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 September 30, 2022

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	**No. 41-0449260**
(State of incorporation)	(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
Depositary Shares, each representing a 1/1000th interest in a share of 5.85% Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series Q	WFC.PRQ	NYSE
Depositary Shares, each representing a 1/1000th interest in a share of 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series R	WFC.PRR	NYSE
Depositary Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series Y	WFC.PRY	NYSE
Depositary Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series Z	WFC.PRZ	NYSE
Depositary Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series AA	WFC.PRA	NYSE
Depositary Shares, each representing a 1/1000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series CC	WFC.PRC	NYSE
Depositary 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 October 20, 2022
Common stock, $1-2/3 par value	3,810,490,898

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CROSS-REFERENCE INDEX

FINANCIAL REVIEW

Summary Financial Data

($ in millions, except per share amounts)	Quarter ended			Sep 30, 2022 % Change from		Nine months ended		
	Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021	% Change
Selected Income Statement Data								
Total revenue	$ **19,505**	17,028	18,834	15 %	4	$ **54,125**	57,636	(6)%
Noninterest expense	**14,327**	12,883	13,303	11	8	**41,080**	40,633	1
Pre-tax pre-provision profit (PTPP) (1)	**5,178**	4,145	5,531	25	(6)	**13,045**	17,003	(23)
Provision for credit losses	**784**	580	(1,395)	35	156	**577**	(3,703)	NM
Wells Fargo net income	**3,528**	3,119	5,122	13	(31)	**10,318**	15,798	(35)
Wells Fargo net income applicable to common stock	**3,250**	2,839	4,787	14	(32)	**9,482**	14,786	(36)
Common Share Data								
Diluted earnings per common share	**0.85**	0.74	1.17	15	(27)	**2.47**	3.57	(31)
Dividends declared per common share	**0.30**	0.25	0.20	20	50	**0.80**	0.40	100
Common shares outstanding	**3,795.4**	3,793.0	3,996.9	—	(5)			
Average common shares outstanding	**3,796.5**	3,793.8	4,056.3	—	(6)	**3,807.0**	4,107.1	(7)
Diluted average common shares outstanding	**3,825.1**	3,819.6	4,090.4	—	(6)	**3,838.5**	4,140.0	(7)
Book value per common share (2)	$ **41.34**	41.72	42.47	(1)	(3)			
Tangible book value per common share (2)(3)	**34.27**	34.66	35.54	(1)	(4)			
Selected Equity Data (period-end)								
Total equity	**178,409**	179,793	191,071	(1)	(7)			
Common stockholders' equity	**156,914**	158,256	169,753	(1)	(8)			
Tangible common equity (3)	**130,082**	131,460	142,047	(1)	(8)			
Performance Ratios								
Return on average assets (ROA) (4)	**0.74 %**	0.66	1.04			**0.73 %**	1.09	
Return on average equity (ROE) (5)	**8.0**	7.1	11.1			**7.8**	11.7	
Return on average tangible common equity (ROTCE) (3)	**9.6**	8.6	13.2			**9.4**	14.0	
Efficiency ratio (6)	**73**	76	71			**76**	70	
Net interest margin on a taxable-equivalent basis	**2.83**	2.39	2.03			**2.46**	2.03	
Selected Balance Sheet Data (average)								
Loans	$ **945,465**	926,567	854,024	2	11	$ **923,520**	860,666	7
Assets	**1,880,690**	1,902,571	1,949,700	(1)	(4)	**1,900,743**	1,941,391	(2)
Deposits	**1,407,851**	1,445,793	1,450,941	(3)	(3)	**1,439,033**	1,426,956	1
Selected Balance Sheet Data (period-end)								
Debt securities	**502,035**	516,772	542,993	(3)	(8)			
Loans	**945,906**	943,734	862,827	—	10			
Allowance for credit losses for loans	**13,225**	12,884	14,705	3	(10)			
Equity securities	**59,560**	61,774	66,526	(4)	(10)			
Assets	**1,877,745**	1,881,142	1,954,901	—	(4)			
Deposits	**1,398,151**	1,425,153	1,470,379	(2)	(5)			
Headcount (#) (period-end)	**239,209**	243,674	253,871	(2)	(6)			
Capital and other metrics								
Risk-based capital ratios and components (7):								
Standardized Approach:								
Common equity tier 1 (CET1)	**10.33 %**	10.38	11.62					
Tier 1 capital	**11.85**	11.89	13.18					
Total capital	**14.55**	14.65	16.21					
Risk-weighted assets (RWAs) (in billions)	$ **1,255.6**	1,253.6	1,218.9	—	3			
Advanced Approach:								
Common equity tier 1 (CET1)	**11.75 %**	11.60	12.43					
Tier 1 capital	**13.48**	13.30	14.11					
Total capital	**15.72**	15.58	16.46					
Risk-weighted assets (RWAs) (in billions)	$ **1,104.1**	1,121.6	1,138.6	(2)	(3)			
Tier 1 leverage ratio	**8.03 %**	7.96	8.36					
Supplementary Leverage Ratio (SLR)	**6.65**	6.63	6.94					
Total Loss Absorbing Capacity (TLAC) Ratio (8)	**23.00**	22.72	23.68					
Liquidity Coverage Ratio (LCR) (9)	**123**	121	119					

NM - Not meaningful

(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) 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.

(3) 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.

(4) Represents Wells Fargo net income divided by average assets.

(5) Represents Wells Fargo net income applicable to common stock divided by average common stockholders' equity.

(6) The efficiency ratio is noninterest expense divided by total revenue (net interest income and noninterest income).

(7) For additional information, see the "Capital Management" section and Note 23 (Regulatory Capital Requirements and Other Restrictions) to Financial Statements in this Report.

(8) Represents TLAC divided by RWAs, which is our binding TLAC ratio, determined by using the greater of RWAs under the Standardized and Advanced Approaches.

(9) 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, 2021 (2021 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

Wells Fargo & Company is a leading financial services company that has approximately $1.9 trillion in assets, proudly serves one in three U.S. households and more than 10% of small businesses in the U.S., and is a leading middle market banking provider in the U.S. 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. 41 on *Fortune's* 2022 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 September 30, 2022.

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, which 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 experience issues or delays along the way in satisfying their requirements. Issues or delays with one regulatory action could affect our progress on others, and failure to satisfy the requirements of a regulatory action on a timely basis could result in additional penalties, enforcement actions, and other negative consequences, which could be significant. While we still have significant work to do, 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 approved 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 (CPI) 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. The Company has not yet satisfied certain aspects of the consent orders, and as a result, we believe regulators may impose additional penalties or take other enforcement actions. 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.

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.

Retail Sales Practices Matters

In September 2016, we announced settlements with the CFPB, the OCC, and the Office of the Los Angeles City Attorney, and entered into related consent orders with the CFPB and the OCC, in connection with allegations that some of our retail customers received products and services they did not request. As a result, it remains a priority to rebuild trust through a comprehensive action plan that includes making things right for our customers, employees, and other stakeholders, and building a better Company for the future. On September 8, 2021, the CFPB consent order regarding retail sales practices expired.

For additional information regarding retail sales practices matters, including related legal and regulatory risk, see the "Risk Factors" section in our 2021 Form 10-K and Note 13 (Legal Actions) to Financial Statements in this Report.

Customer Remediation Activities

Our priority of rebuilding trust 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. 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. We have previously disclosed key areas of focus as part of these activities.

For additional information regarding accruals for customer remediation, see the "Expenses" section in Note 18 (Employee Benefits and Expenses) to Financial Statements in this Report, and for additional information regarding these activities, including related legal and regulatory risk, see the "Risk Factors" section in our 2021 Form 10-K and Note 13 (Legal Actions) to Financial Statements in this Report.

Recent Developments

LIBOR Transition

The London Interbank Offered Rate (LIBOR) is a widely referenced benchmark rate that seeks to estimate the cost at which banks can borrow on an unsecured basis from other banks. On March 5, 2021, the United Kingdom's Financial Conduct Authority and ICE Benchmark Administration, the administrator of LIBOR, announced that certain settings of LIBOR would no longer be published on a representative basis after December 31, 2021, and the most commonly used U.S. dollar (USD) LIBOR settings would no longer be published on a representative basis after June 30, 2023. Central banks in various jurisdictions convened committees to identify replacement rates to facilitate the transition away from LIBOR. The committee convened by the Federal Reserve in the United States, the Alternative Reference Rates Committee (ARRC), recommended the Secured Overnight Financing Rate (SOFR) as the replacement rate for USD LIBOR. Additionally, the Federal Reserve, the OCC and the Federal Deposit Insurance Corporation (FDIC) have issued guidance strongly encouraging banking organizations to cease using USD LIBOR as a reference rate in new contracts.

In preparation for the cessation of the various LIBOR settings, we have undertaken a variety of activities. Among other things, we proactively implemented internal "stop-sell" dates to discontinue offering products referencing LIBOR except pursuant to limited exceptions consistent with regulatory guidance. At the same time, we expanded our suite of product offerings that are indexed to alternative reference rates.

We also continue to transition our legacy LIBOR contracts to alternative reference rates. We transitioned substantially all of our legacy contracts with LIBOR settings impacted by the December 31, 2021, cessation date to alternative reference rates, and we will continue to address contracts with LIBOR settings that are impacted by the June 30, 2023, cessation date.

In first quarter 2022, the Adjustable Interest Rate Act (the LIBOR Act) was enacted to provide a statutory framework to replace LIBOR with a benchmark rate based on SOFR in contracts that do not have fallback provisions or that have fallback provisions resulting in a replacement rate based on LIBOR. We expect that the LIBOR Act will allow for the transition of certain of our commercial credit facilities and other contracts that do not have appropriate fallback provisions to replace LIBOR.

For additional information on the amounts of certain of our LIBOR-linked contracts, as well as our transition plans for these contracts, see the "Overview – Recent Developments – LIBOR Transition" section in our 2021 Form 10-K. For information regarding the risks and potential impact of LIBOR or any other referenced financial metric being significantly changed, replaced or discontinued, see the "Risk Factors" section in our 2021 Form 10-K.

Financial Performance

Consolidated Financial Highlights

($ in millions)	Quarter ended Sep 30, 2022	2021	$ Change	% Change	Nine months ended Sep 30, 2022	2021	$ Change	% Change
Selected income statement data								
Net interest income	$ 12,098	8,909	3,189	36 %	$ 31,517	26,517	5,000	19 %
Noninterest income	7,407	9,925	(2,518)	(25)	22,608	31,119	(8,511)	(27)
Total revenue	19,505	18,834	671	4	54,125	57,636	(3,511)	(6)
Net charge-offs	399	257	142	55	1,049	1,159	(110)	(9)
Change in the allowance for credit losses	385	(1,652)	2,037	123	(472)	(4,862)	4,390	90
Provision for credit losses	784	(1,395)	2,179	156	577	(3,703)	4,280	116
Noninterest expense	14,327	13,303	1,024	8	41,080	40,633	447	1
Income tax expense	894	1,521	(627)	(41)	2,214	3,867	(1,653)	(43)
Wells Fargo net income	3,528	5,122	(1,594)	(31)	10,318	15,798	(5,480)	(35)
Wells Fargo net income applicable to common stock	3,250	4,787	(1,537)	(32)	9,482	14,786	(5,304)	(36)

In third quarter 2022, we generated $3.5 billion of net income and diluted earnings per common share (EPS) of $0.85, compared with $5.1 billion of net income and diluted EPS of $1.17 in the same period a year ago. Financial performance for third quarter 2022 compared with the same period a year ago, included the following:

- total revenue increased due to higher net interest income, partially offset by lower mortgage banking income, net gains from equity securities, and investment advisory and other asset-based fee income;
- provision for credit losses increased reflecting loan growth and a less favorable economic environment;
- noninterest expense increased due to higher operating losses, partially offset by lower personnel expense, and professional and outside services expense;
- average loans increased driven by loan growth across both our commercial and consumer loan portfolios; and
- average deposits decreased driven by reductions in Corporate and Investment Banking, Commercial Banking, Wealth and Investment Management, and Corporate, partially offset by growth in Consumer Banking and Lending.

In the first nine months of 2022, we generated $10.3 billion of net income and diluted EPS of $2.47, compared with $15.8 billion of net income and diluted EPS of $3.57 in the same period a year ago. Financial performance for the first nine months of 2022, compared with the same period a year ago, included the following:

- total revenue decreased due to lower net gains from equity securities, mortgage banking, and investment advisory and other asset-based fee income, partially offset by higher net interest income;
- provision for credit losses increased reflecting loan growth and a less favorable economic environment;
- noninterest expense increased due to higher operating losses, partially offset by lower personnel expense, and professional and outside services expense;
- average loans increased driven by loan growth across both our commercial and consumer loan portfolios; and
- average deposits increased driven by growth in Consumer Banking and Lending, partially offset by reductions in Corporate and Investment Banking and Corporate.

Capital and Liquidity

We maintained a strong capital position in the first nine months of 2022, with total equity of $178.4 billion at September 30, 2022, compared with $190.1 billion at December 31, 2021. Our liquidity and regulatory capital ratios remained strong at September 30, 2022, including:

- our Common Equity Tier 1 (CET1) ratio was 10.33% under the Standardized Approach (our binding ratio), which continued to exceed the regulatory minimum and buffers of 9.10%;
- our total loss absorbing capacity (TLAC) as a percentage of total risk-weighted assets was 23.00%, compared with the regulatory minimum of 21.50%; and
- our liquidity coverage ratio (LCR) was 123%, 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 $13.2 billion at September 30, 2022, decreased $563 million from December 31, 2021, reflecting reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolio. This decrease was partially offset by loan growth and a less favorable economic environment.
- Our provision for credit losses for loans was $576 million in the first nine months of 2022, compared with $(3.7) billion in the same period a year ago, reflecting loan growth and a less favorable economic environment.
- The allowance coverage for total loans was 1.40% at September 30, 2022, compared with 1.54% at December 31, 2021.
- Commercial portfolio net loan charge-offs were $6 million in third quarter 2022, compared with net loan charge-offs of $38 million, or 3 basis points, in the same period a year ago.

- Consumer portfolio net loan charge-offs were $393 million, or 40 basis points of average consumer loans, in third quarter 2022, compared with net loan charge-offs of $221 million, or 23 basis points, in the same period a year ago, driven by higher losses in our auto and credit card portfolios.
- Nonperforming assets (NPAs) of $5.7 billion at September 30, 2022, decreased $1.6 billion, or 22%, from December 31, 2021, driven by improved credit quality across our commercial loan portfolios, and a decrease in residential mortgage nonaccrual loans due to sustained payment performance of borrowers after exiting COVID-19-related accommodation programs. NPAs represented 0.60% of total loans at September 30, 2022.

Earnings Performance

Wells Fargo net income for third quarter 2022 was $3.5 billion ($0.85 diluted EPS), compared with $5.1 billion ($1.17 diluted EPS) in the same period a year ago. Net income decreased in third quarter 2022, compared with the same period a year ago, predominantly due to a $2.5 billion decrease in noninterest income, a $2.2 billion increase in provision for credit losses, and a $1.0 billion increase in noninterest expense, partially offset by a $3.2 billion increase in net interest income and a $627 million decrease in income tax expense.

Net income for the first nine months of 2022 was $10.3 billion ($2.47 diluted EPS), compared with $15.8 billion ($3.57 diluted EPS) in the same period a year ago. Net income decreased in the first nine months of 2022, compared with the same period a year ago, predominantly due to a $8.5 billion decrease in noninterest income and a $4.3 billion increase in provision for credit losses, partially offset by a $5.0 billion increase in net interest income, a $1.7 billion decrease in income tax expense, and a $1.1 billion decrease in net income from noncontrolling interests.

Net Interest Income

Net interest income and net interest margin increased in both the third quarter and first nine months of 2022, compared with the same periods a year ago, due to the impact of higher interest rates on earning assets, higher loan balances, and lower mortgage-backed securities (MBS) premium amortization, partially offset by lower interest income from Paycheck Protection Program (PPP) loans and loans purchased from Government National Mortgage Association (GNMA) loan securitization pools, and higher expenses for interest-bearing deposits and long-term debt. Interest income from PPP loans was $85 million in the first nine months of 2022, compared with $389 million in the same period a year ago. Additionally, interest income associated with loans we purchased from GNMA loan securitization pools was $497 million in the first nine months of 2022, compared with $737 million in the same period a year ago. For additional information about loans purchased from GNMA loan securitization pools, see the “Risk Management – Credit Risk Management – Mortgage Banking Activities” section in this Report.

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 September 30, 2022 and 2021.

For additional information about net interest income and net interest margin, see the “Earnings Performance – Net Interest Income” section in our 2021 Form 10-K.

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

	Quarter ended September 30,					
			2022			2021
(in millions)	Average balance	Interest income/ expense	Interest rates	Average balance	Interest income/ expense	Interest rates
Assets						
Interest-earning deposits with banks	$ 130,761	699	2.12 %	$ 250,314	97	0.15 %
Federal funds sold and securities purchased under resale agreements	57,432	250	1.73	68,912	6	0.03
Debt securities:						
Trading debt securities	91,618	631	2.75	88,476	517	2.33
Available-for-sale debt securities	127,821	792	2.47	179,237	705	1.57
Held-to-maturity debt securities	305,063	1,704	2.23	261,182	1,223	1.87
Total debt securities	524,502	3,127	2.38	528,895	2,445	1.85
Loans held for sale (2)	11,458	120	4.18	24,490	172	2.81
Loans:						
Commercial loans:						
Commercial and industrial – U.S.	300,097	3,211	4.25	247,095	1,608	2.58
Commercial and industrial – Non-U.S.	81,278	751	3.67	72,331	361	1.98
Real estate mortgage	133,720	1,388	4.12	121,453	817	2.67
Real estate construction	21,571	268	4.93	21,794	170	3.10
Lease financing	14,526	137	3.76	15,492	171	4.45
Total commercial loans	551,192	5,755	4.14	478,165	3,127	2.60
Consumer loans:						
Residential mortgage – first lien	253,383	2,002	3.16	243,201	1,897	3.12
Residential mortgage – junior lien	14,226	189	5.28	18,809	195	4.11
Credit card	42,407	1,230	11.51	35,407	1,023	11.47
Auto	54,874	590	4.27	52,370	586	4.44
Other consumer	29,383	413	5.58	26,072	243	3.70
Total consumer loans	394,273	4,424	4.47	375,859	3,944	4.18
Total loans (2)	945,465	10,179	4.28	854,024	7,071	3.29
Equity securities	29,722	156	2.09	32,790	146	1.78
Other	13,577	68	1.97	10,070	2	0.09
Total interest-earning assets	$ 1,712,917	14,599	3.39 %	$ 1,769,495	9,939	2.24 %
Cash and due from banks	25,646	—		24,201	—	
Goodwill	25,177	—		26,192	—	
Other	116,950	—		129,812	—	
Total noninterest-earning assets	$ 167,773	—		180,205	—	
Total assets	$ 1,880,690	14,599		1,949,700	9,939	
Liabilities						
Deposits:						
Demand deposits	$ 421,072	335	0.32 %	$ 452,301	29	0.03 %
Savings deposits	434,023	63	0.06	426,201	34	0.03
Time deposits	29,584	77	1.04	34,171	25	0.28
Deposits in non-U.S. offices	17,540	38	0.86	28,341	11	0.16
Total interest-bearing deposits	902,219	513	0.23	941,014	99	0.04
Short-term borrowings:						
Federal funds purchased and securities sold under agreements to repurchase	25,648	122	1.88	32,489	5	0.02
Other short-term borrowings	13,799	36	1.06	11,410	(12)	(0.44)
Total short-term borrowings	39,447	158	1.59	43,899	(7)	(0.06)
Long-term debt	158,984	1,553	3.90	174,643	745	1.71
Other liabilities	36,217	172	1.89	30,387	88	1.15
Total interest-bearing liabilities	$ 1,136,867	2,396	0.84 %	$ 1,189,943	925	0.31 %
Noninterest-bearing demand deposits	505,632	—		509,927	—	
Other noninterest-bearing liabilities	55,154	—		55,789	—	
Total noninterest-bearing liabilities	$ 560,786	—		565,716	—	
Total liabilities	$ 1,697,653	2,396		1,755,659	925	
Total equity	183,037	—		194,041	—	
Total liabilities and equity	$ 1,880,690	2,396		1,949,700	925	
Interest rate spread on a taxable-equivalent basis (3)			2.55 %			1.93 %
Net interest income and net interest margin on a taxable-equivalent basis (3)		$ 12,203	2.83 %		$ 9,014	2.03 %

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	Nine months ended September 30,					
			2022			2021
(in millions)	**Average balance**	**Interest income/ expense**	**Interest rates**	Average balance	Interest income/ expense	Interest rates
Assets						
Interest-earning deposits with banks	**$ 151,851**	**1,116**	**0.98 %**	$ 243,095	224	0.12 %
Federal funds sold and securities purchased under resale agreements	**60,882**	**313**	**0.69**	71,179	16	0.03
Debt securities:						
Trading debt securities	**90,521**	**1,741**	**2.57**	86,828	1,552	2.38
Available-for-sale debt securities	**147,852**	**2,216**	**2.00**	192,765	2,232	1.54
Held-to-maturity debt securities	**294,231**	**4,619**	**2.09**	238,769	3,356	1.88
Total debt securities	**532,604**	**8,576**	**2.15**	518,362	7,140	1.84
Loans held for sale (2)	**15,237**	**386**	**3.38**	28,702	696	3.24
Loans:						
Commercial loans:						
Commercial and industrial – U.S.	**288,420**	**7,090**	**3.29**	249,359	4,831	2.59
Commercial and industrial – Non-U.S.	**80,286**	**1,675**	**2.79**	69,530	1,073	2.06
Real estate mortgage	**130,794**	**3,201**	**3.27**	120,907	2,452	2.71
Real estate construction	**21,058**	**624**	**3.96**	21,855	505	3.09
Lease financing	**14,519**	**445**	**4.08**	15,617	529	4.52
Total commercial loans	**535,077**	**13,035**	**3.26**	477,268	9,390	2.63
Consumer loans:						
Residential mortgage – first lien	**248,420**	**5,852**	**3.14**	252,338	5,922	3.13
Residential mortgage – junior lien	**15,074**	**522**	**4.62**	20,516	634	4.13
Credit card	**40,077**	**3,395**	**11.33**	34,942	3,035	11.61
Auto	**55,939**	**1,760**	**4.21**	50,368	1,709	4.54
Other consumer	**28,933**	**980**	**4.53**	25,234	709	3.75
Total consumer loans	**388,443**	**12,509**	**4.30**	383,398	12,009	4.18
Total loans (2)	**923,520**	**25,544**	**3.70**	860,666	21,399	3.32
Equity securities	**31,244**	**519**	**2.22**	30,678	416	1.81
Other	**13,727**	**97**	**0.94**	9,559	4	0.06
Total interest-earning assets	**$ 1,729,065**	**36,551**	**2.82 %**	$ 1,762,241	29,895	2.27 %
Cash and due from banks	**25,549**	**—**		24,377	—	
Goodwill	**25,179**	**—**		26,262	—	
Other	**120,950**	**—**		128,511	—	
Total noninterest-earning assets	**$ 171,678**	**—**		179,150	—	
Total assets	**$ 1,900,743**	**36,551**		1,941,391	29,895	
Liabilities						
Deposits:						
Demand deposits	**$ 438,676**	**463**	**0.14 %**	$ 449,777	93	0.03 %
Savings deposits	**438,370**	**119**	**0.04**	420,202	98	0.03
Time deposits	**27,611**	**122**	**0.59**	38,402	101	0.35
Deposits in non-U.S. offices	**19,212**	**50**	**0.35**	29,614	11	0.05
Total interest-bearing deposits	**923,869**	**754**	**0.11**	937,995	303	0.04
Short-term borrowings:						
Federal funds purchased and securities sold under agreements to repurchase	**22,910**	**152**	**0.89**	38,736	10	0.03
Other short-term borrowings	**13,046**	**23**	**0.24**	11,703	(37)	(0.43)
Total short-term borrowings	**35,956**	**175**	**0.65**	50,439	(27)	(0.07)
Long-term debt	**154,691**	**3,325**	**2.87**	184,608	2,483	1.79
Other liabilities	**34,317**	**460**	**1.79**	28,999	298	1.37
Total interest-bearing liabilities	**$ 1,148,833**	**4,714**	**0.55 %**	$ 1,202,041	3,057	0.34 %
Noninterest-bearing demand deposits	**515,164**	**—**		488,961	—	
Other noninterest-bearing liabilities	**53,295**	**—**		59,010	—	
Total noninterest-bearing liabilities	**$ 568,459**	**—**		547,971	—	
Total liabilities	**$ 1,717,292**	**4,714**		1,750,012	3,057	
Total equity	**183,451**	**—**		191,379	—	
Total liabilities and equity	**$ 1,900,743**	**4,714**		1,941,391	3,057	
Interest rate spread on a taxable-equivalent basis (3)			**2.27 %**			1.93 %
Net interest margin and net interest income on a taxable-equivalent basis (3)		**$ 31,837**	**2.46 %**		$ 26,838	2.03 %

(1) The average balance amounts represent amortized costs, except for certain held-to-maturity debt securities, which exclude unamortized basis adjustments related to the transfer of those securities from available-for-sale debt securities. The 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 $105 million for both quarters ended September 30, 2022 and 2021, and $320 million and $321 million for the first nine months of 2022 and 2021, respectively, predominantly related to tax-exempt income on certain loans and securities.

Noninterest Income

Table 2: Noninterest Income

(in millions)		Quarter ended Sep 30, 2022	2021	$ Change	% Change		Nine months ended Sep 30, 2022	2021	$ Change	% Change
Deposit-related fees	$	**1,289**	1,416	(127)	(9)%	$	**4,138**	4,013	125	3 %
Lending-related fees		**358**	365	(7)	(2)		**1,053**	1,088	(35)	(3)
Investment advisory and other asset-based fees		**2,111**	2,882	(771)	(27)		**6,955**	8,432	(1,477)	(18)
Commissions and brokerage services fees		**562**	525	37	7		**1,641**	1,741	(100)	(6)
Investment banking fees		**375**	547	(172)	(31)		**1,108**	1,685	(577)	(34)
Card fees		**1,119**	1,078	41	4		**3,260**	3,104	156	5
Net servicing income		**129**	145	(16)	(11)		**408**	25	383	NM
Net gains on mortgage loan originations/sales		**195**	1,114	(919)	(82)		**896**	3,896	(3,000)	(77)
Mortgage banking		**324**	1,259	(935)	(74)		**1,304**	3,921	(2,617)	(67)
Net gains from trading activities		**900**	92	808	878		**1,564**	461	1,103	239
Net gains from debt securities		**6**	283	(277)	(98)		**151**	434	(283)	(65)
Net gains (losses) from equity securities		**(34)**	869	(903)	NM		**(73)**	3,957	(4,030)	NM
Lease income		**322**	322	—	—		**982**	950	32	3
Other		**75**	287	(212)	(74)		**525**	1,333	(808)	(61)
Total	$	**7,407**	9,925	(2,518)	(25)	$	**22,608**	31,119	(8,511)	(27)

NM – Not meaningful

Third quarter 2022 vs. third quarter 2021

Deposit-related fees decreased reflecting:
- lower treasury management fees on commercial accounts driven by a higher earnings credit rate due to an increase in interest rates; and
- the elimination of non-sufficient funds and other fees.

We have continued to implement our previously announced enhancements and changes to limit consumer overdraft-related fees. We expect this will continue to lower certain deposit-related fees.

Investment advisory and other asset-based fees decreased reflecting:
- lower asset-based and trust fees due to divestitures in fourth quarter 2021; and
- lower average market valuations.

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 decreased due to lower market activity.

Net servicing income decreased driven by:
- lower servicing fees due to a lower balance of loans serviced for others;

partially offset by:
- a lower decline in residential mortgage servicing rights (MSRs) as a result of reduced prepayment rates, partially offset by net unfavorable hedge results due to interest rate volatility.

Net gains on mortgage loan originations/sales decreased driven by:
- lower residential mortgage origination volumes and lower gain on sale margins; and
- lower gains related to the resecuritization of loans we purchased from GNMA loan securitization pools.

For additional information on servicing income and net gains on mortgage loan originations/sales, see Note 9 (Mortgage Banking Activities) to Financial Statements in this Report.

Net gains from trading activities increased reflecting higher foreign exchange, equities, rates, and commodities trading revenue.

Net gains from debt securities decreased due to lower gains on sales of corporate debt securities.

Net gains (losses) from equity securities decreased reflecting:
- lower unrealized gains on nonmarketable equity securities driven by our affiliated venture capital and private equity businesses; and
- a $389 million impairment of equity securities (before the impact of noncontrolling interests) in third quarter 2022 primarily in our affiliated venture capital business driven by market conditions;

partially offset by:
- higher realized gains on the sales of equity securities.

Other income decreased driven by net foreign exchange losses resulting from the revaluation of non-U.S. denominated assets and liabilities.

First nine months of 2022 vs. first nine months of 2021

Deposit-related fees increased reflecting:
- lower fee waivers as the first nine months of 2021 included additional accommodations to support customers; and
- higher overdraft fees driven by increased consumer transaction volumes, partially offset by the elimination of non-sufficient funds and other fees.

We have continued to implement our previously announced enhancements and changes to limit consumer overdraft-related fees. We expect this will continue to lower certain deposit-related fees.

Investment advisory and other asset-based fees decreased reflecting:
- lower asset-based and trust fees due to divestitures in fourth quarter 2021; and
- lower average market valuations.

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.

Commissions and brokerage services fees decreased driven by lower transactional revenue.

Investment banking fees decreased due to lower market activity, as well as a $107 million write-down on unfunded leveraged finance commitments in second quarter 2022 due to the widening of market spreads.

Card fees increased reflecting higher incentives and higher interchange fees, net of rewards, driven by increased purchase and transaction volumes.

Net servicing income increased driven by a lower decline in residential MSRs as a result of reduced prepayment rates, partially offset by net unfavorable hedge results due to interest rate volatility.

Net gains on mortgage loan originations/sales decreased driven by:
- lower residential mortgage origination volumes and lower gain on sale margins; and
- lower gains related to the resecuritization of loans we purchased from GNMA loan securitization pools.

For additional information on servicing income and net gains on mortgage loan originations/sales, see Note 9 (Mortgage Banking Activities) to Financial Statements in this Report.

Net gains from trading activities increased driven by:
- higher commodities, foreign exchange, rates, and equities trading revenue;

partially offset by:
- lower trading activity in residential MBS and high yield products.

Net gains from debt securities decreased due to lower gains on sales of corporate debt securities and agency MBS.

Net gains (losses) from equity securities decreased reflecting:
- lower unrealized gains on nonmarketable equity securities driven by our affiliated venture capital and private equity businesses; and
- a $1.4 billion impairment of equity securities (before the impact of noncontrolling interests) in the first nine months of 2022 predominantly in our affiliated venture capital business driven by market conditions.

Other income decreased driven by:
- a gain on the sale of our student loan portfolio in the first nine months of 2021;
- net foreign exchange losses resulting from the revaluation of non-U.S. denominated assets and liabilities; and
- higher losses due to growth in wind energy investments (offset by benefits and credits in income tax expense);

partially offset by:
- lower valuation losses related to the retained litigation risk associated with shares of Visa Class B common stock that we sold. For additional information, see the "Risk Management – Asset/Liability Management – Market Risk – Equity Securities" section in our 2021 Form 10-K.

Noninterest Expense

Table 3: Noninterest Expense

(in millions)		Quarter ended Sep 30, 2022	2021	$ Change	% Change		Nine months ended Sep 30, 2022	2021	$ Change	% Change
Personnel	$	**8,212**	8,690	(478)	(6)%	$	**25,925**	27,066	(1,141)	(4)%
Technology, telecommunications and equipment		**798**	741	57	8		**2,473**	2,400	73	3
Occupancy		**732**	738	(6)	(1)		**2,159**	2,243	(84)	(4)
Operating losses		**2,218**	540	1,678	311		**3,467**	1,056	2,411	228
Professional and outside services		**1,235**	1,417	(182)	(13)		**3,831**	4,255	(424)	(10)
Leases (1)		**186**	220	(34)	(15)		**559**	672	(113)	(17)
Advertising and promotion		**126**	153	(27)	(18)		**327**	375	(48)	(13)
Restructuring charges		**—**	1	(1)	(100)		**5**	10	(5)	(50)
Other		**820**	803	17	2		**2,334**	2,556	(222)	(9)
Total	$	**14,327**	13,303	1,024	8	$	**41,080**	40,633	447	1

(1) Represents expenses for assets we lease to customers.

Third quarter 2022 vs. third quarter 2021

Personnel expense decreased driven by:
- lower revenue-related compensation expense; and
- the impact of divestitures and efficiency initiatives.

Technology, telecommunications and equipment expense increased due to higher expenses for technology contracts.

Operating losses increased driven by $2.0 billion of accruals in third quarter 2022, primarily related to a variety of historical matters, including litigation, customer remediation, and regulatory matters.

We expect outstanding litigation, customer remediation, and regulatory matters could result in significant additional expense in the coming quarters.

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

First nine months of 2022 vs. first nine months of 2021

Personnel expense decreased driven by:
- the impact of divestitures and efficiency initiatives;
- lower revenue-related compensation expense; and
- lower incentive compensation expense, including the impact of lower market valuations on stock-based compensation.

Operating losses increased driven by $2.0 billion of accruals in third quarter 2022, primarily related to a variety of historical matters, including litigation, customer remediation, and regulatory matters.

We expect outstanding litigation, customer remediation, and regulatory matters could result in significant additional expense in the coming quarters.

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

Leases expense decreased driven by lower depreciation expense from a reduction in the size of our operating lease asset portfolio.

Other expenses decreased driven by:
- lower donation expense due to higher donations of PPP processing fees in the first nine months of 2021; and
- a write-down of goodwill in the first nine months of 2021 related to the sale of our student loan portfolio.

Income Tax Expense

Table 4: Income Tax Expense

(in millions)		Quarter ended Sep 30, 2022	2021	$ Change	% Change		Nine months ended Sep 30, 2022	2021	$ Change	% Change
Income before income tax expense	$	**4,394**	6,926	(2,532)	(37)%	$	**12,468**	20,706	(8,238)	(40)%
Income tax expense		**894**	1,521	(627)	(41)		**2,214**	3,867	(1,653)	(43)
Effective Income tax rate		**20.2%**	22.9				**17.7%**	19.7		

The effective income tax rate for both the third quarter and first nine months of 2022, compared with the same periods a year ago, decreased due to the impact of certain tax credits and benefits on lower pre-tax income.

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. 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 by our Chief Executive Officer and Operating Committee. The management reporting process is based on U.S. GAAP and includes specific adjustments, such as funds transfer pricing for asset/liability management, shared revenues 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.

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 low-income 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 revised. 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

Wells Fargo & Company				
Consumer Banking and Lending	**Commercial Banking**	**Corporate and Investment Banking**	**Wealth and Investment Management**	**Corporate**
• Consumer and Small Business Banking	• Middle Market Banking	• Banking	• Wells Fargo Advisors	• Corporate Treasury
• Home Lending	• Asset-Based Lending and Leasing	• Commercial Real Estate	• The Private Bank	• Enterprise Functions
• Credit Card		• Markets		• Investment Portfolio
• Auto				• Affiliated venture capital and private equity businesses
• Personal Lending				• Non-strategic businesses

Table 6 and the following discussion present our results by reportable operating segment. For additional information, see Note 22 (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
Quarter ended September 30, 2022							
Net interest income	**$ 7,102**	**1,991**	**2,270**	**1,088**	**(248)**	**(105)**	**12,098**
Noninterest income	**2,175**	**961**	**1,790**	**2,577**	**284**	**(380)**	**7,407**
Total revenue	**9,277**	**2,952**	**4,060**	**3,665**	**36**	**(485)**	**19,505**
Provision for credit losses	**917**	**(168)**	**32**	**8**	**(5)**	**—**	**784**
Noninterest expense	**6,758**	**1,526**	**1,900**	**2,796**	**1,347**	**—**	**14,327**
Income (loss) before income tax expense (benefit)	**1,602**	**1,594**	**2,128**	**861**	**(1,306)**	**(485)**	**4,394**
Income tax expense (benefit)	**401**	**409**	**536**	**222**	**(189)**	**(485)**	**894**
Net income (loss) before noncontrolling interests	**1,201**	**1,185**	**1,592**	**639**	**(1,117)**	**—**	**3,500**
Less: Net income (loss) from noncontrolling interests	**—**	**3**	**—**	**—**	**(31)**	**—**	**(28)**
Net income (loss)	**$ 1,201**	**1,182**	**1,592**	**639**	**(1,086)**	**—**	**3,528**
Quarter ended September 30, 2021							
Net interest income	$ 5,707	1,231	1,866	637	(427)	(105)	8,909
Noninterest income	3,097	845	1,519	2,981	1,752	(269)	9,925
Total revenue	8,804	2,076	3,385	3,618	1,325	(374)	18,834
Provision for credit losses	(518)	(335)	(460)	(73)	(9)	—	(1,395)
Noninterest expense	6,053	1,396	1,797	2,917	1,140	—	13,303
Income (loss) before income tax expense (benefit)	3,269	1,015	2,048	774	194	(374)	6,926
Income tax expense (benefit)	818	254	518	195	110	(374)	1,521
Net income before noncontrolling interests	2,451	761	1,530	579	84	—	5,405
Less: Net income from noncontrolling interests	—	2	—	—	281	—	283
Net income (loss)	$ 2,451	759	1,530	579	(197)	—	5,122
Nine months ended September 30, 2022							
Net interest income	**$ 19,470**	**4,932**	**6,317**	**2,803**	**(1,685)**	**(320)**	**31,517**
Noninterest income	**6,877**	**2,839**	**4,786**	**8,324**	**976**	**(1,194)**	**22,608**
Total revenue	**26,347**	**7,771**	**11,103**	**11,127**	**(709)**	**(1,514)**	**54,125**
Provision for credit losses	**1,340**	**(491)**	**(226)**	**(36)**	**(10)**	**—**	**577**
Noninterest expense	**19,189**	**4,535**	**5,723**	**8,882**	**2,751**	**—**	**41,080**
Income (loss) before income tax expense (benefit)	**5,818**	**3,727**	**5,606**	**2,281**	**(3,450)**	**(1,514)**	**12,468**
Income tax expense (benefit)	**1,454**	**938**	**1,420**	**574**	**(658)**	**(1,514)**	**2,214**
Net income (loss) before noncontrolling interests	**4,364**	**2,789**	**4,186**	**1,707**	**(2,792)**	**—**	**10,254**
Less: Net income (loss) from noncontrolling interests	**—**	**9**	**—**	**—**	**(73)**	**—**	**(64)**
Net income (loss)	**$ 4,364**	**2,780**	**4,186**	**1,707**	**(2,719)**	**—**	**10,318**
Nine months ended September 30, 2021							
Net interest income	$ 16,940	3,687	5,428	1,904	(1,121)	(321)	26,517
Noninterest income	9,204	2,578	4,899	8,794	6,496	(852)	31,119
Total revenue	26,144	6,265	10,327	10,698	5,375	(1,173)	57,636
Provision for credit losses	(1,304)	(1,116)	(1,245)	(92)	54	—	(3,703)
Noninterest expense	18,522	4,469	5,435	8,836	3,371	—	40,633
Income (loss) before income tax expense (benefit)	8,926	2,912	6,137	1,954	1,950	(1,173)	20,706
Income tax expense (benefit)	2,233	727	1,531	491	58	(1,173)	3,867
Net income before noncontrolling interests	6,693	2,185	4,606	1,463	1,892	—	16,839
Less: Net income (loss) from noncontrolling interests	—	5	(2)	—	1,038	—	1,041
Net income	$ 6,693	2,180	4,608	1,463	854	—	15,798

(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 low-income 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.

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

	Quarter ended Sep 30,				Nine months ended Sep 30,			
($ in millions, unless otherwise noted)	**2022**	2021	$ Change	% Change	**2022**	2021	$ Change	% Change
Income Statement								
Net interest income	**$ 7,102**	5,707	1,395	24 %	**$ 19,470**	16,940	2,530	15 %
Noninterest income:								
Deposit-related fees	**773**	799	(26)	(3)	**2,397**	2,192	205	9
Card fees	**1,043**	1,014	29	3	**3,042**	2,923	119	4
Mortgage banking	**212**	1,168	(956)	(82)	**1,077**	3,585	(2,508)	(70)
Other	**147**	116	31	27	**361**	504	(143)	(28)
Total noninterest income	**2,175**	3,097	(922)	(30)	**6,877**	9,204	(2,327)	(25)
Total revenue	**9,277**	8,804	473	5	**26,347**	26,144	203	1
Net charge-offs	**435**	302	133	44	**1,168**	1,031	137	13
Change in the allowance for credit losses	**482**	(820)	1,302	159	**172**	(2,335)	2,507	107
Provision for credit losses	**917**	(518)	1,435	277	**1,340**	(1,304)	2,644	203
Noninterest expense	**6,758**	6,053	705	12	**19,189**	18,522	667	4
Income before income tax expense	**1,602**	3,269	(1,667)	(51)	**5,818**	8,926	(3,108)	(35)
Income tax expense	**401**	818	(417)	(51)	**1,454**	2,233	(779)	(35)
Net income	**$ 1,201**	2,451	(1,250)	(51)	**$ 4,364**	6,693	(2,329)	(35)
Revenue by Line of Business								
Consumer and Small Business Banking	**$ 6,232**	4,822	1,410	29	**$ 16,813**	14,086	2,727	19
Consumer Lending:								
Home Lending	**973**	2,012	(1,039)	(52)	**3,435**	6,311	(2,876)	(46)
Credit Card	**1,349**	1,251	98	8	**3,918**	3,657	261	7
Auto	**423**	445	(22)	(5)	**1,303**	1,263	40	3
Personal Lending	**300**	274	26	9	**878**	827	51	6
Total revenue	**$ 9,277**	8,804	473	5	**$ 26,347**	26,144	203	1
Selected Metrics								
Consumer Banking and Lending:								
Return on allocated capital (1)	**9.4%**	19.7			**11.6%**	18.1		
Efficiency ratio (2)	**73**	69			**73**	71		
Retail bank branches (#)	**4,612**	4,796		(4)	**4,612**	4,796		(4)
Digital active customers (# in millions) (3)	**33.6**	32.7		3	**33.6**	32.7		3
Mobile active customers (# in millions) (3)	**28.3**	27.0		5	**28.3**	27.0		5
Consumer and Small Business Banking:								
Deposit spread (4)	**2.1%**	1.5			**1.8%**	1.5		
Debit card purchase volume ($ in billions) (5)	**$ 122.4**	118.6	3.8	3	**$ 362.6**	349.1	13.5	4
Debit card purchase transactions (# in millions) (5)	**2,501**	2,515		(1)	**7,356**	7,285		1

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($ in millions, unless otherwise noted)		Quarter ended Sep 30, 2022	2021	$ Change	% Change		Nine months ended Sep 30, 2022	2021	$ Change	% Change
Home Lending:										
Mortgage banking:										
Net servicing income	$	**81**	109	(28)	(26)%	$	**274**	(90)	364	404 %
Net gains on mortgage loan originations/sales		**131**	1,059	(928)	(88)		**803**	3,675	(2,872)	(78)
Total mortgage banking	$	**212**	1,168	(956)	(82)	$	**1,077**	3,585	(2,508)	(70)
Originations ($ in billions):										
Retail	$	**12.4**	35.2	(22.8)	(65)	$	**56.1**	105.7	(49.6)	(47)
Correspondent		**9.1**	16.7	(7.6)	(46)		**37.4**	51.2	(13.8)	(27)
Total originations	$	**21.5**	51.9	(30.4)	(59)	$	**93.5**	156.9	(63.4)	(40)
% of originations held for sale (HFS)		**59.2 %**	60.6				**51.2 %**	67.3		
Third-party mortgage loans serviced (period-end) ($ in billions) (6)	$	**687.4**	739.5	(52.1)	(7)	$	**687.4**	739.5	(52.1)	(7)
Mortgage servicing rights (MSR) carrying value (period-end)		**9,828**	6,862	2,966	43		**9,828**	6,862	2,966	43
Ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end) (6)		**1.43 %**	0.93				**1.43 %**	0.93		
Home lending loans 30+ days delinquency rate (7)(8)(9)		**0.29**	0.45				**0.29**	0.45		
Credit Card:										
Point of sale (POS) volume ($ in billions)	$	**30.7**	24.6	6.1	25	$	**86.8**	67.8	19.0	28
New accounts (# in thousands)		**584**	526		11		**1,592**	1,115		43
Credit card loans 30+ days delinquency rate		**1.81 %**	1.46				**1.81 %**	1.46		
Auto:										
Auto originations ($ in billions)	$	**5.4**	9.2	(3.8)	(41)	$	**18.1**	24.5	(6.4)	(26)
Auto loans 30+ days delinquency rate (8)		**2.19 %**	1.46				**2.19 %**	1.46		
Personal Lending:										
New volume ($ in billions)	$	**3.5**	2.7	0.8	30	$	**9.4**	7.1	2.3	32

(1) 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.
(2) Efficiency ratio is segment noninterest expense divided by segment total revenue (net interest income and noninterest income).
(3) Digital and mobile active customers is 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.
(4) 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.
(5) Debit card purchase volume and transactions reflect combined activity for both consumer and business debit card purchases.
(6) Excludes residential mortgage loans subserviced for others.
(7) Excludes residential mortgage loans insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) and loans held for sale.
(8) Excludes nonaccrual loans.
(9) Beginning in second quarter 2020, customer payment deferral activities instituted in response to the COVID-19 pandemic may have delayed the recognition of delinquencies for those customers who would have otherwise moved into past due or nonaccrual status.

Third quarter 2022 vs. third quarter 2021

Revenue increased driven by:
- higher net interest income reflecting higher interest rates and deposit spreads;

partially offset by:
- lower mortgage banking noninterest income due to lower origination volumes and gain on sale margins, and lower revenue related to the resecuritization of loans we purchased from GNMA loan securitization pools.

Provision for credit losses increased reflecting loan growth, a less favorable economic environment, and higher net charge-offs.

Noninterest expense increased driven by:
- higher operating losses reflecting higher accruals primarily related to a variety of historical matters, including litigation, customer remediation, and regulatory matters; and
- higher operating costs;

partially offset by:
- lower personnel expense driven by lower revenue-related compensation in Home Lending due to lower production and the impact of efficiency initiatives;
- lower occupancy expense related to efficiency initiatives; and
- lower donation expense due to higher donations of PPP processing fees in third quarter 2021.

First nine months of 2022 vs. first nine months of 2021

Revenue increased driven by:
- higher net interest income reflecting higher interest rates and higher deposit balances and deposit spreads;
- higher deposit-related fees reflecting lower fee waivers as the first nine months of 2021 included additional accommodations to support customers, and higher overdraft fees in the first nine months of 2022 driven by increased consumer transaction volumes, partially offset by the elimination of non-sufficient funds and other fees in 2022; and
- higher card fees reflecting higher incentives and higher interchange fees, net of rewards, driven by increased purchase and transaction volumes;

partially offset by:
- lower mortgage banking noninterest income due to lower origination volumes and gain on sale margins, and lower revenue related to the resecuritization of loans we purchased from GNMA loan securitization pools.

Provision for credit losses increased reflecting loan growth, a less favorable economic environment, and higher net charge-offs.

Noninterest expense increased driven by:
- higher operating losses reflecting higher accruals primarily related to a variety of historical matters, including litigation, customer remediation, and regulatory matters;

partially offset by:
- lower personnel expense driven by lower revenue-related incentive compensation in Home Lending due to lower production and the impact of efficiency initiatives;
- lower occupancy expense and professional and outside services expense related to efficiency initiatives; and
- lower donation expense due to higher donations of PPP processing fees in the first nine months of 2021.

Table 6b: Consumer Banking and Lending – Balance Sheet

(in millions)	Quarter ended Sep 30, 2022	2021	$ Change	% Change	Nine months ended Sep 30, 2022	2021	$ Change	% Change
Selected Balance Sheet Data (average)								
Loans by Line of Business:								
Consumer and Small Business Banking	$ **9,895**	15,122	(5,227)	(35)%	$ **10,315**	17,991	(7,676)	(43)%
Consumer Lending:								
Home Lending	**221,870**	217,011	4,859	2	**218,015**	227,663	(9,648)	(4)
Credit Card	**35,052**	28,925	6,127	21	**33,139**	28,607	4,532	16
Auto	**55,430**	53,043	2,387	5	**56,500**	51,121	5,379	11
Personal Lending	**13,397**	11,456	1,941	17	**12,588**	11,361	1,227	11
Total loans	$ **335,644**	325,557	10,087	3	$ **330,557**	336,743	(6,186)	(2)
Total deposits	**888,037**	848,419	39,618	5	**889,366**	824,752	64,614	8
Allocated capital	**48,000**	48,000	—	—	**48,000**	48,000	—	—
Selected Balance Sheet Data (period-end)								
Loans by Line of Business:								
Consumer and Small Business Banking	$ **9,898**	13,686	(3,788)	(28)	$ **9,898**	13,686	(3,788)	(28)
Consumer Lending:								
Home Lending	**222,471**	216,649	5,822	3	**222,471**	216,649	5,822	3
Credit Card	**35,965**	29,433	6,532	22	**35,965**	29,433	6,532	22
Auto	**55,116**	54,472	644	1	**55,116**	54,472	644	1
Personal Lending	**13,902**	11,678	2,224	19	**13,902**	11,678	2,224	19
Total loans	$ **337,352**	325,918	11,434	4	$ **337,352**	325,918	11,434	4
Total deposits	**886,991**	858,424	28,567	3	**886,991**	858,424	28,567	3

Third quarter 2022 vs. third quarter 2021

Total loans (average) increased driven by higher customer purchase volume and the impact of new products in our Credit Card business, as well as higher loan balances in our Home Lending, Auto, and Personal Lending businesses, partially offset by a decline in PPP loans in Consumer and Small Business Banking.

Total deposits (average) increased driven by higher levels of customer liquidity and savings.

First nine months of 2022 vs. first nine months of 2021

Total loans (average) decreased as paydowns exceeded originations in our Home Lending and Consumer and Small Business Banking businesses, partially offset by higher customer purchase volume and the impact of new products in our Credit Card business, as well as higher loan balances in our Auto business. Home Lending loan balances were impacted by the resecuritization of loans we purchased from GNMA loan securitization pools and the continued suspension of home equity originations. Consumer and Small Business Banking loan balances were impacted by a decline in PPP loans.

Total loans (period-end) increased driven by higher customer purchase volume and the impact of new products in our Credit Card business, as well as growth in our Home Lending and Personal Lending businesses, partially offset by a decline in PPP loans in Consumer and Small Business Banking.

Total deposits (average and period-end) increased driven by higher levels of customer liquidity and savings.

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

	Quarter ended Sep 30,				Nine months ended Sep 30,			
($ in millions)	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
Income Statement								
Net interest income	$ 1,991	1,231	760	62 %	$ 4,932	3,687	1,245	34 %
Noninterest income:								
Deposit-related fees	256	323	(67)	(21)	894	965	(71)	(7)
Lending-related fees	126	132	(6)	(5)	369	403	(34)	(8)
Lease income	176	165	11	7	534	512	22	4
Other	403	225	178	79	1,042	698	344	49
Total noninterest income	961	845	116	14	2,839	2,578	261	10
Total revenue	2,952	2,076	876	42	7,771	6,265	1,506	24
Net charge-offs	(3)	16	(19)	NM	(28)	108	(136)	NM
Change in the allowance for credit losses	(165)	(351)	186	53	(463)	(1,224)	761	62
Provision for credit losses	(168)	(335)	167	50	(491)	(1,116)	625	56
Noninterest expense	1,526	1,396	130	9	4,535	4,469	66	1
Income before income tax expense	1,594	1,015	579	57	3,727	2,912	815	28
Income tax expense	409	254	155	61	938	727	211	29
Less: Net income from noncontrolling interests	3	2	1	50	9	5	4	80
Net income	$ 1,182	759	423	56	$ 2,780	2,180	600	28
Revenue by Line of Business								
Middle Market Banking	$ 1,793	1,165	628	54	$ 4,498	3,475	1,023	29
Asset-Based Lending and Leasing	1,159	911	248	27	3,273	2,790	483	17
Total revenue	$ 2,952	2,076	876	42	$ 7,771	6,265	1,506	24
Revenue by Product								
Lending and leasing	$ 1,333	1,190	143	12	$ 3,896	3,599	297	8
Treasury management and payments	1,242	713	529	74	2,964	2,114	850	40
Other	377	173	204	118	911	552	359	65
Total revenue	$ 2,952	2,076	876	42	$ 7,771	6,265	1,506	24
Selected Metrics								
Return on allocated capital	23.1 %	14.5			18.1 %	14.0		
Efficiency ratio	52	67			58	71		

NM – Not meaningful

Third quarter 2022 vs. third quarter 2021

Revenue increased driven by:
- higher net interest income reflecting higher interest rates and deposit spreads, as well as higher loan balances;
- higher net gains from equity securities; and
- higher other noninterest income driven by higher income from renewable energy investments;

partially offset by:
- lower deposit-related fees driven by the impact of higher earnings credit rates, which result in lower fees for commercial customers.

Provision for credit losses reflected loan growth and a less favorable economic environment.

Noninterest expense increased driven by:
- higher operating costs and operating losses;

partially offset by:
- lower spending due to efficiency initiatives, including lower personnel expense from reduced headcount.

First nine months of 2022 vs. first nine months of 2021

Revenue increased driven by:
- higher net interest income reflecting higher interest rates and deposit spreads, as well as higher loan balances; and
- higher other noninterest income driven by higher net gains from equity securities and higher income from renewable energy investments;

partially offset by:
- lower deposit-related fees driven by the impact of higher earnings credit rates, which result in lower fees for commercial customers.

Provision for credit losses reflected loan growth and a less favorable economic environment, partially offset by lower net charge-offs.

Earnings Performance *(continued)*

Table 6d: Commercial Banking – Balance Sheet

	Quarter ended Sep 30,				Nine months ended Sep 30,			
(in millions)	**2022**	2021	$ Change	% Change	**2022**	2021	$ Change	% Change
Selected Balance Sheet Data (average)								
Loans:								
Commercial and industrial	**$ 150,365**	118,039	32,326	27 %	**$ 143,383**	118,840	24,543	21 %
Commercial real estate	**45,121**	46,576	(1,455)	(3)	**44,988**	47,444	(2,456)	(5)
Lease financing and other	**13,511**	14,007	(496)	(4)	**13,486**	13,812	(326)	(2)
Total loans	**$ 208,997**	178,622	30,375	17	**$ 201,857**	180,096	21,761	12
Loans by Line of Business:								
Middle Market Banking	**$ 117,031**	101,523	15,508	15	**$ 112,913**	102,642	10,271	10
Asset-Based Lending and Leasing	**91,966**	77,099	14,867	19	**88,944**	77,454	11,490	15
Total loans	**$ 208,997**	178,622	30,375	17	**$ 201,857**	180,096	21,761	12
Total deposits	**180,231**	199,226	(18,995)	(10)	**189,664**	193,761	(4,097)	(2)
Allocated capital	**19,500**	19,500	—	—	**19,500**	19,500	—	—
Selected Balance Sheet Data (period-end)								
Loans:								
Commercial and industrial	**$ 155,400**	120,203	35,197	29	**$ 155,400**	120,203	35,197	29
Commercial real estate	**45,540**	46,318	(778)	(2)	**45,540**	46,318	(778)	(2)
Lease financing and other	**13,645**	14,018	(373)	(3)	**13,645**	14,018	(373)	(3)
Total loans	**$ 214,585**	180,539	34,046	19	**$ 214,585**	180,539	34,046	19
Loans by Line of Business:								
Middle Market Banking	**$ 118,627**	102,279	16,348	16	**$ 118,627**	102,279	16,348	16
Asset-Based Lending and Leasing	**95,958**	78,260	17,698	23	**95,958**	78,260	17,698	23
Total loans	**$ 214,585**	180,539	34,046	19	**$ 214,585**	180,539	34,046	19
Total deposits	**172,727**	204,853	(32,126)	(16)	**172,727**	204,853	(32,126)	(16)

Third quarter 2022 vs. third quarter 2021

Total loans (average) increased driven by growth in new commitments with existing and new customers and higher line utilization.

Total deposits (average) decreased reflecting:
- customers continuing to allocate more cash into higher yielding liquid alternatives;
- actions to manage under the asset cap; and
- the transfer of certain customer accounts to the Consumer Banking and Lending operating segment in first quarter 2022.

First nine months of 2022 vs. first nine months of 2021

Total loans (average and period-end) increased driven by growth in new commitments with existing and new customers, as well as higher line utilization.

Total deposits (average and period-end) decreased reflecting:
- customers continuing to allocate more cash into higher yielding liquid alternatives;
- actions to manage under the asset cap; and
- the transfer of certain customer accounts to the Consumer Banking and Lending operating segment in first quarter 2022.

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

	Quarter ended Sep 30,				Nine months ended Sep 30,			
($ in millions)	**2022**	2021	$ Change	% Change	**2022**	2021	$ Change	% Change
Income Statement								
Net interest income	$ **2,270**	1,866	404	22 %	$ **6,317**	5,428	889	16 %
Noninterest income:								
Deposit-related fees	**255**	286	(31)	(11)	**828**	829	(1)	—
Lending-related fees	**198**	196	2	1	**578**	569	9	2
Investment banking fees	**392**	536	(144)	(27)	**1,161**	1,727	(566)	(33)
Net gains from trading activities	**674**	85	589	693	**1,280**	446	834	187
Other	**271**	416	(145)	(35)	**939**	1,328	(389)	(29)
Total noninterest income	**1,790**	1,519	271	18	**4,786**	4,899	(113)	(2)
Total revenue	**4,060**	3,385	675	20	**11,103**	10,327	776	8
Net charge-offs	**(16)**	(48)	32	67	**(58)**	(30)	(28)	(93)
Change in the allowance for credit losses	**48**	(412)	460	112	**(168)**	(1,215)	1,047	86
Provision for credit losses	**32**	(460)	492	107	**(226)**	(1,245)	1,019	82
Noninterest expense	**1,900**	1,797	103	6	**5,723**	5,435	288	5
Income before income tax expense	**2,128**	2,048	80	4	**5,606**	6,137	(531)	(9)
Income tax expense	**536**	518	18	3	**1,420**	1,531	(111)	(7)
Less: Net loss from noncontrolling interests	**—**	—	—	—	**—**	(2)	2	100
Net income	$ **1,592**	1,530	62	4	$ **4,186**	4,608	(422)	(9)
Revenue by Line of Business								
Banking:								
Lending	$ **580**	502	78	16	$ **1,629**	1,429	200	14
Treasury Management and Payments	**670**	372	298	80	**1,631**	1,095	536	49
Investment Banking	**336**	367	(31)	(8)	**889**	1,190	(301)	(25)
Total Banking	**1,586**	1,241	345	28	**4,149**	3,714	435	12
Commercial Real Estate	**1,212**	942	270	29	**3,267**	2,868	399	14
Markets:								
Fixed Income, Currencies, and Commodities (FICC)	**914**	884	30	3	**2,725**	2,916	(191)	(7)
Equities	**316**	234	82	35	**836**	692	144	21
Credit Adjustment (CVA/DVA) and Other	**17**	58	(41)	(71)	**55**	78	(23)	(29)
Total Markets	**1,247**	1,176	71	6	**3,616**	3,686	(70)	(2)
Other	**15**	26	(11)	(42)	**71**	59	12	20
Total revenue	$ **4,060**	3,385	675	20	$ **11,103**	10,327	776	8
Selected Metrics								
Return on allocated capital	**16.6 %**	16.9			**14.6 %**	17.2		
Efficiency ratio	**47**	53			**52**	53		

Third quarter 2022 vs. third quarter 2021

Revenue increased driven by:
- higher net gains from trading activities reflecting higher foreign exchange, equities, rates, and commodities trading revenue; and
- higher net interest income reflecting higher interest rates, as well as higher loan balances;

partially offset by:
- lower investment banking fees due to lower market activity.

Provision for credit losses reflected loan growth and a less favorable economic environment.

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

First nine months of 2022 vs. first nine months of 2021

Revenue increased driven by:
- higher net interest income reflecting higher interest rates, as well as higher loan balances; and
- higher net gains from trading activities driven by higher commodities, foreign exchange, rates, and equities trading revenue, partially offset by lower trading activity in residential MBS and high yield products;

partially offset by:
- lower investment banking fees due to lower market activity, as well as a $107 million write-down on unfunded leveraged finance commitments in second quarter 2022 due to the widening of market spreads; and
- lower other noninterest income driven by lower mortgage banking income due to lower commercial MBS gain on sale margins and volumes, partially offset by higher income in our low-income housing business.

Provision for credit losses reflected loan growth and a less favorable economic environment.

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

Table 6f: Corporate and Investment Banking – Balance Sheet

	Quarter ended Sep 30,				Nine months ended Sep 30,			
(in millions)	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
Selected Balance Sheet Data (average)								
Loans:								
Commercial and industrial	$ 205,185	170,486	34,699	20 %	$ 199,006	166,647	32,359	19 %
Commercial real estate	101,055	86,809	14,246	16	97,551	85,349	12,202	14
Total loans	$ 306,240	257,295	48,945	19	$ 296,557	251,996	44,561	18
Loans by Line of Business:								
Banking	$ 109,909	95,911	13,998	15	$ 107,200	91,130	16,070	18
Commercial Real Estate	137,568	110,683	26,885	24	132,384	109,073	23,311	21
Markets	58,763	50,701	8,062	16	56,973	51,793	5,180	10
Total loans	$ 306,240	257,295	48,945	19	$ 296,557	251,996	44,561	18
Trading-related assets:								
Trading account securities	$ 110,919	112,148	(1,229)	(1)	$ 112,351	107,771	4,580	4
Reverse repurchase agreements/securities borrowed	45,486	56,758	(11,272)	(20)	49,708	60,903	(11,195)	(18)
Derivative assets	28,050	25,191	2,859	11	28,386	25,668	2,718	11
Total trading-related assets	$ 184,455	194,097	(9,642)	(5)	$ 190,445	194,342	(3,897)	(2)
Total assets	560,509	524,124	36,385	7	558,773	516,401	42,372	8
Total deposits	156,830	189,424	(32,594)	(17)	163,578	191,560	(27,982)	(15)
Allocated capital	36,000	34,000	2,000	6	36,000	34,000	2,000	6
Selected Balance Sheet Data (period-end)								
Loans:								
Commercial and industrial	$ 198,253	177,002	21,251	12	$ 198,253	177,002	21,251	12
Commercial real estate	101,440	86,955	14,485	17	101,440	86,955	14,485	17
Total loans	$ 299,693	263,957	35,736	14	$ 299,693	263,957	35,736	14
Loans by Line of Business:								
Banking	$ 103,809	99,683	4,126	4	$ 103,809	99,683	4,126	4
Commercial Real Estate	137,077	112,050	25,027	22	137,077	112,050	25,027	22
Markets	58,807	52,224	6,583	13	58,807	52,224	6,583	13
Total loans	$ 299,693	263,957	35,736	14	$ 299,693	263,957	35,736	14
Trading-related assets:								
Trading account securities	$ 113,488	114,187	(699)	(1)	$ 113,488	114,187	(699)	(1)
Reverse repurchase agreements/securities borrowed	44,194	55,123	(10,929)	(20)	44,194	55,123	(10,929)	(20)
Derivative assets	28,545	27,096	1,449	5	28,545	27,096	1,449	5
Total trading-related assets	$ 186,227	196,406	(10,179)	(5)	$ 186,227	196,406	(10,179)	(5)
Total assets	550,695	535,385	15,310	3	550,695	535,385	15,310	3
Total deposits	154,550	191,786	(37,236)	(19)	154,550	191,786	(37,236)	(19)

Third quarter 2022 vs. third quarter 2021

Total assets (average) increased driven by higher loan balances reflecting broad-based loan demand driven by a modest increase in utilization rates due to increased client working capital needs, partially offset by lower trading-related assets reflecting actions to manage under the asset cap.

Total deposits (average) decreased driven by customers continuing to allocate more cash into higher yielding liquid alternatives, as well as actions to manage under the asset cap.

First nine months of 2022 vs. first nine months of 2021

Total assets (average and period-end) increased driven by higher loan balances reflecting broad-based loan demand driven by a modest increase in utilization rates due to increased client working capital needs, partially offset by lower trading-related assets reflecting actions to manage under the asset cap.

Total deposits (average and period-end) decreased driven by customers continuing to allocate more cash into higher yielding liquid alternatives, as well as actions to manage under the asset cap.

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

	Quarter ended Sep 30,				Nine months ended Sep 30,			
($ in millions, unless otherwise noted)	**2022**	2021	$ Change	% Change	**2022**	2021	$ Change	% Change
Income Statement								
Net interest income	$ **1,088**	637	451	71 %	$ **2,803**	1,904	899	47 %
Noninterest income:								
Investment advisory and other asset-based fees	**2,066**	2,457	(391)	(16)	**6,848**	7,145	(297)	(4)
Commissions and brokerage services fees	**486**	458	28	6	**1,399**	1,526	(127)	(8)
Other	**25**	66	(41)	(62)	**77**	123	(46)	(37)
Total noninterest income	**2,577**	2,981	(404)	(14)	**8,324**	8,794	(470)	(5)
Total revenue	**3,665**	3,618	47	1	**11,127**	10,698	429	4
Net charge-offs	**(1)**	(3)	2	67	**(5)**	(9)	4	44
Change in the allowance for credit losses	**9**	(70)	79	113	**(31)**	(83)	52	63
Provision for credit losses	**8**	(73)	81	111	**(36)**	(92)	56	61
Noninterest expense	**2,796**	2,917	(121)	(4)	**8,882**	8,836	46	1
Income before income tax expense	**861**	774	87	11	**2,281**	1,954	327	17
Income tax expense	**222**	195	27	14	**574**	491	83	17
Net income	$ **639**	579	60	10	$ **1,707**	1,463	244	17
Selected Metrics								
Return on allocated capital	**28.4 %**	25.7			**25.5 %**	21.8		
Efficiency ratio	**76**	81			**80**	83		
Advisory assets ($ in billions)	$ **756**	920	(164)	(18)	$ **756**	920	(164)	(18)
Other brokerage assets and deposits ($ in billions)	**1,003**	1,171	(168)	(14)	**1,003**	1,171	(168)	(14)
Total client assets ($ in billions)	$ **1,759**	2,091	(332)	(16)	$ **1,759**	2,091	(332)	(16)
Annualized revenue per advisor ($ in thousands) (1)	**1,212**	1,141	71	6	**1,215**	1,094	121	11
Total financial and wealth advisors (#) (period-end)	**12,011**	12,552		(4)	**12,011**	12,552		(4)
Selected Balance Sheet Data (average)								
Total loans	$ **85,472**	82,785	2,687	3	$ **85,386**	81,810	3,576	4
Total deposits	**158,367**	176,570	(18,203)	(10)	**172,516**	175,087	(2,571)	(1)
Allocated capital	**8,750**	8,750	—	—	**8,750**	8,750	—	—
Selected Balance Sheet Data (period-end)								
Total loans	$ **85,180**	82,824	2,356	3	$ **85,180**	82,824	2,356	3
Total deposits	**148,890**	177,809	(28,919)	(16)	**148,890**	177,809	(28,919)	(16)

(1) Represents annualized segment total revenue divided by average total financial and wealth advisors for the period.

Third quarter 2022 vs. third quarter 2021

Revenue increased driven by:
- higher net interest income predominantly driven by higher interest rates;

partially offset by:
- lower investment advisory and other asset-based fees due to lower average market valuations.

Provision for credit losses reflected loan growth and a less favorable economic environment.

Noninterest expense decreased driven by:
- lower personnel expense driven by lower revenue-related compensation; and
- the impact of efficiency initiatives;

partially offset by:
- higher operating costs.

Total deposits (average) decreased as customers continued to allocate more cash into higher yielding liquid alternatives.

First nine months of 2022 vs. first nine months of 2021

Revenue increased driven by:
- higher net interest income predominantly driven by higher interest rates;

partially offset by:
- lower investment advisory and other asset-based fees due to lower average market valuations; and
- lower commissions and brokerage services fees due to lower transactional revenue.

Provision for credit losses reflected loan growth and a less favorable economic environment.

Noninterest expense increased driven by:
- higher operating costs;

partially offset by:
- lower personnel expense driven by lower revenue-related compensation.

Total deposits (period-end) decreased as customers continued to allocate more cash into higher yielding liquid alternatives.

WIM Advisory Assets In addition to transactional accounts, WIM offers advisory account relationships to brokerage customers. Fees from advisory accounts are generally 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 third quarter 2022 and 2021, the average fee rate by account type ranged from 50 to 120 basis points.

Table 6h: WIM Advisory Assets

	Quarter ended					Nine months ended				
(in billions)	Balance, beginning of period	Inflows (1)	Outflows (2)	Market impact (3)	Balance, end of period	Balance, beginning of period	Inflows (1)	Outflows (2)	Market impact (3)	Balance, end of period
September 30, 2022										
Client-directed (4)	**$ 167.0**	**7.1**	**(8.7)**	**(7.4)**	**158.0**	**$ 205.6**	**23.4**	**(28.9)**	**(42.1)**	**158.0**
Financial advisor-directed (5)	**218.6**	**9.6**	**(11.1)**	**(8.0)**	**209.1**	**255.5**	**32.0**	**(32.3)**	**(46.1)**	**209.1**
Separate accounts (6)	**171.6**	**5.5**	**(5.7)**	**(7.3)**	**164.1**	**203.3**	**19.1**	**(19.9)**	**(38.4)**	**164.1**
Mutual fund advisory (7)	**82.2**	**1.8**	**(3.2)**	**(4.5)**	**76.3**	**102.1**	**7.1**	**(11.2)**	**(21.7)**	**76.3**
Total Wells Fargo Advisors	**$ 639.4**	**24.0**	**(28.7)**	**(27.2)**	**607.5**	**$ 766.5**	**81.6**	**(92.3)**	**(148.3)**	**607.5**
The Private Bank (8)	**160.4**	**6.1**	**(12.0)**	**(5.7)**	**148.8**	**198.0**	**20.6**	**(37.2)**	**(32.6)**	**148.8**
Total WIM advisory assets	**$ 799.8**	**30.1**	**(40.7)**	**(32.9)**	**756.3**	**$ 964.5**	**102.2**	**(129.5)**	**(180.9)**	**756.3**
September 30, 2021										
Client-directed (4)	$ 201.3	9.4	(11.7)	(2.1)	196.9	$ 186.3	31.1	(33.7)	13.2	196.9
Financial advisor-directed (5)	238.0	11.0	(9.0)	(0.7)	239.3	211.0	35.6	(28.9)	21.6	239.3
Separate accounts (6)	192.9	7.5	(8.7)	(0.8)	190.9	174.6	24.0	(23.4)	15.7	190.9
Mutual fund advisory (7)	100.1	3.9	(4.0)	(0.8)	99.2	91.4	12.2	(11.1)	6.7	99.2
Total Wells Fargo Advisors	$ 732.3	31.8	(33.4)	(4.4)	726.3	$ 663.3	102.9	(97.1)	57.2	726.3
The Private Bank (8)	198.4	9.6	(13.1)	(1.3)	193.6	189.4	27.8	(36.7)	13.1	193.6
Total WIM advisory assets	$ 930.7	41.4	(46.5)	(5.7)	919.9	$ 852.7	130.7	(133.8)	70.3	919.9

(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 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 affiliated venture capital and private equity businesses. In addition, Corporate includes all restructuring charges related to our efficiency initiatives. See Note 19 (Restructuring Charges) to Financial Statements in this Report for additional information on restructuring charges. 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

	Quarter ended Sep 30,				Nine months ended Sep 30,			
(in millions)	**2022**	2021	$ Change	% Change	**2022**	2021	$ Change	% Change
Income Statement								
Net interest income	$ **(248)**	(427)	179	42 %	$ **(1,685)**	(1,121)	(564)	(50)%
Noninterest income	**284**	1,752	(1,468)	(84)	**976**	6,496	(5,520)	(85)
Total revenue	**36**	1,325	(1,289)	(97)	**(709)**	5,375	(6,084)	NM
Net charge-offs	**(16)**	(10)	(6)	(60)	**(28)**	59	(87)	NM
Change in the allowance for credit losses	**11**	1	10	NM	**18**	(5)	23	460
Provision for credit losses	**(5)**	(9)	4	44	**(10)**	54	(64)	NM
Noninterest expense	**1,347**	1,140	207	18	**2,751**	3,371	(620)	(18)
Income (loss) before income tax benefit	**(1,306)**	194	(1,500)	NM	**(3,450)**	1,950	(5,400)	NM
Income tax expense (benefit)	**(189)**	110	(299)	NM	**(658)**	58	(716)	NM
Less: Net income (loss) from noncontrolling interests (1)	**(31)**	281	(312)	NM	**(73)**	1,038	(1,111)	NM
Net income (loss)	$ **(1,086)**	(197)	(889)	NM	$ **(2,719)**	854	(3,573)	NM

NM – Not meaningful
(1) Reflects results attributable to noncontrolling interests predominantly associated with the Company's consolidated venture capital investments.

Third quarter 2022 vs. third quarter 2021

Revenue decreased driven by:
- lower net gains from equity securities due to lower unrealized gains on nonmarketable equity securities from our affiliated venture capital and private equity businesses, and higher impairment driven by market conditions;
- lower investment advisory and other asset-based fees reflecting divestitures in fourth quarter 2021; and
- lower gains on sales of corporate debt securities;

partially offset by:
- higher net interest income reflecting higher interest rates, partially offset by the sale of our Corporate Trust Services business in 2021.

Noninterest expense increased due to:
- higher operating losses reflecting higher accruals primarily related to a variety of historical matters, including litigation and regulatory matters; and
- higher pension plan expenses;

partially offset by:
- the impact of divestitures.

First nine months of 2022 vs. first nine months of 2021

Revenue decreased driven by:
- lower net gains from equity securities due to lower unrealized gains on nonmarketable equity securities from our affiliated venture capital and private equity businesses, and higher impairment driven by market conditions;
- lower investment advisory and other asset-based fees reflecting divestitures in fourth quarter 2021;
- lower net interest income due to higher deposit crediting rates paid to the operating segments and the sales of our student loan portfolio and our Corporate Trust Services business in 2021;
- lower gains on sales of corporate debt securities; and
- a gain on the sale of our student loan portfolio in the first nine months of 2021;

partially offset by:
- lower valuation losses related to the retained litigation risk associated with shares of Visa Class B common stock that we sold.

Provision for credit losses decreased due to lower net charge-offs driven by the sale of our student loan portfolio in the first nine months of 2021.

Noninterest expense decreased due to:
- the impact of divestitures;
- a write-down of goodwill in the first nine months of 2021 related to the sale of our student loan portfolio; and
- lower lease expense driven by lower depreciation expense from a reduction in the size of our rail car leasing business;

partially offset by:
- higher operating losses reflecting higher accruals primarily related to a variety of historical matters, including litigation and regulatory matters; and
- higher pension plan expenses.

Corporate includes our rail car leasing business, which had long-lived operating lease assets, net of accumulated depreciation, of $4.8 billion and $5.1 billion as of September 30, 2022, and December 31, 2021, respectively. The average age of our rail cars is 21 years and the rail cars are typically leased to customers under short-term leases of 3 to 5 years. Our three largest concentrations, which represented 55% of our rail car fleet as of September 30, 2022, were rail cars used for the transportation of agricultural grain, coal, and cement/sand products. Impairment may result in the future based on changing economic and market conditions affecting the long-term demand and utility of specific types of rail cars. Our assumptions for impairment are sensitive to estimated utilization and rental rates, as well as the estimated economic life of the leased asset. For additional information on the accounting for impairment of operating lease assets, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2021 Form 10-K.

Table 6j: Corporate – Balance Sheet

	Quarter ended Sep 30,				Nine months ended Sep 30,			
(in millions)	**2022**	2021	$ Change	% Change	**2022**	2021	$ Change	% Change
Selected Balance Sheet Data (average)								
Cash, cash equivalents, and restricted cash	**$ 134,725**	250,414	(115,689)	(46)%	**$ 152,875**	242,853	(89,978)	(37)%
Available-for-sale debt securities	**110,575**	172,035	(61,460)	(36)	**131,607**	185,847	(54,240)	(29)
Held-to-maturity debt securities	**297,335**	260,167	37,168	14	**288,265**	238,591	49,674	21
Equity securities	**15,423**	13,254	2,169	16	**15,620**	11,894	3,726	31
Total loans	**9,112**	9,765	(653)	(7)	**9,163**	10,021	(858)	(9)
Total assets	**617,713**	762,067	(144,354)	(19)	**648,966**	748,236	(99,270)	(13)
Total deposits	**24,386**	37,302	(12,916)	(35)	**23,909**	41,796	(17,887)	(43)
Selected Balance Sheet Data (period-end)								
Cash, cash equivalents, and restricted cash	**$ 141,743**	241,423	(99,680)	(41)	**$ 141,743**	241,423	(99,680)	(41)
Available-for-sale debt securities	**104,726**	173,237	(68,511)	(40)	**104,726**	173,237	(68,511)	(40)
Held-to-maturity debt securities	**297,530**	261,583	35,947	14	**297,530**	261,583	35,947	14
Equity securities	**15,581**	14,022	1,559	11	**15,581**	14,022	1,559	11
Total loans	**9,096**	9,589	(493)	(5)	**9,096**	9,589	(493)	(5)
Total assets	**615,408**	751,155	(135,747)	(18)	**615,408**	751,155	(135,747)	(18)
Total deposits	**34,993**	37,507	(2,514)	(7)	**34,993**	37,507	(2,514)	(7)

Third quarter 2022 vs. third quarter 2021

Total assets (average) decreased reflecting:
- a decrease in cash, cash equivalents, and restricted cash managed by corporate treasury as a result of a decrease in deposits and an increase in loans in the operating segments; and
- lower available-for-sale debt securities due to sales and net unrealized losses, as well as a transfer from available-for-sale debt securities to held-to-maturity debt securities related to portfolio rebalancing to manage liquidity and interest rate risk;

partially offset by:
- an increase in equity securities driven by our affiliated venture capital and private equity businesses.

Total deposits (average) decreased driven by the transition of trust deposits related to divested businesses.

First nine months of 2022 vs. first nine months of 2021

Total assets (average and period-end) decreased reflecting:
- a decrease in cash, cash equivalents, and restricted cash managed by corporate treasury as a result of a decrease in long-term debt and an increase in loans in the operating segments; and
- lower available-for-sale debt securities due to sales and net unrealized losses, as well as a transfer from available-for-sale debt securities to held-to-maturity debt securities related to portfolio rebalancing to manage liquidity and interest rate risk;

partially offset by:
- an increase in equity securities driven by our affiliated venture capital and private equity businesses.

Total deposits (average) decreased driven by the transition of trust deposits related to divested businesses.

Total deposits (period-end) decreased driven by the transition of trust deposits related to divested businesses, partially offset by issuances of short-term brokered certificates of deposit (CDs).

Balance Sheet Analysis

At September 30, 2022, our assets totaled $1.88 trillion, down $70.3 billion from December 31, 2021.

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

					September 30, 2022				December 31, 2021
($ in millions)		**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)	**$**	**124,906**	**(9,071)**	**115,835**	**5.6**	$	175,463	1,781	177,244	5.2
Held-to-maturity (3)		**300,434**	**(44,863)**	**255,571**	**8.2**		272,022	364	272,386	6.3
Total	**$**	**425,340**	**(53,934)**	**371,406**	**n/a**	$	447,485	2,145	449,630	n/a

(1) Represents amortized cost of the securities, net of the allowance for credit losses of $6 million and $8 million related to available-for-sale debt securities at September 30, 2022, and December 31, 2021, respectively, and $96 million related to held-to-maturity debt securities at both September 30, 2022, and December 31, 2021.
(2) Available-for-sale debt securities are carried on the consolidated balance sheet at fair value.
(3) Held-to-maturity debt securities are carried on the 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 2021 Form 10-K for 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 AFS and HTM debt securities decreased from December 31, 2021. Purchases of AFS and HTM debt securities, including HTM debt securities through securitizations of loans held for sale (LHFS), were more than offset by portfolio runoff and AFS debt security sales. In addition, we transferred AFS debt securities with a fair value of $48.6 billion to HTM debt securities in the first nine months of 2022 due to actions taken to reposition the overall portfolio for capital management purposes. Debt securities transferred from AFS to HTM in the first nine months of 2022 had $4.3 billion of pre-tax unrealized losses at the time of the transfers.

The total net unrealized losses on AFS and HTM debt securities at September 30, 2022, were driven by higher interest rates and wider credit spreads.

At September 30, 2022, 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.

Loan Portfolios

Table 8 provides a summary of total outstanding loans by portfolio segment. Commercial loans increased from December 31, 2021, primarily due to an increase in the commercial and industrial loan portfolio, driven by higher loan demand resulting in increased originations and loan draws, partially offset by paydowns. Consumer loans increased from December 31, 2021, predominantly driven by an increase in the residential mortgage – first lien portfolio due to loan originations, partially offset by loan paydowns and the transfer of first lien mortgage loans to loans held for sale (LHFS), which predominantly related to loans purchased from GNMA loan securitization pools in prior periods.

Table 8: Loan Portfolios

($ in millions)		**September 30, 2022**	December 31, 2021	$ Change	% Change
Commercial	**$**	**549,970**	513,120	36,850	7 %
Consumer		**395,936**	382,274	13,662	4
Total loans	**$**	**945,906**	895,394	50,512	6

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 4 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

See the "Balance Sheet Analysis – Loan Portfolios" section in our 2021 Form 10-K for additional information regarding contractual loan maturities and the distribution of loans to changes in interest rates.

Deposits

Deposits decreased from December 31, 2021, reflecting:

- customers continuing to allocate more cash into higher yielding liquid alternatives;
- elevated consumer spending, partially offset by higher levels of liquidity and savings for certain consumer customers; and
- the transition of trust deposits related to divested businesses;

partially offset by:

- higher time deposits driven by issuances of short-term brokered CDs.

Table 9 provides additional information regarding deposits. 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.

Table 9: Deposits

($ in millions)		**Sep 30, 2022**	**% of total deposits**		Dec 31, 2021	% of total deposits		$ Change	% Change
Noninterest-bearing demand deposits	**$**	**494,594**	**35 %**	$	527,748	36 %	$	(33,154)	(6)%
Interest-bearing demand deposits		**418,902**	**30**		465,887	31		(46,985)	(10)
Savings deposits		**427,778**	**31**		439,600	30		(11,822)	(3)
Time deposits		**38,475**	**3**		29,461	2		9,014	31
Interest-bearing deposits in non-U.S. offices		**18,402**	**1**		19,783	1		(1,381)	(7)
Total deposits	**$**	**1,398,151**	**100 %**	$	1,482,479	100 %	$	(84,328)	(6)

Off-Balance Sheet Arrangements

In the ordinary course of business, we engage in financial transactions that are not recorded on the consolidated balance sheet, or may be recorded on the 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, commitments to purchase debt and equity securities, 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 4 (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 8 (Securitizations and Variable Interest Entities) to Financial Statements in this Report.

Guarantees and Other Arrangements

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. For additional information, see Note 11 (Guarantees and Other Commitments) to Financial Statements in this Report.

Commitments to Purchase Debt and Equity Securities

We enter into commitments to purchase securities under resale agreements. We also may enter into commitments to purchase debt and equity securities to provide capital for customers' funding, liquidity or other future needs. For additional information, see Note 11 (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 the 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 the 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 14 (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. We continue to monitor our business, including our loan portfolios, for any direct, indirect, and macro-economic impacts stemming from the conflict in Ukraine and any associated economic sanctions.

For additional information about how we manage risk, see the "Risk Management" section in our 2021 Form 10-K. The discussion that follows supplements our discussion of the management of certain risks contained in the "Risk Management" section in our 2021 Form 10-K.

Credit Risk Management

We define credit risk as 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 loans, debt securities, and certain derivatives.

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, Credit Risk, which is part of Independent Risk Management, has oversight responsibility for credit risk. 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)	Sep 30, 2022	Dec 31, 2021
Commercial:		
Commercial and industrial	$ 379,694	350,436
Real estate mortgage	133,770	127,733
Real estate construction	21,889	20,092
Lease financing	14,617	14,859
Total commercial	549,970	513,120
Consumer:		
Residential mortgage – first lien	254,165	242,270
Residential mortgage – junior lien	13,900	16,618
Credit card	43,558	38,453
Auto	54,545	56,659
Other consumer	29,768	28,274
Total consumer	395,936	382,274
Total loans	$ 945,906	895,394

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 Credit quality in third quarter 2022 reflected:

- Nonaccrual loans were $5.6 billion at September 30, 2022, compared with $7.2 billion at December 31, 2021. Commercial nonaccrual loans decreased to $1.7 billion at September 30, 2022, compared with $2.4 billion at December 31, 2021, and consumer nonaccrual loans decreased to $3.9 billion at September 30, 2022, compared with $4.8 billion at December 31, 2021. Nonaccrual loans represented 0.59% of total loans at September 30, 2022, compared with 0.81% at December 31, 2021.
- Net loan charge-offs (recoveries) as a percentage of our average commercial and consumer loan portfolios were 0.00% and 0.40% in the third quarter and 0.00% and 0.36% in the first nine months of 2022, respectively, compared with 0.03% and 0.23% in the third quarter and 0.07% and 0.31%, respectively, in the first nine months of 2021.
- Loans that are not government insured/guaranteed and 90 days or more past due and still accruing were $802 million and $496 million in our commercial and consumer portfolios, respectively, at September 30, 2022, compared with $235 million and $424 million at December 31, 2021.
- Our provision for credit losses for loans was $773 million and $576 million in the third quarter and first nine months of 2022, respectively, compared with $(1.4) billion and $(3.7) billion for the same periods a year ago.
- The ACL for loans decreased to $13.2 billion, or 1.40% of total loans, at September 30, 2022, compared with $13.8 billion, or 1.54%, at December 31, 2021.

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

Significant Loan Portfolio Reviews Measuring and monitoring our credit risk is an ongoing process that tracks delinquencies, collateral values, Fair Isaac Corporation (FICO) scores, economic trends by geographic areas, loan-level risk grading for certain portfolios (typically commercial) and other indications of credit risk. 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 4 (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 $11.3 billion of the commercial and industrial loans and lease financing portfolio internally classified as criticized in accordance with regulatory guidance at September 30, 2022, compared with $13.0 billion at December 31, 2021. The decline was driven by decreases in the technology, telecom and media, real estate and construction, and oil, gas and pipelines industries, as these industries continued to recover from the economic impacts of the COVID-19 pandemic, partially offset by an increase in the equipment, machinery and parts manufacturing, and auto related industries.

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 increased at September 30, 2022, compared with December 31, 2021, driven by higher loan demand resulting in increased originations and loan draws, partially offset by paydowns. Table 11 provides our commercial and industrial loans and lease financing by industry. The industry categories are based on the North American Industry Classification System.

Table 11: Commercial and Industrial Loans and Lease Financing by Industry

	September 30, 2022				December 31, 2021			
($ in millions)	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	$ 53	144,595	15%	$ 248,059	104	142,283	16%	$ 236,133
Technology, telecom and media	69	27,892	3	67,050	64	23,345	3	62,984
Real estate and construction	65	25,572	3	59,197	78	25,035	3	55,304
Equipment, machinery and parts manufacturing	14	22,915	2	46,784	24	18,130	2	43,729
Retail	49	19,673	2	45,653	27	17,645	2	41,344
Materials and commodities	78	17,026	2	40,173	32	14,684	2	36,660
Food and beverage manufacturing	18	15,659	2	34,794	7	13,242	1	30,882
Oil, gas and pipelines	55	9,858	1	30,897	197	8,828	*	28,978
Health care and pharmaceuticals	21	14,472	2	29,207	24	12,847	1	28,808
Auto related	9	12,137	1	27,262	31	10,629	1	25,735
Utilities	61	8,848	*	26,090	77	6,982	*	22,406
Commercial services	28	10,818	1	25,676	78	10,492	1	24,617
Diversified or miscellaneous	11	8,219	*	21,009	3	7,493	*	18,317
Entertainment and recreation	35	11,407	1	17,812	23	9,907	1	17,893
Banks	—	15,575	2	17,694	—	16,178	2	16,612
Insurance and fiduciaries	1	4,515	*	15,630	1	3,387	*	13,993
Transportation services	226	7,817	*	15,405	288	8,162	*	14,710
Government and education	16	6,578	*	12,657	5	5,863	*	11,193
Agribusiness	25	6,301	*	11,417	35	6,086	*	11,576
Other (2)	16	4,434	*	11,677	30	4,077	*	11,583
Total	$ 850	394,311	42%	$ 804,143	1,128	365,295	41%	$ 753,457

* 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 11 (Guarantees and Other Commitments) to Financial Statements in this Report.
(2) No other single industry had total loans in excess of $3.0 billion and $3.1 billion at September 30, 2022, and December 31, 2021, respectively.

Table 11a 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 11a: Financials Except Banks Industry Category

	September 30, 2022				December 31, 2021			
($ in millions)	**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)	**$ 1**	**53,863**	**6 %**	**$ 102,800**	1	60,518	7 %	$ 101,035
Commercial finance (3)	**33**	**51,356**	**5**	**75,187**	82	46,043	5	69,923
Real estate finance (4)	**9**	**24,768**	**3**	**42,863**	9	23,231	3	37,997
Consumer finance (5)	**10**	**14,608**	**1**	**27,209**	12	12,491	1	27,178
Total	**$ 53**	**144,595**	**15%**	**$ 248,059**	104	142,283	16%	$ 236,133

(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 11 (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, 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 $7.8 billion and $8.1 billion at September 30, 2022, and December 31, 2021, respectively.
(4) Includes originators or servicers of financial assets collateralized by commercial or residential real estate loans.
(5) Includes originators or servicers of financial assets collateralized by consumer loans such as auto loans and leases, and credit cards.

Our commercial and industrial loans and lease financing portfolio also included non-U.S. loans of $79.6 billion and $78.0 billion at September 30, 2022, and December 31, 2021, respectively. Significant industry concentrations of non-U.S. loans at September 30, 2022, and December 31, 2021, respectively, included:

- $44.6 billion and $46.7 billion in the financials except banks industry;
- $15.9 billion in the banks industry at both periods; and
- $1.7 billion in the oil, gas and pipelines industry at both periods.

COMMERCIAL REAL ESTATE (CRE) We generally subject CRE loans to individual risk assessment using our internal borrower and collateral quality ratings. We had $10.1 billion of CRE mortgage loans classified as criticized at September 30, 2022, compared with $13.1 billion at December 31, 2021, and $1.4 billion of CRE construction loans classified as criticized at September 30, 2022, compared with $1.7 billion at December 31, 2021. The decrease in criticized CRE mortgage loans was driven by the hotel/motel and shopping center property types, as these property types continued to recover from the economic impacts of the COVID-19 pandemic, partially offset by an increase in the office buildings property type. The credit quality of certain property types within our CRE loan portfolio, such as office buildings, could continue to be adversely affected due to uncertainty in their recovery from the economic impacts of the COVID-19 pandemic.

The total CRE loan portfolio increased $7.8 billion from December 31, 2021, predominantly driven by an increase in CRE mortgage loans for apartments, mixed use properties, and industrial/warehouse property types, partially offset by a decrease in CRE mortgage loans for office buildings. The CRE loan portfolio included $7.4 billion of non-U.S. CRE loans at September 30, 2022. The portfolio is diversified both geographically and by property type. The largest geographic concentrations of CRE loans are in California, New York, Texas, and Florida, which represented a combined 49% of the total CRE portfolio. The largest property type concentrations are apartments at 25% and office buildings at 23% of the portfolio.

Table 12 summarizes CRE loans by state and property type with the related nonaccrual totals at September 30, 2022.

Table 12: CRE Loans by State and Property Type

							September 30, 2022
	Real estate mortgage		Real estate construction		Total		
($ in millions)	Nonaccrual loans	Loans outstanding balance	Nonaccrual loans	Loans outstanding balance	Nonaccrual loans	Loans outstanding balance	% of total loans
By state:							
California	$ 127	30,306	1	4,418	128	34,724	4%
New York	108	14,738	—	2,108	108	16,846	2
Texas	30	11,783	—	1,221	30	13,004	1
Florida	10	9,984	—	1,536	10	11,520	1
Washington	81	4,414	—	1,270	81	5,684	*
Arizona	14	5,102	—	543	14	5,645	*
Georgia	82	4,767	—	645	82	5,412	*
North Carolina	4	4,590	—	753	4	5,343	*
Illinois	15	4,091	—	548	15	4,639	*
Massachusetts	4	3,078	—	955	4	4,033	*
Other (1)	375	40,917	2	7,892	377	48,809	5
Total	$ 850	133,770	3	21,889	853	155,659	16%
By property:							
Apartments	$ 9	31,070	—	7,785	9	38,855	4%
Office buildings	173	32,219	—	2,975	173	35,194	4
Industrial/warehouse	44	16,970	—	2,483	44	19,453	2
Hotel/motel	153	11,623	—	1,521	153	13,144	1
Retail (excluding shopping center)	85	11,714	2	139	87	11,853	1
Shopping center	253	9,242	—	583	253	9,825	1
Institutional	34	5,536	—	2,451	34	7,987	*
Mixed use properties	57	6,061	—	1,295	57	7,356	*
Collateral pool	—	3,083	—	222	—	3,305	*
Storage facility	—	2,737	—	140	—	2,877	*
Other	42	3,515	1	2,295	43	5,810	*
Total	$ 850	133,770	3	21,889	853	155,659	16 %

* Less than 1%.
(1) Includes 40 states; no state in Other had loans in excess of $3.9 billion.

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 September 30, 2022, non-U.S. loans totaled $87.1 billion, representing approximately 9% of our total consolidated loans outstanding, compared with $86.9 billion, or approximately 10% of our total consolidated loans outstanding, at December 31, 2021. Non-U.S. loans were approximately 5% and 4% of our total consolidated assets at September 30, 2022, and December 31, 2021, respectively.

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 the 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 the borrower's primary address.

Our largest single country exposure outside the U.S. at September 30, 2022, was the United Kingdom, which totaled $31.4 billion, or approximately 2% of our total assets, and included $4.0 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 13 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 13:

- Lending and deposits exposure includes outstanding loans, unfunded credit commitments, and deposits with non-U.S. banks. These balances are presented prior to the deduction of 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 13: Select Country Exposures

									September 30, 2022
	Lending and deposits		Securities		Derivatives and other		Total exposure		
($ in millions)	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Non-sovereign (1)	Total
Top 20 country exposures:									
United Kingdom	$ 4,048	22,891	—	984	1	3,486	4,049	27,361	31,410
Canada	1	18,878	—	205	35	723	36	19,806	19,842
Cayman Islands	—	7,808	—	—	—	496	—	8,304	8,304
Ireland	2,047	4,921	—	199	—	132	2,047	5,252	7,299
Luxembourg	—	6,100	—	8	—	224	—	6,332	6,332
Japan	5,089	703	—	189	—	242	5,089	1,134	6,223
France	108	3,521	—	33	257	75	365	3,629	3,994
Bermuda	—	3,671	—	16	—	69	—	3,756	3,756
China	19	3,097	1	61	382	74	402	3,232	3,634
Guernsey	—	3,300	—	—	—	72	—	3,372	3,372
Germany	—	2,891	32	177	—	101	32	3,169	3,201
South Korea	—	2,507	(2)	229	10	26	8	2,762	2,770
Netherlands	—	2,590	—	31	—	119	—	2,740	2,740
Australia	—	1,597	—	444	—	35	—	2,076	2,076
Chile	—	1,972	—	13	—	—	—	1,985	1,985
Switzerland	—	1,532	—	6	—	172	—	1,710	1,710
Brazil	—	1,290	—	1	20	1	20	1,292	1,312
United Arab Emirates	—	1,115	—	52	—	—	—	1,167	1,167
Belgium	—	959	—	1	—	11	—	971	971
Norway	—	933	—	5	—	20	—	958	958
Total top 20 country exposures	$ 11,312	92,276	31	2,654	705	6,078	12,048	101,008	113,056

(1) Total non-sovereign exposure comprised $51.1 billion exposure to financial institutions and $49.9 billion to non-financial corporations at September 30, 2022.

RESIDENTIAL MORTGAGE LOANS Our residential mortgage loan portfolio is comprised of 1-4 family first and junior lien mortgage loans. Residential mortgage – first lien loans comprised 95% of the total residential mortgage loan portfolio at September 30, 2022, compared with 94% at December 31, 2021.

The outstanding balance of residential mortgage lines of credit was $19.1 billion at September 30, 2022. The unfunded credit commitments for these lines of credit totaled $37.6 billion at September 30, 2022.

The residential mortgage loan portfolio includes some loans with adjustable-rate features and some with an interest-only feature as part of the loan terms. Interest-only loans were approximately 2% and 3% of total loans at September 30, 2022, and December 31, 2021, respectively. We believe our origination process appropriately addresses our adjustable-rate mortgage (ARM) reset risk across our residential mortgage loans and our ACL for loans considers this risk. 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. For additional information on our residential mortgage loan portfolio, see the "Risk Management – Credit Risk Management – Residential Mortgage Loans" section in our 2021 Form 10-K.

We monitor changes in real estate values and underlying economic or market conditions for all geographic areas of our residential mortgage 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 appraisals, AVMs, and our policy for their use, see Note 4 (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 2021 Form 10-K.

Part of our credit monitoring includes tracking delinquency, current FICO scores and loan/combined loan to collateral values (LTV/CLTV) on the entire residential mortgage loan portfolio. CLTV represents the ratio of the total loan balance of first and junior lien mortgages (including unused line amounts for credit line products) to property collateral value. For additional information regarding credit quality indicators, see Note 4 (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 the "Risk Management – Credit Risk Management – Residential Mortgage Loans" section in our 2021 Form 10-K. Customer payment deferral activities instituted in response to the COVID-19 pandemic could continue to delay the recognition of delinquencies. For information on customer accommodations, including loan modifications, in response to the COVID-19 pandemic, see the "Risk Management – Credit Risk Management – COVID-Related Lending Accommodations" section in our 2021 Form 10-K.

Residential Mortgage – First Lien Portfolio Our residential mortgage – first lien portfolio increased $11.9 billion from December 31, 2021, driven by originations, partially offset by loan paydowns and the transfer of first lien mortgage loans to loans held for sale (LHFS), which predominantly related to loans purchased from GNMA loan securitization pools in prior periods.

Table 14 shows certain delinquency and loss information for the residential mortgage – first lien portfolio and lists the top five states by outstanding balance.

Table 14: Residential Mortgage – First Lien Portfolio Performance

	Outstanding balance		% of total loans		% of loans 30 days or more past due		Net loan charge-off rate quarter ended (1)(2)	
($ in millions)	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021
California (3)	**$ 110,200**	100,933	**11.65%**	11.27	**0.48**	0.95	**—**	0.01
New York	**31,689**	30,039	**3.35**	3.35	**0.77**	1.34	**(0.04)**	0.50
Florida	**10,481**	9,978	**1.11**	1.11	**1.25**	1.93	**(0.01)**	0.64
New Jersey	**10,438**	10,205	**1.10**	1.14	**1.15**	1.95	**(0.01)**	0.40
Washington	**10,246**	8,636	**1.08**	0.96	**0.31**	0.47	**—**	0.02
Other (4)	**72,687**	69,321	**7.68**	7.74	**0.94**	1.48	**0.02**	0.25
Total	**245,741**	229,112	**25.97**	25.57	**0.71**	1.23	**—**	0.18
Government insured/guaranteed loans (5)	**8,424**	13,158	**0.89**	1.47				
Total first lien mortgage portfolio	**$ 254,165**	242,270	**26.86%**	27.04				

(1) Quarterly net charge-offs as a percentage of average respective loans are annualized.
(2) The net loan charge-off rate for the quarter ended December 31, 2021, includes $120 million of loan charge-offs related to a change in practice to fully charge-off certain delinquent legacy residential mortgage loans.
(3) 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.
(4) Consists of 45 states; no state in Other had loans in excess of $7.6 billion and $7.2 billion at September 30, 2022, and December 31, 2021, respectively.
(5) Represents loans, substantially all of which were purchased from 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.

Residential Mortgage – Junior Lien Portfolio Our residential mortgage – junior lien portfolio decreased $2.7 billion from December 31, 2021, driven by loan paydowns.

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

Table 15: Residential Mortgage – Junior Lien Portfolio Performance

	Outstanding balance		% of total loans		% of loans 30 days or more past due		Net loan charge-off rate quarter ended (1)(2)	
($ in millions)	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021
California	**$ 3,662**	4,310	**0.39 %**	0.48	**2.06**	3.52	**(0.12)**	(0.24)
New Jersey	**1,460**	1,728	**0.15**	0.19	**2.57**	2.98	**0.29**	0.54
Florida	**1,228**	1,533	**0.13**	0.17	**2.19**	2.54	**(0.70)**	0.87
Pennsylvania	**872**	1,039	**0.09**	0.12	**2.15**	2.19	**(0.27)**	0.12
New York	**831**	975	**0.09**	0.11	**3.06**	4.05	**(0.44)**	2.71
Other (3)	**5,847**	7,033	**0.62**	0.79	**1.93**	2.25	**(0.60)**	(0.11)
Total junior lien mortgage portfolio	**$ 13,900**	16,618	**1.47 %**	1.86	**2.14**	2.91	**(0.36)**	0.19

(1) Quarterly net charge-offs as a percentage of average respective loans are annualized.
(2) The net loan charge-off rate for the quarter ended December 31, 2021, includes $32 million of loan charge-offs related to a change in practice to fully charge-off certain delinquent legacy residential mortgage loans.
(3) Consists of 45 states; no state in Other had loans in excess of $830 million and $980 million at September 30, 2022, and December 31, 2021, respectively.

CREDIT CARD, AUTO, AND OTHER CONSUMER LOANS Table 16 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 4 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

Table 16: Credit Card, Auto, and Other Consumer Loans

	September 30, 2022		December 31, 2021	
($ in millions)	Outstanding balance	% of total loans	Outstanding balance	% of total loans
Credit card	$ 43,558	4.60%	$ 38,453	4.29%
Auto	54,545	5.77	56,659	6.33
Other consumer (1)	29,768	3.15	28,274	3.16
Total	$ 127,871	13.52%	$ 123,386	13.78%

(1) Other consumer loans primarily include both commercial and consumer securities-based loans originated by the WIM operating segment.

Credit Card Our credit card portfolio totaled $43.6 billion at September 30, 2022, compared with $38.5 billion at December 31, 2021. The increase in the outstanding balance at September 30, 2022, compared with December 31, 2021, was due to higher purchase volume and the launch of new products.

Auto Our auto portfolio totaled $54.5 billion at September 30, 2022, compared with $56.7 billion at December 31, 2021. The outstanding balance at September 30, 2022, compared with December 31, 2021, decreased due to lower origination volumes.

Other Consumer Other consumer loans totaled $29.8 billion at September 30, 2022, compared with $28.3 billion at December 31, 2021. The increase in the outstanding balance at September 30, 2022, compared with December 31, 2021, was primarily due to originations of personal lines and loans.

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 2021 Form 10-K. Customer payment deferral activities in the residential mortgage portfolio instituted in response to the COVID-19 pandemic could continue to delay the recognition of nonaccrual loans for those residential mortgage customers who would have otherwise moved into nonaccrual status. For information on customer accommodations, including loan modifications, in response to the COVID-19 pandemic, see the "Risk Management – Credit Risk Management – COVID-Related Lending Accommodations" section in our 2021 Form 10-K.

Table 17 summarizes nonperforming assets (NPAs).

Table 17: Nonperforming Assets (Nonaccrual Loans and Foreclosed Assets)

($ in millions)	Sep 30, 2022	Dec 31, 2021
Nonaccrual loans:		
Commercial:		
Commercial and industrial	$ 742	980
Real estate mortgage	850	1,235
Real estate construction	3	13
Lease financing	108	148
Total commercial	1,703	2,376
Consumer:		
Residential mortgage – first lien (1)	3,024	3,803
Residential mortgage – junior lien (1)	653	801
Auto	171	198
Other consumer	36	34
Total consumer	3,884	4,836
Total nonaccrual loans	$ 5,587	7,212
As a percentage of total loans	0.59 %	0.81
Foreclosed assets:		
Government insured/guaranteed (2)	$ 20	16
Non-government insured/guaranteed	105	96
Total foreclosed assets	125	112
Total nonperforming assets	$ 5,712	7,324
As a percentage of total loans	0.60 %	0.82

(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 2021 Form 10-K.

Commercial nonaccrual loans decreased $673 million from December 31, 2021, due to improved credit quality across our commercial loan portfolios. 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 decreased $952 million from December 31, 2021, driven by a decrease in residential mortgage nonaccrual loans primarily due to sustained payment performance of borrowers after exiting COVID-19-related accommodation programs.

Table 18 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 18: Analysis of Changes in Nonaccrual Loans

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Commercial nonaccrual loans				
Balance, beginning of period	**$ 1,719**	3,549	**$ 2,376**	4,779
Inflows	**388**	481	**744**	1,814
Outflows:				
Returned to accruing	**(89)**	(203)	**(371)**	(667)
Foreclosures	**(1)**	(4)	**(20)**	(13)
Charge-offs	**(57)**	(105)	**(148)**	(452)
Payments, sales and other	**(257)**	(698)	**(878)**	(2,441)
Total outflows	**(404)**	(1,010)	**(1,417)**	(3,573)
Balance, end of period	**1,703**	3,020	**1,703**	3,020
Consumer nonaccrual loans				
Balance, beginning of period	**4,274**	3,822	**4,836**	3,949
Inflows	**374**	745	**1,376**	1,762
Outflows:				
Returned to accruing	**(496)**	(222)	**(1,411)**	(574)
Foreclosures	**(24)**	(18)	**(59)**	(53)
Charge-offs	**(55)**	(21)	**(199)**	(64)
Payments, sales and other	**(189)**	(268)	**(659)**	(982)
Total outflows	**(764)**	(529)	**(2,328)**	(1,673)
Balance, end of period	**3,884**	4,038	**3,884**	4,038
Total nonaccrual loans	**$ 5,587**	7,058	**$ 5,587**	7,058

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 September 30, 2022:

- 94% of total commercial nonaccrual loans are secured, the majority of which are secured by real estate.
- 80% of commercial nonaccrual loans were current on interest and 79% 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 are secured, of which 95% are secured by real estate and 98% have a combined LTV (CLTV) ratio of 80% or less.
- $613 million of the $765 million of consumer loans in bankruptcy or discharged in bankruptcy, and classified as nonaccrual, were current.

Table 19 provides a summary of foreclosed assets and an analysis of changes in foreclosed assets.

Table 19: Foreclosed Assets

(in millions)		Sep 30, 2022	Dec 31, 2021
Summary by loan segment			
Government insured/guaranteed	$	**20**	16
Commercial		**65**	54
Consumer		**40**	42
Total foreclosed assets	$	**125**	112

(in millions)		Quarter ended September 30, 2022	2021		Nine months ended September 30, 2022	2021
Analysis of changes in foreclosed assets						
Balance, beginning of period	$	**130**	129	$	**112**	159
Net change in government insured/guaranteed (1)		**1**	—		**4**	(3)
Additions to foreclosed assets (2)		**104**	101		**305**	285
Reductions from sales and write-downs		**(110)**	(109)		**(296)**	(320)
Balance, end of period	$	**125**	121	$	**125**	121

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

As part of our actions to support customers during the COVID-19 pandemic, we temporarily suspended certain residential mortgage foreclosure activities through December 31, 2021. Beginning January 1, 2022, we resumed these mortgage foreclosure activities. For additional information on loans in process of foreclosure, see Note 4 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report.

TROUBLED DEBT RESTRUCTURINGS (TDRs) Table 20 provides information regarding the recorded investment of loans modified in TDRs. TDRs decreased from December 31, 2021, predominantly driven by a decrease in residential mortgage – first lien loans, partially offset by an increase in trial modifications. The decrease in residential mortgage – first lien loans was due to paydowns and transfers to LHFS, which related to loans purchased from GNMA loan securitization pools.

The amount of our TDRs at September 30, 2022, would have otherwise been higher without the TDR relief provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the *Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (Revised)* (Interagency Statement). Customers who are unable to resume making their contractual loan payments upon exiting from these deferral programs may require further assistance and may receive or be eligible to receive modifications, which may be classified as TDRs. For additional information on the CARES Act and the Interagency Statement, see the "Risk Management – Credit Risk Management – COVID-Related Lending Accommodations" section in our 2021 Form 10-K.

Table 20: TDR Balances

(in millions)		Sep 30, 2022	Dec 31, 2021
Commercial:			
Commercial and industrial	$	**699**	793
Real estate mortgage		**448**	543
Real estate construction		**1**	2
Lease financing		**5**	10
Total commercial TDRs		**1,153**	1,348
Consumer:			
Residential mortgage – first lien		**6,522**	7,282
Residential mortgage – junior lien		**874**	946
Credit card		**369**	309
Auto		**135**	169
Other consumer		**54**	57
Trial modifications		**277**	71
Total consumer TDRs		**8,231**	8,834
Total TDRs	$	**9,384**	10,182
TDRs on nonaccrual status	$	**3,219**	3,142
TDRs on accrual status:			
Government insured/guaranteed		**1,837**	2,462
Non-government insured/guaranteed		**4,328**	4,578
Total TDRs	$	**9,384**	10,182

For information on our nonaccrual policies when a restructuring is involved, see the "Risk Management – Credit Risk Management – Troubled Debt Restructurings (TDRs)" section in our 2021 Form 10-K. See Note 4 (Loans and Related Allowance for Credit Losses) to Financial Statements in this Report for additional information regarding TDRs.

Table 21 provides an analysis of the changes in TDRs. Loans modified more than once as a TDR are reported as inflows only in the period they are first modified. In addition to foreclosures, sales and transfers to held for sale, we may remove loans from TDR classification, but only if they have been refinanced or restructured at market terms and qualify as a new loan.

Table 21: Analysis of Changes in TDRs

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Commercial TDRs				
Balance, beginning of period	**$ 1,143**	1,894	**$ 1,348**	2,731
Inflows (1)	**171**	104	**387**	595
Outflows				
Charge-offs	**(6)**	(46)	**(9)**	(140)
Foreclosure	**—**	—	**—**	(5)
Payments, sales and other (2)	**(155)**	(416)	**(573)**	(1,645)
Balance, end of period	**1,153**	1,536	**1,153**	1,536
Consumer TDRs				
Balance, beginning of period	**8,210**	10,642	**8,834**	11,792
Inflows (1)	**474**	267	**1,415**	1,395
Outflows				
Charge-offs	**(35)**	(30)	**(106)**	(109)
Foreclosure	**(14)**	(17)	**(39)**	(46)
Payments, sales and other (2)	**(389)**	(906)	**(2,079)**	(3,063)
Net change in trial modifications (3)	**(15)**	12	**206**	(1)
Balance, end of period	**8,231**	9,968	**8,231**	9,968
Total TDRs	**$ 9,384**	11,504	**$ 9,384**	11,504

(1) Inflows include loans that modify, even if they resolve within the period, as well as gross advances on term loans that modified in a prior period and net advances on revolving TDRs that modified in a prior period.

(2) Other outflows include normal amortization/accretion of loan basis adjustments and loans transferred to LHFS. Occasionally, loans that have been refinanced or restructured at market terms qualify as new loans, which are also included as other outflows.

(3) Net change in trial modifications includes: inflows of new TDRs entering the trial payment period, net of outflows for modifications that either (i) successfully perform and enter into a permanent modification, or (ii) did not successfully perform according to the terms of the trial period plan and are subsequently charged-off, foreclosed upon or otherwise resolved.

NET CHARGE-OFFS Table 22 presents net loan charge-offs.

Table 22: Net Loan Charge-offs

	Quarter ended September 30,				Nine months ended September 30,			
	2022		2021		2022		2021	
($ in millions)	Net loan charge-offs	% of avg. loans (1)	Net loan charge-offs	% of avg. loans (1)	Net loan charge-offs	% of avg. loans (1)	Net loan charge-offs	% of avg. loans (1)
Commercial:								
Commercial and industrial	$ 13	0.01 %	$ 46	0.06 %	$ 17	0.01 %	$ 215	0.09 %
Real estate mortgage	(12)	(0.04)	(10)	(0.03)	(21)	(0.02)	31	0.03
Real estate construction	—	—	1	—	—	—	—	—
Lease financing	5	0.15	1	0.03	4	0.04	21	0.18
Total commercial	6	—	38	0.03	—	—	267	0.07
Consumer:								
Residential mortgage – first lien	(1)	—	(14)	(0.02)	(7)	—	(57)	(0.03)
Residential mortgage – junior lien	(13)	(0.36)	(28)	(0.61)	(44)	(0.39)	(78)	(0.51)
Credit card	202	1.90	158	1.77	577	1.93	650	2.49
Auto	121	0.87	26	0.20	285	0.68	123	0.33
Other consumer	84	1.13	79	1.22	237	1.10	248	1.31
Total consumer	393	0.40	221	0.23	1,048	0.36	886	0.31
Total	$ 399	0.17 %	$ 259	0.12 %	$ 1,048	0.15 %	$ 1,153	0.18 %

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

The decrease in commercial net loan charge-offs in third quarter 2022, compared with the same period a year ago, was due to lower losses in our commercial and industrial portfolio.

The increase in consumer net loan charge-offs in third quarter 2022, compared with the same period a year ago, was driven by higher losses in our auto and credit card portfolios.

The COVID-19 pandemic may continue to impact the credit quality of our loan portfolio. Although the potential impacts were considered in our allowance for credit losses for loans, payment deferral activities in our residential mortgage portfolio instituted in response to the COVID-19 pandemic could continue to delay the recognition of residential mortgage loan charge-offs. For information on customer accommodations in response to the COVID-19 pandemic, see the "Risk Management – Credit Risk Management – COVID-Related Lending Accommodations" section in our 2021 Form 10-K.

ALLOWANCE FOR CREDIT LOSSES We maintain an allowance for credit losses (ACL) for loans, which is management's estimate of the expected life-time 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, net investments in leases, and other off-balance sheet credit exposures.

We apply a disciplined process and methodology to establish our ACL each quarter. 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 2021 Form 10-K. For additional information on our ACL for loans, see Note 4 (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 23 presents the allocation of the ACL for loans by loan portfolio segment and class.

Table 23: Allocation of the ACL for Loans

($ in millions)	Sep 30, 2022 ACL	Sep 30, 2022 Loans as % of total loans	Dec 31, 2021 ACL	Dec 31, 2021 Loans as % of total loans
Commercial:				
Commercial and industrial	$ 4,547	40 %	$ 4,873	39 %
Real estate mortgage	1,656	14	2,085	14
Real estate construction	577	2	431	2
Lease financing	211	2	402	2
Total commercial	6,991	58	7,791	57
Consumer:				
Residential mortgage – first lien (1)	1,027	27	1,156	28
Residential mortgage – junior lien (1)	(26)	1	130	2
Credit card	3,364	5	3,290	4
Auto	1,340	6	928	6
Other consumer	529	3	493	3
Total consumer	6,234	42	5,997	43
Total	$ 13,225	100 %	$ 13,788	100 %
Components:				
Allowance for loan losses		$ 12,571		12,490
Allowance for unfunded credit commitments		654		1,298
Allowance for credit losses		$ 13,225		13,788
Ratio of allowance for loan losses to total net loan charge-offs (2)		7.94x		7.94
Ratio of allowance for loan losses to total nonaccrual loans		2.25		1.73
Allowance for loan losses as a percentage of total loans		1.33 %		1.39
Allowance for credit losses for loans as a percentage of total loans		1.40		1.54

(1) Includes negative allowance for expected recoveries of amounts previously charged off.
(2) Total net loan charge-offs are annualized for the quarter ended September 30, 2022.

The ratios for the allowance for loan losses and the ACL for loans presented in Table 23 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 $563 million, or 4%, from December 31, 2021, reflecting reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolio. This decrease was partially offset by loan growth and a less favorable economic environment. 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 4 (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 September 30, 2022. The base scenario assumed modest economic growth with elevated inflation in the near term. The downside scenarios assumed economic contractions due to high inflation, rising interest rates, and declining property values.

Additionally, we consider qualitative factors that represent risks 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 September 30 and June 30, 2022, are presented in Table 24.

Table 24: Forecasted Key Economic Variables

	4Q 2022	2Q 2023	4Q 2023
Weighted blend of economic scenarios:			
U.S. unemployment rate (1):			
June 30, 2022	4.1 %	5.2	6.0
September 30, 2022	**4.4**	**5.4**	**6.1**
U.S. real GDP (2):			
June 30, 2022	0.4	(0.3)	1.0
September 30, 2022	**(0.7)**	**(1.1)**	**1.0**
Home price index (3):			
June 30, 2022	12.7	(0.2)	(6.2)
September 30, 2022	**9.5**	**(2.2)**	**(3.7)**
Commercial real estate asset prices (3):			
June 30, 2022	(1.0)	(2.6)	(2.6)
September 30, 2022	**3.9**	**(1.7)**	**(4.7)**

(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 $13.2 billion at September 30, 2022, 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 2021 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 2021 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 entity (GSE)-guaranteed 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 9 (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, delinquency status continues to advance for loans with COVID-related payment deferrals, which has resulted in an increase in delinquent loans serviced for others and a corresponding increase in loans eligible for repurchase from GNMA loan securitization pools. Upon transfer as servicer, we retain the option to repurchase loans from GNMA loan securitization pools, which generally becomes exercisable when three scheduled loan payments remain unpaid by the borrower. We generally repurchase these loans for cash and as a result, our total consolidated assets do not change. These repurchased loan balances were $10.0 billion and $17.3 billion at September 30, 2022, and December 31, 2021, respectively, which included $8.2 billion and $12.9 billion, respectively, in our held for investment loan portfolio, with the remainder in loans held for sale.

Repurchased loans that regain current status or are otherwise modified in accordance with applicable servicing guidelines may be included in future GNMA loan securitization pools. However, in accordance with guidance issued by GNMA, certain loans repurchased after June 30, 2020, are ineligible for inclusion in future GNMA loan securitization pools until the borrower has timely made six consecutive payments. This requirement may delay our ability to transfer loans into the securitization market. See Note 8 (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 2021 Form 10-K. For additional information on mortgage banking activities, see Note 9 (Mortgage Banking Activities) to Financial Statements in this Report.

Asset/Liability Management

Asset/liability management involves evaluating, monitoring and managing interest rate risk, market risk, liquidity and funding. For information on our oversight of asset/liability risks, see the "Risk Management – Asset/Liability Management" section in our 2021 Form 10-K.

INTEREST RATE RISK Interest rate risk is created in our role as a financial intermediary for customers based on investments such as loans and other extensions of credit and debt securities. Interest rate risk can have a significant impact to our earnings. We are subject to interest rate risk because:

- assets and liabilities may mature or reprice at different times. If assets reprice faster than liabilities and interest rates are generally rising, earnings will initially increase;
- assets and liabilities may reprice at the same time but by different amounts;
- short-term and long-term market interest rates may change by different amounts. For example, the shape of the yield curve may affect yield for new loans and funding costs differently;
- the remaining maturity for various assets or liabilities may shorten or lengthen as interest rates change. For example, if long-term mortgage interest rates increase sharply, MBS held in the debt securities portfolio may pay down at a slower rate than anticipated, which could impact portfolio income; or
- interest rates may have a direct or indirect effect on loan demand, collateral values, credit losses, mortgage origination volume, and the fair value of MSRs and other financial instruments.

We assess interest rate risk by comparing outcomes under various net interest income simulations using many interest rate scenarios that differ in the direction of interest rate changes, the degree of change over time, the speed of change and the projected shape of the yield curve. These simulations 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.

Our most recent simulations, as presented in Table 25, estimate net interest income sensitivity over the next 12 months using instantaneous movements across the yield curve with both lower and higher interest rates relative to our base scenario. Steeper and flatter scenarios measure non-parallel changes in the yield curve, with long-term interest rates defined as all tenors three years and longer and short-term interest rates defined as all tenors less than three years. Where applicable, U.S. dollar interest rates are floored at 0.00%. The following describes the simulation assumptions for the scenarios presented in Table 25:

- Simulations are dynamic and reflect anticipated changes to our assets and liabilities.
- Other macroeconomic variables that could be correlated with the changes in interest rates are held constant.
- Mortgage prepayment and origination assumptions vary across scenarios and reflect only the impact of the higher or lower interest rates.
- Our base scenario deposit forecast incorporates mix changes consistent with the base interest rate trajectory. Deposit mix is modeled to be the same as in the base scenario across the alternative scenarios. In higher interest rate scenarios,

customer deposit activity that shifts balances into higher-yielding products could impact expected net interest income.
- The interest rate sensitivity of deposits is modeled using the historical behavior of our deposits portfolio and reflects the expectations of deposit products repricing as market interest rates change (referred to as deposit betas) as well as migration to higher cost deposit products consistent with the base scenario. Our actual experience may differ from expectations due to the lag or acceleration of deposit repricing, changes in consumer behavior, and other factors.
- We hold the size of the projected debt and equity securities portfolios constant across scenarios.

Table 25: Net Interest Income Sensitivity

($ in billions)	Sep 30, 2022	Dec 31, 2021
Parallel Shift:		
+100 bps shift in interest rates	$ 2.6	7.1
-100 bps shift in interest rates	(2.5)	(3.3)
Steeper yield curve:		
+50 bps shift in long-term interest rates	0.4	1.2
Flatter yield curve:		
+50 bps shift in short-term interest rates	0.9	2.6
-50 bps shift in long-term interest rates	(0.4)	(1.0)

The changes in our interest rate sensitivity from December 31, 2021, to September 30, 2022, in Table 25 reflected updates to our base scenario, which included changes in expectations for both balance sheet composition and interest rates. 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. For the December 31, 2021 simulations with downward shifts in interest rates, the 0.00% interest rate floor limited the amount of the decline in net interest income. We may have a larger decline in net interest income when interest rates increase for the base scenario relative to the interest rate floor.

The sensitivity results above do not capture noninterest income or expense impacts. Our interest rate sensitive noninterest income and expense are predominantly driven by mortgage banking activities, and may 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 2021 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 trading assets, which are generally less sensitive to changes in interest rates than the related funding liabilities. In addition, the impact to net interest income does not include the fair value changes of trading securities, which are recorded in noninterest income. For additional information on our trading assets and liabilities, see Note 2 (Trading Activities) to Financial Statements in this Report.

We use the debt securities portfolio and exchange-traded and over-the-counter (OTC) interest rate derivatives to manage our interest rate exposures. As interest rates increase, changes in the fair value of AFS debt securities may negatively affect accumulated other comprehensive income (AOCI), which lowers the amount of our risk-based 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 the debt securities portfolios. We use derivatives for asset/liability management in two main ways:
- to convert the cash flows from selected asset and/or liability instruments/portfolios including investments, commercial loans and long-term debt, from floating-rate payments to fixed-rate payments, or vice versa; and
- to economically hedge our mortgage origination pipeline, funded mortgage loans, and MSRs.

In the first nine months of 2022, we entered into interest rate swap hedges to reduce AOCI sensitivity of our AFS debt securities portfolio. Additionally, we entered into interest rate swaps to convert the interest cash flows of some floating-rate assets, such as commercial loans, to a fixed-rate. Derivatives used to hedge our interest rate risk exposures are presented in Note 14 (Derivatives) to Financial Statements in this Report.

MORTGAGE BANKING INTEREST RATE AND MARKET RISK We originate, fund and service mortgage loans, which subjects us to various risks, including credit, liquidity and interest rate risks. For additional information on mortgage banking interest rate and market risk, see Note 9 (Mortgage Banking Activities) to Financial Statements in this Report and the "Risk Management – Asset/Liability Management – Mortgage Banking Interest Rate and Market Risk" section in our 2021 Form 10-K.

Hedging the various sources of interest rate risk in mortgage banking is a complex process that requires sophisticated modeling and constant monitoring. There are several potential risks to earnings from mortgage banking related to origination volumes and mix, valuation of MSRs and associated hedging results, the relationship and degree of volatility between short-term and long-term interest rates, and changes in servicing and foreclosures costs. While we attempt to balance our mortgage banking interest rate and market risks, the financial instruments we use may not perfectly correlate with the values and income being hedged.

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 also includes price risk in the trading book, mortgage servicing rights and the hedge effectiveness risk associated with the mortgage book, and impairment of private equity investments. For information on our oversight of market risk, see the "Risk Management – Asset/Liability Management – Market Risk" section in our 2021 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 and to a lesser extent other businesses of the Company. Debt securities held for trading, equity securities held for trading, trading loans and trading derivatives are financial instruments used in our trading activities, and all are carried at fair value. 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 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. The Company uses VaR metrics complemented with sensitivity analysis and stress testing in measuring and monitoring market risk. For additional information on our monitoring activities, sensitivity analysis and stress testing, see the "Risk Management – Asset/Liability Management – Market Risk – Trading Activities" section in our 2021 Form 10-K.

Trading VaR is the measure used to provide insight into the market risk exhibited by the Company's trading positions. The Company calculates Trading VaR for risk management purposes to establish line of business and Company-wide risk limits. Trading VaR is calculated based on all trading positions on our consolidated balance sheet.

Table 26 shows the Company's Trading General VaR by risk category. The increase in average Company Trading General VaR for the quarter ended September 30, 2022, compared with the same period a year ago, was primarily driven by changes in the portfolio composition.

Table 26: Trading 1-Day 99% General VaR by Risk Category

												Quarter ended
	September 30, 2022				June 30, 2022				September 30, 2021			
(in millions)	**Period end**	**Average**	**Low**	**High**	Period end	Average	Low	High	Period end	Average	Low	High
Company Trading General VaR Risk Categories												
Credit	**$ 37**	**33**	**26**	**41**	28	31	21	40	19	18	13	26
Interest rate	**32**	**28**	**22**	**34**	26	23	11	35	12	9	5	15
Equity	**24**	**23**	**19**	**28**	20	24	17	36	27	28	22	39
Commodity	**6**	**6**	**4**	**9**	5	5	4	7	6	6	2	20
Foreign exchange	**1**	**1**	**1**	**2**	1	1	0	1	1	0	0	1
Diversification benefit (1)	**(64)**	**(54)**			(44)	(52)			(35)	(28)		
Company Trading General VaR	**$ 36**	**37**			36	32			30	33		

(1) The period-end VaR was less than the sum of the VaR components described above, which is 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 direct investments in start-up businesses, emerging growth companies, management buy-outs, acquisitions and corporate recapitalizations. We also invest in non-affiliated funds that make similar private equity investments. For additional information, see the "Risk Management – Asset/Liability Management – Market Risk – Equity Securities" section in our 2021 Form 10-K.

We also have marketable equity securities that include investments relating to our venture capital activities. The fair value changes in these marketable equity securities are recognized in net income. For additional information, see Note 6 (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 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. The objective of effective liquidity management is to ensure that we can 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, we monitor both the Company and the Parent on a stand-alone basis to ensure that the Parent is a source of strength for its regulated, deposit-taking banking subsidiaries. The Parent acts as a source of funding for the Company through the issuance of long-term debt and equity, and WFC Holdings, LLC, an intermediate holding company and subsidiary of the Parent (the "IHC"), provides funding support for the ongoing operational requirements of the Parent and certain of its direct and indirect subsidiaries. For additional information on liquidity risk and funding management, see the "Risk Management – Liquidity Risk and Funding" section in our 2021 Form 10-K. For additional information on the IHC, see the "Regulatory Matters – 'Living Will' Requirements and Related Matters" section in our 2021 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 predominantly consists of central bank deposits, government debt securities, and mortgage-backed securities of federal agencies. The LCR applies to the Company on a consolidated basis 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.

The FRB, OCC and FDIC have also issued a rule implementing 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 on a consolidated basis and to our IDIs with total assets of $10 billion or more. As of September 30, 2022, we were compliant with the NSFR requirement.

Liquidity Coverage Ratio As of September 30, 2022, the consolidated Company, Wells Fargo Bank, N.A., and Wells Fargo National Bank West exceeded the minimum LCR requirement of 100%. Table 27 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 27: Liquidity Coverage Ratio

		Average for quarter ended	
(in millions, except ratio)	**Sep 30, 2022**	Jun 30, 2022	Sep 30, 2021
HQLA (1):			
Eligible cash	$ **125,576**	137,147	244,260
Eligible securities (2)	**238,678**	232,815	138,525
Total HQLA	**364,254**	369,962	382,785
Projected net cash outflows	**296,495**	305,212	320,782
LCR	**123%**	121	119

(1) Excludes excess HQLA at certain subsidiaries that is not transferable to other Wells Fargo entities.
(2) Net of applicable haircuts required under the LCR rule.

Liquidity Sources We maintain liquidity in the form of cash, cash equivalents 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 28 at fair value, which also includes encumbered securities that are not included as available HQLA in the calculation of the LCR.

Our cash is predominantly on deposit with the Federal Reserve. Debt securities included as part of our primary sources of liquidity are comprised of U.S. Treasury and federal agency debt, and MBS issued by federal agencies within our debt securities portfolio. We believe these debt securities provide quick sources of liquidity through sales or by pledging to obtain financing, regardless of market conditions. Some of these debt securities are within our HTM portfolio and, as such, are not intended for sale but may be pledged to obtain financing.

Table 28: Primary Sources of Liquidity

			September 30, 2022			December 31, 2021
(in millions)	**Total**	**Encumbered**	**Unencumbered**	Total	Encumbered	Unencumbered
Interest-earning deposits with banks	$ **137,821**	**—**	**137,821**	209,614	—	209,614
Debt securities of U.S. Treasury and federal agencies	**59,088**	**12,515**	**46,573**	56,486	4,066	52,420
Federal agency mortgage-backed securities	**234,056**	**36,409**	**197,647**	293,870	58,955	234,915
Total	$ **430,965**	**48,924**	**382,041**	559,970	63,021	496,949

In addition to our primary sources of liquidity shown in Table 28, 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.

Deposits have historically provided a sizable source of relatively low-cost funds. Deposits were 148% and 166% of total loans at September 30, 2022, and December 31, 2021, respectively.

Additional funding is provided by long-term debt and short-term borrowings. As of September 30, 2022, we had approximately $207.5 billion of available borrowing capacity at various Federal Home Loan Banks and the Federal Reserve Discount Window. Table 29 presents a summary of our short-term borrowings, which generally mature in less than 30 days. We pledge certain financial instruments that we own to collateralize repurchase agreements and other securities financings. For additional information, see the "Pledged Assets" section of Note 12 (Pledged Assets and Collateral) to Financial Statements in this Report.

Table 29: Short-Term Borrowings

(in millions)		September 30, 2022	December 31, 2021
Federal funds purchased and securities sold under agreements to repurchase	$	**25,396**	21,191
Other short-term borrowings		**22,986**	13,218
Total	$	**48,382**	34,409

We access domestic and international capital markets for long-term funding (generally greater than one year) through issuances of registered debt securities, private placements 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, and, unless otherwise specified in the applicable prospectus or prospectus supplement, 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. Table 30 provides the aggregate carrying value of long-term debt maturities (based on contractual payment dates) for the remainder of 2022 and the following years thereafter, as of September 30, 2022. In October 2022, Wells Fargo Bank, N.A. entered into $10.0 billion in Federal Home Loan Bank advances.

Table 30: Maturity of Long-Term Debt

								September 30, 2022
(in millions)		Remaining 2022	2023	2024	2025	2026	Thereafter	Total
Wells Fargo & Company (Parent Only)								
Senior notes	$	2,049	3,493	10,892	13,214	22,819	58,520	110,987
Subordinated notes		—	2,614	702	944	2,624	14,479	21,363
Junior subordinated notes		—	—	—	—	—	1,166	1,166
Total long-term debt – Parent		2,049	6,107	11,594	14,158	25,443	74,165	133,516
Wells Fargo Bank, N.A. and other bank entities (Bank)								
Senior notes		1	10,003	3	173	80	136	10,396
Subordinated notes		—	817	—	149	—	3,257	4,223
Junior subordinated notes		—	—	—	—	—	398	398
Other bank debt (1)		1,437	1,652	1,466	277	150	1,622	6,604
Total long-term debt – Bank		1,438	12,472	1,469	599	230	5,413	21,621
Other consolidated subsidiaries								
Senior notes		3	455	92	409	221	95	1,275
Total long-term debt – Other consolidated subsidiaries		3	455	92	409	221	95	1,275
Total long-term debt	$	3,490	19,034	13,155	15,166	25,894	79,673	156,412

(1) Primarily relates to unfunded commitments for LIHTC investments. For additional information, see Note 6 (Equity Securities) to Financial Statements in our 2021 Form 10-K.

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.

On September 13, 2022, Standard & Poor's (S&P) Global Ratings affirmed the Company's ratings and retained the stable ratings outlook. There were no other actions undertaken by the rating agencies with regard to our credit ratings during third quarter 2022.

See the "Risk Factors" section in our 2021 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 14 (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 September 30, 2022, are presented in Table 31.

Table 31: Credit Ratings as of September 30, 2022

	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+	F1	AA	F1+
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 September 30, 2022, increased $6.2 billion from December 31, 2021, predominantly as a result of $10.3 billion of Wells Fargo net income, partially offset by $3.9 billion of common and preferred stock dividends. During the first nine months of 2022, we issued $827 million of common stock, substantially all of which was issued in connection with employee compensation and benefits. In the first nine months of 2022, we repurchased 110 million shares of common stock at a cost of $6 billion. In the first nine months of 2022, our AOCI decreased $12.6 billion, predominantly due to net unrealized losses on AFS debt securities. As interest rates increase, changes in the fair value of AFS debt securities may negatively affect AOCI, which lowers the amount of our risk-based capital. For additional information about capital planning, see the "Capital Planning and Stress Testing" section below.

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. Table 32 and Table 33 present the risk-based capital requirements applicable to the Company under the Standardized Approach and Advanced Approach, respectively, as of September 30, 2022.

Table 32: Risk-Based Capital Requirements – Standardized Approach as of September 30, 2022

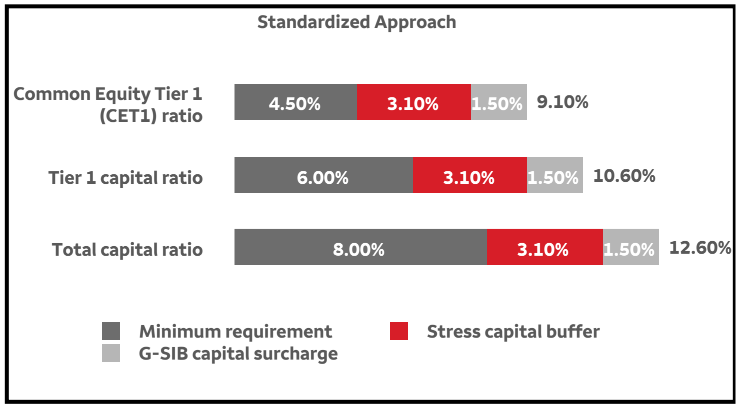
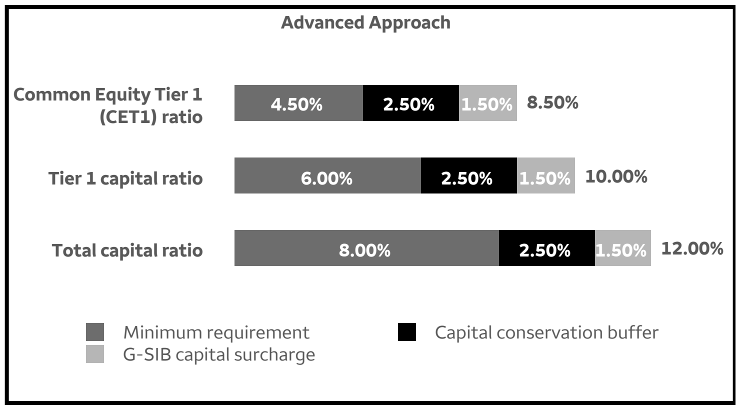


Table 33: Risk-Based Capital Requirements – Advanced Approach as of September 30, 2022



In addition to the risk-based capital requirements described in Table 32 and Table 33, 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 September 30, 2022, 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, 2021, through September 30, 2022, was 3.10%. On August 4, 2022, the FRB confirmed that the Company's stress capital buffer for the period October 1, 2022, through September 30, 2023, is 3.20%.

As a global systemically important bank (G-SIB), we are also subject to the FRB's rule implementing an additional capital surcharge of between 1.00-4.50% on the risk-based capital ratio 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. For 2022, our G-SIB capital surcharge is 1.50%. Our G-SIB capital surcharge will not change in 2023.

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 34 summarizes our CET1, tier 1 capital, total capital, RWAs and capital ratios at September 30, 2022, and December 31, 2021.

Table 34: Capital Components and Ratios

		Standardized Approach			Advanced Approach		
($ in millions)		**Required Capital Ratios (1)**	**Sep 30, 2022**	Dec 31, 2021	**Required Capital Ratios (1)**	**Sep 30, 2022**	Dec 31, 2021
Common Equity Tier 1	(A)		**$ 129,758**	140,643		**129,758**	140,643
Tier 1 capital	(B)		**148,810**	159,671		**148,810**	159,671
Total capital	(C)		**182,690**	196,281		**173,520**	186,553
Risk-weighted assets	(D)		**1,255,641**	1,239,026		**1,104,116**	1,116,068
Common Equity Tier 1 capital ratio	(A)/(D)	**9.10 %**	**10.33 ***	11.35	**8.50**	**11.75**	12.60
Tier 1 capital ratio	(B)/(D)	**10.60**	**11.85 ***	12.89	**10.00**	**13.48**	14.31
Total capital ratio	(C)/(D)	**12.60**	**14.55 ***	15.84	**12.00**	**15.72**	16.72

* Denotes the binding ratio under the Standardized and Advanced Approaches at September 30, 2022.
(1) Represents the minimum ratios required to avoid restrictions on capital distributions and discretionary bonus payments at September 30, 2022.

Table 35 provides information regarding the calculation and composition of our risk-based capital under the Standardized and Advanced Approaches at September 30, 2022, and December 31, 2021.

Table 35: Risk-Based Capital Calculation and Components

(in millions)			Sep 30, 2022	Dec 31, 2021
Total equity		$	**178,409**	190,110
Adjustments:				
Preferred stock			**(20,057)**	(20,057)
Additional paid-in capital on preferred stock			**136**	136
Unearned ESOP shares			**646**	646
Noncontrolling interests			**(2,220)**	(2,504)
Total common stockholders' equity		$	**156,914**	168,331
Adjustments:				
Goodwill			**(25,172)**	(25,180)
Certain identifiable intangible assets (other than MSRs)			**(171)**	(225)
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)			**(2,378)**	(2,437)
Applicable deferred taxes related to goodwill and other intangible assets (1)			**889**	765
CECL transition provision (2)			**180**	241
Other			**(504)**	(852)
Common Equity Tier 1 under the Standardized and Advanced Approaches		$	**129,758**	140,643
Preferred stock			**20,057**	20,057
Additional paid-in capital on preferred stock			**(136)**	(136)
Unearned ESOP shares			**(646)**	(646)
Other			**(223)**	(247)
Total Tier 1 capital under the Standardized and Advanced Approaches	**(A)**	$	**148,810**	159,671
Long-term debt and other instruments qualifying as Tier 2			**20,539**	22,740
Qualifying allowance for credit losses (3)			**13,598**	14,149
Other			**(257)**	(279)
Total Tier 2 capital under the Standardized Approach	**(B)**	$	**33,880**	36,610
Total qualifying capital under the Standardized Approach	**(A)+(B)**	$	**182,690**	196,281
Long-term debt and other instruments qualifying as Tier 2			**20,539**	22,740
Qualifying allowance for credit losses (3)			**4,428**	4,421
Other			**(257)**	(279)
Total Tier 2 capital under the Advanced Approach	**(C)**	$	**24,710**	26,882
Total qualifying capital under the Advanced Approach	**(A)+(C)**	$	**173,520**	186,553

(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) In second quarter 2020, the Company elected to apply a modified transition provision issued by federal banking regulators related to the impact of the current expected credit loss accounting standard (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.

Table 36 provides the composition of our RWAs under the Standardized and Advanced Approaches at September 30, 2022, and December 31, 2021.

Table 36: Risk-Weighted Assets

		Standardized Approach		Advanced Approach (1)	
(in millions)		Sep 30, 2022	Dec 31, 2021	Sep 30, 2022	Dec 31, 2021
Risk-weighted assets (RWAs):					
Credit risk	$	**1,218,406**	1,186,810	**752,556**	747,714
Market risk		**37,235**	52,216	**37,235**	52,216
Operational risk		**—**	—	**314,325**	316,138
Total RWAs	$	**1,255,641**	1,239,026	**1,104,116**	1,116,068

(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. 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.

Capital Management *(continued)*

Table 37 presents the changes in CET1 for the nine months ended September 30, 2022.

Table 37: Analysis of Changes in Common Equity Tier 1

(in millions)		
Common Equity Tier 1 at December 31, 2021	$	140,643
Net income applicable to common stock		9,482
Common stock dividends		(3,045)
Common stock issued, repurchased, and stock compensation-related items		(5,220)
Changes in accumulated other comprehensive income		(12,640)
Goodwill		8
Certain identifiable intangible assets (other than MSRs)		54
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)		59
Applicable deferred taxes related to goodwill and other intangible assets (1)		124
CECL transition provision (2)		(61)
Other		354
Change in Common Equity Tier 1		(10,885)
Common Equity Tier 1 at September 30, 2022	**$**	**129,758**

(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) 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.

Table 38 presents net changes in the components of RWAs under the Standardized and Advanced Approaches for the nine months ended September 30, 2022.

Table 38: Analysis of Changes in RWAs

(in millions)		Standardized Approach	Advanced Approach
Risk-weighted assets (RWAs) at December 31, 2021	$	1,239,026	1,116,068
Net change in credit risk RWAs		31,596	4,842
Net change in market risk RWAs		(14,981)	(14,981)
Net change in operational risk RWAs		—	(1,813)
Total change in RWAs		16,615	(11,952)
RWAs at September 30, 2022	**$**	**1,255,641**	**1,104,116**

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

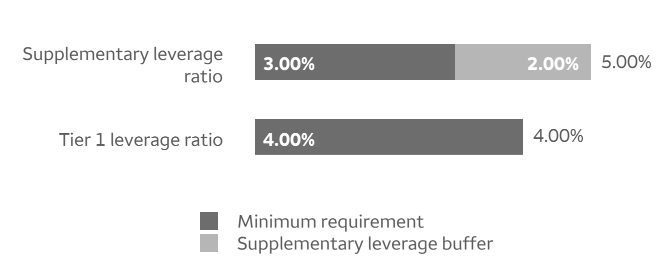
Table 39: Tangible Common Equity

		Balance at period-end			Average balance				
		Quarter ended			Quarter ended			Nine months ended	
(in millions, except ratios)		**Sep 30, 2022**	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Total equity		**$ 178,409**	179,793	191,071	**183,037**	181,016	194,041	**183,451**	191,379
Adjustments:									
Preferred stock		**(20,057)**	(20,057)	(20,270)	**(20,057)**	(20,057)	(21,403)	**(20,057)**	(21,449)
Additional paid-in capital on preferred stock		**136**	135	120	**135**	135	145	**135**	143
Unearned ESOP shares		**646**	646	875	**646**	646	875	**646**	875
Noncontrolling interests		**(2,220)**	(2,261)	(2,043)	**(2,258)**	(2,386)	(1,845)	**(2,370)**	(1,427)
Total common stockholders' equity	(A)	**156,914**	158,256	169,753	**161,503**	159,354	171,813	**161,805**	169,521
Adjustments:									
Goodwill		**(25,172)**	(25,178)	(26,191)	**(25,177)**	(25,179)	(26,192)	**(25,179)**	(26,262)
Certain identifiable intangible assets (other than MSRs)		**(171)**	(191)	(281)	**(181)**	(200)	(290)	**(199)**	(310)
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)		**(2,378)**	(2,307)	(2,120)	**(2,359)**	(2,304)	(2,169)	**(2,352)**	(2,198)
Applicable deferred taxes related to goodwill and other intangible assets (1)		**889**	880	886	**886**	877	882	**855**	873
Tangible common equity	(B)	**$ 130,082**	131,460	142,047	**134,672**	132,548	144,044	**134,930**	141,624
Common shares outstanding	(C)	**3,795.4**	3,793.0	3,996.9	**N/A**	N/A	N/A	**N/A**	N/A
Net income applicable to common stock	(D)	**N/A**	N/A	N/A	**$ 3,250**	2,839	4,787	**$ 9,482**	14,786
Book value per common share	(A)/(C)	**$ 41.34**	41.72	42.47	**N/A**	N/A	N/A	**N/A**	N/A
Tangible book value per common share	(B)/(C)	**34.27**	34.66	35.54	**N/A**	N/A	N/A	**N/A**	N/A
Return on average common stockholders' equity (ROE)	(D)/(A)	**N/A**	N/A	N/A	**7.98 %**	7.15	11.05	**7.83 %**	11.66
Return on average tangible common equity (ROTCE)	(D)/(B)	**N/A**	N/A	N/A	**9.57**	8.59	13.18	**9.40**	13.96

(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.

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 40 presents the leverage requirements applicable to the Company as of September 30, 2022.

Table 40: Leverage Requirements Applicable to the Company



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%.

The FRB and OCC have proposed amendments to the SLR rules. For information regarding the proposed amendments to the SLR rules, see the "Capital Management – Leverage Requirements" section in our 2021 Form 10-K.

At September 30, 2022, the Company's SLR was 6.65%, and each of our IDIs exceeded their applicable SLR requirements. Table 41 presents information regarding the calculation and components of the Company's SLR and tier 1 leverage ratio.

Table 41: Leverage Ratios for the Company

($ in millions)			Quarter ended September 30, 2022
Tier 1 capital	(A)	$	148,810
Total average assets			1,880,871
Less: Goodwill and other permitted tier 1 capital deductions (net of deferred tax liabilities)			28,479
Total adjusted average assets			1,852,392
Plus adjustments for off-balance sheet exposures:			
Derivatives (1)			69,023
Repo-style transactions (2)			3,142
Other (3)			312,090
Total off-balance sheet exposures			384,255
Total leverage exposure	(B)	$	2,236,647
Supplementary leverage ratio	(A)/(B)		6.65%
Tier 1 leverage ratio (4)			8.03%

(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 September 30, 2022, are presented in Table 42.

Table 42: Components Used to Calculate TLAC and Eligible Unsecured Long-Term Debt Requirements

TLAC requirement

Greater of:

18.00% of RWAs + TLAC buffer (equal to 2.50% of RWAs + method one G-SIB capital surcharge + any countercyclical buffer)	7.50% of total leverage exposure (the denominator of the SLR calculation) + External TLAC leverage buffer (equal to 2.00% of total leverage exposure)

Minimum amount of eligible unsecured long-term debt

Greater of:

6.00% of RWAs + Greater of method one and method two G-SIB capital surcharge	4.50% of total leverage exposure

The FRB and OCC have proposed amendments to the TLAC and eligible unsecured long-term debt requirements. For information regarding these proposed amendments, see the "Capital Management – Total Loss Absorbing Capacity" section in our 2021 Form 10-K.

Table 43 provides our TLAC and eligible unsecured long-term debt and related ratios as of September 30, 2022.

Table 43: TLAC and Eligible Unsecured Long-Term Debt

($ in millions)	TLAC (1)	Regulatory Minimum (2)	Eligible Unsecured Long-term Debt	Regulatory Minimum
				September 30, 2022
Total eligible amount	$ 288,736		133,065	
Percentage of RWAs (3)	23.00 %	21.50	10.60	7.50
Percentage of total leverage exposure	12.91	9.50	5.95	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 September 30, 2022, 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. Accordingly, we currently target a long-term CET1 capital ratio that is 100 basis points above the regulatory minimum and buffers, plus an incremental internal buffer of up to 25 basis points. Our capital targets are subject to change based on various factors, including changes to the regulatory requirements for our capital ratios, planned capital actions, changes in our risk profile and other factors.

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 Comprehensive Capital Analysis and Review, 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
From time to time the Board authorizes the Company to repurchase shares of our common stock. Although we announce when the Board authorizes share repurchases, we typically do not give any public notice before we repurchase our shares. Various factors determine the amount of our share repurchases, including our capital requirements, the number of shares we expect to issue for employee benefit plans and acquisitions, market conditions (including the trading price of our stock), and regulatory and legal considerations, including under the FRB's capital plan rule. Due to the various factors that may impact the amount of our share repurchases and the fact that we tend to be in the market regularly to satisfy repurchase considerations under our capital plan, our share repurchases occur at various price levels. We may suspend share repurchase activity at any time.

At September 30, 2022, we had remaining Board authority to repurchase approximately 251 million shares, subject to regulatory and legal conditions. For additional information about share repurchases during third quarter 2022, see Part II, Item 2 in this Report.

Regulatory Matters

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. For a discussion of other significant regulations and regulatory oversight initiatives that have affected or may affect our business, see the "Regulatory Matters" and "Risk Factors" sections in our 2021 Form 10-K and the "Regulatory Matters" section in our 2022 First and Second Quarter Reports on Form 10-Q.

Critical Accounting Policies

Our significant accounting policies (see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2021 Form 10-K) 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 contingent litigation losses; 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 on these policies, see the "Critical Accounting Policies" section and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2021 Form 10-K and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in this Report.

Current Accounting Developments

Table 44 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 44: Current Accounting Developments – Issued Standards

Description and Effective Date	Financial statement impact
ASU 2018-12 – Financial Services – Insurance (Topic 944): *Targeted Improvements to the Accounting for Long-Duration Contracts* and subsequent related updates	
The Update, effective January 1, 2023, requires market risk benefits (features of insurance contracts that protect the policyholder from other-than-nominal capital market risk and expose the insurer to that risk) to be measured at fair value through earnings with changes in fair value attributable to our own credit risk recognized in other comprehensive income. The Update also requires more frequent updates for insurance assumptions, mandates the use of a standardized discount rate for traditional long-duration contracts, and simplifies the amortization of deferred acquisition costs.	The most significant impact of adoption relates to reinsurance of variable annuity products for a limited number of our insurance clients. Our reinsurance business is no longer entering into new contracts. These variable annuity products contain guaranteed minimum benefits that require us to make benefit payments for the remainder of the policyholder's life once the account values are exhausted. These guaranteed minimum benefits meet the definition of market risk benefits and will be measured at fair value. The cumulative effect of the difference between fair value and the carrying value upon adoption of the Update, net of income tax adjustments and excluding the impact of our own credit risk, will be recognized in the opening balance of retained earnings in the earliest period presented and will affect our regulatory capital calculations. At September 30, 2022, our estimated liability related to these guaranteed minimum benefits was approximately $600 million and was associated with approximately $9.7 billion of policyholder account values. We expect future earnings volatility from changes in the fair value of market risk benefits, which are sensitive to changes in equity and fixed income markets, as well as policyholder behavior and changes in mortality assumptions. We plan to economically hedge the market volatility, where feasible. Changes in the accounting for the liability of future policy benefits for traditional long-duration contracts and deferred acquisition costs are not expected to be material.
ASU 2022-01, Derivatives and Hedging (Topic 815): *Fair Value Hedging – Portfolio Layer Method*	
The Update, effective January 1, 2023 (with early adoption permitted), establishes the portfolio layer method, which expands an entity's ability to achieve fair value hedge accounting for interest rate risk hedges of closed portfolios of financial assets. The Update also provides guidance on the accounting for hedged item basis adjustments under the portfolio layer method.	The Update improves our ability to use derivatives to hedge interest rate risk exposures associated with portfolios of financial assets, such as fixed-rate available-for-sale debt securities and loans. The Update allows us to hedge a larger proportion of these portfolios by expanding the number and type of derivatives permitted as eligible hedges, as well as by increasing the scope of eligible hedged items to include both prepayable and nonprepayable assets. Upon adoption, any election to designate portfolio layer method hedges is applied prospectively. Additionally, the Update permits a one-time reclassification of debt securities from held-to-maturity to available-for-sale classification as long as the securities are designated in a portfolio layer method hedge no later than 30 days after the adoption date. We are currently evaluating the impact of the Update on our consolidated financial statements.
ASU 2022-02, Financial Instruments-Credit Losses (Topic 326): *Troubled Debt Restructurings and Vintage Disclosures*	
The Update, effective January 1, 2023 (with early adoption permitted), eliminates the accounting guidance for troubled debt restructurings (TDRs) by creditors and introduces new required disclosures for loan modifications made to borrowers experiencing financial difficulty. The Update also amends the guidance for vintage disclosures to require disclosure of current period gross charge-offs by year of origination.	The Update will impact the measurement of the allowance for credit losses (ACL) and require new disclosures related to loan modifications and credit quality, specifically the Update: • Eliminates the requirement to use a discounted cash flow (DCF) approach to measure the ACL for certain TDRs and instead allows for the use of an expected loss approach for all loans. Upon adoption, we expect to discontinue using a DCF approach for consumer loans and retain a DCF approach for certain nonperforming commercial loans. Any changes to the ACL as a result of the change in TDR measurement will be included as an adjustment to opening retained earnings as of the beginning of the earliest period presented. • Requires new disclosures for modifications made to borrowers experiencing financial difficulty in the form of principal forgiveness, interest rate reduction, other than insignificant payment delay, term extension, or a combination of these modifications. • Requires us to provide current period gross charge-offs by origination date (vintage) in our credit quality disclosures on a prospective basis beginning as of the adoption date.

Other Accounting Developments

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

- ASU 2021-08 – Business Combinations (Topic 805): *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*
- ASU 2021-10 – Government Assistance (Topic 832): *Disclosures by Business Entities About Government Assistance*
- ASU 2022-03 – Fair Value Measurement (Topic 820): *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*

Forward-Looking Statements

This document contains forward-looking statements. In addition, we may make forward-looking statements in our other documents filed or furnished with the Securities and Exchange Commission, and our management may make forward-looking statements orally to analysts, investors, representatives of the media and others. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects,” “target,” “projects,” “outlook,” “forecast,” “will,” “may,” “could,” “should,” “can” and similar references to future periods. In particular, forward-looking statements include, but are not limited to, statements we make about: (i) the future operating or financial performance of the Company, including our outlook for future growth; (ii) our noninterest expense and efficiency ratio; (iii) future credit quality and performance, including our expectations regarding future loan losses, our allowance for credit losses, and the economic scenarios considered to develop the allowance; (iv) our expectations regarding net interest income and net interest margin; (v) loan growth or the reduction or mitigation of risk in our loan portfolios; (vi) future capital or liquidity levels, ratios or targets; (vii) the performance of our mortgage business and any related 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 proceedings; (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, U.S. fiscal debt, budget and tax matters, geopolitical matters (including the conflict in Ukraine), and any slowdown in global economic growth;
- the effect of the COVID-19 pandemic, including on our credit quality and business operations, as well as its impact on general economic and financial market conditions;
- 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;
- developments in our mortgage banking business, including the extent of the success of our mortgage loan modification efforts, the amount of mortgage loan repurchase demands that we receive, any negative effects relating to our mortgage servicing, loan modification or foreclosure practices, and the effects of regulatory or judicial requirements or guidance impacting our mortgage banking business and any changes in industry standards;
- 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 impairments 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;
- negative effects from the retail banking sales practices matter and from other 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;
- resolution of regulatory 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 U.S. tax guidance and regulations, 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, 2021.

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, market conditions, capital requirements (including under Basel capital standards), common stock issuance requirements, applicable law and regulations (including federal securities laws and federal banking regulations), and other factors deemed relevant by the Company's Board of Directors, 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, 2021, as filed with the Securities and Exchange Commission and available on its website at www.sec.gov.[1]

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.

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

Risk Factors

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 2021 Form 10-K.

Controls and Procedures

Disclosure Controls and Procedures

The Company's management evaluated the effectiveness, as of September 30, 2022, 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 September 30, 2022.

Internal Control Over Financial Reporting

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 third quarter 2022 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)

	Quarter ended September 30,		Nine months ended September 30,	
(in millions, except per share amounts)	**2022**	2021	**2022**	2021
Interest income				
Debt securities	**$ 3,043**	2,354	**$ 8,308**	6,865
Loans held for sale	**120**	172	**386**	696
Loans	**10,158**	7,057	**25,492**	21,353
Equity securities	**156**	146	**519**	415
Other interest income	**1,017**	105	**1,526**	244
Total interest income	**14,494**	9,834	**36,231**	29,573
Interest expense				
Deposits	**513**	99	**754**	303
Short-term borrowings	**158**	(7)	**175**	(28)
Long-term debt	**1,553**	745	**3,325**	2,483
Other interest expense	**172**	88	**460**	298
Total interest expense	**2,396**	925	**4,714**	3,056
Net interest income	**12,098**	8,909	**31,517**	26,517
Noninterest income				
Deposit and lending-related fees	**1,647**	1,781	**5,191**	5,101
Investment advisory and other asset-based fees	**2,111**	2,882	**6,955**	8,432
Commissions and brokerage services fees	**562**	525	**1,641**	1,741
Investment banking fees	**375**	547	**1,108**	1,685
Card fees	**1,119**	1,078	**3,260**	3,104
Mortgage banking	**324**	1,259	**1,304**	3,921
Net gains from trading and securities	**872**	1,244	**1,642**	4,852
Other	**397**	609	**1,507**	2,283
Total noninterest income	**7,407**	9,925	**22,608**	31,119
Total revenue	**19,505**	18,834	**54,125**	57,636
Provision for credit losses	**784**	(1,395)	**577**	(3,703)
Noninterest expense				
Personnel	**8,212**	8,690	**25,925**	27,066
Technology, telecommunications and equipment	**798**	741	**2,473**	2,400
Occupancy	**732**	738	**2,159**	2,243
Operating losses	**2,218**	540	**3,467**	1,056
Professional and outside services	**1,235**	1,417	**3,831**	4,255
Advertising and promotion	**126**	153	**327**	375
Restructuring charges	**—**	1	**5**	10
Other	**1,006**	1,023	**2,893**	3,228
Total noninterest expense	**14,327**	13,303	**41,080**	40,633
Income before income tax expense	**4,394**	6,926	**12,468**	20,706
Income tax expense	**894**	1,521	**2,214**	3,867
Net income before noncontrolling interests	**3,500**	5,405	**10,254**	16,839
Less: Net income (loss) from noncontrolling interests	**(28)**	283	**(64)**	1,041
Wells Fargo net income	**$ 3,528**	5,122	**$ 10,318**	15,798
Less: Preferred stock dividends and other	**278**	335	**836**	1,012
Wells Fargo net income applicable to common stock	**$ 3,250**	4,787	**$ 9,482**	14,786
Per share information				
Earnings per common share	**$ 0.86**	1.18	**$ 2.49**	3.60
Diluted earnings per common share	**0.85**	1.17	**2.47**	3.57
Average common shares outstanding	**3,796.5**	4,056.3	**3,807.0**	4,107.1
Diluted average common shares outstanding	**3,825.1**	4,090.4	**3,838.5**	4,140.0

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Comprehensive Income (Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Net income before noncontrolling interests	$ **3,500**	5,405	**10,254**	16,839
Other comprehensive income (loss), after tax:				
Net change in debt securities	**(2,408)**	(468)	**(11,176)**	(1,689)
Net change in derivatives and hedging activities	**(1,111)**	38	**(1,174)**	101
Defined benefit plans adjustments	**(49)**	(121)	**1**	248
Other	**(166)**	(64)	**(291)**	(31)
Other comprehensive loss, after tax	**(3,734)**	(615)	**(12,640)**	(1,371)
Total comprehensive income (loss) before noncontrolling interests	**(234)**	4,790	**(2,386)**	15,468
Less: Other comprehensive income (loss) from noncontrolling interests	**2**	(2)	**2**	—
Less: Net income (loss) from noncontrolling interests	**(28)**	283	**(64)**	1,041
Wells Fargo comprehensive income (loss)	$ **(208)**	4,509	**(2,324)**	14,427

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Balance Sheet

(in millions, except shares)		Sep 30, 2022	Dec 31, 2021
Assets		**(Unaudited)**	
Cash and due from banks	$	**27,634**	24,616
Interest-earning deposits with banks		**137,821**	209,614
Total cash, cash equivalents, and restricted cash		**165,455**	234,230
Federal funds sold and securities purchased under resale agreements		**55,840**	66,223
Debt securities:			
Trading, at fair value		**85,766**	88,265
Available-for-sale, at fair value (includes amortized cost of $124,906 and $175,463, net of allowance for credit losses)		**115,835**	177,244
Held-to-maturity, at amortized cost, net of allowance for credit losses (fair value $255,571 and $272,386)		**300,434**	272,022
Loans held for sale (includes $6,125 and $15,895 carried at fair value)		**9,434**	23,617
Loans		**945,906**	895,394
Allowance for loan losses		**(12,571)**	(12,490)
Net loans		**933,335**	882,904
Mortgage servicing rights (includes $9,828 and $6,920 carried at fair value)		**11,027**	8,189
Premises and equipment, net		**8,493**	8,571
Goodwill		**25,172**	25,180
Derivative assets		**29,253**	21,478
Equity securities (includes $24,698 and $39,098 carried at fair value)		**59,560**	72,886
Other assets		**78,141**	67,259
Total assets (1)	$	**1,877,745**	1,948,068
Liabilities			
Noninterest-bearing deposits	$	**494,594**	527,748
Interest-bearing deposits		**903,557**	954,731
Total deposits		**1,398,151**	1,482,479
Short-term borrowings (includes $160 and $0 carried at fair value)		**48,382**	34,409
Derivative liabilities		**23,400**	9,424
Accrued expenses and other liabilities (includes $26,057 and $20,685 carried at fair value)		**72,991**	70,957
Long-term debt (includes $755 and $0 carried at fair value)		**156,412**	160,689
Total liabilities (2)		**1,699,336**	1,757,958
Equity			
Wells Fargo stockholders' equity:			
Preferred stock		**20,057**	20,057
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		**60,216**	60,196
Retained earnings		**186,551**	180,322
Accumulated other comprehensive income (loss)		**(14,344)**	(1,702)
Treasury stock – 1,686,372,007 shares and 1,596,009,977 shares		**(84,781)**	(79,757)
Unearned ESOP shares		**(646)**	(646)
Total Wells Fargo stockholders' equity		**176,189**	187,606
Noncontrolling interests		**2,220**	2,504
Total equity		**178,409**	190,110
Total liabilities and equity	$	**1,877,745**	1,948,068

(1) Our consolidated assets at September 30, 2022, and December 31, 2021, included the following assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs: Debt securities, $71 million and $71 million; Loans, $4.6 billion and $4.5 billion; All other assets, $172 million and $234 million; and Total assets, $4.8 billion and $4.8 billion, respectively.

(2) Our consolidated liabilities at September 30, 2022, and December 31, 2021, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Long-term debt, $0 million and $149 million; All other liabilities, $235 million and $259 million; and Total liabilities, $235 million and $408 million, respectively.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Changes in Equity (Unaudited)

	Wells Fargo stockholders' equity										
	Preferred stock		Common stock								
($ and shares in millions)	*Shares*	Amount	*Shares*	Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Unearned ESOP shares	Noncontrolling interests	Total equity
Balance June 30, 2022	***5.3***	**$ 20,057**	***3,793.0***	**$ 9,136**	**60,024**	**184,475**	**(10,608)**	**(84,906)**	**(646)**	**2,261**	**179,793**
Net income (loss)						**3,528**				**(28)**	**3,500**
Other comprehensive income (loss), net of tax							**(3,736)**			**2**	**(3,734)**
Noncontrolling interests										**(15)**	**(15)**
Common stock issued			***2.5***			**(21)**		**132**			**111**
Common stock repurchased			***(0.1)***					**(5)**			**(5)**
Preferred stock issued	**—**	**—**			**—**						**—**
Preferred stock redeemed	**—**	**—**			**—**	**—**					**—**
Common stock dividends					**15**	**(1,153)**					**(1,138)**
Preferred stock dividends						**(278)**					**(278)**
Stock-based compensation					**188**						**188**
Net change in deferred compensation and related plans					**(11)**			**(2)**			**(13)**
Net change	**—**	**—**	***2.4***	**—**	**192**	**2,076**	**(3,736)**	**125**	**—**	**(41)**	**(1,384)**
Balance September 30, 2022	***5.3***	**$ 20,057**	***3,795.4***	**$ 9,136**	**60,216**	**186,551**	**(14,344)**	**(84,781)**	**(646)**	**2,220**	**178,409**
Balance June 30, 2021	*5.6*	$ 20,820	*4,108.0*	$ 9,136	60,018	171,765	(564)	(69,038)	(875)	1,865	193,127
Net income						5,122				283	5,405
Other comprehensive loss, net of tax							(613)			(2)	(615)
Noncontrolling interests										(103)	(103)
Common stock issued			*3.1*			(22)		160			138
Common stock repurchased			*(114.2)*					(5,291)			(5,291)
Preferred stock issued	—	1,250			(23)						1,227
Preferred stock redeemed (1)	*(0.1)*	(1,800)			38	(38)					(1,800)
Common stock dividends					10	(821)					(811)
Preferred stock dividends						(297)					(297)
Stock-based compensation					139						139
Net change in deferred compensation and related plans					(48)			—			(48)
Net change	*(0.1)*	(550)	*(111.1)*	—	116	3,944	(613)	(5,131)	—	178	(2,056)
Balance September 30, 2021	*5.5*	$ 20,270	*3,996.9*	$ 9,136	60,134	175,709	(1,177)	(74,169)	(875)	2,043	191,071

(1) Represents the impact of the redemption of Preferred Stock, Series O and Series X, in third quarter 2021.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Changes in Equity (Unaudited)

	Wells Fargo stockholders' equity										
	Preferred stock		Common stock								
($ and shares in millions)	*Shares*	Amount	*Shares*	Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Unearned ESOP shares	Noncontrolling interests	Total equity
Balance December 31, 2021	***5.3***	**$ 20,057**	***3,885.8***	**$ 9,136**	**60,196**	**180,322**	**(1,702)**	**(79,757)**	**(646)**	**2,504**	**190,110**
Net income (loss)						**10,318**				**(64)**	**10,254**
Other comprehensive income (loss), net of tax							**(12,642)**			**2**	**(12,640)**
Noncontrolling interests										**(222)**	**(222)**
Common stock issued			***19.9***			**(164)**		**991**			**827**
Common stock repurchased			***(110.3)***					**(6,027)**			**(6,027)**
Preferred stock issued	**—**	**—**			**—**						**—**
Preferred stock redeemed	**—**	**—**			**—**	**—**					**—**
Common stock dividends					**44**	**(3,089)**					**(3,045)**
Preferred stock dividends						**(836)**					**(836)**
Stock-based compensation					**834**						**834**
Net change in deferred compensation and related plans					**(858)**			**12**			**(846)**
Net change	**—**	**—**	***(90.4)***	**—**	**20**	**6,229**	**(12,642)**	**(5,024)**	**—**	**(284)**	**(11,701)**
Balance September 30, 2022	***5.3***	**$ 20,057**	***3,795.4***	**$ 9,136**	**60,216**	**186,551**	**(14,344)**	**(84,781)**	**(646)**	**2,220**	**178,409**
Balance December 31, 2020	*5.5*	$ 21,136	*4,144.0*	$ 9,136	60,197	162,683	194	(67,791)	(875)	1,032	185,712
Net income						15,798				1,041	16,839
Other comprehensive loss, net of tax							(1,371)			—	(1,371)
Noncontrolling interests										(30)	(30)
Common stock issued			*19.6*			(103)		1,060			957
Common stock repurchased			*(166.7)*					(7,452)			(7,452)
Preferred stock issued	*0.2*	5,810			(54)						5,756
Preferred stock redeemed (1)	*(0.2)*	(6,676)			86	(86)					(6,676)
Common stock dividends					20	(1,657)					(1,637)
Preferred stock dividends						(926)					(926)
Stock-based compensation					863						863
Net change in deferred compensation and related plans					(978)			14			(964)
Net change	—	(866)	*(147.1)*	—	(63)	13,026	(1,371)	(6,378)	—	1,011	5,359
Balance September 30, 2021	*5.5*	$ 20,270	*3,996.9*	$ 9,136	60,134	175,709	(1,177)	(74,169)	(875)	2,043	191,071

(1) Represents the impact of the redemption of Preferred Stock, Series I, Series P and Series W, in first quarter 2021; Preferred Stock, Series N, in second quarter 2021; and Preferred Stock, Series O and Series X, in third quarter 2021.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Cash Flows (Unaudited)

(in millions)	Nine months ended September 30, 2022	2021
Cash flows from operating activities:		
Net income before noncontrolling interests	$ **10,254**	16,839
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**577**	(3,703)
Changes in fair value of MSRs and LHFS carried at fair value	**(1,550)**	(1,158)
Depreciation, amortization and accretion	**5,253**	6,090
Deferred income tax expense (benefit)	**410**	(2,689)
Other, net (1)	**(18,274)**	(8,446)
Originations and purchases of loans held for sale	**(59,971)**	(123,983)
Proceeds from sales of and paydowns on loans originally classified as held for sale	**54,904**	78,356
Net change in:		
Debt and equity securities, held for trading	**29,988**	7,638
Derivative assets and liabilities	**4,338**	(4,639)
Other assets	**(10,673)**	16,736
Other accrued expenses and liabilities	**4,547**	2,617
Net cash provided (used) by operating activities	**19,803**	(16,342)
Cash flows from investing activities:		
Net change in:		
Federal funds sold and securities purchased under resale agreements	**10,383**	(2,135)
Available-for-sale debt securities:		
Proceeds from sales	**16,894**	14,568
Prepayments and maturities	**16,824**	61,080
Purchases	**(38,834)**	(84,576)
Held-to-maturity debt securities:		
Paydowns and maturities	**22,807**	60,613
Purchases	**(2,360)**	(59,480)
Equity securities, not held for trading:		
Proceeds from sales and capital returns	**3,732**	2,706
Purchases	**(4,474)**	(4,480)
Loans:		
Loans originated by banking subsidiaries, net of principal collected	**(63,298)**	8,292
Proceeds from sales of loans originally classified as held for investment	**10,934**	26,388
Purchases of loans	**(504)**	(313)
Principal collected on nonbank entities' loans	**3,869**	7,642
Loans originated by nonbank entities	**(3,044)**	(8,242)
Other, net (1)	**521**	1,720
Net cash provided (used) by investing activities	**(26,550)**	23,783
Cash flows from financing activities:		
Net change in:		
Deposits	**(84,324)**	66,482
Short-term borrowings	**13,801**	(17,019)
Long-term debt:		
Proceeds from issuance	**36,090**	1,143
Repayment	**(17,192)**	(44,739)
Preferred stock:		
Proceeds from issuance	**—**	5,756
Redeemed	**—**	(6,675)
Cash dividends paid	**(777)**	(867)
Common stock:		
Repurchased	**(6,027)**	(7,452)
Cash dividends paid	**(3,040)**	(1,603)
Other, net (1)	**(559)**	(392)
Net cash used by financing activities	**(62,028)**	(5,366)
Net change in cash, cash equivalents, and restricted cash	**(68,775)**	2,075
Cash, cash equivalents, and restricted cash at beginning of period	**234,230**	264,612
Cash, cash equivalents, and restricted cash at end of period	$ **165,455**	266,687
Supplemental cash flow disclosures:		
Cash paid for interest	$ **4,264**	3,407
Cash paid for income taxes, net	**3,863**	3,114

(1) Prior period balances have been revised to conform with the current period presentation.

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

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 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, 2021 (2021 Form 10-K). There were no material changes to these policies in the first nine months of 2022.

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 4 (Loans and Related Allowance for Credit Losses));
- valuations of residential mortgage servicing rights (MSRs) (Note 8 (Securitizations and Variable Interest Entities) and Note 9 (Mortgage Banking Activities));
- valuations of financial instruments (Note 15 (Fair Values of Assets and Liabilities));
- liabilities for contingent litigation losses (Note 13 (Legal Actions));
- income taxes; and
- goodwill impairment (Note 10 (Intangible 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 2021 Form 10-K.

Accounting Standards Adopted in 2022

In 2022, we adopted the following new accounting guidance:

- Accounting Standards Update (ASU or Update) 2020-06 – Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*
- ASU 2021-05 – Leases (Topic 842): *Lessors – Certain Leases with Variable Lease Payments*

ASU 2020-06 simplifies the accounting for convertible financial instruments that embody characteristics of debt and equity by (1) eliminating accounting models for convertible financial instruments with cash conversion and beneficial conversion features within Accounting Standards Codification (ASC) 470-20, (2) removing three equity classification requirements for a contract in an entity's own equity to qualify for the derivative scope exception in ASC Subtopic 815-40, and (3) prescribing the method used for computing earnings per share. We adopted this Update prospectively in first quarter 2022. This Update did not have a material impact to our consolidated financial statements.

ASU 2021-05 amends ASC 842 Topic – Leases and provides specific guidance for lessors whose leases include variable lease payments that are not dependent on a reference index or rate and otherwise would have resulted in the recognition of a loss at lease commencement (a day 1 loss). Prior to ASU 2016-02, variable lease payments were excluded from the definition of lease payments for lessors measuring their net investment loss in a sales-type lease or direct financing lease. This often resulted in a day 1 loss, even if the lessor expected the arrangement to be profitable overall. We adopted this Update prospectively in first quarter 2022. This Update did not have a material impact to our consolidated financial statements.

Supplemental Cash Flow Information

Significant noncash activities are presented in Table 1.1.

Table 1.1: Supplemental Cash Flow Information

	Nine months ended September 30,	
(in millions)	**2022**	2021
Available-for-sale debt securities purchased from securitization of LHFS (1)	$ **1,506**	256
Held-to-maturity debt securities purchased from securitization of LHFS (1)	**732**	17,600
Transfers from loans to LHFS	**6,820**	14,842
Transfers from available-for-sale debt securities to held-to-maturity debt securities	**48,591**	41,298

(1) Predominantly represents agency mortgage-backed securities purchased upon settlement of the sale and securitization of our conforming residential mortgage loans. See Note 8 (Securitizations and Variable Interest Entities) for additional information.

Subsequent Events

We have evaluated the effects of events that have occurred subsequent to September 30, 2022, and except as disclosed in Note 16 (Preferred Stock), there have been no material events that would require recognition in our third quarter 2022 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)		Sep 30, 2022	Dec 31, 2021
Trading assets:			
Debt securities	$	**85,766**	88,265
Equity securities (1)		**23,111**	27,476
Loans held for sale		**1,525**	3,242
Gross trading derivative assets (1)		**92,103**	48,325
Netting (2)		**(64,849)**	(28,146)
Total trading derivative assets		**27,254**	20,179
Total trading assets		**137,656**	139,162
Trading liabilities:			
Short sale		**26,057**	20,685
Other liabilities		**915**	—
Gross trading derivative liabilities (1)		**86,228**	42,449
Netting (2)		**(64,274)**	(33,978)
Total trading derivative liabilities		**21,954**	8,471
Total trading liabilities	$	**48,926**	29,156

(1) In first quarter 2022, we prospectively reclassified certain equity securities and related economic hedge derivatives from "not held for trading activities" to "held for trading activities" to better reflect the business activity of those financial instruments. For additional information on Trading Activities, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.
(2) Represents balance sheet netting for trading derivative asset and liability balances, and trading portfolio level counterparty valuation adjustments.

Table 2.2 provides a summary of the 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

		Quarter ended September 30,			Nine months ended September 30,	
(in millions)		**2022**	2021		**2022**	2021
Interest income:						
Debt securities	$	**626**	512	$	**1,723**	1,537
Equity securities (1)		**108**	104		**367**	300
Loans held for sale		**10**	12		**30**	27
Total interest income		**744**	628		**2,120**	1,864
Less: Interest expense		**153**	90		**443**	305
Net interest income		**591**	538		**1,677**	1,559
Net gains (losses) from trading activities (2):						
Debt securities		**(3,551)**	(284)		**(10,302)**	(1,621)
Equity securities (1)		**(1,393)**	771		**(5,823)**	2,780
Loans held for sale		**3**	9		**13**	48
Other liabilities		**34**	—		**57**	—
Derivatives (1)(3)		**5,807**	(404)		**17,619**	(746)
Total net gains from trading activities		**900**	92		**1,564**	461
Total trading-related net interest and noninterest income	$	**1,491**	630	$	**3,241**	2,020

(1) In first quarter 2022, we prospectively reclassified certain equity securities and related economic hedge derivatives from "not held for trading activities" to "held for trading activities" to better reflect the business activity of those financial instruments. For additional information on Trading Activities, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.
(2) Represents realized gains (losses) from our trading activities and unrealized gains (losses) due to changes in fair value of our trading positions.
(3) Excludes economic hedging of mortgage banking and asset/liability management activities, for which hedge results (realized and unrealized) are reported with the respective hedged activities.

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 (Other Assets) for additional information on accrued interest receivable. Amounts considered to be uncollectible are reversed through interest income. The interest income reversed in the third quarter and first nine months of both 2022 and 2021 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	Fair value
September 30, 2022					
Available-for-sale debt securities:					
Securities of U.S. Treasury and federal agencies	**$**	**47,102**	**3**	**(2,375)**	**44,730**
Non-U.S. government securities		**162**	**—**	**—**	**162**
Securities of U.S. states and political subdivisions (2)		**11,218**	**17**	**(569)**	**10,666**
Federal agency mortgage-backed securities		**56,283**	**3**	**(5,935)**	**50,351**
Non-agency mortgage-backed securities (3)		**3,546**	**1**	**(121)**	**3,426**
Collateralized loan obligations		**4,270**	**—**	**(136)**	**4,134**
Other debt securities		**2,325**	**82**	**(41)**	**2,366**
Total available-for-sale debt securities		**124,906**	**106**	**(9,177)**	**115,835**
Held-to-maturity debt securities:					
Securities of U.S. Treasury and federal agencies		**16,200**	**—**	**(1,842)**	**14,358**
Securities of U.S. states and political subdivisions		**31,478**	**2**	**(5,563)**	**25,917**
Federal agency mortgage-backed securities		**219,739**	**—**	**(36,034)**	**183,705**
Non-agency mortgage-backed securities (3)		**1,243**	**1**	**(174)**	**1,070**
Collateralized loan obligations		**30,046**	**1**	**(1,089)**	**28,958**
Other debt securities		**1,728**	**—**	**(165)**	**1,563**
Total held-to-maturity debt securities		**300,434**	**4**	**(44,867)**	**255,571**
Total	**$**	**425,340**	**110**	**(54,044)**	**371,406**
December 31, 2021					
Available-for-sale debt securities:					
Securities of U.S. Treasury and federal agencies	$	39,668	185	(192)	39,661
Non-U.S. government securities		71	—	—	71
Securities of U.S. states and political subdivisions (2)		16,618	350	(51)	16,917
Federal agency mortgage-backed securities		104,661	1,807	(582)	105,886
Non-agency mortgage-backed securities (3)		4,515	32	(15)	4,532
Collateralized loan obligations		5,713	2	(7)	5,708
Other debt securities		4,217	259	(7)	4,469
Total available-for-sale debt securities		175,463	2,635	(854)	177,244
Held-to-maturity debt securities:					
Securities of U.S. Treasury and federal agencies		16,544	599	(318)	16,825
Securities of U.S. states and political subdivisions		32,689	847	(61)	33,475
Federal agency mortgage-backed securities		188,909	1,882	(2,807)	187,984
Non-agency mortgage-backed securities (3)		1,082	31	(18)	1,095
Collateralized loan obligations		31,067	194	(2)	31,259
Other debt securities		1,731	17	—	1,748
Total held-to-maturity debt securities		272,022	3,570	(3,206)	272,386
Total	$	447,485	6,205	(4,060)	449,630

(1) Represents amortized cost of the securities, net of the ACL of $6 million and $8 million related to AFS debt securities at September 30, 2022, and December 31, 2021, respectively, and $96 million related to HTM debt securities at both September 30, 2022, and December 31, 2021.
(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 $5.4 billion at September 30, 2022, and $5.2 billion at December 31, 2021.
(3) Predominantly consists of commercial mortgage-backed securities at both September 30, 2022, and December 31, 2021.

Table 3.2 details the breakout of purchases of and transfers to HTM debt securities by major category of security.

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

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Purchases of held-to-maturity debt securities (1):				
Securities of U.S. states and political subdivisions	$ **—**	1,409	$ **843**	4,492
Federal agency mortgage-backed securities	**—**	14,296	**2,051**	64,018
Non-agency mortgage-backed securities	**39**	30	**198**	114
Collateralized loan obligations	**—**	839	**—**	8,177
Total purchases of held-to-maturity debt securities	**39**	16,574	**3,092**	76,801
Transfers from available-for-sale debt securities to held-to-maturity debt securities (2):				
Federal agency mortgage-backed securities	**5,550**	—	**48,591**	41,298
Total transfers from available-for-sale debt securities to held-to-maturity debt securities	$ **5,550**	—	$ **48,591**	41,298

(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 $456 million and $4.3 billion in the third quarter and first nine months of 2022, respectively, and $615 million in the first nine months of 2021, 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

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Interest income (1):				
Available-for-sale	$ **777**	676	$ **2,162**	2,142
Held-to-maturity	**1,640**	1,166	**4,423**	3,186
Total interest income	**2,417**	1,842	**6,585**	5,328
Provision for credit losses:				
Available-for-sale	**(2)**	(5)	**2**	7
Held-to-maturity	**13**	(3)	**(1)**	33
Total provision for credit losses	**11**	(8)	**1**	40
Realized gains and losses (2):				
Gross realized gains	**27**	291	**276**	443
Gross realized losses	**(21)**	—	**(125)**	(1)
Impairment write-downs	**—**	(8)	**—**	(8)
Net realized gains	$ **6**	283	$ **151**	434

(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 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 credit agencies. Substantially all of our debt securities were rated by NRSROs at September 30, 2022, and December 31, 2021.

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.

Table 3.4: Investment Grade Debt Securities

($ in millions)		Available-for-Sale Fair value	% investment grade		Held-to-Maturity Amortized cost	% investment grade
September 30, 2022						
Total portfolio (1)	**$**	**115,835**	**99%**	**$**	**300,530**	**99%**
Breakdown by category:						
Securities of U.S. Treasury and federal agencies (2)	**$**	**95,081**	**100%**	**$**	**235,939**	**100%**
Securities of U.S. states and political subdivisions		**10,666**	**99**		**31,494**	**100**
Collateralized loan obligations (3)		**4,134**	**100**		**30,096**	**100**
All other debt securities (4)		**5,954**	**89**		**3,001**	**61**
December 31, 2021						
Total portfolio (1)	$	177,244	99%	$	272,118	99%
Breakdown by category:						
Securities of U.S. Treasury and federal agencies (2)	$	145,547	100%	$	205,453	100%
Securities of U.S. states and political subdivisions		16,917	99		32,704	100
Collateralized loan obligations (3)		5,708	100		31,128	100
All other debt securities (4)		9,072	88		2,833	64

(1) 99% and 98% were rated AA- and above at September 30, 2022, and December 31, 2021, respectively.
(2) Includes federal agency mortgage-backed securities.
(3) 100% were rated AA- and above at both September 30, 2022, and December 31, 2021, respectively.
(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 were insignificant at both September 30, 2022, and December 31, 2021. The carrying value of debt securities in nonaccrual status was insignificant at both September 30, 2022, and December 31, 2021. Charge-offs on debt securities were insignificant in the third quarter and first nine months of both 2022 and 2021.

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 third quarter and first nine months of both 2022 and 2021.

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 allowance for credit losses.

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

(in millions)	Less than 12 months Gross unrealized losses	Less than 12 months Fair value	12 months or more Gross unrealized losses	12 months or more Fair value	Total Gross unrealized losses	Total Fair value
September 30, 2022						
Available-for-sale debt securities:						
Securities of U.S. Treasury and federal agencies	**$ (1,157)**	**27,415**	**(1,218)**	**15,567**	**(2,375)**	**42,982**
Securities of U.S. states and political subdivisions	**(313)**	**4,015**	**(256)**	**1,147**	**(569)**	**5,162**
Federal agency mortgage-backed securities	**(5,262)**	**46,912**	**(673)**	**3,311**	**(5,935)**	**50,223**
Non-agency mortgage-backed securities	**(78)**	**2,343**	**(43)**	**1,059**	**(121)**	**3,402**
Collateralized loan obligations	**(117)**	**3,659**	**(19)**	**475**	**(136)**	**4,134**
Other debt securities	**(25)**	**1,633**	**(16)**	**476**	**(41)**	**2,109**
Total available-for-sale debt securities	**$ (6,952)**	**85,977**	**(2,225)**	**22,035**	**(9,177)**	**108,012**
December 31, 2021						
Available-for-sale debt securities:						
Securities of U.S. Treasury and federal agencies	$ (192)	24,418	—	—	(192)	24,418
Securities of U.S. states and political subdivisions	(36)	2,308	(15)	532	(51)	2,840
Federal agency mortgage-backed securities	(334)	40,695	(248)	9,464	(582)	50,159
Non-agency mortgage-backed securities	(4)	1,966	(11)	543	(15)	2,509
Collateralized loan obligations	(3)	1,619	(4)	1,242	(7)	2,861
Other debt securities	—	—	(7)	624	(7)	624
Total available-for-sale debt securities	$ (569)	71,006	(285)	12,405	(854)	83,411

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 2021 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
September 30, 2022						
Available-for-sale debt securities (1):						
Securities of U.S. Treasury and federal agencies						
Amortized cost, net	$	47,102	2,039	17,556	25,968	1,539
Fair value		44,730	2,008	17,082	24,160	1,480
Weighted average yield		1.06%	1.44	0.39	1.46	1.44
Non-U.S. government securities						
Amortized cost, net	$	162	1	137	24	—
Fair value		162	1	137	24	—
Weighted average yield		2.31%	1.51	2.50	1.23	—
Securities of U.S. states and political subdivisions						
Amortized cost, net	$	11,218	1,169	2,554	5,064	2,431
Fair value		10,666	1,167	2,539	4,708	2,252
Weighted average yield		2.74%	3.14	2.64	2.59	2.96
Federal agency mortgage-backed securities						
Amortized cost, net	$	56,283	—	306	898	55,079
Fair value		50,351	—	293	831	49,227
Weighted average yield		3.25%	—	1.87	2.45	3.27
Non-agency mortgage-backed securities						
Amortized cost, net	$	3,546	—	—	72	3,474
Fair value		3,426	—	—	68	3,358
Weighted average yield		3.65%	—	—	3.43	3.66
Collateralized loan obligations						
Amortized cost, net	$	4,270	—	2	3,865	403
Fair value		4,134	—	2	3,749	383
Weighted average yield		4.01%	—	4.44	4.00	4.01
Other debt securities						
Amortized cost, net	$	2,325	84	216	829	1,196
Fair value		2,366	82	212	827	1,245
Weighted average yield		3.68%	3.58	4.42	2.94	4.06
Total available-for-sale debt securities						
Amortized cost, net	$	124,906	3,293	20,771	36,720	64,122
Fair value		115,835	3,258	20,265	34,367	57,945
Weighted average yield		2.42%	2.10	0.73	1.94	3.25

(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.

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
September 30, 2022					
Held-to-maturity debt securities (1):					
Securities of U.S. Treasury and federal agencies					
Amortized cost, net	$ 16,200	—	12,414	—	3,786
Fair value	14,358	—	11,968	—	2,390
Weighted average yield	2.18%	—	2.37	—	1.58
Securities of U.S. states and political subdivisions					
Amortized cost, net	$ 31,478	1,845	2,056	2,100	25,477
Fair value	25,917	1,827	1,977	2,022	20,091
Weighted average yield	2.13%	1.64	1.49	2.33	2.20
Federal agency mortgage-backed securities					
Amortized cost, net	$ 219,739	—	—	—	219,739
Fair value	183,705	—	—	—	183,705
Weighted average yield	2.26%	—	—	—	2.26
Non-agency mortgage-backed securities					
Amortized cost, net	$ 1,243	15	18	52	1,158
Fair value	1,070	14	17	47	992
Weighted average yield	3.08%	3.24	2.93	3.47	3.07
Collateralized loan obligations					
Amortized cost, net	$ 30,046	—	—	13,386	16,660
Fair value	28,958	—	—	13,072	15,886
Weighted average yield	4.09%	—	—	4.17	4.03
Other debt securities					
Amortized cost, net	$ 1,728	—	759	969	—
Fair value	1,563	—	711	852	—
Weighted average yield	4.47%	—	4.13	4.74	—
Total held-to-maturity debt securities					
Amortized cost, net	$ 300,434	1,860	15,247	16,507	266,820
Fair value	255,571	1,841	14,673	15,993	223,064
Weighted average yield	2.44%	1.66	2.34	3.97	2.36

(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: Loans and Related Allowance for Credit Losses

Table 4.1 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 September 30, 2022, and December 31, 2021.

Outstanding balances exclude accrued interest receivable on loans, except for certain revolving loans, such as credit card loans. See Note 7 (Other Assets) for additional information on accrued interest receivable. Amounts considered to be uncollectible are reversed through interest income. During the first nine months of 2022, we reversed accrued interest receivable of $26 million for our commercial portfolio segment and $100 million for our consumer portfolio segment, compared with $36 million and $143 million, respectively, for the same period a year ago.

Table 4.1: Loans Outstanding

(in millions)		Sep 30, 2022	Dec 31, 2021
Commercial:			
Commercial and industrial	$	**379,694**	350,436
Real estate mortgage		**133,770**	127,733
Real estate construction		**21,889**	20,092
Lease financing		**14,617**	14,859
Total commercial		**549,970**	513,120
Consumer:			
Residential mortgage – first lien		**254,165**	242,270
Residential mortgage – junior lien		**13,900**	16,618
Credit card		**43,558**	38,453
Auto		**54,545**	56,659
Other consumer		**29,768**	28,274
Total consumer		**395,936**	382,274
Total loans	$	**945,906**	895,394

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

Table 4.2: Non-U.S. Commercial Loans Outstanding

(in millions)		Sep 30, 2022	Dec 31, 2021
Non-U.S. commercial loans:			
Commercial and industrial	$	**78,930**	77,365
Real estate mortgage		**5,991**	7,070
Real estate construction		**1,368**	1,582
Lease financing		**651**	680
Total non-U.S. commercial loans	$	**86,940**	86,697

Loan Purchases, Sales, and Transfers

Table 4.3 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 residential mortgage – first lien loans because their loan activity normally does not impact the ACL.

Table 4.3: Loan Purchases, Sales, and Transfers

			2022			2021
(in millions)	Commercial	Consumer	Total	Commercial	Consumer	Total
Quarter ended September 30,						
Purchases	$ 127	1	128	124	1	125
Sales and net transfers (to)/from LHFS	(785)	(1,118)	(1,903)	(1,186)	(11)	(1,197)
Nine months ended September 30,						
Purchases	$ 503	3	506	306	3	309
Sales and net transfers (to)/from LHFS	(2,097)	(1,141)	(3,238)	(2,318)	(235)	(2,553)

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. Certain commitments either provide us with funding discretion or are subject to loan agreements with covenants regarding the financial performance of the customer or borrowing base formulas that must be met before we are required to fund the commitment. 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 September 30, 2022, and December 31, 2021, we had $1.3 billion and $1.5 billion, respectively, of outstanding issued commercial letters of credit. See Note 11 (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 unfunded amount of these fronting arrangements totaled approximately $89.3 billion at September 30, 2022.

The contractual amount of our unfunded credit commitments, including unissued letters of credit, is summarized in Table 4.4. The table excludes issued letters of credit and is presented net of commitments syndicated to others, including the fronting arrangements described above.

Table 4.4: Unfunded Credit Commitments

(in millions)	Sep 30, 2022	Dec 31, 2021
Commercial:		
Commercial and industrial	$ 409,832	388,162
Real estate mortgage	9,524	11,515
Real estate construction	22,177	19,943
Total commercial	441,533	419,620
Consumer:		
Residential mortgage – first lien	21,662	32,992
Residential mortgage – junior lien	22,744	27,447
Credit card	142,519	130,743
Other consumer	65,440	75,919
Total consumer	252,365	267,101
Total unfunded credit commitments	$ 693,898	686,721

Allowance for Credit Losses

Table 4.5 presents the allowance for credit losses (ACL) for loans, which consists of the allowance for loan losses and the allowance for unfunded credit commitments. The ACL for loans decreased $563 million from December 31, 2021, reflecting reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolio. This decrease was partially offset by loan growth and a less favorable economic environment.

Table 4.5: Allowance for Credit Losses for Loans

	Quarter ended September 30,		Nine months ended September 30,	
($ in millions)	**2022**	2021	**2022**	2021
Balance, beginning of period	**$ 12,884**	16,391	**$ 13,788**	19,713
Provision for credit losses	**773**	(1,387)	**576**	(3,743)
Interest income on certain loans (1)	**(26)**	(35)	**(82)**	(112)
Loan charge-offs:				
Commercial:				
Commercial and industrial	**(85)**	(144)	**(209)**	(452)
Real estate mortgage	**(3)**	(5)	**(6)**	(68)
Real estate construction	**—**	(1)	**—**	(1)
Lease financing	**(11)**	(7)	**(20)**	(38)
Total commercial	**(99)**	(157)	**(235)**	(559)
Consumer:				
Residential mortgage – first lien	**(27)**	(10)	**(78)**	(33)
Residential mortgage – junior lien	**(16)**	(15)	**(58)**	(46)
Credit card	**(290)**	(258)	**(844)**	(950)
Auto	**(199)**	(107)	**(515)**	(364)
Other consumer	**(105)**	(107)	**(307)**	(333)
Total consumer	**(637)**	(497)	**(1,802)**	(1,726)
Total loan charge-offs	**(736)**	(654)	**(2,037)**	(2,285)
Loan recoveries:				
Commercial:				
Commercial and industrial	**72**	98	**192**	237
Real estate mortgage	**15**	15	**27**	37
Real estate construction	**—**	—	**—**	1
Lease financing	**6**	6	**16**	17
Total commercial	**93**	119	**235**	292
Consumer:				
Residential mortgage – first lien	**28**	24	**85**	90
Residential mortgage – junior lien	**29**	43	**102**	124
Credit card	**88**	100	**267**	300
Auto	**78**	81	**230**	241
Other consumer	**21**	28	**70**	85
Total consumer	**244**	276	**754**	840
Total loan recoveries	**337**	395	**989**	1,132
Net loan charge-offs	**(399)**	(259)	**(1,048)**	(1,153)
Other	**(7)**	(5)	**(9)**	—
Balance, end of period	**$ 13,225**	14,705	**$ 13,225**	14,705
Components:				
Allowance for loan losses	**$ 12,571**	13,517	**$ 12,571**	13,517
Allowance for unfunded credit commitments	**654**	1,188	**654**	1,188
Allowance for credit losses	**$ 13,225**	14,705	**$ 13,225**	14,705
Net loan charge-offs (annualized) as a percentage of average total loans	**0.17 %**	0.12	**0.15**	0.18
Allowance for loan losses as a percentage of total loans	**1.33**	1.57	**1.33**	1.57
Allowance for credit losses for loans as a percentage of total loans	**1.40**	1.70	**1.40**	1.70

(1) Loans with an allowance measured by discounting expected cash flows using the loan's effective interest rate over the remaining life of the loan recognize changes in allowance attributable to the passage of time as interest income.

Table 4.6 summarizes the activity in the ACL by our commercial and consumer portfolio segments.

Table 4.6: Allowance for Credit Losses for Loans Activity by Portfolio Segment

			2022			2021
(in millions)	**Commercial**	**Consumer**	**Total**	Commercial	Consumer	Total
Quarter ended September 30,						
Balance, beginning of period	**$ 7,082**	**5,802**	**12,884**	9,570	6,821	16,391
Provision for credit losses	**(72)**	**845**	**773**	(949)	(438)	(1,387)
Interest income on certain loans (1)	**(6)**	**(20)**	**(26)**	(13)	(22)	(35)
Loan charge-offs	**(99)**	**(637)**	**(736)**	(157)	(497)	(654)
Loan recoveries	**93**	**244**	**337**	119	276	395
Net loan charge-offs	**(6)**	**(393)**	**(399)**	(38)	(221)	(259)
Other	**(7)**	**—**	**(7)**	(5)	—	(5)
Balance, end of period	**$ 6,991**	**6,234**	**13,225**	8,565	6,140	14,705
Nine months ended September 30,						
Balance, beginning of period	**$ 7,791**	**5,997**	**13,788**	11,516	8,197	19,713
Provision for credit losses	**(769)**	**1,345**	**576**	(2,637)	(1,106)	(3,743)
Interest income on certain loans (1)	**(22)**	**(60)**	**(82)**	(47)	(65)	(112)
Loan charge-offs	**(235)**	**(1,802)**	**(2,037)**	(559)	(1,726)	(2,285)
Loan recoveries	**235**	**754**	**989**	292	840	1,132
Net loan charge-offs	**—**	**(1,048)**	**(1,048)**	(267)	(886)	(1,153)
Other	**(9)**	**—**	**(9)**	—	—	—
Balance, end of period	**$ 6,991**	**6,234**	**13,225**	8,565	6,140	14,705

(1) Loans with an allowance measured by discounting expected cash flows using the loan's effective interest rate over the remaining life of the loan recognize changes in allowance attributable to the passage of time as interest income.

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 4.7 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 in a troubled debt restructuring (TDR). At September 30, 2022, we had \$527.1 billion and \$22.8 billion of pass and criticized commercial loans, respectively.

Table 4.7: Commercial Loan Categories by Risk Categories and Vintage

(in millions)	Term loans by origination year 2022	2021	2020	2019	2018	Prior	Revolving loans	Revolving loans converted to term loans	Total
September 30, 2022									
Commercial and industrial									
Pass	**$ 52,868**	**32,696**	**10,356**	**14,288**	**4,400**	**6,921**	**246,965**	**891**	**369,385**
Criticized	**725**	**1,031**	**591**	**699**	**729**	**657**	**5,877**	**—**	**10,309**
Total commercial and industrial	**53,593**	**33,727**	**10,947**	**14,987**	**5,129**	**7,578**	**252,842**	**891**	**379,694**
Real estate mortgage									
Pass	**28,890**	**33,333**	**13,802**	**14,402**	**10,643**	**17,535**	**5,055**	**23**	**123,683**
Criticized	**1,371**	**2,314**	**729**	**2,568**	**1,098**	**1,836**	**171**	**—**	**10,087**
Total real estate mortgage	**30,261**	**35,647**	**14,531**	**16,970**	**11,741**	**19,371**	**5,226**	**23**	**133,770**
Real estate construction									
Pass	**3,686**	**6,855**	**3,591**	**3,533**	**906**	**533**	**1,352**	**—**	**20,456**
Criticized	**592**	**370**	**173**	**220**	**63**	**2**	**13**	**—**	**1,433**
Total real estate construction	**4,278**	**7,225**	**3,764**	**3,753**	**969**	**535**	**1,365**	**—**	**21,889**
Lease financing									
Pass	**3,274**	**3,591**	**2,267**	**1,651**	**905**	**1,930**	**—**	**—**	**13,618**
Criticized	**221**	**271**	**173**	**177**	**108**	**49**	**—**	**—**	**999**
Total lease financing	**3,495**	**3,862**	**2,440**	**1,828**	**1,013**	**1,979**	**—**	**—**	**14,617**
Total commercial loans	**$ 91,627**	**80,461**	**31,682**	**37,538**	**18,852**	**29,463**	**259,433**	**914**	**549,970**

	Term loans by origination year 2021	2020	2019	2018	2017	Prior	Revolving loans	Revolving loans converted to term loans	Total
December 31, 2021									
Commercial and industrial									
Pass	$ 65,562	15,193	20,553	7,400	3,797	13,985	211,452	679	338,621
Criticized	1,657	884	1,237	1,256	685	551	5,528	17	11,815
Total commercial and industrial	67,219	16,077	21,790	8,656	4,482	14,536	216,980	696	350,436
Real estate mortgage									
Pass	38,196	15,929	19,013	12,618	7,451	16,026	5,411	3	114,647
Criticized	3,462	1,119	2,975	1,834	875	2,421	400	—	13,086
Total real estate mortgage	41,658	17,048	21,988	14,452	8,326	18,447	5,811	3	127,733
Real estate construction									
Pass	5,895	4,058	4,549	2,167	379	329	1,042	2	18,421
Criticized	510	266	586	234	68	7	—	—	1,671
Total real estate construction	6,405	4,324	5,135	2,401	447	336	1,042	2	20,092
Lease financing									
Pass	4,100	3,012	2,547	1,373	838	1,805	—	—	13,675
Criticized	284	246	282	184	86	102	—	—	1,184
Total lease financing	4,384	3,258	2,829	1,557	924	1,907	—	—	14,859
Total commercial loans	$ 119,666	40,707	51,742	27,066	14,179	35,226	223,833	701	513,120

Note 4: Loans and Related Allowance for Credit Losses *(continued)*

Table 4.8 provides past due 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 4.8: Commercial Loan Categories by Delinquency Status

(in millions)		Commercial and industrial	Real estate mortgage	Real estate construction	Lease financing	Total
September 30, 2022						
By delinquency status:						
Current-29 days past due (DPD) and still accruing	**$**	**376,262**	**132,528**	**21,697**	**14,346**	**544,833**
30-89 DPD and still accruing		**1,991**	**321**	**157**	**163**	**2,632**
90+ DPD and still accruing		**699**	**71**	**32**	**—**	**802**
Nonaccrual loans		**742**	**850**	**3**	**108**	**1,703**
Total commercial loans	**$**	**379,694**	**133,770**	**21,889**	**14,617**	**549,970**
December 31, 2021						
By delinquency status:						
Current-29 DPD and still accruing	$	348,033	126,184	19,900	14,568	508,685
30-89 DPD and still accruing		1,217	285	179	143	1,824
90+ DPD and still accruing		206	29	—	—	235
Nonaccrual loans		980	1,235	13	148	2,376
Total commercial loans	$	350,436	127,733	20,092	14,859	513,120

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.

Table 4.9 provides the outstanding balances of our consumer loan portfolio by delinquency status. 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 in a TDR. 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.

Payment deferral activities in the residential mortgage portfolio instituted in response to the COVID-19 pandemic could continue to delay the recognition of delinquencies for residential mortgage customers who otherwise would have moved into past due status.

Table 4.9: Consumer Loan Categories by Delinquency Status and Vintage

(in millions)	Term loans by origination year 2022	2021	2020	2019	2018	Prior	Revolving loans	Revolving loans converted to term loans	Total
September 30, 2022									
Residential mortgage – first lien									
By delinquency status:									
Current-29 DPD	$ 43,335	66,404	37,806	21,208	6,316	63,103	3,836	1,989	243,997
30-59 DPD	91	53	19	29	12	487	13	41	745
60-89 DPD	6	9	2	5	4	134	6	18	184
90-119 DPD	1	3	—	2	3	56	3	13	81
120-179 DPD	—	6	6	5	3	86	5	15	126
180+ DPD	—	5	11	17	18	432	9	116	608
Government insured/guaranteed loans (1)	5	54	135	144	203	7,883	—	—	8,424
Total residential mortgage – first lien	43,438	66,534	37,979	21,410	6,559	72,181	3,872	2,192	254,165
Residential mortgage – junior lien									
By delinquency status:									
Current-29 DPD	21	32	17	22	20	554	8,109	4,830	13,605
30-59 DPD	—	—	—	—	—	10	19	46	75
60-89 DPD	—	—	—	—	—	3	8	24	35
90-119 DPD	—	—	—	—	—	2	4	15	21
120-179 DPD	—	—	—	—	—	4	4	20	28
180+ DPD	—	—	—	—	—	16	17	103	136
Total residential mortgage – junior lien	21	32	17	22	20	589	8,161	5,038	13,900
Credit cards									
By delinquency status:									
Current-29 DPD	—	—	—	—	—	—	42,580	208	42,788
30-59 DPD	—	—	—	—	—	—	232	13	245
60-89 DPD	—	—	—	—	—	—	156	10	166
90-119 DPD	—	—	—	—	—	—	133	8	141
120-179 DPD	—	—	—	—	—	—	214	4	218
180+ DPD	—	—	—	—	—	—	—	—	—
Total credit cards	—	—	—	—	—	—	43,315	243	43,558
Auto									
By delinquency status:									
Current-29 DPD	15,792	21,136	8,472	5,382	1,806	670	—	—	53,258
30-59 DPD	105	376	180	124	53	41	—	—	879
60-89 DPD	37	133	61	39	15	14	—	—	299
90-119 DPD	15	52	19	13	5	4	—	—	108
120-179 DPD	—	1	—	—	—	—	—	—	1
180+ DPD	—	—	—	—	—	—	—	—	—
Total auto	15,949	21,698	8,732	5,558	1,879	729	—	—	54,545
Other consumer									
By delinquency status:									
Current-29 DPD	2,975	1,372	409	337	86	98	24,284	123	29,684
30-59 DPD	7	8	2	2	1	2	9	3	34
60-89 DPD	3	5	1	1	—	—	5	2	17
90-119 DPD	2	5	1	1	—	—	5	2	16
120-179 DPD	—	—	—	—	—	—	6	2	8
180+ DPD	—	—	—	—	—	1	—	8	9
Total other consumer	2,987	1,390	413	341	87	101	24,309	140	29,768
Total consumer loans	$ 62,395	89,654	47,141	27,331	8,545	73,600	79,657	7,613	395,936

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(in millions)	Term loans by origination year 2021	2020	2019	2018	2017	Prior	Revolving loans	Revolving loans converted to term loans	Total
December 31, 2021									
Residential mortgage – first lien									
By delinquency status:									
Current-29 DPD	$ 69,994	41,527	24,887	7,660	13,734	61,576	5,248	1,673	226,299
30-59 DPD	129	27	30	12	24	418	14	29	683
60-89 DPD	10	7	2	—	3	126	7	15	170
90-119 DPD	—	1	1	1	5	53	4	9	74
120-179 DPD	1	16	2	2	1	63	4	14	103
180+ DPD	—	62	72	71	92	1,294	36	156	1,783
Government insured/guaranteed loans (1)	14	134	209	349	364	12,088	—	—	13,158
Total residential mortgage – first lien	70,148	41,774	25,203	8,095	14,223	75,618	5,313	1,896	242,270
Residential mortgage – junior lien									
By delinquency status:									
Current-29 DPD	28	20	30	26	21	700	10,883	4,426	16,134
30-59 DPD	—	—	—	—	1	10	29	46	86
60-89 DPD	—	—	—	—	—	4	10	21	35
90-119 DPD	—	—	—	1	—	3	4	12	20
120-179 DPD	—	—	—	—	—	5	7	14	26
180+ DPD	—	—	1	—	—	40	59	217	317
Total residential mortgage – junior lien	28	20	31	27	22	762	10,992	4,736	16,618
Credit cards									
By delinquency status:									
Current-29 DPD	—	—	—	—	—	—	37,686	192	37,878
30-59 DPD	—	—	—	—	—	—	176	7	183
60-89 DPD	—	—	—	—	—	—	118	5	123
90-119 DPD	—	—	—	—	—	—	98	5	103
120-179 DPD	—	—	—	—	—	—	165	1	166
180+ DPD	—	—	—	—	—	—	—	—	—
Total credit cards	—	—	—	—	—	—	38,243	210	38,453
Auto									
By delinquency status:									
Current-29 DPD	29,246	12,412	8,476	3,271	1,424	714	—	—	55,543
30-59 DPD	220	193	165	81	46	57	—	—	762
60-89 DPD	69	67	53	25	14	21	—	—	249
90-119 DPD	31	27	22	9	6	8	—	—	103
120-179 DPD	—	1	1	—	—	—	—	—	2
180+ DPD	—	—	—	—	—	—	—	—	—
Total auto	29,566	12,700	8,717	3,386	1,490	800	—	—	56,659
Other consumer									
By delinquency status:									
Current-29 DPD	2,221	716	703	203	107	125	23,988	143	28,206
30-59 DPD	3	2	3	1	—	2	10	4	25
60-89 DPD	2	1	2	1	—	1	5	1	13
90-119 DPD	1	1	2	1	—	—	4	—	9
120-179 DPD	—	—	—	—	—	—	8	2	10
180+ DPD	—	—	—	—	—	1	1	9	11
Total other consumer	2,227	720	710	206	107	129	24,016	159	28,274
Total consumer loans	$ 101,969	55,214	34,661	11,714	15,842	77,309	78,564	7,001	382,274

(1) Represents 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 $3.0 billion and $5.7 billion at September 30, 2022, and December 31, 2021, respectively.

Of the $1.5 billion of consumer loans not government insured/guaranteed that are 90 days or more past due at September 30, 2022, $496 million was accruing, compared with $2.7 billion past due and $424 million accruing at December 31, 2021.

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. Substantially all loans not requiring a FICO score are securities-based loans originated by our retail brokerage business.

Table 4.10 provides the outstanding balances of our consumer loan portfolio by FICO score. Substantially all of the scored consumer portfolio has an updated FICO score of 680 or above.

Table 4.10: Consumer Loan Categories by FICO and Vintage

	Term loans by origination year								
(in millions)	2022	2021	2020	2019	2018	Prior	Revolving loans	Revolving loans converted to term loans	Total
September 30, 2022									
By FICO:									
Residential mortgage – first lien									
800+	$ 21,517	43,132	26,589	14,647	4,258	38,776	1,912	617	151,448
760-799	14,432	15,486	7,464	4,154	1,165	10,770	777	327	54,575
720-759	5,131	5,537	2,675	1,606	534	6,171	483	284	22,421
680-719	1,711	1,622	772	531	215	3,439	300	223	8,813
640-679	450	445	165	188	91	1,659	142	148	3,288
600-639	89	93	65	44	23	940	62	81	1,397
< 600	57	41	21	24	19	900	70	134	1,266
No FICO available	46	124	93	72	51	1,643	126	378	2,533
Government insured/guaranteed loans (1)	5	54	135	144	203	7,883	—	—	8,424
Total residential mortgage – first lien	43,438	66,534	37,979	21,410	6,559	72,181	3,872	2,192	254,165
Residential mortgage – junior lien									
800+	—	—	—	—	—	143	4,215	1,683	6,041
760-799	—	—	—	—	—	84	1,622	875	2,581
720-759	—	—	—	—	—	101	1,081	812	1,994
680-719	—	—	—	—	—	86	611	630	1,327
640-679	—	—	—	—	—	47	233	327	607
600-639	—	—	—	—	—	26	113	184	323
< 600	—	—	—	—	—	34	107	209	350
No FICO available	21	32	17	22	20	68	179	318	677
Total residential mortgage – junior lien	21	32	17	22	20	589	8,161	5,038	13,900
Credit card									
800+	—	—	—	—	—	—	4,885	2	4,887
760-799	—	—	—	—	—	—	6,812	8	6,820
720-759	—	—	—	—	—	—	9,397	26	9,423
680-719	—	—	—	—	—	—	10,151	48	10,199
640-679	—	—	—	—	—	—	6,750	49	6,799
600-639	—	—	—	—	—	—	2,706	35	2,741
< 600	—	—	—	—	—	—	2,507	74	2,581
No FICO available	—	—	—	—	—	—	107	1	108
Total credit card	—	—	—	—	—	—	43,315	243	43,558
Auto									
800+	2,892	3,635	1,488	1,112	384	127	—	—	9,638
760-799	3,004	3,635	1,407	944	301	93	—	—	9,384
720-759	2,686	3,323	1,401	918	301	101	—	—	8,730
680-719	2,525	3,382	1,438	856	273	97	—	—	8,571
640-679	2,178	2,912	1,122	613	194	80	—	—	7,099
600-639	1,409	1,963	698	376	131	65	—	—	4,642
< 600	1,245	2,837	1,157	699	258	154	—	—	6,350
No FICO available	10	11	21	40	37	12	—	—	131
Total auto	15,949	21,698	8,732	5,558	1,879	729	—	—	54,545
Other consumer									
800+	615	269	96	61	13	33	940	19	2,046
760-799	636	256	78	53	12	16	628	11	1,690
720-759	618	267	70	56	15	16	588	16	1,646
680-719	501	234	61	49	14	12	555	21	1,447
640-679	264	142	27	29	9	6	301	18	796
600-639	71	47	9	11	4	4	105	10	261
< 600	30	44	11	14	5	5	103	12	224
No FICO available	252	131	61	68	15	9	954	33	1,523
FICO not required	—	—	—	—	—	—	20,135	—	20,135
Total other consumer	2,987	1,390	413	341	87	101	24,309	140	29,768
Total consumer loans	$ 62,395	89,654	47,141	27,331	8,545	73,600	79,657	7,613	395,936

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(in millions)	Term loans by origination year 2021	2020	2019	2018	2017	Prior	Revolving loans	Revolving loans converted to term loans	Total
December 31, 2021									
By FICO:									
Residential mortgage – first lien									
800+	$ 35,935	27,396	16,583	5,153	9,430	37,495	2,554	469	135,015
760-799	23,645	9,814	5,412	1,464	2,485	10,509	1,073	265	54,667
720-759	7,842	3,083	1,980	642	1,137	6,277	646	238	21,845
680-719	1,986	876	645	283	501	3,682	393	206	8,572
640-679	449	233	187	89	129	1,851	188	146	3,272
600-639	101	63	46	31	41	1,035	102	89	1,508
< 600	15	13	24	19	41	1,083	114	124	1,433
No FICO available	161	162	117	65	95	1,598	243	359	2,800
Government insured/guaranteed loans (1)	14	134	209	349	364	12,088	—	—	13,158
Total residential mortgage – first lien	70,148	41,774	25,203	8,095	14,223	75,618	5,313	1,896	242,270
Residential mortgage – junior lien									
800+	—	—	—	—	—	188	5,512	1,481	7,181
760-799	—	—	—	—	—	110	2,154	828	3,092
720-759	—	—	—	—	—	130	1,462	790	2,382
680-719	—	—	—	—	—	118	881	633	1,632
640-679	—	—	—	—	—	65	325	338	728
600-639	—	—	—	—	—	39	160	208	407
< 600	—	—	—	—	—	43	164	215	422
No FICO available	28	20	31	27	22	69	334	243	774
Total residential mortgage – junior lien	28	20	31	27	22	762	10,992	4,736	16,618
Credit card									
800+	—	—	—	—	—	—	4,247	1	4,248
760-799	—	—	—	—	—	—	6,053	7	6,060
720-759	—	—	—	—	—	—	8,475	26	8,501
680-719	—	—	—	—	—	—	9,136	50	9,186
640-679	—	—	—	—	—	—	5,850	47	5,897
600-639	—	—	—	—	—	—	2,298	31	2,329
< 600	—	—	—	—	—	—	2,067	47	2,114
No FICO available	—	—	—	—	—	—	117	1	118
Total credit card	—	—	—	—	—	—	38,243	210	38,453
Auto									
800+	4,688	1,983	1,680	690	318	108	—	—	9,467
760-799	4,967	2,123	1,586	586	234	87	—	—	9,583
720-759	4,789	2,104	1,503	583	241	106	—	—	9,326
680-719	5,005	2,282	1,441	526	218	111	—	—	9,583
640-679	4,611	1,824	1,025	369	160	99	—	—	8,088
600-639	3,118	1,114	617	243	117	92	—	—	5,301
< 600	2,372	1,236	853	376	193	187	—	—	5,217
No FICO available	16	34	12	13	9	10	—	—	94
Total auto	29,566	12,700	8,717	3,386	1,490	800	—	—	56,659
Other consumer									
800+	450	162	128	34	8	47	1,343	22	2,194
760-799	502	147	117	33	7	22	819	19	1,666
720-759	461	134	115	38	9	18	714	22	1,511
680-719	349	95	99	37	9	15	630	22	1,256
640-679	170	44	55	21	6	8	328	17	649
600-639	42	13	19	9	3	4	117	9	216
< 600	18	12	22	11	3	5	114	12	197
No FICO available	235	113	155	23	62	10	1,236	36	1,870
FICO not required	—	—	—	—	—	—	18,715	—	18,715
Total other consumer	2,227	720	710	206	107	129	24,016	159	28,274
Total consumer loans	$ 101,969	55,214	34,661	11,714	15,842	77,309	78,564	7,001	382,274

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

LTV refers to the ratio comparing the loan's unpaid principal balance to the property's collateral value. Combined LTV (CLTV) refers to the combination of first lien mortgage and junior lien mortgage (including unused line amounts for credit line products) ratios. We obtain LTVs and CLTVs 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 million or more, as the AVM values have proven less accurate for these properties. Generally, we obtain available LTVs and CLTVs on a quarterly basis. Certain loans do not have an LTV or CLTV due to a lack of industry data availability and portfolios acquired from or serviced by other institutions.

Table 4.11 shows the most updated LTV and CLTV distribution of the residential mortgage – first lien and residential mortgage – junior lien loan portfolios.

Table 4.11: Consumer Loan Categories by LTV/CLTV and Vintage

	Term loans by origination year								
(in millions)	2022	2021	2020	2019	2018	Prior	Revolving loans	Revolving loans converted to term loans	Total
September 30, 2022									
Residential mortgage – first lien									
By LTV:									
0-60%	**$ 14,608**	**38,581**	**31,333**	**17,850**	**5,391**	**61,269**	**3,570**	**2,057**	**174,659**
60.01-80%	**27,462**	**27,485**	**6,359**	**3,276**	**907**	**2,773**	**226**	**107**	**68,595**
80.01-100%	**1,333**	**326**	**91**	**91**	**34**	**86**	**33**	**14**	**2,008**
100.01-120% (1)	**4**	**14**	**6**	**5**	**2**	**16**	**5**	**2**	**54**
> 120% (1)	**5**	**7**	**3**	**2**	**—**	**9**	**3**	**2**	**31**
No LTV available	**21**	**67**	**52**	**42**	**22**	**145**	**35**	**10**	**394**
Government insured/guaranteed loans (2)	**5**	**54**	**135**	**144**	**203**	**7,883**	**—**	**—**	**8,424**
Total residential mortgage – first lien	**43,438**	**66,534**	**37,979**	**21,410**	**6,559**	**72,181**	**3,872**	**2,192**	**254,165**
Residential mortgage – junior lien									
By CLTV:									
0-60%	**—**	**—**	**—**	**—**	**—**	**444**	**7,180**	**4,351**	**11,975**
60.01-80%	**—**	**—**	**—**	**—**	**—**	**81**	**833**	**550**	**1,464**
80.01-100%	**—**	**—**	**—**	**—**	**—**	**16**	**119**	**97**	**232**
100.01-120% (1)	**—**	**—**	**—**	**—**	**—**	**2**	**15**	**12**	**29**
> 120% (1)	**—**	**—**	**—**	**—**	**—**	**1**	**6**	**5**	**12**
No CLTV available	**21**	**32**	**17**	**22**	**20**	**45**	**8**	**23**	**188**
Total residential mortgage – junior lien	**21**	**32**	**17**	**22**	**20**	**589**	**8,161**	**5,038**	**13,900**
Total	**$ 43,459**	**66,566**	**37,996**	**21,432**	**6,579**	**72,770**	**12,033**	**7,230**	**268,065**

	Term loans by origination year								
	2021	2020	2019	2018	2017	Prior	Revolving loans	Revolving loans converted to term loans	Total
December 31, 2021									
Residential mortgage – first lien									
By LTV:									
0-60%	$ 26,618	22,882	16,063	5,310	11,030	57,880	4,348	1,644	145,775
60.01-80%	42,893	18,188	8,356	2,234	2,647	5,017	674	188	80,197
80.01-100%	486	437	474	147	134	339	157	42	2,216
100.01-120% (1)	10	31	24	11	7	48	33	8	172
> 120% (1)	5	10	10	4	3	35	14	3	84
No LTV available	122	92	67	40	38	211	87	11	668
Government insured/guaranteed loans (2)	14	134	209	349	364	12,088	—	—	13,158
Total residential mortgage – first lien	70,148	41,774	25,203	8,095	14,223	75,618	5,313	1,896	242,270
Residential mortgage – junior lien									
By CLTV:									
0-60%	—	—	—	—	—	475	7,949	3,588	12,012
60.01-80%	—	—	—	—	—	172	2,329	823	3,324
80.01-100%	—	—	—	—	—	55	554	241	850
100.01-120% (1)	—	—	—	—	—	13	104	42	159
> 120% (1)	—	—	—	—	—	3	35	13	51
No CLTV available	28	20	31	27	22	44	21	29	222
Total residential mortgage – junior lien	28	20	31	27	22	762	10,992	4,736	16,618
Total	$ 70,176	41,794	25,234	8,122	14,245	76,380	16,305	6,632	258,888

(1) Reflects total loan balances with LTV/CLTV 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/CLTV.
(2) Represents loans whose repayments are predominantly insured by the FHA or guaranteed by the VA.

NONACCRUAL LOANS Table 4.12 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. Customer payment deferral activities in the residential mortgage portfolio instituted in response to the COVID-19 pandemic could continue to delay the recognition of nonaccrual loans for those residential mortgage customers who would have otherwise moved into nonaccrual status.

Table 4.12: Nonaccrual Loans

		Amortized cost				Recognized interest income	
		Nonaccrual loans		Nonaccrual loans without related allowance for credit losses (1)		Nine months ended September 30,	
(in millions)		**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	**2022**	2021
Commercial:							
Commercial and industrial	**$**	**742**	980	**205**	190	**57**	73
Real estate mortgage		**850**	1,235	**101**	66	**43**	51
Real estate construction		**3**	13	**—**	5	**1**	3
Lease financing		**108**	148	**5**	9	**—**	1
Total commercial		**1,703**	2,376	**311**	270	**101**	128
Consumer:							
Residential mortgage – first lien		**3,024**	3,803	**2,035**	2,722	**120**	86
Residential mortgage – junior lien		**653**	801	**453**	497	**41**	38
Auto		**171**	198	**—**	—	**21**	26
Other consumer		**36**	34	**—**	—	**3**	2
Total consumer		**3,884**	4,836	**2,488**	3,219	**185**	152
Total nonaccrual loans	**$**	**5,587**	7,212	**2,799**	3,489	**286**	280

(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 $980 million and $694 million at September 30, 2022, and December 31, 2021, respectively, which included $744 million and $583 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 4.13 shows loans 90 days or more past due and still accruing by class for loans not government insured/guaranteed.

Table 4.13: Loans 90 Days or More Past Due and Still Accruing

($ in millions)		Sep 30, 2022	Dec 31, 2021
Total:	$	**3,955**	5,358
Less: FHA insured/VA guaranteed (1)		**2,657**	4,699
Total, not government insured/ guaranteed	$	**1,298**	659
By segment and class, not government insured/ guaranteed:			
Commercial:			
Commercial and industrial	$	**699**	206
Real estate mortgage		**71**	29
Real estate construction		**32**	—
Total commercial		**802**	235
Consumer:			
Residential mortgage – first lien		**13**	37
Residential mortgage – junior lien		**7**	12
Credit card		**359**	269
Auto		**97**	88
Other consumer		**20**	18
Total consumer		**496**	424
Total, not government insured/ guaranteed	$	**1,298**	659

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

TROUBLED DEBT RESTRUCTURINGS (TDRs) When, for economic or legal reasons related to a borrower's financial difficulties, we grant a concession for other than an insignificant period of time to a borrower that we would not otherwise consider, the related loan is classified as a TDR, the balance of which totaled $9.4 billion and $10.2 billion at September 30, 2022, and December 31, 2021, respectively. We do not consider loan resolutions such as foreclosure or short sale to be a TDR. In addition, COVID-related modifications are generally not classified as TDRs due to the relief under the CARES Act and the Interagency Statement. For additional information on the TDR relief, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.

We may require some consumer borrowers experiencing financial difficulty to make trial payments generally for a period of three to four months, according to the terms of a planned permanent modification, to determine if they can perform according to those terms. These arrangements represent trial modifications, which we classify and account for as TDRs. While loans are in trial payment programs, their original terms are not considered modified and they continue to advance through delinquency status and accrue interest according to their original terms.

Commitments to lend additional funds on loans whose terms have been modified in a TDR amounted to $416 million and $431 million at September 30, 2022, and December 31, 2021, respectively.

Table 4.14 summarizes our TDR modifications for the periods presented by primary modification type and includes the financial effects of these modifications. For those loans that modify more than once, the table reflects each modification that occurred during the period. Loans that both modify and are paid off or written-off within the period, as well as changes in recorded investment during the period for loans modified in prior periods, are not included in the table.

Table 4.14: TDR Modifications

	Primary modification type (1)				Financial effects of modifications		
($ in millions)	Principal forgiveness	Interest rate reduction	Other concessions (2)	Total	Charge-offs (3)	Weighted average interest rate reduction	Recorded investment related to interest rate reduction (4)
Quarter ended September 30, 2022							
Commercial:							
Commercial and industrial	**$ 7**	**4**	**76**	**87**	**—**	**14.26%**	**$ 4**
Real estate mortgage	**—**	**1**	**37**	**38**	**—**	**0.25**	**1**
Real estate construction	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Lease financing	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial	**7**	**5**	**113**	**125**	**—**	**12.15**	**5**
Consumer:							
Residential mortgage – first lien	**—**	**72**	**312**	**384**	**1**	**1.40**	**72**
Residential mortgage – junior lien	**—**	**25**	**20**	**45**	**—**	**2.33**	**25**
Credit card	**—**	**82**	**—**	**82**	**—**	**20.45**	**82**
Auto	**—**	**2**	**8**	**10**	**2**	**3.87**	**2**
Other consumer	**—**	**6**	**1**	**7**	**1**	**11.46**	**5**
Trial modifications (5)	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total consumer	**—**	**187**	**341**	**528**	**4**	**10.27**	**186**
Total	**$ 7**	**192**	**454**	**653**	**4**	**10.31%**	**$ 191**
Quarter ended September 30, 2021							
Commercial:							
Commercial and industrial	$ 2	6	192	200	—	0.61%	$ 6
Real estate mortgage	—	2	26	28	—	2.95	2
Real estate construction	—	—	—	—	—	—	—
Lease financing	—	—	3	3	—	—	—
Total commercial	2	8	221	231	—	1.32	8
Consumer:							
Residential mortgage – first lien	—	11	204	215	—	1.68	11
Residential mortgage – junior lien	—	3	7	10	—	3.45	3
Credit card	—	25	—	25	—	19.18	25
Auto	—	1	23	24	9	4.00	1
Other consumer	—	4	—	4	—	11.52	4
Trial modifications (5)	—	—	2	2	—	—	—
Total consumer	—	44	236	280	9	12.54	44
Total	$ 2	52	457	511	9	10.69%	$ 52

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($ in millions)		Principal forgiveness	Interest rate reduction	Other concessions (2)	Total	Charge-offs (3)	Weighted average interest rate reduction		Recorded investment related to interest rate reduction (4)
		Primary modification type (1)				Financial effects of modifications			
Nine months ended September 30, 2022									
Commercial:									
Commercial and industrial	**$**	**7**	**18**	**224**	**249**	**—**	**9.76%**	**$**	**18**
Real estate mortgage		**—**	**11**	**101**	**112**	**—**	**0.94**		**11**
Real estate construction		**—**	**—**	**1**	**1**	**—**	**—**		**—**
Lease financing		**—**	**—**	**1**	**1**	**—**	**—**		**—**
Total commercial		**7**	**29**	**327**	**363**	**—**	**6.47**		**29**
Consumer:									
Residential mortgage – first lien		**1**	**238**	**950**	**1,189**	**3**	**1.43**		**238**
Residential mortgage – junior lien		**—**	**54**	**68**	**122**	**1**	**2.36**		**54**
Credit card		**—**	**215**	**—**	**215**	**—**	**19.66**		**215**
Auto		**1**	**6**	**56**	**63**	**13**	**4.44**		**6**
Other consumer		**—**	**13**	**2**	**15**	**1**	**11.37**		**12**
Trial modifications (5)		**—**	**—**	**252**	**252**	**—**	**—**		**—**
Total consumer		**2**	**526**	**1,328**	**1,856**	**18**	**9.27**		**525**
Total	**$**	**9**	**555**	**1,655**	**2,219**	**18**	**9.12%**	**$**	**554**
Nine months ended September 30, 2021									
Commercial:									
Commercial and industrial	$	2	8	752	762	20	0.74%	$	8
Real estate mortgage		41	11	212	264	—	1.48		11
Real estate construction		—	—	3	3	—	—		—
Lease financing		—	—	7	7	—	—		—
Total commercial		43	19	974	1,036	20	1.17		19
Consumer:									
Residential mortgage – first lien		—	26	1,089	1,115	1	1.60		26
Residential mortgage – junior lien		—	10	29	39	1	2.71		10
Credit card		—	81	—	81	—	19.01		81
Auto		1	3	109	113	46	3.94		3
Other consumer		—	15	1	16	—	11.99		15
Trial modifications (5)		—	—	4	4	—	—		—
Total consumer		1	135	1,232	1,368	48	13.31		135
Total	$	44	154	2,206	2,404	68	11.76%	$	154

(1) Amounts represent the recorded investment in loans after recognizing the effects of the TDR, if any. TDRs may have multiple types of concessions, but are presented only once in the first modification type based on the order presented in the table above. The reported amounts include loans remodified of $105 million and $188 million for the quarters ended September 30, 2022 and 2021, respectively, and $355 million and $646 million for the first nine months of 2022 and 2021, respectively.

(2) Other concessions include loans with payment (principal and/or interest) deferral, loans discharged in bankruptcy, loan renewals, term extensions and other interest and noninterest adjustments, but exclude modifications that also forgive principal and/or reduce the contractual interest rate. The reported amounts include loans that are new TDRs that may have COVID-related payment deferrals and exclude COVID-related payment deferrals on loans previously reported as TDRs given limited current financial effects other than payment deferral.

(3) Charge-offs include write-downs of the investment in the loan in the period it is contractually modified. The amount of charge-off will differ from the modification terms if the loan has been charged down prior to the modification based on our policies. In addition, there may be cases where we have a charge-off/down with no legal principal modification.

(4) Recorded investment related to interest rate reduction reflects the effect of reduced interest rates on loans with an interest rate concession as one of their concession types, which includes loans reported as a principal primary modification type that also have an interest rate concession.

(5) Trial modifications are granted a delay in payments due under the original terms during the trial payment period. However, these loans continue to advance through delinquency status and accrue interest according to their original terms. Any subsequent permanent modification generally includes interest rate related concessions; however, the exact concession type and resulting financial effect are usually not known until the loan is permanently modified. Trial modifications for the period are presented net of previously reported trial modifications that became permanent in the current period.

Table 4.15 summarizes permanent modification TDRs that have defaulted in the current period within 12 months of their permanent modification date. We are reporting these defaulted TDRs based on a payment default definition of 90 days past due for the commercial portfolio segment and 60 days past due for the consumer portfolio segment.

Table 4.15: Defaulted TDRs

	Recorded investment of defaults			
	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Commercial:				
Commercial and industrial	**$ 1**	4	**$ 53**	129
Real estate mortgage	**3**	2	**13**	27
Real estate construction	**—**	—	**—**	—
Lease financing	**—**	—	**—**	1
Total commercial	**4**	6	**66**	157
Consumer:				
Residential mortgage – first lien	**32**	4	**88**	9
Residential mortgage – junior lien	**4**	—	**6**	1
Credit card	**12**	5	**25**	21
Auto	**4**	11	**17**	34
Other consumer	**—**	1	**1**	2
Total consumer	**52**	21	**137**	67
Total	**$ 56**	27	**$ 203**	224

Note 5: Leasing Activity

The information below provides a summary of our leasing activities as a lessor and lessee. See Note 5 (Leasing Activity) in our 2021 Form 10-K for additional information about our leasing activities.

As a Lessor

Noninterest income on leases, included in Table 5.1, 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 $186 million and $220 million for the third quarter of 2022 and 2021, respectively, and $559 million and $672 million for the first nine months of 2022 and 2021, respectively.

Table 5.1: Leasing Revenue

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Interest income on lease financing	**$ 134**	169	**$ 438**	522
Other lease revenue:				
Variable revenue on lease financing	**28**	25	**85**	76
Fixed revenue on operating leases	**243**	244	**730**	758
Variable revenue on operating leases	**17**	14	**46**	50
Other lease-related revenue (1)	**34**	39	**121**	66
Noninterest income on leases	**322**	322	**982**	950
Total leasing revenue	**$ 456**	491	**$ 1,420**	1,472

(1) Predominantly 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 5.2 presents balances for our operating leases.

Table 5.2: Operating Lease Right-of-Use (ROU) Assets and Lease Liabilities

(in millions)	**Sep 30, 2022**	Dec 31, 2021
ROU assets	**$ 3,804**	3,805
Lease liabilities	**4,423**	4,476

Table 5.3 provides the composition of our lease costs, which are predominantly included in net occupancy expense.

Table 5.3: Lease Costs

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Fixed lease expense – operating leases	**$ 263**	262	**$ 769**	792
Variable lease expense	**67**	72	**210**	219
Other (1)	**(7)**	(15)	**(25)**	(46)
Total lease costs	**$ 323**	319	**$ 954**	965

(1) Predominantly includes gains recognized from sale leaseback transactions and sublease rental income.

Note 6: Equity Securities

Table 6.1 provides a summary of our equity securities by business purpose and accounting method.

Table 6.1: Equity Securities

(in millions)		Sep 30, 2022	Dec 31, 2021
Held for trading at fair value:			
Marketable equity securities (1)	$	**14,791**	27,476
Nonmarketable equity securities (2)(3)		**8,320**	—
Total equity securities held for trading		**23,111**	27,476
Not held for trading:			
Fair value:			
Marketable equity securities		**1,526**	2,578
Nonmarketable equity securities (2)		**61**	9,044
Total equity securities not held for trading at fair value		**1,587**	11,622
Equity method:			
Private equity		**2,790**	3,077
Tax-advantaged renewable energy		**5,258**	4,740
New market tax credit and other		**305**	379
Total equity method		**8,353**	8,196
Other methods:			
Low-income housing tax credit investments (LIHTC)		**12,172**	12,314
Private equity (4)		**10,036**	9,694
Federal Reserve Bank stock and other at cost (5)		**4,301**	3,584
Total equity securities not held for trading		**36,449**	45,410
Total equity securities	$	**59,560**	72,886

(1) Represents securities held as part of our customer accommodation trading activities. For additional information on these activities, see Note 2 (Trading Activities).
(2) In first quarter 2022, we prospectively reclassified certain equity securities and related economic hedge derivatives from "not held for trading activities" to "held for trading activities" to better reflect the business activity of those financial instruments. For additional information on Trading Activities, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.
(3) Represents securities economically hedged with equity derivatives.
(4) Represents nonmarketable equity securities accounted for under the measurement alternative, which were predominantly securities associated with our affiliated venture capital business.
(5) Substantially all relates to investments in Federal Reserve Bank stock at both September 30, 2022, and December 31, 2021.

Net Gains and Losses Not Held for Trading

Table 6.2 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 6.2: Net Gains (Losses) from Equity Securities Not Held for Trading

		Quarter ended September 30,			Nine months ended September 30,	
(in millions)		**2022**	2021		**2022**	2021
Net gains (losses) from equity securities carried at fair value:						
Marketable equity securities	$	**(22)**	(157)	$	**(250)**	(23)
Nonmarketable equity securities (1)		**(35)**	(522)		**(73)**	13
Total equity securities carried at fair value		**(57)**	(679)		**(323)**	(10)
Net gains (losses) from nonmarketable equity securities not carried at fair value (2):						
Impairment write-downs		**(389)**	(23)		**(1,403)**	(80)
Net unrealized gains (3)		**82**	816		**916**	3,078
Net realized gains from sale		**330**	191		**737**	742
Total nonmarketable equity securities not carried at fair value		**23**	984		**250**	3,740
Net gains (losses) from economic hedge derivatives (1)		**—**	564		**—**	227
Total net gains (losses) from equity securities not held for trading	$	**(34)**	869	$	**(73)**	3,957

(1) In first quarter 2022, we prospectively reclassified certain equity securities and related economic hedge derivatives from "not held for trading activities" to "held for trading activities" to better reflect the business activity of those financial instruments. For additional information on Trading Activities, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.
(2) Includes amounts related to private equity and venture capital investments in consolidated portfolio companies, which are not reported in equity securities on our consolidated balance sheet.
(3) Includes unrealized gains (losses) due to observable price changes from equity securities accounted for under the measurement alternative.

Measurement Alternative

Table 6.3 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 6.2.

Table 6.3: Net Gains (Losses) from Measurement Alternative Equity Securities

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Net gains (losses) recognized in earnings during the period:				
Gross unrealized gains from observable price changes	**$ 82**	816	**$ 916**	3,078
Impairment write-downs	**(270)**	(19)	**(1,214)**	(69)
Net realized gains from sale	**12**	1	**90**	196
Total net gains (losses) recognized during the period	**$ (176)**	$ 798	**$ (208)**	3,205

Table 6.4 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 6.4: Measurement Alternative Cumulative Gains (Losses)

(in millions)	**Sep 30, 2022**	Dec 31, 2021
Cumulative gains (losses):		
Gross unrealized gains from observable price changes	**$ 7,075**	6,278
Gross unrealized losses from observable price changes	**(1)**	(3)
Impairment write-downs	**(1,922)**	(821)

Note 7: Other Assets

Table 7.1 presents the components of other assets.

Table 7.1: Other Assets

(in millions)		Sep 30, 2022	Dec 31, 2021
Corporate/bank-owned life insurance	$	**20,784**	20,619
Accounts receivable (1)		**26,576**	20,831
Interest receivable:			
AFS and HTM debt securities		**1,444**	1,360
Loans		**2,791**	1,950
Trading and other		**766**	305
Operating lease assets (lessor)		**5,892**	6,182
Operating lease ROU assets (lessee)		**3,804**	3,805
Customer relationship and other amortized intangibles		**167**	211
Foreclosed assets		**125**	112
Due from customers on acceptances		**145**	155
Other (2)		**15,647**	11,729
Total other assets	$	**78,141**	67,259

(1) Primarily includes derivatives clearinghouse receivables, trade date receivables, and servicer advances.
(2) Primarily includes income tax receivables, prepaid expenses, and private equity and venture capital investments in consolidated portfolio companies.

Note 8: 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 U.S. GOVERNMENT SPONSORED ENTITIES AND TRANSACTIONS WITH GINNIE MAE In the normal course of business we sell originated and purchased residential and commercial mortgage loans to government-sponsored entities (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 Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (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 GNMA loan securitization pools, which becomes exercisable when three scheduled loan payments remain unpaid by the borrower. We repurchased loans of $574 million and $2.1 billion, during the third quarter and first nine months of 2022, respectively, and $780 million and $3.7 billion during the third quarter and first nine months of 2021, respectively, which predominantly represented repurchases of government insured loans. We recorded assets and related liabilities of $345 million and $107 million at September 30, 2022, and December 31, 2021, respectively, where we did not exercise our option to repurchase eligible loans.

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 September 30, 2022, and December 31, 2021, our liability for these repurchase and recourse arrangements was $158 million and $173 million, respectively, and the maximum exposure to loss was $13.6 billion and $13.3 billion at September 30, 2022, and December 31, 2021, respectively.

Loans serviced for others presented in Table 8.3 are predominantly loans in GSE and GNMA securitizations. See Note 9 (Mortgage Banking Activities) for additional information about residential and commercial servicing rights, advances and servicing fees. Substantially all residential servicing activity is related to assets transferred to GSE and GNMA securitizations.

NONCONFORMING MORTGAGE LOAN SECURITIZATIONS In the normal course of business, we sell nonconforming residential and commercial 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, account for the transfers as sales and do not consolidate the VIE. We also typically retain the right to service the loans and may hold other beneficial interests issued by the VIEs, 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 and 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 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 8.1 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, securities, and loans. 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. Substantially all transfers were related to residential mortgage securitizations with the GSEs or GNMA and resulted 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 8.1: Transfers with Continuing Involvement

	2022		2021	
(in millions)	**Residential mortgages**	**Commercial mortgages**	Residential mortgages	Commercial mortgages
Quarter ended September 30,				
Assets sold	$ **14,447**	**3,061**	37,230	3,502
Proceeds from transfer (1)	**14,447**	**3,121**	37,412	3,583
Net gains (losses) on sale	**—**	**60**	182	81
Continuing involvement (2):				
Servicing rights recognized	$ **193**	**32**	378	52
Securities recognized (3)	**—**	**39**	1,363	30
Loans recognized	**—**	**—**	—	—
Nine months ended September 30,				
Assets sold	$ **64,438**	**11,439**	123,719	11,866
Proceeds from transfer (1)	**64,490**	**11,629**	124,333	12,092
Net gains (losses) on sale	**52**	**190**	614	226
Continuing involvement (2):				
Servicing rights recognized	$ **833**	**102**	1,272	123
Securities recognized (3)	**2,062**	**176**	17,757	98
Loans recognized	**—**	**—**	926	—

(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, which predominantly relate to agency securities. Excludes trading debt securities held temporarily for market-marking purposes, which are sold to third parties at or shortly after securitization settlement, of $3.0 billion and $13.3 billion during the third quarter and first nine months of 2022, respectively, and $13.6 billion and $31.6 billion during the third quarter and first nine months of 2021, 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. We received cash flows of $95 million and $399 million during the third quarter and first nine months of 2022, respectively, and $116 million and $577 million during the third quarter and first nine months of 2021, respectively, related to principal and interest payments on these securities and loans, which exclude cash flows related to trading activities and to the sale of our student loan portfolio.

Table 8.2 presents the key weighted-average assumptions we used to initially measure residential MSRs recognized during the periods presented.

Table 8.2: Residential MSRs – Assumptions at Securitization Date

	2022	2021
Quarter ended September 30,		
Prepayment rate (1)	**15.0 %**	14.8
Discount rate	**8.5**	5.4
Cost to service ($ per loan)	$ **101**	94
Nine months ended September 30,		
Prepayment rate (1)	**11.9 %**	14.1
Discount rate	**7.7**	5.7
Cost to service ($ per loan)	$ **114**	89

(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 15 (Fair Values of Assets and Liabilities) and Note 9 (Mortgage Banking Activities) for additional information on key economic 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. We transferred $15.7 billion and $33.8 billion of securities to re-securitization VIEs during the nine months ended September 30, 2022 and 2021, respectively. These amounts are not included in Table 8.1. Related total VIE assets were $113.8 billion and $117.7 billion at September 30, 2022, and December 31, 2021, respectively. As of September 30, 2022, and December 31, 2021 we held $1.0 billion and $817 million of securities, respectively. $622 million and $1.1 billion of these securities related to resecuritizations transacted during the nine months ended September 30, 2022 and 2021, respectively.

Loans Serviced for Others

Table 8.3 presents information about loans that we sold or securitized in which we have ongoing involvement as servicer. These are primarily residential mortgage loans in GSE or GNMA securitizations. Delinquent loans include loans 90 days or more past due and loans in bankruptcy, regardless of delinquency status. 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 8.3: Loans Serviced for Others

						Net charge-offs (2)	
		Total loans		Delinquent loans and foreclosed assets (1)		Nine months ended September 30,	
(in millions)		**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	**2022**	2021
Commercial	$	**122,716**	120,962	**1,298**	1,923	**24**	123
Residential		**665,158**	690,813	**5,801**	10,714	**13**	16
Total off-balance sheet sold or securitized loans (3)	$	**787,874**	811,775	**7,099**	12,637	**37**	139

(1) Includes $339 million and $403 million of commercial foreclosed assets and $120 million and $129 million of residential foreclosed assets at September 30, 2022, and December 31, 2021, respectively.
(2) Net charge-offs exclude loans sold to Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC) and GNMA as we do not service or manage the underlying real estate upon foreclosure and, as such, do not have access to net charge-off information.
(3) At September 30, 2022, and December 31, 2021, the table includes total loans of $711.3 billion and $736.8 billion, delinquent loans of $5.3 billion and $10.2 billion, and foreclosed assets of $96 million and $100 million, respectively, for FNMA, FHLMC and GNMA.

Transactions with Unconsolidated VIEs

MORTGAGE LOAN SECURITIZATIONS Table 8.4 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 8.4 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.

TAX CREDIT STRUCTURES We co-sponsor and make investments in affordable housing projects that are designed to generate a return primarily through the realization of federal tax credits. The projects are typically managed by project sponsors who have the power over the VIE’s assets. In some instances, our investments in these structures may require that we fund future capital commitments at the discretion of the project sponsors.

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.

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 8.4 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 8.4, "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 loans sold that we may be required to repurchase, or otherwise indemnify or reimburse the investor or insurer for losses incurred, due to material breach of contractual representations and warranties as well as other retained recourse arrangements. The maximum exposure to loss for material breach of contractual representations and warranties represents a stressed case estimate we utilize for determining stressed case regulatory capital needs and is considered to be a remote scenario.

"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 8.4: Unconsolidated VIEs

						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**
September 30, 2022							
Nonconforming mortgage loan securitizations	**$ 153,831**	**—**	**2,468**	**—**	**610**	**(14)**	**3,064**
Tax credit structures	**45,130**	**1,864**	**—**	**12,182**	**—**	**(4,809)**	**9,237**
Commercial real estate loans	**5,632**	**5,619**	**—**	**—**	**13**	**—**	**5,632**
Other	**2,138**	**319**	**1**	**39**	**20**	**—**	**379**
Total	**$ 206,731**	**7,802**	**2,469**	**12,221**	**643**	**(4,823)**	**18,312**
						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		**$ —**	**2,468**	**—**	**610**	**14**	**3,092**
Tax credit structures		**1,864**	**—**	**12,182**	**—**	**3,749**	**17,795**
Commercial real estate loans		**5,619**	**—**	**—**	**13**	**706**	**6,338**
Other		**319**	**1**	**39**	**20**	**229**	**608**
Total		**$ 7,802**	**2,469**	**12,221**	**643**	**4,698**	**27,833**

						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
December 31, 2021							
Nonconforming mortgage loan securitizations	$ 146,482	—	2,620	—	694	—	3,314
Tax credit structures	44,528	1,904	—	12,322	—	(4,941)	9,285
Commercial real estate loans	5,489	5,481	—	—	8	—	5,489
Other	3,196	531	3	62	49	(1)	644
Total	$ 199,695	7,916	2,623	12,384	751	(4,942)	18,732
						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		$ —	2,620	—	694	27	3,341
Tax credit structures		1,904	—	12,322	—	3,730	17,956
Commercial real estate loans		5,481	—	—	8	710	6,199
Other		531	3	62	49	229	874
Total		$ 7,916	2,623	12,384	751	4,696	28,370

(1) Includes $216 million and $352 million of securities classified as trading at September 30, 2022, and December 31, 2021, respectively.
(2) All other assets includes mortgage servicing rights, derivative assets, and other assets (predominantly servicing advances).

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 securitize dealer floor plan loans and leases in a revolving master trust entity and hold the subordinated notes and residual equity interests. As servicer and residual interest holder, we control the key decisions of the trust and consolidate the entity. The total VIE assets held by the master trust represent a majority of the total VIE assets presented for this category in Table 8.5. In a separate transaction structure, we also provide the majority of debt and equity financing to an SPE that engages in lending and leasing to specific vendors and service the underlying collateral.

OTHER VIE STRUCTURES Other VIEs are predominantly related to municipal tender option bond (MTOB) transactions. MTOBs are vehicles to finance the purchase of municipal bonds through the issuance of short-term debt to investors. Our involvement with MTOBs includes serving as the residual interest holder, which provides control over the key decisions of the VIE, as well as the remarketing agent or liquidity provider related to the debt issued to investors. We may also securitize nonconforming mortgage loans, in which our involvement includes servicer of the underlying assets and holder of subordinate or senior securities issued by the VIE. During second quarter 2022, we purchased the outstanding mortgage loans from the VIEs and extinguished the related debt associated with such securitizations.

Table 8.5 presents a summary of financial assets and liabilities of our consolidated VIEs. The carrying value represents assets and liabilities recorded on our consolidated balance sheet. Carrying values of assets are presented using GAAP measurement methods, which may include fair value, credit impairment or other adjustments, and therefore in some instances will differ from "Total VIE 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 8.5: Transactions with Consolidated VIEs

			Carrying value – asset (liability)				
(in millions)		Total VIE assets	Loans	Debt securities	All other assets (1)	Long-term debt	All other liabilities (2)
September 30, 2022							
Commercial and industrial loans and leases	**$**	**7,068**	**4,585**	**—**	**171**	**—**	**(163)**
Other		**72**	**—**	**71**	**1**	**—**	**(72)**
Total consolidated VIEs	**$**	**7,140**	**4,585**	**71**	**172**	**—**	**(235)**
December 31, 2021							
Commercial and industrial loans and leases	$	7,013	4,099	—	231	—	(188)
Other		516	377	71	3	(149)	(71)
Total consolidated VIEs	$	7,529	4,476	71	234	(149)	(259)

(1) All other assets includes cash and due from banks, interest-earning deposits with banks, derivative assets, equity securities, and other assets.
(2) All other liabilities includes short-term borrowings, derivative liabilities, 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. In our consolidated balance sheet we reported the debt securities issued to the VIEs as long-term junior subordinated debt with a carrying value of $398 million and $388 million at September 30, 2022, and December 31, 2021, respectively. See Note 16 (Preferred Stock) for additional information about trust preferred securities.

Note 9: Mortgage Banking Activities

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

We apply the amortization method to commercial MSRs and apply the fair value method to residential MSRs. The amortized cost of commercial MSRs was $1.2 billion and $1.3 billion, with an estimated fair value of $2.3 billion and $1.5 billion, at September 30, 2022 and 2021, respectively. Table 9.1 presents the changes in MSRs measured using the fair value method.

Table 9.1: Analysis of Changes in Fair Value MSRs

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Fair value, beginning of period	$ **9,163**	6,717	$ **6,920**	6,125
Servicing from securitizations or asset transfers (1)	**204**	379	**868**	1,270
Sales and other (2)	**1**	(2)	**(249)**	(10)
Net additions	**205**	377	**619**	1,260
Changes in fair value:				
Due to valuation inputs or assumptions:				
Mortgage interest rates (3)	**760**	320	**3,408**	1,421
Servicing and foreclosure costs (4)	**(8)**	2	**(20)**	11
Discount rates (5)	**(44)**	(263)	**42**	(56)
Prepayment estimates and other (6)	**42**	216	**(207)**	(319)
Net changes in valuation inputs or assumptions	**750**	275	**3,223**	1,057
Changes due to collection/realization of expected cash flows (7)	**(290)**	(507)	**(934)**	(1,580)
Total changes in fair value	**460**	(232)	**2,289**	(523)
Fair value, end of period	$ **9,828**	6,862	$ **9,828**	6,862

(1) Includes impacts associated with exercising cleanup calls on securitizations and our right to repurchase delinquent loans from GNMA loan securitization pools. MSRs may increase upon repurchase due to servicing liabilities associated with these delinquent GNMA loans.
(2) Includes sales and transfers of MSRs, which can result in an increase in MSRs if related to portfolios with servicing liabilities. In the first nine months of 2022, MSRs decreased $244 million due to the sale of interest-only strips in second quarter 2022 related to excess servicing cash flows from agency residential mortgage backed securitizations.
(3) Includes prepayment rate changes as well as other valuation changes due to changes in mortgage interest rates.
(4) Includes costs to service and unreimbursed foreclosure costs.
(5) In third quarter 2022, we enhanced our approach for estimating the discount rates to a more dynamic methodology for market curves and volatility, which had a nominal impact.
(6) Represents other changes in valuation model inputs or assumptions including prepayment rate estimation changes that are independent of mortgage interest rate changes.
(7) Represents the reduction in the MSR fair value for the cash flows expected to be collected during the period, net of income accreted due to the passage of time.

Table 9.2 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. Amounts for residential MSRs include purchased servicing rights as well as servicing rights resulting from the transfer of loans. See Note 15 (Fair Values of Assets and Liabilities) for additional information on key assumptions for residential MSRs.

Table 9.2: Assumptions and Sensitivity of Residential MSRs

($ in millions, except cost to service amounts)	**Sep 30, 2022**	Dec 31, 2021
Fair value of interests held	$ **9,828**	6,920
Expected weighted-average life (in years)	**6.3**	4.7
Key assumptions:		
Prepayment rate assumption (1)	**9.3 %**	14.7
Impact on fair value from 10% adverse change	$ **302**	356
Impact on fair value from 25% adverse change	**720**	834
Discount rate assumption	**9.1 %**	6.4
Impact on fair value from 100 basis point increase	$ **387**	276
Impact on fair value from 200 basis point increase	**742**	529
Cost to service assumption ($ per loan)	**102**	106
Impact on fair value from 10% adverse change	**174**	165
Impact on fair value from 25% adverse change	**434**	411

(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.

We present the components of our managed servicing portfolio in Table 9.3 at unpaid principal balance for loans serviced and subserviced for others and at book value for owned loans serviced.

Table 9.3: Managed Servicing Portfolio

(in billions)		Sep 30, 2022	Dec 31, 2021
Residential mortgage servicing:			
Serviced and subserviced for others	$	688	718
Owned loans serviced		274	276
Total residential servicing		962	994
Commercial mortgage servicing:			
Serviced and subserviced for others		586	597
Owned loans serviced		134	130
Total commercial servicing		720	727
Total managed servicing portfolio	$	1,682	1,721
Total serviced for others, excluding subserviced for others	$	1,264	1,304
MSRs as a percentage of loans serviced for others		0.87 %	0.63
Weighted average note rate (mortgage loans serviced for others)		4.10	3.82

At September 30, 2022, and December 31, 2021, we had servicer advances, net of an allowance for uncollectible amounts, of $2.3 billion and $3.2 billion, respectively. As the servicer of loans for others, we advance certain payments of principal, interest, taxes, insurance, and default-related expenses which are generally reimbursed within a short timeframe from cash flows from the trust, GSEs, insurer or borrower. The credit risk related to these advances is limited since the reimbursement is generally senior to cash payments to investors. We also advance payments of taxes and insurance for our owned loans which are collectible from the 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. Servicing advances on owned loans are charged-off when deemed uncollectible.

Table 9.4 presents the components of mortgage banking noninterest income.

Table 9.4: Mortgage Banking Noninterest Income

			Quarter ended September 30,			Nine months ended September 30,	
(in millions)			2022	2021		2022	2021
Servicing fees:							
Contractually specified servicing fees, late charges and ancillary fees		$	629	684	$	1,909	2,100
Unreimbursed direct servicing costs (1)			(35)	(70)		(116)	(284)
Servicing fees			594	614		1,793	1,816
Amortization (2)			(62)	(61)		(185)	(159)
Changes due to collection/realization of expected cash flows (3)	(A)		(290)	(507)		(934)	(1,580)
Net servicing fees			242	46		674	77
Changes in fair value of MSRs due to valuation inputs or assumptions (4)	(B)		750	275		3,223	1,057
Net derivative gains (losses) from economic hedges (5)			(863)	(176)		(3,489)	(1,109)
Market-related valuation changes to MSRs, net of hedge results			(113)	99		(266)	(52)
Total net servicing income			129	145		408	25
Net gains on mortgage loan originations/sales (6)			195	1,114		896	3,896
Total mortgage banking noninterest income		$	324	1,259	$	1,304	3,921
Total changes in fair value of MSRs carried at fair value	(A)+(B)	$	460	(232)	$	2,289	(523)

(1) Includes costs associated with foreclosures, unreimbursed interest advances to investors, and other interest costs.
(2) There was no reversal of impairment on the commercial amortized MSRs in third quarter 2022, and $4 million in the first nine months of 2022, compared with a $4 million and $41 million reversal of impairment in the third quarter and first nine months of 2021.
(3) Represents the reduction in the 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) Refer to the analysis of changes in fair value MSRs presented in Table 9.1 in this Note for more detail.
(5) See Note 14 (Derivatives) for additional discussion and detail on economic hedges.
(6) Includes net gains (losses) of $568 million and $2.6 billion in the third quarter and first nine months of 2022, respectively, and $142 million and $987 million in the third quarter and first nine months of 2021, respectively, related to derivatives used as economic hedges of mortgage loans held for sale and derivative loan commitments.

Note 10: Intangible Assets

Table 10.1 presents the gross carrying value of intangible assets and accumulated amortization.

Table 10.1: Intangible Assets

	September 30, 2022			December 31, 2021		
(in millions)	**Gross carrying value**	**Accumulated amortization**	**Net carrying value**	Gross carrying value	Accumulated amortization	Net carrying value
Amortized intangible assets (1):						
MSRs (2)	**$ 4,909**	**(3,710)**	**1,199**	4,794	(3,525)	1,269
Customer relationship and other intangibles	**754**	**(587)**	**167**	842	(631)	211
Total amortized intangible assets	**$ 5,663**	**(4,297)**	**1,366**	5,636	(4,156)	1,480
Unamortized intangible assets:						
MSRs (carried at fair value)	**$ 9,828**			6,920		
Goodwill	**25,172**			25,180		

(1) Balances are excluded commencing in the period following full amortization.
(2) Includes a $4 million valuation allowance recorded for amortized MSRs at December 31, 2021. See Note 9 (Mortgage Banking Activities) for additional information on MSRs.

Table 10.2 provides the current year and estimated future amortization expense for amortized intangible assets. We based our projections of amortization expense shown below on existing asset balances at September 30, 2022. Future amortization expense may vary from these projections.

Table 10.2: Amortization Expense for Intangible Assets

(in millions)	Amortized MSRs	Customer relationship and other intangibles	Total
Nine months ended September 30, 2022 (actual)	**$ 185**	**44**	**229**
Estimate for the remainder of 2022	**$ 63**	**15**	**78**
Estimate for year ended December 31,			
2023	228	51	279
2024	194	41	235
2025	170	33	203
2026	137	27	164
2027	108	—	108

Table 10.3 shows the allocation of goodwill to our reportable operating segments.

Table 10.3: Goodwill

(in millions)	Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Consolidated Company
December 31, 2021	$ 16,418	2,938	5,375	344	105	25,180
Foreign currency translation	—	(8)	—	—	—	(8)
September 30, 2022	$ 16,418	2,930	5,375	344	105	25,172

Note 11: 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 13 (Guarantees and Other Commitments) in our 2021 Form 10-K. Table 11.1 shows carrying value and maximum exposure to loss on our guarantees.

Table 11.1: Guarantees – Carrying Value and Maximum Exposure to Loss

						Maximum exposure to loss	
(in millions)	Carrying value of obligation (asset)	Expires in one year or less	Expires after one year through three years	Expires after three years through five years	Expires after five years	Total	Non-investment grade
September 30, 2022							
Standby letters of credit (1)	**$ 116**	**15,299**	**4,170**	**2,064**	**432**	**21,965**	**6,557**
Direct pay letters of credit (1)	**13**	**1,480**	**2,512**	**464**	**6**	**4,462**	**1,360**
Written options (2)	**725**	**14,127**	**6,779**	**1,399**	**460**	**22,765**	**17,171**
Loans and LHFS sold with recourse (3)	**16**	**302**	**916**	**3,486**	**8,896**	**13,600**	**11,457**
Exchange and clearing house guarantees	**—**	**—**	**—**	**—**	**4,438**	**4,438**	**—**
Other guarantees and indemnifications (4)	**—**	**583**	**1**	**10**	**183**	**777**	**527**
Total guarantees	**$ 870**	**31,791**	**14,378**	**7,423**	**14,415**	**68,007**	**37,072**
December 31, 2021							
Standby letters of credit (1)	$ 119	13,816	5,260	1,572	460	21,108	6,939
Direct pay letters of credit (1)	6	1,597	2,137	1,283	4	5,021	1,373
Written options (2)	(280)	12,107	4,575	513	36	17,231	13,645
Loans and LHFS sold with recourse (3)	20	71	943	3,610	8,650	13,274	11,268
Exchange and clearing house guarantees	—	—	—	—	8,100	8,100	—
Other guarantees and indemnifications (4)	—	797	2	12	263	1,074	756
Total guarantees	$ (135)	28,388	12,917	6,990	17,513	65,808	33,981

(1) Standby and direct pay letters of credit are reported net of syndications and participations.
(2) Written options, which are in the form of derivatives, are also included in the derivative disclosures in Note 14 (Derivatives). Carrying value net asset position is a result of certain deferred premium option trades.
(3) Represents recourse provided, predominantly to the GSEs, on loans sold under various programs and arrangements.
(4) Includes indemnifications provided to certain third-party clearing agents. Estimated maximum exposure to loss was $138 million and $216 million with related collateral of $1.4 billion and $2.3 billion as of September 30, 2022, and December 31, 2021, respectively.

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 11.1 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 other than written options, 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. For written options, non-investment grade represents those guarantees where the current intrinsic values would require us to perform under the contract.

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 September 30, 2022, our potential maximum exposure was approximately $749.9 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 $1.0 billion and $1.2 billion at September 30, 2022, and December 31, 2021, respectively. These guarantees rank on parity with all of the Parent's other unsecured and unsubordinated indebtedness.

OTHER COMMITMENTS To meet the financing needs of our customers, we may enter into commitments to purchase debt and equity securities to provide capital for their funding, liquidity or other future needs. As of September 30, 2022, and December 31, 2021, we had commitments to purchase debt securities of $165 million and $18 million, respectively, and commitments to purchase equity securities of $3.0 billion and $2.4 billion, respectively.

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 11.1 in Other guarantees and indemnifications.

Also, we have commitments to purchase loans and securities under resale agreements from certain counterparties, including central clearing organizations. The amount of our unfunded contractual commitments was $11.9 billion and $11.0 billion as of September 30, 2022, and December 31, 2021, respectively.

Given the nature of these commitments, they are excluded from Table 4.4 (Unfunded Credit Commitments) in Note 4 (Loans and Related Allowance for Credit Losses).

Note 12: Pledged Assets and Collateral

Pledged Assets

Table 12.1 provides the carrying amount of on-balance sheet pledged assets, as well as the fair value of other pledged collateral not recognized on our consolidated balance sheet, which we have received from third parties, have the right to repledge, and have repledged.

TRADING RELATED ACTIVITY Our trading businesses may pledge debt and equity securities in connection with securities sold under agreements to repurchase (repurchase agreements) and securities lending arrangements. The collateral that we pledge related to our trading activities may include our own collateral as well as collateral that we have received from third parties and have the right to repledge. All of the collateral we pledge related to trading activity is eligible to be repledged or sold by the secured party.

NON-TRADING RELATED ACTIVITY As part of our liquidity management strategy, we may pledge loans, debt securities, and other financial assets to secure trust and public deposits, borrowings and letters of credit from Federal Home Loan Banks (FHLBs) and the Board of Governors of the Federal Reserve System (FRB) and for other purposes as required or permitted by law or insurance statutory requirements. Substantially all of the non-trading activity pledged collateral is not eligible to be repledged or sold by the secured party.

VIE RELATED We pledge assets in connection with various types of transactions entered into with VIEs. 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 8 (Securitizations and Variable Interest Entities) for additional information on consolidated VIE assets.

Table 12.1: Pledged Assets

(in millions)		Sep 30, 2022	Dec 31, 2021
Related to trading activities:			
Off-balance sheet repledged third-party owned debt and equity securities	$	**36,282**	31,087
Trading debt securities and other		**28,687**	14,216
Equity securities		**2,502**	984
Total pledged assets related to trading activities		**67,471**	46,287
Related to non-trading activities:			
Loans		**322,237**	288,698
Debt securities:			
Available-for-sale		**52,961**	65,198
Held-to-maturity		**10,973**	13,843
Equity securities		**236**	1,600
Total pledged assets related to non-trading activities		**386,407**	369,339
Related to VIEs:			
Consolidated VIE assets		**4,828**	4,781
Loans eligible for repurchase from GNMA securitizations		**348**	109
Total pledged assets related to VIEs		**5,176**	4,890
Total pledged assets	$	**459,054**	420,516

Securities 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.

OFFSETTING OF SECURITIES FINANCING ACTIVITIES Table 12.2 presents resale and repurchase agreements subject to master repurchase agreements (MRA) and securities borrowing and lending agreements subject to master securities lending agreements (MSLA). Collateralized financings, and those with a single 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 the 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. 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, U.S. GAAP requires disclosure in this table to limit 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 12.2, we also have balance sheet netting related to derivatives that is disclosed in Note 14 (Derivatives).

Table 12.2: Offsetting – Securities Financing Activities

(in millions)		Sep 30, 2022	Dec 31, 2021
Assets:			
Resale and securities borrowing agreements			
Gross amounts recognized	$	**107,586**	103,140
Gross amounts offset in consolidated balance sheet (1)		**(28,674)**	(14,074)
Net amounts in consolidated balance sheet (2)		**78,912**	89,066
Collateral not recognized in consolidated balance sheet (3)		**(78,303)**	(88,330)
Net amount (4)	$	**609**	736
Liabilities:			
Repurchase and securities lending agreements			
Gross amounts recognized	$	**53,805**	35,043
Gross amounts offset in consolidated balance sheet (1)		**(28,674)**	(14,074)
Net amounts in consolidated balance sheet (5)		**25,131**	20,969
Collateral pledged but not netted in consolidated balance sheet (6)		**(24,837)**	(20,820)
Net amount (4)	$	**294**	149

(1) Represents recognized amount of resale and repurchase agreements with counterparties subject to enforceable MRAs that have been offset in the consolidated balance sheet.
(2) Includes $55.8 billion and $66.2 billion classified on our consolidated balance sheet in federal funds sold and securities purchased under resale agreements at September 30, 2022, and December 31, 2021, respectively. Also includes securities purchased under long-term resale agreements (generally one year or more) classified in loans, which totaled $23.1 billion and $22.9 billion, at September 30, 2022, and December 31, 2021, 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. At September 30, 2022, and December 31, 2021, we have received total collateral with a fair value of $128.0 billion and $124.4 billion, respectively, all of which we have the right to sell or repledge. These amounts include securities we have sold or repledged to others with a fair value of $35.3 billion and $28.8 billion at September 30, 2022, and December 31, 2021, respectively.
(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. At September 30, 2022, and December 31, 2021, we have pledged total collateral with a fair value of $54.9 billion and $35.9 billion, respectively, substantially all of which may be sold or repledged by the 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 12.3 provides the gross amounts recognized on the consolidated balance sheet (before the effects of offsetting) of our liabilities for repurchase and securities lending agreements disaggregated by underlying collateral type.

Table 12.3: Gross Obligations by Underlying Collateral Type

(in millions)		Sep 30, 2022	Dec 31, 2021
Repurchase agreements:			
Securities of U.S. Treasury and federal agencies	$	**29,519**	14,956
Securities of U.S. States and political subdivisions		**62**	1
Federal agency mortgage-backed securities		**6,259**	3,432
Non-agency mortgage-backed securities		**1,127**	809
Corporate debt securities		**6,935**	8,899
Asset-backed securities		**991**	358
Equity securities		**653**	919
Other		**489**	409
Total repurchases		**46,035**	29,783
Securities lending arrangements:			
Securities of U.S. Treasury and federal agencies		**238**	33
Federal agency mortgage-backed securities		**38**	17
Corporate debt securities		**144**	80
Equity securities (1)		**7,262**	5,050
Other		**88**	80
Total securities lending		**7,770**	5,260
Total repurchases and securities lending	$	**53,805**	35,043

(1) Equity securities are generally exchange traded and represent collateral received from third parties that has been repledged. We received the collateral through either margin lending agreements or contemporaneous securities borrowing transactions with other counterparties.

Table 12.4 provides the contractual maturities of our gross obligations under repurchase and securities lending agreements.

Table 12.4: Contractual Maturities of Gross Obligations

(in millions)		Overnight/ continuous	Up to 30 days	30-90 days	>90 days	Total gross obligation
September 30, 2022						
Repurchase agreements	**$**	**34,045**	**2,322**	**3,383**	**6,285**	**46,035**
Securities lending arrangements		**7,320**	**—**	**450**	**—**	**7,770**
Total repurchases and securities lending (1)	**$**	**41,365**	**2,322**	**3,833**	**6,285**	**53,805**
December 31, 2021						
Repurchase agreements	$	16,452	3,570	4,276	5,485	29,783
Securities lending arrangements		4,810	—	—	450	5,260
Total repurchases and securities lending (1)	$	21,262	3,570	4,276	5,935	35,043

(1) Securities lending is executed under agreements that allow either party to terminate the transaction without notice, while repurchase agreements have a term structure to them that technically matures at a point in time. The overnight/continuous repurchase agreements require election of both parties to roll the trade rather than the election to terminate the arrangement as in securities lending.

Note 13: Legal Actions

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.

ATM ACCESS FEE LITIGATION In October 2011, plaintiffs filed a putative class action, *Mackmin, et al. v. Visa, Inc. et al.,* against Wells Fargo & Company, Wells Fargo Bank, N.A., Visa, MasterCard, and several other banks in the United States District Court for the District of Columbia. Plaintiffs allege that the Visa and MasterCard requirement that if an ATM operator charges an access fee on Visa and MasterCard transactions, then that fee cannot be greater than the access fee charged for transactions on other networks, violates antitrust rules. Plaintiffs seek treble damages, restitution, injunctive relief, and attorneys' fees where available under federal and state law. Two other antitrust cases that make similar allegations were filed in the same court, but these cases did not name Wells Fargo as a defendant. On February 13, 2013, the district court granted defendants' motions to dismiss the three actions. Plaintiffs appealed the dismissals and, on August 4, 2015, the United States Court of Appeals for the District of Columbia Circuit vacated the district court's decisions and remanded the three cases to the district court for further proceedings. On June 28, 2016, the United States Supreme Court granted defendants' petitions for writ of certiorari to review the decisions of the United States Court of Appeals for the District of Columbia. On November 17, 2016, the United States Supreme Court dismissed the petitions as improvidently granted, and the three cases returned to the district court for further proceedings. In November 2021, the district court granted preliminary approval of an agreement pursuant to which the Company will pay $20.8 million in order to resolve the cases. In August 2022, the district court granted final approval of the settlement.

AUTOMOBILE LENDING MATTERS On April 20, 2018, the Company entered into consent orders with the Office of the Comptroller of the Currency (OCC) and the Consumer Financial Protection Bureau (CFPB) to resolve, among other things, investigations by the agencies into the Company's compliance risk management program and its past practices involving certain automobile collateral protection insurance (CPI) policies and certain mortgage interest rate lock extensions. The consent orders require remediation to customers and the payment of a total of $1.0 billion in civil money penalties to the agencies. In July 2017, the Company announced a plan to remediate customers who may have been financially harmed due to issues related to automobile CPI policies purchased through a third-party vendor on their behalf. Multiple putative class actions alleging, among other things, unfair and deceptive practices relating to these CPI policies, were filed against the Company and consolidated into one multi-district litigation in the United States District Court for the Central District of California. As previously disclosed, the Company entered into a settlement to resolve the multi-district litigation. Shareholders also filed a putative securities fraud class action against the Company and its executive officers alleging material misstatements and omissions of CPI-related information in the Company's public disclosures. In January 2020, the court dismissed this action as to all defendants except the Company and a former executive officer and limited the action to two alleged misstatements. In addition, the Company was subject to a class action in the United States District Court for the Central District of California alleging that customers were entitled to refunds related to the unused portion of guaranteed automobile protection (GAP) waiver or insurance agreements between the customer and dealer and, by assignment, the lender. As previously disclosed, the Company entered into a settlement to resolve the class action. Allegations related to the CPI and GAP programs were among the subjects of a shareholder derivative lawsuit in the United States District Court for the Northern District of California, which has been dismissed. In addition, federal and state government agencies, including the CFPB, have undertaken formal or informal inquiries, investigations, or examinations regarding these and other issues related to the origination, servicing, and collection of consumer auto loans, including related insurance products. The Company is in resolution discussions with the CFPB regarding a number of CFPB investigations, inquiries, and other matters, including automobile lending matters, consumer deposit account related matters, and mortgage lending matters. There can be no assurance as to the outcome of these discussions. As previously disclosed, the Company entered into an agreement to resolve investigations by state attorneys general.

COMMERCIAL LENDING SHAREHOLDER LITIGATION In October and November 2020, plaintiffs filed two putative securities fraud class actions, which were consolidated into one lawsuit pending in the United States District Court for the Northern District of California alleging that the Company and certain of its current and former officers made false and misleading statements or omissions regarding, among other things, the Company's commercial lending underwriting practices, the credit quality of its commercial credit portfolios, and the value of its commercial loans, collateralized loan obligations and commercial mortgage-backed securities. In May 2022, the district court granted defendants' motion to dismiss the lawsuit, which was appealed to the United States Court of Appeals for the Ninth Circuit.

COMPANY 401(K) PLAN MATTERS Federal government agencies, including the United States Department of Labor (Department of Labor), are reviewing 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. On September 12, 2022, the Company announced it had entered into an agreement with the Department of Labor whereby the Company agreed to pay approximately $13.2 million to the Department of Labor and approximately $131.8 million to eligible current and former Company 401(k) plan participants in order to resolve the Department of Labor's review. As part of the settlement with the Department of Labor, the Company also agreed to redeem certain preferred securities held by the Company's 401(k) plan in exchange for shares of the Company's common stock. 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 of these transactions.

CONSENT ORDER DISCLOSURE LITIGATION Wells Fargo shareholders have brought a putative securities fraud class action in the United States District Court for the Southern District of New York alleging that the Company and certain of its current and former executive officers and directors made false or misleading statements regarding the Company's efforts to comply with the February 2018 consent order with the Federal Reserve Board and the April 2018 consent orders with the CFPB and OCC. Allegations related to the Company's efforts to comply with these three consent orders are also among the subjects of a shareholder derivative lawsuit filed in California state court.

CONSUMER DEPOSIT ACCOUNT RELATED REGULATORY INVESTIGATIONS The CFPB is conducting an investigation into whether customers were unduly harmed by the Company's historical practices associated with the freezing (and, in many cases, closing) of consumer deposit accounts after the Company detected suspected fraudulent activity (by third parties or account holders) that affected those accounts. The CFPB is also investigating certain of the Company's past disclosures to customers regarding the minimum qualifying debit card usage required for customers to receive a waiver of monthly service fees on certain consumer deposit accounts. The Company is in resolution discussions with the CFPB regarding a number of CFPB investigations, inquiries, and other matters, including automobile lending matters, consumer deposit account related matters, and mortgage lending matters. There can be no assurance as to the outcome of these discussions.

HIRING PRACTICES MATTERS Government agencies, including the United States Department of Justice and the United States Securities and Exchange Commission, have undertaken formal or informal inquiries or investigations regarding the Company's hiring practices related to diversity. 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 shareholder derivative lawsuits filed 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 23, 2016, prior class counsel filed a petition to the United States Supreme Court, seeking review of the reversal of the settlement by the Second Circuit, and the Supreme Court denied the petition on March 27, 2017. 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 money 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 September 27, 2021, the district court granted the plaintiffs' motion for class certification in the equitable relief case. Several of the opt-out and direct action litigations have been settled while others remain pending.

MORTGAGE LENDING MATTERS Plaintiffs representing a class of mortgage borrowers filed separate putative class actions alleging that Wells Fargo improperly denied mortgage loan modifications or repayment plans to customers in the foreclosure process due to the overstatement of foreclosure attorneys' fees that were included for purposes of determining whether a customer in the foreclosure process qualified for a mortgage loan modification or repayment plan. As previously disclosed, the Company entered into settlements to resolve the class actions, while the others were voluntarily dismissed. In addition, federal and state government agencies, including the CFPB, have undertaken formal or informal inquiries or investigations regarding these and other mortgage servicing matters. The Company is in resolution discussions with the CFPB regarding a number of CFPB investigations, inquiries, and other matters, including automobile lending matters, consumer deposit account related matters, and mortgage lending matters. There can be no assurance as to the outcome of these discussions. On September 9, 2021, the OCC assessed a $250 million civil money penalty against the Company regarding loss mitigation activities in the Company's Home Lending business and insufficient progress in addressing requirements under the OCC's April 2018 consent order. In addition, 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.

NOMURA/NATIXIS MORTGAGE-RELATED LITIGATION In August 2014 and August 2015, Nomura Credit & Capital Inc. (Nomura) and Natixis Real Estate Holdings, LLC (Natixis) filed a total of seven third-party complaints against Wells Fargo Bank, N.A., in New York state court. In the underlying first-party actions, Nomura and Natixis have been sued for alleged breaches of representations and warranties made in connection with residential mortgage-backed securities sponsored by them. In the third-party actions, Nomura and Natixis allege that Wells Fargo, as master servicer, primary servicer or securities administrator, failed to notify Nomura and Natixis of their own breaches, failed to properly oversee the primary servicers, and failed to adhere to accepted servicing practices. Natixis additionally alleges that Wells Fargo failed to perform default oversight duties. In March 2022, Wells Fargo entered into an agreement to settle the six actions filed by Nomura, and the actions have been voluntarily dismissed. In the remaining action filed by Natixis, Wells Fargo has asserted counterclaims alleging that Natixis failed to provide Wells Fargo notice of its representation and warranty breaches.

OFAC RELATED INVESTIGATION The Company has self-identified an issue whereby certain foreign banks utilized a Wells Fargo software-based solution to conduct import/export trade-related financing transactions with countries and entities prohibited by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury. We do not believe any funds related to these transactions flowed through accounts at Wells Fargo as a result of the aforementioned conduct. The Company has made voluntary self-disclosures to OFAC and has been cooperating with investigations or inquiries arising out of this matter by federal government agencies. The Company is in resolution discussions with certain of these agencies, although there can be no assurance as to the outcome of these discussions.

RETAIL SALES PRACTICES MATTERS Federal and state government agencies, including the United States Department of Justice (Department of Justice) and the United States Securities and Exchange Commission (SEC), have undertaken formal or informal inquiries or investigations arising out of certain retail sales practices of the Company that were the subject of settlements with the CFPB, the OCC, and the Office of the Los Angeles City Attorney announced by the Company on September 8, 2016. On February 21, 2020, the Company entered into an agreement with the Department of Justice to resolve the Department of Justice's criminal investigation into the Company's retail sales practices, as well as a separate agreement to resolve the Department of Justice's civil investigation. As part of the Department of Justice criminal settlement, no charges will be filed against the Company provided the Company abides by all the terms of the agreement. The Department of Justice criminal settlement also includes the Company's agreement that the facts set forth in the settlement document constitute sufficient facts for the finding of criminal violations of statutes regarding bank records and personal information. On February 21, 2020, the Company also entered into an order to resolve the SEC's investigation arising out of the Company's retail sales practices. The SEC order contains a finding, to which the Company consented, that the facts set forth include violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. As part of the resolution of the Department of Justice and SEC investigations, the Company made payments totaling $3.0 billion. The Company has also entered into agreements to resolve other government agency investigations, including investigations by the state attorneys general. In addition, a number of lawsuits were filed by non-governmental parties seeking damages or other remedies related to these retail sales practices. As previously disclosed, the Company entered into various settlements to resolve these lawsuits.

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 and by IKB International and IKB Deutsche Industriebank 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 appealed the district court's decision to the United States Court of Appeals for the Second Circuit. The Company previously settled two class actions filed by institutional investors and an action filed by the National Credit Union Administration with similar allegations. In addition, Park Royal I LLC and Park Royal II LLC have filed complaints that were consolidated in New York state court alleging Wells Fargo Bank, N.A., as trustee, failed to take appropriate actions upon learning of defective mortgage loan documentation.

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. Wells Fargo filed a petition to remove the case to federal court.

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 potential losses in excess of the Company's accrual for probable and estimable losses was approximately $3.7 billion as of September 30, 2022. 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 14: 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 or other purposes. For additional information on our derivative activities, see Note 16 (Derivatives) in our 2021 Form 10-K.

Table 14.1 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 interest and other payments are determined.

Table 14.1: Notional or Contractual Amounts and Fair Values of Derivatives

	September 30, 2022			December 31, 2021		
	Notional or	Fair value		Notional or	Fair value	
(in millions)	contractual amount	Derivative assets	Derivative liabilities	contractual amount	Derivative assets	Derivative liabilities
Derivatives designated as hedging instruments						
Interest rate contracts	$ 235,162	625	565	153,993	2,212	327
Commodity contracts	1,921	41	16	1,739	26	3
Foreign exchange contracts	17,352	43	1,997	24,949	281	669
Total derivatives designated as qualifying hedging instruments		709	2,578		2,519	999
Derivatives not designated as hedging instruments						
Economic hedges:						
Interest rate contracts	86,738	1,058	489	142,234	40	41
Equity contracts (1)	3,648	—	366	26,263	1,493	1,194
Foreign exchange contracts	32,965	1,843	336	28,192	395	88
Credit contracts	40	13	—	290	7	—
Subtotal		2,914	1,191		1,935	1,323
Customer accommodation trading and other derivatives:						
Interest rate contracts	10,278,481	43,682	46,094	7,976,534	20,286	17,435
Commodity contracts	108,378	10,015	5,461	74,903	5,939	2,414
Equity contracts (1)	409,739	15,721	10,154	321,863	16,278	17,827
Foreign exchange contracts	1,186,615	22,689	25,725	560,049	5,912	5,915
Credit contracts	44,558	49	35	38,318	39	43
Subtotal		92,156	87,469		48,454	43,634
Total derivatives not designated as hedging instruments		95,070	88,660		50,389	44,957
Total derivatives before netting		95,779	91,238		52,908	45,956
Netting		(66,526)	(67,838)		(31,430)	(36,532)
Total		$ 29,253	23,400		21,478	9,424

(1) In first quarter 2022, we prospectively reclassified certain equity securities and related economic hedge derivatives from "not held for trading activities" to "held for trading activities" to better reflect the business activity of those financial instruments. For additional information on Trading Activities, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.

Table 14.2 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. We execute substantially all of our derivative transactions under master netting arrangements and reflect all derivative balances and related cash collateral subject to enforceable master netting arrangements on a net basis within our consolidated balance sheet. We determine the balance sheet netting adjustments based on the terms specified within each master netting arrangement, which are determined at the counterparty level. On our consolidated balance sheet we do not net non-cash collateral that we receive or pledge. 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. 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 12 (Pledged Assets and Collateral).

Table 14.2: Fair Values of Derivative Assets and Liabilities

	September 30, 2022		December 31, 2021	
(in millions)	**Derivative Assets**	**Derivative Liabilities**	Derivative Assets	Derivative Liabilities
Interest rate contracts				
Over-the-counter (OTC)	$ **39,884**	**40,917**	20,067	16,654
OTC cleared	**2,304**	**2,200**	168	192
Exchange traded	**508**	**309**	52	28
Total interest rate contracts	**42,696**	**43,426**	20,287	16,874
Commodity contracts				
OTC	**8,400**	**2,759**	5,040	1,249
Exchange traded	**1,318**	**2,252**	557	1,047
Total commodity contracts	**9,718**	**5,011**	5,597	2,296
Equity contracts				
OTC	**6,771**	**4,663**	6,132	9,730
Exchange traded	**6,069**	**4,199**	7,493	6,086
Total equity contracts	**12,840**	**8,862**	13,625	15,816
Foreign exchange contracts				
OTC	**23,460**	**26,938**	6,335	6,221
Total foreign exchange contracts	**23,460**	**26,938**	6,335	6,221
Credit contracts				
OTC	**37**	**26**	32	31
Total credit contracts	**37**	**26**	32	31
Total derivatives subject to enforceable master netting arrangements, gross	**88,751**	**84,263**	45,876	41,238
Less: Gross amounts offset				
Counterparty netting (1)	**(56,340)**	**(56,441)**	(27,172)	(27,046)
Cash collateral netting	**(10,186)**	**(11,397)**	(4,258)	(9,486)
Total derivatives subject to enforceable master netting arrangements, net	**22,225**	**16,425**	14,446	4,706
Derivatives not subject to enforceable master netting arrangements	**7,028**	**6,975**	7,032	4,718
Total derivatives recognized in consolidated balance sheet, net	**29,253**	**23,400**	21,478	9,424
Non-cash collateral	**(4,847)**	**(1,173)**	(1,432)	(412)
Total Derivatives, net	$ **24,406**	**22,227**	20,046	9,012

(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 $396 million and $284 million and debit valuation adjustments related to derivative liabilities were $497 million and $158 million as of September 30, 2022, and December 31, 2021, 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. 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 available-for-sale debt securities due to changes in interest rates, foreign currency rates, or both. 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, and interest paid on certain floating-rate debt due to changes in the contractually specified interest rate. 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 $491 million pre-tax of deferred net losses related to cash flow hedges in OCI at September 30, 2022, will be reclassified into net interest income during the next twelve months. For cash flow hedges as of September 30, 2022, 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 10 years. For additional information on our accounting hedges, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.

Note 14: Derivatives *(continued)*

Table 14.3 and Table 14.4 show the net gains (losses) related to derivatives in fair value and cash flow hedging relationships, respectively.

Table 14.3: Gains (Losses) Recognized on Fair Value Hedging Relationships

		Net interest income		Noninterest income	Total recorded in net income	Total recorded in OCI
(in millions)	Debt securities	Deposits	Long-term debt	Other	Derivative gains (losses)	Derivative gains (losses)
Quarter ended September 30, 2022						
Total amounts presented in the consolidated statement of income and other comprehensive income	**$ 3,043**	**(513)**	**(1,553)**	**397**	**N/A**	**(1,476)**
Interest contracts						
Amounts related to interest settlements on derivatives	**53**	**8**	**(66)**	**—**	**(5)**	**N/A**
Recognized on derivatives	**1,821**	**(98)**	**(6,218)**	**—**	**(4,495)**	**—**
Recognized on hedged items	**(1,805)**	**99**	**6,183**	**—**	**4,477**	**N/A**
Total gains (losses) (pre-tax) on interest rate contracts	**69**	**9**	**(101)**	**—**	**(23)**	**—**
Foreign exchange contracts						
Amounts related to interest settlements on derivatives	**—**	**—**	**(69)**	**—**	**(69)**	**N/A**
Recognized on derivatives	**—**	**—**	**(283)**	**(663)**	**(946)**	**30**
Recognized on hedged items	**—**	**—**	**311**	**630**	**941**	**N/A**
Total gains (losses) (pre-tax) on foreign exchange contracts	**—**	**—**	**(41)**	**(33)**	**(74)**	**30**
Commodity contracts						
Recognized on derivatives	**—**	**—**	**—**	**94**	**94**	**—**
Recognized on hedged items	**—**	**—**	**—**	**(90)**	**(90)**	**N/A**
Total gains (losses) (pre-tax) on commodity contracts	**—**	**—**	**—**	**4**	**4**	**—**
Total gains (losses) (pre-tax) recognized on fair value hedges	**$ 69**	**9**	**(142)**	**(29)**	**(93)**	**30**
Quarter ended September 30, 2021						
Total amounts presented in the consolidated statement of income and other comprehensive income	$ 2,354	(99)	(745)	609	N/A	50
Interest contracts						
Amounts related to interest settlements on derivatives	(65)	68	534	—	537	N/A
Recognized on derivatives	138	(64)	(1,159)	—	(1,085)	—
Recognized on hedged items	(139)	64	1,159	—	1,084	N/A
Total gains (losses) (pre-tax) on interest rate contracts	(66)	68	534	—	536	—
Foreign exchange contracts						
Amounts related to interest settlements on derivatives	9	—	4	—	13	N/A
Recognized on derivatives	—	—	(94)	(436)	(530)	29
Recognized on hedged items	(1)	—	72	431	502	N/A
Total gains (losses) (pre-tax) on foreign exchange contracts	8	—	(18)	(5)	(15)	29
Commodity contracts						
Recognized on derivatives	—	—	—	93	93	—
Recognized on hedged items	—	—	—	(92)	(92)	N/A
Total gains (losses) (pre-tax) on commodity contracts	—	—	—	1	1	—
Total gains (losses) (pre-tax) recognized on fair value hedges	$ (58)	68	516	(4)	522	29

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	Net interest income			Noninterest income	Total recorded in net income	Total recorded in OCI
(in millions)	Debt securities	Deposits	Long-term debt	Other	Derivative gains (losses)	Derivative gains (losses)
Nine months ended September 30, 2022						
Total amounts presented in the consolidated statement of income and other comprehensive income	**$ 8,308**	**(754)**	**(3,325)**	**1,507**	**N/A**	**(1,560)**
Interest contracts						
Amounts related to interest settlements on derivatives	**(33)**	**72**	**751**	**—**	**790**	**N/A**
Recognized on derivatives	**3,851**	**(313)**	**(18,289)**	**—**	**(14,751)**	**—**
Recognized on hedged items	**(3,806)**	**310**	**18,124**	**—**	**14,628**	**N/A**
Total gains (losses) (pre-tax) on interest rate contracts	**12**	**69**	**586**	**—**	**667**	**—**
Foreign exchange contracts						
Amounts related to interest settlements on derivatives	**—**	**—**	**(86)**	**—**	**(86)**	**N/A**
Recognized on derivatives	**—**	**—**	**(1,054)**	**(1,834)**	**(2,888)**	**140**
Recognized on hedged items	**—**	**—**	**1,089**	**1,769**	**2,858**	**N/A**
Total gains (losses) (pre-tax) on foreign exchange contracts	**—**	**—**	**(51)**	**(65)**	**(116)**	**140**
Commodity contracts						
Recognized on derivatives	**—**	**—**	**—**	**230**	**230**	**—**
Recognized on hedged items	**—**	**—**	**—**	**(220)**	**(220)**	**N/A**
Total gains (losses) (pre-tax) on commodity contracts	**—**	**—**	**—**	**10**	**10**	**—**
Total gains (losses) (pre-tax) recognized on fair value hedges	**$ 12**	**69**	**535**	**(55)**	**561**	**140**
Nine months ended September 30, 2021						
Total amounts presented in the consolidated statement of income and other comprehensive income	$ 6,865	(303)	(2,483)	2,283	N/A	134
Interest contracts						
Amounts related to interest settlements on derivatives	(200)	233	1,625	—	1,658	N/A
Recognized on derivatives	964	(248)	(5,777)	—	(5,061)	—
Recognized on hedged items	(945)	245	5,701	—	5,001	N/A
Total gains (losses) (pre-tax) on interest rate contracts	(181)	230	1,549	—	1,598	—
Foreign exchange contracts						
Amounts related to interest settlements on derivatives	52	—	7	—	59	N/A
Recognized on derivatives	3	—	(363)	73	(287)	40
Recognized on hedged items	(3)	—	310	(89)	218	N/A
Total gains (losses) (pre-tax) on foreign exchange contracts	52	—	(46)	(16)	(10)	40
Commodity contracts						
Recognized on derivatives	—	—	—	126	126	—
Recognized on hedged items	—	—	—	(129)	(129)	N/A
Total gains (losses) (pre-tax) on commodity contracts	—	—	—	(3)	(3)	—
Total gains (losses) (pre-tax) recognized on fair value hedges	$ (129)	230	1,503	(19)	1,585	40

Table 14.4: Gains (Losses) Recognized on Cash Flow Hedging Relationships

	Net interest income			Total recorded in net income	Total recorded in OCI
(in millions)	Loans	Other interest income	Long-term debt	Derivative gains (losses)	Derivative gains (losses)
Quarter ended September 30, 2022					
Total amounts presented in the consolidated statement of income and other comprehensive income	**$ 10,158**	**1,017**	**(1,553)**	**N/A**	**(1,476)**
Interest rate contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	**12**	**15**	**—**	**27**	**(27)**
Net unrealized gains (losses) (pre-tax) recognized in OCI	**N/A**	**N/A**	**N/A**	**N/A**	**(1,472)**
Total gains (losses) (pre-tax) on interest rate contracts	**12**	**15**	**—**	**27**	**(1,499)**
Foreign exchange contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	**—**	**—**	**(3)**	**(3)**	**3**
Net unrealized gains (losses) (pre-tax) recognized in OCI	**N/A**	**N/A**	**N/A**	**N/A**	**(10)**
Total gains (losses) (pre-tax) on foreign exchange contracts	**—**	**—**	**(3)**	**(3)**	**(7)**
Total gains (losses) (pre-tax) recognized on cash flow hedges	**$ 12**	**15**	**(3)**	**24**	**(1,506)**
Quarter ended September 30, 2021					
Total amounts presented in the consolidated statement of income and other comprehensive income	$ 7,057	105	(745)	N/A	50
Interest rate contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	(26)	—	—	(26)	26
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	(1)
Total gains (losses) (pre-tax) on interest rate contracts	(26)	—	—	(26)	25
Foreign exchange contracts:					
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	(6)
Total gains (losses) (pre-tax) on foreign exchange contracts	—	—	(2)	(2)	(4)
Total gains (losses) (pre-tax) recognized on cash flow hedges	$ (26)	—	(2)	(28)	21
Nine months ended September 30, 2022					
Total amounts presented in the consolidated statement of income and other comprehensive income	**$ 25,492**	**1,526**	**(3,325)**	**N/A**	**(1,560)**
Interest rate contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	**7**	**53**	**—**	**60**	**(60)**
Net unrealized gains (losses) (pre-tax) recognized in OCI	**N/A**	**N/A**	**N/A**	**N/A**	**(1,621)**
Total gains (losses) (pre-tax) on interest rate contracts	**7**	**53**	**—**	**60**	**(1,681)**
Foreign exchange contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	**—**	**—**	**(7)**	**(7)**	**7**
Net unrealized gains (losses) (pre-tax) recognized in OCI	**N/A**	**N/A**	**N/A**	**N/A**	**(26)**
Total gains (losses) (pre-tax) on foreign exchange contracts	**—**	**—**	**(7)**	**(7)**	**(19)**
Total gains (losses) (pre-tax) recognized on cash flow hedges	**$ 7**	**53**	**(7)**	**53**	**(1,700)**
Nine months ended September 30, 2021					
Total amounts presented in the consolidated statement of income and other comprehensive income	$ 21,353	244	(2,483)	N/A	134
Interest rate contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	(117)	—	—	(117)	117
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	(11)
Total gains (losses) (pre-tax) on interest rate contracts	(117)	—	—	(117)	106
Foreign exchange contracts:					
Realized gains (losses) (pre-tax) reclassified from OCI into net income	—	—	(4)	(4)	4
Net unrealized gains (losses) (pre-tax) recognized in OCI	N/A	N/A	N/A	N/A	(16)
Total gains (losses) (pre-tax) on foreign exchange contracts	—	—	(4)	(4)	(12)
Total gains (losses) (pre-tax) recognized on cash flow hedges	$ (117)	—	(4)	(121)	94

Table 14.5 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 14.5: Hedged Items in Fair Value Hedging Relationships

		Hedged items currently designated		Hedged items no longer designated	
(in millions)		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)
September 30, 2022					
Available-for-sale debt securities (4)	**$**	**39,287**	**(4,088)**	**16,515**	**781**
Other assets		**1,505**	**(132)**	**—**	**—**
Deposits		**(19,852)**	**166**	**(11)**	**—**
Long-term debt		**(128,562)**	**14,026**	**(5)**	**—**
December 31, 2021					
Available-for-sale debt securities (4)	$	24,144	(559)	17,962	965
Other assets		1,156	(58)	—	—
Deposits		(10,187)	(144)	—	—
Long-term debt		(138,801)	(5,192)	—	—

(1) Does not include the carrying amount of hedged items where only foreign currency risk is the designated hedged risk. The carrying amount excluded for debt securities is $699 million and for long-term debt is $0 million as of September 30, 2022, and $873 million for debt securities and $(2.7) billion for long-term debt as of December 31, 2021.

(2) 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.

(3) The balance includes $41 million and $248 million of debt securities and long-term debt cumulative basis adjustments as of September 30, 2022, respectively, and $136 million and $188 million of debt securities and long-term debt cumulative basis adjustments as of December 31, 2021, respectively, on terminated hedges whereby the hedged items have subsequently been re-designated into existing hedges.

(4) Carrying amount represents the amortized cost.

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. Changes in the fair values of derivatives used to economically hedge the deferred compensation plan are reported in personnel expense.

For additional information on economic hedges and other derivatives, see Note 16 (Derivatives) in our 2021 Form 10-K.

Table 14.6 shows the net gains (losses), recognized by income statement lines, related to derivatives not designated as hedging instruments.

Table 14.6: Gains (Losses) on Derivatives Not Designated as Hedging Instruments

	Noninterest income				Noninterest expense
(in millions)	Mortgage banking	Net gains (losses) on trading and securities	Other	Total	Personnel expense
Quarter ended September 30, 2022					
Net gains (losses) recognized on economic hedges derivatives:					
Interest contracts (1)	**$ (295)**	**—**	**(29)**	**(324)**	**—**
Equity contracts (2)	**—**	**—**	**3**	**3**	**188**
Foreign exchange contracts	**—**	**—**	**940**	**940**	**—**
Credit contracts	**—**	**—**	**(2)**	**(2)**	**—**
Subtotal	**(295)**	**—**	**912**	**617**	**188**
Net gains (losses) recognized on customer accommodation trading and other derivatives:					
Interest contracts	**(275)**	**3,861**	**—**	**3,586**	**—**
Commodity contracts	**—**	**69**	**—**	**69**	**—**
Equity contracts (2)	**—**	**1,658**	**(35)**	**1,623**	**—**
Foreign exchange contracts	**—**	**240**	**—**	**240**	**—**
Credit contracts	**—**	**(21)**	**—**	**(21)**	**—**
Subtotal	**(275)**	**5,807**	**(35)**	**5,497**	**—**
Net gains (losses) recognized related to derivatives not designated as hedging instruments	**$ (570)**	**5,807**	**877**	**6,114**	**188**
Quarter ended September 30, 2021					
Net gains (losses) recognized on economic hedges derivatives:					
Interest contracts (1)	$ (34)	—	(1)	(35)	—
Equity contracts	—	564	(2)	562	42
Foreign exchange contracts	—	—	310	310	—
Credit contracts	—	—	(5)	(5)	—
Subtotal	(34)	564	302	832	42
Net gains (losses) recognized on customer accommodation trading and other derivatives:					
Interest contracts	109	189	—	298	—
Commodity contracts	—	31	—	31	—
Equity contracts	—	(722)	(51)	(773)	—
Foreign exchange contracts	—	105	—	105	—
Credit contracts	—	(7)	—	(7)	—
Subtotal	109	(404)	(51)	(346)	—
Net gains (losses) recognized related to derivatives not designated as hedging instruments	$ 75	160	251	486	42

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(in millions)		Noninterest income: Mortgage banking	Net gains from trading and securities	Other	Total	Noninterest expense: Personnel expense
Nine months ended September 30, 2022						
Net gains (losses) recognized on economic hedges derivatives:						
Interest contracts (1)	**$**	**(933)**	**—**	**(81)**	**(1,014)**	**—**
Equity contracts (2)		**—**	**—**	**12**	**12**	**1,031**
Foreign exchange contracts		**—**	**—**	**2,009**	**2,009**	**—**
Credit contracts		**—**	**—**	**5**	**5**	**—**
Subtotal		**(933)**	**—**	**1,945**	**1,012**	**1,031**
Net gains (losses) recognized on customer accommodation trading and other derivatives:						
Interest contracts		**(1,087)**	**9,866**	**—**	**8,779**	**—**
Commodity contracts		**—**	**286**	**—**	**286**	**—**
Equity contracts (2)		**—**	**6,562**	**(149)**	**6,413**	**—**
Foreign exchange contracts		**—**	**885**	**—**	**885**	**—**
Credit contracts		**—**	**20**	**—**	**20**	**—**
Subtotal		**(1,087)**	**17,619**	**(149)**	**16,383**	**—**
Net gains (losses) recognized related to derivatives not designated as hedging instruments	**$**	**(2,020)**	**17,619**	**1,796**	**17,395**	**1,031**
Nine months ended September 30, 2021						
Net gains (losses) recognized on economic hedges derivatives:						
Interest contracts (1)	$	(122)	—	(7)	(129)	—
Equity contracts		—	227	(1)	226	(357)
Foreign exchange contracts		—	—	291	291	—
Credit contracts		—	—	(10)	(10)	—
Subtotal		(122)	227	273	378	(357)
Net gains (losses) recognized on customer accommodation trading and other derivatives:						
Interest contracts		60	1,519	—	1,579	—
Commodity contracts		—	75	—	75	—
Equity contracts		—	(2,807)	(444)	(3,251)	—
Foreign exchange contracts		—	545	—	545	—
Credit contracts		—	(78)	—	(78)	—
Subtotal		60	(746)	(444)	(1,130)	—
Net gains (losses) recognized related to derivatives not designated as hedging instruments	$	(62)	(519)	(171)	(752)	(357)

(1) Mortgage banking amounts for third quarter and first nine months of 2022 are comprised of gains (losses) of $(863) million and $(3.5) billion, respectively, related to derivatives used as economic hedges of MSRs measured at fair value offset by gains (losses) of $568 million and $2.6 billion, respectively, related to derivatives used as economic hedges of mortgage loans held for sale and derivative loan commitments. The corresponding amounts for third quarter and first nine months of 2021 are comprised of gains (losses) of $(176) million and $(1.1) billion offset by gains (losses) of $142 million and $987 million, respectively.

(2) In first quarter 2022, we prospectively reclassified certain equity securities and related economic hedge derivatives from “not held for trading activities” to “held for trading activities” to better reflect the business activity of those financial instruments. For additional information on Trading Activities, see Note 1 (Summary of Significant Accounting Policies) in our 2021 Form 10-K.

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 14.7 provides details of sold credit derivatives.

Table 14.7: Sold Credit Derivatives

			Notional amount
(in millions)		Protection sold	Protection sold – non-investment grade
September 30, 2022			
Credit default swaps	**$**	**10,552**	**1,950**
Risk participation swaps		**7,232**	**6,983**
Total credit derivatives	**$**	**17,784**	**8,933**
December 31, 2021			
Credit default swaps	$	8,033	1,982
Risk participation swaps		6,756	6,012
Total credit derivatives	$	14,789	7,994

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 of 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 14.8 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 14.8: Credit-Risk Contingent Features

(in billions)		**Sep 30, 2022**	Dec 31, 2021
Net derivative liabilities with credit-risk contingent features	**$**	**17.7**	12.2
Collateral posted		**13.9**	11.0
Additional collateral to be posted upon a below investment grade credit rating (1)		**3.9**	1.2

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

Note 15: Fair Values of Assets and Liabilities

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 15.1 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 15.4 in this Note. We provide in Table 15.8 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 2021 Form 10-K for 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 17 (Fair Values of Assets and Liabilities) in our 2021 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 2021 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 15.1 presents the balances of assets and liabilities recorded at fair value on a recurring basis.

Table 15.1: Fair Value on a Recurring Basis

	September 30, 2022				December 31, 2021			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading debt securities:								
Securities of U.S. Treasury and federal agencies	$ 29,417	4,768	—	34,185	27,607	2,249	—	29,856
Collateralized loan obligations	—	660	167	827	—	655	211	866
Corporate debt securities	—	10,154	15	10,169	—	9,987	18	10,005
Federal agency mortgage-backed securities	—	32,921	—	32,921	—	40,350	—	40,350
Non-agency mortgage-backed securities	—	1,409	—	1,409	—	1,531	11	1,542
Other debt securities	—	6,255	—	6,255	—	5,645	1	5,646
Total trading debt securities	29,417	56,167	182	85,766	27,607	60,417	241	88,265
Available-for-sale debt securities:								
Securities of U.S. Treasury and federal agencies	44,730	—	—	44,730	39,661	—	—	39,661
Non-U.S. government securities	—	162	—	162	—	71	—	71
Securities of U.S. states and political subdivisions	—	10,127	539	10,666	—	16,832	85	16,917
Federal agency mortgage-backed securities	—	50,351	—	50,351	—	105,886	—	105,886
Non-agency mortgage-backed securities	—	3,426	—	3,426	—	4,522	10	4,532
Collateralized loan obligations	—	4,134	—	4,134	—	5,708	—	5,708
Other debt securities	—	2,192	174	2,366	—	4,378	91	4,469
Total available-for-sale debt securities	44,730	70,392	713	115,835	39,661	137,397	186	177,244
Loans held for sale	—	5,051	1,074	6,125	—	14,862	1,033	15,895
Mortgage servicing rights (residential)	—	—	9,828	9,828	—	—	6,920	6,920
Derivative assets (gross):								
Interest rate contracts	508	44,681	176	45,365	52	22,296	190	22,538
Commodity contracts	—	9,811	245	10,056	—	5,902	63	5,965
Equity contracts	5,472	9,683	566	15,721	6,402	9,350	2,019	17,771
Foreign exchange contracts	95	24,390	90	24,575	8	6,573	7	6,588
Credit contracts	—	44	18	62	—	32	14	46
Total derivative assets (gross)	6,075	88,609	1,095	95,779	6,462	44,153	2,293	52,908
Equity securities:								
Marketable	16,092	222	3	16,317	29,968	82	4	30,054
Nonmarketable (1)	—	8,366	15	8,381	—	57	8,906	8,963
Total equity securities	16,092	8,588	18	24,698	29,968	139	8,910	39,017
Total assets prior to derivative netting	$ 96,314	228,807	12,910	338,031	103,698	256,968	19,583	380,249
Derivative netting (2)				(66,526)				(31,430)
Total assets after derivative netting				$ 271,505				348,819
Derivative liabilities (gross):								
Interest rate contracts	$ (309)	(44,193)	(2,646)	(47,148)	(28)	(17,712)	(63)	(17,803)
Commodity contracts	—	(5,357)	(120)	(5,477)	—	(2,351)	(66)	(2,417)
Equity contracts	(3,550)	(5,261)	(1,709)	(10,520)	(5,820)	(10,753)	(2,448)	(19,021)
Foreign exchange contracts	(87)	(27,943)	(28)	(28,058)	(8)	(6,654)	(10)	(6,672)
Credit contracts	—	(33)	(2)	(35)	—	(40)	(3)	(43)
Total derivative liabilities (gross)	(3,946)	(82,787)	(4,505)	(91,238)	(5,856)	(37,510)	(2,590)	(45,956)
Short-sale and other trading liabilities	(20,592)	(6,380)	—	(26,972)	(15,436)	(5,249)	—	(20,685)
Total liabilities prior to derivative netting	$ (24,538)	(89,167)	(4,505)	(118,210)	(21,292)	(42,759)	(2,590)	(66,641)
Derivative netting (2)				67,838				36,532
Total liabilities after derivative netting				$ (50,372)				(30,109)

(1) Excludes $81 million of nonmarketable equity securities as of December 31, 2021 that are measured at fair value using non-published NAV per share (or its equivalent) as a practical expedient that are not classified in the fair value hierarchy.
(2) Represents balance sheet netting of derivative asset and liability balances, related cash collateral and portfolio level counterparty valuation adjustments. See Note 14 (Derivatives) for additional information.

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

Table 15.2 presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis.

Table 15.2: 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)
Quarter ended September 30, 2022										
Trading debt securities	**$ 169**	**(15)**	**68**	**(43)**	**—**	**—**	**3**	**182**	**(15)**	**(6)**
Available-for-sale debt securities	**167**	**(9)**	**225**	**—**	**(4)**	**334**	**—**	**713**	**—**	**(6)**
Loans held for sale	**1,072**	**(55)**	**114**	**(36)**	**(45)**	**28**	**(4)**	**1,074**	**(55)**	**(7)**
Mortgage servicing rights (residential) (8)	**9,163**	**460**	**204**	**1**	**—**	**—**	**—**	**9,828**	**750**	**(7)**
Net derivative assets and liabilities:										
Interest rate contracts	**(571)**	**(2,220)**	**—**	**—**	**132**	**188**	**1**	**(2,470)**	**(1,905)**	
Equity contracts	**(1,503)**	**(137)**	**—**	**—**	**249**	**12**	**236**	**(1,143)**	**131**	
Other derivative contracts	**137**	**28**	**13**	**(8)**	**28**	**—**	**5**	**203**	**70**	
Total derivative contracts	**(1,937)**	**(2,329)**	**13**	**(8)**	**409**	**200**	**242**	**(3,410)**	**(1,704)**	**(9)**
Equity securities	**31**	**(1)**	**1**	**(1)**	**—**	**(3)**	**(9)**	**18**	**(1)**	**(6)**
Quarter ended September 30, 2021										
Trading debt securities	$ 192	1	130	(101)	(2)	—	(6)	214	(3)	(6)
Available-for-sale debt securities	2,805	1	362	—	(49)	—	(816)	2,303	7	(6)
Loans held for sale	1,069	(8)	117	(79)	(83)	106	(131)	991	(10)	(7)
Mortgage servicing rights (residential) (8)	6,717	(232)	379	(2)	—	—	—	6,862	275	(7)
Net derivative assets and liabilities:										
Interest rate contracts	314	110	—	—	(260)	—	—	164	16	
Equity contracts	(425)	(493)	—	—	595	(58)	46	(335)	45	
Other derivative contracts	35	(68)	1	(3)	25	(2)	—	(12)	(25)	
Total derivative contracts	(76)	(451)	1	(3)	360	(60)	46	(183)	36	(9)
Equity securities	9,660	(487)	—	—	—	4	—	9,177	(487)	(6)
Nine months ended September 30, 2022										
Trading debt securities	**$ 241**	**(52)**	**161**	**(135)**	**(6)**	**5**	**(32)**	**182**	**(48)**	**(6)**
Available-for-sale debt securities	**186**	**(35)**	**279**	**(25)**	**(14)**	**460**	**(138)**	**713**	**(1)**	**(6)**
Loans held for sale	**1,033**	**(173)**	**293**	**(106)**	**(175)**	**214**	**(12)**	**1,074**	**(163)**	**(7)**
Mortgage servicing rights (residential) (8)	**6,920**	**2,289**	**868**	**(249)**	**—**	**—**	**—**	**9,828**	**3,223**	**(7)**
Net derivative assets and liabilities:										
Interest rate contracts	**127**	**(3,179)**	**—**	**—**	**778**	**(197)**	**1**	**(2,470)**	**(2,348)**	
Equity contracts	**(429)**	**(158)**	**—**	**—**	**1,118**	**(584)**	**(1,090)**	**(1,143)**	**503**	
Other derivative contracts	**5**	**94**	**13**	**(8)**	**100**	**—**	**(1)**	**203**	**179**	
Total derivative contracts	**(297)**	**(3,243)**	**13**	**(8)**	**1,996**	**(781)**	**(1,090)**	**(3,410)**	**(1,666)**	**(9)**
Equity securities	**8,910**	**3**	**1**	**(3)**	**—**	**2**	**(8,895)**	**18**	**(2)**	**(6)**
Nine months ended September 30, 2021										
Trading debt securities	$ 173	21	422	(403)	(7)	22	(14)	214	2	(6)
Available-for-sale debt securities	2,994	22	386	—	(237)	253	(1,115)	2,303	(13)	(6)
Loans held for sale	1,234	(12)	377	(458)	(300)	284	(134)	991	(13)	(7)
Mortgage servicing rights (residential) (8)	6,125	(523)	1,270	(10)	—	—	—	6,862	1,057	(7)
Net derivative assets and liabilities:										
Interest rate contracts	446	27	—	—	(304)	—	(5)	164	(14)	
Equity contracts	(314)	(819)	—	—	755	(95)	138	(335)	(154)	
Other derivative contracts	39	(108)	3	(4)	57	(2)	3	(12)	(10)	
Total derivative contracts	171	(900)	3	(4)	508	(97)	136	(183)	(178)	(9)
Equity securities	9,233	(58)	—	(5)	—	7	—	9,177	(59)	(6)

(1) Includes net gains (losses) included in both net income and other comprehensive income. All amounts represent net gains (losses) included in net income except for $(9) million and $(36) million and included in other comprehensive income from AFS debt securities for the third quarter and first nine months of 2022, respectively. The corresponding amounts for the third quarter and first nine months of 2021 were $(2) million and $34 million, 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. During first quarter 2022, we transferred $8.9 billion of non-marketable equity securities and $1.4 billion of related economic hedging derivative assets (equity contracts) out of Level 3 due to our election to measure fair value of these instruments as a portfolio. Under this election, the unit of valuation is the portfolio-level, rather than each individual instrument. The unobservable inputs previously significant to the valuation of the instruments individually are no longer significant, as those unobservable inputs offset under the portfolio election.
(5) Includes net unrealized gains (losses) related to assets and liabilities held at period end included in both net income and other comprehensive income. All amounts represent net unrealized gains (losses) included in net income except for $5 million and $(3) million included in other comprehensive income from AFS debt securities for the third quarter and first nine months of 2021, respectively.
(6) Included in net gains from trading and securities in the consolidated statement of income.
(7) Included in mortgage banking income in the consolidated statement of income.
(8) For additional information on the changes in mortgage servicing rights, see Note 9 (Mortgage Banking Activities).
(9) Included in mortgage banking income, net gains from trading and securities, and other noninterest income in the consolidated statement of income.

Table 15.3 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 17 (Fair Values of Assets and Liabilities) in our 2021 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 15.3: 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
September 30, 2022								
Trading and available-for-sale debt securities	**$ 585**	**Discounted cash flow**	**Discount rate**	**3.0**	**-**	**12.5**	**%**	**4.4**
	182	**Market comparable pricing**	**Comparability adjustment**	**(26.8)**	**-**	**48.0**		**0.7**
	128	**Market comparable pricing**	**Multiples**	**1.1x**	**-**	**7.4x**		**4.1x**
Loans held for sale	**1,074**	**Discounted cash flow**	**Default rate**	**0.0**	**-**	**33.4**	**%**	**0.7**
			Discount rate	**2.3**	**-**	**13.7**		**7.8**
			Loss severity	**0.0**	**-**	**54.7**		**17.4**
			Prepayment rate	**3.7**	**-**	**15.0**		**11.2**
Mortgage servicing rights (residential)	**9,828**	**Discounted cash flow**	**Cost to service per loan (1)**	**$ 52**	**-**	**563**		**102**
			Discount rate	**8.8**	**-**	**13.3**	**%**	**9.1**
			Prepayment rate (2)	**8.1**	**-**	**19.7**		**9.3**
Net derivative assets and (liabilities):								
Interest rate contracts	**(2,082)**	**Discounted cash flow**	**Discount rate**	**3.1**	**-**	**4.3**		**3.9**
	(102)	**Discounted cash flow**	**Default rate**	**0.4**	**-**	**5.0**		**2.2**
			Loss severity	**50.0**	**-**	**50.0**		**50.0**
			Prepayment rate	**2.8**	**-**	**22.0**		**18.6**
Interest rate contracts: derivative loan commitments	**(286)**	**Discounted cash flow**	**Fall-out factor**	**1.0**	**-**	**99.0**		**20.5**
			Initial-value servicing	**(43.2)**	**-**	**276.0**	**bps**	**5.5**
Equity contracts	**(948)**	**Discounted cash flow**	**Conversion factor**	**(13.9)**	**-**	**0.0**	**%**	**(10.3)**
			Weighted average life	**0.3**	**-**	**2.3**	**yrs**	**1.0**
	(195)	**Option model**	**Correlation factor**	**(77.0)**	**-**	**99.0**	**%**	**50.8**
			Volatility factor	**6.5**	**-**	**85.0**		**39.9**
Insignificant Level 3 assets, net of liabilities	**221**							
Total Level 3 assets, net of liabilities	**$ 8,405 (3)**							
December 31, 2021								
Trading and available-for-sale debt securities	$ 136	Discounted cash flow	Discount rate	0.4	-	12.5	%	5.5
	11	Vendor priced						
	280	Market comparable pricing	Comparability adjustment	(30.2)	-	19.2		(4.6)
Loans held for sale	1,033	Discounted cash flow	Default rate	0.0	-	29.2	%	1.2
			Discount rate	1.6	-	11.9		5.1
			Loss severity	0.0	-	46.9		15.4
			Prepayment rate	7.5	-	18.2		13.1
Mortgage servicing rights (residential)	6,920	Discounted cash flow	Cost to service per loan (1)	$ 54	-	585		106
			Discount rate	5.8	-	8.8	%	6.4
			Prepayment rate (2)	12.5	-	21.1		14.7
Net derivative assets and (liabilities):								
Interest rate contracts	87	Discounted cash flow	Default rate	0.0	-	5.0		2.1
			Loss severity	50.0	-	50.0		50.0
			Prepayment rate	2.8	-	22.0		18.7
Interest rate contracts: derivative loan commitments	40	Discounted cash flow	Fall-out factor	1.0	-	99.0		16.8
			Initial-value servicing	(74.8)	-	146.0	bps	50.9
Equity contracts	253	Discounted cash flow	Conversion factor	(10.2)	-	0.0	%	(9.7)
			Weighted average life	0.5	-	2.0	yrs	1.1
	(682)	Option model	Correlation factor	(77.0)	-	99.0	%	23.2
			Volatility factor	6.5	-	72.0		29.1
Nonmarketable equity securities	8,906	Market comparable pricing	Comparability adjustment	(21.6)	-	(7.7)		(15.5)
Insignificant Level 3 assets, net of liabilities	9							
Total Level 3 assets, net of liabilities	$ 16,993 (3)							

(1) The high end of the range of inputs is for servicing modified loans. For non-modified loans the range is $52 - $181 at September 30, 2022, and $54 - $199 at December 31, 2021.
(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 $12.9 billion and $19.6 billion and total Level 3 liabilities of $4.5 billion and $2.6 billion, before netting of derivative balances, at September 30, 2022, and December 31, 2021, respectively.

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 17 (Fair Values of Assets and Liabilities) in our 2021 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 nonmarketable equity securities.

Table 15.4 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 September 30, 2022, and December 31, 2021, and for which a nonrecurring fair value adjustment was recorded during the nine months ended September 30, 2022, and year ended December 31, 2021.

Table 15.4: Fair Value on a Nonrecurring Basis

		September 30, 2022			December 31, 2021		
(in millions)		**Level 2**	**Level 3**	**Total**	Level 2	Level 3	Total
Loans held for sale (1)	$	**840**	**1,513**	**2,353**	3,911	1,407	5,318
Loans:							
Commercial		**206**	**—**	**206**	476	—	476
Consumer		**491**	**—**	**491**	380	—	380
Total loans		**697**	**—**	**697**	856	—	856
Mortgage servicing rights (commercial)		**—**	**75**	**75**	—	567	567
Nonmarketable equity securities		**1,566**	**3,666**	**5,232**	6,262	765	7,027
Other assets		**1,560**	**243**	**1,803**	1,373	175	1,548
Total assets at fair value on a nonrecurring basis	$	**4,663**	**5,497**	**10,160**	12,402	2,914	15,316

(1) Predominantly consists of commercial mortgages and residential mortgage – first lien loans.

Table 15.5 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 15.5: Gains (Losses) on Assets with Nonrecurring Fair Value Adjustment

		Nine months ended September 30,	
(in millions)		**2022**	2021
Loans held for sale	$	**(87)**	28
Loans:			
Commercial		**(72)**	(254)
Consumer		**(544)**	(409)
Total loans		**(616)**	(663)
Mortgage servicing rights (commercial)		**4**	36
Nonmarketable equity securities (1)		**(357)**	2,974
Other assets (2)		**(319)**	(84)
Total	$	**(1,375)**	2,291

(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 private equity and venture capital investments in consolidated portfolio companies.

Table 15.6 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 private equity and venture capital investments in consolidated portfolio companies.

Table 15.6: Valuation Techniques – Nonrecurring Basis

($ in millions)		Fair Value Level 3	Valuation Technique (1)	Significant Unobservable Input (1)			Range of Inputs Positive (Negative)			Weighted Average
September 30, 2022										
Loans held for sale (2)	**$**	**1,513**	**Discounted cash flow**	**Default rate**	**(3)**		**0.2**	**-**	**89.8 %**	**15.9**
				Discount rate			**0.6**	**-**	**13.9**	**4.1**
				Loss severity			**0.4**	**-**	**49.8**	**3.9**
				Prepayment rate	**(4)**		**2.7**	**-**	**100.0**	**37.1**
Mortgage servicing rights (commercial)		**75**	**Discounted cash flow**	**Cost to service per loan**		**$**	**3,775**	**-**	**3,775**	**3,775**
				Discount rate			**5.2**	**-**	**5.2 %**	**5.2**
				Prepayment rate			**0.0**	**-**	**20.6**	**6.7**
Nonmarketable equity securities		**1,992**	**Market comparable pricing**	**Comparability adjustment**			**(100.0)**	**-**	**(4.0)**	**(23.0)**
		1,666	**Market comparable pricing**	**Multiples**			**0.8x**	**-**	**24.2x**	**16.7x**
Other assets (5)		**234**	**Market comparable pricing**	**Multiples**			**6.4**	**-**	**8.0**	**7.1**
Insignificant Level 3 assets		**17**								
Total	**$**	**5,497**								
December 31, 2021										
Loans held for sale (2)	$	1,407	Discounted cash flow	Default rate	(3)		0.2	-	78.3 %	25.6
				Discount rate			0.6	-	12.0	3.3
				Loss severity			0.4	-	45.6	4.8
				Prepayment rate	(4)		5.4	-	100.0	38.9
Mortgage servicing rights (commercial)		567	Discounted cash flow	Cost to service per loan		$	150	-	3,381	2,771
				Discount rate			4.0	-	4.5 %	4.0
				Prepayment rate			0.0	-	20.6	5.5
Nonmarketable equity securities		745	Market comparable pricing	Comparability adjustment			(100.0)	-	(33.0)	(59.0)
		15	Market comparable pricing	Multiples			2.0x	-	3.3x	2.8x
		5	Discounted cash flow	Discount rate			10.5	-	10.5 %	10.5
Other assets		175	Discounted cash flow	Discount rate			0.2	-	4.4	2.9
Total	$	2,914								

(1) See Note 17 (Fair Values of Assets and Liabilities) in our 2021 Form 10-K for additional information on the valuation technique and significant unobservable inputs used in the valuation of Level 3 assets.
(2) Consists of approximately $1.3 billion and $1.2 billion of government insured/guaranteed loans purchased from GNMA-guaranteed mortgage securitizations at September 30, 2022, and December 31, 2021, respectively, and approximately $200 million of other mortgage loans that are not government insured/guaranteed at both September 30, 2022, and December 31, 2021.
(3) Applies only to non-government insured/guaranteed loans.
(4) Includes the impact on prepayment rate of expected defaults for government insured/guaranteed loans, which impact the frequency and timing of early resolution of loans.
(5) Represents private equity and venture capital investments in consolidated portfolio companies.

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 17 (Fair Values of Assets and Liabilities) in our 2021 Form 10-K.

Table 15.7 reflects differences between the fair value carrying amount of the assets for which we have elected the fair value option and the contractual aggregate unpaid principal amount at maturity. 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 September 30, 2022, and December 31, 2021.

Table 15.7: Fair Value Option

		September 30, 2022			December 31, 2021		
(in millions)		**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	**$**	**6,125**	**6,612**	**(487)**	15,895	15,750	145

The changes in fair value related to initial measurement and subsequent changes in fair value included in earnings for LHFS accounted for under the fair value option were $(146) million and $(739) million in the third quarter and first nine months of 2022, respectively, and $495 million and $1.7 billion in the third quarter and first nine months of 2021, respectively. Substantially all of these amounts were included in the mortgage banking noninterest income line of the consolidated statement of income. For performing loans, instrument-specific credit risk gains or losses were 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. Gains and losses attributable to instrument-specific credit risk related to assets accounted for under the fair value option in the third quarter and first nine months of both 2022 and 2021, were insignificant.

Disclosures about Fair Value of Financial Instruments

Table 15.8 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 15.8. 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 $800 million and $1.4 billion at September 30, 2022, and December 31, 2021, 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 15.8: Fair Value Estimates for Financial Instruments

			Estimated fair value			
(in millions)		Carrying amount	Level 1	Level 2	Level 3	Total
September 30, 2022						
Financial assets						
Cash and due from banks (1)	**$**	**27,634**	**27,634**	**—**	**—**	**27,634**
Interest-earning deposits with banks (1)		**137,821**	**137,618**	**203**	**—**	**137,821**
Federal funds sold and securities purchased under resale agreements (1)		**55,840**	**—**	**55,840**	**—**	**55,840**
Held-to-maturity debt securities		**300,434**	**14,358**	**238,580**	**2,633**	**255,571**
Loans held for sale		**3,309**	**—**	**1,652**	**1,707**	**3,359**
Loans, net (2)		**918,780**	**—**	**58,172**	**828,320**	**886,492**
Nonmarketable equity securities (cost method)		**4,301**	**—**	**—**	**4,363**	**4,363**
Total financial assets	**$**	**1,448,119**	**179,610**	**354,447**	**837,023**	**1,371,080**
Financial liabilities						
Deposits (3)	**$**	**39,194**	**—**	**25,093**	**13,051**	**38,144**
Short-term borrowings		**48,222**	**—**	**48,237**	**—**	**48,237**
Long-term debt (4)		**155,634**	**—**	**151,895**	**1,022**	**152,917**
Total financial liabilities	**$**	**243,050**	**—**	**225,225**	**14,073**	**239,298**
December 31, 2021						
Financial assets						
Cash and due from banks (1)	$	24,616	24,616	—	—	24,616
Interest-earning deposits with banks (1)		209,614	209,452	162	—	209,614
Federal funds sold and securities purchased under resale agreements (1)		66,223	—	66,223	—	66,223
Held-to-maturity debt securities		272,022	16,825	252,717	2,844	272,386
Loans held for sale		7,722	—	6,300	1,629	7,929
Loans, net (2)		868,278	—	63,404	820,559	883,963
Nonmarketable equity securities (cost method)		3,584	—	—	3,646	3,646
Total financial assets	$	1,452,059	250,893	388,806	828,678	1,468,377
Financial liabilities						
Deposits (3)	$	30,012	—	14,401	15,601	30,002
Short-term borrowings		34,409	—	34,409	—	34,409
Long-term debt (4)		160,660	—	166,682	1,402	168,084
Total financial liabilities	$	225,081	—	215,492	17,003	232,495

(1) Amounts consist of financial instruments for which carrying value approximates fair value.
(2) Excludes lease financing with a carrying amount of $14.4 billion and $14.5 billion at September 30, 2022, and December 31, 2021, respectively.
(3) Excludes deposit liabilities with no defined or contractual maturity of $1.4 trillion and $1.5 trillion at September 30, 2022, and December 31, 2021, respectively.
(4) Excludes obligations under finance leases of $23 million and $26 million at September 30, 2022, and December 31, 2021, respectively.

Note 16: Preferred Stock

We are authorized to issue 20 million shares of preferred stock and 4 million shares of preference stock, both without par value. Preferred shares outstanding rank senior to common shares both as to dividends and liquidation preference but have no general voting rights. We have not issued any preference shares under this authorization. If issued, preference shares would be limited to one vote per share. Table 16.1 summarizes information about our preferred stock including the Employee Stock Ownership Plan (ESOP) Cumulative Convertible Preferred Stock.

Table 16.1: Preferred Stock

	September 30, 2022				December 31, 2021			
(in millions, except shares)	**Shares authorized and designated**	**Shares issued and outstanding**	**Liquidation preference value**	**Carrying value**	Shares authorized and designated	Shares issued and outstanding	Liquidation preference value	Carrying value
DEP Shares								
Dividend Equalization Preferred Shares (DEP)	**97,000**	**96,546**	**$ —**	**—**	97,000	96,546	$ —	—
Series L (1)								
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock	**4,025,000**	**3,967,986**	**3,968**	**3,200**	4,025,000	3,967,995	3,968	3,200
Series Q								
5.85% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	**69,000**	**69,000**	**1,725**	**1,725**	69,000	69,000	1,725	1,725
Series R								
6.625% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	**34,500**	**33,600**	**840**	**840**	34,500	33,600	840	840
Series S								
5.90% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	**80,000**	**80,000**	**2,000**	**2,000**	80,000	80,000	2,000	2,000
Series U								
5.875% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	**80,000**	**80,000**	**2,000**	**2,000**	80,000	80,000	2,000	2,000
Series Y								
5.625% Non-Cumulative Perpetual Class A Preferred Stock	**27,600**	**27,600**	**690**	**690**	27,600	27,600	690	690
Series Z								
4.75% Non-Cumulative Perpetual Class A Preferred Stock	**80,500**	**80,500**	**2,013**	**2,013**	80,500	80,500	2,013	2,013
Series AA								
4.70% Non-Cumulative Perpetual Class A Preferred Stock	**46,800**	**46,800**	**1,170**	**1,170**	46,800	46,800	1,170	1,170
Series BB								
3.90% Fixed-Reset Non-Cumulative Perpetual Class A Preferred Stock	**140,400**	**140,400**	**3,510**	**3,510**	140,400	140,400	3,510	3,510
Series CC								
4.375% Non-Cumulative Perpetual Class A Preferred Stock	**46,000**	**42,000**	**1,050**	**1,050**	46,000	42,000	1,050	1,050
Series DD								
4.25% Non-Cumulative Perpetual Class A Preferred Stock	**50,000**	**50,000**	**1,250**	**1,250**	50,000	50,000	1,250	1,250
ESOP (2)								
Cumulative Convertible Preferred Stock	**609,434**	**609,434**	**609**	**609**	609,434	609,434	609	609
Total	**5,386,234**	**5,323,866**	**$ 20,825**	**20,057**	5,386,234	5,323,875	$ 20,825	20,057

(1) Preferred Stock, Series L, may be converted at any time, at the option of the holder, into 6.3814 shares of our common stock, plus cash in lieu of fractional shares, subject to anti-dilution adjustments.
(2) See the "ESOP Cumulative Convertible Preferred Stock" section in this Note for additional information about the liquidation preference for the ESOP Cumulative Convertible Preferred Stock.

ESOP CUMULATIVE CONVERTIBLE PREFERRED STOCK All shares of our ESOP Cumulative Convertible Preferred Stock (ESOP Preferred Stock) were issued to a trustee acting on behalf of the Wells Fargo & Company 401(k) Plan (the 401(k) Plan). Dividends on the ESOP Preferred Stock are cumulative from the date of initial issuance and are payable quarterly at annual rates based upon the year of issuance. Each share of ESOP Preferred Stock released from the unallocated reserve of the 401(k) Plan is converted into shares of our common stock based on the stated value of the ESOP Preferred Stock and the then current market price of our common stock. The ESOP Preferred Stock is also convertible at the option of the holder at any time, unless previously redeemed. We have the option to redeem the ESOP Preferred Stock at any time, in whole or in part, at a redemption price per share equal to the higher of (a) $1,000 per share plus accrued and unpaid dividends or (b) the fair market value, as defined in the Certificates of Designation for the ESOP Preferred Stock.

In October 2022, we redeemed all outstanding shares of our ESOP Preferred Stock in exchange for shares of the Company's common stock. The redemption price was based on a fair market value of $618 million.

Table 16.2: ESOP Preferred Stock

	Shares issued and outstanding		Carrying value		Adjustable dividend rate	
(in millions, except shares)	**Sep 30, 2022**	Dec 31, 2021	**Sep 30, 2022**	Dec 31, 2021	Minimum	Maximum
ESOP Preferred Stock						
$1,000 liquidation preference per share						
2018	**189,225**	189,225	$ **189**	189	7.00 %	8.00 %
2017	**135,135**	135,135	**135**	135	7.00	8.00
2016	**128,380**	128,380	**128**	128	9.30	10.30
2015	**68,106**	68,106	**68**	68	8.90	9.90
2014	**62,420**	62,420	**63**	63	8.70	9.70
2013	**26,168**	26,168	**26**	26	8.50	9.50
Total ESOP Preferred Stock (1)	**609,434**	609,434	$ **609**	609		
Unearned ESOP shares (2)			$ **(646)**	(646)		

(1) At both September 30, 2022, and December 31, 2021, additional paid-in capital included $37 million related to ESOP Preferred Stock.
(2) We recorded a corresponding charge to unearned ESOP shares in connection with the issuance of the ESOP Preferred Stock. The unearned ESOP shares are reduced as shares of the ESOP Preferred Stock are committed to be released.

Note 17: Revenue from Contracts with Customers

Our revenue includes net interest income on financial instruments and noninterest income. Table 17.1 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 22 (Operating Segments). For a description of our revenue from contracts with customers, see Note 20 (Revenue from Contracts with Customers) in our 2021 Form 10-K.

Table 17.1: 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
Quarter ended September 30, 2022								
Net interest income (2)	**$**	**7,102**	**1,991**	**2,270**	**1,088**	**(248)**	**(105)**	**12,098**
Noninterest income:								
Deposit-related fees		**773**	**256**	**255**	**5**	**—**	**—**	**1,289**
Lending-related fees (2)		**32**	**126**	**198**	**2**	**—**	**—**	**358**
Investment advisory and other asset-based fees (3)		**—**	**13**	**32**	**2,066**	**—**	**—**	**2,111**
Commissions and brokerage services fees		**—**	**—**	**76**	**486**	**—**	**—**	**562**
Investment banking fees		**—**	**14**	**392**	**—**	**(31)**	**—**	**375**
Card fees:								
Card interchange and network revenue (4)		**915**	**60**	**15**	**1**	**—**	**—**	**991**
Other card fees (2)		**128**	**—**	**—**	**—**	**—**	**—**	**128**
Total card fees		**1,043**	**60**	**15**	**1**	**—**	**—**	**1,119**
Mortgage banking (2)		**212**	**—**	**115**	**(3)**	**—**	**—**	**324**
Net gains (losses) from trading activities (2)		**—**	**(4)**	**674**	**16**	**214**	**—**	**900**
Net gains from debt securities (2)		**—**	**—**	**—**	**—**	**6**	**—**	**6**
Net gains (losses) from equity securities (2)		**12**	**85**	**(2)**	**(1)**	**(128)**	**—**	**(34)**
Lease income (2)		**—**	**176**	**1**	**—**	**145**	**—**	**322**
Other (2)		**103**	**235**	**34**	**5**	**78**	**(380)**	**75**
Total noninterest income		**2,175**	**961**	**1,790**	**2,577**	**284**	**(380)**	**7,407**
Total revenue	**$**	**9,277**	**2,952**	**4,060**	**3,665**	**36**	**(485)**	**19,505**
Quarter ended September 30, 2021								
Net interest income (2)	$	5,707	1,231	1,866	637	(427)	(105)	8,909
Noninterest income:								
Deposit-related fees		799	323	286	7	1	—	1,416
Lending-related fees (2)		35	132	196	2	—	—	365
Investment advisory and other asset-based fees (3)		—	1	9	2,457	415	—	2,882
Commissions and brokerage services fees		—	—	67	458	—	—	525
Investment banking fees		(1)	16	536	4	(8)	—	547
Card fees:								
Card interchange and network revenue (4)		878	51	12	1	—	—	942
Other card fees (2)		136	—	—	—	—	—	136
Total card fees		1,014	51	12	1	—	—	1,078
Mortgage banking (2)		1,168	—	94	(3)	—	—	1,259
Net gains (losses) from trading activities (2)		(1)	(1)	85	4	5	—	92
Net gains from debt securities (2)		—	44	—	—	239	—	283
Net gains (losses) from equity securities (2)		(2)	(40)	100	37	774	—	869
Lease income (2)		—	165	—	—	157	—	322
Other (2)		85	154	134	14	169	(269)	287
Total noninterest income		3,097	845	1,519	2,981	1,752	(269)	9,925
Total revenue	$	8,804	2,076	3,385	3,618	1,325	(374)	18,834
Nine months ended September 30, 2022								
Net interest income (2)	**$**	**19,470**	**4,932**	**6,317**	**2,803**	**(1,685)**	**(320)**	**31,517**
Noninterest income:								
Deposit-related fees		**2,397**	**894**	**828**	**19**	**—**	**—**	**4,138**
Lending-related fees (2)		**100**	**369**	**578**	**6**	**—**	**—**	**1,053**
Investment advisory and other asset-based fees (3)		**—**	**25**	**74**	**6,848**	**8**	**—**	**6,955**
Commissions and brokerage services fees		**—**	**—**	**242**	**1,399**	**—**	**—**	**1,641**
Investment banking fees		**(3)**	**44**	**1,161**	**—**	**(94)**	**—**	**1,108**
Card fees:								
Card interchange and network revenue (4)		**2,669**	**171**	**44**	**3**	**—**	**—**	**2,887**
Other card fees (2)		**373**	**—**	**—**	**—**	**—**	**—**	**373**
Total card fees		**3,042**	**171**	**44**	**3**	**—**	**—**	**3,260**
Mortgage banking (2)		**1,077**	**—**	**236**	**(9)**	**—**	**—**	**1,304**
Net gains (losses) from trading activities (2)		**—**	**(4)**	**1,280**	**28**	**260**	**—**	**1,564**
Net gains from debt securities (2)		**—**	**5**	**—**	**—**	**146**	**—**	**151**
Net gains (losses) from equity securities (2)		**(5)**	**104**	**(9)**	**(2)**	**(161)**	**—**	**(73)**
Lease income (2)		**—**	**534**	**14**	**—**	**434**	**—**	**982**
Other (2)		**269**	**697**	**338**	**32**	**383**	**(1,194)**	**525**
Total noninterest income		**6,877**	**2,839**	**4,786**	**8,324**	**976**	**(1,194)**	**22,608**
Total revenue	**$**	**26,347**	**7,771**	**11,103**	**11,127**	**(709)**	**(1,514)**	**54,125**

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(in millions)		Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Reconciling Items (1)	Consolidated Company
Nine months ended September 30, 2021								
Net interest income (2)	$	16,940	3,687	5,428	1,904	(1,121)	(321)	26,517
Noninterest income:								
Deposit-related fees		2,192	965	829	21	6	—	4,013
Lending-related fees (2)		111	403	569	6	(1)	—	1,088
Investment advisory and other asset-based fees (3)		—	8	43	7,145	1,236	—	8,432
Commissions and brokerage services fees		—	—	216	1,526	(1)	—	1,741
Investment banking fees		(9)	38	1,727	2	(73)	—	1,685
Card fees:								
Card interchange and network revenue (4)		2,552	145	33	3	—	—	2,733
Other card fees (2)		371	—	—	—	—	—	371
Total card fees		2,923	145	33	3	—	—	3,104
Mortgage banking (2)		3,585	—	345	(9)	—	—	3,921
Net gains (losses) from trading activities (2)		—	—	446	16	(1)	—	461
Net gains from debt securities (2)		—	44	—	—	390	—	434
Net gains from equity securities (2)		32	5	221	43	3,656	—	3,957
Lease income (2)		—	512	1	—	437	—	950
Other (2)		370	458	469	41	847	(852)	1,333
Total noninterest income		9,204	2,578	4,899	8,794	6,496	(852)	31,119
Total revenue	$	26,144	6,265	10,327	10,698	5,375	(1,173)	57,636

(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 low-income 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 revenues 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 $747 million for the third quarter and first nine months of 2022, respectively, and $297 million and $895 million for the third quarter and first nine months of 2021, respectively.

(4) The cost of credit card rewards and rebates of $577 million and $1.6 billion for the third quarter and first nine months of 2022, respectively, and $416 million and $1.1 billion for the third quarter and first nine months of 2021, respectively, are presented net against the related revenues.

Note 18: Employee Benefits and Expenses

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 21 (Employee Benefits and Other Expenses) in our 2021 Form 10-K.

We recognize settlement losses for our Cash Balance Plan based on an assessment of whether lump sum benefit payments will, in aggregate for the year, exceed the sum of its annual service and interest cost (threshold). Settlement losses of $48 million and $151 million were recognized during the third quarter and first nine months of 2022, respectively, compared with $35 million and $97 million, respectively, for the same periods a year ago, representing the pro rata portion of the net loss in AOCI based on the percentage reduction in the Cash Balance Plan's projected benefit obligation attributable to lump sum benefit payments during the first nine months of 2022 and 2021. As a result of the settlement losses, we remeasured the Cash Balance Plan obligation and plan assets as of both September 30, 2022 and 2021, and used a discount rate of 5.44% and 2.80%, respectively. In the third quarter and first nine months of 2022, respectively, the result of the settlement losses and remeasurements was:

- a decrease of $143 million and $253 million in the Cash Balance Plan asset; and
- a decrease of $95 million and $102 million in OCI (pre-tax).

In the third quarter and first nine months of 2021, the result of the settlement losses and remeasurement was:

- a decrease of $224 million and increase of $123 million in the Cash Balance Plan asset; and
- a decrease of $189 million and increase of $220 million in OCI (pre-tax).

Table 18.1 presents the components of net periodic benefit cost. The expected long-term rate of return on plan assets and interest cost discount rate in determining net periodic benefit cost for third quarter 2022 were 5.34% and 4.48%, respectively. Service cost is reported in personnel expense and all other components of net periodic benefit cost are reported in other noninterest expense on the consolidated statement of income.

Table 18.1: Net Periodic Benefit Cost

			2022			2021
	Pension benefits			Pension benefits		
(in millions)	**Qualified**	**Non-qualified**	**Other benefits**	Qualified	Non-qualified	Other benefits
Quarter ended September 30,						
Service cost	**$ 5**	**—**	**—**	4	—	—
Interest cost	**95**	**3**	**1**	77	3	2
Expected return on plan assets	**(119)**	**—**	**(5)**	(150)	—	(5)
Amortization of net actuarial loss (gain)	**34**	**3**	**(6)**	31	4	(5)
Amortization of prior service credit	**—**	**—**	**(2)**	—	—	(2)
Settlement loss	**48**	**—**	**—**	35	—	—
Net periodic benefit cost	**$ 63**	**6**	**(12)**	(3)	7	(10)
Nine months ended September 30,						
Service cost	**$ 15**	**—**	**—**	13	—	—
Interest cost	**244**	**8**	**6**	219	9	8
Expected return on plan assets	**(384)**	**—**	**(16)**	(456)	—	(14)
Amortization of net actuarial loss (gain)	**100**	**9**	**(17)**	106	11	(15)
Amortization of prior service credit	**—**	**—**	**(7)**	—	—	(7)
Settlement loss	**157**	**1**	**—**	97	2	—
Net periodic benefit cost	**$ 132**	**18**	**(34)**	(21)	22	(28)

Expenses

Regulatory Charges and Assessments expense, which is included in other noninterest expense, was $207 million and $640 million in the third quarter and first nine months of 2022, respectively, compared with $213 million and $622 million in the same periods a year ago, and primarily consisted of Federal Deposit Insurance Corporation (FDIC) deposit assessment expense.

We may incur expenses related to a variety of loss contingencies, such as customer remediation activities. We establish an accrued liability when a loss event is probable and the amount of the loss can be reasonably estimated. In third quarter 2022, we recognized $2.0 billion of accruals primarily related to a variety of historical matters, including litigation, customer remediation, and regulatory matters, which were included in operating losses. See Note 13 (Legal Actions) for additional information on accruals for legal actions.

Note 19: Restructuring Charges

The Company began pursuing various initiatives to reduce expenses and create a more efficient and streamlined organization in third quarter 2020. Actions from these initiatives included (i) reorganizing and simplifying business processes and structures to improve internal operations and the customer experience, (ii) reducing headcount, (iii) optimizing third-party spending, including for our technology infrastructure, and (iv) rationalizing our branch and administrative locations, which may include consolidations and closures. Substantially all of the restructuring charges were personnel expenses related to severance costs associated with headcount reductions with payments made over time in accordance with our severance plan, as well as payments for other employee benefit costs such as incentive compensation.

Restructuring charges are recorded as a component of noninterest expense on our consolidated statement of income. Changes in estimates represent adjustments to noninterest expense based on refinements to previously estimated amounts, which may reflect trends such as higher voluntary employee attrition, as well as changes in business activities.

Table 19.1 provides details on our restructuring charges.

Table 19.1: Accruals for Restructuring Charges

	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Balance, beginning of period	**$ 375**	804	**$ 565**	1,214
Restructuring charges	**—**	244	**—**	547
Changes in estimates	**—**	(243)	**5**	(537)
Payments and utilization	**(108)**	(149)	**(303)**	(568)
Balance, end of period	**$ 267**	656	**$ 267**	656

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

	Quarter ended September 30,		Nine months ended September 30,	
(in millions, except per share amounts)	**2022**	2021	**2022**	2021
Wells Fargo net income	$ **3,528**	5,122	$ **10,318**	15,798
Less: Preferred stock dividends and other (1)	**278**	335	**836**	1,012
Wells Fargo net income applicable to common stock (numerator)	$ **3,250**	4,787	$ **9,482**	14,786
Earnings per common share				
Average common shares outstanding (denominator)	**3,796.5**	4,056.3	**3,807.0**	4,107.1
Per share	$ **0.86**	1.18	$ **2.49**	3.60
Diluted earnings per common share				
Average common shares outstanding	**3,796.5**	4,056.3	**3,807.0**	4,107.1
Add: Restricted share rights (2)	**28.6**	34.1	**31.5**	32.9
Diluted average common shares outstanding (denominator)	**3,825.1**	4,090.4	**3,838.5**	4,140.0
Per share	$ **0.85**	1.17	$ **2.47**	3.57

(1) The quarter ended September 30, 2021, balance includes $38 million, and the nine months ended September 30, 2021, balance includes $86 million from the elimination of discounts or issuance 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

	Weighted-average shares			
	Quarter ended September 30,		Nine months ended September 30,	
(in millions)	**2022**	2021	**2022**	2021
Convertible Preferred Stock, Series L (1)	**25.3**	25.3	**25.3**	25.3
Restricted share rights (2)	**0.3**	—	**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 September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Per common share	$ **0.30**	0.20	$ **0.80**	0.40

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

	Quarter ended September 30,						Nine months ended September 30,					
	2022			2021			2022			2021		
(in millions)	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
Debt securities:												
Net unrealized gains (losses) arising during the period	$ (3,373)	829	(2,544)	(447)	112	(335)	(15,067)	3,709	(11,358)	(2,187)	544	(1,643)
Reclassification of net (gains) losses to net income	180	(44)	136	(175)	42	(133)	242	(60)	182	(57)	11	(46)
Net change	(3,193)	785	(2,408)	(622)	154	(468)	(14,825)	3,649	(11,176)	(2,244)	555	(1,689)
Derivatives and hedging activities:												
Fair Value Hedges:												
Change in fair value of excluded components on fair value hedges (1)	30	(7)	23	29	(6)	23	140	(34)	106	40	(9)	31
Cash Flow Hedges:												
Net unrealized gains (losses) arising during the period on cash flow hedges	(1,482)	366	(1,116)	(7)	1	(6)	(1,647)	407	(1,240)	(27)	6	(21)
Reclassification of net (gains) losses to net income	(24)	6	(18)	28	(7)	21	(53)	13	(40)	121	(30)	91
Net change	(1,476)	365	(1,111)	50	(12)	38	(1,560)	386	(1,174)	134	(33)	101
Defined benefit plans adjustments:												
Net actuarial and prior service gains (losses) arising during the period	(143)	36	(107)	(224)	55	(169)	(244)	61	(183)	133	(33)	100
Reclassification of amounts to noninterest expense (2)	77	(19)	58	63	(15)	48	243	(59)	184	194	(46)	148
Net change	(66)	17	(49)	(161)	40	(121)	(1)	2	1	327	(79)	248
Debit valuation adjustments (DVA):												
Net unrealized gains (losses) arising during the period	10	(2)	8	—	—	—	16	(4)	12	—	—	—
Reclassification of net (gains) losses to net income	—	—	—	—	—	—	—	—	—	—	—	—
Net change	10	(2)	8	—	—	—	16	(4)	12	—	—	—
Foreign currency translation adjustments:												
Net unrealized gains (losses) arising during the period	(174)	—	(174)	(66)	2	(64)	(301)	(2)	(303)	(30)	(1)	(31)
Reclassification of net (gains) losses to net income	—	—	—	—	—	—	—	—	—	—	—	—
Net change	(174)	—	(174)	(66)	2	(64)	(301)	(2)	(303)	(30)	(1)	(31)
Other comprehensive income (loss)	$ (4,899)	1,165	(3,734)	(799)	184	(615)	(16,671)	4,031	(12,640)	(1,813)	442	(1,371)
Less: Other comprehensive income (loss) from noncontrolling interests, net of tax			2			(2)			2			—
Wells Fargo other comprehensive loss, net of tax			$ (3,736)			(613)			(12,642)			(1,371)

(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 18 (Employee Benefits and Expenses) for additional information).

Note 21: Other Comprehensive Income *(continued)*

Table 21.2 provides the accumulated OCI (AOCI) balance activity on an after-tax basis.

Table 21.2: Accumulated OCI Balances

(in millions)		Debt securities	Fair value hedges (1)	Cash flow hedges (2)	Defined benefit plans adjustments	Debit valuation adjustments (DVA)	Foreign currency translation adjustments	Accumulated other comprehensive income (loss)
Quarter ended September 30, 2022								
Balance, beginning of period	**$**	**(8,103)**	**(60)**	**(173)**	**(2,005)**	**4**	**(271)**	**(10,608)**
Net unrealized gains (losses) arising during the period		**(2,544)**	**23**	**(1,116)**	**(107)**	**8**	**(174)**	**(3,910)**
Amounts reclassified from accumulated other comprehensive income		**136**	**—**	**(18)**	**58**	**—**	**—**	**176**
Net change		**(2,408)**	**23**	**(1,134)**	**(49)**	**8**	**(174)**	**(3,734)**
Less: Other comprehensive income from noncontrolling interests		**—**	**—**	**—**	**—**	**—**	**2**	**2**
Balance, end of period (3)	**$**	**(10,511)**	**(37)**	**(1,307)**	**(2,054)**	**12**	**(447)**	**(14,344)**
Quarter ended September 30, 2021								
Balance, beginning of period	$	1,817	(196)	(70)	(2,035)	—	(80)	(564)
Net unrealized gains (losses) arising during the period		(335)	23	(6)	(169)	—	(64)	(551)
Amounts reclassified from accumulated other comprehensive income		(133)	—	21	48	—	—	(64)
Net change		(468)	23	15	(121)	—	(64)	(615)
Less: Other comprehensive loss from noncontrolling interests		(1)	—	—	—	—	(1)	(2)
Balance, end of period (3)	$	1,350	(173)	(55)	(2,156)	—	(143)	(1,177)
Nine months ended September 30, 2022								
Balance, beginning of period	**$**	**665**	**(143)**	**(27)**	**(2,055)**	**—**	**(142)**	**(1,702)**
Net unrealized gains (losses) arising during the period		**(11,358)**	**106**	**(1,240)**	**(183)**	**12**	**(303)**	**(12,966)**
Amounts reclassified from accumulated other comprehensive income		**182**	**—**	**(40)**	**184**	**—**	**—**	**326**
Net change		**(11,176)**	**106**	**(1,280)**	**1**	**12**	**(303)**	**(12,640)**
Less: Other comprehensive income from noncontrolling interests		**—**	**—**	**—**	**—**	**—**	**2**	**2**
Balance, end of period (3)	**$**	**(10,511)**	**(37)**	**(1,307)**	**(2,054)**	**12**	**(447)**	**(14,344)**
Nine months ended September 30, 2021								
Balance, beginning of period	$	3,039	(204)	(125)	(2,404)	—	(112)	194
Net unrealized gains (losses) arising during the period		(1,643)	31	(21)	100	—	(31)	(1,564)
Amounts reclassified from accumulated other comprehensive income		(46)	—	91	148	—	—	193
Net change		(1,689)	31	70	248	—	(31)	(1,371)
Less: Other comprehensive income from noncontrolling interests		—	—	—	—	—	—	—
Balance, end of period (3)	$	1,350	(173)	(55)	(2,156)	—	(143)	(1,177)

(1) Substantially all of the amounts for fair value hedges are foreign exchange contracts.
(2) Substantially all of the amounts for cash flow hedges are interest rate contracts.
(3) AOCI related to debt securities includes after-tax unrealized gains or losses associated with the transfer of securities from AFS to HTM of $3.6 billion and $817 million at September 30, 2022, and September 30, 2021, respectively. These amounts are subsequently amortized from AOCI into earnings over the same period as the related unamortized premiums and discounts.

Note 22: Operating Segments

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 by our Chief Executive Officer and Operating Committee. The management reporting process is based on U.S. GAAP and includes specific adjustments, such as funds transfer pricing for asset/liability management, shared revenues 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 affiliated venture capital and private equity businesses. In addition, Corporate includes all restructuring charges related to our efficiency initiatives. See Note 19 (Restructuring Charges) for additional information on restructuring charges. 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.

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 low-income 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 22: Operating Segments *(continued)*

Table 22.1 presents our results by operating segment.

Table 22.1: Operating Segments

(in millions)		Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Reconciling Items (1)	Consolidated Company
Quarter ended September 30, 2022								
Net interest income (2)	**$**	**7,102**	**1,991**	**2,270**	**1,088**	**(248)**	**(105)**	**12,098**
Noninterest income		**2,175**	**961**	**1,790**	**2,577**	**284**	**(380)**	**7,407**
Total revenue		**9,277**	**2,952**	**4,060**	**3,665**	**36**	**(485)**	**19,505**
Provision for credit losses		**917**	**(168)**	**32**	**8**	**(5)**	**—**	**784**
Noninterest expense		**6,758**	**1,526**	**1,900**	**2,796**	**1,347**	**—**	**14,327**
Income (loss) before income tax expense (benefit)		**1,602**	**1,594**	**2,128**	**861**	**(1,306)**	**(485)**	**4,394**
Income tax expense (benefit)		**401**	**409**	**536**	**222**	**(189)**	**(485)**	**894**
Net income (loss) before noncontrolling interests		**1,201**	**1,185**	**1,592**	**639**	**(1,117)**	**—**	**3,500**
Less: Net income (loss) from noncontrolling interests		**—**	**3**	**—**	**—**	**(31)**	**—**	**(28)**
Net income (loss)	**$**	**1,201**	**1,182**	**1,592**	**639**	**(1,086)**	**—**	**3,528**
Quarter ended September 30, 2021								
Net interest income (2)	$	5,707	1,231	1,866	637	(427)	(105)	8,909
Noninterest income		3,097	845	1,519	2,981	1,752	(269)	9,925
Total revenue		8,804	2,076	3,385	3,618	1,325	(374)	18,834
Provision for credit losses		(518)	(335)	(460)	(73)	(9)	—	(1,395)
Noninterest expense		6,053	1,396	1,797	2,917	1,140	—	13,303
Income (loss) before income tax expense (benefit)		3,269	1,015	2,048	774	194	(374)	6,926
Income tax expense (benefit)		818	254	518	195	110	(374)	1,521
Net income before noncontrolling interests		2,451	761	1,530	579	84	—	5,405
Less: Net income from noncontrolling interests		—	2	—	—	281	—	283
Net income (loss)	$	2,451	759	1,530	579	(197)	—	5,122
Nine months ended September 30, 2022								
Net interest income (2)	**$**	**19,470**	**4,932**	**6,317**	**2,803**	**(1,685)**	**(320)**	**31,517**
Noninterest income		**6,877**	**2,839**	**4,786**	**8,324**	**976**	**(1,194)**	**22,608**
Total revenue		**26,347**	**7,771**	**11,103**	**11,127**	**(709)**	**(1,514)**	**54,125**
Provision for credit losses		**1,340**	**(491)**	**(226)**	**(36)**	**(10)**	**—**	**577**
Noninterest expense		**19,189**	**4,535**	**5,723**	**8,882**	**2,751**	**—**	**41,080**
Income (loss) before income tax expense (benefit)		**5,818**	**3,727**	**5,606**	**2,281**	**(3,450)**	**(1,514)**	**12,468**
Income tax expense (benefit)		**1,454**	**938**	**1,420**	**574**	**(658)**	**(1,514)**	**2,214**
Net income (loss) before noncontrolling interests		**4,364**	**2,789**	**4,186**	**1,707**	**(2,792)**	**—**	**10,254**
Less: Net income (loss) from noncontrolling interests		**—**	**9**	**—**	**—**	**(73)**	**—**	**(64)**
Net income (loss)	**$**	**4,364**	**2,780**	**4,186**	**1,707**	**(2,719)**	**—**	**10,318**
Nine months ended September 30, 2021								
Net interest income (2)	$	16,940	3,687	5,428	1,904	(1,121)	(321)	26,517
Noninterest income		9,204	2,578	4,899	8,794	6,496	(852)	31,119
Total revenue		26,144	6,265	10,327	10,698	5,375	(1,173)	57,636
Provision for credit losses		(1,304)	(1,116)	(1,245)	(92)	54	—	(3,703)
Noninterest expense		18,522	4,469	5,435	8,836	3,371	—	40,633
Income (loss) before income tax expense (benefit)		8,926	2,912	6,137	1,954	1,950	(1,173)	20,706
Income tax expense (benefit)		2,233	727	1,531	491	58	(1,173)	3,867
Net income before noncontrolling interests		6,693	2,185	4,606	1,463	1,892	—	16,839
Less: Net income (loss) from noncontrolling interests		—	5	(2)	—	1,038	—	1,041
Net income	$	6,693	2,180	4,608	1,463	854	—	15,798

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		Consumer Banking and Lending	Commercial Banking	Corporate and Investment Banking	Wealth and Investment Management	Corporate	Reconciling Items (1)	Consolidated Company
Quarter ended September 30, 2022								
Loans (average)	**$**	**335,644**	**208,997**	**306,240**	**85,472**	**9,112**	**—**	**945,465**
Assets (average)		**379,672**	**230,934**	**560,509**	**91,862**	**617,713**	**—**	**1,880,690**
Deposits (average)		**888,037**	**180,231**	**156,830**	**158,367**	**24,386**	**—**	**1,407,851**
Nine months ended September 30, 2022								
Loans (average)	**$**	**330,557**	**201,857**	**296,557**	**85,386**	**9,163**	**—**	**923,520**
Assets (average)		**377,929**	**223,312**	**558,773**	**91,763**	**648,966**	**—**	**1,900,743**
Deposits (average)		**889,366**	**189,664**	**163,578**	**172,516**	**23,909**	**—**	**1,439,033**
Loans (period-end)		**337,352**	**214,585**	**299,693**	**85,180**	**9,096**	**—**	**945,906**
Assets (period-end)		**380,755**	**239,588**	**550,695**	**91,299**	**615,408**	**—**	**1,877,745**
Deposits (period-end)		**886,991**	**172,727**	**154,550**	**148,890**	**34,993**	**—**	**1,398,151**
Quarter ended September 30, 2021								
Loans (average)	$	325,557	178,622	257,295	82,785	9,765	—	854,024
Assets (average)		378,665	196,192	524,124	88,652	762,067	—	1,949,700
Deposits (average)		848,419	199,226	189,424	176,570	37,302	—	1,450,941
Nine months ended September 30, 2021								
Loans (average)	$	336,743	180,096	251,996	81,810	10,021	—	860,666
Assets (average)		391,835	196,990	516,401	87,929	748,236	—	1,941,391
Deposits (average)		824,752	193,761	191,560	175,087	41,796	—	1,426,956
Loans (period-end)		325,918	180,539	263,957	82,824	9,589	—	862,827
Assets (period-end)		379,564	200,204	535,385	88,593	751,155	—	1,954,901
Deposits (period-end)		858,424	204,853	191,786	177,809	37,507	—	1,470,379

(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 low-income 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 23: 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 OCC has similar requirements for the Company's national banks, including Wells Fargo Bank, N.A. (the Bank).

Table 23.1 presents regulatory capital information for Wells Fargo & 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 September 30, 2022, the Bank and our other insured depository institutions were considered well-capitalized under the requirements of the Federal Deposit Insurance Act.

Table 23.1: Regulatory Capital Information

	Wells Fargo & Company				Wells Fargo Bank, N.A.			
	Standardized Approach		Advanced Approach		Standardized Approach		Advanced Approach	
(in millions, except ratios)	**September 30, 2022**	December 31, 2021	**September 30, 2022**	December 31, 2021	**September 30, 2022**	December 31, 2021	**September 30, 2022**	December 31, 2021
Regulatory capital:								
Common Equity Tier 1	$ **129,758**	140,643	**129,758**	140,643	**137,609**	149,318	**137,609**	149,318
Tier 1	**148,810**	159,671	**148,810**	159,671	**137,609**	149,318	**137,609**	149,318
Total	**182,690**	196,308	**173,520**	186,580	**160,488**	173,044	**151,250**	163,213
Assets:								
Risk-weighted assets	**1,255,641**	1,239,026	**1,104,116**	1,116,068	**1,175,426**	1,137,839	**971,152**	965,511
Adjusted average assets	**1,852,392**	1,915,585	**1,852,392**	1,915,585	**1,693,679**	1,758,479	**1,693,679**	1,758,479
Regulatory capital ratios:								
Common Equity Tier 1 capital	**10.33 %** *	11.35	**11.75**	12.60	**11.71** *	13.12	**14.17**	15.47
Tier 1 capital	**11.85** *	12.89	**13.48**	14.31	**11.71** *	13.12	**14.17**	15.47
Total capital	**14.55** *	15.84	**15.72**	16.72	**13.65** *	15.21	**15.57**	16.90
Required minimum capital ratios:								
Common Equity Tier 1 capital	**9.10**	9.60	**8.50**	9.00	**7.00**	7.00	**7.00**	7.00
Tier 1 capital	**10.60**	11.10	**10.00**	10.50	**8.50**	8.50	**8.50**	8.50
Total capital	**12.60**	13.10	**12.00**	12.50	**10.50**	10.50	**10.50**	10.50

	Wells Fargo & Company		Wells Fargo Bank, N.A.	
	September 30, 2022	December 31, 2021	**September 30, 2022**	December 31, 2021
Regulatory leverage:				
Total leverage exposure (1)	$ **2,236,647**	2,316,079	**2,072,151**	2,133,798
Supplementary leverage ratio (SLR) (1)	**6.65 %**	6.89	**6.64**	7.00
Tier 1 leverage ratio (2)	**8.03**	8.34	**8.12**	8.49
Required minimum leverage:				
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 September 30, 2022.
(1) The SLR consists of tier 1 capital divided by total leverage exposure. Total leverage exposure consists of total average assets, less goodwill and other permitted tier 1 capital deductions (net of deferred tax liabilities), plus certain off-balance sheet exposures.
(2) 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.

At September 30, 2022, 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 3.10% 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 an 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 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 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, under 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), Wells Fargo Bank, N.A., 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, 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 authorizes it to file a case under the U.S. Bankruptcy Code.

For additional information on loan and dividend restrictions, see Note 28 (Regulatory Capital Requirements and Other Restrictions) in our 2021 Form 10-K.

Cash Restrictions

Cash and cash equivalents may be restricted as to usage or withdrawal. Table 23.2 provides a summary of restrictions on cash and cash equivalents.

Table 23.2: Nature of Restrictions on Cash and Cash Equivalents

(in millions)		**Sep 30, 2022**	Dec 31, 2021
Reserve balance for non-U.S. central banks	**$**	**237**	382
Segregated for benefit of brokerage customers under federal and other brokerage regulations		**809**	830

Glossary of Acronyms

ACL	Allowance for credit losses	**HTM**	Held-to-maturity
AFS	Available-for-sale	**LCR**	Liquidity coverage ratio
AOCI	Accumulated other comprehensive income	**LHFS**	Loans held for sale
ARM	Adjustable-rate mortgage	**LIBOR**	London Interbank Offered Rate
ASC	Accounting Standards Codification	**LIHTC**	Low-income housing tax credit
ASU	Accounting Standards Update	**LOCOM**	Lower of cost or fair value
AVM	Automated valuation model	**LTV**	Loan-to-value
BCBS	Basel Committee on Banking Supervision	**MBS**	Mortgage-backed securities
BHC	Bank holding company	**MSR**	Mortgage servicing right
CCAR	Comprehensive Capital Analysis and Review	**NAV**	Net asset value
CD	Certificate of deposit	**NPA**	Nonperforming asset
CECL	Current expected credit loss	**NSFR**	Net stable funding ratio
CET1	Common Equity Tier 1	**OCC**	Office of the Comptroller of the Currency
CFPB	Consumer Financial Protection Bureau	**OCI**	Other comprehensive income
CLO	Collateralized loan obligation	**OTC**	Over-the-counter
CLTV	Combined loan-to-value	**PCD**	Purchased credit-deteriorated
CPI	Collateral protection insurance	**PTPP**	Pre-tax pre-provision profit
CRE	Commercial real estate	**RMBS**	Residential mortgage-backed securities
DPD	Days past due	**ROA**	Return on average assets
ESOP	Employee Stock Ownership Plan	**ROE**	Return on average equity
FASB	Financial Accounting Standards Board	**ROTCE**	Return on average tangible common equity
FDIC	Federal Deposit Insurance Corporation	**RWAs**	Risk-weighted assets
FHA	Federal Housing Administration	**SEC**	Securities and Exchange Commission
FHLB	Federal Home Loan Bank	**S&P**	Standard & Poor's Global Ratings
FHLMC	Federal Home Loan Mortgage Corporation	**SLR**	Supplementary leverage ratio
FICO	Fair Isaac Corporation (credit rating)	**SOFR**	Secured Overnight Financing Rate
FNMA	Federal National Mortgage Association	**SPE**	Special purpose entity
FRB	Board of Governors of the Federal Reserve System	**TDR**	Troubled debt restructuring
GAAP	Generally accepted accounting principles	**TLAC**	Total Loss Absorbing Capacity
GNMA	Government National Mortgage Association	**VA**	Department of Veterans Affairs
GSE	Government-sponsored entity	**VaR**	Value-at-Risk
G-SIB	Global systemically important bank	**VIE**	Variable interest entity
HQLA	High-quality liquid assets	**WIM**	Wealth and Investment Management

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information in response to this item can be found in Note 13 (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 September 30, 2022. In third quarter 2022, common stock repurchases were limited to repurchases in connection with the Wells Fargo & Company Stock Purchase Plan and the Company’s deferred compensation plans.

Calendar month	Total number of shares repurchased (1)	Weighted average price paid per share	Maximum number of shares that may yet be repurchased under the authorization
July	34,420	$ 41.37	250,601,709
August	45,950	44.58	250,555,759
September	36,667	43.40	250,519,092
Total	117,037		

(1) All shares were repurchased under an authorization covering up to 500 million shares of common stock approved by the Board of Directors and publicly announced by the Company on January 15, 2021. Unless modified or revoked by the Board of Directors, this authorization does not expire.

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.

Exhibit Number	Description	Location
3(a)	Restated Certificate of Incorporation, as amended and in effect on the date hereof.	Filed herewith.
3(b)	By-Laws.	Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed March 1, 2018.
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.	
22	Subsidiary guarantors and issuers of guaranteed securities and affiliates whose securities collateralize securities of the registrant.	Incorporated by reference to Exhibit 22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020.
31(a)	Certification of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
31(b)	Certification of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32(a)	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.	Furnished herewith.
32(b)	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.	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: October 31, 2022

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

Pursuant to Section 245 of the
General Corporation Law of the State of Delaware

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~~	~~1997 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit B~~	~~1998 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit C~~	~~1999 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit D~~	~~2000 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit E~~	~~2001 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit F~~	~~2002 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit G~~	~~2003 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit H~~	~~2004 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit I~~	~~2005 ESOP Cumulative Convertible Preferred Stock*~~
~~Exhibit J~~	~~2006 ESOP Cumulative Convertible Preferred Stock*~~

*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) <u>Elimination of Certain Liability of Directors</u>. 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 30th 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).

"Depositary" means DTC or its nominee or any successor depositary 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 66 2/3 % 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.

Ssection 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 Depositary.

(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 Depositary will be made by the Conversion Agent upon compliance with the Depositary'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 Depositary'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

Effective Date	$ 120.54	$ 125.57	$ 138.12	$ 150.68	$ 156.71	$ 175.79	$ 203.72	$ 226.02	$ 251.13	$ 301.36	$ 401.81	$ 502.26
April 17, 2008........	1.9153	1.8855	1.5191	1.1110	0.9497	0.6471	0.3962	0.2847	0.2091	0.1354	0.0757	**0.0458**
March 15, 2009........	1.9153	1.8775	1.5052	1.0951	0.9437	0.6331	0.3763	0.2588	0.1852	0.1175	0.0697	**0.0438**
March 15, 2010........	1.9153	1.8397	1.4913	1.0871	0.9378	0.6073	0.3365	0.2210	0.1533	0.0956	0.0577	**0.0358**
March 15, 2011........	1.9153	1.7899	1.4694	1.0731	0.9238	0.5794	0.2887	0.1712	0.1075	0.0657	0.0398	**0.0259**
March 15, 2012........	1.9153	1.7561	1.4355	1.0652	0.9139	0.5356	0.2051	0.0896	0.0458	0.0299	0.0199	**0.0119**
March 15, 2013........	1.9153	1.6704	1.4275	1.0592	0.9119	0.5097	0.0916	0.0000	0.0000	0.0000	0.0000	**0.0000**
Thereafter...	**1.9153**	**1.6704**	**1.4275**	**1.0592**	**0.9119**	**0.5097**	**0.0916**	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.0000**

(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:

(A) the anticipated effective date or effective date of the Make-Whole Acquisition; and

(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 of, 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 "<u>Dividend Threshold Amount</u>") 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.

Ssection 18. <u>Limitations on Beneficial Ownership</u>. 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. <u>Preemptive or Subscription Rights</u>. 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 30th 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 AMENDMENT
OF
CERTIFICATE OF INCORPORATION

Pursuant to Section 242 of the
General Corporation Law of the State of Delaware

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 29th 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

CERTIFICATE OF DESIGNATION

Pursuant to Section 151(g) of the
General Corporation Law
of the State of Delaware

5.85% FIXED-TO-FLOATING RATE NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES Q
(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 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 July 19, 2013, 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 5.85% Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series Q, with no par value and a liquidation preference amount of $25,000 per share (the "*Series Q Preferred Stock*"). Each share of Series Q Preferred Stock shall be identical in all respects to every other share of Series Q Preferred Stock except with respect to the date from which dividends may accrue. Series Q 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 Q 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 Q 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 Q Preferred Stock.

Section 3. **Definitions**. As used herein with respect to Series Q 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 Bank, N.A. or any other successor appointed by the Corporation, acting as Calculation Agent.

"*Certificate of Designation*" means this Certificate of Designation relating to the Series Q Preferred Stock, as it may be amended from time to time.

*"Common Stock"*means the common stock of the Corporation, par value $1⅔ 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.

"*Depositary 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 Q 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 Q 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 Q 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 15, 2013; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after July 15, 2013; 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 15, 2013, 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 Q

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 Q Preferred Stock is outstanding.

"*Series Q 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 September 15, 2023, 5.85%. 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 Q Preferred Stock.

Section 4. Dividends.

(a) Rate. Dividends on the Series Q Preferred Stock will not be mandatory. Holders of Series Q 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 Q Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December, commencing September 15, 2013. From July 22, 2013 to, but excluding, September 15, 2023 (the "*Fixed Rate Period*"), dividends will accrue at an annual rate of 5.85%, and from, and including, September 15, 2023 (the "*Floating Rate Period*"), dividends will accrue at an annual rate equal to Three-month LIBOR plus 3.09%. Notwithstanding the foregoing, if any date on or prior to September 15, 2023 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 September 15, 2023 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, July 22, 2013 to, but excluding, September 15, 2013. The record date for payment of dividends on the Series Q 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 Q Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series Q 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 Q 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 Q 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 Q 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 15, 2013, (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 Q 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 15, 2013, (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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series Q Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series Q Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Series Q 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 Q Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after September 15, 2023, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Q 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 Q Preferred Stock at the time outstanding, prior to September 15, 2023, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series Q 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 Q 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 Q Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series Q Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series Q 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 Q 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 Q Preferred Stock at the time outstanding, the shares of Series Q Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series Q Preferred Stock in proportion to the number of Series Q 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 Q 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 "*Depositary 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 Depositary 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q 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 Q Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series Q 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 Q 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 Q 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 Q 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 Q 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 Q Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series Q Preferred Stock will have no right to vote under this section 7(c)(iv) if in each case (a) the shares of Series Q 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 Q 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 Q Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series Q 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 Q Preferred Stock, and holders of the Series Q 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 Q 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 Q Preferred Stock will have 25 votes per share on any matter on which holders of the Series Q 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 Q 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 Q 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 Q 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, applicable law and any national securities exchange or other trading facility in which the Series Q Preferred Stock is listed or traded at the time.

Section 8. Preemption and Conversion. The holders of Series Q Preferred Stock shall not have any rights of preemption or rights to convert such Series Q Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Reacquired Shares. Shares of Series Q 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 Q 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 Q 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 Q 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 Q 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 19th day of July, 2013.

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 July 19, 2013.]

WELLS FARGO & COMPANY

CERTIFICATE OF DESIGNATION
Pursuant to Section 151(g) of the
General Corporation Law
of the State of Delaware

6.625% FIXED-TO-FLOATING RATE NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES R
(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 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 December 11, 2013, 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 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Class A Preferred Stock, Series R, with no par value and a liquidation preference amount of $25,000 per share (the "*Series R Preferred Stock*"). Each share of Series R Preferred Stock shall be identical in all respects to every other share of Series R Preferred Stock except with respect to the date from which dividends may accrue. Series R 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 R Preferred Stock shall be 34,500. 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 R 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 R Preferred Stock.

Section 3. Definitions. As used herein with respect to Series R 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 Bank, N.A. or any other successor appointed by the Corporation, acting as Calculation Agent.

"*Certificate of Designation*" means this Certificate of Designation relating to the Series R Preferred Stock, as it may be amended from time to time.

*"Common Stock"*means the common stock of the Corporation, par value $1⅔ 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.

"*Depositary 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 R 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 R 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 R 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 December 11, 2013; (ii) proposed change in those laws or regulations that is announced or becomes effective on or after December 11, 2013; 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 December 11, 2013, 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 R 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 R Preferred Stock is outstanding.

"*Series R 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 March 15, 2024, 6.625%. 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 R Preferred Stock.

Section 4. Dividends.

(a) Rate. Dividends on the Series R Preferred Stock will not be mandatory. Holders of Series R 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 R Preferred Stock, payable quarterly in arrears on the 15th day of March, June, September and December, commencing March 15, 2014, From December 18, 2013 to, but excluding, March 15, 2024 (the "*Fixed Rate Period*"), dividends will accrue at an annual rate of 6.625%, and from, and including, March 15, 2024 (the "*Floating Rate Period*"), dividends will accrue at an annual rate equal to Three-month LIBOR plus 3.69%. Notwithstanding the foregoing, if any date on or prior to March 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 March 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, December 18, 2013 to, but excluding, March 15, 2014. The record date for payment of dividends on the Series R 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 R Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series R 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 R 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 R 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 R 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 December 11, 2013, (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 R 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 December 11, 2013, (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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series R Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective aggregate liquidation preference of Series R Preferred Stock and all such Parity Stock.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Series R 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 R Preferred Stock at the time outstanding, at any time on any Dividend Payment Date on or after March 15, 2024, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series R 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 R Preferred Stock at the time outstanding, prior to March 15, 2024, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series R 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 R 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 R Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series R Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series R 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 R 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 R Preferred Stock at the time outstanding, the shares of Series R Preferred Stock to be redeemed shall be selected either *pro rata* from the holders of record of Series R Preferred Stock in proportion to the number of Series R 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 R 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 "*Depositary 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 Depositary 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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R 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 R Preferred Stock remain outstanding, the vote or consent of the holders of the outstanding shares of Series R 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 R 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 R 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

R 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 R 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 R Preferred Stock or a merger or consolidation with another corporation or other entity, except holders of the Series R Preferred Stock will have no right to vote under this section 7(c)(iv) if in each case (a) the shares of Series R 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 R 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 R Preferred Stock, taken as a whole; *provided, however*, that any authorization, creation or increase in the authorized amount of or issuance of the Series R 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 R Preferred Stock, and holders of the Series R 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 R 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 R Preferred Stock will have 25 votes per share on any matter on which holders of the Series R 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 R 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 R 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 R 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, applicable law and any national securities exchange or other trading facility in which the Series R Preferred Stock is listed or traded at the time.

Section 8. Preemption and Conversion. The holders of Series R Preferred Stock shall not have any rights of preemption or rights to convert such Series R Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Reacquired Shares. Shares of Series R 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 R 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 R 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 R 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 R 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.

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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 17th day of December, 2013.

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 December 17, 2013.]

WELLS FARGO & COMPANY

CERTIFICATE OF DESIGNATION

Pursuant to Section 151(g) of the
General Corporation Law
of the State of Delaware

5.90% FIXED-TO-FLOATING RATE NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES S (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 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 $1⅔ 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.

"*Depositary 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 15th 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 15th 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 "*Depositary 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 Depositary 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 17th 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

CERTIFICATE OF DESIGNATION

Pursuant to Section 151(g) of the

General Corporation Law

of the State of Delaware

5.875% FIXED-TO-FLOATING RATE NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES U
(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 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 $1⅔ 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.

"*Depositary 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 15th 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 15th 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 "*Depositary 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 Depositary 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 22nd 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

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 Y
(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 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 $1⅔ 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.

"*Depositary 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 "*Depositary 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 Depositary 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 21st 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

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 Z
(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 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 $1⅔ 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.

"*Depositary 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 "*Depositary 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 Depositary 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 24th 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

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 AA
(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 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 $1⅔ 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.

"*Depositary 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 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 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 "*Depositary 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 Depositary 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 Depositary 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 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 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 27th 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

CERTIFICATE OF DESIGNATION

Pursuant to Section 151(g) of the
General Corporation Law
of the State of Delaware

3.90% FIXED RATE RESET NON-CUMULATIVE PERPETUAL CLASS A PREFERRED STOCK, SERIES BB
(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 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 $1⅔ 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.

"*Depositary 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; <u>provided</u>, <u>however</u>, 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 "*Depositary 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 Depositary 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 Depositary 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. Reacquired 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.

Wells

By: /
B
A

/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 $1⅔ 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.

"*Depositary 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 Depositary Company (as defined below), as sole holder of the Series CC 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 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 "*Depositary 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 Depositary 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 Depositary 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. Reacquired 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]

US.131015285.04

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 $1⅔ 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.

"*Depositary 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 Depositary Company (as defined below), as sole holder of the Series DD 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 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 "*Depositary 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 Depositary 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 Depositary 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. Reacquired 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 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 July 23, 2021]

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 September 30, 2022, 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

Charles W. Scharf
Chief Executive Officer

Date: October 31, 2022

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 September 30, 2022, 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

Michael P. Santomassimo
Chief Financial Officer

Date: October 31, 2022

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 September 30, 2022, 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

Date: October 31, 2022

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 September 30, 2022, 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: October 31, 2022