

# Morgan Stanley Financials Conference

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John Stumpf  
Chairman and Chief Executive Officer

February 1, 2011

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# Forward-looking statements and additional information

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*This presentation contains forward-looking statements about our future financial performance. These forward-looking statements include statements using words such as “believe,” “expect,” “anticipate,” “estimate,” “should,” “may,” “can,” “will,” “outlook,” “appears” or similar expressions. Forward-looking statements in this presentation include, among others, statements about: expected or estimated future losses in our loan portfolios, including our belief that quarterly provision expense and quarterly total credit losses have peaked and the allowance for loan losses is expected to decline; mortgage repurchase exposure; exposure related to foreclosure practices; estimated future expenses, including expected Wachovia integration costs and loan resolution/loss mitigation costs; and our estimated Tier 1 common ratio as of December 31, 2010 under proposed Basel capital rules. Investors are urged to not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date. For more information about factors that could cause actual results to differ materially from expectations, refer to Wells Fargo’s reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2009 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010, June 30, 2010, and September 30, 2010 including the discussion under “Risk Factors” in each of those reports.*

*Loans that were acquired from Wachovia that were considered credit impaired were written down at acquisition date in purchase accounting to an amount estimated to be collectible and the related allowance for loan losses was not carried over to Wells Fargo’s allowance. In addition, such purchased credit-impaired loans are not classified as nonaccrual or nonperforming, and are not included in loans that were contractually 90+ days past due and still accruing. Any losses on such loans are charged against the nonaccretable difference established in purchase accounting and are not reported as charge-offs (until such difference is fully utilized). As a result of accounting for purchased loans with evidence of credit deterioration, certain ratios of the combined company are not comparable to a portfolio that does not include purchased credit-impaired loans. In certain cases, the purchased credit-impaired loans may affect portfolio credit ratios and trends. Management believes that the presentation of information adjusted to exclude the purchased credit-impaired loans provides useful disclosure regarding the credit quality of the non-impaired loan portfolio. Accordingly, certain of the loan balances and credit ratios in this presentation have been adjusted to exclude the purchased credit-impaired loans. References to impaired loans mean the purchased credit-impaired loans. Please see pages 31-33 of the fourth quarter 2010 press release for additional information regarding the purchased credit-impaired loans.*

## Wells Fargo vision

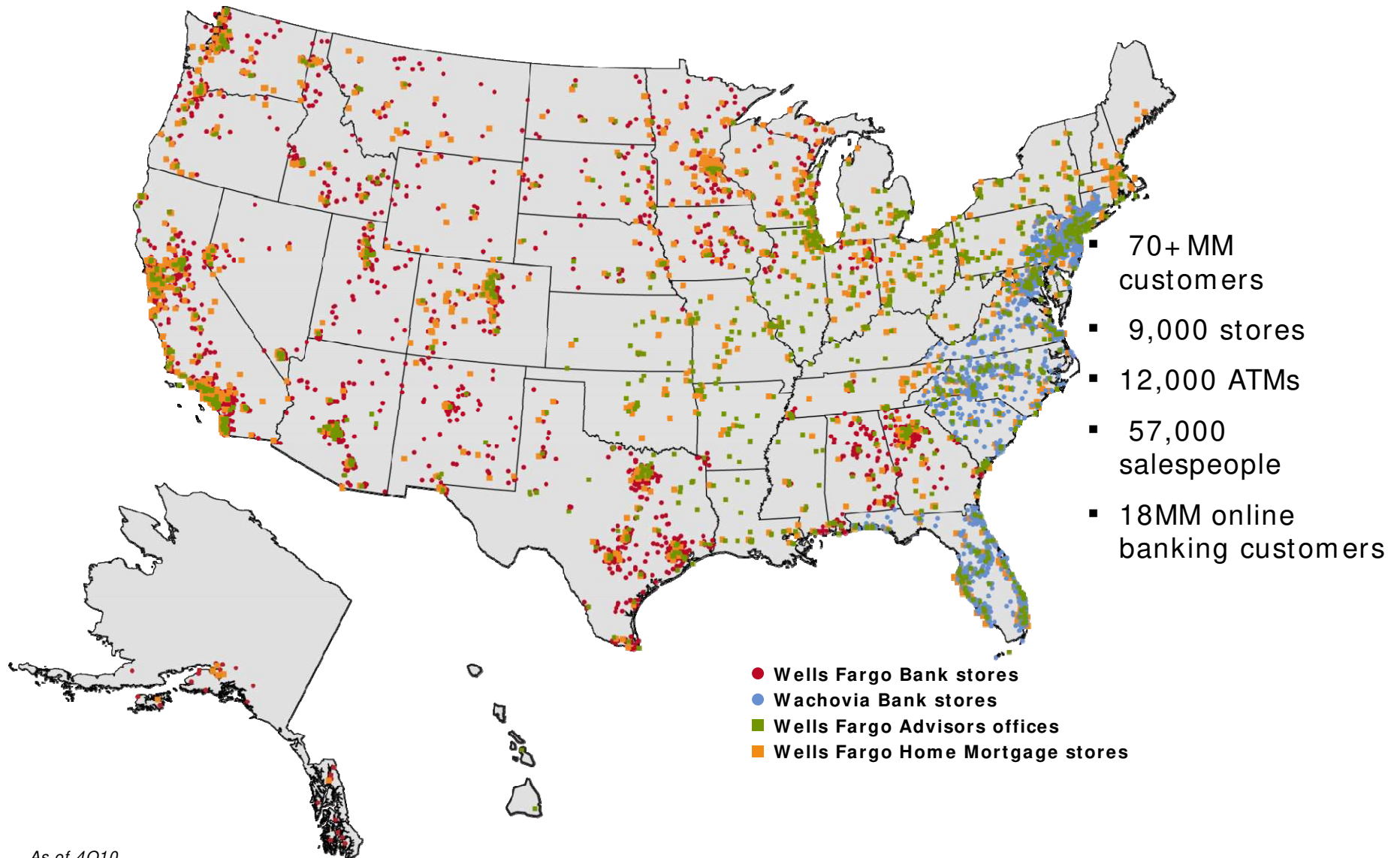
“We want to satisfy all our customers’ financial needs, help them succeed financially, be the premier provider of financial services in every one of our markets, and be known as one of America’s great companies.”

# Overview

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- Leading franchise
- Strong, consistent and high-quality earnings
- Broad-based revenue growth
- Significant improvement in credit quality
- Loan growth
- Strong capital position

# Wells Fargo serves consumers and businesses in more communities than any other U.S. Bank



# Primary customer segments

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**Consumer**

1 in 3 U.S. households (70 MM+ ) bank with WFC

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**Small Business**

1 in 10 U.S. small businesses bank with WFC – nation's # 1 small business bank

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**Middle-market commercial**

# 1 middle-market commercial relationship bank in U.S.

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**Corporate**

70% of U.S. Fortune 500 bank with WFC

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**Wealth**

Top 3 Wealth client relationship bank in U.S., \$1.3 trillion in client assets

# Breadth of product/business lines

<b>Deposits</b>	# 2 in U.S.
<b>Residential mortgage</b>	# 1 Mortgage originator # 2 Mortgage servicer
<b>Lending</b>	# 1 Small business lender (both loans < \$100K and under \$1 million) # 1 SBA lender # 1 Commercial real estate lender # 1 Agribusiness lender # 2 Auto dealer services, # 1 Used car lender # 2 Arranger of asset-based finance # 2 Education finance lender # 3 Commercial loan syndicator
<b>Investment banking</b>	# 5 U.S. equity capital markets bookrunner
<b>Commercial real estate services</b>	# 1 Commercial real estate broker
<b>Cash management</b>	# 2 Treasury management services (# 1 internet bank)
<b>Insurance</b>	# 1 Bank-owned insurance brokerage
<b>Wealth Management/ Brokerage</b>	# 2 Banked-owned mutual fund family # 2 Family wealth provider # 2 Largest annuity distributor # 3 Full-service retail brokerage
<b>Card Services</b>	# 2 issuer of debit cards # 1 U.S. bank managed remittance network overseas

As of 4Q10.

# Our distribution network is more extensive across the U.S. and reaches deeper into communities than any other U.S. financial institution

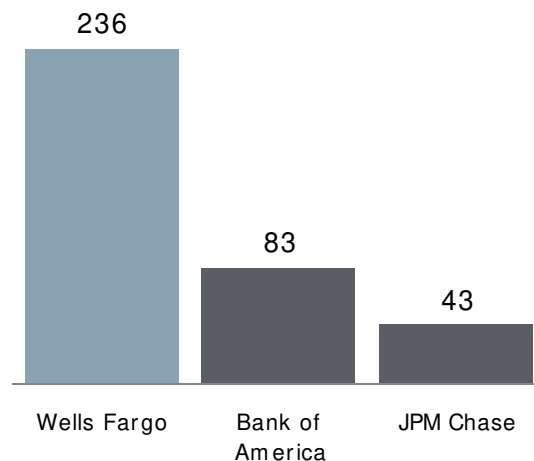
Number of MSAs	
Wells Fargo	443
Bank of America	390
JPMorgan Chase	244

Deposit share of fastest-growing MSAs

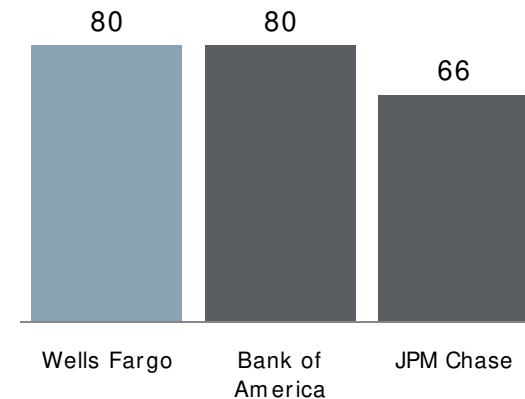
	WELLS FARGO
CHASE	Bank of America

Deposit share of 100 largest MSAs

**Number of MSAs with Deposit Market Share over 15%**



**Deposits per Store**  
(\$ in millions)



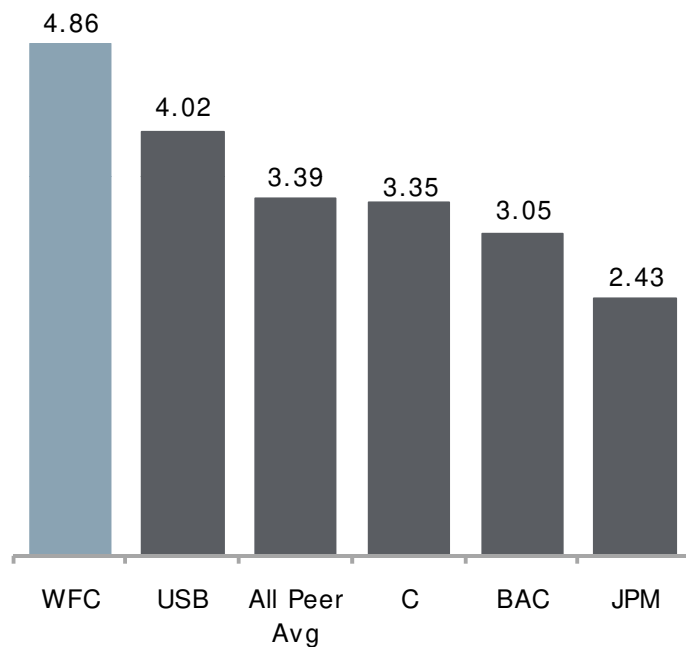
Source: SNL Financial using FDIC data 6/30/2010.  
Caps deposits at \$500mm in a single banking store.



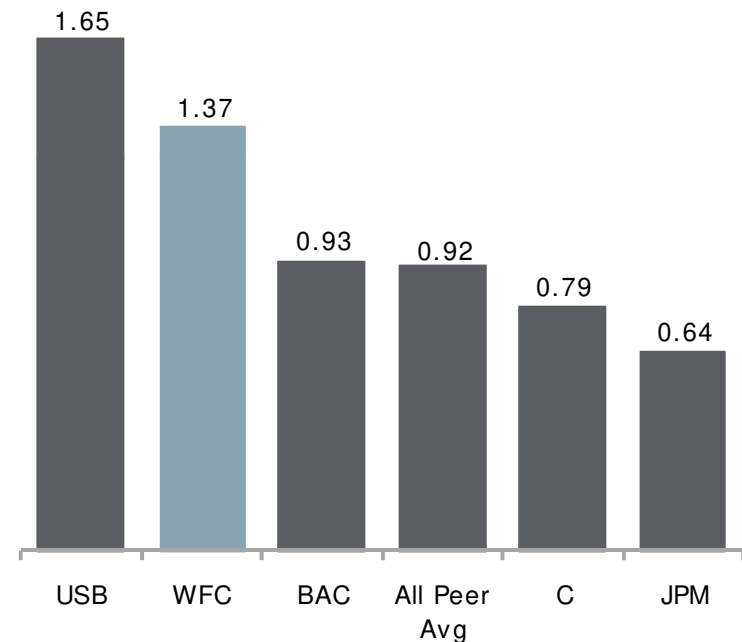
# Our business model has produced significantly higher operating margins than peer average

(10 year average 2001-2010)

**Net Interest Margin**



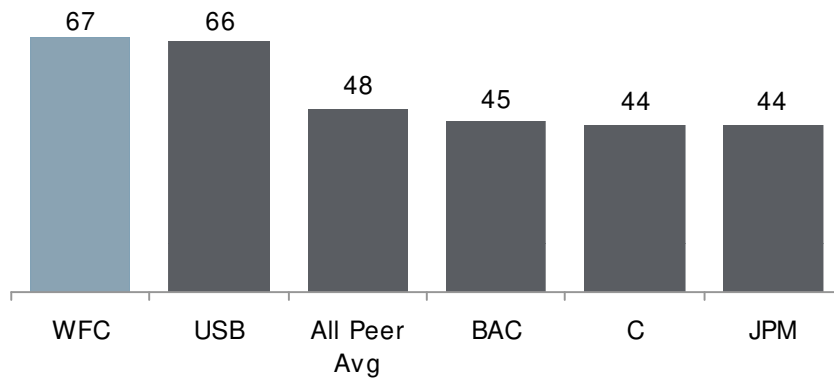
**Return on Assets**



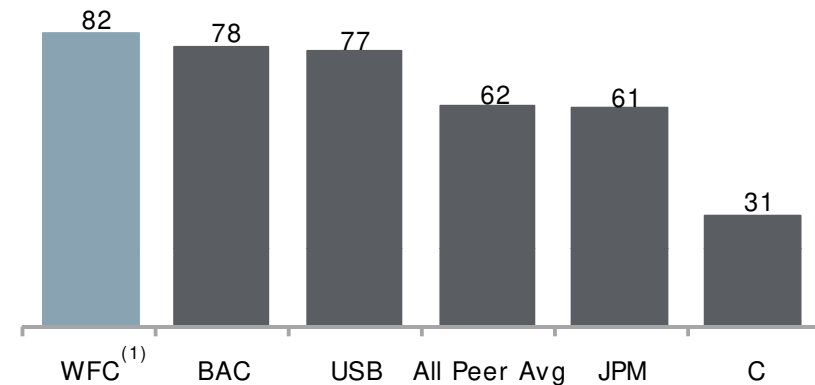
All peer average includes BB&T, Fifth Third, PNC, Regions, Key Bank, US Bank, Bank of America, Citi, JPM, SunTrust.  
Source: SNL. Data through 4Q10.

# Cross-sell, convenience and customer retention have produced a significant and sustainable advantage in core deposits

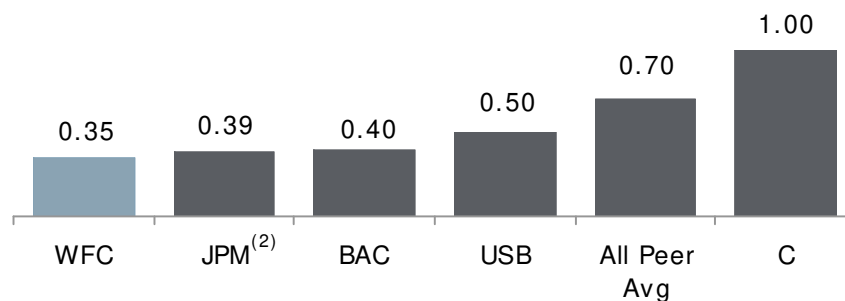
**Percent of Funding from Deposits**  
(4Q10)



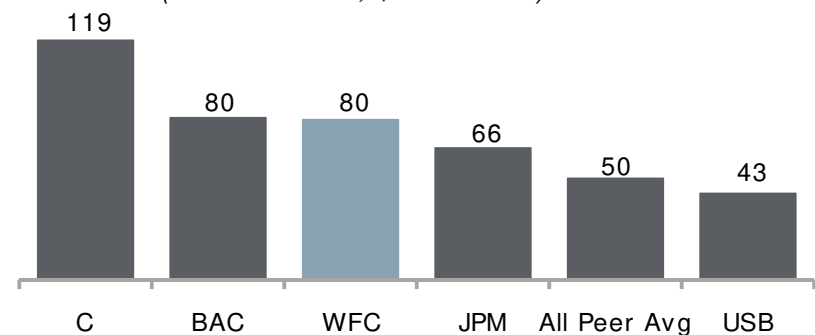
**Percent of Deposits in Checking/ Savings**  
(3Q10)



**Average Cost of Deposits**  
(YTD 3Q10)



**Deposits per Branch**  
(As of 6/30/10, \$ in Millions)



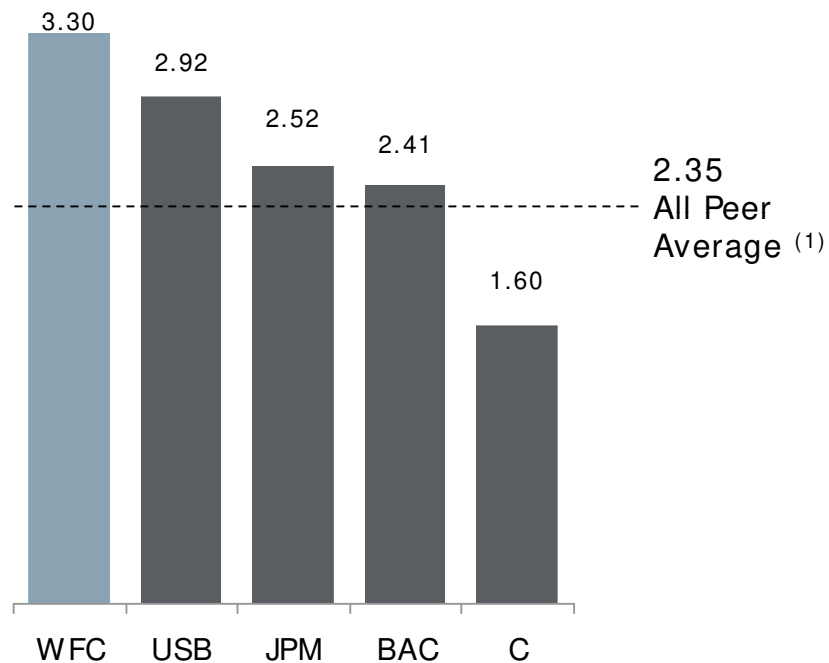
All peer average includes BB&T, Fifth Third, PNC, Regions, Key Bank, US Bank, Bank of America, Citi, JPM, SunTrust.

(1) WFC is as of 4Q10. Peer deposit detail not available.

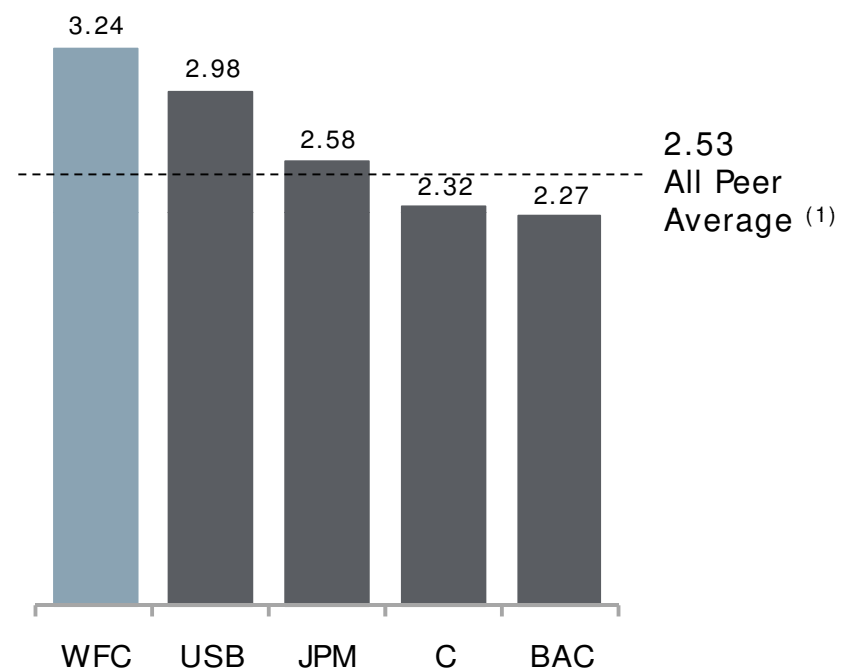
(2) JPM is as of 3Q10.

# Cross-sell and customer retention have produced greater fee income vs. peers

**Fee Income / Assets**  
(FY 2010, Percentage)



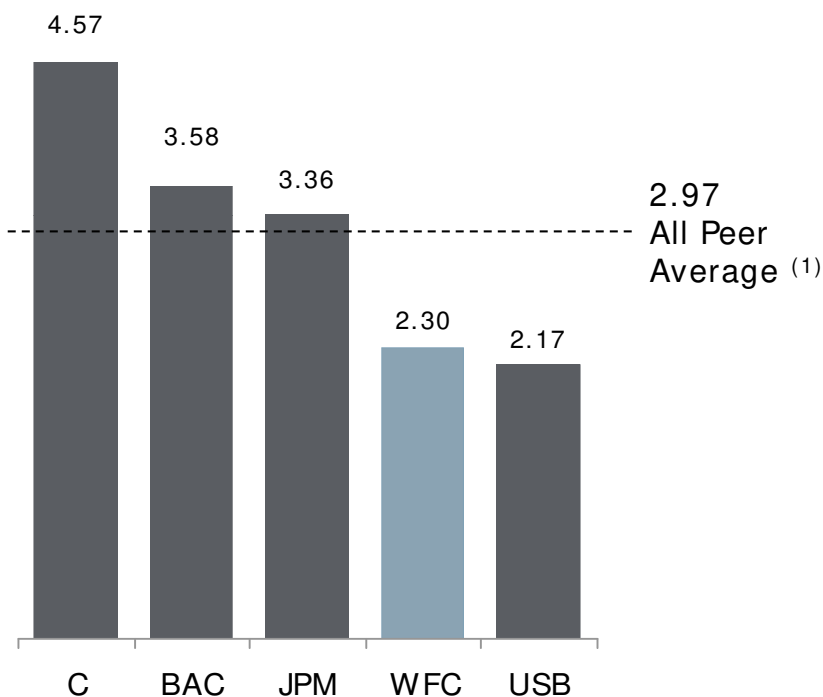
**Fee Income / Assets**  
(10 Year Avg., 2001-2010, Percentage)



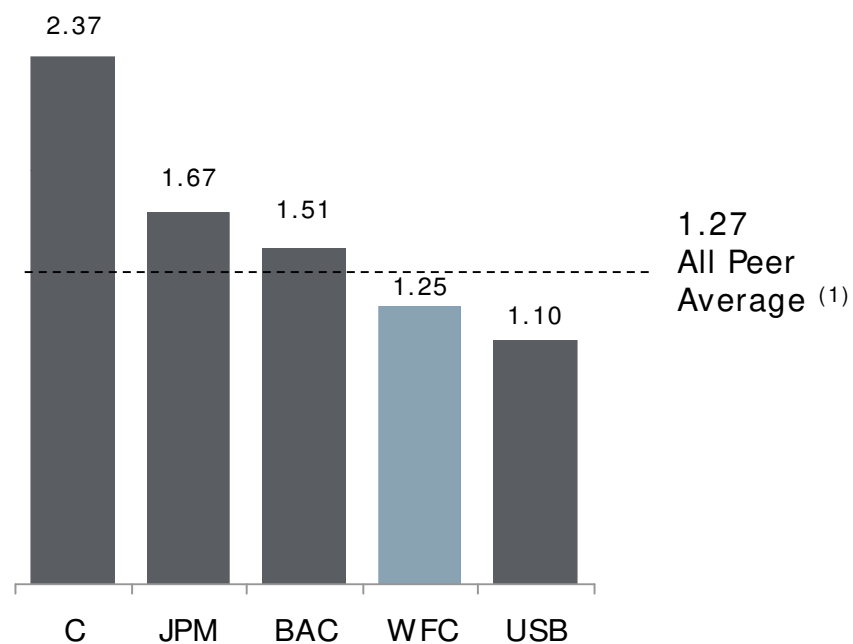
(1) All peer average includes BB&T, Fifth Third, PNC, Regions, Key Bank, US Bank, Bank of America, Citi, JPM, SunTrust.  
Source: SNL.

# Lower credit losses versus peers have contributed to higher relative operating margins

**Charge-offs/ Loans**  
(FY 2010, Percentage)



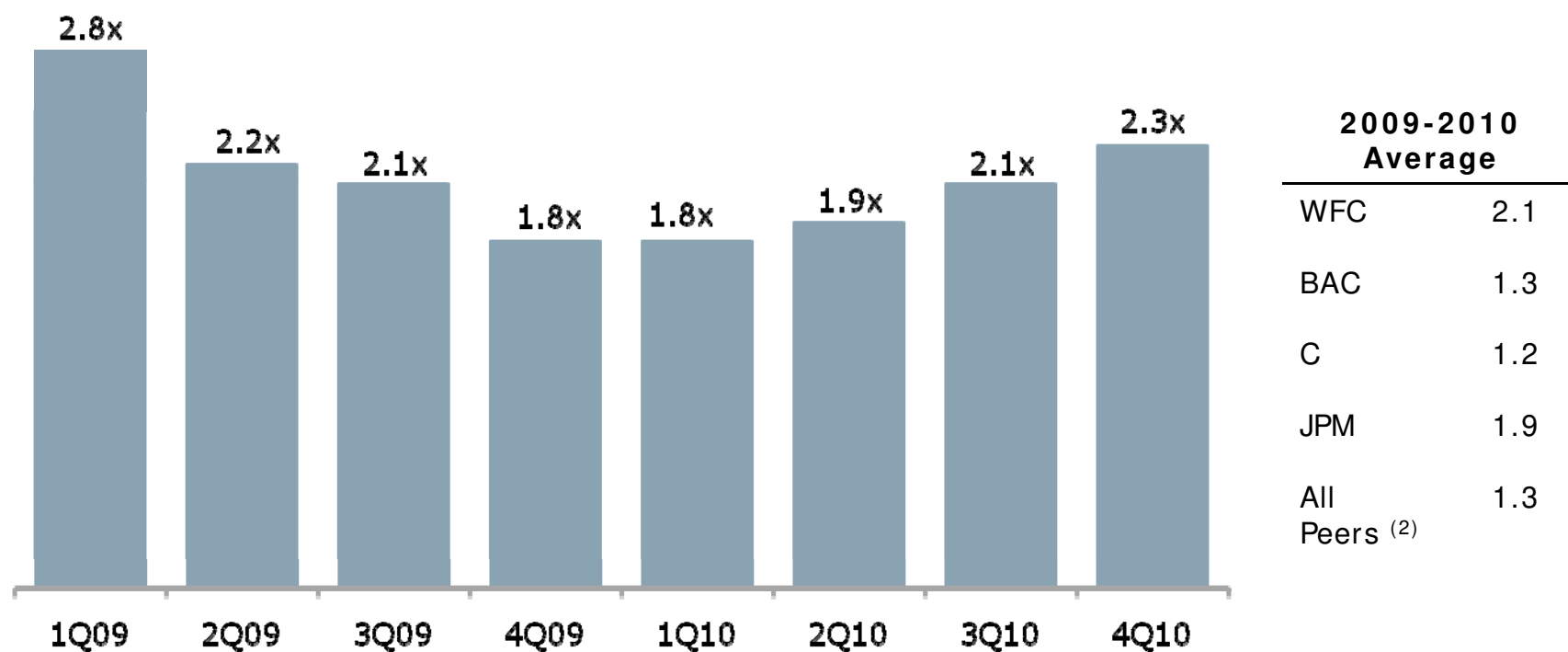
**Charge-offs/ Loans**  
(10 Year Avg. 2001-2010, Percentage)



(1) All peer average includes BB&T, Fifth Third, PNC, Regions, Key Bank, US Bank, Bank of America, Citi, JPM, SunTrust.  
Source: SNL.

## Pre-tax pre-provision profit (PTPP) <sup>(1)</sup>– a competitive advantage

WFC PTPP / Charge-offs



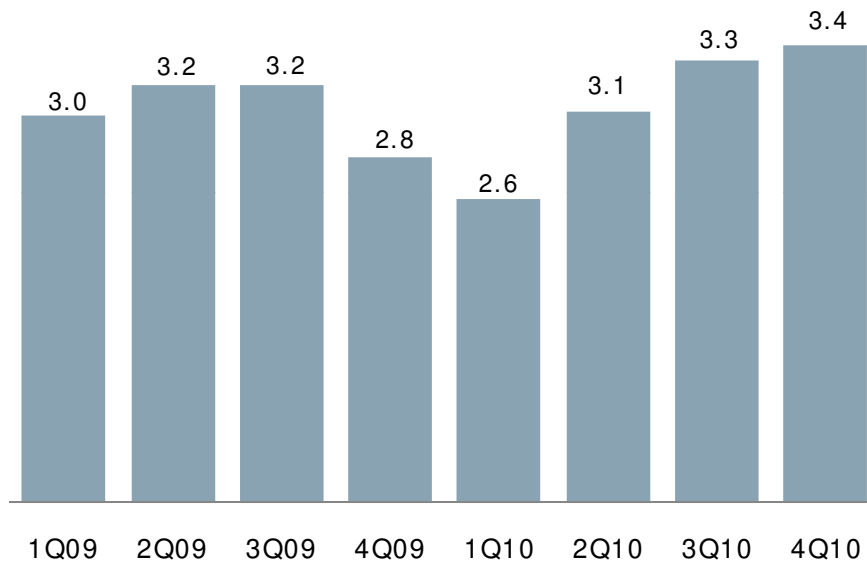
(1) Pre-tax pre-provision profit (PTPP) is total revenue less noninterest expense. Management believes that PTPP is a useful measure because it enables investors and others to assess the company's ability to generate capital to cover credit losses through a credit cycle. Wells Fargo's charge-offs in part reflect reduced risk in the Wachovia portfolio due to PCI accounting performed for highest risk Wachovia loans.

(2) All peers includes BB&T, Fifth Third, PNC, Regions, Key Bank, US Bank, Bank of America, Citi, JPM, SunTrust.

# Record quarterly earnings in 4Q10

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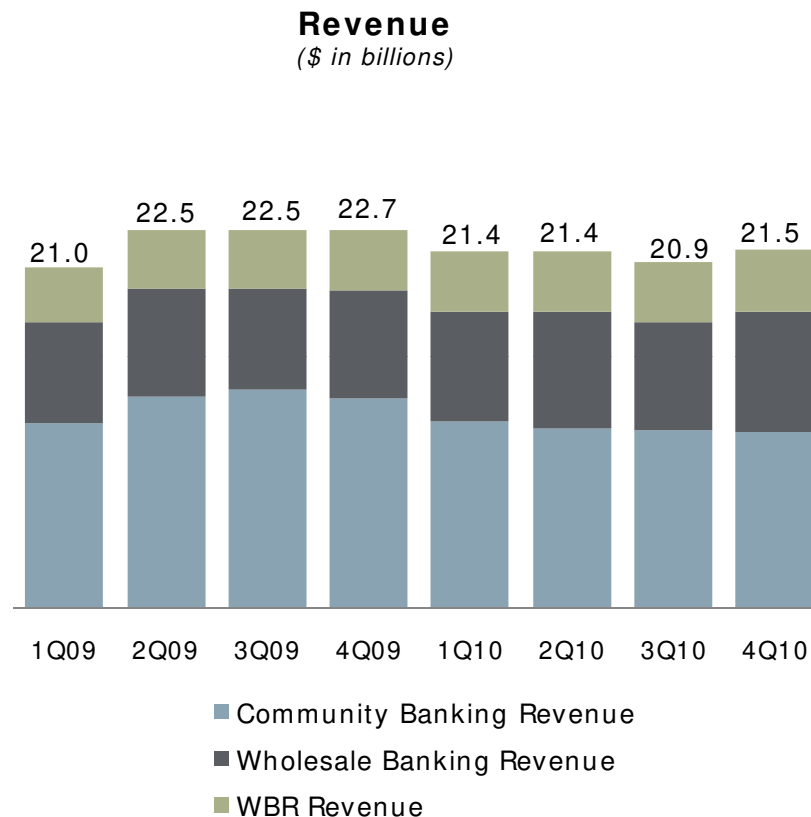
**Net Income**  
(*\$ in billions*)



- \$3.4 billion record NIAT <sup>(1)</sup> in 4Q10, up 21% YoY, 9% linked quarter annualized (LQA)
- \$24.6 billion earned since Wachovia merger
- \$0.61 per share in 4Q10

(1) Net income after tax.

# Earnings growth driven by strong, broad-based revenue



- \$21.5 billion revenue in 4Q10, up 12% linked quarter annualized (LQA)
- 60% of revenue in 4Q10 came from businesses with > 10% LQA growth
- Growth across the franchise in 4Q10:
  - Period end loans up 2% LQA, up 6% LQA excluding \$6.0 billion reduction in non-strategic loans <sup>(1)</sup>
  - Mortgage originations up 27%
  - Checking/savings deposits up 17% annualized
  - Wealth, Brokerage and Retirement (WBR) client assets up 12% annualized
  - Trust and investment fees up 15%

Percent changes from 3Q10.

(1) The non-strategic/liquidating loan portfolio includes the Pick-a-Pay, liquidating home equity, legacy WFF indirect auto, legacy WFF debt consolidation and Commercial and Commercial Real Estate PCI loan portfolios.

# Franchise growth across the segments in 4Q10

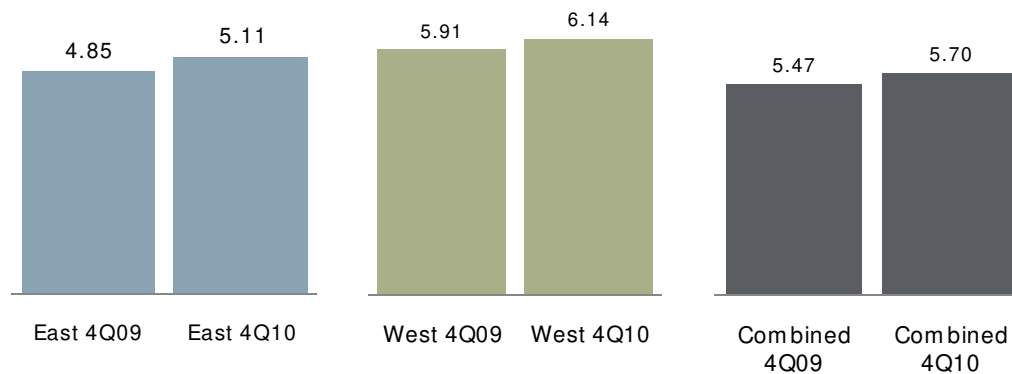
Community Banking	Wholesale Banking	Wealth, Brokerage & Retirement
NIAT = \$2.0B; ROA= 1.01%	NIAT = \$1.6B; ROA= 1.70%	NIAT = \$0.2B; ROA= 0.56%
Revenue = \$13.5B, +1.3% LQA	Revenue = \$5.8B, +32.3% LQA	Revenue = \$3.0B, +17.6% LQA
<ul style="list-style-type: none"> <li>Core product solutions <sup>(1)</sup> +17% YoY</li> <li>Store-based small business solutions<sup>(1)</sup> +28% YoY</li> <li>Avg core deposits +5% LQA</li> <li>Consumer checking accts +7.5% YoY</li> <li>Small business checking accts +4.8% YoY</li> <li>Mortgage originations \$128B, up 27% from 3Q10</li> <li>Linked quarter loan growth in mortgage, auto loans, private student lending and SBA lending</li> </ul>	<ul style="list-style-type: none"> <li>Avg loans +4% LQA, growth in commercial banking, CRE, asset backed finance, capital finance, government banking, equipment finance and international</li> <li>Avg core deposits +33% LQA</li> </ul>	<ul style="list-style-type: none"> <li>Client assets of \$1.3 trillion, +12% LQA</li> <li>Managed account assets +30% LQA</li> <li>Linked quarter loan growth in brokerage lines of credit, +18% LQA</li> <li>Avg core deposits +3% LQA</li> </ul>

(1) Legacy Wells Fargo, includes converted Wachovia stores in legacy Wells Fargo footprint.



# Growing wallet and market share

## Retail Bank Cross-sell <sup>(1)</sup>



## Market share growth across the franchise

	U.S. Market Share	
	1Q09	2010 <sup>(2)</sup>
Mortgage originations <sup>(3)</sup>	22.8 %	25.1
Mortgage servicing <sup>(3)</sup>	16.1	17.2
Private student lending <sup>(4)</sup>	16.0	25.0
Indirect auto lending <sup>(5)</sup>	4.3	5.4
Loan syndications <sup>(6)</sup>	4.8	9.7
Asset based lending <sup>(6)</sup>	11.3	14.6
Retirement services <sup>(7)</sup>	3.1	3.7

### Strong and geographically broad based 4Q10 YoY consumer checking account growth

- Total WFC up 7.5%
- California up 8.2%
- Florida up 10.0%

(1) Cross-sell for the East includes Wachovia stand alone states except for Kansas and for the West includes legacy Wells Fargo states, including overlapping states and Kansas.

(2) Most recent quarter available.

(3) Inside Mortgage Finance, 1Q09 vs. 3Q10.

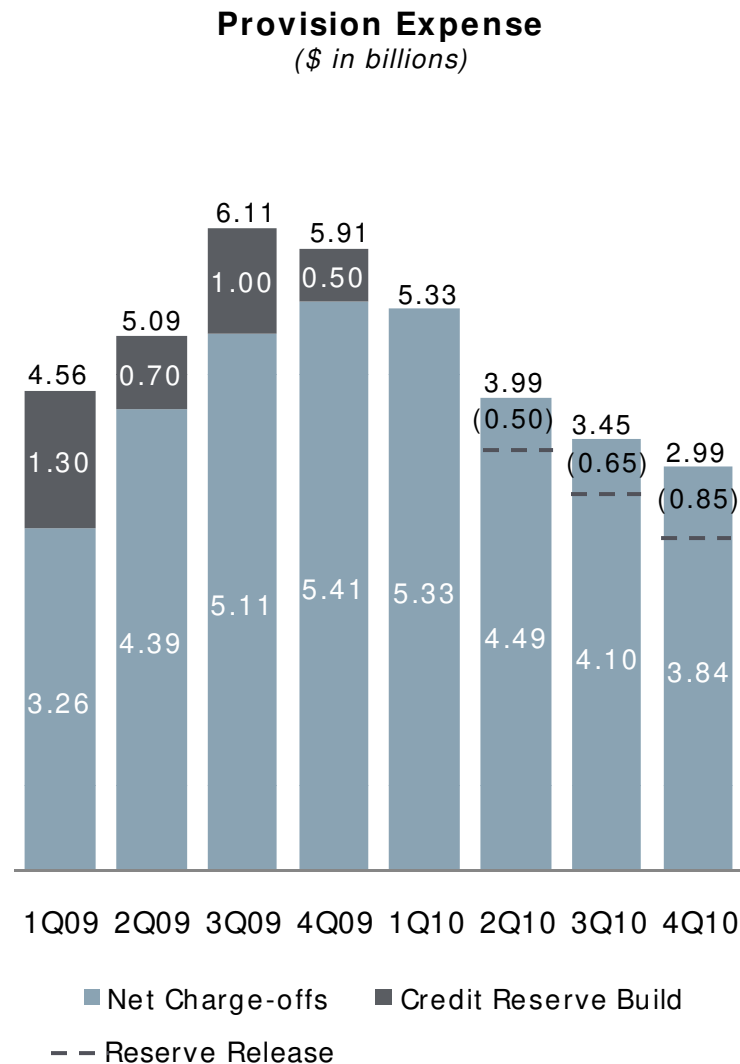
(4) College Board Statistics. Private Educational Loans 2009 vs. 2010 academic year.

(5) AutoCount. FY2010 vs. FY2009.

(6) Thomson Reuters, 1Q09 vs. 4Q10.

(7) PLANSPONSOR Magazine's annual Recordkeeping Survey.

# Earnings growth reflects continued decline in charge-offs / provision expense



- \$3.8 billion net charge-offs in 4Q10, down 29% from 4Q09 peak
- Provision expense of \$3.0 billion in 4Q10, down \$456 million from 3Q10 (\$256 million fewer losses and \$200 million higher reserve release)
- \$2.1 billion decline in NPLs from 3Q10
  - \$1.1 billion decline in inflows
  - \$1.5 billion increase in outflows
- Allowance for credit losses = \$23.5 billion at 12/31/10 = 6.11x quarterly charge-offs
- Remaining PCI nonaccretable at 12/31/10 = 29.5% of remaining UPB <sup>(1)</sup>

(1) Unpaid principal balance for PCI loans that have not had a UPB charge-off. Wells Fargo's charge-offs in part reflect reduced risk in the Wachovia portfolio due to PCI accounting performed for highest risk Wachovia loans.

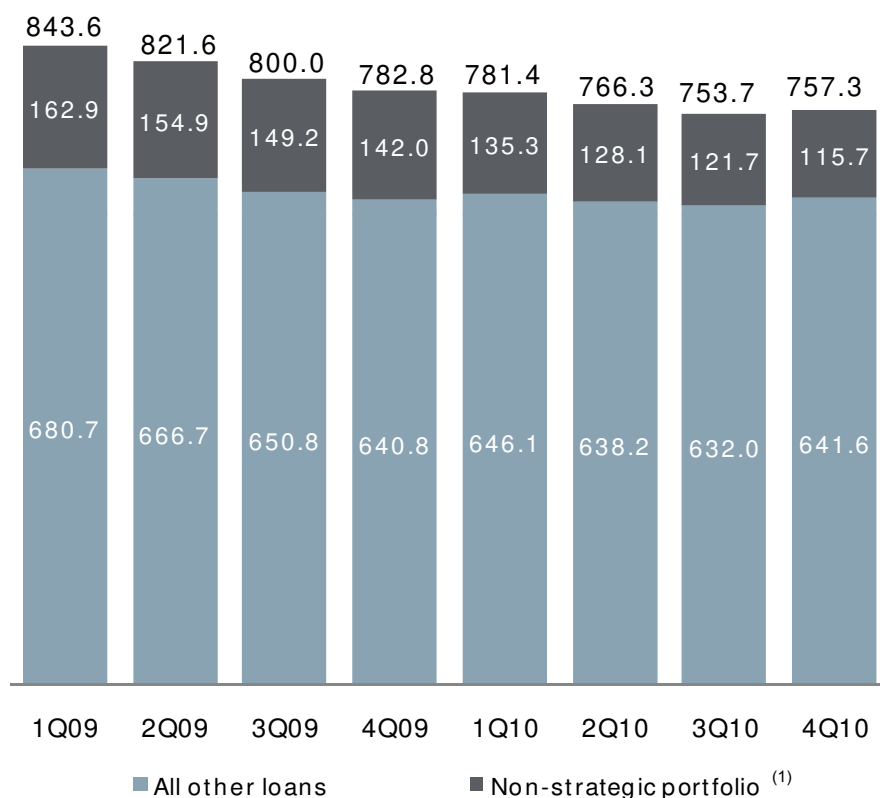
# Expense discipline

<i>(pre-tax, \$ in millions)</i>	<i>4Q10 Actual</i>	<i>Potential average quarterly expense level</i>	
		<i>2011</i>	<i>2012</i>
Wachovia integration costs	\$ 533	375-475	75-125
Loan resolution/loss mitigation costs	827	600-775	550-650
Wells Fargo Financial residual costs	344	225-275	200-250
Charitable contribution to Wells Fargo Foundation	400	-	-
Advertising/travel/equipment (LQ seasonally higher)	1,226 <sup>(1)</sup>	TBD	TBD
Other expense	10,010	TBD	TBD
Corporate-wide expense reduction focused on process improvements, improving time to market, reducing complexity and eliminating redundancies			
Total 4Q10 Noninterest expense	\$ <u>13,340</u>		

(1) Includes merger integration expense of \$70 million for 4Q10.

# Loans outstanding

**Period-end Loans Outstanding**  
(\$ in billions)



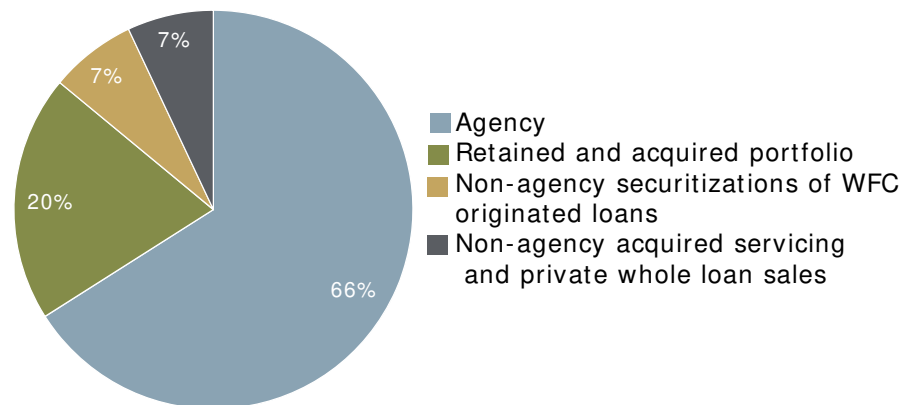
- Loans increased \$3.6 billion, or 0.5%, in 4Q10 from 3Q10
- All other loans in 4Q10 up \$9.6 billion, or 6% LQA, excluding \$6.0 billion decline in the non-strategic portfolio (Pick-a-Pay, liquidating, home equity, indirect auto, debt consolidation, all other PCI loans)

Period-end balances.

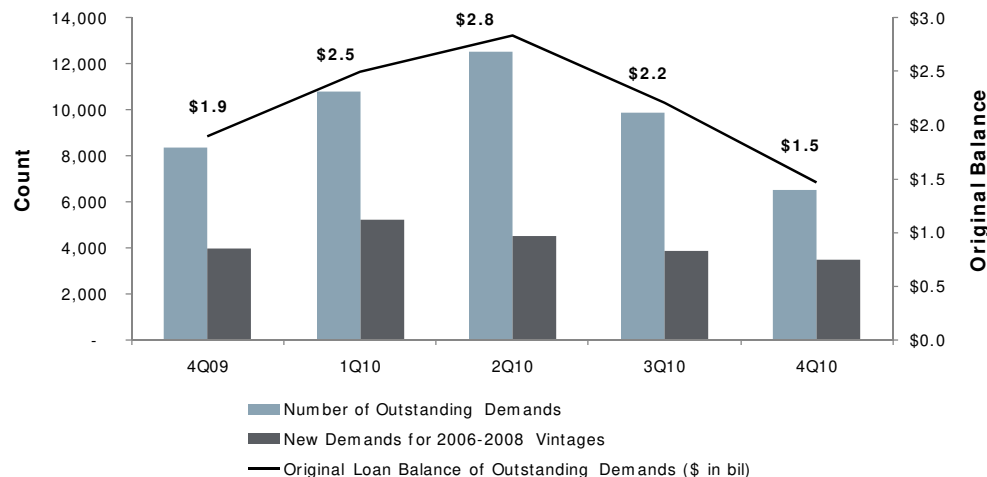
(1) The non-strategic/liquidating portfolio includes the Pick-a-Pay, liquidating home equity, legacy WFF indirect auto, legacy WFF debt consolidation and Commercial and Commercial Real Estate PCI loan portfolios.

# Mortgage securitization

**Residential Mortgage Servicing Portfolio**  
**\$1.8 Trillion**  
 (as of December 31, 2010)



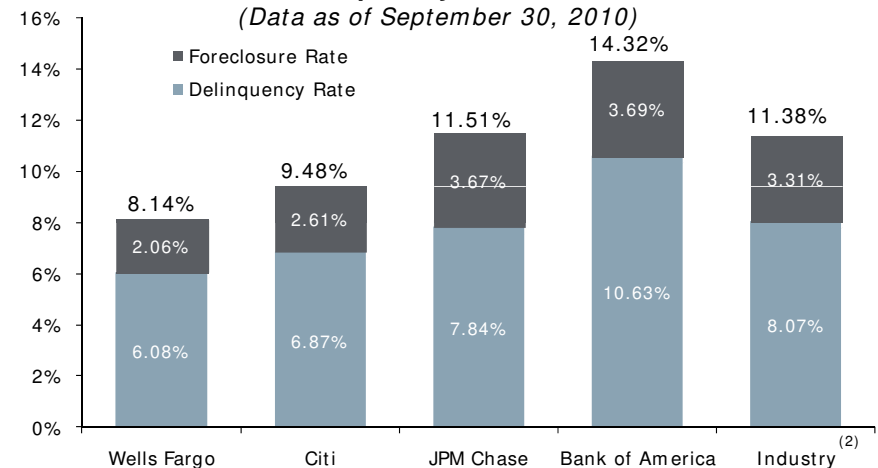
**Total Outstanding Agency Repurchase Demands and New Demands for 2006-2008 Vintages**



(1) Inside Mortgage Finance.

(2) Industry is all large servicers (\$6.9 trillion) including WFC, C, JPM and BAC.

**3Q10 Delinquency Performance <sup>(1)</sup>**  
 (Data as of September 30, 2010)



- Wells Fargo total delinquency and foreclosure ratio for 4Q10 was 8.02%, down from a peak of 8.96% in 4Q09

## Non-agency securitizations of WFC originated loans

- ~ 70% jumbo loans
- 81% prime at origination
- 58% from pre-2006 vintages
- Insignificant amount of home equity
- ~ 50% do not have traditional reps and warranties

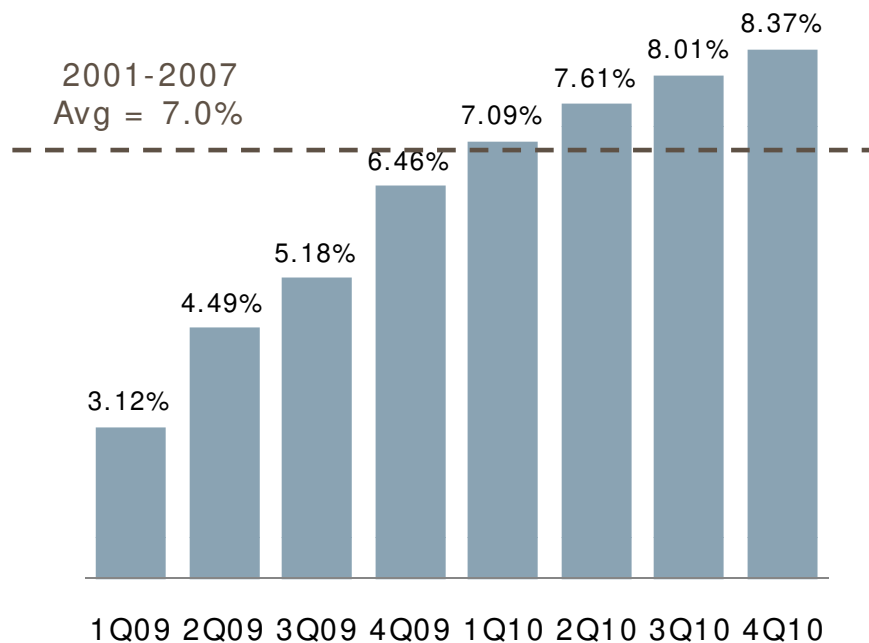
## Total non-agency

- \$137 million of non-agency repurchases in 4Q10
- New non-agency demands based on loan count have declined for three consecutive quarters

As of 12/31/2010.

# Capital is strong and continued to grow internally

## Tier 1 Common Equity Ratio



- Internal capital generation in 4Q10 = 12% annualized (\$3.5 billion)
- Tier 1 common + 36 bps in 4Q10
- Other capital ratios growing
  - Tier 1 Capital = 11.25%
  - Tier 1 Leverage = 9.19%
- Tier 1 common under Basel II/III = 6.9% <sup>(1)</sup> at 12/31/10
- Objective: increase dividend, repurchase shares, redeem callable TRUPS <sup>(2)</sup>

See the appendix for more information on Tier 1 common equity.  
4Q10 capital ratios are preliminary estimates.

<sup>(1)</sup> Pro forma calculations based on reported Tier 1 common equity, as adjusted to reflect management's interpretation of current Basel III capital proposals. These pro forma calculations and management's estimates are subject to change depending on final promulgation of Basel III capital rulemaking and interpretations thereof by regulatory authorities.

<sup>(2)</sup> Subject to regulatory approval and, with respect to the TRUPS, the satisfaction of any other applicable conditions.

# Summary

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- Leading franchise
- Strong, consistent and high-quality earnings
- Broad-based revenue growth
- Significant improvement in credit quality
- Loan growth
- Strong capital position

# Appendix

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# Tier 1 common equity reconciliation

## Wells Fargo & Company and Subsidiaries TIER 1 COMMON EQUITY<sup>(1)</sup>

		Quarter ended							
		Dec. 31, 2010	Sept. 30, 2010	June 30, 2010	Mar. 31, 2010	Dec. 31, 2009	Sept. 30, 2009	June 30, 2009	Mar. 31, 2009
<i>(\$ in billions)</i>									
Total equity		\$ 127.9	125.2	121.4	118.1	114.4	128.9	121.4	107.1
Noncontrolling interests		(1.5)	(1.5)	(1.6)	(2.0)	(2.6)	(6.8)	(6.8)	(6.8)
Total Wells Fargo stockholders' equity		126.4	123.7	119.8	116.1	111.8	122.1	114.6	100.3
Adjustments:									
Preferred equity		(8.1)	(8.1)	(8.1)	(8.1)	(8.1)	(31.1)	(31.0)	(30.9)
Goodwill and intangible assets (other than MSRs)		(35.5)	(36.1)	(36.7)	(37.2)	(37.7)	(37.5)	(38.7)	(38.6)
Applicable deferred taxes		4.3	4.7	5.0	5.2	5.3	5.3	5.5	5.7
Deferred tax asset limitation		-	-	-	-	(1.0)	-	(2.0)	(4.7)
MSRs over specified limitations		(0.9)	(0.9)	(1.0)	(1.5)	(1.6)	(1.5)	(1.6)	(1.2)
Cumulative other comprehensive income		(4.6)	(5.4)	(4.8)	(4.0)	(3.0)	(4.0)	0.6	3.6
Other		(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)	(0.8)
Tier 1 common equity	(A)	\$ 81.3	77.6	73.9	70.2	65.5	53.0	47.1	33.4
Total risk-weighted assets <sup>(2)</sup>	(B)	\$ 971.7	968.4	970.8	990.1	1,013.6	1,023.8	1,047.7	1,071.5
Tier 1 common equity to total risk-weighted assets	(A)/(B)	8.37 %	8.01	7.61	7.09	6.46	5.18	4.49	3.12

- (1) Tier 1 common equity is a non-generally accepted accounting principle (GAAP) financial measure that is used by investors, analysts and bank regulatory agencies to assess the capital position of financial services companies. Tier 1 common equity includes total Wells Fargo stockholders' equity, less preferred equity, goodwill and intangible assets (excluding MSRs), net of related deferred taxes, adjusted for specified Tier 1 regulatory capital limitations covering deferred taxes, MSRs, and cumulative other comprehensive income. Management reviews Tier 1 common equity along with other measures of capital as part of its financial analyses and has included this non-GAAP financial information, and the corresponding reconciliation to total equity, because of current interest in such information on the part of market participants.
- (2) Under the regulatory guidelines for risk-based capital, 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. The Company's December 31, 2010, preliminary risk-weighted assets reflect estimated on-balance sheet risk-weighted assets of \$814.4 billion and derivative and off-balance sheet risk-weighted assets of \$157.3 billion.