

Wells Fargo & Company and Subsidiaries

**Consolidated Statement of Comprehensive Income**

	Year ended December 31,		
(in millions)	2019	2018	2017
Wells Fargo net income	\$ 19,549	22,393	22,183
Other comprehensive income (loss), before tax:			
Debt securities (1):			
Net unrealized gains (losses) arising during the period	5,439	(4,493)	2,719
Reclassification of net (gains) losses to net income	122	248	(737)
Derivatives and hedging activities:			
Net unrealized losses arising during the period	(24)	(532)	(540)
Reclassification of net (gains) losses on cash flow hedges to net income	299	294	(543)
Defined benefit plans adjustments:			
Net actuarial and prior service gains (losses) arising during the period	(40)	(434)	49
Amortization of net actuarial loss, settlements and other to net income	133	253	153
Foreign currency translation adjustments:			
Net unrealized gains (losses) arising during the period	73	(156)	96
<b>Other comprehensive income (loss), before tax</b>	<b>6,002</b>	<b>(4,820)</b>	<b>1,197</b>
Income tax benefit (expense) related to other comprehensive income	(1,458)	1,144	(434)
<b>Other comprehensive income (loss), net of tax</b>	<b>4,544</b>	<b>(3,676)</b>	<b>763</b>
Less: Other comprehensive loss from noncontrolling interests	—	(2)	(62)
<b>Wells Fargo other comprehensive income (loss), net of tax</b>	<b>4,544</b>	<b>(3,674)</b>	<b>825</b>
<b>Wells Fargo comprehensive income</b>	<b>24,093</b>	<b>18,719</b>	<b>23,008</b>
Comprehensive income from noncontrolling interests	492	481	215
<b>Total comprehensive income</b>	<b>\$ 24,585</b>	<b>19,200</b>	<b>23,223</b>

(1) The year ended December 31, 2017, includes net unrealized gains (losses) arising during the period from equity securities of \$81 million and reclassification of net (gains) losses to net income related to equity securities of \$(456) million. In connection with our adoption in first quarter 2018 of Accounting Standards Update (ASU) 2016-01, the years ended December 31, 2018, and December 31, 2019, reflect net unrealized gains (losses) arising during the period and reclassification of net (gains) losses to net income from only debt securities.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

**Consolidated Balance Sheet**

(in millions, except shares)	Dec 31, 2019	Dec 31, 2018
<b>Assets</b>		
Cash and due from banks	\$ 21,757	23,551
Interest-earning deposits with banks	119,493	149,736
Total cash, cash equivalents, and restricted cash	141,250	173,287
Federal funds sold and securities purchased under resale agreements	102,140	80,207
Debt securities:		
Trading, at fair value	79,733	69,989
Available-for-sale, at fair value	263,459	269,912
Held-to-maturity, at cost (fair value \$156,860 and \$142,115)	153,933	144,788
Mortgage loans held for sale (includes \$16,606 and \$11,771 carried at fair value) (1)	23,342	15,126
Loans held for sale (includes \$972 and \$1,469 carried at fair value) (1)	977	2,041
Loans (includes \$171 and \$244 carried at fair value) (1)	962,265	953,110
Allowance for loan losses	(9,551)	(9,775)
Net loans	952,714	943,335
Mortgage servicing rights:		
Measured at fair value	11,517	14,649
Amortized	1,430	1,443
Premises and equipment, net	9,309	8,920
Goodwill	26,390	26,418
Derivative assets	14,203	10,770
Equity securities (includes \$41,936 and \$29,556 carried at fair value) (1)	68,241	55,148
Other assets	78,917	79,850
Total assets (2)	\$ 1,927,555	1,895,883
<b>Liabilities</b>		
Noninterest-bearing deposits	\$ 344,496	349,534
Interest-bearing deposits	978,130	936,636
Total deposits	1,322,626	1,286,170
Short-term borrowings	104,512	105,787
Derivative liabilities	9,079	8,499
Accrued expenses and other liabilities	75,163	69,317
Long-term debt	228,191	229,044
Total liabilities (3)	1,739,571	1,698,817
<b>Equity</b>		
Wells Fargo stockholders' equity:		
Preferred stock	21,549	23,214
Common stock – \$1-2/3 par value, authorized 9,000,000,000 shares; issued 5,481,811,474 shares	9,136	9,136
Additional paid-in capital	61,049	60,685
Retained earnings	166,697	158,163
Cumulative other comprehensive income (loss)	(1,311)	(6,336)
Treasury stock – 1,347,385,537 shares and 900,557,866 shares	(68,831)	(47,194)
Unearned ESOP shares	(1,143)	(1,502)
Total Wells Fargo stockholders' equity	187,146	196,166
Noncontrolling interests	838	900
Total equity	187,984	197,066
Total liabilities and equity	\$ 1,927,555	1,895,883

- (1) Parenthetical amounts represent assets and liabilities that we are required to carry at fair value or have elected the fair value option.
- (2) Our consolidated assets at December 31, 2019 and 2018, include the following assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs: Cash and due from banks, \$16 million and \$139 million; Interest-bearing deposits with banks, \$284 million and \$8 million; Debt securities, \$540 million and \$562 million; Net loans, \$13.2 billion and \$13.6 billion; Derivative assets, \$1 million and \$0 million; Equity securities, \$118 million and \$85 million; Other assets, \$239 million and \$227 million; and Total assets, \$14.4 billion and \$14.6 billion, respectively. Prior period balances have been conformed to current period presentation.
- (3) Our consolidated liabilities at December 31, 2019 and 2018, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Short-term borrowings, \$401 million and \$493 million; Derivative liabilities, \$3 million and \$0 million; Accrued expenses and other liabilities, \$235 million and \$199 million; Long-term debt, \$587 million and \$816 million; and Total liabilities, \$1.2 billion and \$1.5 billion, respectively. Prior period balances have been conformed to current period presentation.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

**Consolidated Statement of Changes in Equity**

	Preferred stock		Common stock	
	Shares	Amount	Shares	Amount
(in millions, except shares)				
<b>Balance December 31, 2016</b>	11,532,712	\$ 24,551	5,016,109,326	\$ 9,136
Cumulative effect from change in hedge accounting (1)				
<b>Balance January 1, 2017</b>	11,532,712	24,551	5,016,109,326	9,136
Net income				
Other comprehensive income (loss), net of tax				
Noncontrolling interests				
Common stock issued				57,257,564
Common stock repurchased				(196,519,707)
Preferred stock issued to ESOP	950,000	950		
Preferred stock released by ESOP				
Preferred stock converted to common shares	(833,077)	(833)		14,769,445
Common stock warrants repurchased/exercised				
Preferred stock issued	27,600	690		
Common stock dividends				
Preferred stock dividends				
Stock incentive compensation expense				
Net change in deferred compensation and related plans				
Net change	144,523	807	(124,492,698)	—
<b>Balance December 31, 2017</b>	11,677,235	\$ 25,358	4,891,616,628	\$ 9,136
Cumulative effect from change in accounting policies (2)				
<b>Balance January 1, 2018</b>	11,677,235	\$ 25,358	4,891,616,628	\$ 9,136
Adoption of accounting standard related to certain tax effects stranded in accumulated other comprehensive income (loss)(3)				
Net income				
Other comprehensive income (loss), net of tax				
Noncontrolling interests				
Common stock issued				41,082,047
Common stock repurchased				(375,477,998)
Preferred stock redeemed (4)	(2,150,375)	(1,995)		
Preferred stock issued to ESOP	1,100,000	1,100		
Preferred stock released by ESOP				
Preferred stock converted to common shares	(1,249,644)	(1,249)		24,032,931
Common stock warrants repurchased/exercised				
Preferred stock issued	—	—		
Common stock dividends				
Preferred stock dividends				
Stock incentive compensation expense				
Net change in deferred compensation and related plans				
Net change	(2,300,019)	(2,144)	(310,363,020)	—
<b>Balance December 31, 2018</b>	9,377,216	\$ 23,214	4,581,253,608	\$ 9,136

(1) Effective January 1, 2017, we adopted changes in hedge accounting pursuant to ASU 2017-12 – Derivatives and Hedging (Topic 815): *Targeted Improvements to Accounting for Hedging Activities*.

(2) Effective January 1, 2018, we adopted ASU 2016-04 – Liabilities – Extinguishments of Liabilities (Subtopic 405-20): *Recognition of Breakage for Certain Prepaid Stored-Value Products*, ASU 2016-01 – Financial Instruments – Overall (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*, and ASU 2014-09 – Revenue from Contracts With Customers (Topic 606) and subsequent related Updates.

(3) Represents the reclassification from other comprehensive income to retained earnings as a result of our adoption of ASU 2018-02 – *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, in third quarter 2018.

(4) Represents the impact of the redemption of preferred stock, series J, in third quarter 2018.

The accompanying notes are an integral part of these statements.

(continued on following pages)

Wells Fargo stockholders' equity							
Additional paid-in capital	Retained earnings	Cumulative other comprehensive income (loss)	Treasury stock	Unearned ESOP shares	Total Wells Fargo stockholders' equity	Noncontrolling interests	Total equity
60,234	133,075	(3,137)	(22,713)	(1,565)	199,581	916	200,497
	(381)	168			(213)		(213)
60,234	132,694	(2,969)	(22,713)	(1,565)	199,368	916	200,284
	22,183				22,183	277	22,460
	825				825	(62)	763
—					—	12	12
(133)	(277)		2,758		2,348		2,348
750			(10,658)		(9,908)		(9,908)
31				(981)	—		—
(35)				868	833		833
97		736			—		—
(133)					(133)		(133)
(13)					677		677
50	(7,708)				(7,658)		(7,658)
	(1,629)				(1,629)		(1,629)
875					875		875
(830)		(15)			(845)		(845)
659	12,569	825	(7,179)	(113)	7,568	227	7,795
60,893	145,263	(2,144)	(29,892)	(1,678)	206,936	1,143	208,079
	94	(118)			(24)		(24)
60,893	145,357	(2,262)	(29,892)	(1,678)	206,912	1,143	208,055
	400	(400)			—		—
	22,393				22,393	483	22,876
		(3,674)			(3,674)	(2)	(3,676)
7					7	(724)	(717)
(76)	(321)		2,073		1,676		1,676
—			(20,633)		(20,633)		(20,633)
	(155)				(2,150)		(2,150)
43				(1,143)	—		—
(70)				1,319	1,249		1,249
6		1,243			—		—
(325)					(325)		(325)
—					—		—
66	(7,955)				(7,889)		(7,889)
	(1,556)				(1,556)		(1,556)
1,041					1,041		1,041
(900)		15			(885)		(885)
(208)	12,806	(4,074)	(17,302)	176	(10,746)	(243)	(10,989)
60,685	158,163	(6,336)	(47,194)	(1,502)	196,166	900	197,066

(continued from previous pages)

Wells Fargo & Company and Subsidiaries

**Consolidated Statement of Changes in Equity**

(in millions, except shares)	Preferred stock		Common stock	
	Shares	Amount	Shares	Amount
<b>Balance December 31, 2018</b>	<b>9,377,216</b>	<b>\$ 23,214</b>	<b>4,581,253,608</b>	<b>\$ 9,136</b>
<b>Cumulative effect from change in accounting policies (1)</b>				
<b>Balance January 1, 2019</b>	<b>9,377,216</b>	<b>23,214</b>	<b>4,581,253,608</b>	<b>9,136</b>
<b>Net income</b>				
<b>Other comprehensive income (loss), net of tax</b>				
<b>Noncontrolling interests</b>				
<b>Common stock issued</b>				<b>48,771,064</b>
<b>Common stock repurchased</b>				<b>(502,418,179)</b>
<b>Preferred stock redeemed (2)</b>	<b>(1,550,000)</b>	<b>(1,330)</b>		
<b>Preferred stock issued to ESOP</b>		—	—	
<b>Preferred stock released by ESOP</b>				
<b>Preferred stock converted to common shares</b>	<b>(335,047)</b>	<b>(335)</b>	<b>6,819,444</b>	
<b>Common stock warrants repurchased/exercised</b>				
<b>Preferred stock issued</b>		—	—	
<b>Common stock dividends</b>				
<b>Preferred stock dividends</b>				
<b>Stock incentive compensation expense</b>				
<b>Net change in deferred compensation and related plans</b>				
<b>Net change</b>	<b>(1,885,047)</b>	<b>(1,665)</b>	<b>(446,827,671)</b>	<b>—</b>
<b>Balance December 31, 2019</b>	<b>7,492,169</b>	<b>\$ 21,549</b>	<b>4,134,425,937</b>	<b>\$ 9,136</b>

(1) Effective January 1, 2019, we adopted ASU 2016-02 – Leases (Topic 842) and subsequent related Updates, ASU 2017-08 – Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities. See Note 1 (Summary of Significant Accounting Policies) in this Report for more information.

(2) Represents the impact of the partial redemption of preferred stock, series K, in third quarter 2019.

The accompanying notes are an integral part of these statements.

Wells Fargo stockholders' equity							
Additional paid-in capital	Retained earnings	Cumulative other comprehensive income (loss)	Treasury stock	Unearned ESOP shares	Total Wells Fargo stockholders' equity	Noncontrolling interests	Total equity
<b>60,685</b>	<b>158,163</b>	<b>(6,336)</b>	<b>(47,194)</b>	<b>(1,502)</b>	<b>196,166</b>	<b>900</b>	<b>197,066</b>
(492)		481			(11)		(11)
<b>60,685</b>	<b>157,671</b>	<b>(5,855)</b>	<b>(47,194)</b>	<b>(1,502)</b>	<b>196,155</b>	<b>900</b>	<b>197,055</b>
	<b>19,549</b>				<b>19,549</b>	<b>492</b>	<b>20,041</b>
		4,544			4,544	—	4,544
—					—	(554)	(554)
9	(382)		2,530		2,157		2,157
—			(24,533)		(24,533)		(24,533)
	(220)				(1,550)		(1,550)
—					—		—
(24)				359	335		335
(16)			351		—		—
—					—		—
—					—		—
86	(8,530)				(8,444)		(8,444)
	(1,391)				(1,391)		(1,391)
1,234					1,234		1,234
(925)			15		(910)		(910)
364	9,026	4,544	(21,637)	359	(9,009)	(62)	(9,071)
<b>61,049</b>	<b>166,697</b>	<b>(1,311)</b>	<b>(68,831)</b>	<b>(1,143)</b>	<b>187,146</b>	<b>838</b>	<b>187,984</b>