



Wholesale Banking

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Senior Executive Vice President

May 11, 2017

Business Overview

The background of the slide is a solid, muted brown color. Overlaid on this background is a faint, light-colored illustration of a stagecoach. The stagecoach is being pulled by two horses, and there are two figures seated inside the carriage. The illustration is positioned in the lower half of the slide, behind the main text.

Wholesale Banking overview

Wholesale Banking operates ten major lines of business, serving diverse market and customer segments including business banking, middle market, and large corporates, as well as financial institutions

Presence

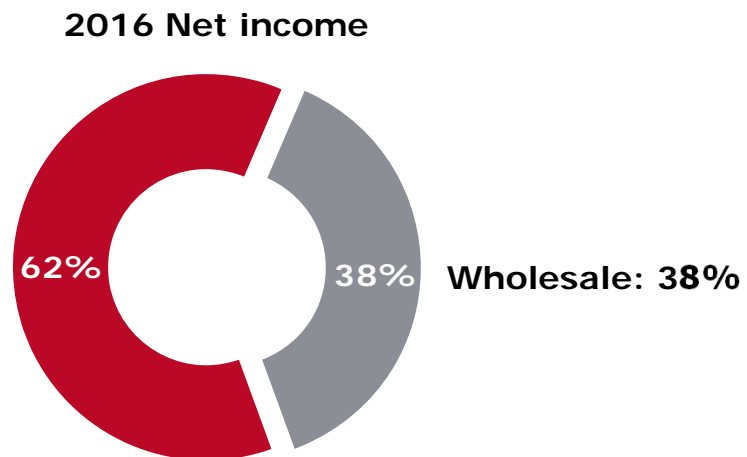
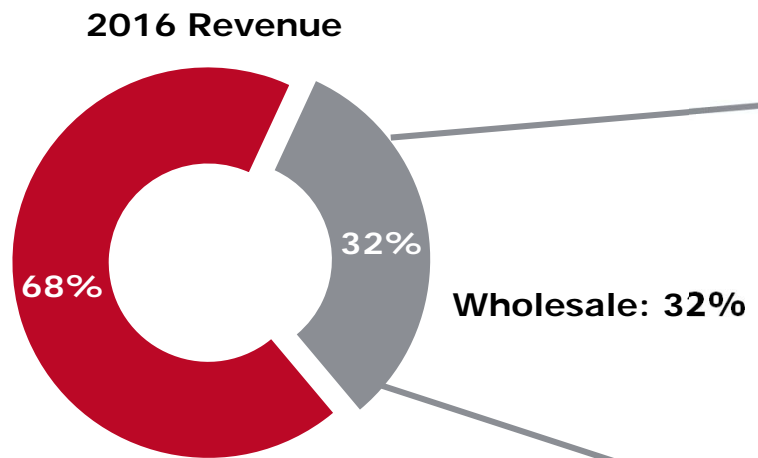
- 32,000+ team members
- 627 domestic locations
- 42 countries and territories

1Q17 Financials

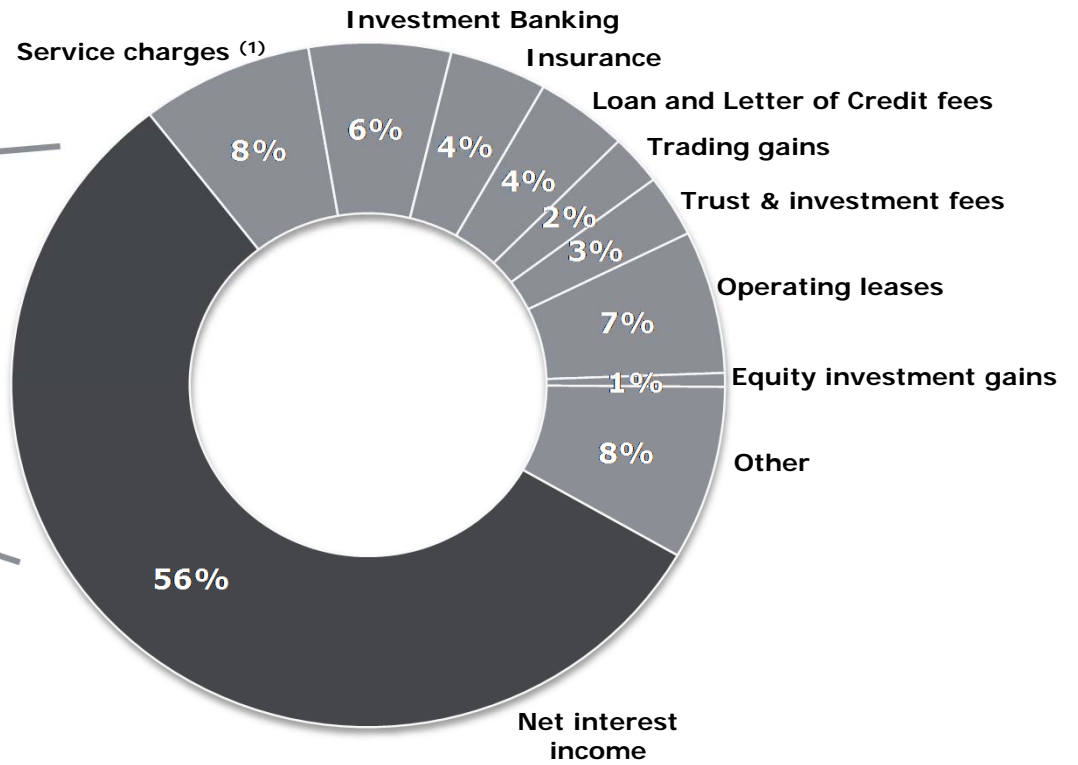
- \$807.8B Average assets
- \$466.0B Average deposits
- \$466.3B Average loans
- \$7.0B Revenue
- \$2.1B Net income

Revenue and income contribution

Share of Wells Fargo Revenue and Net Income



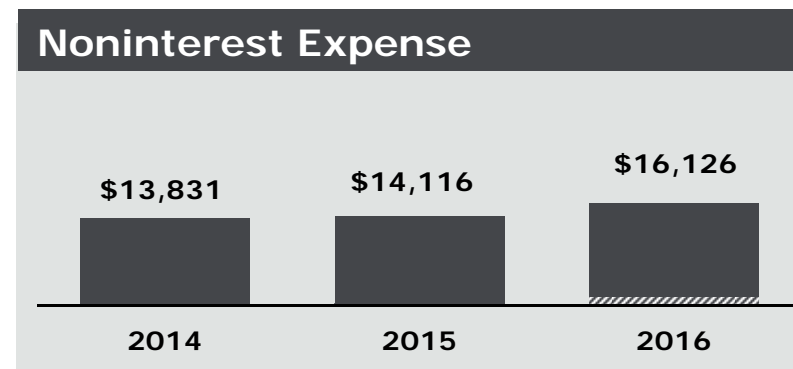
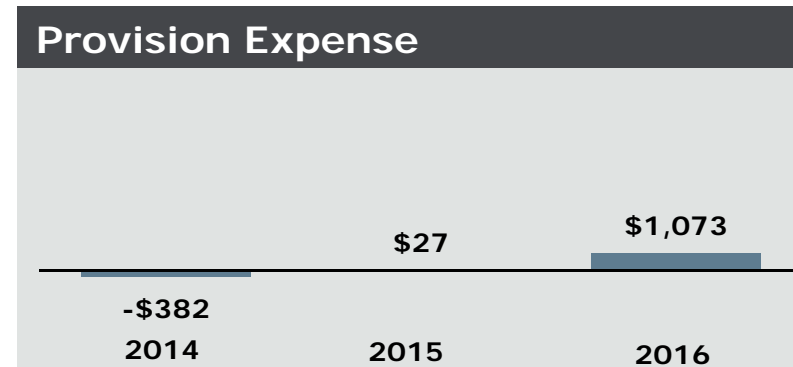
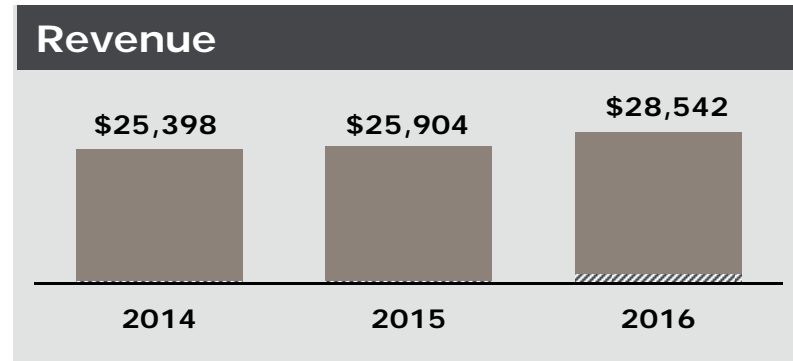
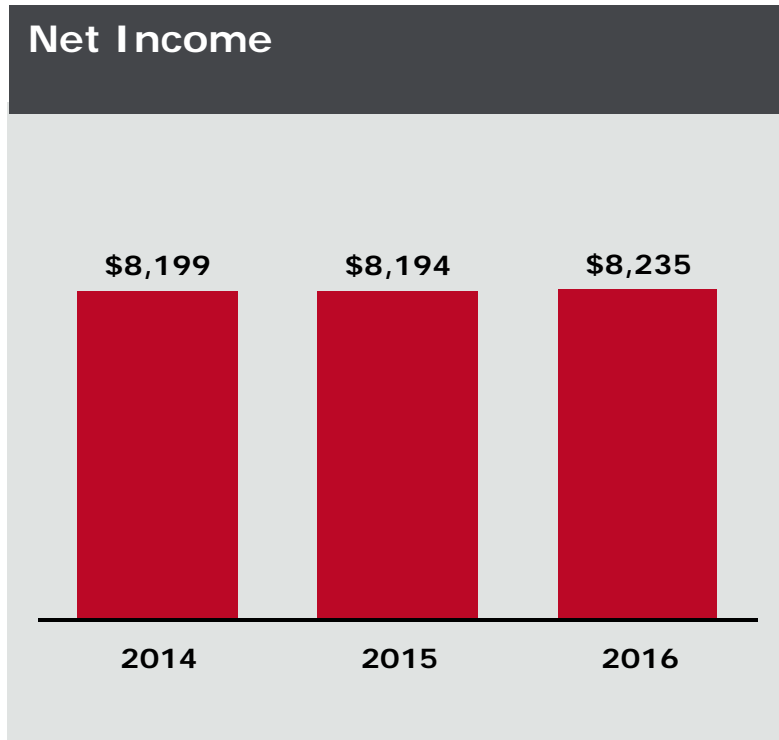
Wholesale Revenue by Category



(1) Includes Treasury Management fees.

Financial performance

(\$ in millions)



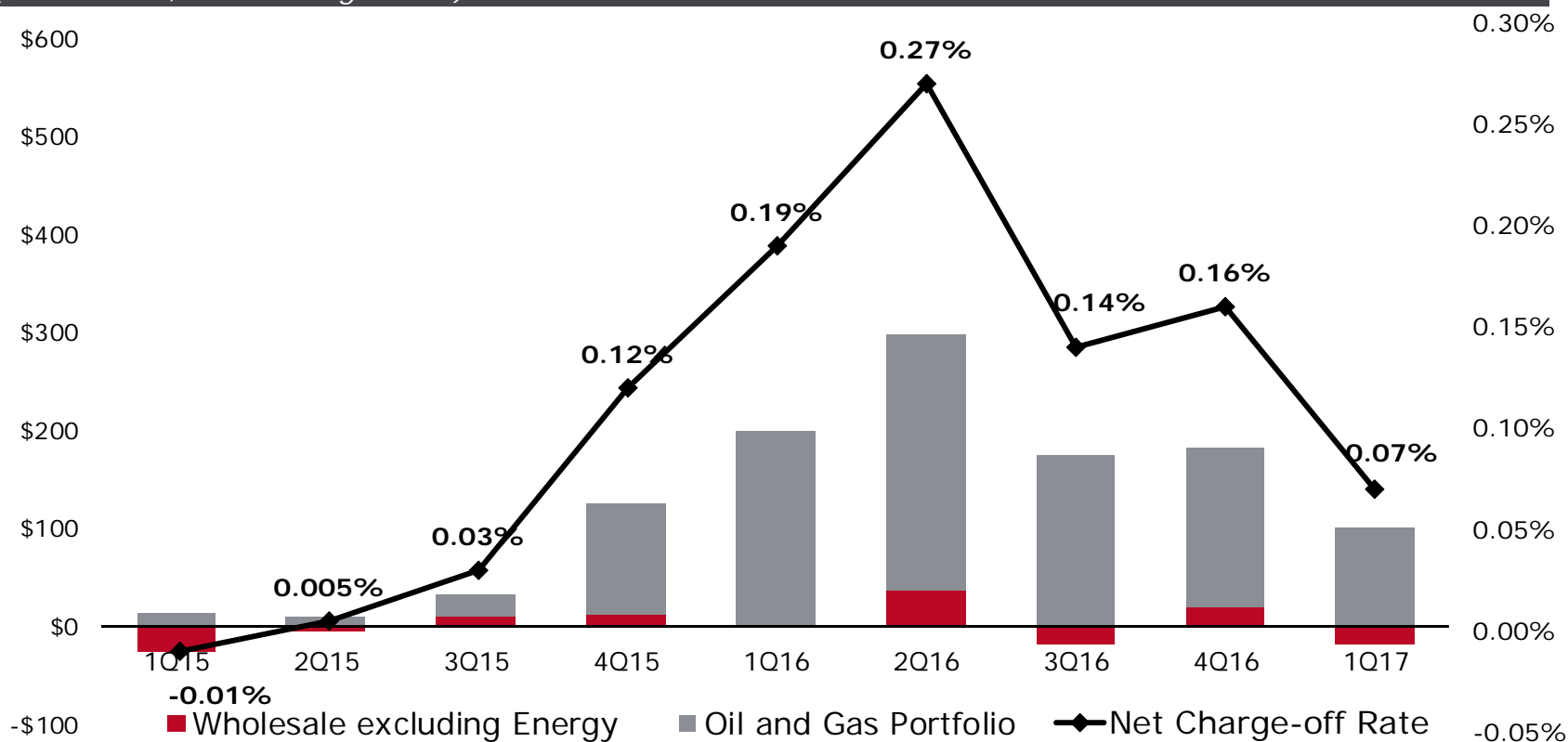
▨ Shading = Operating lease revenue and expense, respectively.

Continued strong credit quality

Credit quality remained strong with net charge-offs of 7 bps in 1Q17, as oil and gas portfolio losses have declined from their peak in 2Q16

Net Charge-offs

(\$ in millions, % of average loans)



Wholesale Banking's 10 major lines of business

Partnering across the organization and its teams in service of our customers

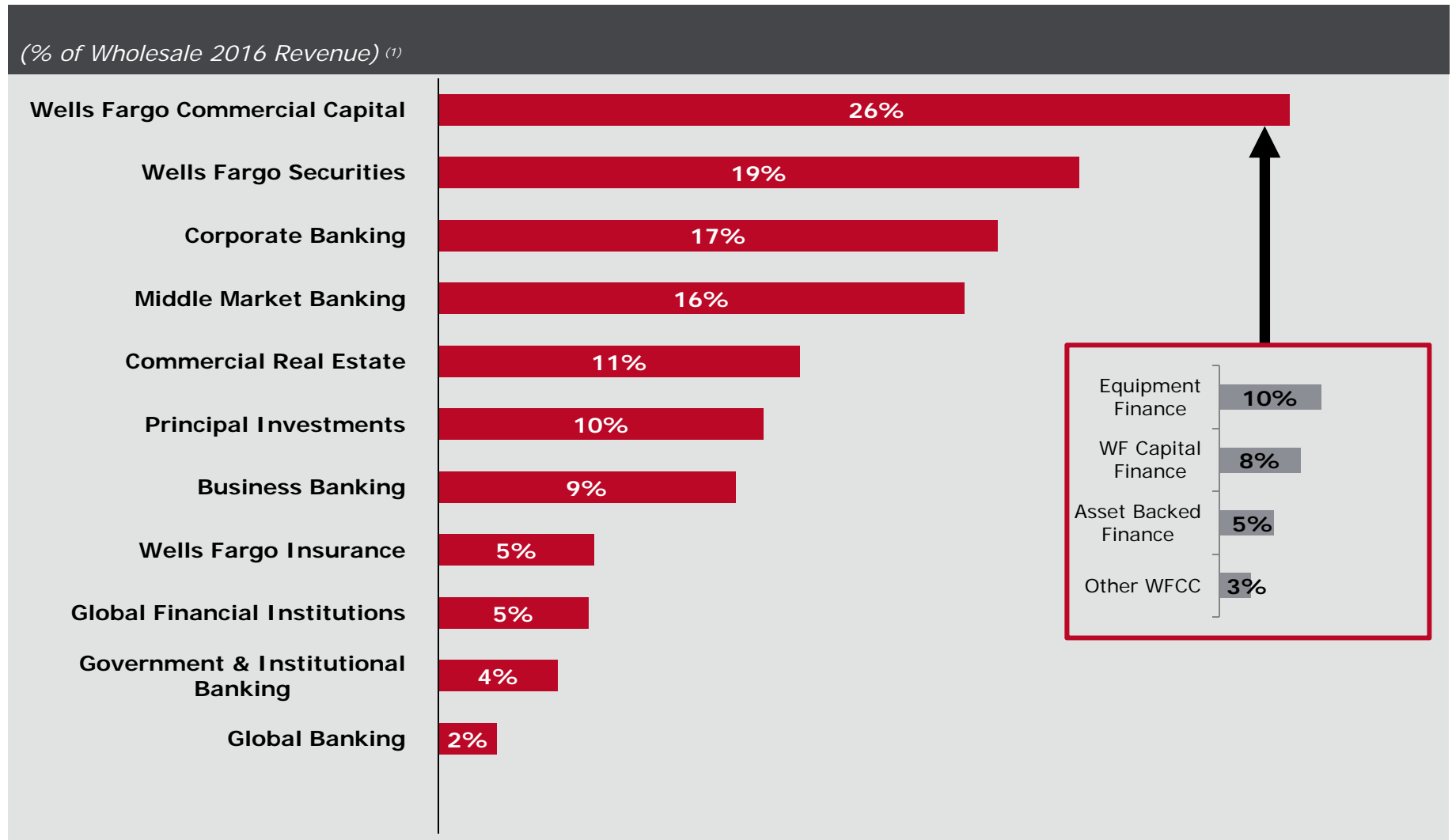
- **Business Banking Group (BBG)**
National Specialty Industry Group
Regional Business Banking
SBA Lending
- **Commercial Real Estate (CRE)**
Commercial Mortgage Servicing
Community Lending & Investment
Commercial Real Estate Capital Markets and Finance
Homebuilder Banking
Hospitality Finance Group
Multifamily Capital
Real Estate Capital Markets
Real Estate Merchant Banking
REIT Finance Group
Senior Housing Finance
U.K. and Canada Lending
U.S. National Lending
- **Corporate Banking (CBG)**
Consumer & Retail
Energy
Global
Healthcare
Industrials
Restaurant Finance & Gaming
Strategic Capital
Technology, Media, & Telecom
- **Financial Institutions Group (FIG)**
Financial Institutions
Global Financial Institutions
- **Government & Institutional Banking (GIB)**
Government Banking
Education & Nonprofit Banking
Healthcare Financial Services (Nonprofit)
- **Middle Market Banking (MMB)**
International Trade Services
Specialty businesses, including Global Advisory Group
- **Principal Investments (PI)**
Corporate Credit
Municipals
Reinsurance
Renewable Energy and Environmental Finance
Structured Products
- **Wells Fargo Commercial Capital (WFCC)**
Asset-Backed Finance
Commercial Distribution Finance
Corporate Trust Services
Wells Fargo Equipment Finance
Wells Fargo Capital Finance
Wells Fargo Rail
- **Wells Fargo Insurance (WFI)**
Insurance Brokerage and Consulting
Personal and Small Business Insurance
- **Wells Fargo Securities (WFS)**
Eastdil Secured
Foreign Exchange
Investment Banking & Capital Markets
Markets Division
Municipal Products
Research & Economics

Wholesale COO ⁽¹⁾

- Consent Order Remediation
- Domestic & International Operations
- International Regional Leadership & Governance
- Legal Entity Remediation – Drafting & Communications
- Strategy & International Governance
- Wholesale Business Solutions
- Wholesale Relationship Strategies & Insights

(1) Not included in the count of Wholesale's 10 major lines of business.

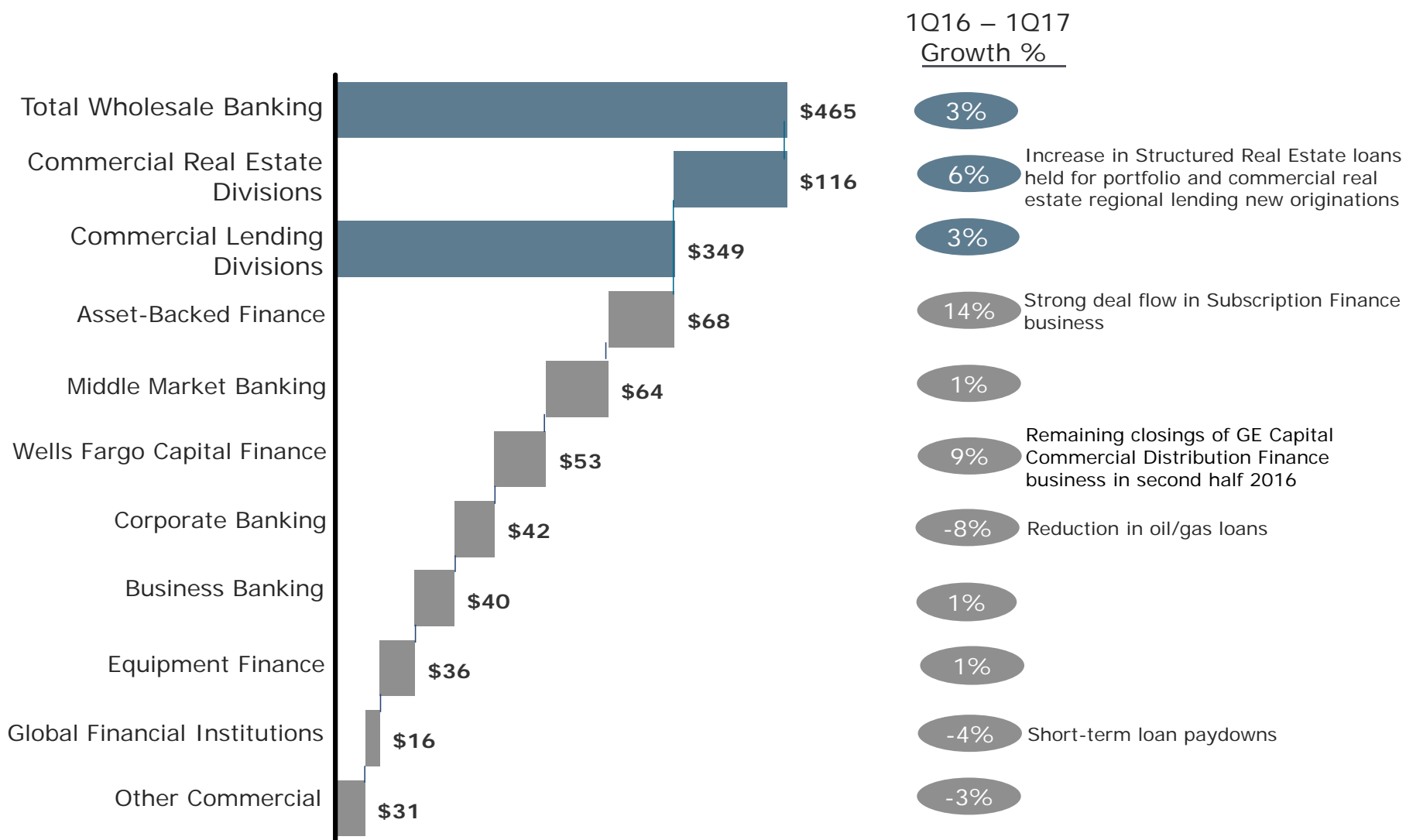
Diversified revenue streams



(1) Revenue percentages are before double-count eliminations and do not add to 100%.

Loan portfolio diversification

(\$ in billions, 1Q17 ending balances)



Impact of recent events on Wholesale Banking

While recent events have had a limited financial impact on Wholesale Banking to date, we continue to closely monitor, proactively anticipate and programmatically respond to adverse news

- **Background:** Wholesale Banking has been impacted by recent Wells Fargo events, most notably Community Bank sales practices, the Dakota Access Pipeline Funding (DAPL), and the two-level downgrade of Wells Fargo's Community Reinvestment Act (CRA) national rating.
- **Sales Practices:** Several states including California, Illinois, Massachusetts and Ohio have imposed temporary bans on specific types of business, such as municipal securities underwriting.
- **APL:** Given Wells Fargo's participation in a multibank credit facility to finance DAPL, several cities have indicated an interest in seeking other financial services vendors, or have passed "responsible banking" ordinances that could disqualify Wells Fargo as an eligible bank for government deposits. Of these, the City of Seattle (WA) is the most notable.
- **CRA:** Several states and municipalities have statutes that prohibit state and local government deposits with banks with CRA ratings less than "Satisfactory". Most statutes do not specify whether the national or state CRA rating governs. Wells Fargo's state ratings are all "Satisfactory" or above.

A faded, sepia-toned background image of a horse-drawn carriage. The carriage is being pulled by a team of horses, and a driver is visible in the front. The image is centered and serves as a backdrop for the text.

Organized around our Customers

Strategic Priorities & Growth Opportunities

Wholesale Banking's strategic priorities

Strategic Priorities	Simplify operating model	Recalibrate and simplify the operating model to serve customers and address their complex financial needs through ten major lines of business
	Drive growth	Focus on accelerating top and bottom-line growth through a number of key opportunities across Wholesale Banking while divesting non-core capabilities
	Deploy verticals	Cultivate and deploy industry-aligned vertical market expertise, bolstering local relationship teams and product specialists in service of our customers
	Leverage relationship management	Leverage our relationship management approach to compete more effectively against large, regional and niche players across markets and segments
	Invest	Invest in our people, products, delivery, service, tools and data to enhance the customer and team member experience, and to foster innovation with market-leading online and mobile solutions
	Balance risk and reward	Proactively manage risk as a competitive advantage, ensuring we continually balance risk and reward to drive long-term sustainable performance

Growth opportunities

Growth Opportunities

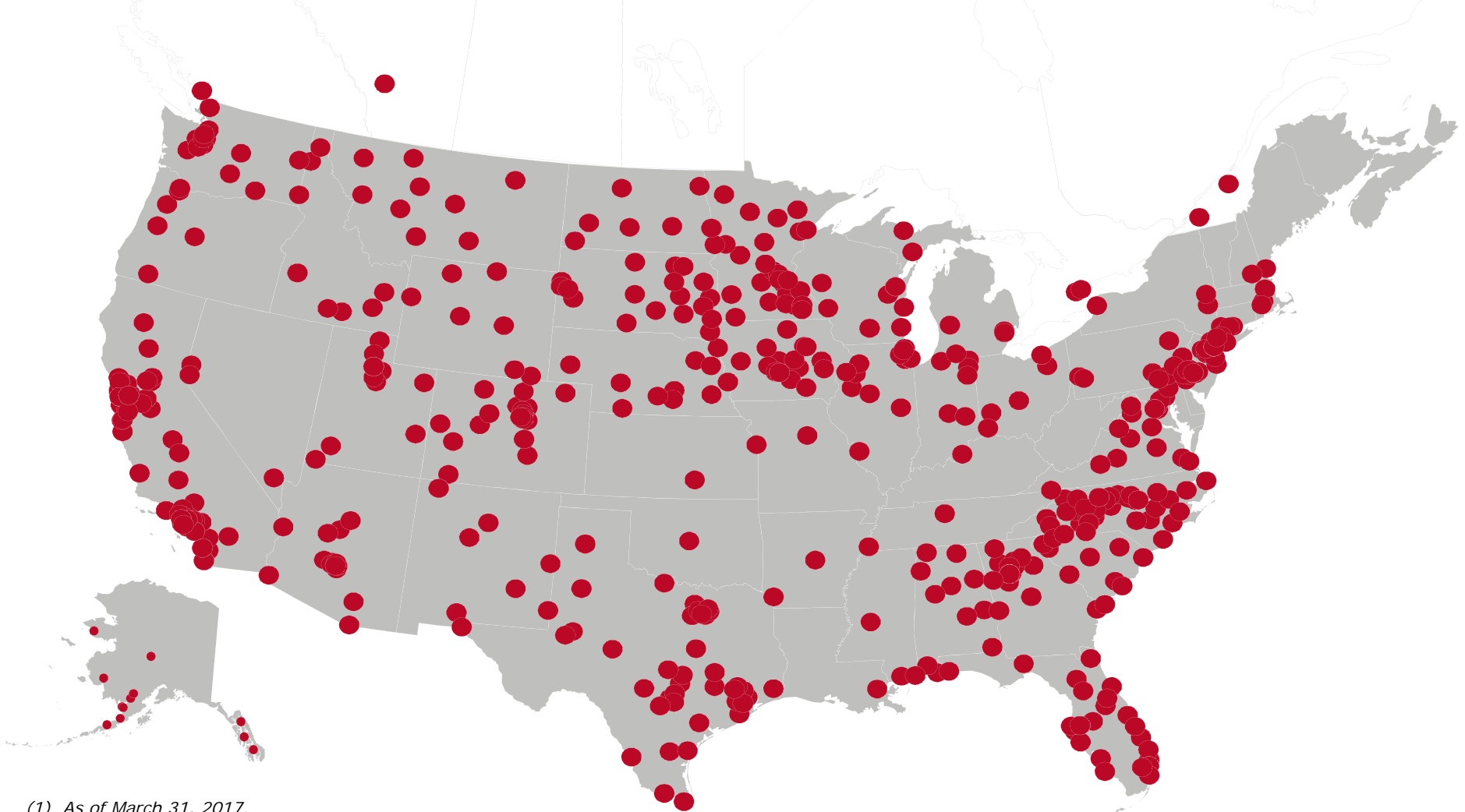
- Extensive domestic and local presence coupled with targeted global capabilities
- Industry-aligned verticals
- Corporate & Investment Banking
- Business Banking Group
- Asset-Backed Finance
- Commercial Distribution Finance

2016 Divestitures

- Global Fund Services - December 2016
- Flatiron Capital - June 2016
- Rural Community Insurance Services - March 2016
- Health Benefit Services - March 2016

Wholesale's extensive North American presence

Wholesale's 627 domestic locations are complemented by an operating presence in 42 countries and territories ⁽¹⁾



(1) As of March 31, 2017.

Wholesale's vertical strategy

Wholesale delivers industry-aligned vertical market expertise flexibly and locally, evolving with our customers' needs, market opportunities and the economic environment

Consumer & Retail

- Consumer industries
 - Consumer products
 - Food and beverage
- Brand name retail/apparel customers
- Hospitality & consumer services

Energy

- Entire spectrum of public/private, middle market and large corporate companies:
 - Exploration & production
 - Services & equipment
 - Midstream/pipeline
- Investor-owned electric, natural gas, and water utilities along with generation and transmissions companies

Financial Institutions

- Banks
- Insurance/reinsurance
- Asset managers
- Alternative investment managers
- Securities brokerages
- Exchanges
- Payment processors
- Financial technology
- Leasing and finance
- Title and escrow

Gaming

- Multiple jurisdiction, public and private gaming companies
- Tribal and Native American casinos
- Single-property gaming enterprises

Healthcare

- Investment grade and non-investment grade companies in the "for profit" segment of the healthcare industry
- Public and private healthcare companies with a national or super regional scale
- Life sciences (pharmaceutical, biotech, medical tech)

Industrials

- Basics industries
- Diversified industries
- Transportation, including auto
- Defense, aerospace, and technology services
- Waste & recycling
- Heavy equipment

Restaurants

- National and regional restaurant brands with sales greater than \$50 million
- Large franchisees in established systems
- Convenience store and gas station owner/operators
- Landlords with single tenant retail properties

Technology, Media & Telecom

- Information technology
- Media & entertainment
- Telecommunications
- Business & transaction services
- Internet & digital media

Other Verticals

- Commercial Real Estate (CRE)
- Government & Institutional Banking (GIB)
- Agriculture, whose key sectors include Specialty and Non-Grain Crops and Wineries, Protein, Forest Products, Grain and Oilseeds, Crop Inputs/Feed, and Dairy

Corporate & Investment Banking

Wells Fargo Securities is fully integrated into Wholesale's powerful relationship model, with a strong focus on operating performance, return on capital, human capital development and risk management

Growth opportunities include:

- Earn leadership positions
- Become the trusted advisor
- Capture mind and wallet share
- Provide differentiated content, thought leadership and advice
- Cultivate buy-side relationships
- Deepen relationships with strategic capital sources
- Advance best in class risk management

of Investment Banking Transactions Domestic –2016

Rank	Bank	No.
1	Bank of America Merrill Lynch	2,357
2	JPMorgan	2,340
3	Wells Fargo Securities	2,028
4	Citi	1,499
5	Goldman Sachs	1,238
6	Barclays	1,224
7	Morgan Stanley	1,067
8	RBC Capital Markets	1,026
9	Credit Suisse	962
10	Deutsche Bank	960

Fee Based Market Share Domestic –2016

(\$ in millions)

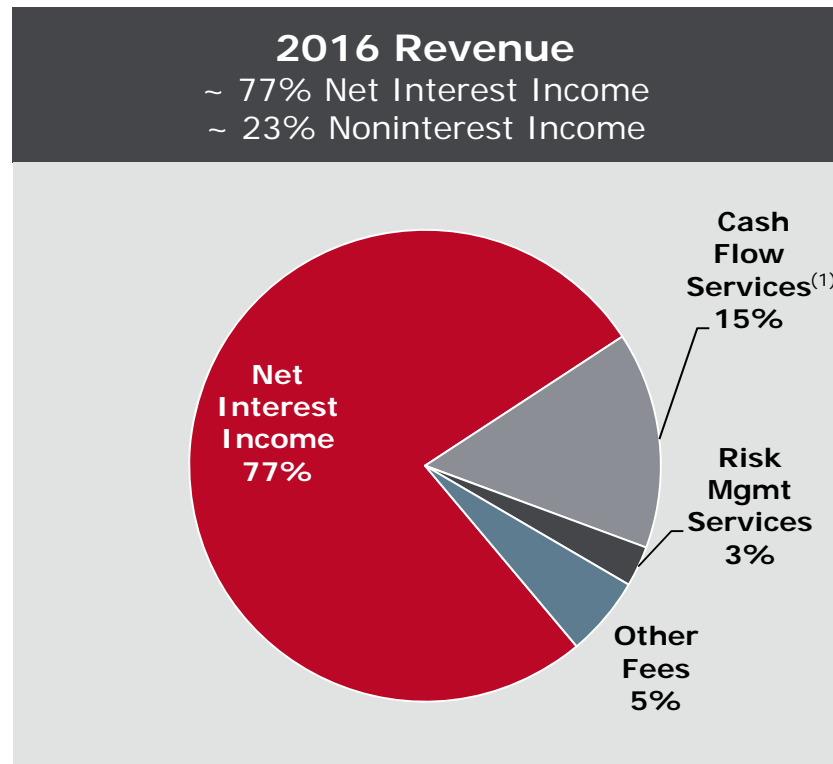
Rank	Bank	Fees	%share
1	JPMorgan	\$3,789	11.0%
2	Goldman Sachs	3,242	9.5%
3	Bank of America Merrill Lynch	3,086	9.0%
4	Morgan Stanley	2,377	6.9%
5	Citi	1,993	5.8%
6	Barclays	1,989	5.8%
7	Credit Suisse	1,892	5.5%
8	Wells Fargo Securities	1,542	4.5%
9	Deutsche Bank	1,347	3.9%
10	RBC Capital Markets	922	2.7%

Source: Full year 2016 Domestic Ranking: Dealogic.

Business Banking Group (BBG)

Offers business lending, cash flow and risk management products and services targeting customers with annual sales of \$5 to \$20 million

BBG's move to Wholesale enables it to better deliver local, product/ service and platform capabilities that are difficult for our national and regional players to match



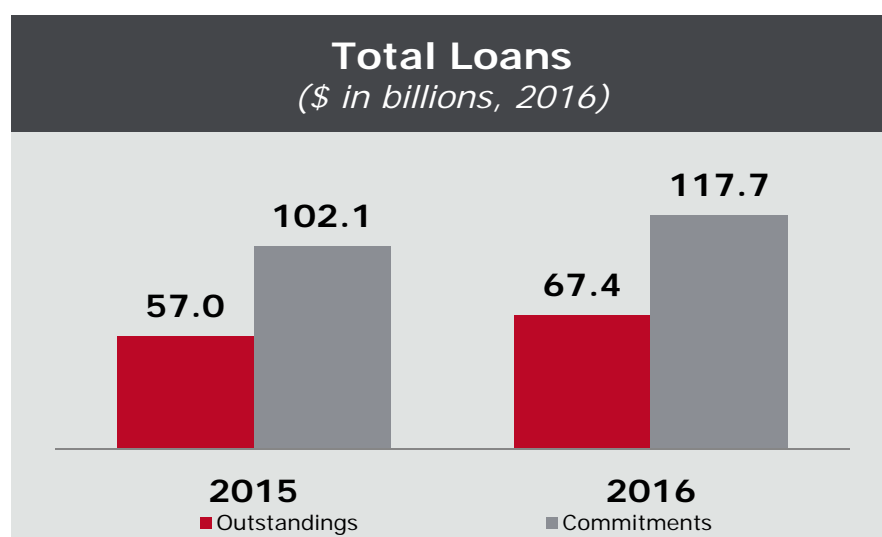
(1) Primarily service charges on deposits.

Growth opportunities include:

- Expand our geographic coverage model to put more Relationship Managers closer to our customers and prospects
- Support and advance our customers' growth across our lines of business by leveraging Wholesale's sophisticated relationship management platform
- Develop our digital SBA channel capabilities to simplify and expedite the lending process

Asset-Backed Finance (ABF, part of WFCC)

ABF provides traditional and structured lending, and underwrites and distributes asset-backed securities for clients. Revenue in 2016 was 80% net interest income and 20% noninterest income, distributed across five business lines.



	Percent of 2016 Revenue	% YoY Revenue Growth
Consumer	25%	3%
Corporate Debt	24%	8%
Subscription	22%	24%
Mortgage	21%	10%
Commercial Operating Asset	7%	-3%
Other	1%	

Growth opportunities include:

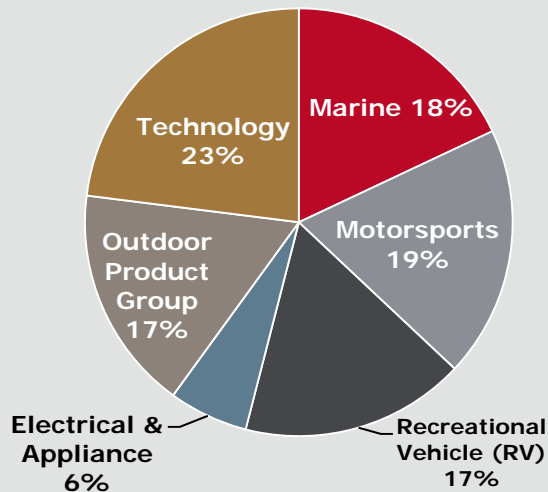
- Increase wallet share and grow with existing clients
- Deepen connections with bank channel partners (e.g., MMB, CBG) and their clients
- Enter new asset classes as driven by customer and market demand

All figures are year-end. Total Earning Assets were \$64.1B (2015) and \$73.8B (2016).

Commercial Distribution Finance (CDF, part of WFCC)

CDF is the largest global provider of customized inventory financing, funding the flow of consumer durable finished goods from manufacturers to dealers and resellers globally with \$13.3B of loans (2016)

\$13.3 Billion of Loans, by Vertical
(% of ending balances, 2016)



North America accounts for almost 80% of loans

Growth opportunities include:

- Grow existing CDF relationships and identify new vertical opportunities
- Introduce inventory finance to our relevant Wholesale customers
- Establish banking relationships with acquired CDF customers new to the bank, as appropriate

Note: Figures are for ending balances, as of 12/31/2016.

Invest in our people, products, delivery and service

Talent

- Develop our diverse team members across the globe with our vision and values, training, mentoring and opportunity

Collaboration

- Facilitate collaboration across lines of business and partner groups by continuing to integrate and upgrade our platforms, business intelligence and other tools, as well as driving greater operational excellence

Innovation

- Focus on the customer experience across channels, deploying consistent and innovative approaches to knowledgeable and interactive relationship management, product development, digital and mobile delivery, biometric authentication, service, and sales
 - *Commercial Electronic Office*[®] (*CEO*[®]) mobile channel biometric authentication
 - Wells Fargo Gateway APIs
 - Same Day ACH payment services
 - Push-to-Card
 - Account Validation Service

We remain an industry leader

Wells Fargo Commercial Capital

- #1 asset based bookrunner league table for 2016 ⁽¹⁾
- #1 largest railcar fleet of any lessor ⁽²⁾

Wells Fargo Securities

- #1 in high grade, CLO, and muni research ⁽³⁾
- #1 overall property sale broker ⁽⁴⁾
- #1 in preferreds ⁽⁵⁾
- #3 in domestic investment banking transactions ⁽⁶⁾

Corporate Banking Group

- Nearly 3 out of 4 Fortune 500 companies bank with Corporate Banking Group ⁽⁷⁾

Middle Market Banking

- #1 primary bank in the U.S. for middle market ⁽⁸⁾
- #1 best trade finance bank in North America, 2016 ⁽⁹⁾

Commercial Real Estate

- #1 Freddie Mac CMBS bookrunner ⁽¹⁰⁾
- #1 CRE CLO book runner since 2013 ⁽¹¹⁾
- #1 Master Servicer of commercial real estate loans in the U.S. ⁽¹²⁾

Business Banking Group

- #1 SBA 7(a) lender in dollars and units ⁽¹³⁾

Global Financial Institutions

- #1 best bank for payments and collections in North America, 2010-2016 ⁽¹⁴⁾

Government & Institutional Banking

- #1 market leader in municipal electronic trading ⁽¹⁵⁾
- #3 credit and liquidity provider in the municipal market ⁽¹⁶⁾

Illustrative accolades/examples (not exhaustive) to support our leadership position across various markets.

(1) Thomson Reuters annual publication, January 2017. (2) Progressive Railroading, 2016. (3) Institutional Investor, Smith's Research & Gradings, July 19, 2016. (4) Real Estate Alert, December 31, 2016. (5) Bloomberg, December 31, 2016. (6) Dealogic, December 31, 2016. (7) Wells Fargo internal analysis, 12 months from Feb 2016 – Jan 2017. (8) Barlow Research Middle Market Rolling 8 Quarter Data 1Q2015-4Q2016 of companies with \$25MM-<\$500MM. (9) Global Finance, January 2016. (10) Commercial Mortgage Alert, January 2017. (11) Commercial Mortgage Alert, January 2017. (12) MBA Commercial/Multifamily Mortgage Servicer Rankings, as of year-end December 31, 2016. (13) #1 SBA 7(a) lender in dollars and units, internal analysis of U.S. SBA fiscal year-end data, 2016. (14) Global Finance, March 2016. (15) Bloomberg, December 2016. (16) Bloomberg, December 2016.

The Wells Fargo logo is centered on the page. It consists of a solid red square background. Inside the square, the words "WELLS" and "FARGO" are stacked vertically in a bold, yellow, serif typeface. The letters are evenly spaced and have a classic, slightly ornate design.

**WELLS
FARGO**