Wells Fargo & Company and Subsidiaries

Consolidated Statement of Comprehensive Income (Unaudited)

(in millions)	Quarter ended Sep 30, 2016	Quarter ended Sep 30, 2015	Nine months ended Sep 30, 2016	Nine months ended Sep 30, 2015
Wells Fargo net income	$ **5,644**	5,796	**16,664**	17,319
Other comprehensive income (loss), before tax:				
Investment securities:				
Net unrealized gains (losses) arising during the period	**112**	(441)	**2,478**	(2,017)
Reclassification of net gains to net income	**(193)**	(439)	**(1,001)**	(957)
Derivatives and hedging activities:				
Net unrealized gains (losses) arising during the period	**(445)**	1,769	**2,611**	2,233
Reclassification of net gains on cash flow hedges to net income	**(262)**	(293)	**(783)**	(795)
Defined benefit plans adjustments:				
Net actuarial losses arising during the period	**(447)**	—	**(474)**	(11)
Amortization of net actuarial loss, settlements and other to net income	**39**	30	**115**	103
Foreign currency translation adjustments:				
Net unrealized gains (losses) arising during the period	**(10)**	(59)	**27**	(104)
Other comprehensive income (loss), before tax	**(1,206)**	567	**2,973**	(1,548)
Income tax (expense) benefit related to other comprehensive income	**461**	(268)	**(1,110)**	544
Other comprehensive income (loss), net of tax	**(745)**	299	**1,863**	(1,004)
Less: Other comprehensive income (loss) from noncontrolling interests	**19**	(22)	**(24)**	125
Wells Fargo other comprehensive income (loss), net of tax	**(764)**	321	**1,887**	(1,129)
Wells Fargo comprehensive income	**4,880**	6,117	**18,551**	16,190
Comprehensive income from noncontrolling interests	**29**	165	**53**	459
Total comprehensive income	$ **4,909**	6,282	**18,604**	16,649

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Balance Sheet

(in millions, except shares)	Sep 30, 2016	Dec 31, 2015
Assets	**(Unaudited)**	
Cash and due from banks	**$ 19,287**	19,111
Federal funds sold, securities purchased under resale agreements and other short-term investments	**298,325**	270,130
Trading assets	**85,946**	77,202
Investment securities:		
Available-for-sale, at fair value	**291,591**	267,358
Held-to-maturity, at cost (fair value $102,547 and $80,567)	**99,241**	80,197
Mortgages held for sale (includes $22,647 and $13,539 carried at fair value) (1)	**27,423**	19,603
Loans held for sale	**183**	279
Loans (includes $4,788 and $5,316 carried at fair value) (1)	**961,326**	916,559
Allowance for loan losses	**(11,583)**	(11,545)
Net loans	**949,743**	905,014
Mortgage servicing rights:		
Measured at fair value	**10,415**	12,415
Amortized	**1,373**	1,308
Premises and equipment, net	**8,322**	8,704
Goodwill	**26,688**	25,529
Other assets (includes $3,441 and $3,065 carried at fair value) (1)	**123,587**	100,782
Total assets (2)	**$ 1,942,124**	1,787,632
Liabilities		
Noninterest-bearing deposits	**$ 376,136**	351,579
Interest-bearing deposits	**899,758**	871,733
Total deposits	**1,275,894**	1,223,312
Short-term borrowings	**124,668**	97,528
Accrued expenses and other liabilities	**82,769**	73,365
Long-term debt	**254,835**	199,536
Total liabilities (3)	**1,738,166**	1,593,741
Equity		
Wells Fargo stockholders' equity:		
Preferred stock	**24,594**	22,214
Common stock – $1-2/3 par value, authorized 9,000,000,000 shares; issued 5,481,811,474 shares	**9,136**	9,136
Additional paid-in capital	**60,685**	60,714
Retained earnings	**130,288**	120,866
Cumulative other comprehensive income	**2,184**	297
Treasury stock – 457,922,273 shares and 389,682,664 shares	**(22,247)**	(18,867)
Unearned ESOP shares	**(1,612)**	(1,362)
Total Wells Fargo stockholders' equity	**203,028**	192,998
Noncontrolling interests	**930**	893
Total equity	**203,958**	193,891
Total liabilities and equity	**$ 1,942,124**	1,787,632

(1) Parenthetical amounts represent assets and liabilities for which we have elected the fair value option.

(2) Our consolidated assets at September 30, 2016, and December 31, 2015, 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, $145 million and $157 million; Federal funds sold, securities purchased under resale agreements and other short-term investments, $90 million and $0 million; Trading assets, $130 million and $1 million; Investment securities, $244 million and $425 million; Net loans, $12.4 billion and $4.8 billion; Other assets, $414 million and $242 million; and Total assets, $13.4 billion and $5.6 billion, respectively.

(3) Our consolidated liabilities at September 30, 2016, and December 31, 2015, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Accrued expenses and other liabilities, $79 million and $57 million; Long-term debt, $3.9 billion and $1.3 billion; and Total liabilities, $3.9 billion and $1.4 billion, respectively.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Changes in Equity (Unaudited)

	Preferred stock		Common stock	
(in millions, except shares)	*Shares*	Amount	*Shares*	Amount
Balance January 1, 2015	*11,138,818*	$ 19,213	*5,170,349,198*	$ 9,136
Net income				
Other comprehensive income (loss), net of tax				
Noncontrolling interests				
Common stock issued			*63,017,857*	
Common stock repurchased			*(136,363,436)*	
Preferred stock issued to ESOP	*826,598*	826		
Preferred stock released by ESOP				
Preferred stock converted to common shares	*(616,066)*	(615)	*11,470,349*	
Common stock warrants repurchased/exercised				
Preferred stock issued	*120,000*	3,000		
Common stock dividends				
Preferred stock dividends				
Tax benefit from stock incentive compensation				
Stock incentive compensation expense				
Net change in deferred compensation and related plans				
Net change	*330,532*	3,211	*(61,875,230)*	—
Balance September 30, 2015	*11,469,350*	$ 22,424	*5,108,473,968*	$ 9,136
Balance December 31, 2015	***11,259,917***	**$ 22,214**	***5,092,128,810***	**$ 9,136**
Cumulative effect from change in consolidation accounting (1)				
Balance January 1, 2016	***11,259,917***	**$ 22,214**	***5,092,128,810***	**$ 9,136**
Net income				
Other comprehensive income (loss), net of tax				
Noncontrolling interests				
Common stock issued			***47,151,609***	
Common stock repurchased			***(134,787,773)***	
Preferred stock issued to ESOP	***1,150,000***	**1,150**		
Preferred stock released by ESOP				
Preferred stock converted to common shares	***(920,314)***	**(920)**	***19,396,555***	
Common stock warrants repurchased/exercised				
Preferred stock issued	***86,000***	**2,150**		
Common stock dividends				
Preferred stock dividends				
Tax benefit from stock incentive compensation				
Stock incentive compensation expense				
Net change in deferred compensation and related plans				
Net change	***315,686***	**2,380**	***(68,239,609)***	**—**
Balance September 30, 2016	***11,575,603***	**$ 24,594**	***5,023,889,201***	**$ 9,136**

(1) Effective January 1, 2016, we adopted changes in consolidation accounting pursuant to ASU 2015-02 (*Amendments to the Consolidation Analysis*). Accordingly, we recorded a $121 million increase to beginning noncontrolling interests as a cumulative-effect adjustment.

The accompanying notes are an integral part of these statements.

Wells Fargo stockholders' equity							
Additional paid-in capital	Retained earnings	Cumulative other comprehensive income	Treasury stock	Unearned ESOP shares	Total Wells Fargo stockholders' equity	Noncontrolling interests	Total equity
60,537	107,040	3,518	(13,690)	(1,360)	184,394	868	185,262
	17,319				17,319	334	17,653
		(1,129)			(1,129)	125	(1,004)
3					3	(335)	(332)
(381)	—		2,715		2,334		2,334
750			(7,473)		(6,723)		(6,723)
74				(900)	—		—
(55)				670	615		615
81			534		—		—
(49)					(49)		(49)
(28)					2,972		2,972
48	(5,711)				(5,663)		(5,663)
	(1,055)				(1,055)		(1,055)
431					431		431
640					640		640
(1,053)			15		(1,038)		(1,038)
461	10,553	(1,129)	(4,209)	(230)	8,657	124	8,781
60,998	117,593	2,389	(17,899)	(1,590)	193,051	992	194,043
60,714	**120,866**	**297**	**(18,867)**	**(1,362)**	**192,998**	**893**	**193,891**
						121	**121**
60,714	**120,866**	**297**	**(18,867)**	**(1,362)**	**192,998**	**1,014**	**194,012**
	16,664				**16,664**	**77**	**16,741**
		1,887			**1,887**	**(24)**	**1,863**
1					**1**	**(137)**	**(136)**
(194)	**(286)**		**2,256**		**1,776**		**1,776**
500			**(6,582)**		**(6,082)**		**(6,082)**
99				**(1,249)**	**—**		**—**
(79)				**999**	**920**		**920**
(16)			**936**		**—**		**—**
(17)					**(17)**		**(17)**
(49)					**2,101**		**2,101**
39	**(5,791)**				**(5,752)**		**(5,752)**
	(1,165)				**(1,165)**		**(1,165)**
203					**203**		**203**
547					**547**		**547**
(1,063)			**10**		**(1,053)**		**(1,053)**
(29)	**9,422**	**1,887**	**(3,380)**	**(250)**	**10,030**	**(84)**	**9,946**
60,685	**130,288**	**2,184**	**(22,247)**	**(1,612)**	**203,028**	**930**	**203,958**

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Cash Flows (Unaudited)

(in millions)		Nine months ended September 30, 2016	2015
Cash flows from operating activities:			
Net income before noncontrolling interests	$	**16,741**	17,653
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses		**2,965**	1,611
Changes in fair value of MSRs, MHFS and LHFS carried at fair value		**1,695**	585
Depreciation, amortization and accretion		**3,598**	2,396
Other net gains		**(74)**	(4,176)
Stock-based compensation		**1,474**	1,525
Excess tax benefits related to stock incentive compensation		**(209)**	(431)
Originations of MHFS		**(144,018)**	(138,204)
Proceeds from sales of and principal collected on mortgages originated for sale		**91,873**	101,083
Proceeds from sales of and principal collected on LHFS		**4**	7
Purchases of LHFS		**(4)**	(28)
Net change in:			
Trading assets		**38,334**	40,300
Deferred income taxes		**(1,617)**	(2,421)
Accrued interest receivable		**(419)**	(643)
Accrued interest payable		**333**	79
Other assets		**(16,091)**	(562)
Other accrued expenses and liabilities		**902**	1,027
Net cash provided (used) by operating activities		**(4,513)**	19,801
Cash flows from investing activities:			
Net change in:			
Federal funds sold, securities purchased under resale agreements and other short-term investments		**(28,296)**	3,453
Available-for-sale securities:			
Sales proceeds		**28,147**	15,959
Prepayments and maturities		**27,768**	23,681
Purchases		**(66,685)**	(56,526)
Held-to-maturity securities:			
Paydowns and maturities		**5,085**	4,278
Purchases		**(23,593)**	(22,823)
Nonmarketable equity investments:			
Sales proceeds		**1,298**	2,904
Purchases		**(3,001)**	(1,083)
Loans:			
Loans originated by banking subsidiaries, net of principal collected		**(28,155)**	(40,372)
Proceeds from sales (including participations) of loans held for investment		**6,958**	8,898
Purchases (including participations) of loans		**(4,007)**	(12,710)
Principal collected on nonbank entities' loans		**8,736**	7,448
Loans originated by nonbank entities		**(9,091)**	(9,586)
Net cash paid for acquisitions		**(29,797)**	—
Proceeds from sales of foreclosed assets and short sales		**5,560**	5,769
Net cash from purchases and sales of MSRs		**(45)**	(96)
Other, net		**(70)**	(1,627)
Net cash used by investing activities		**(109,188)**	(72,433)
Cash flows from financing activities:			
Net change in:			
Deposits		**52,582**	34,107
Short-term borrowings		**26,882**	24,551
Long-term debt:			
Proceeds from issuance		**67,677**	24,495
Repayment		**(23,505)**	(24,104)
Preferred stock:			
Proceeds from issuance		**2,101**	2,972
Cash dividends paid		**(1,173)**	(1,063)
Common stock:			
Proceeds from issuance		**1,024**	1,454
Repurchased		**(6,082)**	(6,723)
Cash dividends paid		**(5,609)**	(5,529)
Excess tax benefits related to stock incentive compensation		**209**	431
Net change in noncontrolling interests		**(159)**	(191)
Other, net		**(70)**	56
Net cash provided by financing activities		**113,877**	50,456
Net change in cash and due from banks		**176**	(2,176)
Cash and due from banks at beginning of period		**19,111**	19,571
Cash and due from banks at end of period	$	**19,287**	17,395
Supplemental cash flow disclosures:			
Cash paid for interest	$	**3,920**	2,842
Cash paid for income taxes		**7,158**	9,270

The accompanying notes are an integral part of these statements. See Note 1 (Summary of Significant Accounting Policies) for noncash activities.

See the Glossary of Acronyms at the end of this Report for terms used throughout the Financial Statements and related Notes.

Note 1: Summary of Significant Accounting Policies

Wells Fargo & Company is a diversified financial services company. We provide banking, insurance, trust and investments, mortgage banking, investment banking, retail banking, brokerage, and consumer and commercial finance through branches, the internet and other distribution channels to consumers, businesses and institutions in all 50 states, the District of Columbia, and in foreign countries. When we refer to "Wells Fargo," "the Company," "we," "our" or "us," we mean Wells Fargo & Company and Subsidiaries (consolidated). Wells Fargo & Company (the Parent) is a financial holding company and a bank holding company. We also hold a majority interest in a real estate investment trust, which has publicly traded preferred stock outstanding.

Our accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. For discussion of our significant accounting policies, see Note 1 (Summary of Significant Accounting Policies) in our Annual Report on Form 10-K for the year ended December 31, 2015 (2015 Form 10-K). There were no material changes to these policies in the first nine months of 2016. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period and the related disclosures. Although our estimates contemplate current conditions and how we expect them to change in the future, it is reasonably possible that actual conditions could be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition. Management has made significant estimates in several areas, including allowance for credit losses and purchased credit-impaired (PCI) loans (Note 5 (Loans and Allowance for Credit Losses)), valuations of residential mortgage servicing rights (MSRs) (Note 7 (Securitizations and Variable Interest Entities) and Note 8 (Mortgage Banking Activities)) and financial instruments (Note 13 (Fair Values of Assets and Liabilities)), and income taxes. Actual results could differ from those estimates.

These unaudited interim financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed in this Form 10-Q. The results of operations in the interim financial statements do not necessarily indicate the results that may be expected for the full year. The interim financial information should be read in conjunction with our 2015 Form 10-K.

Accounting Standards Adopted in 2016

In first quarter 2016, we adopted the following new accounting guidance:

- Accounting Standards Update (ASU or Update) 2015-16 – *Business Combinations* (*Topic 805*): *Simplifying the Accounting for Measurement-Period Adjustments;*
- ASU 2015-07 – *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent);*
- ASU 2015-03 – *Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs;*
- ASU 2015-02 – *Consolidation (Topic 810): Amendments to the Consolidation Analysis;*
- ASU 2015-01 – *Income Statement – Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items;*
- ASU 2014-16 – *Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share is More Akin to Debt or to Equity;*
- ASU 2014-13 – *Consolidation (Topic 810): Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity;* and
- ASU 2014-12 – *Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period.*

ASU 2015-16 eliminates the requirement for companies to retrospectively adjust initial amounts recognized in business combinations when the accounting is incomplete at the acquisition date. Under the new guidance, companies should record adjustments in the same reporting period in which the amounts are determined. We adopted this accounting change in first quarter 2016 with prospective application. The Update did not have a material impact on our consolidated financial statements.

ASU 2015-07 eliminates the disclosure requirement to categorize investments within the fair value hierarchy that are measured at fair value using net asset value as a practical expedient. We adopted this change in first quarter 2016 with retrospective application. The Update did not affect our consolidated financial statements as it impacts only the fair value disclosure requirements for certain investments. For additional information, see Note 13 (Fair Values of Assets and Liabilities).

ASU 2015-03 changes the balance sheet presentation for debt issuance costs. Under the new guidance, debt issuance costs should be reported as a deduction from debt liabilities rather than as a deferred charge classified as an asset. We adopted this change in first quarter 2016, which resulted in a $180 million reclassification from Other assets to Long-term debt on January 1, 2016. Because the impact on prior periods was not material, we applied the guidance prospectively.

ASU 2015-02 requires companies to reevaluate all legal entities under new consolidation guidance. The new guidance amends the criteria companies use to evaluate whether they should consolidate certain variable interest entities that have fee arrangements and the criteria used to determine whether partnerships and similar entities are variable interest entities. The new guidance also amends the consolidation analysis for certain investment funds and excludes certain money market funds. We adopted the accounting changes on January 1, 2016, which resulted in a net increase in assets and a corresponding cumulative-effect adjustment to noncontrolling interests of $121 million. There was no impact to consolidated retained earnings. For additional information, see Note 7 (Securitizations and Variable Interest Entities).

ASU 2015-01 removes the concept of extraordinary items from GAAP and eliminates the requirement for extraordinary items to be separately presented in the statement of income. We adopted this change in first quarter 2016 with prospective application. This Update did not have a material impact on our consolidated financial statements.

ASU 2014-16 clarifies that the nature of host contracts in hybrid financial instruments that are issued in share form should be determined based on the entire instrument, including the embedded derivative. We adopted this new requirement in first quarter 2016. This Update did not have a material impact on our consolidated financial statements.

ASU 2014-13 provides a measurement alternative to companies that consolidate collateralized financing entities (CFEs), such as collateralized debt obligation and collateralized loan obligation structures. Under the new guidance, companies can measure both the financial assets and financial liabilities of a CFE using the more observable fair value of the financial assets or of the financial liabilities. We adopted this accounting change in first quarter 2016. The Update did not have a material impact on our consolidated financial statements.

ASU 2014-12 provides accounting guidance for employee share-based payment awards with specific performance targets. The Update clarifies that performance targets should be treated as performance conditions if the targets affect vesting and could be achieved after the requisite service period. We adopted this change in first quarter 2016 with prospective application. The Update did not have a material effect on our consolidated financial statements, as our historical practice complies with the new requirements.

Accounting Standards with Retrospective Application

The following accounting pronouncement has been issued by the FASB but is not yet effective:

- ASU 2016-15 – *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*.

ASU 2016-15 addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice for reporting in the Statement of Cash Flows. The Update is effective for us in first quarter 2018 with retrospective application. We are evaluating the impact the Update will have on our consolidated financial statements.

Private Share Repurchases

From time to time we enter into private forward repurchase transactions with unrelated third parties to complement our open-market common stock repurchase strategies, to allow us to manage our share repurchases in a manner consistent with our capital plans submitted annually under the Comprehensive Capital Analysis and Review (CCAR) and to provide an economic benefit to the Company.

Our payments to the counterparties for these contracts are recorded in permanent equity in the quarter paid and are not subject to re-measurement. The classification of the up-front payments as permanent equity assures that we have appropriate repurchase timing consistent with our capital plans, which contemplate a fixed dollar amount available per quarter for share repurchases pursuant to Federal Reserve Board (FRB) supervisory guidance. In return, the counterparty agrees to deliver a variable number of shares based on a per share discount to the volume-weighted average stock price over the contract period. There are no scenarios where the contracts would not either physically settle in shares or allow us to choose the settlement method. Our total number of outstanding shares of common stock is not reduced until settlement of the private share repurchase contract.

We had no unsettled private share repurchase contracts at both September 30, 2016 and September 30, 2015.

SUPPLEMENTAL CASH FLOW INFORMATION Significant noncash activities are presented below.

Table 1.1: Supplemental Cash Flow Information

	Nine months ended September 30,	
(in millions)	**2016**	2015
Trading assets retained from securitization of MHFS	$ **47,291**	34,994
Transfers from loans to MHFS	**5,257**	7,219
Transfers from available-for-sale to held-to-maturity securities	**816**	4,972

SUBSEQUENT EVENTS We have evaluated the effects of events that have occurred subsequent to September 30, 2016, and there have been no material events that would require recognition in our third quarter 2016 consolidated financial statements or disclosure in the Notes to the consolidated financial statements. During the first week of October 2016, Hurricane Matthew caused destruction along the coasts of Florida, Georgia, South Carolina and North Carolina and resulted in, among other things, property damage for our customers and the closing of many businesses. We are currently assessing the impact to our customers and our business as a result of Hurricane Matthew. The financial impact to us is expected to primarily relate to our consumer real estate, commercial real estate and auto loan portfolios and will depend on a number of factors, including the types of loans most affected by the hurricane, the extent of damage to our collateral, the extent of available insurance coverage, the availability of government assistance for our borrowers, and whether our borrowers' ability to repay their loans has been diminished.

Note 2: Business Combinations

We regularly explore opportunities to acquire financial services companies and businesses. Generally, we do not make a public announcement about an acquisition opportunity until a definitive agreement has been signed. For information on additional contingent consideration related to acquisitions, which is considered to be a guarantee, see Note 10 (Guarantees, Pledged Assets and Collateral). We also periodically review existing businesses to ensure they remain strategically aligned with our operating business model and risk profile.

During the first nine months of 2016, we completed two acquisitions and refined the related purchase accounting adjustments. On January 1, 2016, we acquired $4.3 billion in assets associated with GE Railcar Services, which included 77,000 railcars and 1,000 locomotives. The acquired assets included $918 million of loans and capital leases and $3.2 billion of operating lease assets.

On March 1, 2016, we acquired the North American portion of GE Capital's Commercial Distribution Finance and Vendor Finance businesses. The North American portion represented approximately 90% of the total assets to be acquired. The Asia, Australia and New Zealand portions closed during third quarter 2016 and the remainder of the international portion closed on October 1, 2016. As of September 30, 2016, and reflective of purchase accounting adjustment refinements, a total of $31.1 billion in assets have been acquired, including $25.6 billion of loans and capital leases, $2.7 billion of operating lease assets, and $1.8 billion of goodwill and intangible assets. The international portion that closed on October 1, 2016, completed the overall acquisition and consisted of an additional $1.3 billion in acquired assets.

We also completed two significant and a few small divestitures during the first nine months of 2016. On March 31, 2016, we completed the divestiture of Rural Community Insurance, our crop insurance business. The transaction resulted in a pre-tax gain of $381 million. On May 31, 2016, we sold our health benefit services business, which resulted in a pre-tax gain of $290 million.

As of September 30, 2016, we had one pending acquisition involving a registered investment advisor with approximately $15 billion in assets under management. We closed the acquisition on October 1, 2016.

Note 3: Federal Funds Sold, Securities Purchased under Resale Agreements and Other Short-Term Investments

Table 3.1 provides the detail of federal funds sold, securities purchased under short-term resale agreements (generally less than one year) and other short-term investments. Substantially all of the interest-earning deposits at September 30, 2016, and December 31, 2015, were held at the Federal Reserve.

Table 3.1: Fed Funds Sold and Other Short-Term Investments

(in millions)	Sep 30, 2016	Dec 31, 2015
Federal funds sold and securities purchased under resale agreements	**$ 67,443**	45,828
Interest-earning deposits	**224,438**	220,409
Other short-term investments	**6,444**	3,893
Total	**$298,325**	270,130

As part of maintaining our memberships in certain clearing organizations, we are required to stand ready to provide liquidity meant to sustain market clearing activity in the event unforeseen events occur or are deemed likely to occur. This includes commitments we have entered into to purchase securities under resale agreements from a central clearing organization that, at its option, require us to provide funding under such agreements. We do not have any outstanding amounts funded, and the amount of our unfunded contractual commitment was $3.3 billion and $2.2 billion as of September 30, 2016, and December 31, 2015, respectively.

We have classified securities purchased under long-term resale agreements (generally one year or more), which totaled $21.2 billion and $20.1 billion at September 30, 2016, and December 31, 2015, respectively, in loans. For additional information on the collateral we receive from other entities under resale agreements and securities borrowings, see the "Offsetting of Resale and Repurchase Agreements and Securities Borrowing and Lending Agreements" section in Note 10 (Guarantees, Pledged Assets and Collateral).

Note 4: Investment Securities

Table 4.1 provides the amortized cost and fair value by major categories of available-for-sale securities, which are carried at fair value, and held-to-maturity debt securities, which are carried at amortized cost. The net unrealized gains (losses) for available-for-sale securities are reported on an after-tax basis as a component of cumulative OCI.

Table 4.1: Amortized Cost and Fair Value

(in millions)	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Fair value
September 30, 2016				
Available-for-sale securities:				
Securities of U.S. Treasury and federal agencies	**$ 25,968**	**410**	**(2)**	**26,376**
Securities of U.S. states and political subdivisions	**56,000**	**910**	**(1,544)**	**55,366**
Mortgage-backed securities:				
Federal agencies	**132,732**	**3,020**	**(60)**	**135,692**
Residential	**7,881**	**653**	**(7)**	**8,527**
Commercial	**9,801**	**126**	**(67)**	**9,860**
Total mortgage-backed securities	**150,414**	**3,799**	**(134)**	**154,079**
Corporate debt securities	**12,506**	**389**	**(174)**	**12,721**
Collateralized loan and other debt obligations (1)	**35,201**	**292**	**(48)**	**35,445**
Other (2)	**6,278**	**128**	**(35)**	**6,371**
Total debt securities	**286,367**	**5,928**	**(1,937)**	**290,358**
Marketable equity securities:				
Perpetual preferred securities	**529**	**65**	**(3)**	**591**
Other marketable equity securities	**222**	**420**	**—**	**642**
Total marketable equity securities	**751**	**485**	**(3)**	**1,233**
Total available-for-sale securities	**287,118**	**6,413**	**(1,940)**	**291,591**
Held-to-maturity securities:				
Securities of U.S. Treasury and federal agencies	**44,682**	**2,209**	**—**	**46,891**
Securities of U.S. states and political subdivisions	**2,994**	**121**	**(8)**	**3,107**
Federal agency and other mortgage-backed securities (3)	**47,721**	**969**	**—**	**48,690**
Collateralized loan obligations	**1,406**	**7**	**(2)**	**1,411**
Other (2)	**2,438**	**11**	**(1)**	**2,448**
Total held-to-maturity securities	**99,241**	**3,317**	**(11)**	**102,547**
Total	**$ 386,359**	**9,730**	**(1,951)**	**394,138**
December 31, 2015				
Available-for-sale securities:				
Securities of U.S. Treasury and federal agencies	$ 36,374	24	(148)	36,250
Securities of U.S. states and political subdivisions	49,167	1,325	(502)	49,990
Mortgage-backed securities:				
Federal agencies	103,391	1,983	(828)	104,546
Residential	7,843	740	(25)	8,558
Commercial	13,943	230	(85)	14,088
Total mortgage-backed securities	125,177	2,953	(938)	127,192
Corporate debt securities	15,548	312	(449)	15,411
Collateralized loan and other debt obligations (1)	31,210	125	(368)	30,967
Other (2)	5,842	115	(46)	5,911
Total debt securities	263,318	4,854	(2,451)	265,721
Marketable equity securities:				
Perpetual preferred securities	819	112	(13)	918
Other marketable equity securities	239	482	(2)	719
Total marketable equity securities	1,058	594	(15)	1,637
Total available-for-sale securities	264,376	5,448	(2,466)	267,358
Held-to-maturity securities:				
Securities of U.S. Treasury and federal agencies	44,660	580	(73)	45,167
Securities of U.S. states and political subdivisions	2,185	65	—	2,250
Federal agency and other mortgage-backed securities (3)	28,604	131	(314)	28,421
Collateralized loan obligations	1,405	—	(24)	1,381
Other (2)	3,343	8	(3)	3,348
Total held-to-maturity securities	80,197	784	(414)	80,567
Total	$ 344,573	6,232	(2,880)	347,925

(1) The available-for-sale portfolio includes collateralized debt obligations (CDOs) with a cost basis and fair value of $824 million and $832 million, respectively, at September 30, 2016, and $247 million and $257 million, respectively, at December 31, 2015.

(2) The "Other" category of available-for-sale securities largely includes asset-backed securities collateralized by credit cards, student loans, home equity loans and automobile leases or loans and cash. Included in the "Other" category of held-to-maturity securities are asset-backed securities collateralized by automobile leases or loans and cash with a cost basis and fair value of $1.4 billion each at September 30, 2016, and $1.9 billion each at December 31, 2015. Also included in the "Other" category of held-to-maturity securities are asset-backed securities collateralized by dealer floorplan loans with a cost basis and fair value of $1.1 billion each at September 30, 2016, and $1.4 billion each at December 31, 2015.

(3) Predominantly consists of federal agency mortgage-backed securities at September 30, 2016. The entire balance consists of federal agency mortgage-backed securities at December 31, 2015.