VWAP Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page WFC<equity>AQR (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant VWAP Trading Day until the close of trading on the relevant VWAP Trading Day (or if such volume-weighted average price is unavailable, the market price of one share of Common Stock on such VWAP Trading Days determined, using a volume-weighted average method, by a nationally recognized investment banking firm (unaffiliated with the Corporation) retained for this purpose by the Corporation). The VWAP for any other share of Capital Stock shall be determined on a comparable basis, *mutatis mutandis*.

“VWAP Trading Day” means, for purposes of determining a VWAP per share of Common Stock, a Business Day on which the Relevant Exchange (as defined in the definition of Market Disruption Event) is scheduled to be open for business and on which there has not occurred or does not exist a Market Disruption Event.

#### Section 4. Dividends.

(a) Rate. Holders of Series L Preferred Stock shall be entitled to receive, if, as and when declared by the board of directors, but only out of funds legally available therefor, non-cumulative cash dividends on the liquidation preference of \$1,000 per share of Series L Preferred Stock, and no more, from the date of issuance at a rate *per annum* equal to 7.50%, payable quarterly in arrears on each March 15, June 15, September 15 and December 15, commencing June 15, 2008. The term “Dividend Payment Date” means March 15, June 15, September 15 and December 15. If any date specified pursuant the preceding sentence is not a Business Day, then dividends will be payable on the first Business Day following such date and dividends shall be payable to the actual payment date and no interest or other payment shall be paid with respect of such delay. The term “Dividend Period” means each period from and including a Dividend Payment Date (or the date of issuance of the Series L Preferred Stock for the first Dividend Payment Date) to but excluding the next Dividend Payment Date; provided that the first Dividend Period shall be deemed to have commenced on December 15, 2008. The amount of dividends payable for any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(b) Non-Cumulative Dividends. Dividends on shares of Series L Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series L Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to be payable and the Corporation shall have no obligation to pay, and the holders of Series L Preferred Stock shall have no right to receive, dividends payable in respect of the Dividend Period ending immediately prior to such Dividend Payment Date after such Dividend Payment Date, whether or not dividends are declared for any subsequent Dividend Period with respect to the Series L Preferred Stock, any Parity Stock, any Junior Stock or any other class or series of authorized preferred stock of the Corporation. Holders of Series L Preferred Stock shall

not be entitled to any dividends, whether payable in cash, property or stock, in excess of full dividends for each Dividend Period on the Series L Preferred Stock. No interest, or sum of money in lieu of interest, shall be payable in respect of any Dividend Payment or Dividend Payments or failure to make any Dividend Payment or Dividend Payments.

(c) Priority of Dividends. So long as any share of Series L Preferred Stock remains outstanding and, as to any Junior Stock or Parity Stock then outstanding, unless full dividends on all outstanding shares of Series L Preferred Stock for the Dividend Period ending on or immediately prior to the dividend payment date or other payment date for such Junior Stock or Parity Stock have been paid in full or declared and set aside for payment, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on such Junior Stock (other than a dividend payable solely in Junior Stock) or on such Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, (ii) no shares of Junior Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than (1) as a result of a reclassification of Junior Stock for or into Junior Stock, (2) the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, (3) through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock or (4) in connection with the satisfaction of the Corporation's obligations pursuant to any contract entered into in the ordinary course prior to the beginning of such Dividend Period), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation, and (iii) no shares of Parity Stock shall be purchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than (1) as a result of a reclassification of Parity Stock for or into Parity Stock or Junior Stock, (2) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or for or into Junior Stock, (3) through the use of the proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock or (4) in connection with the satisfaction of the Corporation's obligations pursuant to any contract entered into in the ordinary course prior to the beginning of such Dividend Period), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation (other than through the use of the proceeds of a substantially contemporaneous sale described in clause (ii)(3) or (iii)(3) above), otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series L Preferred Stock and such Parity Stock.

When dividends are not paid in full upon the Series L Preferred Stock and any Parity Stock, dividends upon shares of the Series L Preferred Stock and such Parity Stock will be declared on a proportional basis, based upon the ratio of the amount of dividends declared on the Series L Preferred Stock and such Parity Stock to the amount that, if declared, would be full dividends (including accrued and unpaid dividends as to any Parity Stock that bears dividends on a cumulative basis) on the Series L Preferred Stock and such Parity Stock through the next succeeding applicable dividend payment date. If the board of directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of the Series L Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the board of directors may be declared and paid on any Junior Stock from time to time out of any funds legally available therefor, and the shares of Series L Preferred Stock shall not be entitled to participate in any such dividend.

#### Section 5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary dissolution, winding-up and liquidation of the Corporation, holders of Series L Preferred Stock shall be entitled, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any Parity Stock or class or series of securities ranking senior to or on parity with the Series L Preferred Stock upon liquidation and the rights of the Corporation's creditors, to receive in full a liquidation preference in an amount equal to \$1,000 per share, plus an amount equal to all declared and unpaid dividends for the then-current Dividend Period to the date of liquidation. The holder of Series L Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary dissolution, winding-up and liquidation of the Corporation other than what is expressly provided for in this Section 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the liquidation preference to all holders of Series L Preferred Stock and the liquidation preferences of any Parity Stock to all holders of such Parity Stock, the amounts paid to the holders of Series L Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preferences of Series L Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the applicable liquidation preference has been paid in full to all holders of Series L Preferred Stock and all holders of any Parity Stock, the holders of Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding-up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding-up of the affairs of the Corporation.

Section 6. Redemption. The shares of Series L Preferred Stock shall not be redeemable.

Section 7. Voting Rights. The holders of Series L Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by applicable law.

(a) Right To Elect Two Directors Upon Nonpayment Events. If after the issuance of the Series L Preferred Stock the Corporation fails to pay, or declare and set aside for payment, full dividends on the Series L Preferred Stock or any class or series of Voting Parity Stock for six Dividend Periods or their equivalent (whether or not consecutive) (a "Nonpayment Event"), the number of directors then constituting the board of directors shall automatically be increased by two and the holders of Series L Preferred Stock, voting together as a single and separate class with the holders of all outstanding shares of Voting Parity Stock, shall be entitled

to elect the two additional directors (the “Preferred Stock Directors”) by a plurality of the votes cast; provided that it shall be a qualification for election for any such Preferred Stock Director that the election of such director shall not cause the Corporation to violate the corporate governance requirement of the New York Stock Exchange (or any other securities exchange or other trading facility on which securities of the Corporation may then be listed or traded) that listed or traded companies must have a majority of independent directors; and provided further that the board of directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights).

In the event that the holders of Series L Preferred Stock and such other holders of Voting Parity Stock shall be entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event at the Corporation’s next annual meeting of shareholders, and, except as provided below, at each subsequent annual meeting of shareholders of the Corporation.

When dividends have been paid in full on the Series L Preferred Stock and any and all Voting Parity Stock for at least four consecutive Dividend Periods or their equivalent after a Nonpayment Event, then the right of the holders of Series L Preferred Stock to elect the Preferred Stock Directors shall cease (but subject always to revesting of such rights in the case of any future Nonpayment Event), and, if and when all rights of holders of Series L Preferred Stock and Voting Parity Stock to elect the Preferred Stock Directors shall have ceased, the terms of office of all the Preferred Stock Directors shall forthwith terminate and the number of directors constituting the board of directors shall automatically be reduced accordingly.

Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series L Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a single and separate class). In case any vacancy shall occur among the Preferred Stock Directors, a successor shall be elected by a plurality of the votes cast by the holders of Series L Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a single and separate class. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the board of directors for a vote.

(b) Other Voting Rights. So long as any shares of Series L Preferred Stock are outstanding, the vote or consent of the holders of at least  $\frac{66}{100}$  % of the shares of Series L Preferred Stock at the time outstanding and entitled to vote thereon, voting separately as a single class with all other classes or series of preferred stock ranking equally with the Series L Preferred Stock and entitled to vote thereon, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating any of the following actions, whether or not such approval is required by Delaware law:

(i) Amendment Affecting Series L Preferred Stock. Any amendment, alteration or repeal of any provision of the certificate of incorporation or bylaws so as to adversely affect the rights, preferences, privileges or voting powers of the Series L Preferred Stock.

(ii) Authorization or Issuance of Senior Stock. Any amendment or alteration of any provision of the certificate of incorporation or bylaws to authorize, create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into shares of, any class or series of Capital Stock of the Corporation ranking senior to the Series L Preferred Stock with respect to either the payment of dividends or the distribution of assets in the event of any voluntary or involuntary dissolution, winding-up and liquidation of the affairs of the Corporation; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Series L Preferred Stock, or of a merger or consolidation of the Corporation with another Person, unless in each case (x) the shares of Series L Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting Person, are converted into or exchanged for preference securities of the surviving or resulting Person or a Person controlling such Person, and (y) such Series L Preferred Stock shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series L Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of Series L Preferred Stock or any class or series of Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series L Preferred Stock, and holders of the Series L Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Section 7(b) would adversely affect one or more but not all series of voting preferred stock (including the Series L Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a single class (in lieu of all other series of preferred stock).

(c) Changes for Clarification. Without the consent of the holders of Series L Preferred Stock, so long as such action does not adversely affect the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series L Preferred Stock, the Corporation may amend, alter, supplement or repeal any terms of the Series L Preferred Stock:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Designations that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series L Preferred Stock that is not inconsistent with the provisions of this Certificate of Designations.

(d) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Series L Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard

to such a meeting or such consents shall be governed by any rules the board of directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the certificate of incorporation, the bylaws, applicable law and any national securities exchange or other trading facility in which the Series L Preferred Stock is listed or traded at the time. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of Series L Preferred Stock and any Voting Parity Stock has been cast or given on any matter on which the holders of shares of Series L Preferred Stock are entitled to vote shall be determined by the Corporation by reference to the specified liquidation amounts of the shares voted or covered by the consent.

For purposes of determining the voting rights of the holders of Series L Preferred Stock under this Section 7, each holder will be entitled to one vote for each \$1,000 of liquidation preference to which his or her shares are entitled. Holders of shares of Series L Preferred Stock will be entitled to one vote for each such share of Series L Preferred Stock held by them.

Section 8. Rank. Notwithstanding anything set forth in the certificate of incorporation or this Certificate of Designations to the contrary, the board of directors, without the vote of the holders of the Series L Preferred Stock, may authorize and issue additional shares of Junior Stock or Parity Stock.

Section 9. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series L Preferred Stock from time to time to such extent, in such manner, and upon such terms as the board of directors may determine; *provided, however*, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 10. Unissued or Reacquired Shares. Shares of Series L Preferred Stock not issued or which have been issued and converted in accordance with the terms hereof or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

Section 11. No Sinking Fund. Shares of Series L Preferred Stock are not subject to the operation of a sinking fund.

Section 12. Right to Convert. Each Holder shall have the right, at such Holder's option, at any time, to convert all or any portion of such Holder's Series L Preferred Stock into shares of Common Stock at the Applicable Conversion Rate (subject to the conversion procedures set forth in Section 13 herein) plus cash in lieu of fractional shares.

Section 13. Conversion.

(a) Conversion Procedures.

(i) Effective immediately prior to the close of business on the Mandatory Conversion Date or any applicable Conversion Date, dividends shall no longer be declared on any converted shares of Series L Preferred Stock and such shares of Series L Preferred Stock shall cease to be outstanding, in each case, subject to the right of Holders to receive any declared and unpaid dividends on such shares and any other payments to which they

are otherwise entitled pursuant to Section 12, Section 13(b), Section 13(c), Section 13(d), Section 15 or Section 16, as applicable.

(ii) Prior to the close of business on the Mandatory Conversion Date or any applicable Conversion Date, shares of Common Stock issuable upon conversion of, or other securities issuable upon conversion of, any shares of Series L Preferred Stock shall not be deemed outstanding for any purpose, and Holders shall have no rights with respect to the Common Stock or other securities issuable upon conversion (including voting rights, rights to respond to tender offers for the Common Stock and rights to receive any dividends or other distributions on the Common Stock and/or other securities issuable upon conversion), by virtue of holding shares of Series L Preferred Stock.

(iii) The Person or Persons entitled to receive the Common Stock and/or other securities issuable upon conversion of Series L Preferred Stock shall be treated for all purposes as the record holder(s) of such shares of Common Stock and/or such other securities as of the close of business on the Mandatory Conversion Date or any applicable Conversion Date except to the extent that all or a portion of such Common Stock is subject to the limitations set forth in Section 18. In the event that a Holder shall not by written notice designate the name in which shares of Common Stock and/or cash, other securities or other property (including payments of cash in lieu of fractional shares) to be issued or paid upon conversion of shares of Series L Preferred Stock should be registered or paid or the manner in which such shares should be delivered, the Corporation shall be entitled to register and deliver such shares, and make such payment, in the name of the Holder and in the manner shown on the records of the Corporation through book-entry transfer through the Depository.

(iv) Conversion into shares of Common Stock will occur on the Mandatory Conversion Date or any applicable Conversion Date as follows:

(A) On the Mandatory Conversion Date or applicable Conversion Date, certificates or evidence of shares in book-entry form representing shares of Common Stock shall be issued and delivered to Holders or their designee upon presentation and surrender of the certificate evidencing the Series L Preferred Stock to the Conversion Agent if shares of the Series L Preferred Stock are held in certificated form, and, if required, the furnishing of appropriate endorsements and transfer documents and the payment of all transfer and similar taxes. If a Holder's interest is a beneficial interest in a global certificate representing Series L Preferred Stock, a book-entry transfer through the Depository will be made by the Conversion Agent upon compliance with the Depository's procedures for converting a beneficial interest in a global security.

(B) On the date of any conversion at the option of Holders pursuant to Section 12, Section 13(c) or Section 13(d), if a Holder's interest is in certificated form, a Holder must do each of the following in order to convert:

(1) complete and manually sign the conversion notice provided by the Conversion Agent, or a facsimile of the conversion notice, and deliver this irrevocable notice to the Conversion Agent;

(2) surrender the shares of Series L Preferred Stock to the Conversion Agent;



(3) if required, furnish appropriate endorsements and transfer documents;

(4) if required, pay all transfer or similar taxes; and

(5) if required, pay funds equal to any declared and unpaid dividend payable on the next Dividend Payment Date.

If a Holder's interest is a beneficial interest in a global certificate representing Series L Preferred Stock, in order to convert a Holder must comply with clauses (3) through (5) listed above and comply with the Depository's procedures for converting a beneficial interest in a global security.

The date on which a Holder complies with the procedures in this clause (v) is the "Conversion Date."

(C) Conversion Agent shall, on a Holder's behalf, convert the Series L Preferred Stock into shares of Common Stock and/or cash, other securities or other property (involving payments of cash in lieu of fractional shares), in accordance with the terms of the notice delivered by such Holder described in clause (B) above. If a Conversion Date on which a Holder elects to convert Series L Preferred Stock is prior to the Record Date relating to any declared dividend for the Dividend Period, such Holder will not have the right to receive any declared dividends for that Dividend Period. If a Conversion Date on which a Holder elects to convert Series L Preferred Stock or the Mandatory Conversion Date is after the Record Date for any declared dividend and prior to the Dividend Payment Date, such Holder shall receive that dividend on the relevant Dividend Payment Date if such Holder was the Holder of record on the Record Date for that dividend. Notwithstanding the preceding sentence, if the Conversion Date is after the Record Date and prior to the Dividend Payment Date, whether or not such Holder was the Holder of record on the Record Date, the Holder must pay to the Conversion Agent upon conversion of the shares of Series L Preferred Stock an amount in cash equal to the full dividend actually paid on the Dividend Payment Date for the then-current Dividend Period on the shares of Series L Preferred Stock being converted, unless the Holder's shares of Series L Preferred Stock are being converted pursuant to Section 13(b), Section 13(c) or Section 13(d).

(b) Mandatory Conversion at the Corporation's Option.

(i) On or after March 15, 2013, the Corporation may, at its option, at any time or from time to time, cause some or all of the Series L Preferred Stock to be converted into shares of Common Stock at the Applicable Conversion Rate if, for 20 Trading Days during any period of 30 consecutive Trading Days, including the last Trading Day of such period, the Closing Price of the Common Stock exceeds 130% of the Applicable Conversion Price of the Series L Preferred Stock. The Corporation will provide Notice of Mandatory Conversion as set forth in Section 13(b)(iii) within three Trading Days after the end of the 30 consecutive Trading Day period.

(ii) If the Corporation elects to cause less than all of the Series L Preferred Stock to be converted under clause (i) above, the Conversion Agent will select the

Series L Preferred Stock to be converted by lot, or on a *pro rata* basis or by another method the Conversion Agent considers fair and appropriate, including any method required by the Depositary (so long as such method is not prohibited by the rules of any stock exchange or quotation association on which the Series L Preferred Stock is then traded or quoted). If the Conversion Agent selects a portion of a Holder's Series L Preferred Stock for partial conversion at the Corporation's option and such Holder converts a portion of its shares of Series L Preferred Stock at the same time, the portion converted at such Holder's option will reduce the portion selected for conversion at the Corporation's option under this Section 13(b).

(iii) If the Corporation exercises the optional conversion right described in this Section 13(b), the Corporation shall give notice (such notice a "Notice of Mandatory Conversion") by (i) providing a notice of such conversion by first class mail to each Holder of record for the shares of Series L Preferred Stock to be converted or (ii) issuing a press release and making this information available on its website. The Conversion Date shall be a date selected by the Corporation (the "Mandatory Conversion Date"), not less than 10 days, and not more than 20 days, after the date on which the Corporation provides the Notice of Mandatory Conversion. In addition to any information required by applicable law or regulation, the Notice of Mandatory Conversion shall state, as appropriate:

(A) the Mandatory Conversion Date;

(B) the number of shares of Common Stock to be issued upon conversion of each share of Series L Preferred Stock; and

(C) the aggregate number of shares of Series L Preferred Stock to be converted.

(c) Conversion upon Make-Whole Acquisition.

(i) In the event of a Make-Whole Acquisition occurring prior to a Mandatory Conversion Date or Conversion Date, each Holder shall have the option to convert its shares of Series L Preferred Stock (a "Make-Whole Acquisition Conversion") during the period (the "Make-Whole Acquisition Conversion Period") beginning on the effective date of the Make-Whole Acquisition (the "Make-Whole Acquisition Effective Date") and ending on the date that is 30 days after the Make-Whole Acquisition Effective Date and receive an additional number of shares of Common Stock (the "Make-Whole Shares") as set forth in clause (ii) below.

(ii) The number of Make-Whole Shares per share of Series L Preferred Stock shall be determined by reference to the table below for the applicable Make-Whole Acquisition Effective Date and the applicable Make-Whole Acquisition Stock Price:

**Make-Whole Acquisition Stock Price**

<b>Effective Date</b>	<b>\$ 120.54</b>	<b>\$ 125.57</b>	<b>\$ 138.12</b>	<b>\$ 150.68</b>	<b>\$ 156.71</b>	<b>\$ 175.79</b>	<b>\$ 203.72</b>	<b>\$ 226.02</b>	<b>\$ 251.13</b>	<b>\$ 301.36</b>	<b>\$ 401.81</b>	<b>\$ 502.26</b>
<b>April 17, 2008</b> .....	1.9153	1.8855	1.5191	1.1110	0.9497	0.6471	0.3962	0.2847	0.2091	0.1354	0.0757	<b>0.0458</b>
<b>March 15, 2009</b> .....	1.9153	1.8775	1.5052	1.0951	0.9437	0.6331	0.3763	0.2588	0.1852	0.1175	0.0697	<b>0.0438</b>
<b>March 15, 2010</b> .....	1.9153	1.8397	1.4913	1.0871	0.9378	0.6073	0.3365	0.2210	0.1533	0.0956	0.0577	<b>0.0358</b>
<b>March 15, 2011</b> .....	1.9153	1.7899	1.4694	1.0731	0.9238	0.5794	0.2887	0.1712	0.1075	0.0657	0.0398	<b>0.0259</b>
<b>March 15, 2012</b> .....	1.9153	1.7561	1.4355	1.0652	0.9139	0.5356	0.2051	0.0896	0.0458	0.0299	0.0199	<b>0.0119</b>
<b>March 15, 2013</b> .....	1.9153	1.6704	1.4275	1.0592	0.9119	0.5097	0.0916	0.0000	0.0000	0.0000	0.0000	<b>0.0000</b>
<b>Thereafter</b> .....	<b>1.9153</b>	<b>1.6704</b>	<b>1.4275</b>	<b>1.0592</b>	<b>0.9119</b>	<b>0.5097</b>	<b>0.0916</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>

(A) The exact Make-Whole Acquisition Stock Prices and Make-Whole Acquisition Effective Dates may not be set forth in the table, in which case:

(1) if the Make-Whole Acquisition Stock Price is between two Make-Whole Acquisition Stock Price amounts in the table or the Make-Whole Acquisition Effective Date is between two dates in the table, the number of Make-Whole Shares will be determined by straight-line interpolation between the number of Make-Whole Shares set forth for the higher and lower Make-Whole Acquisition Stock Price amounts and the two Make-Whole Acquisition Effective Dates, as applicable, based on a 365-day year;

(2) if the Make-Whole Acquisition Stock Price is in excess of \$502.26 per share (subject to adjustment pursuant to Section 14), no Make-Whole Shares will be issued upon conversion of the Series L Preferred Stock; and

(3) if the Make-Whole Acquisition Stock Price is less than \$120.54 per share (subject to adjustment pursuant to Section 14), no Make-Whole Shares will be issued upon conversion of the Series L Preferred Stock.

(B) The Make-Whole Acquisition Stock Prices set forth in the table above are subject to adjustment pursuant to Section 14 hereof and shall be adjusted as of any date the Conversion Rate is adjusted. The adjusted Make-Whole Acquisition Stock Prices will equal the Make-Whole Acquisition Stock Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Make-Whole Acquisition Stock Prices adjustment and the denominator of which is the Conversion Rate as so adjusted. Each of the number of Make-Whole Shares in the table shall also be subject to adjustment in the same manner as the Conversion Rate pursuant to Section 14.

(iii) On or before the twentieth day prior to the date the Corporation anticipates being the effective date for the Make-Whole Acquisition or within two business days of becoming aware of a Make-Whole Acquisition of the type set forth in clause (a) of the definition Make-Whole Acquisition, a written notice shall be sent by or on behalf of the

Corporation, by first-class mail, postage prepaid, to the Holders as they appear in the records of the Corporation. Such notice shall contain:

and (A) the anticipated effective date or effective date of the Make-Whole Acquisition;

(B) the date, which shall be 30 days after the Make-Whole Acquisition Effective Date, by which a Make-Whole Acquisition Conversion must be exercised.

(iv) On the Make-Whole Acquisition Effective Date or as soon as practicable thereafter, another written notice shall be sent by or on behalf of the Corporation, by first-class mail, postage prepaid, to the Holders as they appear in the records of the Corporation. Such notice shall contain:

(A) the date that shall be 30 days after the Make-Whole Acquisition Effective Date;

(B) the number of Make-Whole Shares;

(C) the amount of cash, securities and other consideration receivable by a Holder of Series L Preferred Stock upon conversion; and

(D) the instructions a Holder must follow to exercise its conversion option in connection with such Make-Whole Acquisition.

(v) To exercise a Make-Whole Acquisition Conversion option, a Holder must, no later than 5:00 p.m., New York City time on or before the date by which the Make-Whole Acquisition Conversion option must be exercised as specified in the notice delivered under clause (iv) above, comply with the procedures set forth in Section 13(a)(iv)(B).

(vi) If a Holder does not elect to exercise the Make-Whole Acquisition Conversion option in accordance with the provisions specified in this Section 13(c), the shares of Series L Preferred Stock or successor security held by it shall remain outstanding (unless otherwise converted as provided herein), and the Holder will not be eligible to receive Make-Whole Shares.

(vii) Upon a Make-Whole Acquisition Conversion, the Conversion Agent shall, except as otherwise provided in the instructions provided by the Holder thereof in the written notice provided to the Corporation or its successor as set forth in Section 13(a)(iv) above, deliver to the Holder such cash, securities or other property as are issuable with respect to Make-Whole Shares in the Make-Whole Acquisition.

(viii) In the event that a Make-Whole Acquisition Conversion is effected with respect to shares of Series L Preferred Stock or a successor security representing less than all the shares of Series L Preferred Stock or a successor security held by a Holder, upon such Make-Whole Acquisition Conversion the Corporation or its successor shall execute and the Conversion Agent shall, unless otherwise instructed in writing, countersign and deliver to the Holder thereof, at the expense of the Corporation or its successors, a certificate evidencing the

shares of Series L Preferred Stock or such successor security held by the Holder as to which a Make-Whole Acquisition Conversion was not effected.

(d) Conversion Upon Fundamental Change.

(i) If the Reference Price in connection with a Make-Whole Acquisition is less than \$120.54 (a "Fundamental Change"), a Holder may elect to convert each share of Series L Preferred Stock during the period beginning on the effective date of the Fundamental Change and ending on the date that is 30 days after the effective date of such Fundamental Change at an adjusted conversion price equal to the greater of (1) the Reference Price and (2) \$60.27, subject to adjustment as described in clause (ii) below (the "Base Price"). If the Reference Price is less than the Base Price, Holders will receive a maximum of 16.5916 shares of Common Stock per share of Series L Preferred Stock converted, subject to adjustment as a result of any adjustment to the Base Price described in clause (ii) below.

(ii) The Base Price shall be adjusted as of any date the Conversion Rate of the Series L Preferred Stock is adjusted pursuant to Section 14. The adjusted Base Price shall equal the Base Price applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Conversion Rate adjustment and the denominator of which is the Conversion Rate as so adjusted.

(iii) In lieu of issuing Common Stock upon conversion in the event of a Fundamental Change, the Corporation may at its option, and if it obtains any necessary regulatory approval, pay an amount in cash (computed to the nearest cent) equal to the Reference Price for each share of Common Stock otherwise issuable upon conversion.

(iv) On or before the twentieth day prior to the date the Corporation anticipates being the effective date for the Fundamental Change or within two business days of becoming aware of the Fundamental Change if it is a Make-Whole Acquisition of the type set forth in clause (a) of the definition Make-Whole Acquisition, a written notice shall be sent by or on behalf of the Corporation, by first-class mail, postage prepaid, to the Holders as they appear in the records of the Corporation. Such notice shall contain:

(A) the anticipated effective date of the Fundamental Change; and

(B) the date, which shall be 30 days after the anticipated effective date of a Fundamental Change, by which a Fundamental Change conversion must be exercised.

(v) On the effective date of a Fundamental Change or as soon as practicable thereafter, another written notice shall be sent by or on behalf of the Corporation, by first-class mail, postage prepaid, to the Holders as they appear in the records of the Corporation. Such notice shall contain:

(A) the date that shall be 30 days after the effective date of the Fundamental Change;

(B) the adjusted conversion price following the Fundamental Change;

(C) the amount of cash, securities and other consideration received by a Holder of Series L Preferred Stock upon conversion; and

(D) the instructions a Holder must follow to exercise its conversion option in connection with such Fundamental Change.

(vi) To exercise its conversion option upon a Fundamental Change, a Holder must, no later than 5:00 p.m., New York City time on or before the date by which the conversion option upon the Fundamental Change must be exercised as specified in the notice delivered under clause (v) above, comply with the procedures set forth in Section 13 (a)(v)(B) and indicate that it is exercising the Fundamental Change conversion option.

(vii) If a Holder does not elect to exercise its conversion option upon a Fundamental Change in accordance with the provisions specified in this Section 13(d), the shares of Series L Preferred Stock or successor security held by it shall remain outstanding (unless otherwise converted as provided herein) and the Holder will not be eligible to convert its shares pursuant to this Section 13(d).

(viii) Upon a conversion upon a Fundamental Change, the Conversion Agent shall, except as otherwise provided in the instructions provided by the Holder thereof in the written notice provided to the Corporation or its successor as set forth in Section 13(a)(iv), deliver to the Holder such cash, securities or other property as are issuable with respect to the adjusted conversion price following the Fundamental Change.

(ix) In the event that a conversion upon a Fundamental Change is effected with respect to shares of Series L Preferred Stock or a successor security representing less than all the shares of Series L Preferred Stock or a successor security held by a Holder, upon such conversion the Corporation or its successor shall execute and the Conversion Agent shall, unless otherwise instructed in writing, countersign and deliver to the Holder thereof, at the expense of the Corporation, a certificate evidencing the shares of Series L Preferred Stock or such successor security held by the Holder as to which a conversion upon a Fundamental Change was not effected.

#### Section 14. Anti-Dilution Adjustments.

(a) Adjustments. The Conversion Rate will be subject to adjustment, without duplication, under the following circumstances:

(i) The issuance of Common Stock as a dividend or distribution to all holders of Common Stock or a subdivision or combination of Common Stock (other than in connection with a Reorganization Event), in which event the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times (OS_1 / OS_0)$$

where,

$CR_0$  = the Conversion Rate in effect at the close of business on the Record Date

$CR_1$  = the Conversion Rate in effect immediately after the Record Date

$OS_0$  = the number of shares of Common Stock outstanding at the close of business on the Record Date prior to giving effect to such event

$OS_1$  = the number of shares of Common Stock that would be outstanding immediately after, and solely as a result of, such event

Notwithstanding the foregoing, (1) no adjustment will be made for the issuance of Common Stock as a dividend or distribution to all holders of Common Stock that is made in lieu of a quarterly or annual cash dividend or distribution to such holders, to the extent such dividend or distribution does not exceed the applicable Dividend Threshold Amount (with the amount of any such dividend or distribution equaling the number of such shares being issued multiplied by the average of the VWAP of the Common Stock over each of the five consecutive VWAP Trading Days prior to the Ex-Date for such dividend or distribution) and (2) in the event any dividend, distribution, subdivision or combination that is the subject of this Section 14(a)(i) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the board of directors publicly announces its decision not to pay or make such dividend or distribution or effect such subdivision or combination, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared or such subdivision or combination had not been announced.

(ii) The issuance to all holders of Common Stock of certain rights or warrants (other than rights issued pursuant to a shareholder rights plan or rights or warrants issued in connection with a Reorganization Event) entitling them for a period expiring 60 days or less from the date of issuance of such rights or warrants to purchase shares of Common Stock (or securities convertible into Common Stock) at less than (or having a conversion price per share less than) the Current Market Price as of the Record Date, in which event each Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times [(OS_0 + X) / (OS_0 + Y)]$$

where,

$CR_0$  = the Conversion Rate in effect at the close of business on the Record Date

$CR_1$  = the Conversion Rate in effect immediately after the Record Date

$OS_0$  = the number of shares of Common Stock outstanding at the close of business on the Record Date

$X$  = the total number of shares of Common Stock issuable pursuant to such rights or warrants (or upon conversion of such securities)

$Y$  = the number of shares equal to the quotient of the aggregate price payable to exercise such rights or warrants (or the conversion price for such securities paid upon conversion) divided by the average of the VWAP of the Common Stock over each of the ten consecutive VWAP Trading Days prior to the Business Day immediately preceding the announcement of the issuance of such rights or warrants

Notwithstanding the foregoing, (1) in the event that such rights or warrants described in this Section 14(a) (ii) are not so issued, the Conversion Rate shall be immediately readjusted, effective as of the date the board of directors publicly announces its decision not to

issue such rights or warrants, to the Conversion Rate that would then be in effect if such issuance had not been declared and (2) to the extent that such rights or warrants are not exercised prior to their expiration or shares of the Common Stock are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered.

In determining the aggregate price payable for such shares of the Common Stock, there shall be taken into account any consideration received by the Corporation for such rights or warrants and the value of such consideration (if other than cash, to be determined by the board of directors). If an adjustment to the Conversion Rate may be required pursuant to this Section 14(a)(ii), delivery of any additional shares of Common Stock that may be deliverable upon conversion as a result of an adjustment required pursuant to this Section 14(a)(ii) shall be delayed to the extent necessary in order to complete the calculations provided for in this Section 14(a)(ii).

(iii) The dividend or other distribution to all holders of Common Stock of shares of capital stock of the Corporation (other than Common Stock) or evidences of its indebtedness or its assets (excluding any dividend, distribution or issuance covered by clauses (a)(i) or (a)(ii) above or (a)(iv) below, any dividend or distribution in connection with a Reorganization Event or any spin-off to which the provisions set forth below in this clause (a)(iii) apply) in which event the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times [SP_0 / (SP_0 - FMV)]$$

where,

$CR_0$  = the Conversion Rate in effect at the close of business on the Record Date

$CR_1$  = the Conversion Rate in effect immediately after the Record Date

$SP_0$  = the Current Market Price as of the Record Date

$FMV$  = the fair market value (as determined by the board of directors) on the Record Date of the shares of capital stock of the Corporation, evidences of indebtedness or assets so distributed, applicable to one share of Common Stock

However, if the transaction that gives rise to an adjustment pursuant to this clause (iii) is one pursuant to which the payment of a dividend or other distribution on Common Stock consists of shares of capital stock of the Corporation or, or similar equity interests in, a subsidiary or other business unit of the Corporation (*i.e.*, a spin-off) that are, or, when issued, will be, traded on the New York Stock Exchange, the Nasdaq Stock Market or any other national or regional securities exchange or market, then the Conversion Rate will instead be adjusted based on the following formula:

$$CR_1 = CR_0 \times [(FMV_0 + MP_0) / MP_0]$$

where,

$CR_0$  = the Conversion Rate in effect at the close of business on the Record Date

$CR_1$  = the Conversion Rate in effect immediately after the Record Date



$FMV_0$  = the average of the VWAP of the Capital Stock distributed to holders of Common Stock applicable to one share of Common Stock over each of the 10 consecutive VWAP Trading Days commencing on and including the third VWAP Trading Day after the date on which “ex-distribution trading” commences for such dividend or distribution on the NYSE or such other national or regional exchange or association or over-the-counter market, or, if not so traded or quoted, the fair market value of the capital stock or similar equity interests distributed to holders of Common Stock applicable to one share of Common Stock as determined by the board of directors

$MP_0$  = the average of the VWAP of the Common Stock over each of the 10 consecutive VWAP Trading Days commencing on and including the third VWAP Trading Day after the date on which “ex-distribution trading” commences for such dividend or distribution on the NYSE or such other national or regional exchange or association or over-the-counter market on which Common Stock is then traded or quoted

Notwithstanding the foregoing, (1) if any dividend or distribution of the type described in this Section 14(a)(iii) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the board of directors publicly announces its decision not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. If an adjustment to the Conversion Rate may be required under this Section 14(a)(iii), delivery of any additional shares of Common Stock that may be deliverable upon conversion as a result of an adjustment required under this Section 14(a)(iii) shall be delayed to the extent necessary in order to complete the calculations provided for in this Section 14(a)(iii).

(iv) The Corporation makes a distribution consisting exclusively of cash to all holders of Common Stock, excluding (a) any regular cash dividend on Common Stock to the extent that the aggregate cash dividend per share of Common Stock does not exceed \$1.8835 in any fiscal quarter (the “Dividend Threshold Amount”) and (b) any consideration payable in connection with a tender or exchange offer made by the Corporation or any its subsidiaries referred to in clause (v) below, in which event, the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times [SP_0 / (SP_0 - C)]$$

where,

$CR_0$  = the Conversion Rate in effect at the close of business on the Record Date

$CR_1$  = the Conversion Rate in effect immediately after the Record Date

$SP_0$  = the Current Market Price as of the Record Date

$C$  = the amount in cash per share equal to (1) in the case of a regular quarterly dividend, the amount the Corporation distributes to holders or pays, less the Dividend Threshold Amount or (2) in any other case, the amount the Corporation distributes to holders or pays

The Dividend Threshold Amount is subject to adjustment on an inversely proportional basis whenever the Conversion Rate is adjusted; provided that no adjustment will be made to the Dividend Threshold Amount for any adjustment made to the Conversion Rate pursuant to this clause (iv).

Notwithstanding the foregoing, if any dividend or distribution of the type described in this Section 14(a)(iv) is declared but not so paid or made, the Conversion Rate shall be immediately readjusted, effective as of the date the board of directors publicly announces its decision not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(v) The Corporation or one or more of its subsidiaries make purchases of Common Stock pursuant to a tender offer or exchange offer by the Corporation or a subsidiary of the Corporation for Common Stock to the extent that the cash and value (as determined by the board of directors) of any other consideration included in the payment per share of Common Stock validly tendered or exchanged exceeds the VWAP per share of Common Stock on the VWAP Trading Day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the "Expiration Date"), in which event the Conversion Rate will be adjusted based on the following formula:

$$CR_1 = CR_0 \times [(FMV + (SP_1 \times OS_1)) / (SP_1 \times OS_0)]$$

where,

$CR_0$  = the Conversion Rate in effect at the close of business on the Expiration Date

$CR_1$  = the Conversion Rate in effect immediately after the Expiration Date

$FMV$  = the fair market value (as determined by the board of directors), on the Expiration Date, of the aggregate value of all cash and any other consideration paid or payable for shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the "Purchased Shares")

$OS_1$  = the number of shares of Common Stock outstanding as of the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the "Expiration Time") less any Purchased Shares

$OS_0$  = the number of shares of Common Stock outstanding at the Expiration Time, including any Purchased Shares

$SP_1$  = the average of the VWAP of the Common Stock over each of the ten consecutive VWAP Trading Days commencing with the VWAP Trading Day immediately after the Expiration Date.

Notwithstanding the foregoing, if the Corporation, or one of its subsidiaries, is obligated to purchase shares of Common Stock pursuant to any such tender or exchange offer, but the Corporation or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the Conversion Rate shall be readjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made. If an adjustment to the Conversion Rate may be required under this Section 14(a)(v), delivery of any additional shares of Common Stock that may be deliverable upon conversion as a result of an adjustment required under this Section 14(a)(v) shall be delayed to the extent necessary in order to complete the calculations provided for in this Section 14(a)(v).

(b) Calculation of Adjustments. All adjustments to the Conversion Rate shall be calculated by the Corporation to the nearest 1/10,000th of one share of Common Stock (or if there is not a nearest 1/10,000th of a share, to the next lower 1/10,000th of a

share). No adjustment to the Conversion Rate will be required unless such adjustment would require an increase or decrease of at least one percent; *provided, however*, that any such minor adjustments that are not required to be made will be carried forward and taken into account in any subsequent adjustment, and provided further that any such adjustment of less than one percent that has not been made will be made prior to any conversion pursuant to Section 13(b), Section 13(c) or Section 13(d).

(c) When No Adjustment Required.

(i) Except as otherwise provided in this Section 14, the Conversion Rate will not be adjusted for the issuance of Common Stock or any securities convertible into or exchangeable for Common Stock or carrying the right to purchase any of the foregoing or for the repurchase of Common Stock.

(ii) Rights Plans. To the extent that the Corporation has a stockholders' rights plan in effect upon conversion of the Series L Preferred Stock into Common Stock, Holders will receive, in addition to any of Common Stock deliverable and in lieu of any adjustment to the Conversion Rate, the rights under the stockholders' rights plan, unless prior to any conversion, the rights have separated from Common Stock, in which case the Conversion Rate will be adjusted at the time of separation as if we distributed to all holders of Common Stock, shares of the Corporation's Capital Stock, evidences of indebtedness or assets as described in Section 14(a)(iii). A further adjustment will occur as described in Section 14(a)(iii), if such rights become exercisable to purchase different securities, evidences of indebtedness or assets, subject to readjustment in the event of the expiration, termination or redemption of such rights.

(iii) No adjustment to the Conversion Rate need be made:

(A) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and the investment of additional optional amounts in Common Stock under any plan;

(B) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Corporation or any of its subsidiaries; or

(C) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right, or exercisable, exchangeable or convertible security outstanding as of the date the Series L Preferred Stock was first issued.

(iv) No adjustment to the Conversion Rate need be made for a transaction referred to in Section 14(a)(i) through (v) if Holders may participate in the transaction on a basis and with notice that the board of directors determines to be fair and appropriate in light of the basis and notice on which holders of Common Stock participate in the transaction.

(v) No adjustment to the Conversion Rate need be made for a change in the par value or no par value of the Common Stock.

(vi) No adjustment to the Conversion Rate will be made to the extent that such adjustment would result in the Conversion Price being less than the par value of the Common Stock.

(d) Record Date. For purposes of this Section 14, "Record Date" means, with respect to any dividend, distribution or other transaction or event in which the holders of the Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the Common Stock entitled to receive such cash, securities or other property (whether such date is fixed by the board of directors or by statute, contract or otherwise).

(e) Successive Adjustments. After an adjustment to the Conversion Rate under this Section 14, any subsequent event requiring an adjustment under this Section 14 shall cause an adjustment to such Conversion Rate as so adjusted.

(f) Multiple Adjustments. For the avoidance of doubt, if an event occurs that would trigger an adjustment to the Conversion Rate pursuant to this Section 14 under more than one subsection hereof, such event, to the extent fully taken into account in a single adjustment, shall not result in multiple adjustments hereunder.

(g) Other Adjustments. The Corporation may (but is not required to) make such increases in the Conversion Rate, in addition to those required by Section 14(a)(i) through (v), as the board of directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

In addition to the foregoing, to the extent permitted by applicable law and subject to the applicable rules of the New York Stock Exchange, the Corporation from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least 20 business days, the increase is irrevocable during the period and the board of directors shall have made a determination that such increase would be in the best interests of the Corporation, which determination shall be conclusive.

(h) Notice of Adjustments. Whenever a Conversion Rate is adjusted as provided under Section 14, the Corporation shall within 10 Business Days following the occurrence of an event that requires such adjustment (or if the Corporation is not aware of such occurrence, as soon as reasonably practicable after becoming so aware) or within 15 calendar days of the date the Corporation makes an adjustment pursuant to Section 14(g):

(i) compute the adjusted applicable Conversion Rate in accordance with Section 14 and prepare and transmit to the Conversion Agent an Officers' Certificate setting forth the applicable Conversion Rate, as the case may be, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and

(ii) provide a written notice to the Holders of the occurrence of such event and a statement in reasonable detail setting forth the method by which the adjustment to the applicable Conversion Rate was determined and setting forth the adjusted applicable Conversion Rate.

(i) Conversion Agent. The Conversion Agent shall not at any time be under any duty or responsibility to any Holder to determine whether any facts exist that may require any adjustment of the applicable Conversion Rate or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The Conversion Agent shall be fully authorized and protected in relying on any Officers' Certificate delivered pursuant to Section 14(h) and any adjustment contained therein and the Conversion Agent shall not be deemed to have knowledge of any adjustment unless and until it has received such certificate. The Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, that may at the time be issued or delivered with respect to any of the Series L Preferred Stock; and the Conversion Agent makes no representation with respect thereto. The Conversion Agent shall not be responsible for any failure of the Corporation to issue, transfer or deliver any shares of Common Stock pursuant to a the conversion of the Series L Preferred Stock or to comply with any of the duties, responsibilities or covenants of the Corporation contained in this Section 14.

#### Section 15. Reorganization Events.

(a) In the event of:

(i) any consolidation or merger of the Corporation with or into another Person, in each case pursuant to which the Common Stock will be converted into cash, securities, or other property of the Corporation or another Person;

(ii) any sale, transfer, lease, or conveyance to another Person of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, in each case pursuant to which the Common Stock will be converted into cash, securities, or other property; or

(iii) any reclassification of the Common Stock into securities, including securities other than the Common Stock; or

(iv) any statutory exchange of the Corporation's securities with another Person (other than in connection with a merger or acquisition); (any such event specified in this Section 15(a), a "Reorganization Event"); each share of Series L Preferred Stock outstanding immediately prior to such Reorganization Event shall, without the consent of Holders, become convertible into the types and amounts of securities, cash, and other property that is or was receivable in such Reorganization Event by a holder of the shares of Common Stock that was not the counterparty to the Reorganization Event or an affiliate of such other party in exchange for such Common Stock (such securities, cash, and other property, the "Exchange Property").

(b) In the event that holders of the shares of the Common Stock have the opportunity to elect the form of consideration to be received in such transaction, the

consideration that the Holders are entitled to receive upon conversion shall be deemed to be the types and amounts of consideration received by the majority of the holders of the shares of the Common Stock that affirmatively make an election (or of all such holders if none make an election). On each Conversion Date following a Reorganization Event, the Conversion Rate then in effect will be applied to the value on such Conversion Date of the securities, cash, or other property received per share of Common Stock, determined as set forth above. The amount of Exchange Property receivable upon conversion of any Series L Preferred Stock in accordance with Section 12, Section 13(b), Section 13(c) or Section 13(d) hereof shall be determined based upon the then Applicable Conversion Rate.

(c) The above provisions of this Section 15 shall similarly apply to successive Reorganization Events and the provisions of Section 14 shall apply to any shares of Capital Stock of the Corporation (or any successor) received by the holders of the Common Stock in any such Reorganization Event.

(d) The Corporation (or any successor) shall, within 20 days of the occurrence of any Reorganization Event, provide written notice to the Holders of such occurrence of such event and of the type and amount of the cash, securities or other property that constitutes the Exchange Property. Failure to deliver such notice shall not affect the operation of this Section 15.

#### Section 16. Fractional Shares.

(a) No fractional shares of Common Stock will be issued as a result of any conversion of shares of Series L Preferred Stock.

(b) In lieu of any fractional share of Common Stock otherwise issuable in respect of any conversion at the Corporation's option pursuant to Section 13(b) hereof or any conversion at the option of the Holder pursuant to Section 12, Section 13(c) or Section 13(d) hereof, the Corporation shall pay an amount in cash (computed to the nearest cent) equal to the same fraction of the Closing Price of the Common Stock determined as of the second Trading Day immediately preceding the effective date of conversion.

(c) If more than one share of the Series L Preferred Stock is surrendered for conversion at one time by or for the same Holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of the Series L Preferred Stock so surrendered.

#### Section 17. Reservation of Common Stock.

(a) The Corporation shall at all times reserve and keep available out of its authorized and unissued Common Stock, solely for issuance upon the conversion of shares of Series L Preferred Stock as provided in this Certificate of Designations, free from any preemptive or other similar rights, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all the shares of Series L Preferred Stock then outstanding, calculated assuming the Applicable Conversion Price equals the Base Price, subject to adjustment as described under Section 14. For purposes of this Section 17(a), the number of shares of Common Stock that shall be deliverable upon the conversion of all outstanding shares of Series L Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single Holder.

(b) All shares of Common Stock delivered upon conversion of the Series L Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, security interests and other encumbrances created by the Holders).

(c) Prior to the delivery of any securities that the Corporation shall be obligated to deliver upon conversion of the Series L Preferred Stock, the Corporation shall use its reasonable best efforts to comply with all federal and state laws and regulations thereunder requiring the registration of such securities with, or any approval of or consent to the delivery thereof by, any governmental authority.

(d) The Corporation hereby covenants and agrees that, so long as the Common Stock shall be listed on the New York Stock Exchange or any other national securities exchange or automated quotation system, the Corporation will, if permitted by the rules of such exchange or automated quotation system, list and keep listed all the Common Stock issuable upon conversion of the Series L Preferred Stock; *provided, however*, that if the rules of such exchange or automated quotation system permit the Corporation to defer the listing of such Common Stock until the first conversion of Series L Preferred Stock into Common Stock in accordance with the provisions hereof, the Corporation covenants to list such Common Stock issuable upon conversion of the Series L Preferred Stock in accordance with the requirements of such exchange or automated quotation system at such time.

Section 18. Limitations on Beneficial Ownership. Notwithstanding anything to the contrary contained herein, and subject to the last sentence of this Section 18, no holder of Series L Preferred Stock will be entitled to receive shares of Common Stock upon conversion pursuant to Section 12 and Section 13 hereof to the extent, but only to the extent, that such receipt would cause such converting holder to become, directly or indirectly, a "beneficial owner" (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) of more than 9.9% of the shares of Common Stock outstanding at such time. Any delivery of shares of Common Stock upon a purported conversion of Series L Preferred Stock shall be void and have no effect and such shares shall for all purposes continue to represent outstanding shares of Series L Preferred Stock to the extent (but only to the extent) that such delivery would result in the converting holder becoming the beneficial owner of more than 9.9% of the shares of Common Stock outstanding at such time. If any delivery of shares of Common Stock owed to a holder upon conversion of Series L Preferred Stock is not made, in whole or in part, as a result of this limitation, the Corporation's obligation to make such delivery shall not be extinguished and the Corporation shall deliver such shares as promptly as practicable after any such converting holder gives notice to the Corporation that such delivery would not result in it being the beneficial owner of more than 9.9% of the shares of Common Stock outstanding at such time. Notwithstanding anything in this paragraph to the contrary, these limitations on beneficial ownership shall not be applicable to or limit the number of shares of Series L Preferred Stock to be converted as a result of a mandatory conversion by the Corporation pursuant to Section 13(b).

Section 19. Preemptive or Subscription Rights. The Holders of Series L Preferred Stock shall not have any preemptive or subscription rights.

**IN WITNESS WHEREOF, WELLS FARGO & COMPANY** has caused this Certificate of Designations to be signed by Barbara S. Brett, its Senior Vice President and Assistant Treasurer, and Laurel A. Holschuh, its Secretary, this 30<sup>th</sup> day of December, 2008.

WELLS FARGO & COMPANY

By: /s/ Barbara S. Brett  
Barbara S. Brett, Senior Vice President  
and Assistant Treasurer

/s/ Laurel A. Holschuh  
Laurel A. Holschuh, Secretary

[As filed with the Delaware Secretary of State on December 30, 2008.]



WELLS FARGO & COMPANY

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CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION

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Pursuant to Section 242 of the  
General Corporation Law of the State of Delaware

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Laurel A. Holschuh, Senior Vice President, and Rachelle M. Graham, Assistant Secretary, of Wells Fargo & Company, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Company"), do hereby certify:

FIRST: That at a meeting of the Board of Directors of the Company duly held on February 23, 2010, a resolution was duly adopted setting forth a proposed amendment of the Restated Certificate of Incorporation of the Company, declaring the advisability of the amendment, and directing that the amendment be presented to stockholders of the Company for their consideration at the next annual meeting of the stockholders to be held on April 27, 2010. The resolution setting forth the proposed amendment is as follows:

RESOLVED that an amendment to ARTICLE FOURTH of the Company's Restated Certificate of Incorporation, as amended, to increase the authorized common stock to 9,000,000,000 shares is hereby proposed and declared advisable, and the following amendment to the first sentence of ARTICLE FOURTH is hereby directed to be presented to the stockholders of the Company for consideration at the annual meeting of stockholders to be held on April 27, 2010:

FOURTH: The total number of shares of all classes of stock which the corporation shall have authority to issue is Nine Billion Twenty-Four Million (9,024,000,000), consisting of Twenty Million (20,000,000) shares of Preferred Stock without par value, Four Million (4,000,000) shares of Preference Stock without par value, and Nine Billion (9,000,000,000) shares of Common Stock of the par value of \$1 2/3 per share.

SECOND: That at such annual meeting of stockholders, duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware, which notice set forth in full the proposed amendment, a majority of the outstanding shares of common stock of the Company were voted in favor of the amendment.

THIRD: That the amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, WELLS FARGO & COMPANY has caused this Certificate to be signed by Laurel A. Holschuh, its Senior Vice President, and attested by Rachelle M. Graham, its Assistant Secretary, this 29<sup>th</sup> day of April, 2010.

WELLS FARGO & COMPANY:

(Corporate Seal)

By: /s/ Laurel A. Holschuh  
Senior Vice President

ATTEST:

By: /s/ Rachelle M. Graham

Assistant Secretary

[As filed with the Delaware Secretary of State on April 29, 2010.]

**WELLS FARGO & COMPANY**

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**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

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**5.90% FIXED-TO-FLOATING RATE NON-CUMULATIVE PERPETUAL  
CLASS A PREFERRED STOCK, SERIES S  
(Without Par Value)**

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WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "*Corporation*"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "*Board of Directors*") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the "*Committee*") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "*General Corporation Law*"), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on April 17, 2014, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated January 27, 2009, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated 5.90% Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series S, with no par value and a liquidation preference amount of \$25,000 per share (the "*Series S Preferred Stock*"). Each share of Series S Preferred Stock shall be identical in all respects to every other share of Series S Preferred Stock except with

respect to the date from which dividends may accrue. Series S Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series S Preferred Stock shall be 80,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series S Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series S Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series S Preferred Stock:

“*Business Day*” means for dividends payable for the Fixed Rate Period (as defined below) any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York, and for dividends payable for the Floating Rate Period (as defined below), it means any date that would be considered a Business Day during the Fixed Rate Period that is also a London Banking Day (as defined below).

“*Calculation Agent*” means Wells Fargo Securities, LLC or any other successor appointed by the Corporation, acting as Calculation Agent.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series S Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{2}{3}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Designated LIBOR Page*” means the display on Reuters, or any successor service, on page LIBOR01, or any other page as may replace that page on that service, for the purpose of displaying the London interbank rates for U.S. dollars.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“DTC” means The Depository Trust Company, together with its successors and assigns.

“Fixed Rate Period” has the meaning set forth in Section 4(a) hereof.

“Floating Rate Period” has the meaning set forth in Section 4(a) hereof.

“Junior Stock” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series S Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“LIBOR Determination Date” means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

“Liquidation Preference” has the meaning set forth in Section 5(a) hereof.

“London Banking Day” means any day on which commercial banks and foreign exchange markets settle payments in London.

“Nonpayment Event” shall have the meaning set forth in Section 7(b).

“Parity Stock” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series S Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“Preference Stock” means any and all series of preference stock, having no par value, of the Corporation.

“Preferred Stock” means any and all series of preferred stock, having no par value, of the Corporation, including the Series S Preferred Stock.

“Preferred Stock Directors” shall have the meaning set forth in Section 7(b).

“Regulatory Capital Treatment Event” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after April 14, 2014; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after April 14, 2014; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after April 14, 2014, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series S

Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series S Preferred Stock is outstanding.

“*Series S Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Three-month LIBOR*” means, for any LIBOR Determination Date, the arithmetic mean of the offered rates for deposits in U.S. dollars for a three-month period commencing on the second London Banking Day immediately following that LIBOR Determination Date that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that LIBOR Determination Date, if at least two offered rates appear on the Designated LIBOR Page, provided that if the specified Designated LIBOR Page by its terms provides only for a single rate, that single rate will be used. If (i) fewer than two offered rates appear or (ii) no rate appears and the Designated LIBOR Page by its terms provides only for a single rate, then the Calculation Agent will request the principal London offices of each of four major banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for a three-month period commencing on the second London Banking Day immediately following that LIBOR Determination Date to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that LIBOR Determination Date and in a principal amount that is representative of a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, Three-month LIBOR determined on that LIBOR Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, Three-month LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on that LIBOR Determination Date by three major banks in New York City selected by the Calculation Agent for loans in U.S. dollars to leading European banks for a three-month period and in a principal amount that is representative of a single transaction in U.S. dollars in that market at that time. If the banks so selected by the Calculation Agent are not quoting as set forth above, Three-month LIBOR for that LIBOR Determination Date will remain Three-month LIBOR for the immediately preceding Dividend Period or, in the case of the Dividend Period beginning June 15, 2024, 5.90%. All percentages used in or resulting from any calculation of Three-month LIBOR will be rounded, if necessary, to the nearest one hundred-thousandth of a percentages point, with .000005% rounded up to .00001%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series S Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series S Preferred Stock will not be mandatory. Holders of Series S Preferred Stock shall be entitled to receive, when, as and if declared

by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series S Preferred Stock, payable (i) from April 22, 2014 to, but excluding, June 15, 2024 (the “*Fixed Rate Period*”), semi-annually in arrears on the 15<sup>th</sup> day of each June and December, commencing December 15, 2014 at an annual rate of 5.90%, and (ii) from, and including, June 15, 2024 (the “*Floating Rate Period*”), quarterly in arrears on the 15<sup>th</sup> day of each March, June, September and December, commencing September 15, 2024, at an annual rate equal to Three-month LIBOR plus 3.11%. Notwithstanding the foregoing, if any date on or prior to June 15, 2024 on which dividends otherwise would be payable is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay, and if any date after June 15, 2024 on which dividends otherwise would be payable is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding Business Day unless that day falls in the next calendar month, in which case payment of any dividend otherwise payable on that date will be the immediately preceding Business Day, and dividends will accrue to the actual payment date (each such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, April 22, 2014 to, but excluding, December 15, 2014. The record date for payment of dividends on the Series S Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable for the Fixed Rate Period shall be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable for the Floating Rate Period shall be computed on the basis of a 360-day year and the actual number of days elapsed. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. The Calculation Agent’s determination of any dividend rate, and its calculation of the amount of dividends payable for the Floating Rate Period, will be maintained on file at the Calculation Agent’s principal offices.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series S Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series S Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series S Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series S Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series S Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after April 14, 2014, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series S Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for



or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after April 14, 2014, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series S Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series S Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series S Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series S Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series S Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series S Preferred Stock shall not be entitled to participate in any such dividends.

## **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series S Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the

Corporation ranking senior to the Series S Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series S Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series S Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series S Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series S Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series S Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

#### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series S Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after June 15, 2024, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series S Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation,

at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series S Preferred Stock at the time outstanding, prior to June 15, 2024, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series S Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series S Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 40 days and not more than 70 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series S Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series S Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series S Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series S Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series S Preferred Stock at the time outstanding, the shares of Series S Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series S Preferred Stock in proportion to the number of Series S Preferred Stock held by such holders as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series S Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the

Corporation or any duly authorized committee of the Board of Directors (the “*Depository Company*”) in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

### **Section 7. Voting Rights.**

**(a) General.** The holders of Series S Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series S Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least three semi-annual Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a “*Nonpayment Event*”), the holders of the outstanding Series S Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation’s Board of Directors at the Corporation’s next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series S Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series S Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series S Preferred Stock (voting together as a class with the holders of shares of any one

or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least two semi-annual Dividend Periods or their equivalent, at which time such right with respect to the Series S Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series S Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series S Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series S Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series S Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series S Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series S Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series S Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the Bylaws that would adversely affect the rights, preferences, privileges or voting powers of the Series S Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or Bylaws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series S Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary

liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series S Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series S Preferred Stock will have no right to vote under this section 7(c)(iv) if in each case (a) the shares of Series S Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series S Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series S Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series S Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series S Preferred Stock, and holders of the Series S Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series S Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series S Preferred Stock will have 25 votes per share on any matter on which holders of the Series S Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series S Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series S Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series S Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which

rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the Bylaws and applicable law.

**Section 8. Preemption and Conversion.** The holders of Series S Preferred Stock shall not have any rights of preemption or rights to convert such Series S Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Reacquired Shares.** Shares of Series S Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series S Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series S Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series S Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series S Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Barbara S. Brett, its Senior Vice President and Assistant Treasurer, and Jeannine E. Zahn, its Assistant Secretary, this 17<sup>th</sup> day of April, 2014.

**Wells Fargo & Company**

By: /s/ Barbara S. Brett

Barbara S. Brett, Senior Vice President and Assistant  
Treasurer

/s/ Jeannine E. Zahn

Jeannine E. Zahn, Assistant Secretary

[As filed with the Delaware Secretary of State on April 21, 2014.]



**WELLS FARGO & COMPANY**

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**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

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**5.875% FIXED-TO-FLOATING RATE NON-CUMULATIVE PERPETUAL  
CLASS A PREFERRED STOCK, SERIES U  
(Without Par Value)**

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WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "*Corporation*"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "*Board of Directors*") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the "*Committee*") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "*General Corporation Law*"), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on January 22, 2015, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated April 29, 2014, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated 5.875% Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred

Stock, Series U, with no par value and a liquidation preference amount of \$25,000 per share (the “*Series U Preferred Stock*”). Each share of Series U Preferred Stock shall be identical in all respects to every other share of Series U Preferred Stock except with respect to the date from which dividends may accrue. Series U Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series U Preferred Stock shall be 80,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series U Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series U Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series U Preferred Stock:

“*Business Day*” means for dividends payable for the Fixed Rate Period (as defined below) any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York, and for dividends payable for the Floating Rate Period (as defined below), it means any date that would be considered a Business Day during the Fixed Rate Period that is also a London Banking Day (as defined below).

“*Calculation Agent*” means Wells Fargo Securities, LLC or any other successor appointed by the Corporation, acting as Calculation Agent.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series U Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{2}{3}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Designated LIBOR Page*” means the display on Reuters, or any successor service, on page LIBOR01, or any other page as may replace that page on that service, for the purpose of displaying the London interbank rates for U.S. dollars.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“*DTC*” means The Depository Trust Company, together with its successors and assigns.

“*Fixed Rate Period*” has the meaning set forth in Section 4(a) hereof.

“*Floating Rate Period*” has the meaning set forth in Section 4(a) hereof.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series U Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*LIBOR Determination Date*” means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*London Banking Day*” means any day on which commercial banks and foreign exchange markets settle payments in London.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series U Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series U Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after January 15, 2015; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after January 15, 2015; or (iii) official

administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after January 15, 2015, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series U Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series U Preferred Stock is outstanding.

“*Series U Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Three-month LIBOR*” means, for any LIBOR Determination Date, the arithmetic mean of the offered rates for deposits in U.S. dollars for a three-month period commencing on the second London Banking Day immediately following that LIBOR Determination Date that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that LIBOR Determination Date, if at least two offered rates appear on the Designated LIBOR Page, provided that if the specified Designated LIBOR Page by its terms provides only for a single rate, that single rate will be used. If (i) fewer than two offered rates appear or (ii) no rate appears and the Designated LIBOR Page by its terms provides only for a single rate, then the Calculation Agent will request the principal London offices of each of four major banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in U.S. dollars for a three-month period commencing on the second London Banking Day immediately following that LIBOR Determination Date to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that LIBOR Determination Date and in a principal amount that is representative of a single transaction in U.S. dollars in that market at that time. If at least two quotations are provided, Three-month LIBOR determined on that LIBOR Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, Three-month LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on that LIBOR Determination Date by three major banks in New York City selected by the Calculation Agent for loans in U.S. dollars to leading European banks for a three-month period and in a principal amount that is representative of a single transaction in U.S. dollars in that market at that time. If the banks so selected by the Calculation Agent are not quoting as set forth above, Three-month LIBOR for that LIBOR Determination Date will remain Three-month LIBOR for the immediately preceding Dividend Period or, in the case of the Dividend Period beginning June 15, 2025, 5.875%. All percentages used in or resulting from any calculation of Three-month LIBOR will be rounded, if necessary, to the nearest one hundred-thousandth of a percentages point, with .000005% rounded up to .00001%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series U Preferred Stock.

#### Section 4. Dividends.

**(a) Rate.** Dividends on the Series U Preferred Stock will not be mandatory. Holders of Series U Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series U Preferred Stock, payable (i) from January 23, 2015 to, but excluding, June 15, 2025 (the “*Fixed Rate Period*”), semi-annually in arrears on the 15<sup>th</sup> day of each June and December, commencing June 15, 2015 at an annual rate of 5.875%, and (ii) from, and including, June 15, 2025 (the “*Floating Rate Period*”), quarterly in arrears on the 15<sup>th</sup> day of each March, June, September and December, commencing September 15, 2025, at an annual rate equal to Three-month LIBOR plus 3.99%. Notwithstanding the foregoing, if any date on or prior to June 15, 2025 on which dividends otherwise would be payable is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay, and if any date after June 15, 2025 on which dividends otherwise would be payable is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding Business Day unless that day falls in the next calendar month, in which case payment of any dividend otherwise payable on that date will be the immediately preceding Business Day, and dividends will accrue to the actual payment date (each such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, January 23, 2015 to, but excluding, June 15, 2015. The record date for payment of dividends on the Series U Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable for the Fixed Rate Period shall be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable for the Floating Rate Period shall be computed on the basis of a 360-day year and the actual number of days elapsed. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. The Calculation Agent’s determination of any dividend rate, and its calculation of the amount of dividends payable for the Floating Rate Period, will be maintained on file at the Calculation Agent’s principal offices.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series U Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series U Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series U Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time

in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series U Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series U Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 15, 2015, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series U Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 15, 2015, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series U Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series U Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series U Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series U Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series U Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series U Preferred Stock shall not be entitled to participate in any such dividends.

## **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series U Preferred

Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series U Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the “*Liquidation Preference*”). The holders of Series U Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series U Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series U Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series U Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series U Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

#### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series U Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after June 15, 2025, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series U Preferred Stock shall be \$25,000 per share plus



an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series U Preferred Stock at the time outstanding, prior to June 15, 2025, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series U Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series U Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 40 days and not more than 70 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series U Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series U Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series U Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series U Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series U Preferred Stock at the time outstanding, the shares of Series U Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series U Preferred Stock in proportion to the number of Series U Preferred Stock held by such holders as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series U Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the “*Depository Company*”) in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## **Section 7. Voting Rights.**

**(a) General.** The holders of Series U Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series U Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least three semi-annual Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a “*Nonpayment Event*”), the holders of the outstanding Series U Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation’s Board of Directors at the Corporation’s next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series U

Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series U Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series U Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least two semi-annual Dividend Periods or their equivalent, at which time such right with respect to the Series U Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series U Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series U Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series U Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series U Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series U Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series U Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series U Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the Bylaws that would adversely affect the rights, preferences, privileges or voting powers of the Series

U Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or Bylaws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series U Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series U Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series U Preferred Stock will have no right to vote under this section 7(c)(iv) if in each case (a) the shares of Series U Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series U Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series U Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series U Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series U Preferred Stock, and holders of the Series U Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series U Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series U Preferred Stock will have 25 votes per share on any matter on which holders of the Series U Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series U Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series U Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series U Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the Bylaws and applicable law.

**Section 8. Preemption and Conversion.** The holders of Series U Preferred Stock shall not have any rights of preemption or rights to convert such Series U Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Reacquired Shares.** Shares of Series U Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series U Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series U Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series U Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series U Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Barbara S. Brett, its Senior Vice President and Assistant Treasurer, and Jeannine E. Zahn, its Assistant Secretary, this 22<sup>nd</sup> day of January, 2015.

**Wells Fargo & Company**

By: /s/ Barbara S. Brett  
Barbara S. Brett, Senior Vice President and Assistant  
Treasurer

/s/ Jeannine E. Zahn  
Jeannine E. Zahn, Assistant Secretary

[As filed with the Delaware Secretary of State on January 22, 2015.]

**WELLS FARGO & COMPANY**

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**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

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**NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES Y  
(Without Par Value)**

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WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the “*Corporation*”), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the “*Board of Directors*”) by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the “*Committee*”) in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the “*General Corporation Law*”), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on April 21, 2017, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated Non-Cumulative Perpetual Class A Preferred Stock, Series Y, with no par value and a liquidation preference amount of \$25,000 per share (the “*Series Y Preferred Stock*”). Each share of Series Y Preferred Stock shall be identical in all respects to every other share of Series Y Preferred Stock except with respect to the date from which dividends may accrue. Series Y Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the

Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series Y Preferred Stock shall be 27,600. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series Y Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series Y Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series Y Preferred Stock:

“*Business Day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series Y Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{2}{3}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“*DTC*” means The Depository Trust Company, together with its successors and assigns.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series Y Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).



“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series Y Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series Y Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after April 17, 2017; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after April 17, 2017; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after April 17, 2017, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series Y Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series Y Preferred Stock is outstanding.

“*Series Y Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series Y Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series Y Preferred Stock will not be mandatory. Holders of Series Y Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series Y Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December of each year (commencing on June 15, 2017); provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each such

day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, April 24, 2017 to, but excluding, June 15, 2017. Dividends on each share of Series Y Preferred Stock will accrue at a rate *per annum* equal to 5.625%. The record date for payment of dividends on the Series Y Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series Y Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series Y Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series Y Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series Y Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series Y Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the

redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after April 17, 2017, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series Y Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after April 17, 2017, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series Y Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series Y Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series Y Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series Y Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series Y Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series Y Preferred Stock shall not be entitled to participate in any such dividends.

### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series Y Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series Y Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series Y Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series Y Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series Y Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series Y Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series Y Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled

to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

#### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series Y Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after June 15, 2022, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Y Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series Y Preferred Stock at the time outstanding, prior to June 15, 2022, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Y Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series Y Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 40 days and not more than 70 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series Y Preferred Stock designated for redemption shall not affect the validity of the

proceedings for the redemption of any other shares of Series Y Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series Y Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series Y Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series Y Preferred Stock at the time outstanding, the shares of Series Y Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series Y Preferred Stock in proportion to the number of Series Y Preferred Stock held by such holders or in such other manner consistent with the rules and policies of the New York Stock Exchange as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series Y Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the “*Depository Company*”) in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## Section 7. Voting Rights.

**(a) General.** The holders of Series Y Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series Y Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a “*Nonpayment Event*”), the holders of the outstanding Series Y Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation’s Board of Directors at the Corporation’s next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series Y Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series Y Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series Y Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series Y Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series Y Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series Y Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series Y Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled.

The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series Y Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series Y Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series Y Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series Y Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series Y Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series Y Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series Y Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series Y Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series Y Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series Y Preferred Stock remaining outstanding or such preference

securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series Y Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series Y Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-



cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series Y Preferred Stock, and holders of the Series Y Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series Y Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series Y Preferred Stock will have 25 votes per share on any matter on which holders of the Series Y Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series Y Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series Y Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series Y Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws, applicable law and any national securities exchange or other trading facility in which the Series Y Preferred Stock is listed or traded at the time.

**Section 8. Preemption and Conversion.** The holders of Series Y Preferred Stock shall not have any rights of preemption or rights to convert such Series Y Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Reacquired Shares.** Shares of Series Y Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series Y Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series Y Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series Y Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series Y Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Barbara S. Brett, its Senior Vice President and Assistant Treasurer, and Jeannine E. Zahn, its Assistant Secretary, this 21<sup>st</sup> day of April, 2017.

**Wells Fargo & Company**

By: /s/ Barbara S. Brett  
Barbara S. Brett, Senior Vice President and Assistant Treasurer

/s/ Jeannine E. Zahn  
Jeannine E. Zahn, Assistant Secretary

[As filed with the Delaware Secretary of State on April 27, 2017]

**WELLS FARGO & COMPANY**

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**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

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**NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES Z  
(Without Par Value)**

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WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "Board of Directors") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the "Committee") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "General Corporation Law"), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on January 23, 2020, in accordance with Section 141(f) of the General Corporation Law:

**RESOLVED**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated Non-Cumulative Perpetual Class A Preferred Stock, Series Z, with no par value and a liquidation preference amount of \$25,000 per share (the "*Series Z Preferred Stock*"). Each share of Series Z Preferred Stock shall be identical in all respects to every other share of Series Z Preferred Stock except with respect to the date from which dividends may accrue. Series Z Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the

Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series Z Preferred Stock shall be 80,500. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series Z Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series Z Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series Z Preferred Stock:

“*Business Day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series Z Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{2}{3}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“*DTC*” means The Depository Trust Company, together with its successors and assigns.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series Z Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series Z Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series Z Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after January 15, 2020; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after January 15, 2020; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after January 15, 2020, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series Z Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series Z Preferred Stock is outstanding.

“*Series Z Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series Z Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series Z Preferred Stock will not be mandatory. Holders of Series Z Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series Z Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December of each year (commencing on March 15, 2020); provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each such

day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, January 27, 2020 to, but excluding, March 15, 2020. Dividends on each share of Series Z Preferred Stock will accrue at a rate *per annum* equal to 4.75%. The record date for payment of dividends on the Series Z Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series Z Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series Z Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series Z Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series Z Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series Z Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the

redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 15, 2020, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series Z Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 15, 2020, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series Z Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.



Subject to the succeeding sentence, for so long as any shares of Series Z Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series Z Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series Z Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series Z Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series Z Preferred Stock shall not be entitled to participate in any such dividends.

### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series Z Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series Z Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series Z Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series Z Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series Z Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series Z Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series Z Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled

to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

#### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series Z Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after March 15, 2025, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Z Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series Z Preferred Stock at the time outstanding, prior to March 15, 2025, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Z Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series Z Preferred Stock shall be mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation. Such mailing shall be at least 40 days and not more than 70 days before the date fixed for redemption. Any notice mailed as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Series Z Preferred Stock designated for redemption shall not affect the validity of the

proceedings for the redemption of any other shares of Series Z Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series Z Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series Z Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series Z Preferred Stock at the time outstanding, the shares of Series Z Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series Z Preferred Stock in proportion to the number of Series Z Preferred Stock held by such holders or in such other manner consistent with the rules and policies of the New York Stock Exchange as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series Z Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depository Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## Section 7. Voting Rights.

**(a) General.** The holders of Series Z Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series Z Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a “*Nonpayment Event*”), the holders of the outstanding Series Z Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation’s Board of Directors at the Corporation’s next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series Z Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series Z Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series Z Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series Z Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series Z Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series Z Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series Z Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled.

The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series Z Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series Z Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series Z Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series Z Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series Z Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series Z Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series Z Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series Z Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series Z Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series Z Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series Z Preferred Stock, taken as a whole; *provided, however,* that any authorization, creation or increase in the authorized amount of or issuance of the Series Z Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights,

preferences, privileges or voting powers of the Series Z Preferred Stock, and holders of the Series Z Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series Z Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series Z Preferred Stock will have 25 votes per share on any matter on which holders of the Series Z Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series Z Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series Z Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series Z Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws, applicable law and any national securities exchange or other trading facility in which the Series Z Preferred Stock is listed or traded at the time.

**Section 8. Preemption and Conversion.** The holders of Series Z Preferred Stock shall not have any rights of preemption or rights to convert such Series Z Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Reacquired Shares.** Shares of Series Z Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series Z Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to

the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series Z Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series Z Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series Z Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

US.123687035.08

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Le Roy Davis, its Senior Vice President and Assistant Treasurer, and John J. Muller, its Assistant Secretary, this 24<sup>th</sup> day of January, 2020.

**Wells Fargo & Company**

By: /s/ Le Roy Davis  
Le Roy Davis, Senior Vice President and Assistant Treasurer

/s/ John J. Muller  
John J. Muller, Assistant Secretary

[As filed with the Delaware Secretary of State on January 24, 2020]



**WELLS FARGO & COMPANY**

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**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

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**NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES AA  
(Without Par Value)**

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WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "Board of Directors") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon the Securities Committee of the Board of Directors (the "Committee") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "General Corporation Law"), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on October 26, 2020, in accordance with Section 141(f) of the General Corporation Law:

**RESOLVED**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated Non-Cumulative Perpetual Class A Preferred Stock, Series AA, with no par value and a liquidation preference amount of \$25,000 per share (the "*Series AA Preferred Stock*"). Each share of Series AA Preferred Stock shall be identical in all respects to every other share of Series AA Preferred Stock except with respect to the date from which dividends may accrue. Series AA Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the

Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series AA Preferred Stock shall be 46,800. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series AA Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series AA Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series AA Preferred Stock:

“*Business Day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series AA Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{2}{3}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“*DTC*” means The Depository Trust Company, together with its successors and assigns.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series AA Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series AA Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series AA Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after October 21, 2020; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after October 21, 2020; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after October 21, 2020, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series AA Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series AA Preferred Stock is outstanding.

“*Series AA Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series AA Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series AA Preferred Stock will not be mandatory. Holders of Series AA Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series AA Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December of each year (commencing on December 15, 2020); provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each

such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, October 28, 2020 to, but excluding, December 15, 2020. Dividends on each share of Series AA Preferred Stock will accrue at a rate *per annum* equal to 4.70%. The record date for payment of dividends on the Series AA Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series AA Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series AA Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series AA Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series AA Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series AA Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the

redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after October 21, 2020, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series AA Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after October 21, 2020, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series AA Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series AA Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series AA Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series AA Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series AA Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series AA Preferred Stock shall not be entitled to participate in any such dividends.

### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series AA Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series AA Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series AA Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series AA Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series AA Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series AA Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series AA Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all

holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

#### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series AA Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after December 15, 2025, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series AA Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series AA Preferred Stock at the time outstanding, prior to December 15, 2025, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series AA Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series AA Preferred Stock shall be provided to a Depositary Company (as defined below), as sole holder of the Series AA Preferred Stock, pursuant to the applicable procedures of such Depositary Company. Such notice shall be provided at least 40 days and not more than 70 days before the date fixed for redemption. Any notice given as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure to duly give such notice, or any defect in such notice, to any holder of shares of Series AA Preferred Stock designated for redemption

shall not affect the validity of the proceedings for the redemption of any other shares of Series AA Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series AA Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series AA Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series AA Preferred Stock at the time outstanding, the shares of Series AA Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series AA Preferred Stock in proportion to the number of Series AA Preferred Stock held by such holders or in such other manner consistent with the rules and policies of the New York Stock Exchange as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series AA Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depository Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.



## Section 7. Voting Rights.

**(a) General.** The holders of Series AA Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series AA Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a "*Nonpayment Event*"), the holders of the outstanding Series AA Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation's Board of Directors at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the "*Preferred Stock Directors*") by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series AA Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series AA Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series AA Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series AA Preferred Stock shall terminate, except as provided by law, and subject to reversion in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series AA Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series AA Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series AA Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has

already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series AA Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series AA Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series AA Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series AA Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series AA Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series AA Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series AA Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series AA Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series AA Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series AA Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series AA Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series AA Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed

not to adversely affect the rights, preferences, privileges or voting powers of the Series AA Preferred Stock, and holders of the Series AA Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series AA Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series AA Preferred Stock will have 25 votes per share on any matter on which holders of the Series AA Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series AA Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series AA Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series AA Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws, applicable law and any national securities exchange or other trading facility in which the Series AA Preferred Stock is listed or traded at the time.

**Section 8. Preemption and Conversion.** The holders of Series AA Preferred Stock shall not have any rights of preemption or rights to convert such Series AA Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Reacquired Shares.** Shares of Series AA Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series AA Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series AA Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series AA Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series AA Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Le Roy Davis, its Senior Vice President and Assistant Treasurer, and John J. Muller, its Assistant Secretary, this 27<sup>th</sup> day of October, 2020.

**Wells Fargo & Company**

By: /s/ Le Roy Davis  
Le Roy Davis, Senior Vice President and Assistant Treasurer

/s/ John J. Muller  
John J. Muller, Assistant Secretary

[As filed with the Delaware Secretary of State on October 27, 2020]

## WELLS FARGO & COMPANY

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### CERTIFICATE OF DESIGNATION

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

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### **3.90% FIXED RATE RESET NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES BB (Without Par Value)**

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WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the “Corporation”), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the “Board of Directors”) by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon Securities Committee I of the Board of Directors (the “Committee”) in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the “General Corporation Law”), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on January 21, 2021, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

#### **RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated 3.90% Fixed Rate Reset Non-Cumulative Perpetual Class A Preferred Stock, Series BB, with no par value and a liquidation preference amount of \$25,000 per share (the “Series BB Preferred Stock”). Each share of Series BB Preferred Stock shall be identical in all respects to every other share of Series BB Preferred Stock except with respect to the date from which dividends may accrue. Series BB Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series BB Preferred Stock shall be 140,400. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series BB Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series BB Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series BB Preferred Stock:

*“Business Day”* means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York, subject to any adjustments made by the Calculation Agent as provided for herein.

*“Calculation Agent”* means a calculation agent appointed by the Corporation prior to the first Reset Dividend Determination Date or any successor appointed by the Corporation thereafter. A record of the selection of the Calculation Agent or any successor will be maintained by the Corporation and available to any stockholder upon request.

*“Certificate of Designation”* means this Certificate of Designation relating to the Series BB Preferred Stock, as it may be amended from time to time.

*“Common Stock”* means the common stock of the Corporation, par value \$1 $\frac{2}{3}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

*“Depository Company”* has the meaning set forth in Section 6(d) hereof.

*“Dividend Payment Date”* has the meaning set forth in Section 4(a) hereof.

*“Dividend Period”* has the meaning set forth in Section 4(a) hereof.

*“DTC”* means The Depository Trust Company, together with its successors and assigns.

*“First Reset Date”* has the meaning set forth in Section 4(a) hereof.

*“Five-year Treasury Rate”* means:

- (1) the average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption “Treasury Constant Maturities” in the most recently published

statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve Board as of 5:00 p.m. (Eastern Time) as of any date of determination, as determined by the Calculation Agent in its sole discretion; or

- (2) if no calculation is provided as described above, then the Calculation Agent will use a substitute or successor rate that it has determined, in its sole discretion after consulting any source it deems to be reasonable, is (i) the industry-accepted substitute or successor for the Five-year Treasury Rate or (ii) if there is no such industry-accepted substitute or successor for the Five-year Treasury Rate, a substitute or successor rate that is most comparable to the Five-year Treasury Rate. Upon selection of a substitute or successor rate, the Calculation Agent may determine, in its sole discretion after consulting any source it deems to be reasonable, the day count convention, the Business Day convention, the definition of Business Day, the Reset Dividend Determination Date and any other relevant methodology or definition for calculating such substitute or successor rate, including any adjustment factor it determines is needed to make such substitute or successor rate comparable to the Five-year Treasury Rate, in a manner that is consistent with any industry-accepted practices for such substitute or successor rate.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series BB Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series BB Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series BB Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).



“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after January 19, 2021; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after January 19, 2021; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after January 19, 2021, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series BB Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series BB Preferred Stock is outstanding.

“*Reset Date*” has the meaning set forth in Section 4(a) hereof.

“*Reset Dividend Determination Date*” has the meaning set forth in Section 4(a) hereof.

“*Reset Period*” has the meaning set forth in Section 4(a) hereof.

“*Series BB Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series BB Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series BB Preferred Stock will not be mandatory. Holders of Series BB Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series BB Preferred Stock, payable quarterly in arrears on the 15th day of each March, June, September and December, commencing March 15, 2021, and accruing at an annual rate equal to (i) 3.90% from, and including, January 26, 2021 to, but excluding, March 15, 2026 (the “*First Reset Date*”), and (ii) the Five-year Treasury Rate as of the most recent Reset Dividend Determination Date plus 3.453% for each Reset Period, from, and including, the First Reset Date, commencing on June 15, 2026; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, January 26, 2021 to, but excluding, March 15, 2021. A

“*Reset Period*” means the period from, and including, a Reset Date to, but excluding, the next succeeding Reset Date, except for the initial Reset Period, which will be the period from, and including, the First Reset Date to, but excluding, the next succeeding Reset Date. A “*Reset Date*” means the First Reset Date and each date falling on the fifth anniversary of the immediately preceding Reset Date, and no Reset Date, including the First Reset Date, will be adjusted due to the occurrence of a non-Business Day. A “*Reset Dividend Determination Date*” means, in respect of any Reset Period, the day that is three Business Days prior to the applicable Reset Date, subject to any adjustments made by the Calculation Agent as provided for herein. The record date for payment of dividends on the Series BB Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. The Calculation Agent’s determination of the rate of any dividend for each Reset Period and its calculation of the amount of dividends, and any other adjustments made by the Calculation Agent pursuant to the terms hereof will be maintained on file at the Calculation Agent’s principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series BB Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series BB Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series BB Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series BB Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series BB Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock

other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 19, 2021, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series BB Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 19, 2021, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series BB Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series BB Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series BB Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series BB Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series BB Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series BB Preferred Stock shall not be entitled to participate in any such dividends.

#### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series BB Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series BB Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series BB Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series BB Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series BB Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series BB Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series BB Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

## **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series BB Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after March 15, 2026, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series BB Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series BB Preferred Stock at the time outstanding, prior to March 15, 2026, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series BB Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series BB Preferred Stock shall be provided to a Depositary Company (as defined below), as sole holder of the Series BB Preferred Stock, pursuant to the applicable procedures of such Depositary Company. Such notice shall be provided at least 25 days and not more than 55 days before the date fixed for redemption. Any notice given as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure to duly give such notice, or any defect in such

notice, to any holder of shares of Series BB Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series BB Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series BB Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series BB Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series BB Preferred Stock at the time outstanding, the shares of Series BB Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series BB Preferred Stock in proportion to the number of Series BB Preferred Stock held by such holders or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series BB Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depository Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## Section 7. Voting Rights.

**(a) General.** The holders of Series BB Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series BB Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a “*Nonpayment Event*”), the holders of the outstanding Series BB Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation’s Board of Directors at the Corporation’s next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series BB Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series BB Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series BB Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series BB Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series BB Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series BB Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series BB Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote.

Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series BB Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series BB Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series BB Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series BB Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series BB Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series BB Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series BB Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series BB Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series BB Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series BB Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series BB Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series BB Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series BB Preferred Stock, and holders of the Series BB Preferred Stock shall have no right to vote thereon.



If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series BB Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series BB Preferred Stock will have 25 votes per share on any matter on which holders of the Series BB Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series BB Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series BB Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series BB Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws and applicable law.

**Section 8. Preemption and Conversion.** The holders of Series BB Preferred Stock shall not have any rights of preemption or rights to convert such Series BB Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Recquired Shares.** Shares of Series BB Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series BB Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series BB Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series BB Preferred

Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series BB Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

US.131149925.01

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Bryant Owens, its Senior Vice President and Assistant Treasurer, and John J. Muller, its Assistant Secretary, this 21st day of January, 2021.

Company

/s/ Bryant Owens By: \_\_\_\_\_  
Bryant Owens, Senior Vice President and Assistant Treasurer

/s/ John J. Muller  
John J. Muller, Assistant Secretary

[As filed with the Delaware Secretary of State on January 22, 2021]

**WELLS FARGO & COMPANY**

**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

**NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES CC  
(Without Par Value)**

WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the "*Corporation*"), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the "*Board of Directors*") by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon Securities Committee I of the Board of Directors (the "*Committee*") in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the "*General Corporation Law*"), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on January 27, 2021, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated Non-Cumulative Perpetual Class A Preferred Stock, Series CC, with no par value and a liquidation preference amount of \$25,000 per share (the "*Series CC Preferred Stock*"). Each share of Series CC Preferred Stock shall be identical in all respects to every other share of Series CC Preferred Stock except with respect to the date from which dividends may accrue. Series CC Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series CC Preferred Stock shall be 46,000. Such number may from time to time be increased (but

not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series CC Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series CC Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series CC Preferred Stock:

“*Business Day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series CC Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{1}{2}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“*DTC*” means The Depository Trust Company, together with its successors and assigns.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series CC Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series CC Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series CC Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after January 25, 2021; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after January 25, 2021; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after January 25, 2021, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series CC Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series CC Preferred Stock is outstanding.

“*Series CC Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series CC Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series CC Preferred Stock will not be mandatory. Holders of Series CC Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series CC Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December of each year (commencing on March 15, 2021); provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, February 1, 2021 to, but excluding, March 15, 2021. Dividends on each share of Series CC Preferred Stock will accrue at a rate *per annum* equal to 4.375%. The record date for payment of dividends on the Series CC Preferred Stock shall be the last Business Day of the calendar month immediately preceding the

month during which the Dividend Payment Date falls or such other date as determined by the Corporation's Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series CC Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series CC Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series CC Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series CC Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series CC Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common

Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 25, 2021, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series CC Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after January 25, 2021, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series CC Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series CC Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series CC Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series CC Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series CC Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.



Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series CC Preferred Stock shall not be entitled to participate in any such dividends.

### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series CC Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series CC Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series CC Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series CC Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series CC Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series CC Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series CC Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed

to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series CC Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after March 15, 2026, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series CC Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series CC Preferred Stock at the time outstanding, prior to March 15, 2026, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series CC Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series CC Preferred Stock shall be provided to a Depository Company (as defined below), as sole holder of the Series CC Preferred Stock, pursuant to the applicable procedures of such Depository Company. Such notice shall be provided at least 40 days and not more than 70 days before the date fixed for redemption. Any notice given as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure to duly give such notice, or any defect in such notice, to any holder of shares of Series CC Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series CC Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series CC Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series CC Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series CC Preferred Stock at the time outstanding, the shares of Series CC Preferred

Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series CC Preferred Stock in proportion to the number of Series CC Preferred Stock held by such holders or in such other manner consistent with the rules and policies of the New York Stock Exchange as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series CC Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depository Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## **Section 7. Voting Rights.**

**(a) General.** The holders of Series CC Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series CC Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a "*Nonpayment Event*"), the holders of the outstanding Series CC Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation's Board of Directors at the Corporation's

next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series CC Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series CC Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series CC Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series CC Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series CC Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series CC Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series CC Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series CC Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series CC Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series CC Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by

Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series CC Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series CC Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series CC Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series CC Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series CC Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series CC Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series CC Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series CC Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series CC Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series CC Preferred Stock, and holders of the Series CC Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series CC Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series CC Preferred Stock will have 25 votes per share on any matter on which holders of the Series CC Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series CC Preferred Stock shall be required pursuant to Section 7(b) or (c)

above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series CC Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series CC Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws, applicable law and any national securities exchange or other trading facility in which the Series CC Preferred Stock is listed or traded at the time.

**Section 8. Preemption and Conversion.** The holders of Series CC Preferred Stock shall not have any rights of preemption or rights to convert such Series CC Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Recquired Shares.** Shares of Series CC Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series CC Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series CC Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series CC Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series CC Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Bryant Owens, its Senior Vice President and Assistant Treasurer, and John J. Muller, its Assistant Secretary, this 28th day of January, 2021.

**Wells Fargo & Company**

By: /s/ Bryant Owens  
Bryant Owens, Senior Vice President and Assistant Treasurer

/s/ John J. Muller  
John J. Muller, Assistant Secretary

[As filed with the Delaware Secretary of State on January 28, 2021]

**WELLS FARGO & COMPANY**

**CERTIFICATE OF DESIGNATION**

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

**NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES DD  
(Without Par Value)**

WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the “*Corporation*”), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the “*Board of Directors*”) by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended, which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon Securities Committee I of the Board of Directors (the “*Committee*”) in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the “*General Corporation Law*”), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on July 22, 2021, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

**RIGHTS AND PREFERENCES**

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated Non-Cumulative Perpetual Class A Preferred Stock, Series DD, with no par value and a liquidation preference amount of \$25,000 per share (the “*Series DD Preferred Stock*”). Each share of Series DD Preferred Stock shall be identical in all respects to every other share of Series DD Preferred Stock except with respect to the date from which dividends may accrue. Series DD Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series DD Preferred Stock shall be 50,000. Such number may from time to time be increased (but



not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series DD Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series DD Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series DD Preferred Stock:

“*Business Day*” means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York.

“*Certificate of Designation*” means this Certificate of Designation relating to the Series DD Preferred Stock, as it may be amended from time to time.

“*Common Stock*” means the common stock of the Corporation, par value \$1 $\frac{1}{2}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

“*Depository Company*” has the meaning set forth in Section 6(d) hereof.

“*Dividend Payment Date*” has the meaning set forth in Section 4(a) hereof.

“*Dividend Period*” has the meaning set forth in Section 4(a) hereof.

“*DTC*” means The Depository Trust Company, together with its successors and assigns.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series DD Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series DD Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series DD Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after July 20, 2021; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after July 20, 2021; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after July 20, 2021, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series DD Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series DD Preferred Stock is outstanding.

“*Series DD Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series DD Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series DD Preferred Stock will not be mandatory. Holders of Series DD Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series DD Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December of each year (commencing on September 15, 2021); provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, July 27, 2021 to, but excluding, September 15, 2021. Dividends on each share of Series DD Preferred Stock will accrue at a rate *per annum* equal to 4.25%. The record date for payment of dividends on the Series DD Preferred Stock shall be the last Business Day of the calendar month immediately preceding the

month during which the Dividend Payment Date falls or such other date as determined by the Corporation's Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series DD Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series DD Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series DD Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series DD Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series DD Preferred Stock remain outstanding,

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Common Stock, and no shares of Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Common Stock by the Corporation (other than (i) a dividend payable in Common Stock or (ii) the acquisition of shares of Common Stock in exchange for, or through application of proceeds of the sale of, shares of Common Stock);

(2) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock other than Common Stock, and no shares of Junior Stock other than Common Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock other than Common Stock by the Corporation (other than (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock other than Common Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock other than Common Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock other than Common

Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after July 20, 2021, (viii) any purchase of fractional interests in shares of Junior Stock other than Common Stock pursuant to the conversion or exchange provisions of such Junior Stock other than Common Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock other than Common Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(3) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series DD Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after July 20, 2021, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, the full dividends for the then-current Dividend Period on all outstanding shares of the Series DD Preferred Stock have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series DD Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series DD Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series DD Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of Series DD Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series DD Preferred Stock shall not be entitled to participate in any such dividends.

### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series DD Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of the Common Stock or any other Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series DD Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series DD Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series DD Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series DD Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series DD Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series DD Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock, the holders of Common Stock and any other Junior Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed

to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series DD Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after September 15, 2026, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series DD Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series DD Preferred Stock at the time outstanding, prior to September 15, 2026, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series DD Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series DD Preferred Stock shall be provided to a Depository Company (as defined below), as sole holder of the Series DD Preferred Stock, pursuant to the applicable procedures of such Depository Company. Such notice shall be provided at least 40 days and not more than 70 days before the date fixed for redemption. Any notice given as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure to duly give such notice, or any defect in such notice, to any holder of shares of Series DD Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series DD Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series DD Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series DD Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series DD Preferred Stock at the time outstanding, the shares of Series DD Preferred

Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series DD Preferred Stock in proportion to the number of Series DD Preferred Stock held by such holders or in such other manner consistent with the rules and policies of the New York Stock Exchange as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series DD Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the “*Depository Company*”) in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## **Section 7. Voting Rights.**

**(a) General.** The holders of Series DD Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series DD Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a “*Nonpayment Event*”), the holders of the outstanding Series DD Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election of two additional directors of the Corporation’s Board of Directors at the Corporation’s

next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the “*Preferred Stock Directors*”) by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series DD Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series DD Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series DD Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series DD Preferred Stock shall terminate, except as provided by law, and subject to revesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series DD Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately. Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series DD Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series DD Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series DD Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series DD Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series DD Preferred Stock and such Voting Parity Stock, voting together as a class, given in person or by proxy, either in writing without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by



Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series DD Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series DD Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series DD Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series DD Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series DD Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series DD Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series DD Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series DD Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series DD Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series DD Preferred Stock, and holders of the Series DD Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series DD Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series DD Preferred Stock will have 25 votes per share on any matter on which holders of the Series DD Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by written consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series DD Preferred Stock shall be required pursuant to Section 7(b) or (c)

above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series DD Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series DD Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws, applicable law and any national securities exchange or other trading facility in which the Series DD Preferred Stock is listed or traded at the time.

**Section 8. Preemption and Conversion.** The holders of Series DD Preferred Stock shall not have any rights of preemption or rights to convert such Series DD Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Recquired Shares.** Shares of Series DD Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series DD Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series DD Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series DD Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series DD Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Bryant Owens, its Senior Vice President and Assistant Treasurer, and John J. Muller, its Assistant Secretary, this 22nd day of July, 2021.

**Wells Fargo & Company**

By: /s/ Bryant Owens  
Bryant Owens, Senior Vice President and Assistant  
Treasurer

/s/ John J. Muller  
John J. Muller, Assistant Secretary

[As filed with the Delaware Secretary of State on July 23, 2021]

## WELLS FARGO & COMPANY

### CERTIFICATE OF DESIGNATION

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

#### 7.625% FIXED RATE RESET NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES EE (Without Par Value)

WELLS FARGO & COMPANY, a corporation organized and existing under the laws of the State of Delaware (the “Corporation”), HEREBY CERTIFIES that, pursuant to authority conferred upon the Board of Directors of the Corporation (the “Board of Directors”) by the provisions of the Restated Certificate of Incorporation of the Corporation, as amended (the “Restated Certificate of Incorporation”), which authorize the issuance of not more than 20,000,000 shares of Preferred Stock, without par value, and pursuant to authority conferred upon Securities Committee I of the Board of Directors (the “Committee”) in accordance with Section 141(c) of the General Corporation Law of the State of Delaware (the “General Corporation Law”), the following resolutions were duly adopted by the Committee pursuant to the unanimous written consent of the Committee duly adopted on July 19, 2023, in accordance with Section 141(f) of the General Corporation Law:

**Resolved**, that pursuant to the authority vested in the Committee and in accordance with the resolutions of the Board of Directors dated October 25, 2016, the provisions of the Restated Certificate of Incorporation, the By-laws of the Corporation, and applicable law, a series of Preferred Stock, no par value, of the Corporation be and hereby is created, and that the designation and number of shares of such series, and the voting and other powers, designations, preferences and relative, participating, optional or other rights, and the qualifications, limitations and restrictions thereof, of the shares of such series, are as follows:

#### RIGHTS AND PREFERENCES

**Section 1. Designation.** The shares of such series of Preferred Stock shall be designated 7.625% Fixed Rate Reset Non-Cumulative Perpetual Class A Preferred Stock, Series EE, with no par value and a liquidation preference amount of \$25,000 per share (the “Series EE Preferred Stock”). Each share of Series EE Preferred Stock shall be identical in all respects to every other share of Series EE Preferred Stock except with respect to the date from which dividends may accrue. Series EE Preferred Stock will rank equally with Parity Stock with respect to the payment of dividends and distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation and will rank senior to Junior Stock with respect to the payment of dividends and/or the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

**Section 2. Number of Shares.** The number of authorized shares of Series EE Preferred Stock shall be 69,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of Preferred Stock) or decreased (but not below the number of shares of Series EE Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law stating that such increase or decrease, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series EE Preferred Stock.

**Section 3. Definitions.** As used herein with respect to Series EE Preferred Stock:

*“Business Day”* means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in New York, New York, subject to any adjustments made by the Calculation Agent as provided for herein.

*“Calculation Agent”* means a calculation agent appointed by the Corporation prior to the first Reset Dividend Determination Date or any successor appointed by the Corporation thereafter. A record of the selection of the Calculation Agent or any successor will be maintained by the Corporation and available to any stockholder upon request.

*“Certificate of Designation”* means this Certificate of Designation relating to the Series EE Preferred Stock, as it may be amended from time to time.

*“Common Stock”* means the common stock of the Corporation, par value \$1 $\frac{1}{2}$  per share, as the same exists at the date of this Certificate of Designation or as such stock may be constituted from time to time.

*“Depository Company”* has the meaning set forth in Section 6(d) hereof.

*“Dividend Payment Date”* has the meaning set forth in Section 4(a) hereof.

*“Dividend Period”* has the meaning set forth in Section 4(a) hereof.

*“DTC”* means The Depository Trust Company, together with its successors and assigns.

*“First Reset Date”* has the meaning set forth in Section 4(a) hereof.

*“Five-year Treasury Rate”* means:

- (1) the average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption “Treasury Constant Maturities”

in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve Board as of 5:00 p.m. (Eastern Time) as of any date of determination, as determined by the Calculation Agent in its sole discretion; or

- (2) if no calculation is provided as described above, then the Calculation Agent will use a substitute or successor rate that it has determined, in its sole discretion after consulting any source it deems to be reasonable, is (i) the industry-accepted substitute or successor for the Five-year Treasury Rate or (ii) if there is no such industry-accepted substitute or successor for the Five-year Treasury Rate, a substitute or successor rate that is most comparable to the Five-year Treasury Rate. Upon selection of a substitute or successor rate, the Calculation Agent may determine, in its sole discretion after consulting any source it deems to be reasonable, the day count convention, the Business Day convention, the definition of Business Day, the Reset Dividend Determination Date and any other relevant methodology or definition for calculating such substitute or successor rate, including any adjustment factor it determines is needed to make such substitute or successor rate comparable to the Five-year Treasury Rate, in a manner that is consistent with any industry-accepted practices for such substitute or successor rate.

“*Junior Stock*” means the Common Stock and any other class or series of stock of the Corporation now existing or hereafter authorized over which the Series EE Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Liquidation Preference*” has the meaning set forth in Section 5(a) hereof.

“*Nonpayment Event*” shall have the meaning set forth in Section 7(b).

“*Parity Stock*” means any other class or series of stock of the Corporation now existing or hereafter authorized that ranks on par with the Series EE Preferred Stock in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

“*Preference Stock*” means any and all series of preference stock, having no par value, of the Corporation.

“*Preferred Stock*” means any and all series of preferred stock, having no par value, of the Corporation, including the Series EE Preferred Stock.

“*Preferred Stock Directors*” shall have the meaning set forth in Section 7(b).

“*Regulatory Capital Treatment Event*” means the Corporation’s reasonable determination that as a result of any (i) amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after July 17, 2023; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after July 17, 2023; or (iii) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after July 17, 2023, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of all shares of Series EE Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series EE Preferred Stock is outstanding.

“*Reset Date*” has the meaning set forth in Section 4(a) hereof.

“*Reset Dividend Determination Date*” has the meaning set forth in Section 4(a) hereof.

“*Reset Period*” has the meaning set forth in Section 4(a) hereof.

“*Series EE Preferred Stock*” has the meaning set forth in Section 1 hereof.

“*Voting Parity Stock*” means any Parity Stock having similar voting rights as the Series EE Preferred Stock.

#### **Section 4. Dividends.**

**(a) Rate.** Dividends on the Series EE Preferred Stock will not be mandatory. Holders of Series EE Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference amount of \$25,000 per share of the Series EE Preferred Stock, payable quarterly in arrears on the 15th day of each March, June, September and December, commencing September 15, 2023, and accruing at an annual rate equal to (i) 7.625% from, and including, July 24, 2023 to, but excluding, September 15, 2028 (the “*First Reset Date*”), and (ii) the Five-year Treasury Rate as of the most recent Reset Dividend Determination Date plus 3.606% for each Reset Period, from, and including, the First Reset Date, commencing on December 15, 2028; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay (each such day on which dividends are payable a “*Dividend Payment Date*”). A “*Dividend Period*” means the period from, and including, a Dividend Payment Date to, but excluding, the next succeeding Dividend Payment Date, except for the initial Dividend Period, which will be the period from, and including, July 24, 2023 to, but excluding, September 15, 2023. A “*Reset Period*” means

the period from, and including, a Reset Date to, but excluding, the next succeeding Reset Date, except for the initial Reset Period, which will be the period from, and including, the First Reset Date to, but excluding, the next succeeding Reset Date. A “Reset Date” means the First Reset Date and each date falling on the fifth anniversary of the immediately preceding Reset Date, and no Reset Date, including the First Reset Date, will be adjusted due to the occurrence of a non-Business Day. A “Reset Dividend Determination Date” means, in respect of any Reset Period, the day that is three Business Days prior to the applicable Reset Date, subject to any adjustments made by the Calculation Agent as provided for herein. The record date for payment of dividends on the Series EE Preferred Stock shall be the last Business Day of the calendar month immediately preceding the month during which the Dividend Payment Date falls or such other date as determined by the Corporation’s Board of Directors. The amount of dividends payable shall be computed on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. The Calculation Agent’s determination of the rate of any dividend for each Reset Period and its calculation of the amount of dividends, and any other adjustments made by the Calculation Agent pursuant to the terms hereof will be maintained on file at the Calculation Agent’s principal offices, will be made available to any stockholder upon request and will be final and binding in the absence of manifest error.

**(b) Non-Cumulative Dividends.** Dividends on shares of Series EE Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series EE Preferred Stock on any Dividend Payment Date are not declared prior to such Dividend Payment Date, then such dividends shall not cumulate and shall cease to accrue and be payable, and the Corporation shall have no obligation to pay, and the holders of Series EE Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period on the Dividend Payment Date for such Dividend Period or at any time in the future or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series EE Preferred Stock or any other series of authorized Preferred Stock, Preference Stock, or Common Stock of the Corporation.

**(c) Priority of Dividends.** So long as any shares of Series EE Preferred Stock remain outstanding:

(1) no dividend shall be declared and paid or set aside for payment and no distribution shall be declared and made or set aside for payment on any Junior Stock, and no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly, nor shall any monies be paid to or made available for a sinking fund for the redemption of any such Junior Stock by the Corporation (other than, subject to any other provision of the Restated Certificate of Incorporation, (i) a dividend payable solely in shares of Junior Stock, (ii) any dividend in connection with the implementation of a stockholder rights plan, or the redemption or repurchase of any rights under any such plan, (iii) any dividend in the form of stock, warrants, options or other rights where the dividend stock or stock issuable upon exercise of such warrants, options or other rights is the same stock as that on which the



dividend is being paid or ranks equally with or junior to such stock, (iv) as a result of a reclassification of Junior Stock for or into other Junior Stock, (v) the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, (vi) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock, (vii) any purchase, redemption or other acquisition of Junior Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after July 17, 2023, (viii) any purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the securities being converted or exchanged, (ix) the purchase of Junior Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (x) the purchase of Junior Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business); and

(2) no shares of Parity Stock will be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series EE Preferred Stock and such Parity Stock during a Dividend Period (other than (i) as a result of a reclassification of Parity Stock for or into other Parity Stock or Junior Stock, (ii) the exchange or conversion of one share of Parity Stock for or into another share of Parity Stock or Junior Stock, (iii) through the use of proceeds of a substantially contemporaneous sale of other shares of Parity Stock or Junior Stock, (iv) any purchase, redemption or other acquisition of Parity Stock pursuant to any of the Corporation's or any of its subsidiaries' employee, consultant or director incentive or benefit plans or arrangements (including any employment, severance or consulting arrangements) adopted before or after July 17, 2023, (v) any purchase of fractional interests in shares of Parity Stock pursuant to the conversion or exchange provisions of such Parity Stock or the securities being converted or exchanged, (vi) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with the distribution thereof or (vii) the purchase of Parity Stock by Wells Fargo Securities, LLC, or any other affiliate of the Corporation, in connection with market-making or other secondary market activities in the ordinary course of business),

unless, in each case, full dividends on all outstanding shares of Series EE Preferred Stock for the Dividend Period ending on or immediately prior to the dividend payment date or other payment date for such Junior Stock or Parity Stock have been declared and paid or declared and a sum sufficient for payment of those dividends has been set aside.

Subject to the succeeding sentence, for so long as any shares of Series EE Preferred Stock remain outstanding, no dividends shall be declared, paid, or set aside for payment on any Parity Stock for any period unless full dividends on all outstanding shares of Series EE Preferred Stock for the then-current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside. To the extent the Corporation declares dividends on the Series EE Preferred Stock and on any Parity Stock but cannot make full payment of those declared dividends, the Corporation will allocate the dividend payments on a proportional basis among the holders of shares of

Series EE Preferred Stock and the holders of any Parity Stock then outstanding where the terms of such Parity Stock provide similar dividend rights.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on the Common Stock and any other stock that is Parity Stock or Junior Stock, from time to time out of any assets legally available for such payment, and the shares of Series EE Preferred Stock shall not be entitled to participate in any such dividends.

### **Section 5. Liquidation Rights.**

**(a) Liquidation.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series EE Preferred Stock shall be entitled to receive in full out of assets available for distribution to its stockholders before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock, and subject to the rights of the holders of Parity Stock or any stock of the Corporation ranking senior to the Series EE Preferred Stock as to such distribution, a liquidating distribution in the amount of \$25,000 per share, plus an amount equal to any dividends which have been declared but not yet paid, without accumulation of any undeclared dividends, to the date of liquidation (the "*Liquidation Preference*"). The holders of Series EE Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

**(b) Partial Payment.** If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference to all holders of Series EE Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series EE Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series EE Preferred Stock and all such Parity Stock.

**(c) Residual Distributions.** If the Liquidation Preference has been paid in full to all holders of Series EE Preferred Stock and all other amounts payable upon liquidation, dissolution or winding up of the Corporation have been paid in full to all holders of any Parity Stock and any other series of Preferred Stock or Preference Stock ranking senior to the Common Stock upon a liquidation, dissolution or winding up of the Corporation, the holders of Common Stock shall be entitled to receive all remaining assets of the Corporation according to their respective rights and preferences.

**(d) Merger, Consolidation and Sale of Assets Not Liquidation.** For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other

corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

### **Section 6. Redemption.**

**(a) Optional Redemption.** The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem, subject to the prior approval of the Federal Reserve Board, out of funds legally available therefor, in whole or in part, the shares of Series EE Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after September 15, 2028, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series EE Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid up to the redemption date without accumulation of any undeclared dividends.

Notwithstanding the foregoing, within 90 days of the Corporation's good faith determination that a Regulatory Capital Treatment Event has occurred, the Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may, subject to the approval of the appropriate federal banking agency, redeem out of funds legally available therefor, in whole, but not in part, the shares of Series EE Preferred Stock at the time outstanding, prior to September 15, 2028, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series EE Preferred Stock shall be \$25,000 per share plus an amount equal to any dividends that have been declared but not paid, without accumulation of any undeclared dividends.

**(b) Notice of Redemption.** Notice of every redemption of shares of Series EE Preferred Stock shall be provided to a Depository Company (as defined below), as sole holder of the Series EE Preferred Stock, pursuant to the applicable procedures of such Depository Company. Such notice shall be provided at least 25 days and not more than 55 days before the date fixed for redemption. Any notice given as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure to duly give such notice, or any defect in such notice, to any holder of shares of Series EE Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other holder's shares of Series EE Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series EE Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, if applicable, the number of such shares to be redeemed from such holder; (iii) the redemption price; (iv) the place or places where the certificates for those shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. Notwithstanding the foregoing, if the Series EE Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC.

**(c) Partial Redemption.** In case of any redemption of only part of the shares of Series EE Preferred Stock at the time outstanding, the shares of Series EE Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series EE Preferred Stock in proportion to the number of Series EE Preferred Stock held by such holders or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series EE Preferred Stock shall be redeemed from time to time.

**(d) Effectiveness of Redemption.** If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been irrevocably set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "*Depository Company*") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from the Depository Company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depository Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of two years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

## **Section 7. Voting Rights.**

**(a) General.** The holders of Series EE Preferred Stock shall not be entitled to vote on any matter except as set forth in paragraph 7(b) below or as required by applicable law.

**(b) Right To Elect Two Directors Upon Nonpayment Events.** Whenever dividends payable on any shares of Series EE Preferred Stock or any class or series of Voting Parity Stock have not been declared and paid in an aggregate amount equal to, as to any class or series, at least six quarterly Dividend Periods or their equivalent, whether or not for consecutive Dividend Periods (a "*Nonpayment Event*"), the holders of the outstanding Series EE Preferred Stock, voting together as a class with holders of Voting Parity Stock whose voting rights are exercisable, will be entitled to vote for the election

of two additional directors of the Corporation's Board of Directors at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders (the "*Preferred Stock Directors*") by a plurality of the votes cast; *provided* that the Board of Directors shall at no time include more than two Preferred Stock Directors (including, for purposes of this limitation, all directors that the holders of any series of Voting Parity Stock are entitled to elect pursuant to like voting rights). Upon the vesting of such right of such holders, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding Series EE Preferred Stock (together with the holders of shares of any one or more other series of Voting Parity Stock). At elections for such directors, each holder of the Series EE Preferred Stock shall be entitled to 25 votes for each share held (the holders of shares of any other series of Voting Parity Stock being entitled to such number of votes, if any, for each share of such stock as may be granted to them). The right of the holders of the Series EE Preferred Stock (voting together as a class with the holders of shares of any one or more other series of Voting Parity Stock) to elect Preferred Stock Directors shall continue until such time as the Corporation has paid in full dividends for the equivalent of at least four quarterly Dividend Periods or their equivalent, at which time such right with respect to the Series EE Preferred Stock shall terminate, except as provided by law, and subject to re-vesting in the event of each and every subsequent default of the character described in this Section 7(b).

Upon any termination of the right of the holders of all shares of Series EE Preferred Stock and Voting Parity Stock to vote for Preferred Stock Directors, the term of office of all Preferred Stock Directors then in office elected by only those holders voting as a class shall terminate immediately (in which case each such director shall thereupon cease to be qualified as, and shall cease to be, a director). Any Preferred Stock Director may be removed at any time without cause by the holders of a majority of the outstanding shares of Series EE Preferred Stock and Voting Parity Stock, when they have the voting rights described above (voting together as a class). In case any vacancy shall occur among the Preferred Stock Directors, a successor may be elected by a plurality of the votes cast by the holders of Series EE Preferred Stock and Voting Parity Stock having the voting rights described above, voting together as a class, unless the vacancy has already been filled. The Preferred Stock Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote. Whenever the term of office of the directors elected by such holders voting as a class shall end and the special voting powers vested in such holders as provided in this Section 7(b) shall have expired, the number of directors shall be such number as may be provided for in or determined in accordance with the By-Laws irrespective of any increase made pursuant to this Section 7(b).

**(c) Other Voting Rights.** In addition to any other vote required by law or the Restated Certificate of Incorporation, so long as any shares of the Series EE Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series EE Preferred Stock and outstanding shares of all other series of Voting Parity Stock entitled to vote on the matter, by a vote of at least 66 2/3% in voting power of all such outstanding Series EE Preferred Stock and such Voting Parity Stock, voting

together as a class, given in person or by proxy, either by consent without a meeting or at any meeting called for the purpose, shall be necessary to permit, effect or validate any one or more of the following actions, whether or not such approval is required by Delaware law: (i) the issuance of any class or series of Preferred Stock or Preference Stock ranking senior to the Series EE Preferred Stock in the payment of dividends or the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; (ii) any amendment, alteration or repeal of any provision of the Restated Certificate of Incorporation, including the Certificate of Designation, or the By-laws that would adversely affect the rights, preferences, privileges or voting powers of the Series EE Preferred Stock; (iii) any amendment or alteration of the Restated Certificate of Incorporation, including the Certificate of Designation, or By-laws to authorize, create, or increase the authorized amount of, any shares of, or any securities convertible into shares of, any class or series of the Corporation's capital stock ranking senior to the Series EE Preferred Stock with respect to either the payment of dividends or in the distribution of assets in the event of the Corporation's voluntary or involuntary liquidation, dissolution or winding up; or (iv) any consummation of a reclassification involving the Series EE Preferred Stock or a merger or consolidation of the Corporation with another corporation or other entity, except holders of the Series EE Preferred Stock will have no right to vote under this Section 7(c)(iv) if in each case (a) the shares of Series EE Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (b) such shares of Series EE Preferred Stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers of the Series EE Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series EE Preferred Stock or any Parity Stock or Junior Stock or any securities convertible into any class or series of Parity Stock (whether dividends payable in respect of such Parity Stock are cumulative or non-cumulative) or Junior Stock will be deemed not to adversely affect the rights, preferences, privileges or voting powers of the Series EE Preferred Stock, and holders of the Series EE Preferred Stock shall have no right to vote thereon.

If any amendment, alteration, repeal, reclassification, merger or consolidation specified in this Section 7(c) would adversely affect one or more but not all series of voting Preferred Stock (including the Series EE Preferred Stock), then only those series affected by and entitled to vote on the matter shall vote on the matter together as a class (in lieu of all other series of Preferred Stock).

Each holder of the Series EE Preferred Stock will have 25 votes per share on any matter on which holders of the Series EE Preferred Stock are entitled to vote, whether separately or together with any other series of stock of the Corporation (the holders of any shares of any other series of stock being entitled to such number of votes, if any, for each share of stock as may be granted to them), pursuant to Delaware law or otherwise, including by consent.

**(d) Changes after Provision for Redemption.** No vote or consent of the holders of Series EE Preferred Stock shall be required pursuant to Section 7(b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding Series EE Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably set aside in trust or deposited with a bank or trust company to effect such redemption.

**(e) Procedures for Voting and Consents.** The rules and procedures for calling and conducting any meeting of the holders of Series EE Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Restated Certificate of Incorporation, the By-laws and applicable law.

**Section 8. Preemption and Conversion.** The holders of Series EE Preferred Stock shall not have any rights of preemption or rights to convert such Series EE Preferred Stock into shares of any other class of capital stock of the Corporation.

**Section 9. Recquired Shares.** Shares of Series EE Preferred Stock which have been issued and redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of Preferred Stock without designation as to series.

**Section 10. No Sinking Fund.** Shares of Series EE Preferred Stock are not subject to the operation of a sinking fund.

**Section 11. Additional Classes or Series of Stock.** Notwithstanding anything set forth in the Restated Certificate of Incorporation or this Certificate of Designation to the contrary, the Board of Directors of the Corporation, or any authorized committee of the Board of Directors of the Corporation, (i) without the vote of the holders of the Series EE Preferred Stock, may authorize and issue additional shares of Junior Stock and Parity Stock and (ii) with the requisite vote of the holders of the Series EE Preferred Stock and Parity Stock entitled to vote thereon, may authorize and issue any additional class or series of Preferred Stock or Preference Stock senior to the Series EE Preferred Stock as to the payment of dividends and/or the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

*[Signature Page Follows]*

**In Witness Whereof, Wells Fargo & Company** has caused this Certificate of Designation to be signed by Bryant Owens, its Senior Vice President and Assistant Treasurer, and Mary E. Schaffner, its Assistant Secretary, this 20th day of July, 2023.

**Wells Fargo & Company**

By: /s/ Bryant Owens  
Bryant Owens, Senior Vice President and Assistant  
Treasurer

/s/ Mary E. Schaffner  
Assistant Secretary



## Exhibit 31(a)

### CERTIFICATION

I, Charles W. Scharf, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2024, of Wells Fargo & Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHARLES W. SCHARF

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Charles W. Scharf  
Chief Executive Officer

Date: May 2, 2024

## Exhibit 31(b)

### CERTIFICATION

I, Michael P. Santomassimo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2024, of Wells Fargo & Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHAEL P. SANTOMASSIMO

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Michael P. Santomassimo  
Chief Financial Officer

Date: May 2, 2024

**Exhibit 32(a)**

**Certifications Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Wells Fargo & Company (the "Company") for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles W. Scharf, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

*/s/* CHARLES W. SCHARF

Charles W. Scharf  
Chief Executive Officer

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Date: May 2, 2024

**Exhibit 32(b)**

**Certifications Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Wells Fargo & Company (the "Company") for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael P. Santomassimo, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL P. SANTOMASSIMO

Michael P. Santomassimo  
Chief Financial Officer

Date: May 2, 2024