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. 37 on *Fortune's* 2021 rankings of America's largest corporations. We ranked fourth in assets and third in the market value of our common stock among all U.S. banks at March 31, 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 and Other Customer Remediation Activities

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.

Our priority of rebuilding trust has also included an effort to identify other 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 previously disclosed key areas of focus as part of our rebuilding trust efforts and are in the process of providing remediation for those matters. We have accrued for the probable and estimable remediation costs related to our rebuilding trust efforts, 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.

For additional information regarding retail sales practices matters and other customer remediation 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 Mar 31, 2022	2021	$ Change	% Change
Selected income statement data				
Net interest income	$ **9,221**	8,808	413	5 %
Noninterest income	**8,371**	9,724	(1,353)	(14)
Total revenue	**17,592**	18,532	(940)	(5)
Net charge-offs	**305**	523	(218)	(42)
Change in the allowance for credit losses	**(1,092)**	(1,571)	479	30
Provision for credit losses	**(787)**	(1,048)	261	25
Noninterest expense	**13,870**	13,989	(119)	(1)
Income tax expense	**707**	901	(194)	(22)
Wells Fargo net income	**3,671**	4,636	(965)	(21)
Wells Fargo net income applicable to common stock	**3,393**	4,256	(863)	(20)

In first quarter 2022, we generated $3.7 billion of net income and diluted earnings per common share (EPS) of $0.88, compared with $4.6 billion of net income and EPS of $1.02 in the same period a year ago. Financial performance for first quarter 2022, compared with the same period a year ago, included the following:

- total revenue decreased due to lower mortgage banking income, other income, and investment advisory and other asset-based fee income, partially offset by higher net interest income;
- provision for credit losses reflected lower net charge-offs, reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolios, and increased uncertainty related to the risks of high inflation;
- noninterest expense decreased due to lower personnel expense, professional and outside services expense, and other expense, partially offset by higher operating losses;
- average loans increased due to growth in commercial, credit card and auto loans, partially offset by a decrease in residential mortgage loans as paydowns exceeded originations; and
- average deposits increased driven by growth in the Consumer Banking and Lending, Commercial Banking, and Wealth and Investment Management (WIM) operating segments due to higher levels of liquidity and savings for consumer and commercial customers, partially offset by actions taken to manage under the asset cap which reduced deposits in the Corporate and Investment Banking operating segment and Corporate.

Capital and Liquidity

We maintained a strong capital position in first quarter 2022, with total equity of $181.7 billion at March 31, 2022, compared with $190.1 billion at December 31, 2021. Our liquidity and regulatory capital ratios remained strong at March 31, 2022, including:

- our Common Equity Tier 1 (CET1) ratio was 10.45% under the Standardized Approach (our binding ratio), which continued to exceed the regulatory requirement of 9.10%;
- our total loss absorbing capacity (TLAC) as a percentage of total risk-weighted assets was 22.31%, compared with the regulatory requirement of 21.50%; and
- our liquidity coverage ratio (LCR) was 119%, 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 $12.7 billion at March 31, 2022, decreased $1.1 billion from December 31, 2021.
- Our provision for credit losses for loans was $(775) million in first quarter 2022, up from $(1.1) billion in the same period a year ago. The ACL for loans and the provision for credit losses reflected lower net charge-offs, reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolios, and increased uncertainty related to the risks of high inflation.
- The allowance coverage for total loans was 1.39% at March 31, 2022, compared with 1.54% at December 31, 2021.
- Commercial portfolio net loan charge-offs were $(29) million, or (2) basis points of average commercial loans, in first quarter 2022, compared with net loan charge-offs of $149 million, or 13 basis points, in the same period a year ago, due to lower losses in our commercial and industrial portfolio driven by higher recoveries in the oil, gas and pipeline industry, and lower losses in our real estate mortgage portfolio.
- Consumer portfolio net loan charge-offs were $334 million, or 35 basis points of average consumer loans, in first quarter 2022, compared with net loan charge-offs of $364 million, or 37 basis points, in the same period a year ago, driven by lower losses in our credit card and other consumer portfolios, partially offset by higher losses in our auto loan portfolio.
- Nonperforming assets (NPAs) of $7.0 billion at March 31, 2022, decreased $323 million, or 4%, from December 31, 2021, driven by decreases in all commercial nonaccrual loan portfolios, partially offset by increases in our residential mortgage nonaccrual loans primarily resulting from certain customers exiting COVID-19 accommodation programs. NPAs represented 0.77% of total loans at March 31, 2022.

Earnings Performance

Wells Fargo net income for first quarter 2022 was $3.7 billion ($0.88 diluted EPS), compared with $4.6 billion ($1.02 diluted EPS) in the same period a year ago. Net income decreased in first quarter 2022, compared with the same period a year ago, predominantly due to a $1.4 billion decrease in noninterest income, partially offset by a $413 million increase in net interest income.

Net Interest Income

Net interest income and net interest margin increased in first quarter 2022, compared with the same period a year ago, due to lower mortgage-backed securities premium amortization, lower costs and balances of long-term debt, and higher loan balances, partially offset by lower interest income from loans purchased from securitization pools and Paycheck Protection Program (PPP) loans. Interest income from PPP loans was $49 million in first quarter 2022, compared with $102 million in the same period a year ago. Additionally, interest income associated with loans we purchased from Government National Mortgage Association (GNMA) loan securitization pools was $221 million in first quarter 2022, compared with $263 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 the net interest margin. Net interest income and net interest margin are presented on a taxable-equivalent basis in Table 1 to consistently reflect income from taxable and tax-exempt loans and debt and equity securities based on a 21% federal statutory tax rate for the periods ended March 31, 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 March 31,					
			2022			2021
(in millions)	Average balance	Interest income/ expense	Interest rates	Average balance	Interest income/ expense	Interest rates
Assets						
Interest-earning deposits with banks	$ 179,051	96	0.22 %	$ 223,437	57	0.10 %
Federal funds sold and securities purchased under resale agreements	64,845	(9)	(0.05)	72,148	7	0.04
Debt securities:						
Trading debt securities	90,677	553	2.44	87,383	534	2.45
Available-for-sale debt securities	169,048	723	1.72	206,946	841	1.63
Held-to-maturity debt securities	279,245	1,379	1.98	216,826	1,027	1.90
Total debt securities	538,970	2,655	1.97	511,155	2,402	1.89
Loans held for sale (2)	19,513	140	2.86	34,554	331	3.85
Loans:						
Commercial loans:						
Commercial and industrial – U.S.	276,070	1,700	2.50	252,892	1,596	2.56
Commercial and industrial – Non-U.S.	77,759	403	2.10	65,419	338	2.10
Real estate mortgage	127,464	833	2.65	120,734	812	2.73
Real estate construction	20,259	165	3.31	21,755	166	3.10
Lease financing	14,586	155	4.24	15,799	184	4.62
Total commercial loans	516,138	3,256	2.56	476,599	3,096	2.63
Consumer loans:						
Residential mortgage – first lien	242,883	1,907	3.14	266,251	2,068	3.11
Residential mortgage – junior lien	16,017	165	4.17	22,321	228	4.13
Credit card	38,164	1,065	11.32	35,205	1,033	11.90
Auto	56,701	584	4.17	48,680	560	4.66
Other consumer	28,102	256	3.69	24,383	233	3.87
Total consumer loans	381,867	3,977	4.20	396,840	4,122	4.18
Total loans (2)	898,005	7,233	3.25	873,439	7,218	3.34
Equity securities	33,282	170	2.05	29,434	137	1.87
Other	11,498	3	0.12	9,498	1	0.03
Total interest-earning assets	$ 1,745,164	10,288	2.38 %	$ 1,753,665	10,153	2.33 %
Cash and due from banks	24,976	—		24,598	—	
Goodwill	25,180	—		26,383	—	
Other	124,072	—		129,779	—	
Total noninterest-earning assets	$ 174,228	—		180,760	—	
Total assets	$ 1,919,392	10,288		1,934,425	10,153	
Liabilities						
Deposits:						
Demand deposits	$ 455,350	38	0.03 %	$ 444,764	33	0.03 %
Savings deposits	440,680	24	0.02	411,596	32	0.03
Time deposits	27,849	19	0.28	44,025	47	0.43
Deposits in non-U.S. offices	21,456	2	0.03	30,731	—	0.01
Total interest-bearing deposits	945,335	83	0.04	931,116	112	0.05
Short-term borrowings:						
Federal funds purchased and securities sold under agreements to repurchase	20,431	(3)	(0.05)	47,357	2	—
Other short-term borrowings	12,327	(11)	(0.36)	11,725	(11)	(0.37)
Total short-term borrowings	32,758	(14)	(0.17)	59,082	(9)	(0.06)
Long-term debt	153,803	761	1.98	198,340	1,026	2.07
Other liabilities	31,092	130	1.68	28,875	109	1.50
Total interest-bearing liabilities	$ 1,162,988	960	0.33 %	$ 1,217,413	1,238	0.41 %
Noninterest-bearing demand deposits	518,737	—		462,356	—	
Other noninterest-bearing liabilities	51,330	—		65,582	—	
Total noninterest-bearing liabilities	$ 570,067	—		527,938	—	
Total liabilities	$ 1,733,055	960		1,745,351	1,238	
Total equity	186,337	—		189,074	—	
Total liabilities and equity	$ 1,919,392	960		1,934,425	1,238	
Interest rate spread on a taxable-equivalent basis (3)			2.05 %			1.92 %
Net interest margin and net interest income on a taxable-equivalent basis (3)		$ 9,328	2.16 %		$ 8,915	2.05 %

(1) The average balance amounts represent amortized costs. 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 $107 million for both quarters ended March 31, 2022 and 2021, predominantly related to tax-exempt income on certain loans and securities.

Noninterest Income

Table 2: Noninterest Income

(in millions)		Quarter ended Mar 31, 2022	2021	$ Change	% Change
Deposit-related fees	$	**1,473**	1,255	218	17 %
Lending-related fees		**342**	361	(19)	(5)
Investment advisory and other asset-based fees		**2,498**	2,756	(258)	(9)
Commissions and brokerage services fees		**537**	636	(99)	(16)
Investment banking fees		**447**	568	(121)	(21)
Card fees		**1,029**	949	80	8
Net servicing income		**154**	(99)	253	256
Net gains on mortgage loan originations/sales		**539**	1,425	(886)	(62)
Mortgage banking		**693**	1,326	(633)	(48)
Net gains from trading activities		**218**	348	(130)	(37)
Net gains from debt securities		**2**	151	(149)	(99)
Net gains from equity securities		**576**	392	184	47
Lease income		**327**	315	12	4
Other		**229**	667	(438)	(66)
Total	$	**8,371**	9,724	(1,353)	(14)

First quarter 2022 vs. first quarter 2021

Deposit-related fees increased driven by lower fee waivers and reversals as first quarter 2021 included various accommodations to support customers during the COVID-19 pandemic, as well as other temporary fee waivers.

In January 2022, we announced enhancements and changes to help our consumer customers avoid overdraft-related fees, which we began to implement in March 2022. We expect this will lower certain deposit-related fees for the remainder of 2022.

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

partially offset by:
- higher market valuations on WIM advisory assets.

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 driven by lower debt and equity underwriting fees as a result of lower market activity.

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

Net servicing income increased reflecting:
- lower amortization of the fair value mortgage servicing right (MSR) due to lower prepayment rates driven by increases in interest rates; and
- lower unreimbursed servicing costs due to fewer payoffs and favorable recoveries from loss mitigation activities;

partially offset by:
- lower contractually specified servicing fees due to a lower balance of loans serviced for others.

Net gains on mortgage loan originations/sales decreased driven by:
- lower residential mortgage held for sale (HFS) origination volumes and lower margins in our retail and correspondent production channels; and
- a shift in production to more correspondent loans, which have a lower production margin compared with retail loans.

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 decreased reflecting:
- lower trading activity in residential mortgage-backed securities and high yield products;

partially offset by:
- higher foreign exchange, rates, and commodities trading revenue.

Net gains from debt securities decreased due to lower gains on sales of agency mortgage-backed securities (MBS) as a result of decreased sales volumes.

Net gains from equity securities increased reflecting:
- higher unrealized gains on nonmarketable equity securities driven by our affiliated venture capital and private equity businesses; and
- higher realized gains on the sales of equity securities;

partially offset by:
- higher impairment of equity securities.

Other income decreased due to:
- a gain on the sale of a portion of our student loan portfolio in first quarter 2021;
- higher losses due to growth in wind energy investments (offset by benefits and credits in income tax expense); and
- lower gains on the sales of certain residential mortgage loans which were reclassified to HFS.

Noninterest Expense

Table 3: Noninterest Expense

	Quarter ended Mar 31,			
(in millions)	**2022**	2021	$ Change	% Change
Personnel	$ **9,271**	9,558	(287)	(3)%
Technology, telecommunications and equipment	**876**	844	32	4
Occupancy	**722**	770	(48)	(6)
Operating losses	**673**	213	460	216
Professional and outside services	**1,286**	1,388	(102)	(7)
Leases (1)	**188**	226	(38)	(17)
Advertising and promotion	**99**	90	9	10
Restructuring charges	**5**	13	(8)	(62)
Other	**750**	887	(137)	(15)
Total	$ **13,870**	13,989	(119)	(1)

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

First quarter 2022 vs. first quarter 2021

Personnel expense decreased driven by:
- lower salaries as a result of reduced headcount driven by efficiency initiatives and divestitures; and
- lower incentive compensation expense.

Occupancy expense decreased driven by efficiency initiatives.

Operating losses increased driven by higher customer remediation expense related to expansions of the population of affected customers, remediation payments, and/or remediation time frames predominantly for a variety of historical matters.

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:
- a write-down of goodwill in first quarter 2021 related to the sale of a portion of our student loan portfolio, and
- lower donation expense due to the donation of PPP processing fees in first quarter 2021;

partially offset by:
- higher pension plan settlement expense.

Income Tax Expense

Income tax expense was $707 million in first quarter 2022, compared with $901 million in the same period a year ago, driven by lower pre-tax income and net discrete income tax benefits primarily related to stock-based compensation. The effective income tax rate was 16.1% for first quarter 2022, compared with 16.3% for the same period a year ago.

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 4. 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 4: 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 5 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 5: 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 March 31, 2022							
Net interest income	**$ 5,996**	**1,361**	**1,990**	**799**	**(818)**	**(107)**	**9,221**
Noninterest income	**2,567**	**966**	**1,480**	**2,958**	**806**	**(406)**	**8,371**
Total revenue	**8,563**	**2,327**	**3,470**	**3,757**	**(12)**	**(513)**	**17,592**
Provision for credit losses	**(190)**	**(344)**	**(196)**	**(37)**	**(20)**	**—**	**(787)**
Noninterest expense	**6,395**	**1,531**	**1,983**	**3,175**	**786**	**—**	**13,870**
Income (loss) before income tax expense (benefit)	**2,358**	**1,140**	**1,683**	**619**	**(778)**	**(513)**	**4,509**
Income tax expense (benefit)	**588**	**280**	**425**	**154**	**(227)**	**(513)**	**707**
Net income (loss) before noncontrolling interests	**1,770**	**860**	**1,258**	**465**	**(551)**	**—**	**3,802**
Less: Net income from noncontrolling interests	**—**	**3**	**—**	**—**	**128**	**—**	**131**
Net income (loss)	**$ 1,770**	**857**	**1,258**	**465**	**(679)**	**—**	**3,671**
Quarter ended March 31, 2021							
Net interest income	$ 5,615	1,254	1,779	657	(390)	(107)	8,808
Noninterest income	3,039	827	1,825	2,887	1,417	(271)	9,724
Total revenue	8,654	2,081	3,604	3,544	1,027	(378)	18,532
Provision for credit losses	(419)	(399)	(284)	(43)	97	—	(1,048)
Noninterest expense	6,267	1,630	1,833	3,028	1,231	—	13,989
Income (loss) before income tax expense (benefit)	2,806	850	2,055	559	(301)	(378)	5,591
Income tax expense (benefit)	702	212	500	140	(275)	(378)	901
Net income (loss) before noncontrolling interests	2,104	638	1,555	419	(26)	—	4,690
Less: Net income from noncontrolling interests	—	1	—	—	53	—	54
Net income (loss)	$ 2,104	637	1,555	419	(79)	—	4,636

(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 5a and Table 5b provide additional information for Consumer Banking and Lending.

Table 5a: Consumer Banking and Lending – Income Statement and Selected Metrics

			Quarter ended Mar 31,	
($ in millions, unless otherwise noted)	**2022**	2021	$ Change	% Change
Income Statement				
Net interest income	**$ 5,996**	5,615	381	7 %
Noninterest income:				
Deposit-related fees	**845**	661	184	28
Card fees	**961**	892	69	8
Mortgage banking	**654**	1,259	(605)	(48)
Other	**107**	227	(120)	(53)
Total noninterest income	**2,567**	3,039	(472)	(16)
Total revenue	**8,563**	8,654	(91)	(1)
Net charge-offs	**375**	370	5	1
Change in the allowance for credit losses	**(565)**	(789)	224	28
Provision for credit losses	**(190)**	(419)	229	55
Noninterest expense	**6,395**	6,267	128	2
Income before income tax expense	**2,358**	2,806	(448)	(16)
Income tax expense	**588**	702	(114)	(16)
Net income	**$ 1,770**	2,104	(334)	(16)
Revenue by Line of Business				
Consumer and Small Business Banking	**$ 5,071**	4,550	521	11
Consumer Lending:				
Home Lending	**1,490**	2,227	(737)	(33)
Credit Card (1)	**1,265**	1,188	77	6
Auto	**444**	403	41	10
Personal Lending (1)	**293**	286	7	2
Total revenue	**$ 8,563**	8,654	(91)	(1)
Selected Metrics				
Consumer Banking and Lending:				
Return on allocated capital (2)	**14.4%**	17.2		
Efficiency ratio (3)	**75**	72		
Headcount (#) (period-end)	**113,273**	123,547		(8)
Retail bank branches (#)	**4,705**	4,944		(5)
Digital active customers (# in millions) (4)	**33.7**	32.9		2
Mobile active customers (# in millions) (4)	**27.8**	26.7		4
Consumer and Small Business Banking:				
Deposit spread (5)	**1.6%**	1.6		
Debit card purchase volume ($ in billions) (6)	**$ 115.0**	108.5	6.5	6
Debit card purchase transactions (# in millions) (6)	**2,338**	2,266		3

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($ in millions, unless otherwise noted)		2022	2021	Quarter ended Mar 31, $ Change	% Change
Home Lending:					
Mortgage banking:					
Net servicing income	$	**116**	(123)	239	194 %
Net gains on mortgage loan originations/sales		**538**	1,382	(844)	(61)
Total mortgage banking	$	**654**	1,259	(605)	(48)
Originations ($ in billions):					
Retail	$	**24.1**	33.6	(9.5)	(28)
Correspondent		**13.8**	18.2	(4.4)	(24)
Total originations	$	**37.9**	51.8	(13.9)	(27)
% of originations held for sale (HFS)		**51.4 %**	75.8		
Third-party mortgage loans serviced (period-end)($ in billions) (7)	$	**704.2**	801.0	(96.8)	(12)
Mortgage servicing rights (MSR) carrying value (period-end)		**8,511**	7,536	975	13
Ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end) (7)		**1.21 %**	0.94		
Home lending loans 30+ days delinquency rate (8)(9)(10)		**0.29**	0.56		
Credit Card: (1)					
Point of sale (POS) volume ($ in billions)	$	**26.0**	19.6	6.4	33
New accounts (# in thousands)		**484**	266		82
Credit card loans 30+ days delinquency rate (10)		**1.58 %**	2.13		
Auto:					
Auto originations ($ in billions)	$	**7.3**	7.0	0.3	4
Auto loans 30+ days delinquency rate (9)(10)		**1.68 %**	1.22		
Personal Lending: (1)					
New volume ($ in billions)	$	**2.6**	1.9	0.7	37

NM – Not meaningful
(1) In first quarter 2022, we transferred our Retail Services business from Credit Card to Personal Lending. Prior period balances have been revised to conform with the current period presentation.
(2) Return on allocated capital is segment net income (loss) applicable to common stock divided by segment average allocated capital. Segment net income (loss) applicable to common stock is segment net income (loss) less allocated preferred stock dividends.
(3) Efficiency ratio is segment noninterest expense divided by segment total revenue (net interest income and noninterest income).
(4) Digital and mobile active customers is the number of consumer and small business customers who have logged on via a digital or mobile device, respectively, in the prior 90 days. Digital active customers includes both online and mobile customers.
(5) Deposit spread is (i) the internal funds transfer pricing credit on segment deposits minus interest paid to customers for segment deposits, divided by (ii) average segment deposits.
(6) Debit card purchase volume and transactions reflect combined activity for both consumer and business debit card purchases.
(7) Excludes residential mortgage loans subserviced for others.
(8) Excludes residential mortgage loans insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) and loans held for sale.
(9) Excludes nonaccrual loans.
(10) 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.

First quarter 2022 vs. first quarter 2021

Revenue decreased driven by:
- lower mortgage banking noninterest income due to lower HFS origination volumes and margins, partially offset by higher servicing income; and
- lower other income driven by lower gains on the sales of certain residential mortgage loans which were reclassified to held for sale;

partially offset by:
- higher net interest income reflecting higher interest rates and higher deposit balances, partially offset by lower loan balances;
- higher deposit-related fees primarily reflecting lower fee waivers and reversals as first quarter 2021 included various accommodations to support customers during the COVID-19 pandemic, as well as other temporary fee waivers; and
- higher card fees reflecting higher interchange fees, net of rewards, driven by increased purchase and transaction volumes.

Provision for credit losses reflected reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolios and increased uncertainty related to the risks of high inflation.

Noninterest expense increased driven by:
- higher operating losses due to higher customer remediation expense related to expansions of the population of affected customers, remediation payments, and/or remediation time frames predominantly for a variety of historical matters;

partially offset by:
- lower personnel expense driven by lower branch and operations staffing expense related to efficiency initiatives in Consumer and Small Business Banking, as well as lower revenue-related incentive compensation in Home Lending;
- lower occupancy expense and professional and outside services expense related to efficiency initiatives; and
- lower donation expense due to the donation of PPP processing fees in first quarter 2021.

Table 5b: Consumer Banking and Lending – Balance Sheet

(in millions)	2022	2021	Quarter ended Mar 31, $ Change	% Change
Selected Balance Sheet Data (average)				
Loans by Line of Business:				
Consumer and Small Business Banking (1)	$ **10,605**	20,137	(9,532)	(47)%
Consumer Lending:				
Home Lending	**213,714**	243,036	(29,322)	(12)
Credit Card (2)	**31,503**	28,891	2,612	9
Auto	**57,278**	49,518	7,760	16
Personal Lending (2)	**11,955**	11,499	456	4
Total loans	$ **325,055**	353,081	(28,026)	(8)
Total deposits (1)	**881,339**	789,439	91,900	12
Allocated capital	**48,000**	48,000	—	—
Selected Balance Sheet Data (period-end)				
Loans by Line of Business:				
Consumer and Small Business Banking (1)	$ **11,006**	20,820	(9,814)	(47)
Consumer Lending:				
Home Lending	**215,858**	230,478	(14,620)	(6)
Credit Card (2)	**31,974**	28,035	3,939	14
Auto	**57,652**	50,007	7,645	15
Personal Lending (2)	**12,068**	11,209	859	8
Total loans	$ **328,558**	340,549	(11,991)	(4)
Total deposits (1)	**909,896**	837,765	72,131	9

(1) In first quarter 2022, we prospectively transferred certain customer accounts from the Commercial Banking operating segment to Small Business Banking in the Consumer Banking and Lending operating segment.
(2) In first quarter 2022, we transferred our Retail Services business from Credit Card to Personal Lending. Prior period balances have been revised to conform with the current period presentation.

First quarter 2022 vs. first quarter 2021

Total loans (average) decreased as paydowns exceeded originations in our Home Lending and Consumer and Small Business Banking businesses, partially offset by originations exceeding paydowns in our Auto and Credit Card businesses. Home Lending loan balances were impacted by the resecuritization of loans we purchased from GNMA loan securitization pools, as well as actions taken to suspend home equity originations. Consumer and Small Business Banking loan balances were impacted by a decline in PPP loans.

Total deposits (average and period-end) increased driven by higher levels of customer liquidity and savings reflecting an improved economic environment.

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 5c and Table 5d provide additional information for Commercial Banking.

Table 5c: Commercial Banking – Income Statement and Selected Metrics

			Quarter ended Mar 31,	
($ in millions)	**2022**	2021	$ Change	% Change
Income Statement				
Net interest income	**$ 1,361**	1,254	107	9 %
Noninterest income:				
Deposit-related fees	**328**	317	11	3
Lending-related fees	**121**	136	(15)	(11)
Lease income	**179**	174	5	3
Other	**338**	200	138	69
Total noninterest income	**966**	827	139	17
Total revenue	**2,327**	2,081	246	12
Net charge-offs	**(29)**	39	(68)	NM
Change in the allowance for credit losses	**(315)**	(438)	123	28
Provision for credit losses	**(344)**	(399)	55	14
Noninterest expense	**1,531**	1,630	(99)	(6)
Income before income tax expense	**1,140**	850	290	34
Income tax expense	**280**	212	68	32
Less: Net income from noncontrolling interests	**3**	1	2	200
Net income	**$ 857**	637	220	35
Revenue by Line of Business				
Middle Market Banking	**$ 1,246**	1,159	87	8
Asset-Based Lending and Leasing	**1,081**	922	159	17
Total revenue	**$ 2,327**	2,081	246	12
Revenue by Product				
Lending and leasing	**$ 1,255**	1,202	53	4
Treasury management and payments	**779**	721	58	8
Other	**293**	158	135	85
Total revenue	**$ 2,327**	2,081	246	12
Selected Metrics				
Return on allocated capital	**16.9 %**	12.3		
Efficiency ratio	**66**	78		
Headcount (#) (period-end)	**17,360**	20,486		(15)

NM – Not meaningful

First quarter 2022 vs. first quarter 2021

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

Provision for credit losses reflected lower net charge-offs, reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolios, and increased uncertainty related to the risks of high inflation.

Noninterest expense decreased driven by:
- lower spending due to efficiency initiatives, including lower personnel expense from reduced headcount, as well as lower occupancy expense;
- lower lease expense driven by lower depreciation expense from a reduction in the size of our operating lease asset portfolio; and
- lower operating losses due to lower litigation expense and customer remediation expense.

Table 5d: Commercial Banking – Balance Sheet

			Quarter ended Mar 31,	
(in millions)	**2022**	2021	$ Change	% Change
Selected Balance Sheet Data (average)				
Loans:				
Commercial and industrial (1)	**$ 135,792**	120,929	14,863	12 %
Commercial real estate (1)	**45,053**	48,574	(3,521)	(7)
Lease financing and other	**13,550**	13,640	(90)	(1)
Total loans	**$ 194,395**	183,143	11,252	6
Loans by Line of Business:				
Middle Market Banking (1)	**$ 108,583**	104,379	4,204	4
Asset-Based Lending and Leasing	**85,812**	78,764	7,048	9
Total loans	**$ 194,395**	183,143	11,252	6
Total deposits (1)	**200,699**	189,364	11,335	6
Allocated capital	**19,500**	19,500	—	—
Selected Balance Sheet Data (period-end)				
Loans:				
Commercial and industrial (1)	**$ 140,932**	119,322	21,610	18
Commercial real estate (1)	**44,428**	47,832	(3,404)	(7)
Lease financing and other	**13,473**	13,534	(61)	—
Total loans	**$ 198,833**	180,688	18,145	10
Loans by Line of Business:				
Middle Market Banking (1)	**$ 110,258**	102,372	7,886	8
Asset-Based Lending and Leasing	**88,575**	78,316	10,259	13
Total loans	**$ 198,833**	180,688	18,145	10
Total deposits (1)	**195,549**	191,948	3,601	2

(1) In first quarter 2022, we prospectively transferred certain customer accounts from the Commercial Banking operating segment to Small Business Banking in the Consumer Banking and Lending operating segment.

First quarter 2022 vs. first quarter 2021

Total loans (average and period-end) increased driven by higher loan demand, including higher line utilization, and customer growth.

Total deposits (average and period-end) increased due to higher levels of customer liquidity and rising interest rates, partially offset by 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 5e and Table 5f provide additional information for Corporate and Investment Banking.

Table 5e: Corporate and Investment Banking – Income Statement and Selected Metrics

			Quarter ended Mar 31,	
($ in millions)	**2022**	2021	$ Change	% Change
Income Statement				
Net interest income	**$ 1,990**	1,779	211	12 %
Noninterest income:				
Deposit-related fees	**293**	266	27	10
Lending-related fees	**185**	183	2	1
Investment banking fees	**462**	611	(149)	(24)
Net gains from trading activities	**228**	331	(103)	(31)
Other	**312**	434	(122)	(28)
Total noninterest income	**1,480**	1,825	(345)	(19)
Total revenue	**3,470**	3,604	(134)	(4)
Net charge-offs	**(31)**	37	(68)	NM
Change in the allowance for credit losses	**(165)**	(321)	156	49
Provision for credit losses	**(196)**	(284)	88	31
Noninterest expense	**1,983**	1,833	150	8
Income before income tax expense	**1,683**	2,055	(372)	(18)
Income tax expense	**425**	500	(75)	(15)
Net income	**$ 1,258**	1,555	(297)	(19)
Revenue by Line of Business				
Banking:				
Lending	**$ 521**	453	68	15
Treasury Management and Payments	**432**	370	62	17
Investment Banking	**331**	416	(85)	(20)
Total Banking	**1,284**	1,239	45	4
Commercial Real Estate	**995**	912	83	9
Markets:				
Fixed Income, Currencies, and Commodities (FICC)	**877**	1,144	(267)	(23)
Equities	**267**	252	15	6
Credit Adjustment (CVA/DVA) and Other	**25**	36	(11)	(31)
Total Markets	**1,169**	1,432	(263)	(18)
Other	**22**	21	1	5
Total revenue	**$ 3,470**	3,604	(134)	(4)
Selected Metrics				
Return on allocated capital	**13.2 %**	17.6		
Efficiency ratio	**57**	51		
Headcount (#) (period-end)	**8,416**	8,249		2

NM – Not meaningful

First quarter 2022 vs. first quarter 2021

Revenue decreased driven by:
- lower investment banking fees due to lower debt and equity underwriting fees as a result of lower market activity;
- lower net gains from trading activities driven by lower client trading activity in residential mortgage-backed securities and high yield products, partially offset by higher foreign exchange, rates, and commodities trading revenue; and
- lower other noninterest income driven by lower commercial mortgage banking income due to lower gain on sale volumes and margins, partially offset by higher income in our low-income housing business;

partially offset by:
- higher net interest income reflecting higher loan balances and deposit spreads, partially offset by lower deposit balances.

Provision for credit losses reflected lower net charge-offs, reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolios, and increased uncertainty related to the risks of high inflation.

Noninterest expense increased driven by higher personnel expense due to higher incentive compensation expense.

Table 5f: Corporate and Investment Banking – Balance Sheet

	Quarter ended Mar 31,			
(in millions)	**2022**	2021	$ Change	% Change
Selected Balance Sheet Data (average)				
Loans:				
Commercial and industrial	$ **191,152**	162,290	28,862	18 %
Commercial real estate	**93,346**	83,858	9,488	11
Total loans	$ **284,498**	246,148	38,350	16
Loans by Line of Business:				
Banking	$ **102,485**	86,536	15,949	18
Commercial Real Estate	**126,248**	107,609	18,639	17
Markets	**55,765**	52,003	3,762	7
Total loans	$ **284,498**	246,148	38,350	16
Trading-related assets:				
Trading account securities	$ **115,687**	106,358	9,329	9
Reverse repurchase agreements/securities borrowed	**54,832**	63,965	(9,133)	(14)
Derivative assets	**26,244**	27,102	(858)	(3)
Total trading-related assets	$ **196,763**	197,425	(662)	—
Total assets	**551,404**	511,528	39,876	8
Total deposits	**169,181**	194,501	(25,320)	(13)
Allocated capital	**36,000**	34,000	2,000	6
Selected Balance Sheet Data (period-end)				
Loans:				
Commercial and industrial	$ **194,201**	163,808	30,393	19
Commercial real estate	**96,426**	84,836	11,590	14
Total loans	$ **290,627**	248,644	41,983	17
Loans by Line of Business:				
Banking	$ **107,081**	88,042	19,039	22
Commercial Real Estate	**129,375**	108,508	20,867	19
Markets	**54,171**	52,094	2,077	4
Total loans	$ **290,627**	248,644	41,983	17
Trading-related assets:				
Trading account securities	$ **113,763**	100,586	13,177	13
Reverse repurchase agreements/securities borrowed	**57,579**	71,282	(13,703)	(19)
Derivative assets	**26,695**	24,228	2,467	10
Total trading-related assets	$ **198,037**	196,096	1,941	1
Total assets	**564,976**	512,045	52,931	10
Total deposits	**168,467**	188,920	(20,453)	(11)

First quarter 2022 vs. first quarter 2021

Total assets (average and period-end) increased reflecting higher loan balances driven by growth in commercial loan originations and usage of lines of credit due to increased corporate spending.

Total deposits (average and period-end) decreased reflecting continued 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 5g and Table 5h provide additional information for Wealth and Investment Management.

Table 5g: Wealth and Investment Management

($ in millions, unless otherwise noted)	2022	2021	$ Change	% Change
			Quarter ended Mar 31,	
Income Statement				
Net interest income	$ **799**	657	142	22 %
Noninterest income:				
Investment advisory and other asset-based fees	**2,476**	2,306	170	7
Commissions and brokerage services fees	**454**	555	(101)	(18)
Other	**28**	26	2	8
Total noninterest income	**2,958**	2,887	71	2
Total revenue	**3,757**	3,544	213	6
Net charge-offs	**(4)**	—	(4)	NM
Change in the allowance for credit losses	**(33)**	(43)	10	23
Provision for credit losses	**(37)**	(43)	6	14
Noninterest expense	**3,175**	3,028	147	5
Income before income tax expense	**619**	559	60	11
Income tax expense	**154**	140	14	10
Net income	$ **465**	419	46	11
Selected Metrics				
Return on allocated capital	**21.0 %**	18.9		
Efficiency ratio	**85**	85		
Headcount (#) (period-end)	**25,165**	27,993		(10)
Advisory assets ($ in billions)	$ **912**	885	27	3
Other brokerage assets and deposits ($ in billions)	**1,168**	1,177	(9)	(1)
Total client assets ($ in billions)	$ **2,080**	2,062	18	1
Annualized revenue per advisor ($ in thousands) (1)	**1,221**	1,058	163	15
Total financial and wealth advisors (#) (period-end)	**12,250**	13,277		(8)
Selected Balance Sheet Data (average)				
Total loans	$ **84,765**	80,839	3,926	5
Total deposits	**185,814**	173,678	12,136	7
Allocated capital	**8,750**	8,750	—	—
Selected Balance Sheet Data (period-end)				
Total loans	$ **84,688**	81,175	3,513	4
Total deposits	**183,727**	175,999	7,728	4

NM – Not meaningful
(1) Represents annualized segment total revenue divided by average total financial and wealth advisors for the period.

First quarter 2022 vs. first quarter 2021

Revenue increased driven by:
- higher investment advisory and other asset-based fees due to higher market valuations on WIM advisory assets; and
- higher net interest income reflecting higher interest rates, as well as higher deposit and loan balances;

partially offset by:
- lower commissions and brokerage services fees due to lower transactional revenue.

Noninterest expense increased driven by higher personnel expense due to higher revenue-related compensation expense.

Total loans (average) increased due to higher securities-based loan balances.

Total deposits (average) increased due to higher levels of customer liquidity.

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

WIM also manages personal trust and other assets for high net worth clients, with fee income earned based on a percentage of the market value of these assets. Table 5h 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 first quarter 2022 and 2021, the average fee rate by account type ranged from 50 to 120 basis points.

Table 5h: WIM Advisory Assets

					Quarter ended
(in billions)	Balance, beginning of period	Inflows (1)	Outflows (2)	Market impact (3)	Balance, end of period
March 31, 2022					
Client-directed (4)	**$ 205.6**	**8.8**	**(10.2)**	**(10.5)**	**193.7**
Financial advisor-directed (5)	**255.5**	**12.6**	**(9.9)**	**(11.0)**	**247.2**
Separate accounts (6)	**203.3**	**7.5**	**(7.0)**	**(11.0)**	**192.8**
Mutual fund advisory (7)	**102.1**	**3.2**	**(4.0)**	**(6.2)**	**95.1**
Total Wells Fargo Advisors	**$ 766.5**	**32.1**	**(31.1)**	**(38.7)**	**728.8**
The Private Bank (8)	**198.0**	**7.4**	**(11.7)**	**(10.1)**	**183.6**
Total WIM advisory assets	**$ 964.5**	**39.5**	**(42.8)**	**(48.8)**	**912.4**
March 31, 2021					
Client-directed (4)	$ 186.3	10.6	(9.8)	5.6	192.7
Financial advisor-directed (5)	211.0	12.3	(9.0)	9.1	223.4
Separate accounts (6)	174.6	8.5	(7.0)	7.0	183.1
Mutual fund advisory (7)	91.4	4.0	(3.5)	2.8	94.7
Total Wells Fargo Advisors	$ 663.3	35.4	(29.3)	24.5	693.9
The Private Bank (8)	189.4	8.9	(12.5)	5.7	191.5
Total WIM advisory assets	$ 852.7	44.3	(41.8)	30.2	885.4

(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 5i and Table 5j provide additional information for Corporate.

Table 5i: Corporate – Income Statement and Selected Metrics

			Quarter ended Mar 31,	
($ in millions, unless otherwise noted)	**2022**	2021	$ Change	% Change
Income Statement				
Net interest income	$ **(818)**	(390)	(428)	NM
Noninterest income	**806**	1,417	(611)	(43)%
Total revenue	**(12)**	1,027	(1,039)	NM
Net charge-offs	**(6)**	77	(83)	NM
Change in the allowance for credit losses	**(14)**	20	(34)	NM
Provision for credit losses	**(20)**	97	(117)	NM
Noninterest expense	**786**	1,231	(445)	(36)
Loss before income tax benefit	**(778)**	(301)	(477)	NM
Income tax benefit	**(227)**	(275)	48	17
Less: Net income from noncontrolling interests (1)	**128**	53	75	142
Net loss	$ **(679)**	(79)	(600)	NM
Selected Metrics				
Headcount (#) (period-end)	**82,363**	84,238		(2)

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

First quarter 2022 vs. first quarter 2021

Revenue decreased driven by:
- lower net interest income due to higher deposit crediting rates paid to the operating segments, as well as the sales of our student loan portfolio and our Corporate Trust Services business in 2021;
- lower investment advisory and other asset-based fees due to divestitures in fourth quarter 2021;
- a gain on the sale of a portion of our student loan portfolio in first quarter 2021; and
- lower gains from debt securities due to lower gains on sales of agency MBS as a result of decreased sales volumes;

partially offset by:
- higher unrealized gains on nonmarketable equity securities from our affiliated venture capital and private equity businesses and higher realized gains on the sales of equity securities, partially offset by higher impairment.

Provision for credit losses reflected lower net charge-offs.

Noninterest expense decreased due to:
- the impact of business divestitures; and
- a write-down of goodwill in first quarter 2021 related to the sale of a portion of our student loan portfolio.

Corporate includes our rail car leasing business, which had long-lived operating lease assets (as a lessor) of $5.0 billion, which was net of $2.2 billion of accumulated depreciation, as of March 31, 2022. The average age of our rail cars is 22 years and the rail cars are typically leased under short-term leases of 3 to 5 years. Our three largest concentrations, which represented 55% of our rail car fleet as of March 31, 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.

As of March 31, 2022, we completed the transition of substantially all of the assets under management and assets under administration for Institutional Retirement and Trust client assets to the buyer pursuant to a transition services agreement.

Table 5j: Corporate – Balance Sheet

			Quarter ended Mar 31,	
(in millions)	**2022**	2021	$ Change	% Change
Selected Balance Sheet Data (average)				
Cash, cash equivalents, and restricted cash	**$ 178,747**	222,799	(44,052)	(20)%
Available-for-sale debt securities	**156,756**	200,421	(43,665)	(22)
Held-to-maturity debt securities	**275,510**	217,346	58,164	27
Equity securities	**15,760**	10,904	4,856	45
Total loans	**9,292**	10,228	(936)	(9)
Total assets	**687,341**	727,628	(40,287)	(6)
Total deposits	**27,039**	46,490	(19,451)	(42)
Selected Balance Sheet Data (period-end)				
Cash, cash equivalents, and restricted cash	**$ 175,201**	257,887	(82,686)	(32)
Available-for-sale debt securities	**157,164**	188,724	(31,560)	(17)
Held-to-maturity debt securities	**277,965**	231,352	46,613	20
Equity securities	**16,137**	11,093	5,044	45
Total loans	**9,101**	10,516	(1,415)	(13)
Total assets	**682,912**	753,899	(70,987)	(9)
Total deposits	**23,715**	42,487	(18,772)	(44)

First quarter 2022 vs. first quarter 2021

Total assets (average and period-end) decreased due to:
- a decrease in cash, cash equivalents, and restricted cash managed by corporate treasury as a result of an increase in loans and a decrease in long-term debt and short-term borrowings, partially offset by an increase in deposits from the operating segments;
- a decline in available-for-sale debt securities related to portfolio rebalancing to manage liquidity and interest rate risk; and
- a decline in loans as a result of the sale of our student loan portfolio in 2021;

partially offset by:
- an increase in held-to-maturity debt securities related to portfolio rebalancing to manage liquidity and interest rate risk; and
- an increase in equity securities related to our affiliated venture capital business.

Total deposits (average and period-end) decreased reflecting actions taken to manage under the asset cap.

Balance Sheet Analysis

At March 31, 2022, our assets totaled $1.94 trillion, down $8.4 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 6: Available-for-Sale and Held-to-Maturity Debt Securities

	March 31, 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)	**173,118**	**(4,682)**	**168,436**	**5.9**	175,463	1,781	177,244	5.2
Held-to-maturity (3)	**280,808**	**(16,167)**	**264,641**	**7.6**	272,022	364	272,386	6.3
Total	**$ 453,926**	**(20,849)**	**433,077**	**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 $9 million and $8 million related to available-for-sale debt securities and $84 million and $96 million related to held-to-maturity debt securities at March 31, 2022 and December 31, 2021, respectively.
(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 6 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 increased from December 31, 2021. We continued to purchase AFS and HTM debt securities, including HTM debt securities through securitizations of LHFS, which more than offset portfolio runoff and AFS debt security sales. In addition, we transferred $14.7 billion of AFS debt securities to HTM debt securities in first quarter 2022 due to actions taken to reposition the overall portfolio for capital management purposes.

The total net unrealized gains (losses) on AFS and HTM debt securities decreased from December 31, 2021, driven by higher interest rates and wider credit spreads.

At March 31, 2022, 98% 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 7 provides a summary of total outstanding loans by portfolio segment. Commercial loans increased from December 31, 2021, predominantly 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 of $18.4 billion, partially offset by loan paydowns and the transfer of first lien mortgage loans to loans held for sale (LHFS), substantially all of which related to the sales of loans purchased from GNMA loan securitization pools in prior periods.

Table 7: Loan Portfolios

(in millions)		March 31, 2022	December 31, 2021
Commercial	$	526,714	513,120
Consumer		385,093	382,274
Total loans	$	911,807	895,394
Change from prior year-end	$	16,413	7,757

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:

- lower interest-bearing demand deposits driven by the transition of client assets related to the sale of trust deposits, and
- actions taken to manage under the asset cap resulting in declines in time deposits, such as brokered certificates of deposit (CDs);

partially offset by:

- higher savings deposits driven by seasonality for items such as income tax refunds.

Table 8 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 8: Deposits

($ in millions)		**Mar 31, 2022**	**% of total deposits**		Dec 31, 2021	% of total deposits	% Change
Noninterest-bearing demand deposits	**$**	**529,957**	**36 %**	$	527,748	36 %	—
Interest-bearing demand deposits		**457,238**	**31**		465,887	31	(2)
Savings deposits		**447,096**	**30**		439,600	30	2
Time deposits		**26,089**	**2**		29,461	2	(11)
Interest-bearing deposits in non-U.S. offices		**20,974**	**1**		19,783	1	6
Total deposits	**$**	**1,481,354**	**100 %**	$	1,482,479	100 %	—

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 commitments to lend and purchase debt and equity securities, transactions with unconsolidated entities, guarantees, derivatives, and other commitments. These transactions are designed to (1) meet the financial needs of customers, (2) manage our credit, market or liquidity risks, and/or (3) diversify our funding sources.

Commitments to Lend

We enter into commitments to lend to customers, which are usually at a stated interest rate, if funded, and for specific purposes and time periods. When we enter into commitments, we are exposed to credit risk. The maximum credit risk for these commitments will generally be lower than the contractual amount because a significant portion of these commitments are not funded. 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 potential 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 9 presents our total loans outstanding by portfolio segment and class of financing receivable.

Table 9: Total Loans Outstanding by Portfolio Segment and Class of Financing Receivable

(in millions)		Mar 31, 2022	Dec 31, 2021
Commercial:			
Commercial and industrial	$	**362,137**	350,436
Real estate mortgage		**129,495**	127,733
Real estate construction		**20,613**	20,092
Lease financing		**14,469**	14,859
Total commercial		**526,714**	513,120
Consumer:			
Residential mortgage – first lien		**245,242**	242,270
Residential mortgage – junior lien		**15,392**	16,618
Credit card		**38,639**	38,453
Auto		**57,083**	56,659
Other consumer		**28,737**	28,274
Total consumer		**385,093**	382,274
Total loans	$	**911,807**	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 first quarter 2022 reflected:

- Nonaccrual loans were $6.9 billion at March 31, 2022, down from $7.2 billion at December 31, 2021. Commercial nonaccrual loans decreased to $2.0 billion at March 31, 2022, compared with $2.4 billion at December 31, 2021, and consumer nonaccrual loans increased to $4.9 billion at March 31, 2022, compared with $4.8 billion at December 31, 2021. Nonaccrual loans represented 0.75% of total loans at March 31, 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 (0.02)% and 0.35%, respectively, in first quarter 2022, compared with 0.13% and 0.37%, respectively, in first quarter 2021.
- Loans that are not government insured/guaranteed and 90 days or more past due and still accruing were $267 million and $409 million in our commercial and consumer portfolios, respectively, at March 31, 2022, compared with $235 million and $424 million at December 31, 2021.
- Our provision for credit losses for loans was $(775) million in first quarter 2022, compared with $(1.1) billion in first quarter 2021.
- The ACL for loans decreased to $12.7 billion, or 1.39% of total loans, at March 31, 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 $11.8 billion of the commercial and industrial loans and lease financing portfolio internally classified as criticized in accordance with regulatory guidance at March 31, 2022, compared with $13.0 billion at December 31, 2021. The change was driven by decreases in the real estate and construction, technology, telecom and media, oil, gas and pipelines, and retail industries, as these industries continue to recover from the effects of the COVID-19 pandemic.

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 March 31, 2022, compared with December 31, 2021, driven by higher loan demand resulting in increased originations and loan draws, partially offset by paydowns. Table 10 provides our commercial and industrial loans and lease financing by industry. The industry categories are based on the North American Industry Classification System.

Table 10: Commercial and Industrial Loans and Lease Financing by Industry

	March 31, 2022				December 31, 2021			
($ in millions)	Nonaccrual loans	Total portfolio	% of total loans	Total commitments (1)	Nonaccrual loans	Total portfolio	% of total loans	Total commitments (1)
Financials except banks	$ 59	140,267	15%	$ 243,673	$ 104	142,283	16%	$ 236,435
Technology, telecom and media	63	24,382	3	61,899	64	23,345	3	63,551
Real estate and construction	72	24,961	3	56,783	78	25,035	3	56,278
Equipment, machinery and parts manufacturing	17	19,763	2	44,640	24	18,130	2	43,778
Retail	21	17,529	2	40,651	27	17,645	2	41,447
Materials and commodities	28	16,141	2	38,491	32	14,684	2	36,704
Food and beverage manufacturing	6	14,935	2	31,794	7	13,242	1	30,903
Health care and pharmaceuticals	25	13,279	1	29,827	24	12,847	1	29,057
Oil, gas and pipelines	85	8,447	*	29,626	197	8,828	*	29,010
Auto related	22	10,762	1	26,051	31	10,629	1	25,772
Commercial services	69	10,632	1	25,284	78	10,492	1	24,804
Utilities	78	8,303	*	24,429	77	6,982	*	22,428
Diversified or miscellaneous	21	8,233	*	20,103	3	7,493	*	19,395
Entertainment and recreation	43	11,438	1	19,426	23	9,907	1	17,943
Insurance and fiduciaries	1	4,366	*	18,879	1	3,387	*	17,521
Banks	—	18,336	2	18,829	—	16,178	2	16,615
Transportation services	246	8,116	*	15,173	288	8,162	*	14,775
Agribusiness	32	6,058	*	11,642	35	6,086	*	11,701
Government and education	4	5,717	*	11,230	5	5,863	*	11,358
Other (2)	24	4,941	*	20,821	30	4,077	*	20,112
Total	$ 916	376,606	41%	$ 789,251	$ 1,128	365,295	41%	$ 769,587

* 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 March 31, 2022, and December 31, 2021, respectively.

Table 10a 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 10a: Financials Except Banks Industry Category

	March 31, 2022				December 31, 2021			
($ in millions)	Nonaccrual loans	Total portfolio	% of total loans	Total commitments (1)	Nonaccrual loans	Total portfolio	% of total loans	Total commitments (1)
Asset managers and funds (2)	$ 1	59,404	6 %	$ 102,214	$ 1	60,518	7 %	$ 101,311
Commercial finance (3)	39	44,665	5	73,162	82	46,043	5	69,941
Real estate finance (4)	9	23,978	3	41,583	9	23,231	3	38,003
Consumer finance (5)	10	12,220	1	26,714	12	12,491	1	27,180
Total	$ 59	140,267	15%	$ 243,673	$ 104	142,283	16%	$ 236,435

(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; and 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 March 31, 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 $81.1 billion and $78.0 billion at March 31, 2022, and December 31, 2021, respectively. Significant industry concentrations of non-U.S. loans at March 31, 2022, and December 31, 2021, respectively, included:

- $46.3 billion and $46.7 billion in the financials except banks category;
- $18.0 billion and $15.9 billion in the banks category; and
- $1.5 billion and $1.7 billion in the oil, gas and pipelines category.

COMMERCIAL REAL ESTATE (CRE) We generally subject CRE loans to individual risk assessment using our internal borrower and collateral quality ratings. We had $12.0 billion of CRE mortgage loans classified as criticized at March 31, 2022, compared with $13.1 billion at December 31, 2021, and $1.7 billion of CRE construction loans classified as criticized at both March 31, 2022 and December 31, 2021. The decrease in criticized CRE mortgage loans was driven by the hotel/motel, retail (excluding shopping center) and shopping center property types as these property types continued to recover from the economic impacts of the COVID-19 pandemic. 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 $2.3 billion from December 31, 2021, predominantly driven by an increase in mixed use properties and apartments property types. The CRE loan portfolio included $8.6 billion of non-U.S. CRE loans at March 31, 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 48% of the total CRE portfolio. The largest property type concentrations are office buildings at 24% and apartments at 22% of the portfolio.

Table 11 summarizes CRE loans by state and property type with the related nonaccrual totals at March 31, 2022.

Table 11: CRE Loans by State and Property Type

							March 31, 2022
	Real estate mortgage		Real estate construction		Total		
($ in millions)	Nonaccrual loans	Total portfolio	Nonaccrual loans	Total portfolio	Nonaccrual loans	Total portfolio	% of total loans
By state:							
California	$ 175	30,403	1	3,840	176	34,243	4 %
New York	129	13,364	—	2,072	129	15,436	2
Texas	49	10,884	—	1,202	49	12,086	1
Florida	37	9,172	1	1,248	38	10,420	1
Washington	84	4,020	—	1,399	84	5,419	*
Georgia	12	4,719	—	412	12	5,131	*
Arizona	38	4,622	—	414	38	5,036	*
North Carolina	3	3,989	—	682	3	4,671	*
Illinois	16	3,654	—	553	16	4,207	*
New Jersey	23	2,705	—	924	23	3,629	*
Other (1)	467	41,963	2	7,867	469	49,830	5
Total	$ 1,033	129,495	4	20,613	1,037	150,108	16 %
By property:							
Office buildings	$ 130	33,476	—	3,075	130	36,551	4 %
Apartments	13	26,317	—	7,184	13	33,501	4
Industrial/warehouse	70	16,047	—	1,882	70	17,929	2
Hotel/motel	200	10,897	—	1,542	200	12,439	1
Retail (excluding shopping center)	115	12,198	2	110	117	12,308	1
Shopping center	342	9,438	—	857	342	10,295	1
Institutional	38	5,385	1	2,501	39	7,886	*
Mixed use properties	71	6,341	—	1,162	71	7,503	*
Collateral pool	—	3,371	—	232	—	3,603	*
Storage facility	—	2,390	—	139	—	2,529	*
Other	54	3,635	1	1,929	55	5,564	*
Total	$ 1,033	129,495	4	20,613	1,037	150,108	16 %

* Less than 1%.
(1) Includes 40 states; no state in Other had loans in excess of $3.6 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 March 31, 2022, non-U.S. loans totaled $90.0 billion, representing approximately 10% 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 March 31, 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 March 31, 2022, was the United Kingdom, which totaled $40.2 billion, or approximately 2% of our total assets, and included $9.6 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 12 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 12:

- 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 12: Select Country Exposures

									March 31, 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	$ 9,561	26,111	—	1,087	1	3,451	9,562	30,649	40,211
Canada	1	18,295	27	163	14	480	42	18,938	18,980
Cayman Islands	—	7,472	—	—	—	144	—	7,616	7,616
Luxembourg	—	5,906	—	51	—	101	—	6,058	6,058
Ireland	559	5,121	—	249	—	63	559	5,433	5,992
Japan	3,604	1,129	—	95	—	73	3,604	1,297	4,901
Guernsey	—	3,885	—	1	—	72	—	3,958	3,958
China	—	3,206	1	128	337	33	338	3,367	3,705
Bermuda	—	3,511	—	35	—	52	—	3,598	3,598
France	126	2,934	—	151	351	36	477	3,121	3,598
Germany	—	2,973	—	29	—	208	—	3,210	3,210
South Korea	—	2,452	(1)	181	6	15	5	2,648	2,653
Netherlands	—	2,156	—	91	—	81	—	2,328	2,328
Switzerland	—	1,595	—	(8)	—	171	—	1,758	1,758
Chile	—	1,673	—	2	—	2	—	1,677	1,677
India	—	1,467	—	103	—	—	—	1,570	1,570
Australia	—	1,305	—	228	—	14	—	1,547	1,547
United Arab Emirates	—	1,375	—	45	—	—	—	1,420	1,420
Brazil	—	1,171	—	(1)	85	—	85	1,170	1,255
Norway	—	1,141	—	24	—	7	—	1,172	1,172
Total top 20 country exposures	$ 13,851	94,878	27	2,654	794	5,003	14,672	102,535	117,207

(1) Total non-sovereign exposure comprised $54.3 billion exposure to financial institutions and $48.2 billion to non-financial corporations at March 31, 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 94% of the total residential mortgage loan portfolio at both March 31, 2022, and December 31, 2021.

The outstanding balance of residential mortgage lines of credit was $21.2 billion at March 31, 2022. The unfunded credit commitments for these lines of credit totaled $42.9 billion at March 31, 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 3% of total loans at both March 31, 2022, and December 31, 2021. 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 $3.0 billion from December 31, 2021, driven by originations of $18.4 billion, partially offset by loan paydowns and the transfer of $2.8 billion of first lien mortgage loans to loans held for sale (LHFS), substantially all of which related to the sales of loans purchased from GNMA loan securitization pools in prior periods.

Table 13 shows certain delinquency and loss information for the residential mortgage – first lien portfolio and lists the top five states by outstanding balance.

Table 13: 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)	**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021
California (3)	**$ 104,552**	100,933	**11.47 %**	11.27	**0.76**	0.95	**(0.01)**	0.01
New York	**30,498**	30,039	**3.34**	3.35	**1.01**	1.34	**(0.03)**	0.50
New Jersey	**10,184**	10,205	**1.12**	1.14	**1.55**	1.95	**0.01**	0.40
Florida	**10,077**	9,978	**1.11**	1.11	**1.60**	1.93	**(0.06)**	0.64
Washington	**9,097**	8,636	**1.00**	0.96	**0.36**	0.47	**—**	0.02
Other (4)	**70,264**	69,321	**7.71**	7.74	**1.17**	1.48	**0.01**	0.25
Total	**234,672**	229,112	**25.75**	25.57	**0.97**	1.23	**—**	0.18
Government insured/guaranteed loans (5)	**10,570**	13,158	**1.16**	1.47				
Total first lien mortgage portfolio	**$ 245,242**	242,270	**26.91**	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 $7.3 billion and $7.2 billion at March 31, 2022, and December 31, 2021, respectively.
(5) Represents loans, substantially all of which were repurchased 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 $1.2 billion from December 31, 2021, driven by loan paydowns.

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

Table 14: 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)	**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021
California	**$ 3,984**	4,310	**0.44 %**	0.48	**3.23**	3.52	**(0.48)**	(0.24)
New Jersey	**1,625**	1,728	**0.18**	0.19	**2.98**	2.98	**(0.11)**	0.54
Florida	**1,396**	1,533	**0.15**	0.17	**2.33**	2.54	**(0.59)**	0.87
Pennsylvania	**972**	1,039	**0.11**	0.12	**2.16**	2.19	**—**	0.12
New York	**913**	975	**0.10**	0.11	**3.82**	4.05	**(0.22)**	2.71
Other (3)	**6,502**	7,033	**0.71**	0.79	**2.40**	2.25	**(0.59)**	(0.11)
Total junior lien mortgage portfolio	**$ 15,392**	16,618	**1.69 %**	1.86	**2.74**	2.91	**(0.46)**	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 $910 million and $980 million at March 31, 2022 and December 31, 2021, respectively.

CREDIT CARD, AUTO AND OTHER CONSUMER LOANS Table 15 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 15: Credit Card, Auto, and Other Consumer Loans

	March 31, 2022			December 31, 2021		
($ in millions)		Outstanding balance	% of total loans		Outstanding balance	% of total loans
Credit card	$	**38,639**	**4.24%**	$	38,453	4.29%
Auto		**57,083**	**6.26**		56,659	6.33
Other consumer (1)		**28,737**	**3.15**		28,274	3.16
Total	$	**124,459**	**13.65%**	$	123,386	13.78%

(1) Other consumer loans primarily include securities-based 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 16 summarizes nonperforming assets (NPAs).

Table 16: Nonperforming Assets (Nonaccrual Loans and Foreclosed Assets)

($ in millions)		Mar 31, 2022	Dec 31, 2021
Nonaccrual loans:			
Commercial:			
Commercial and industrial	$	**799**	980
Real estate mortgage		**1,033**	1,235
Real estate construction		**4**	13
Lease financing		**117**	148
Total commercial		**1,953**	2,376
Consumer:			
Residential mortgage – first lien (1)		**3,873**	3,803
Residential mortgage – junior lien (1)		**802**	801
Auto		**208**	198
Other consumer		**35**	34
Total consumer		**4,918**	4,836
Total nonaccrual loans	$	**6,871**	7,212
As a percentage of total loans		**0.75 %**	0.81
Foreclosed assets:			
Government insured/guaranteed (2)	$	**16**	16
Non-government insured/guaranteed		**114**	96
Total foreclosed assets		**130**	112
Total nonperforming assets	$	**7,001**	7,324
As a percentage of total loans		**0.77 %**	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 $423 million from December 31, 2021, predominantly due to a decline in commercial and industrial nonaccrual loans, primarily in the oil, gas, and pipelines industry, and a decline in real estate mortgage nonaccrual loans. 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 increased $82 million from December 31, 2021, driven by an increase in residential mortgage nonaccrual loans primarily resulting from certain customers exiting COVID-19-related accommodation programs. Customers requiring further payment assistance after exiting from these programs may have their loans modified or may be eligible to receive modifications.

Table 17 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 17: Analysis of Changes in Nonaccrual Loans

		Quarter ended March 31,	
(in millions)		**2022**	2021
Commercial nonaccrual loans			
Balance, beginning of period	$	**2,376**	4,779
Inflows		**191**	773
Outflows:			
Returned to accruing		**(194)**	(177)
Foreclosures		**(19)**	(6)
Charge-offs		**(35)**	(202)
Payments, sales and other		**(366)**	(937)
Total outflows		**(614)**	(1,322)
Balance, end of period		**1,953**	4,230
Consumer nonaccrual loans			
Balance, beginning of period		**4,836**	3,949
Inflows		**594**	454
Outflows:			
Returned to accruing		**(186)**	(152)
Foreclosures		**(18)**	(19)
Charge-offs		**(74)**	(26)
Payments, sales and other		**(234)**	(381)
Total outflows		**(512)**	(578)
Balance, end of period		**4,918**	3,825
Total nonaccrual loans	$	**6,871**	8,055

We considered the risk of losses on nonaccrual loans in developing our allowance for loan losses. We believe exposure to losses on nonaccrual loans is mitigated by the following factors at March 31, 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 78% 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 96% have a combined LTV (CLTV) ratio of 80% or less.
- $664 million of the $858 million of consumer loans in bankruptcy or discharged in bankruptcy, and classified as nonaccrual, were current.

Table 18 provides a summary of foreclosed assets and an analysis of changes in foreclosed assets.

Table 18: Foreclosed Assets

(in millions)		Mar 31, 2022	Dec 31, 2021
Summary by loan segment			
Government insured/guaranteed	$	16	16
Commercial		71	54
Consumer		43	42
Total foreclosed assets	$	130	112

		Quarter ended March 31,	
(in millions)		2022	2021
Analysis of changes in foreclosed assets			
Balance, beginning of period	$	112	159
Net change in government insured/guaranteed (1)		—	(2)
Additions to foreclosed assets (2)		102	88
Reductions from sales and write-downs		(84)	(105)
Balance, end of period	$	130	140

(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 19 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 sales of repurchased loans from GNMA loan securitization pools.

The amount of our TDRs at March 31, 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 19: TDR Balances

(in millions)		March 31, 2022	December 31, 2021
Commercial:			
Commercial and industrial	$	672	793
Real estate mortgage		530	543
Real estate construction		2	2
Lease financing		8	10
Total commercial TDRs		1,212	1,348
Consumer:			
Residential mortgage – first lien		6,757	7,282
Residential mortgage – junior lien		906	946
Credit card		329	309
Auto		179	169
Other consumer		52	57
Trial modifications		277	71
Total consumer TDRs		8,500	8,834
Total TDRs	$	9,712	10,182
TDRs on nonaccrual status	$	3,270	3,142
TDRs on accrual status:			
Government insured/guaranteed		2,068	2,462
Non-government insured/guaranteed		4,374	4,578
Total TDRs	$	9,712	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 20 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 20: Analysis of Changes in TDRs

		Quarter ended March 31,	
(in millions)		**2022**	2021
Commercial TDRs			
Balance, beginning of period	$	**1,348**	2,731
Inflows (1)		**87**	155
Outflows			
Charge-offs		**(1)**	(49)
Foreclosure		**—**	(5)
Payments, sales and other (2)		**(222)**	(819)
Balance, end of period		**1,212**	2,013
Consumer TDRs			
Balance, beginning of period		**8,834**	11,792
Inflows (1)		**458**	633
Outflows			
Charge-offs		**(33)**	(43)
Foreclosure		**(12)**	(14)
Payments, sales and other (2)		**(953)**	(1,024)
Net change in trial modifications (3)		**206**	(9)
Balance, end of period		**8,500**	11,335
Total TDRs	$	**9,712**	13,348

(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 21 presents net loan charge-offs.

Table 21: Net Loan Charge-offs

	Quarter ended March 31, 2022		2021	
($ in millions)	Net loan charge-offs	% of avg. loans (1)	Net loan charge-offs	% of avg. loans (1)
Commercial:				
Commercial and industrial	**$ (23)**	**(0.03)%**	$ 88	0.11 %
Real estate mortgage	**(5)**	**(0.02)**	46	0.16
Real estate construction	**—**	**—**	—	—
Lease financing	**(1)**	**(0.02)**	15	0.40
Total commercial	**(29)**	**(0.02)**	149	0.13
Consumer:				
Residential mortgage – first lien	**(3)**	**—**	(24)	(0.04)
Residential mortgage – junior lien	**(18)**	**(0.46)**	(19)	(0.35)
Credit card	**176**	**1.87**	236	2.71
Auto	**96**	**0.68**	52	0.44
Other consumer	**83**	**1.20**	119	1.97
Total consumer	**334**	**0.35**	364	0.37
Total	**$ 305**	**0.14 %**	$ 513	0.24 %

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

The decrease in commercial net loan charge-offs in first quarter 2022, compared with the same period in 2021, was due to lower losses in the commercial and industrial portfolio, driven by higher recoveries in the oil, gas, and pipeline industry, and lower losses in the real estate mortgage portfolio.

The decrease in consumer net loan charge-offs in first quarter 2022, compared with the same period in 2021, was driven by lower losses in credit card due to elevated losses in first quarter 2021 and lower losses in other consumer due to the sale of a portion of our student loan portfolio in first quarter 2021, partially offset by an increase in auto losses reflecting reduced benefits for customers from government stimulus programs instituted in response to the COVID-19 pandemic.

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

Table 22: Allocation of the ACL for Loans

($ in millions)	Mar 31, 2022 ACL	Mar 31, 2022 Loans as % of total loans	Dec 31, 2021 ACL	Dec 31, 2021 Loans as % of total loans
Commercial:				
Commercial and industrial	**$ 4,625**	**40 %**	$ 4,873	39 %
Real estate mortgage	**1,883**	**14**	2,085	14
Real estate construction	**366**	**2**	431	2
Lease financing	**274**	**2**	402	2
Total commercial	**7,148**	**58**	7,791	57
Consumer:				
Residential mortgage – first lien	**927**	**27**	1,156	28
Residential mortgage – junior lien	**2**	**2**	130	2
Credit card	**3,094**	**4**	3,290	4
Auto	**1,030**	**6**	928	6
Other consumer	**480**	**3**	493	3
Total consumer	**5,533**	**42**	5,997	43
Total	**$ 12,681**	**100 %**	$ 13,788	100 %
Components:				
Allowance for loan losses		**$ 11,504**		12,490
Allowance for unfunded credit commitments		**1,177**		1,298
Allowance for credit losses		**$ 12,681**		13,788
Ratio of allowance for loan losses to total net loan charge-offs (annualized)		**9.31x**		7.94
Ratio of allowance for loan losses to total nonaccrual loans		**1.67**		1.73
Allowance for loan losses as a percentage of total loans		**1.26 %**		1.39
Allowance for credit losses for loans as a percentage of total loans		**1.39**		1.54

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

The ACL for loans decreased $1.1 billion, or 8%, from December 31, 2021, reflecting reduced uncertainty around the economic impact of the COVID-19 pandemic on our loan portfolios and increased uncertainty related to the risks of high inflation. 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. In our estimate of the ACL for loans at March 31, 2022, we weighted the base scenario and the downside scenarios to reflect our expectations for reduced uncertainty around the economic impact of the COVID-19 pandemic and increased uncertainty related to inflationary and geopolitical risks. The base scenario assumed solid economic conditions with elevated inflation in the near term. The downside scenarios assumed economic contractions, including higher geopolitical risks and inflation levels exceeding those in the base scenario.

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 March 31, 2022, and December 31, 2021, are presented in Table 23.

Table 23: Forecasted Key Economic Variables

	2Q 2022	4Q 2022	2Q 2023
Weighted blend of economic scenarios:			
U.S. unemployment rate (1):			
December 31, 2021	4.8 %	5.4	5.9
March 31, 2022	**4.1**	**4.7**	**5.6**
U.S. real GDP (2):			
December 31, 2021	1.4	(0.3)	1.4
March 31, 2022	**1.2**	**(0.6)**	**0.2**
Home price index (3):			
December 31, 2021	5.9	(4.3)	(6.0)
March 31, 2022	**12.2**	**2.1**	**(3.1)**
Commercial real estate asset prices (3):			
December 31, 2021	5.0	(4.2)	(6.0)
March 31, 2022	**13.0**	**2.8**	**(2.7)**

(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 $12.7 billion at March 31, 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 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 $14.2 billion and $17.3 billion at March 31, 2022 and December 31, 2021, respectively, which included $10.3 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 resell 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 24, 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 (e.g., 10-year U.S. Treasury securities) 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 24:

- 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.
- Deposit rates paid may change with market interest rate changes. Our interest rate sensitivity of deposits, referred to as deposit betas, is modeled using the historical behavior of our deposits portfolio, including certain customer account migration. The actual deposit rates paid may differ from the assumed deposit rates paid in these scenarios due to lags in repricing, customer behavior, and other factors.
- We hold the size of the projected debt and equity securities portfolios constant across scenarios.

Table 24: Net Interest Income Sensitivity

($ in billions)		Mar 31, 2022	Dec 31, 2021
Parallel Shift:			
+100 bps shift in interest rates	$	**5.7**	7.1
-100 bps shift in interest rates		**(6.1)**	(3.3)
Steeper yield curve:			
+50 bps shift in long-term interest rates		**0.9**	1.2
Flatter yield curve:			
+50 bps shift in short-term interest rates		**2.3**	2.6
-50 bps shift in long-term interest rates		**(0.7)**	(1.0)

The changes in our interest rate sensitivity from December 31, 2021 to March 31, 2022 in Table 24 reflected updates to our base scenario, which included higher interest rates and changes to our assets and liabilities. 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 simulations with downward shifts in interest rates, the 0.00% interest rate floor limits 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. 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 cumulative other comprehensive income, which lowers the amount of our risk-based capital. See Note 1 (Summary of Significant Accounting Policies), Note 3 (Available-for-Sale and Held-to-Maturity Debt Securities) and Note 14 (Derivatives) to Financial Statements in our 2021 Form 10-K for additional information.

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 25 shows the Company's Trading General VaR by risk category. The decrease in average Company Trading General VaR for the quarter ended March 31, 2022, compared with the same period a year ago, was driven by reduced market volatility in the lookback window used to calculate average Company Trading General VaR for the quarter ended March 31, 2022. Market volatility present in average Company Trading General VaR for the quarter ended March 31, 2021, was driven by the impact of the COVID-19 pandemic, primarily resulting in changes in interest rate curves and a significant widening of credit spreads.

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

												Quarter ended
	March 31, 2022				December 31, 2021				March 31, 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	**$ 33**	**28**	**20**	**35**	19	21	16	27	22	94	21	112
Interest rate	**26**	**15**	**9**	**30**	15	12	9	15	36	73	26	120
Equity	**26**	**21**	**13**	**28**	15	19	13	29	35	36	28	72
Commodity	**6**	**5**	**2**	**20**	10	8	2	23	11	5	2	12
Foreign exchange	**1**	**1**	**0**	**1**	1	0	0	1	1	1	1	1
Diversification benefit (1)	**(63)**	**(43)**			(40)	(37)			(64)	(111)		
Company Trading General VaR	**29**	**27**			20	23			41	98		

(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 consolidated 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 March 31, 2022, we were compliant with the NSFR requirement.

Liquidity Coverage Ratio As of March 31, 2022, the consolidated Company, Wells Fargo Bank, N.A., and Wells Fargo National Bank West exceeded the minimum LCR requirement of 100%, which is calculated as HQLA divided by projected net cash outflows, as each is defined under the LCR rule. Table 26 presents the Company's quarterly average values for the daily-calculated LCR and its components calculated pursuant to the LCR rule requirements.

Table 26: Liquidity Coverage Ratio

(in millions, except ratio)		Average for Quarter ended Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
HQLA (1):				
Eligible cash	$	**170,867**	210,527	216,403
Eligible securities (2)		**203,622**	172,761	186,270
Total HQLA		**374,489**	383,288	402,673
Projected net cash outflows		**314,691**	325,015	316,116
LCR		**119%**	118	127

(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 27 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 27: Primary Sources of Liquidity

		March 31, 2022			December 31, 2021		
(in millions)		**Total**	**Encumbered**	**Unencumbered**	Total	Encumbered	Unencumbered
Interest-earning deposits with banks	$	**174,441**	**—**	**174,441**	209,614	—	209,614
Debt securities of U.S. Treasury and federal agencies		**61,984**	**5,414**	**56,570**	56,486	4,066	52,420
Federal agency mortgage-backed securities (1)		**276,450**	**49,248**	**227,202**	293,870	58,955	234,915
Total	$	**512,875**	**54,662**	**458,213**	559,970	63,021	496,949

(1) Included in encumbered securities at March 31, 2022, were securities with a fair value of $836 million, which were purchased in March 2022, but settled in April 2022.

In addition to our primary sources of liquidity shown in Table 27, 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. As of March 31, 2022, we also maintained approximately $213.7 billion of available borrowing capacity at various Federal Home Loan Banks and the Federal Reserve Discount Window.

Deposits have historically provided a sizable source of relatively low-cost funds. Deposits were 162% and 166% of total loans at March 31, 2022, and December 31, 2021, respectively. Additional funding is provided by long-term debt and short-term borrowings. Table 28 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 28: Short-Term Borrowings

(in millions)		**March 31, 2022**	December 31, 2021
Federal funds purchased and securities sold under agreements to repurchase	$	**19,969**	21,191
Other short-term borrowings		**13,632**	13,218
Total	$	**33,601**	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. In addition, we issued $8.1 billion of long-term debt in April 2022. Table 29 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 March 31, 2022.

Table 29: Maturity of Long-Term Debt

	March 31, 2022						
(in millions)	Remaining 2022	2023	2024	2025	2026	Thereafter	Total
Wells Fargo & Company (Parent Only)							
Senior notes	$ 8,904	5,947	11,551	13,960	18,303	54,934	113,599
Subordinated notes	—	2,659	720	1,049	2,784	17,689	24,901
Junior subordinated notes	—	—	—	—	—	1,290	1,290
Total long-term debt – Parent	8,904	8,606	12,271	15,009	21,087	73,913	139,790
Wells Fargo Bank, N.A. and other bank entities (Bank)							
Senior notes	27	3	3	186	88	140	447
Subordinated notes	—	999	—	156	—	3,830	4,985
Junior subordinated notes	—	—	—	—	—	391	391
Securitizations and other bank debt	2,037	1,377	1,087	251	124	1,424	6,300
Total long-term debt – Bank	2,064	2,379	1,090	593	212	5,785	12,123
Other consolidated subsidiaries							
Senior notes	67	500	106	422	225	104	1,424
Total long-term debt – Other consolidated subsidiaries	67	500	106	422	225	104	1,424
Total long-term debt	$ 11,035	11,485	13,467	16,024	21,524	79,802	153,337

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 February 16, 2022, Moody's Investors Service (Moody's) affirmed the Company's ratings and changed the rating outlook to stable from negative. There were no other actions undertaken by the rating agencies with regard to our credit ratings during first 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 March 31, 2022, are presented in Table 30.

Table 30: Credit Ratings as of March 31, 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)

FEDERAL HOME LOAN BANK MEMBERSHIP The Federal Home Loan Banks (the FHLBs) are a group of cooperatives that lending institutions use to finance housing and economic development in local communities. We are a member of the FHLBs based in Dallas, Des Moines and San Francisco. FHLB members are required to maintain a minimum investment in capital stock of the applicable FHLB. The board of directors of each FHLB can increase the minimum investment requirements in the event it has concluded that additional capital is required to allow it to meet its own regulatory capital requirements. Any increase in the minimum investment requirements outside of specified ranges requires the approval of the Federal Housing Finance Agency. Because the extent of any obligation to increase our investment in any of the FHLBs depends entirely upon the occurrence of a future event, the amount of any future investment in the capital stock of the FHLBs is not determinable.

Capital Management

We have an active program for managing capital through a comprehensive process for assessing the Company's overall capital adequacy. Our objective is to maintain capital at an amount commensurate with our risk profile and risk tolerance objectives, and to meet both regulatory and market expectations. We primarily fund our capital needs through the retention of earnings net of both dividends and share repurchases, as well as through the issuance of preferred stock and long- and short-term debt. Retained earnings at March 31, 2022, increased $2.3 billion from December 31, 2021, predominantly as a result of $3.7 billion of Wells Fargo net income, partially offset by $1.3 billion of common and preferred stock dividends. During first quarter 2022, we issued $580 million of common stock, substantially all of which was issued in connection with employee compensation and benefits. In first quarter 2022, we repurchased 110 million shares of common stock at a cost of $6 billion. In first quarter 2022, our cumulative other comprehensive income decreased $5.1 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 cumulative other comprehensive income, 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 31 and Table 32 present the risk-based capital requirements applicable to the Company under the Standardized Approach and Advanced Approach, respectively, as of March 31, 2022.

Table 31: Risk-Based Capital Requirements – Standardized Approach as of March 31, 2022

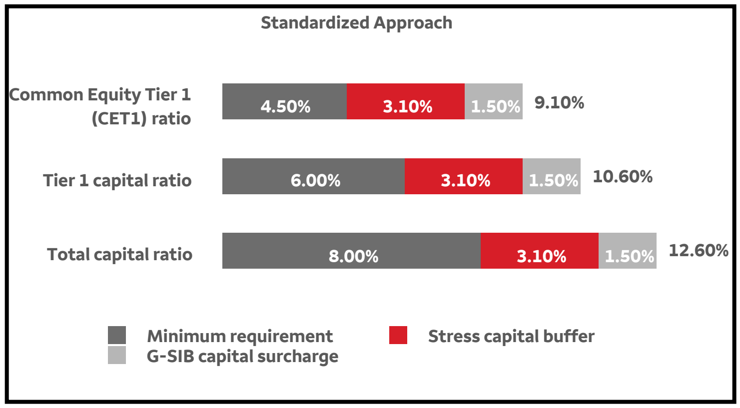
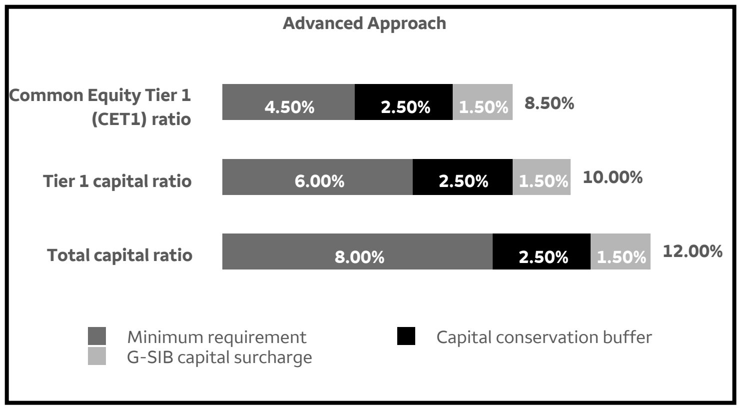


Table 32: Risk-Based Capital Requirements – Advanced Approach as of March 31, 2022



In addition to the risk-based capital requirements described in Table 31 and Table 32, if the FRB determines that a period of excessive credit growth is contributing to an increase in systemic risk, a countercyclical buffer of up to 2.50% could be added to the risk-based capital ratio requirements under federal banking regulations. The countercyclical buffer in effect at March 31, 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, is 3.10%.

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%.

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).

Effective January 1, 2022, we are required by federal banking regulators to use the Standardized Approach for Counterparty Credit Risk (SA-CCR) for calculating exposure amounts for credit RWAs on derivative contracts. The adoption of SA-CCR resulted in an increase of less than 1.00% in total RWAs under the Standardized Approach (our binding approach) in first quarter 2022.

The tables that follow provide information about our risk-based capital and related ratios as calculated under Basel III capital rules. Table 33 summarizes our CET1, tier 1 capital, total capital, RWAs and capital ratios at March 31, 2022, and December 31, 2021.

Table 33: Capital Components and Ratios

		Standardized Approach			Advanced Approach		
($ in millions)		Required Capital Ratios (1)	Mar 31, 2022	Dec 31, 2021	Required Capital Ratios (1)	Mar 31, 2022	Dec 31, 2021
Common Equity Tier 1	(A)		$ **132,298**	140,643		**132,298**	140,643
Tier 1 capital	(B)		**151,340**	159,671		**151,340**	159,671
Total capital	(C)		**186,316**	196,281		**177,686**	186,553
Risk-weighted assets	(D)		**1,265,517**	1,239,026		**1,119,518**	1,116,068
Common Equity Tier 1 capital ratio	(A)/(D)	**9.10 %**	**10.45** *	11.35	**8.50**	**11.82**	12.60
Tier 1 capital ratio	(B)/(D)	**10.60**	**11.96** *	12.89	**10.00**	**13.52**	14.31
Total capital ratio	(C)/(D)	**12.60**	**14.72** *	15.84	**12.00**	**15.87**	16.72

* Denotes the binding ratio under the Standardized and Advanced Approaches at March 31, 2022.
(1) Represents the minimum ratios required to avoid restrictions on capital distributions and discretionary bonus payments at March 31, 2022.

Table 34 provides information regarding the calculation and composition of our risk-based capital under the Standardized and Advanced Approaches at March 31, 2022, and December 31, 2021.

Table 34: Risk-Based Capital Calculation and Components

(in millions)			Mar 31, 2022	Dec 31, 2021
Total equity		$	**181,689**	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			**(2,446)**	(2,504)
Total common stockholders' equity		$	**159,968**	168,331
Adjustments:				
Goodwill			**(25,181)**	(25,180)
Certain identifiable intangible assets (other than MSRs)			**(210)**	(225)
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)			**(2,304)**	(2,437)
Applicable deferred taxes related to goodwill and other intangible assets (1)			**870**	765
CECL transition provision (2)			**179**	241
Other			**(1,024)**	(852)
Common Equity Tier 1 under the Standardized and Advanced Approaches		$	**132,298**	140,643
Preferred stock			**20,057**	20,057
Additional paid-in capital on preferred stock			**(136)**	(136)
Unearned ESOP shares			**(646)**	(646)
Other			**(233)**	(247)
Total Tier 1 capital under the Standardized and Advanced Approaches	**(A)**	$	**151,340**	159,671
Long-term debt and other instruments qualifying as Tier 2			**22,318**	22,740
Qualifying allowance for credit losses (3)			**13,038**	14,149
Other			**(380)**	(279)
Total Tier 2 capital under the Standardized Approach	**(B)**	$	**34,976**	36,610
Total qualifying capital under the Standardized Approach	**(A)+(B)**	$	**186,316**	196,281
Long-term debt and other instruments qualifying as Tier 2		$	**22,318**	22,740
Qualifying allowance for credit losses (3)			**4,408**	4,421
Other			**(380)**	(279)
Total Tier 2 capital under the Advanced Approach	**(C)**	$	**26,346**	26,882
Total qualifying capital under the Advanced Approach	**(A)+(C)**	$	**177,686**	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 35 provides the composition of our RWAs under the Standardized and Advanced Approaches at March 31, 2022, and December 31, 2021.

Table 35: Risk-Weighted Assets

		Standardized Approach		Advanced Approach	
(in millions)		**Mar 31, 2022**	Dec 31, 2021	**Mar 31, 2022**	Dec 31, 2021
Risk-weighted assets (RWAs) (1):					
Credit risk	$	**1,212,082**	1,186,810	**752,633**	747,714
Market risk		**53,435**	52,216	**53,435**	52,216
Operational risk		**—**	—	**313,450**	316,138
Total RWAs	$	**1,265,517**	**1,239,026**	**1,119,518**	**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.

Table 36 presents the changes in CET1 for the three months ended March 31, 2022.

Table 36: 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		3,393
Common stock dividends		(959)
Common stock issued, repurchased, and stock compensation-related items		(5,725)
Changes in cumulative other comprehensive income		(5,065)
Goodwill		(1)
Certain identifiable intangible assets (other than MSRs)		15
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)		133
Applicable deferred taxes related to goodwill and other intangible assets (1)		105
CECL transition provision (2)		(62)
Other		(179)
Change in Common Equity Tier 1		(8,345)
Common Equity Tier 1 at March 31, 2022	**$**	**132,298**

(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 37 presents net changes in the components of RWAs under the Standardized and Advanced Approaches for the three months ended March 31, 2022.

Table 37: 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		25,272	4,919
Net change in market risk RWAs		1,219	1,219
Net change in operational risk RWAs		—	(2,688)
Total change in RWAs		26,491	3,450
RWAs at March 31, 2022	**$**	**1,265,517**	**1,119,518**

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

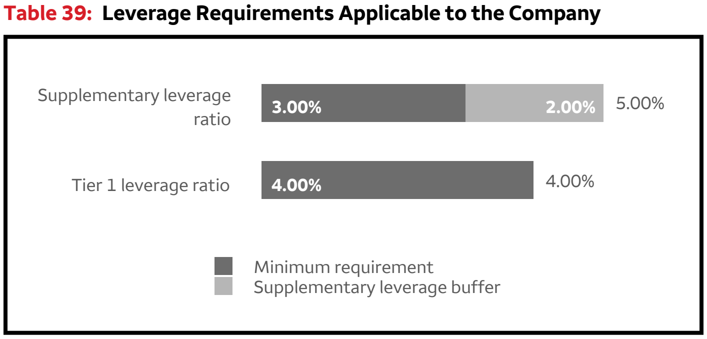
Table 38: Tangible Common Equity

		Balance at period end			Average balance		
		Quarter ended			Quarter ended		
(in millions, except ratios)		**Mar 31, 2022**	Dec 31, 2021	Mar 31, 2021	**Mar 31, 2022**	Dec 31, 2021	Mar 31, 2021
Total equity		**$ 181,689**	190,110	188,034	**186,337**	190,744	189,074
Adjustments:							
Preferred stock		**(20,057)**	(20,057)	(21,170)	**(20,057)**	(20,267)	(21,840)
Additional paid-in capital on preferred stock		**136**	136	139	**134**	120	145
Unearned ESOP shares		**646**	646	875	**646**	872	875
Noncontrolling interests		**(2,446)**	(2,504)	(1,130)	**(2,468)**	(2,119)	(1,115)
Total common stockholders' equity	(A)	**159,968**	168,331	166,748	**164,592**	169,350	167,139
Adjustments:							
Goodwill		**(25,181)**	(25,180)	(26,290)	**(25,180)**	(25,569)	(26,383)
Certain identifiable intangible assets (other than MSRs)		**(210)**	(225)	(322)	**(218)**	(246)	(330)
Goodwill and other intangibles on investments in consolidated portfolio companies (included in other assets)		**(2,304)**	(2,437)	(2,300)	**(2,395)**	(2,309)	(2,217)
Applicable deferred taxes related to goodwill and other intangible assets (1)		**871**	765	866	**803**	848	863
Tangible common equity	(B)	**$ 133,144**	141,254	138,702	**137,602**	142,074	139,072
Common shares outstanding	(C)	**3,789.9**	3,885.8	4,141.1	**N/A**	N/A	N/A
Net income applicable to common stock	(D)	**N/A**	N/A	N/A	**$ 3,393**	5,470	4,256
Book value per common share	(A)/(C)	**$ 42.21**	43.32	40.27	**N/A**	N/A	N/A
Tangible book value per common share	(B)/(C)	**35.13**	36.35	33.49	**N/A**	N/A	N/A
Return on average common stockholders' equity (ROE)	(D)/(A)	**N/A**	N/A	N/A	**8.36 %**	12.81	10.33
Return on average tangible common equity (ROTCE)	(D)/(B)	**N/A**	N/A	N/A	**10.00**	15.27	12.41

(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 39 presents the leverage requirements applicable to the Company as of March 31, 2022.

Table 39: 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 March 31, 2022, the Company's SLR was 6.61%, and each of our IDIs exceeded their applicable SLR requirements. Table 40 presents information regarding the calculation and components of the Company's SLR and tier 1 leverage ratio.

Table 40: Leverage Ratios for the Company

($ in millions)			Quarter ended March 31, 2022
Tier 1 capital	(A)	$	151,340
Total average assets			1,919,572
Less: Goodwill and other permitted Tier 1 capital deductions (net of deferred tax liabilities)			27,957
Total adjusted average assets			1,891,615
Plus adjustments for off-balance sheet exposures:			
Derivatives (1)			66,322
Repo-style transactions (2)			3,227
Other (3)			327,950
Total off-balance sheet exposures			397,499
Total leverage exposure	(B)	$	2,289,114
Supplementary leverage ratio	(A)/(B)		6.61%
Tier 1 leverage ratio (4)			8.00%

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

TOTAL LOSS ABSORBING CAPACITY As a G-SIB, we are required to have a minimum amount of equity and unsecured long-term debt for purposes of resolvability and resiliency, often referred to as Total Loss Absorbing Capacity (TLAC). U.S. G-SIBs are required to have a minimum amount of TLAC (consisting of CET1 capital and additional tier 1 capital issued directly by the top-tier or covered BHC plus eligible external long-term debt) to avoid restrictions on capital distributions and discretionary bonus payments, as well as a minimum amount of eligible unsecured long-term debt. The components used to calculate our minimum TLAC and eligible unsecured long-term debt requirements as of March 31, 2022, are presented in Table 41.

Table 41: 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 42 provides our TLAC and eligible unsecured long-term debt and related ratios as of March 31, 2022, and December 31, 2021.

Table 42: TLAC and Eligible Unsecured Long-Term Debt

($ in millions)	TLAC (1)	Regulatory Minimum (2)	Eligible Unsecured Long-term Debt	Regulatory Minimum
				March 31, 2022
Total eligible amount	282,311		125,083	
Percentage of RWAs (3)	22.31 %	21.50	9.88	7.50
Percentage of total leverage exposure	12.33	9.50	5.46	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.

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 our regulatory requirement plus an incremental buffer of 25 to 50 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. We submitted our 2022 capital plan to the FRB prior to the April 5, 2022, deadline.

As part of the annual Comprehensive Capital Analysis and Review (CCAR), the FRB generated a supervisory stress test. The FRB is expected to review the supervisory stress test results as required under the Dodd-Frank Act using a common set of capital actions for all large BHCs and is also expected to review the Company's proposed capital actions. The FRB has indicated it will publish its supervisory stress test results by July 1, 2022.

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 March 31, 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 first 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. The following supplements our discussion of the other significant regulations and regulatory oversight initiatives that have affected or may affect our business contained in the "Regulatory Matters" and "Risk Factors" sections in our 2021 Form 10-K.

Regulatory Developments in Response to Climate Change

Federal and state governments and government agencies have demonstrated increased attention to the impacts and potential risks associated with climate change. For example, federal banking regulators are reviewing the implications of climate change on the financial stability of the United States and the identification and management by large banks of climate-related financial risks. In addition, the SEC has proposed rules that would require public companies to disclose certain climate-related information, including greenhouse gas emissions, climate-related targets and goals, and governance of climate-related risks and relevant risk management processes. The approaches taken by various governments and government agencies can vary significantly, evolve over time, and sometimes conflict. Any current or future rules, regulations, and guidance related to climate change and its impacts could require us to change certain of our business practices, reduce our revenue and earnings, impose additional costs on us, or otherwise adversely affect our business operations and/or competitive position.

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 43 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 43: 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 March 31, 2022, our estimated liability related to these guaranteed minimum benefits was approximately $500 million and was associated with approximately $12.0 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*

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.