

Note 14: Preferred Stock

We are authorized to issue 20 million shares of preferred stock and 4 million shares of preference stock, both without par value. Preferred shares outstanding rank senior to common shares both as to dividends and liquidation preference but have no general voting rights. We have not issued any preference shares under

this authorization. If issued, preference shares would be limited to one vote per share. Our total authorized, issued and outstanding preferred stock is presented in the following two tables along with the Employee Stock Ownership Plan (ESOP) Cumulative Convertible Preferred Stock.

Table 14.1: Preferred Stock Shares

	September 30, 2016		December 31, 2015	
	Liquidation preference per share	Shares authorized and designated	Liquidation preference per share	Shares authorized and designated
DEP Shares				
Dividend Equalization Preferred Shares (DEP)	\$ 10	97,000	\$ 10	97,000
Series H				
Floating Class A Preferred Stock	20,000	50,000	20,000	50,000
Series I				
Floating Class A Preferred Stock	100,000	25,010	100,000	25,010
Series J				
8.00% Non-Cumulative Perpetual Class A Preferred Stock	1,000	2,300,000	1,000	2,300,000
Series K				
7.98% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	1,000	3,500,000	1,000	3,500,000
Series L				
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock	1,000	4,025,000	1,000	4,025,000
Series N				
5.20% Non-Cumulative Perpetual Class A Preferred Stock	25,000	30,000	25,000	30,000
Series O				
5.125% Non-Cumulative Perpetual Class A Preferred Stock	25,000	27,600	25,000	27,600
Series P				
5.25% Non-Cumulative Perpetual Class A Preferred Stock	25,000	26,400	25,000	26,400
Series Q				
5.85% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	25,000	69,000	25,000	69,000
Series R				
6.625% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	25,000	34,500	25,000	34,500
Series S				
5.90% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	25,000	80,000	25,000	80,000
Series T				
6.00% Non-Cumulative Perpetual Class A Preferred Stock	25,000	32,200	25,000	32,200
Series U				
5.875% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	25,000	80,000	25,000	80,000
Series V				
6.00% Non-Cumulative Perpetual Class A Preferred Stock	25,000	40,000	25,000	40,000
Series W				
5.70% Non-Cumulative Perpetual Class A Preferred Stock	25,000	40,000	—	—
Series X				
5.50% Non-Cumulative Perpetual Class A Preferred Stock	25,000	46,000	—	—
ESOP				
Cumulative Convertible Preferred Stock (1)	—	1,482,072	—	1,252,386
Total		11,984,782		11,669,096

(1) See the ESOP Cumulative Convertible Preferred Stock section in this Note for additional information about the liquidation preference for the ESOP Cumulative Convertible Preferred Stock.

Table 14.2: Preferred Stock – Shares Issued and Carrying Value

(in millions, except shares)	September 30, 2016				December 31, 2015			
	Shares issued and outstanding	Liquidation preference value	Carrying value	Discount	Shares issued and outstanding	Liquidation preference value	Carrying value	Discount
DEP Shares								
Dividend Equalization Preferred Shares (DEP)	96,546	\$ —	—	—	96,546	\$ —	—	—
Series I (1)								
Floating Class A Preferred Stock	25,010	2,501	2,501	—	25,010	2,501	2,501	—
Series J (1)								
8.00% Non-Cumulative Perpetual Class A Preferred Stock	2,150,375	2,150	1,995	155	2,150,375	2,150	1,995	155
Series K (1)								
7.98% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	3,352,000	3,352	2,876	476	3,352,000	3,352	2,876	476
Series L (1)								
7.50% Non-Cumulative Perpetual Convertible Class A Preferred Stock	3,968,000	3,968	3,200	768	3,968,000	3,968	3,200	768
Series N (1)								
5.20% Non-Cumulative Perpetual Class A Preferred Stock	30,000	750	750	—	30,000	750	750	—
Series O (1)								
5.125% Non-Cumulative Perpetual Class A Preferred Stock	26,000	650	650	—	26,000	650	650	—
Series P (1)								
5.25% Non-Cumulative Perpetual Class A Preferred Stock	25,000	625	625	—	25,000	625	625	—
Series Q (1)								
5.85% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	69,000	1,725	1,725	—	69,000	1,725	1,725	—
Series R (1)								
6.625% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	33,600	840	840	—	33,600	840	840	—
Series S (1)								
5.90% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	80,000	2,000	2,000	—	80,000	2,000	2,000	—
Series T (1)								
6.00% Non-Cumulative Perpetual Class A Preferred Stock	32,000	800	800	—	32,000	800	800	—
Series U (1)								
5.875% Fixed-to-Floating Non-Cumulative Perpetual Class A Preferred Stock	80,000	2,000	2,000	—	80,000	2,000	2,000	—
Series V (1)								
6.00% Non-Cumulative Perpetual Class A Preferred Stock	40,000	1,000	1,000	—	40,000	1,000	1,000	—
Series W (1)								
5.70% Non-Cumulative Perpetual Class A Preferred Stock	40,000	1,000	1,000	—	—	—	—	—
Series X (1)								
5.50% Non-Cumulative Perpetual Class A Preferred Stock	46,000	1,150	1,150	—	—	—	—	—
ESOP								
Cumulative Convertible Preferred Stock	1,482,072	1,482	1,482	—	1,252,386	1,252	1,252	—
Total	11,575,603	\$ 25,993	24,594	1,399	11,259,917	\$ 23,613	22,214	1,399

(1) Preferred shares qualify as Tier 1 capital.

In January 2016, we issued 40 million Depositary Shares, each representing a 1/1,000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series W, for an aggregate public offering price of \$1.0 billion. In June 2016, we issued 46 million Depositary Shares, each representing a 1/1,000th interest in a share of Non-Cumulative Perpetual Class A Preferred Stock, Series X, for an aggregate public offering price of \$1.2 billion.

See Note 7 (Securitizations and Variable Interest Entities) for additional information on our trust preferred securities. We do not have a commitment to issue Series H preferred stock.

Note 14: Preferred Stock (continued)

ESOP CUMULATIVE CONVERTIBLE PREFERRED STOCK All shares of our ESOP Cumulative Convertible Preferred Stock (ESOP Preferred Stock) were issued to a trustee acting on behalf of the Wells Fargo & Company 401(k) Plan (the 401(k) Plan). Dividends on the ESOP Preferred Stock are cumulative from the date of initial issuance and are payable quarterly at annual rates based upon the year of issuance. Each share of ESOP Preferred Stock released from the unallocated reserve of the 401(k) Plan is converted into shares of our common stock based on the stated

value of the ESOP Preferred Stock and the then current market price of our common stock. The ESOP Preferred Stock is also convertible at the option of the holder at any time, unless previously redeemed. We have the option to redeem the ESOP Preferred Stock at any time, in whole or in part, at a redemption price per share equal to the higher of (a) \$1,000 per share plus accrued and unpaid dividends or (b) the fair market value, as defined in the Certificates of Designation for the ESOP Preferred Stock.

Table 14.3: ESOP Preferred Stock

(in millions, except shares)	Shares issued and outstanding		Carrying value		Adjustable dividend rate	
	Sep 30, 2016	Dec 31, 2015	Sep 30, 2016	Dec 31, 2015	Minimum	Maximum
ESOP Preferred Stock						
\$1,000 liquidation preference per share						
2016	401,419	—	\$ 401	—	9.30%	10.30
2015	200,820	220,408	201	220	8.90	9.90
2014	255,413	283,791	255	284	8.70	9.70
2013	222,558	251,304	223	251	8.50	9.50
2012	144,072	166,353	144	166	10.00	11.00
2011	149,301	177,614	149	178	9.00	10.00
2010	90,775	113,234	91	113	9.50	10.50
2008	17,714	28,972	18	29	10.50	11.50
2007	—	10,710	—	11	10.75	11.75
Total ESOP Preferred Stock (1)	1,482,072	1,252,386	\$ 1,482	1,252		
Unearned ESOP shares (2)			\$ (1,612)	(1,362)		

(1) At September 30, 2016 and December 31, 2015, additional paid-in capital included \$130 million and \$110 million, respectively, related to ESOP preferred stock.

(2) We recorded a corresponding charge to unearned ESOP shares in connection with the issuance of the ESOP Preferred Stock. The unearned ESOP shares are reduced as shares of the ESOP Preferred Stock are committed to be released.

Note 15: Employee Benefits

We sponsor a frozen noncontributory qualified defined benefit retirement plan called the Wells Fargo & Company Cash Balance Plan (Cash Balance Plan), which covers eligible employees of Wells Fargo. The Cash Balance Plan was frozen on July 1, 2009, and no new benefits accrue after that date. Although not required, we made a \$1.3 billion contribution to our Cash Balance Plan in August 2016, which decreased cash and our net Cash Balance Plan liability. The contribution also resulted in a re-measurement of the Cash Balance Plan obligation and plan assets as of August 31, 2016. We used a discount rate of 3.50% for the re-measurement based on our consistent methodology of

determining our discount rate based upon the yields on multiple portfolios of bonds with maturity dates that closely match the estimated timing and amounts of the expected benefit payments for our plans. The remeasurement resulted in an increase to the pension obligation of \$958 million and an increase to the fair value of plan assets of \$511 million. Cumulative other comprehensive income decreased by \$447 million pre-tax (\$279 million after tax) in third quarter 2016.

Table 15.1 presents the components of net periodic benefit cost.

Table 15.1: Net Periodic Benefit Cost

	2016			2015		
	Pension benefits			Pension benefits		
(in millions)	Qualified	Non-qualified	Other benefits	Qualified	Non-qualified	Other benefits
Quarter ended September 30,						
Service cost	\$ —	—	—	1	—	1
Interest cost	105	6	11	107	5	11
Expected return on plan assets	(152)	—	(8)	(161)	—	(8)
Amortization of net actuarial loss (gain)	37	3	(1)	27	5	(1)
Amortization of prior service credit	—	—	—	—	—	(1)
Settlement loss	—	—	—	—	—	—
Net periodic benefit cost (income)	\$ (10)	9	2	(26)	10	2
Nine months ended September 30,						
Service cost	\$ 2	—	—	2	—	5
Interest cost	323	19	31	321	18	32
Expected return on plan assets	(435)	—	(23)	(483)	—	(26)
Amortization of net actuarial loss (gain)	103	9	(3)	81	14	(3)
Amortization of prior service credit	—	—	—	—	—	(2)
Settlement loss	4	2	—	—	13	—
Net periodic benefit cost (income)	\$ (3)	30	5	(79)	45	6

Note 16: Earnings Per Common Share

Table 16.1 shows earnings per common share and diluted earnings per common share and reconciles the numerator and denominator of both earnings per common share calculations.

Table 16.1: Earnings Per Common Share Calculations

(in millions, except per share amounts)	Quarter ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Wells Fargo net income	\$ 5,644	5,796	\$ 16,664	17,319
Less: Preferred stock dividends and other	401	353	1,163	1,052
Wells Fargo net income applicable to common stock (numerator)	\$ 5,243	5,443	\$ 15,501	16,267
Earnings per common share				
Average common shares outstanding (denominator)	5,043.4	5,125.8	5,061.9	5,145.9
Per share	\$ 1.04	1.06	\$ 3.06	3.16
Diluted earnings per common share				
Average common shares outstanding	5,043.4	5,125.8	5,061.9	5,145.9
Add: Stock options	18.1	25.5	19.6	27.3
Restricted share rights	23.1	29.0	26.1	33.0
Warrants	10.0	13.5	10.6	14.1
Diluted average common shares outstanding (denominator)	5,094.6	5,193.8	5,118.2	5,220.3
Per share	\$ 1.03	1.05	\$ 3.03	3.12

Table 16.2 presents the outstanding options to purchase shares of common stock that were anti-dilutive (the exercise price was higher than the weighted-average market price), and therefore not included in the calculation of diluted earnings per common share.

Table 16.2: Outstanding Anti-Dilutive Options

(in millions)	Quarter ended September 30,		Weighted-average shares Nine months ended September 30,	
	2016	2015	2016	2015
Options	2.6	5.0	3.4	5.9

Note 17: Other Comprehensive Income

Table 17.1 provides the components of other comprehensive income (OCI), reclassifications to net income by income statement line item, and the related tax effects.

Table 17.1: Summary of Other Comprehensive Income

(in millions)	Quarter ended September 30,						Nine months ended September 30,					
	2016			2015			2016			2015		
	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax	Before tax	Tax effect	Net of tax
Investment securities:												
Net unrealized gains (losses) arising during the period	\$ 112	(32)	80	(441)	148	(293)	2,478	(938)	1,540	(2,017)	779	(1,238)
Reclassification of net (gains) losses to net income:												
Interest income on investment securities (1)	2	(1)	1	1	(1)	—	5	(2)	3	(1)	—	(1)
Net gains on debt securities	(106)	40	(66)	(147)	52	(95)	(797)	299	(498)	(606)	225	(381)
Net gains from equity investments	(85)	32	(53)	(288)	107	(181)	(204)	77	(127)	(345)	128	(217)
Other noninterest income	(4)	2	(2)	(5)	2	(3)	(5)	2	(3)	(5)	2	(3)
Subtotal reclassifications to net income	(193)	73	(120)	(439)	160	(279)	(1,001)	376	(625)	(957)	355	(602)
Net change	(81)	41	(40)	(880)	308	(572)	1,477	(562)	915	(2,974)	1,134	(1,840)
Derivatives and hedging activities:												
Net unrealized gains (losses) arising during the period	(445)	168	(277)	1,769	(667)	1,102	2,611	(984)	1,627	2,233	(842)	1,391
Reclassification of net (gains) losses to net income:												
Interest income on investment securities	—	—	—	—	—	—	—	—	—	(2)	1	(1)
Interest income on loans	(266)	100	(166)	(297)	112	(185)	(794)	299	(495)	(806)	304	(502)
Interest expense on long-term debt	4	(1)	3	4	(2)	2	11	(4)	7	13	(5)	8
Subtotal reclassifications to net income	(262)	99	(163)	(293)	110	(183)	(783)	295	(488)	(795)	300	(495)
Net change	(707)	267	(440)	1,476	(557)	919	1,828	(689)	1,139	1,438	(542)	896
Defined benefit plans adjustments:												
Net actuarial losses arising during the period	(447)	168	(279)	—	—	—	(474)	178	(296)	(11)	4	(7)
Reclassification of amounts to net periodic benefit costs (2):												
Amortization of net actuarial loss	39	(14)	25	31	(12)	19	109	(41)	68	92	(35)	57
Settlements and other	—	—	—	(1)	1	—	6	(2)	4	11	(4)	7
Subtotal reclassifications to net periodic benefit costs	39	(14)	25	30	(11)	19	115	(43)	72	103	(39)	64
Net change	(408)	154	(254)	30	(11)	19	(359)	135	(224)	92	(35)	57
Foreign currency translation adjustments:												
Net unrealized gains (losses) arising during the period	(10)	(1)	(11)	(59)	(8)	(67)	27	6	33	(104)	(13)	(117)
Net change	(10)	(1)	(11)	(59)	(8)	(67)	27	6	33	(104)	(13)	(117)
Other comprehensive income (loss)	\$(1,206)	461	(745)	567	(268)	299	2,973	(1,110)	1,863	(1,548)	544	(1,004)
Less: Other comprehensive income (loss) from noncontrolling interests, net of tax			19			(22)			(24)			125
Wells Fargo other comprehensive income (loss), net of tax			\$ (764)			321			1,887			(1,129)

(1) Represents net unrealized gains and losses amortized over the remaining lives of securities that were transferred from the available-for-sale portfolio to the held-to-maturity portfolio.

(2) These items are included in the computation of net periodic benefit cost, which is recorded in employee benefits expense (see Note 15 (Employee Benefits) for additional details).

Note 17: Other Comprehensive Income (continued)

Table 17.2: Cumulative OCI Balances

(in millions)	Investment securities	Derivatives and hedging activities	Defined benefit plans adjustments	Foreign currency translation adjustments	Cumulative other comprehensive income
Quarter ended September 30, 2016					
Balance, beginning of period	\$ 2,812	2,199	(1,921)	(142)	2,948
Net unrealized gains (losses) arising during the period	80	(277)	(279)	(11)	(487)
Amounts reclassified from accumulated other comprehensive income	(120)	(163)	25	—	(258)
Net change	(40)	(440)	(254)	(11)	(745)
Less: Other comprehensive income from noncontrolling interests	19	—	—	—	19
Balance, end of period	\$ 2,753	1,759	(2,175)	(153)	2,184
Quarter ended September 30, 2015					
Balance, beginning of period	\$ 3,509	310	(1,665)	(86)	2,068
Net unrealized gains (losses) arising during the period	(293)	1,102	—	(67)	742
Amounts reclassified from accumulated other comprehensive income	(279)	(183)	19	—	(443)
Net change	(572)	919	19	(67)	299
Less: Other comprehensive loss from noncontrolling interests	(20)	—	—	(2)	(22)
Balance, end of period	\$ 2,957	1,229	(1,646)	(151)	2,389
Nine months ended September 30, 2016					
Balance, beginning of period	\$ 1,813	620	(1,951)	(185)	297
Net unrealized gains (losses) arising during the period	1,540	1,627	(296)	33	2,904
Amounts reclassified from accumulated other comprehensive income	(625)	(488)	72	—	(1,041)
Net change	915	1,139	(224)	33	1,863
Less: Other comprehensive income (loss) from noncontrolling interests	(25)	—	—	1	(24)
Balance, end of period	\$ 2,753	1,759	(2,175)	(153)	2,184
Nine months ended September 30, 2015					
Balance, beginning of period	\$ 4,926	333	(1,703)	(38)	3,518
Net unrealized gains (losses) arising during the period	(1,238)	1,391	(7)	(117)	29
Amounts reclassified from accumulated other comprehensive income	(602)	(495)	64	—	(1,033)
Net change	(1,840)	896	57	(117)	(1,004)
Less: Other comprehensive income (loss) from noncontrolling interests	129	—	—	(4)	125
Balance, end of period	\$ 2,957	1,229	(1,646)	(151)	2,389

Note 18: Operating Segments

We have three reportable operating segments: Community Banking; Wholesale Banking; and Wealth and Investment Management. We define our operating segments by product type and customer segment and their results are based on our management accounting process, for which there is no comprehensive, authoritative guidance equivalent to GAAP for financial accounting. The management accounting process measures the performance of the operating segments based on

our management structure and is not necessarily comparable with similar information for other financial services companies. If the management structure and/or the allocation process changes, allocations, transfers and assignments may change. For a description of our operating segments, including the underlying management accounting process, see Note 24 (Operating Segments) to Financial Statements in our 2015 Form 10-K. Table 18.1 presents our results by operating segment.

Table 18.1: Operating Segments

	Community Banking		Wholesale Banking		Wealth and Investment Management		Other (1)		Consolidated Company	
(income/expense in millions, average balances in billions)	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Quarter ended Sep 30,										
Net interest income (2)	\$ 7,430	7,409	4,062	3,611	977	887	(517)	(450)	11,952	11,457
Provision (reversal of provision) for credit losses	651	668	157	36	4	(6)	(7)	5	805	703
Noninterest income	4,957	5,524	3,085	2,715	3,122	2,991	(788)	(812)	10,376	10,418
Noninterest expense	6,953	6,778	4,120	3,503	2,999	2,909	(804)	(791)	13,268	12,399
Income (loss) before income tax expense (benefit)	4,783	5,487	2,870	2,787	1,096	975	(494)	(476)	8,255	8,773
Income tax expense (benefit)	1,546	1,785	827	815	415	371	(187)	(181)	2,601	2,790
Net income (loss) before noncontrolling interests	3,237	3,702	2,043	1,972	681	604	(307)	(295)	5,654	5,983
Less: Net income (loss) from noncontrolling interests	10	142	(4)	47	4	(2)	—	—	10	187
Net income (loss) (3)	\$ 3,227	3,560	2,047	1,925	677	606	(307)	(295)	5,644	5,796
Average loans	\$ 489.2	477.0	454.3	405.6	68.4	61.1	(54.4)	(48.6)	957.5	895.1
Average assets	993.6	898.9	794.2	739.1	212.1	192.6	(85.3)	(84.2)	1,914.6	1,746.4
Average deposits	708.0	655.6	441.2	442.0	189.2	172.6	(76.9)	(71.3)	1,261.5	1,198.9
Nine months ended Sep 30,										
Net interest income (2)	\$22,277	21,833	11,729	10,639	2,852	2,545	(1,506)	(1,304)	35,352	33,713
Provision (reversal of provision) for credit losses	2,060	1,723	905	(99)	(8)	(19)	8	6	2,965	1,611
Noninterest income	14,928	15,178	9,660	8,706	9,020	9,285	(2,275)	(2,411)	31,333	30,758
Noninterest expense	20,437	20,088	12,124	10,625	9,017	9,069	(2,416)	(2,407)	39,162	37,375
Income (loss) before income tax expense (benefit)	14,708	15,200	8,360	8,819	2,863	2,780	(1,373)	(1,314)	24,558	25,485
Income tax expense (benefit)	4,910	4,695	2,341	2,583	1,087	1,054	(521)	(500)	7,817	7,832
Net income (loss) before noncontrolling interests	9,798	10,505	6,019	6,236	1,776	1,726	(852)	(814)	16,741	17,653
Less: Net income (loss) from noncontrolling interests	96	183	(22)	146	3	5	—	—	77	334
Net income (loss) (3)	\$ 9,702	10,322	6,041	6,090	1,773	1,721	(852)	(814)	16,664	17,319
Average loans	\$ 486.4	473.9	445.2	390.7	66.4	59.1	(52.8)	(47.3)	945.2	876.4
Average assets	969.6	906.2	771.9	714.6	208.5	191.1	(84.3)	(83.9)	1,865.7	1,728.0
Average deposits	698.3	651.3	431.7	435.4	185.4	170.4	(76.1)	(70.7)	1,239.3	1,186.4

- (1) Includes the elimination of certain items that are included in more than one business segment, substantially all of which represents products and services for Wealth and Investment Management customers served through Community Banking distribution channels.
- (2) Net interest income is the difference between interest earned on assets and the cost of liabilities to fund those assets. Interest earned includes actual interest earned on segment assets and, if the segment has excess liabilities, interest credits for providing funding to other segments. The cost of liabilities includes interest expense on segment liabilities and, if the segment does not have enough liabilities to fund its assets, a funding charge based on the cost of excess liabilities from another segment.
- (3) Represents segment net income (loss) for Community Banking; Wholesale Banking; and Wealth and Investment Management segments and Wells Fargo net income for the consolidated company.

Note 19: Regulatory and Agency Capital Requirements

The Company and each of its subsidiary banks are subject to regulatory capital adequacy requirements promulgated by federal bank regulatory agencies. The Federal Reserve establishes capital requirements for the consolidated financial holding company, and the OCC has similar requirements for the Company's national banks, including Wells Fargo Bank, N.A. (the Bank).

Table 19.1 presents regulatory capital information for Wells Fargo & Company and the Bank using Basel III, which increased minimum required capital ratios, and introduced a minimum Common Equity Tier 1 (CET1) ratio. We must report the lower of our CET1, tier 1 and total capital ratios calculated under the Standardized Approach and under the Advanced Approach in the assessment of our capital adequacy. The information presented reflects risk-weighted assets (RWAs) under the Standardized and Advanced Approaches with Transition Requirements. The Standardized Approach applies assigned risk weights to broad risk categories, while the calculation of RWAs under the Advanced Approach differs by requiring applicable banks to

utilize a risk-sensitive methodology, which relies upon the use of internal credit models, and includes an operational risk component. The Basel III revised definition of capital, and changes are being phased-in effective January 1, 2014, through the end of 2021.

The Bank is an approved seller/servicer of mortgage loans and is required to maintain minimum levels of shareholders' equity, as specified by various agencies, including the United States Department of Housing and Urban Development, GNMA, FHLMC and FNMA. At September 30, 2016, the Bank met these requirements. Other subsidiaries, including the Company's insurance and broker-dealer subsidiaries, are also subject to various minimum capital levels, as defined by applicable industry regulations. The minimum capital levels for these subsidiaries, and related restrictions, are not significant to our consolidated operations.

Table 19.1: Regulatory Capital Information

(in millions, except ratios)	Wells Fargo & Company				Wells Fargo Bank, N.A.			
	September 30, 2016		December 31, 2015		September 30, 2016		December 31, 2015	
	Advanced Approach	Standardized Approach	Advanced Approach	Standardized Approach	Advanced Approach	Standardized Approach	Advanced Approach	Standardized Approach
Regulatory capital:								
Common equity tier 1	\$ 148,845	148,845	144,247	144,247	132,794	132,794	126,901	126,901
Tier 1	171,491	171,491	164,584	164,584	132,794	132,794	126,901	126,901
Total	202,182	213,408	195,153	205,529	145,757	156,142	140,545	149,969
Assets:								
Risk-weighted	\$ 1,313,080	1,361,405	1,263,182	1,303,148	1,166,282	1,236,842	1,100,896	1,197,648
Adjusted average (1)	1,883,305	1,883,305	1,757,107	1,757,107	1,699,270	1,699,270	1,584,297	1,584,297
Regulatory capital ratios:								
Common equity tier 1 capital	11.34%	10.93 *	11.42	11.07 *	11.39	10.74 *	11.53	10.60 *
Tier 1 capital	13.06	12.60 *	13.03	12.63 *	11.39	10.74 *	11.53	10.60 *
Total capital	15.40 *	15.68	15.45 *	15.77	12.50 *	12.62	12.77	12.52 *
Tier 1 leverage (1)	9.11	9.11	9.37	9.37	7.81	7.81	8.01	8.01

*Denotes the lowest capital ratio as determined under the Advanced and Standardized Approaches.

(1) The leverage ratio consists of Tier 1 capital divided by quarterly average total assets, excluding goodwill and certain other items.

Table 19.2 presents the minimum required regulatory capital ratios under Transition Requirements to which the Company and the Bank were subject as of September 30, 2016 and December 31, 2015.

Table 19.2: Minimum Required Regulatory Capital Ratios – Transition Requirements (1)

	Wells Fargo & Company		Wells Fargo Bank, N.A.	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Regulatory capital ratios:				
Common equity tier 1 capital	5.625%	4.500	5.125	4.500
Tier 1 capital	7.125	6.000	6.625	6.000
Total capital	9.125	8.000	8.625	8.000
Tier 1 leverage	4.000	4.000	4.000	4.000

(1) At September 30, 2016, under transition requirements, the CET1, tier 1 and total capital minimum ratio requirements for Wells Fargo & Company include a capital conservation buffer of 0.625% and a global systemically important bank (G-SIB) surcharge of 0.5%. Only the 0.625% capital conservation buffer applies to the Bank at September 30, 2016.

Glossary of Acronyms

ABS	Asset-backed security	HAMP	Home Affordability Modification Program
ACL	Allowance for credit losses	HUD	U.S. Department of Housing and Urban Development
ALCO	Asset/Liability Management Committee	LCR	Liquidity coverage ratio
ARM	Adjustable-rate mortgage	LHFS	Loans held for sale
ASC	Accounting Standards Codification	LIBOR	London Interbank Offered Rate
ASU	Accounting Standards Update	LIHTC	Low income housing tax credit
AUA	Assets under administration	LOCOM	Lower of cost or market value
AUM	Assets under management	LTV	Loan-to-value
AVM	Automated valuation model	MBS	Mortgage-backed security
BCBS	Basel Committee on Bank Supervision	MHA	Making Home Affordable programs
BHC	Bank holding company	MHFS	Mortgages held for sale
CCAR	Comprehensive Capital Analysis and Review	MSR	Mortgage servicing right
CD	Certificate of deposit	MTN	Medium-term note
CDO	Collateralized debt obligation	NAV	Net asset value
CDS	Credit default swaps	NPA	Nonperforming asset
CET1	Common Equity Tier 1	OCC	Office of the Comptroller of the Currency
CLO	Collateralized loan obligation	OCI	Other comprehensive income
CLTV	Combined loan-to-value	OTC	Over-the-counter
CMBS	Commercial mortgage-backed securities	OTTI	Other-than-temporary impairment
CPP	Capital Purchase Program	PCI Loans	Purchased credit-impaired loans
CRE	Commercial real estate	PTPP	Pre-tax pre-provision profit
DPD	Days past due	RBC	Risk-based capital
ESOP	Employee Stock Ownership Plan	RMBS	Residential mortgage-backed securities
FAS	Statement of Financial Accounting Standards	ROA	Wells Fargo net income to average total assets
FASB	Financial Accounting Standards Board	ROE	Wells Fargo net income applicable to common stock to average Wells Fargo common stockholders' equity
FDIC	Federal Deposit Insurance Corporation	ROTCE	Return on average tangible common equity
FFELP	Federal Family Education Loan Program	RWAs	Risk-weighted assets
FHA	Federal Housing Administration	SEC	Securities and Exchange Commission
FHLB	Federal Home Loan Bank	S&P	Standard & Poor's Ratings Services
FHLMC	Federal Home Loan Mortgage Corporation	SPE	Special purpose entity
FICO	Fair Isaac Corporation (credit rating)	TARP	Troubled Asset Relief Program
FNMA	Federal National Mortgage Association	TDR	Troubled debt restructuring
FRB	Board of Governors of the Federal Reserve System	TLAC	Total Loss Absorbing Capacity
GAAP	Generally accepted accounting principles	VA	Department of Veterans Affairs
GNMA	Government National Mortgage Association	VaR	Value-at-Risk
GSE	Government-sponsored entity	VIE	Variable interest entity
G-SIB	Globally systemic important bank		