

Getting to know Wells Fargo

In times like these, when frustrations with our industry over the slow and uneven economic recovery are high, we want all our stakeholders—customers, communities, investors, and our team members—to have the facts on where Wells Fargo stands on some key issues.

As we state in our [Vision & Values](#), Wells Fargo is on a journey, and “Every journey has a destination. To reach it, we have an ambitious vision—which is the character of our company in action: We want to satisfy all our customers’ financial needs and help them succeed financially.”

What follows are additional facts as they relate to:

- Preventing foreclosures
- Continuing to lend
- Charging for our services
- Repaying TARP
- Paying taxes
- Private prisons
- Political campaigns
- Compensating leaders
- Promoting sustainability

Preventing foreclosures

Wells Fargo loves the mortgage business because most of our customers tell us a home is the most personally significant purchase of their lives. So we are focused on helping homeowners stay in their homes. As of July 31, 2012, 93% of our mortgage customers were current on their payments, and although we can’t help every residential mortgage holder who falls behind, fewer than two percent of our owner-occupied home mortgages proceeded to foreclosure sale in 2011.

Since 2009...

- Wells Fargo has helped 6.4 million homeowners with new low-rate loans, either to purchase or refinance their existing mortgage.
- We have participated in more than 819 home preservation workshops where we meet with customers face to face, we have opened 28 home preservation centers in highly impacted areas, and we have conducted more than 781,099 active trial or completed mortgage modifications.
- We have provided more than \$4.2 billion in principal reduction, helping customers cope with unforeseen circumstances like a job loss or medical problem, which may dramatically impact their ability to afford a home.
- The Wells Fargo LIFT programs are designed to advance the recovery of cities and neighborhoods most affected by the housing crisis. CityLIFTsm and NeighborhoodLIFTsm are distinct programs that complement each other with a common purpose. Through both programs, Wells Fargo will bring more than \$170 million of down payment assistance, housing counselor support, local grants and homebuyer support and education to 20 areas in need of help across the country. In addition, the company has committed to a total of \$23 billion in purchase lending through our direct and indirect channels for the 11 NeighborhoodLIFTsm cities over the next 5 years.

Continuing to lend

Wells Fargo remained “open for business” throughout the credit crisis and continues to prudently extend credit to creditworthy consumer and business customers throughout the U.S. We want to make every good loan we can, and we are devoted to fair and responsible lending practices.

- Wells Fargo does business with 70 million households, meeting a range of consumer credit needs including home lending, financing an education and buying a car. From major purchases to everyday spending, we loaned more than \$400 billion to consumers in 2011.

Together we’ll go far



- Wells Fargo has loaned more money to America's small businesses than any other bank for nine consecutive years (2010 Community Reinvestment Act government data).
- We have been the No. 1 Small Business Administration lender in dollar volume for three consecutive years, approving a record \$1.2 billion SBA 7(a) loans to small businesses in federal fiscal year 2011. Wells Fargo also is the No. 1 middle market commercial lender (Greenwich Associates).
- Wells Fargo originates more than one out of every three home mortgages in the U.S. and services more home loans than anyone else. We believe we have the options to serve mortgage customers with the product that is right for them, and we have the underwriting principles to properly evaluate the borrower's ability to repay.
- Through first quarter 2012, the commercial banking loan portfolio has grown for 20 consecutive months from new originations and increased line utilization from our middle-market customers.

Charging for our services

Wells Fargo is firmly focused on helping customers succeed financially and continuing to provide products and services that provide value. There are some services for which we charge a fee. Fees are based on the type of account a customer has and the services that customer uses. To help customers avoid unexpected fees, at account opening we explain when fees may be charged, and when possible, how to qualify for a fee waiver.

Information about fees is easily accessible online.

Still, many services we provide to our customers come at no extra charge, including access to more than 12,000 ATMs across the U.S., access to Online Banking, and personal financial management tools. In addition, many of our accounts are designed to provide increased value and convenience for our customers as they increase their banking relationship with us.

Repaying TARP

In response to deteriorating economic conditions, the U.S. Treasury instituted the Troubled Asset Relief Program in the fall of 2008. Many financial institutions participated in the program at the request of the federal government, and Wells Fargo received \$25 billion. We paid back all the money—in December 2009, ahead of schedule—with \$1.4 billion in interest.

Between October 2008 and December 2009, Wells Fargo supplied more than \$640 billion in credit to consumers and businesses, helped more than 400,000 households preserve their home ownership, and continued to be America's top lender to small businesses.

Paying taxes

Over the past ten years, Wells Fargo has paid more than \$33 billion in federal and state corporate income taxes, including nearly \$4 billion for 2011 alone. The company's share of employment-related taxes, property taxes, and other taxes amounted to an additional \$2 billion during 2011.

For the years following the Wachovia merger, Wells Fargo recognized losses related to impaired assets, which reduced our post-merger taxable income. Because of the size of those losses, our taxable income was significantly reduced, which means we paid relatively less in income taxes following the merger as compared with earlier years.

Private prisons

Wells Fargo does not own any shares of the GEO Group or Corrections Corporation of America.

Our mutual fund group, Wells Fargo Advantage Funds, currently has a holding in GEO Group. We serve as advisor for these funds for our customers, who are the owners. Wells Fargo does not own the shares for its own account.

GEO Group and Corrections Corporation of America for years have contracted with federal and state governments to provide detention services. The facilities are regularly audited, and anyone can examine audit results, <http://www.ice.gov/foia/library/>.

Immigration policy. Individuals held in GEO Group and Correction Corporation of America facilities sometimes are detained because of illegal immigration status. Wells Fargo respects the seriousness of the ongoing debate on immigration reform in the U.S., but Wells Fargo typically does not involve itself in policy issues that aren't directly related to the financial services industry. Immigration is a national public policy issue that should be addressed with the appropriate officials involved in the debate, not our company.

We strive to serve all of our customers who provide valid forms of identification, as required by law, through policies that conform to state and federal laws. We do not deny access to assets to deported customers, and we offer, at minimum, four ways to access accounts if a customer is outside the USA: ATM/Debit Card; *Wells Fargo ExpressSend*[®] remittance services; online banking through wells Fargo.com and *Wells Fargo Phone Bank*SM support.

Political campaigns

Wells Fargo does not use company funds for any candidate campaigns, including candidate campaign committees, political parties, caucuses or independent expenditure committees.

We are members of various trade associations across the U.S., and consistent with our policy, we inform these organizations of our policy prohibiting the use of membership dues for contributions to candidate committees, independent expenditure committees, or other direct or indirect contributions to election campaigns. We expect these trade associations to adhere to our policy.

Wells Fargo political action committees (PACs) are funded entirely through voluntary contributions by exempt team members. PAC boards are composed of senior business managers, and these boards determine which candidates to support. All Wells Fargo PACs report to the Federal Elections Committee and/or to state agencies, as required by state and federal law. We share a [list of our contributions](#) on our website under “Campaign Finance and PACs.”

Compensating leaders

Wells Fargo pays for outstanding performance that is aligned with customer and shareholder objectives. We promote a culture of risk management that avoids unnecessary or excessive risk taking; attracts and retains highly qualified leaders with competitive pay; and aligns our leaders’ interests with those of stockholders.

Compensation for executives named in Wells Fargo’s proxy statement, including the CEO, is structured to encourage long-term, sustainable growth. In 2011, about 80% of 2011 total executive pay was comprised of “at-risk” compensation, including performance shares that vest, if at all, only upon satisfaction of three-year financial performance goals relative to other financial services companies of similar size and scope.

Promoting sustainability

With more than 6,000 locations and 70 million customers, Wells Fargo is in a unique position to make a positive impact on the environment.

We recently renewed our longstanding environmental commitment to emphasize three focus areas:

- Accelerating a “greener” economy.
- Encouraging stronger and more sustainable communities.
- Reducing the environmental impact of Wells Fargo operations.

The commitment includes a new \$30 billion environmental finance goal; a \$100 million target for charitable contributions to promote environmental innovation and sustainable neighborhoods; and measurable commitments to increase Wells Fargo’s level of recycling, energy efficiency, and percentage of LEED-certified green buildings.

You can read more about Wells Fargo’s renewed environmental commitment on the company’s [Environmental Affairs website](#).

Wells Fargo’s [Environmentally and Socially Responsible Lending](#) principles lay out in detail our credit policy and internal guidance for financial transactions involving coal and metal mining, the power and utilities industry, and other sensitive industries and markets.