WELLS FARGO

2Q12 EPS Review: Record Earnings Persist

Bottom line: Once again, strong mortgage revenue and a resilient net interest margin drove the reported upside to consensus despite soft loan demand and higher-than-modeled expenses. While it no longer believes it will meet its $11.25bn Project Compass expense target by 4Q12, we remain encouraged as it reflects increased revenue opportunities, particularly in mortgage. In addition, its efficiency ratio remains within its targeted 59%-55% range (58.2% at 2Q12) while it continues to return capital to shareholders (repurchased 53mn shares, 1% of outstanding, in 2Q). Despite the tepid environment, we believe WFC will continue to capitalize on its diversified revenue mix and successfully navigate future industry headwinds.

Results: WFC reported 2Q12 EPS of a record $0.82, with core EPS appearing closer to $0.83 (see "Quality of Earnings" section). Consensus was $0.81. Relative to our forecast, a higher-than-modeled net interest margin was able to compensate for higher-than-anticipated expenses.

Drivers: Relative to 1Q12, results evidenced a slightly larger balance sheet (average earning assets +1%), a stable net interest margin (PCI resolution income), lower core fee income (higher mortgage offset by lower trading), lower core expenses (seasonally lower employee-related expenses), improved asset quality metrics (lower NPAs, NCOs, and provision), a lower effective tax rate (-159bps), and a higher average share count despite a 53mn share repurchase (compensation issuance/buyback timing).

Estimates: Following 2Q12's better-than-expected EPS result, we raising our full-year 2012 EPS estimate $0.07 to $3.27 to better reflect expectations for continued strength in mortgage and a lower share count, only partially offset by accompanying expenses. Our 2013 EPS estimate remains $3.70.

WFC: Quarterly and Annual EPS (USD)

	2011	2012			2013			Change y/y	
FY Dec	Actual	Old	New	Cons	Old	New	Cons	2012	2013
Q1	0.67A	0.75A	0.75A	0.75A	N/A	N/A	0.85E	12%	N/A
Q2	0.70A	0.80E	0.82A	0.81E	N/A	N/A	0.92E	17%	N/A
Q3	0.72A	0.80E	0.85E	0.84E	N/A	N/A	0.95E	18%	N/A
Q4	0.73A	0.84E	0.85E	0.87E	N/A	N/A	0.96E	16%	N/A
Year	2.82A	3.20E	3.27E	3.28E	3.70E	3.70E	3.65E	16%	13%
P/E	12.0		10.4			9.2			

Source: Barclays Research.
Consensus numbers are from Thomson Reuters

Stock Rating	1-OVERWEIGHT Unchanged
Sector View	1-POSITIVE Unchanged
Price Target	USD 42.00 Unchanged

Price (13-Jul-2012)	USD 33.91
Potential Upside/Downside	+24%
Tickers	WFC

Market Cap (USD mn)	174633
Shares Outstanding (mn)	5316.07
Free Float (%)	99.89
52 Wk Avg Daily Volume (mn)	33.6
Dividend Yield (%)	2.1
Return on Equity TTM (%)	11.73
Current BVPS (USD)	25.17

Source: FactSet Fundamentals

Price Performance	Exchange-NYSE
52 Week range	USD 34.59-22.58

Link to Barclays Live for interactive charting

U.S. Large-Cap Banks

Jason M. Goldberg, CFA
1.212.526.8580
jason.goldberg@barclays.com
BCI, New York

Matthew J. Keating, CFA
1.212.526.8572
matthew.keating@barclays.com
BCI, New York

Brian Morton, CFA
1.212.526.2163
brian.morton@barclays.com
BCI, New York

James McGlinch
1.201.499.0971
james.mcglinch@barclays.com
BCI, New York

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COMPANY SNAPSHOT

Wells Fargo | U.S. Large-Cap Banks

Income statement ($mn)	2011A	2012E	2013E	2014E	CAGR
Net interest income	43,460.0	44,911.9	45,634.9	47,916.6	3.3%
Operating expenses	46,365	47,694	47,157	48,344	1.4%
Pre-provision earnings	33,591	37,210	38,873	40,534	6.5%
Loan loss provisions	7,899	7,134	6,119	6,425	-6.7%
Pre-tax income	23,656	28,511	31,227	32,947	11.7%
Net income (adj)	15,025	17,438	19,242	20,366	10.7%
Balance sheet ($bn)					**Average**
Total assets	1,314	1,377	1,463	1,536	1,423
Risk-weighted assets	1,006	1,040	1,105	1,160	1,078
Non-performing loans ($mn)	21,304	19,500	17,550	15,795	18,537
Allowance for loan losses	19	17	15	14	17
Loans	769.6	798.6	838.6	880.5	821.8
Deposits	920	966	1,015	1,066	992
Tier 1 capital	114	122	130	140	126
Tier 1 common capital	95	106	114	124	110
Shareholders' equity	129	140	149	158	144
Tangible common equity	95	107	116	125	111
Loan/deposit ratio (%)	86.8	83.0	83.0	83.0	84.0
Valuation and leverage metrics					**Average**
P/E (reported) (x)	12.0	10.4	9.2	8.5	10.0
P/BV (tangible) (x)	1.9	1.7	1.5	1.4	1.6
Dividend yield (%)	1.4	2.6	3.3	3.5	2.7
P/PPE (x)	5.4	4.9	4.5	4.3	4.8
Tier 1 (%)	11.33	11.71	11.80	12.04	11.72
Tier 1 Common (%)	9.46	10.15	10.34	10.65	10.15
Tang assets/tang equity (x)	13.5	12.6	12.4	12.0	12.6
Margin and return data					**Average**
Return on RWAs (%)	1.6	1.8	1.8	1.9	1.8
ROA (%)	1.3	1.4	1.4	1.4	1.4
ROE (tangible common) (%)	17.1	17.5	17.7	17.2	17.4
Fee income/revenue (%)	45.6	47.1	47.0	46.1	46.4
Net interest margin (%)	3.9	3.9	3.7	3.7	3.8
Cost/income (%)	58.0	56.2	54.8	54.4	55.8
Credit quality ratios					**Average**
Loan loss provs/loans (%)	1.0	0.9	0.7	0.7	0.9
NCO ratio (%)	1.5	1.1	1.0	0.8	1.1
Coverage ratio (%)	90.9	89.1	87.4	91.7	89.8
NPL ratio (%)	2.8	2.4	2.1	1.8	2.3
Reserves/loans (%)	2.5	2.2	1.8	1.6	2.0
Per share data ($)					**Average**
EPS (reported)	2.82	3.27	3.70	4.00	3.45
DPS	0.48	0.88	1.11	1.20	0.92
BVPS (tangible)	18.2	20.5	22.7	25.0	21.6
Payout ratio (%)	17.0	26.9	30.0	30.0	26.0
Diluted shares (mn)	5,323.4	5,336.4	5,193.6	5,089.7	5,235.8

Source: Company data, Barclays Research
Note: FY End Dec

Stock Rating	1-OVERWEIGHT
Sector View	1-POSITIVE
Price (13-Jul-2012)	USD 33.91
Price Target	USD 42.00
Ticker	WFC

Investment case

Why a 1-Overweight? WFC benefits from a talented management team, diversified business mix, and a retail deposit base that helps drive the highest NIM amongst its U.S. large-cap peers. We expect its cross-selling traction to continue as it drives further revenue and expense synergies from its WB acquisition.

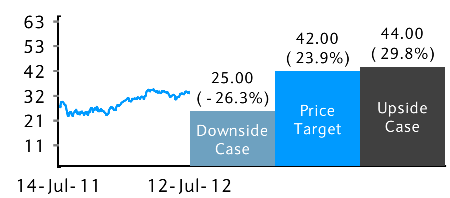
Upside case — USD 44.00

If mortgage banking activity comes in better than the MBA's current forecast and loan growth accelerates from our 5% expectations, its 2012 EPS could increase to $3.45 from $3.20 and allow its shares to trade at 13x earnings or $44.

Downside case — USD 25.00

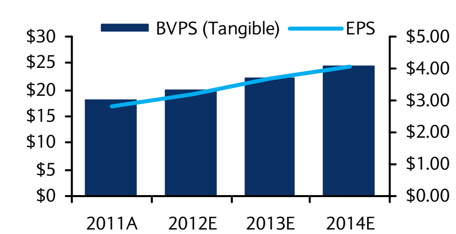
If the U.S. housing market were to experience another 10%-15% decline, we could envision a scenario in which WFC shares trade back down to their 1.3x price to tangible book minimum over the past two years or $25.00.

Upside/downside scenarios



Source: Barclays Research

EPS vs. BVPS (Tangible)



Source: Company data, Barclays Research

Executive Summary

Bottom line/rating

Once again, strong mortgage revenue and a resilient net interest margin drove the reported upside to consensus despite soft loan demand and higher than modeled expenses. While it no longer believes it will meet its $11.25bn Project Compass expense target by 4Q12, we remain encouraged as it reflects increased revenue opportunities, particularly in mortgage. In addition, its efficiency ratio remains within its targeted 59%-55% range (58.2% at 2Q12) while it continues to return capital to shareholders (repurchased 53mn shares, 1% of outstanding, in 2Q). Despite the tepid environment, we believe WFC will continue to capitalize on its diversified revenue mix and successfully navigate future industry headwinds. We rate WFC 1-OW (Sector: 1-Positive).

Estimates/target

Following 2Q12's better-than-expected EPS result, we raising our full-year 2012 EPS estimate $0.07 to $3.27 to better reflect expectations for continued strength in mortgage and a lower share count, only partially offset by accompanying expenses. Our 2013 EPS estimate remains $3.70.

Results Overview

- WFC reported 2Q12 EPS of a record $0.82, with core EPS appearing closer to $0.83 (see "Quality of Earnings" section below). Consensus was $0.81. Relative to our forecast, a higher-than-expected net interest margin was able to compensate for higher-than-anticipated expenses.

- Operating revenues rose 7% y-o-y and declined 1% linked quarter to $21.3bn. Pre-provision net revenue (PPNR) increased 2% sequentially to $9.2bn. Businesses generating linked quarter revenue growth included capital finance, capital markets, commercial banking, commercial mortgage servicing, commercial real estate, corporate banking, corporate trust, debit card, equipment finance, global remittance, government and institutional banking, home equity, international, merchant services, real estate capital markets, and wealth management.

- Relative to 1Q12, results evidenced a slightly larger balance sheet (average earning assets +1%), a stable net interest margin (PCI resolution income), lower core fee income (higher mortgage offset by lower trading), lower core expenses (seasonally lower employee related expenses), improved asset quality metrics (lower NPAs, NCOs, and provision), a lower effective tax rate (-159bps), and a higher average share count despite a 53mn share repurchase (compensation issuance/buyback timing).

- It posted an ROA of 1.31% and an ROE of 12.86%. Its Basel I Tier 1 common ratio was 10.08% (+13bps), while it was 7.78% under Basel III (-3bps). Net unrealized securities gains totaled $9.5bn, up from $8.7bn at 1Q12. In 2Q12, it redeemed $1.8bn of TruPS (6.31% coupon), repurchased 53mn shares of stock (1% of outstanding) and entered into a forward share repurchase agreement for 11mn shares expected to settle in 3Q12.

- Its retail household cross-sell metric stood at 6.0 for the combined company, up from 5.98 at 1Q12, with 6.37 in the West and 5.52 in the East. In addition, its credit card penetration in retail banking households rose to 31% (29% at 1Q12) and new accounts increased 5% linked quarter.

- Its 2Q12 earnings mix was 53% (52%) community banking, 40% (37%) wholesale banking, and 7% (7%) wealth, brokerage & retirement.

Quality of Earnings

- Expenses included $89mn in higher severance expense driven by expense initiatives and $100mn tied to mortgage servicing regulatory consent orders ($0.02 in all).
- Equity investment gains were $242mn, while debt securities losses totaled $61mn ($0.02 net).
- Results included a net MSR gain of $377mn ($0.05), compared to a $58mn ($0.01) loss in 1Q12.
- It also booked $524mn ($0.06) of operating losses, which was up from $477mn ($0.06) in 1Q12. The $47mn ($0.005) linked quarter increase was primarily driven by its settlement with the DOJ.

The above items collectively subtracted about $0.01 from results, placing core EPS closer to $0.83.

- Results also included a $669mn ($0.08) provision for mortgage loan repurchase losses, up from the $430mn ($0.05) reported in 1Q12. This increase is based on expectations for elevated future repurchase demands due to recent changes in GSE behavior.
- Its loan loss reserve release was $400mn ($0.05), stable with 1Q12. It continues to expect further reserve releases.
- Results included discount accretion of $630mn ($0.08) compared with $512mn ($0.06) in 1Q12.
- Its tax rate decreased 159bps to 33.4% (35.0% at 1Q12).

Forward-Looking Statements

- **Loan growth:** While average loans were flat in 2Q12, period end loans increased 1%, and it believes it will continue to have opportunities to grow loans both organically and through acquisitions going forward. Its acquisition of WestLB's subscription finance portfolio ($6bn in commitments, $3bn outstanding) did not close until later in 2Q12 and should provide a benefit to 3Q12 results. In addition to acquisitions, it continues to see increasing line utilization from its middle market customers, its mortgage pipeline remains robust ($102bn at 2Q12 vs. $79mn at 1Q12), and its cross-sell metrics continue to improve. Auto, small business and card have also remained relative bright spots on the consumer side.
- **Net interest margin/income:** While not offering specific net interest margin (3.91% at 2Q12) guidance, it noted that it expects pressure associated with the current interest rate environment. While its margin was unchanged linked quarter in 2Q12, this was primarily driven by one-time items, including a 7bp incremental benefit from PCI income which is not expected to repeat at the same magnitude. Still, it believes its net interest income could continue to grow even in an environment of net interest margin compression as it continues to grow loans and invest in securities.

- **Fee income:** Approximately 16% of its mortgage origination volume in 2Q12 was related to HARP (both 1.0 and 2.0), and it expects it to approximate that percentage in the near-term. In 2Q12, its mortgage application volume increased 11% to $208bn and its unclosed pipeline increased 29% to $102bn (2nd highest in its history), which gives it confidence that mortgage will remain a near-term tailwind. Based on its July 12 settlement with the DOJ, WFC is exiting the mortgage wholesale business which accounts for 5% of total originations, citing the move as a risk management decision. However, it noted that it remains committed to the correspondent business.

- **Expenses:** While expenses declined $0.6bn in 2Q12, in line with its guidance for a $500mn-$700mn improvement, due to greater than expected revenue opportunities, largely related to mortgage, it no longer expects to meet its 4Q12 Project Compass expense target of $11.25bn. However, its efficiency ratio came in at 58.2%, within its targeted range of 55%-59% and it expects it to remain within this targeted range for the remainder of the year as expenses levels continue to have room for improvement over the remainder of 2012. We view this as positive news as its revenue opportunities are higher-than-anticipated and it remains committed to driving positive operating leverage. Importantly, it still expects its expense levels to trend down over the remainder of the year from 2Q12 levels ($12.4bn).

- **Credit quality:** WFC has experienced significant improvement in its credit performance over the past two years and it expects continued but slower improvement this year as losses approach a stable, more normalized level. Absent significant deterioration in the economy, it continues to expect future reserve releases ($400mn in 2Q12) in 2012.

- **Capital deployment:** WFC redeemed $1.8bn of TruPS during 2Q12 with an average coupon of 6.31%, bringing its total TruPS redemptions to $11.9bn since the beginning of 2011. In terms of share repurchase, although its average share count increased 32mn linked quarter to 5.37bn, WFC did repurchase 53mn shares during the quarter (repurchased 7.6mn in 1Q12) and entered into a forward share repurchase agreement for 11mn shares expected to settle during 3Q12. It attributed the higher average share count, despite its 53mn repurchase, to timing around share issuance for compensation and when shares were repurchased in the quarter.

- **Mortgage Repurchase Reserve:** WFC added $669mn to its mortgage repurchase reserve in 2Q12 (+$239mn from 1Q12) despite a decline in outstanding repurchase demands, as projected GSE repurchase demands are expected to increase in future quarters based on recent GSE behavior and discussions toward the end of the quarter. While it believes its current repurchase reserve is sufficient to handle the projected increase in demands, it does anticipate future additions to its repurchase reserve.

Net Interest Income

- Net interest income increased 1% linked quarter (flat in 1Q12), reflecting a stable net interest margin, which benefitted from purchased credit impaired loan resolution income, and a 1% increase in average earnings assets. Within earning assets, both average loans and securities were relatively stable. Fed funds sold rose by $15bn.

- Period-end loans increased $8.7bn, or 1.1% from 1Q12. Ex. runoff in the non-strategic/liquidating portfolio of $5.1bn, loans in the core portfolio grew $13.8bn in the quarter (+2.1%). Half of the loan growth in the core loans was from $6.9bn of commercial loans acquired during the quarter from WestLB's subscription finance loan portfolio and BNP Paribas's North American energy lending business. In addition, commercial, mortgage, credit card and auto increased, while home equity and CRE declined. Over the past year, its non-strategic loan portfolio (13% of loans) has decreased at an average pace of $5bn per quarter, including a $5.1bn decline in 2Q12 (-$4.1bn in 1Q12).

- Its net interest margin remained stable linked quarter at 3.91%, reflecting a 7bp incremental benefit from PCI loan resolution income, which helped offset pressure from balance sheet repricing in the current low rate environment.

- Its yield on average earning assets declined 2bps to 4.37%, despite a 2bp increase in average loan yields and a 13bp increase in AFS securities yields (moved from agencies to munis), while its average cost of interest bearing liabilities declined 2bps to 0.46%. Its average cost of deposits declined 1bp to 19bps, as its cost of interest bearing deposits remained steady at 27bps. It has now grown deposits while decreasing deposit costs for seven consecutive quarters. Its average core deposits increased $10.1bn to $880.6bn from 1Q12 and represented 115% of average loans.

- Its PCI loans totaled $33.8bn, down $2.9bn linked quarter. Its nonaccretable difference was $9.2bn, down $649mn linked quarter. The composition of the decline was $541mn from loan resolutions and write-down, $84mn from reclassifications due to accretable yield for loans with improving credit related cash flows, and $24mn was resolved by settlement with the borrower. Its remaining PCI nonaccretable difference equals 21% (25% at 1Q12) of remaining UPB.

Fee income & Expenses

- Fee income declined 3% linked quarter, as higher mortgage banking revenue (+1%) was offset by lower trading (-59%) and other (-37%).

- Mortgage banking fee income totaled $2.88bn, up $23mn, or 1%, from 1Q12. Core origination fees declined $165mn, or 5%, to $2.9bn. Mortgage originations increased $2bn, or 2%, to $131bn, with retail up 2% and wholesale flat. It booked a $669mn addition to its mortgage repurchase reserve, up from $430mn in 1Q12, citing projected increases in agency repurchase demands. Meanwhile, core servicing fees were relatively flat linked quarter at $1.0bn, and its residential servicing book for others was flat at $1.5trn.

- It posted a net MSR gain of $377mn in 2Q12, compared to a $58mn loss in 1Q12, primarily reflecting gains from economic hedges. Its MSR ratio was 0.69%, down 8bps from 0.77% at 1Q12. The average note rate on the servicing portfolio was 4.97%, compared to 5.09% at 1Q12, and still materially above the current mortgage rate of 3.65%.

- Mortgage applications increased 11% (+91% y-o-y) to $208bn, of which 69% was refi (76% at 1Q12). Of note, purchase volume was up over 43%, or $19bn, from 1Q12, which WFC attributes to increasing strength in the housing market, particularly in areas that were hardest hit during the recent downturn. Its unclosed mortgage pipeline increased 29% (100% y-o-y), or $23bn, to $102bn in 2Q12.

- Its provision for mortgage repurchase losses increased to $669mn in 2Q12 from $430mn at 1Q12, while its realized losses rose $37mn to $349mn. Its liability for repurchases (i.e. reserve) increased $320mn to 1.7bn. Its total outstanding repurchase demands outstanding declined linked quarter in both number (7,440 loans vs. 8,160) and balances ($1.67bn vs. $1.86bn), with Agency repurchase demands (2006-early 2008) continuing to comprise the vast majority. It explained that it increased its repurchase provision this quarter due to ongoing changes in GSE behavior and higher projected future repurchase demands. Non-Agency repurchase demands continue to be a small percentage of total demands outstanding. While it believes its reserve currently covers losses related to these higher expected demands, it believes it will continue to add to this reserve in future quarters.

- Core expenses declined 3% sequentially, reflecting lower employee related expenses from 1Q12's seasonally elevated level. Reported expenses declined $0.6bn, or 5%, to $12.4bn, which is in-line with its $0.5bn-$0.7bn guidance.

- Employee benefits expense led the linked quarter decline (-$559mn), followed by equipment (-$98mn), commission and incentive compensation (-$63mn), FDIC assessment fees (-$24mn), net occupancy (-$6mn), and core deposit and other intangibles (-$1mn), while salaries (+$104mn) and other (+$284mn) increased. Merger and integration charges were eliminated as expected ($218mn at 1Q12), while OREO expense declined $15mn to $289mn.

- Its core efficiency ratio declined 125bps to 56.9%, while its reported efficiency ratio declined to 58.2%, which is within the 59%-55% target it set at its 2012 investor day.

- Due to its stronger-than-anticipated revenue opportunities, WFC no longer expects to meet its 4Q12 expense target of $11.25bn, but it still sees continued expense improvement in 2H12 and expects its efficiency ratio to remain within its 55%-59% targeted range.

Asset Quality

- WFC's NPA ratio improved 26bps to 3.19% in 2Q12 (+11bps in 1Q12), while dollar NPAs declined 7%, or $1.8bn, to $24.9bn. Nonaccrual loans declined 7%, or $1.8bn, to $20.6bn after increasing $0.7bn in 1Q12 due to changes in the treatment of current second liens behind delinquent firsts. OREO declined 7% as well, or $310mn, to $4.3bn. Loans 90 days or more past due (ex. government insured/guaranteed) declined $276mn linked quarter to $1.4bn (-17%).

- Its NCO ratio improved 10bps to 1.15%. Commercial NCOs were 0.42%, down 3bps, while consumer NCOs totaled 1.76%, down 15bps. NCOs on its $22.7bn credit card portfolio totaled 4.37%, down 3bps. Its $95.8bn core home equity portfolio saw NCOs decline 31bps to 2.60%, while NCOs in its liquidating portfolio increased 3bps to 8.14%. Its $152.5bn core mortgage book saw NCOs decline 15bps to 0.92%. Its $2.4bn direct auto portfolio saw NCOs decline 109bps to 0%, while its $42.4bn indirect auto portfolio saw NCOs decline 28bps to 0.29%. NCOs in its $10.3bn private student lending portfolio increased 13bps to 1.01%.

- Its loan loss provision of $1.8bn ($2.0bn at 1Q12) was $400mn ($0.05) less than net charge-offs of $2.2bn ($400mn release in 1Q12). Its reserve-to-loan ratio declined 10bps to 2.36%, while its reserve-to-NPLs ratio increased 344bps to 89.0%.

- Of its $775.2bn in loans at 2Q12, PCI loans totaled $33.8bn ($5.3bn commercial and $28.5bn consumer). Its pick-a-pay portfolio included $27.7bn of PCI loans (fair value $34.6bn) and $34.3bn of non-PCI loans (8% of total loans in all). The PCI book has an

87% current loan-to-value, compared to the non-PCI portfolio at 85%. The non-PCI component saw NPLs increase

- Out of its $766.5bn in loans at 1Q12, PCI loans totaled $35.5bn ($6.3bn commercial and $29.3bn consumer). Its pick-a-pay portfolio included $27.7bn of PCI loans (fair value $34.6bn) and $34.3bn of non-PCI loans (8% of total loans in all). The PCI book has a 89% CLTV, compared to the non-PCI portfolio at 85%. The non-PCI component saw NPLs increase 7bps linked quarter, while dollar NCOs increased $3mn. Approximately 68% of the PCI book was current in 2Q12 vs. 69% at 1Q12.

Figure 1: WFC Earnings Model- Income Statement ($ in millions)

	Actual	Actual	Actual					Quarterly Forecast					Annual Forecast				Annual Change							2Q12A vs.	
	2009A	2010A	1Q11A	2Q11A	3Q11A	4Q11A	2011A	1Q12A	2Q12A	3Q12E	4Q12E	2012E	2013E	2014E	2015E	2016E	09/10	10/11	11/12	12/13	13/14	14/15	15/16	2Q11A	1Q12A
EPS - operating	$2.04	$2.49	$0.67	$0.70	$0.72	$0.73	$2.82	$0.75	$0.82	$0.85	$0.85	$3.27	$3.70	$4.00	$4.55	$5.00	22%	13%	16%	13%	8%	14%	10%	17%	9%
EPS - reported	**$1.75**	**$2.21**	**$0.67**	**$0.70**	**$0.72**	**$0.73**	**$2.82**	**$0.75**	**$0.82**	**$0.85**	**$0.85**	**$3.27**	**$3.70**	**$4.00**	**$4.55**	**$5.00**	**26%**	**28%**	**16%**	**13%**	**8%**	**14%**	**10%**	**17%**	**9%**
Book value	$20.03	$22.49	$23.18	$23.84	$24.13	$24.64	$24.48	$25.45	$26.06	$26.40	$26.94	$26.94	$29.24	$31.72	$34.52	$37.59	12%	9%	10%	9%	9%	9%	9%	9%	2%
Dividend	$0.49	$0.20	$0.12	$0.12	$0.12	$0.12	$0.48	$0.22	$0.22	$0.22	$0.22	$0.88	$1.11	$1.20	$1.37	$1.50	-59%	140%	83%	26%	8%	14%	10%	83%	0%
Diluted average shares	4,563	5,263	5,333	5,332	5,319	5,318	5,323	5,338	5,370	5,338	5,300	5,336	5,194	5,090	4,988	4,888	15%	1%	0%	-3%	-2%	-2%	-2%	1%	1%
Period-end shares	5,179	5,262	5,301	5,278	5,272	5,263	5,263	5,302	5,276	5,243	5,206	5,206	5,099	4,996	4,894	4,794	2%	0%	-1%	-2%	-2%	-2%	-2%	0%	0%
Payout ratio	28%	9%	18%	17%	17%	16%	17%	29%	27%	26%	26%	27%	30%	30%	30%	30%									
Operating revenue	**$89,334**	**$85,384**	**$20,303**	**$19,963**	**$19,156**	**$20,534**	**$79,956**	**$21,449**	**$21,284**	**$21,431**	**$20,740**	**$84,904**	**$86,030**	**$88,878**	**$93,796**	**$98,355**	**-4%**	**-6%**	**6%**	**1%**	**3%**	**6%**	**5%**	**7%**	**-1%**
Avg earning assets ($bn)	$1,097	$1,072	$1,076	$1,085	$1,111	$1,136	$1,102	$1,135	$1,151	$1,169	$1,186	$1,160	$1,233	$1,295	$1,360	$1,428	-2%	3%	5%	6%	5%	5%	5%	6%	1%
Net interest margin	**4.29%**	**4.23%**	**4.05%**	**4.01%**	**3.84%**	**3.89%**	**3.95%**	**3.91%**	**3.91%**	**3.83%**	**3.80%**	**3.86%**	**3.70%**	**3.70%**	**3.75%**	**3.75%**	**-6**	**-28**	**-8**	**-16**	**0**	**5**	**0**	**(10)**	**0**
Net interest income	$47,030	$45,386	$10,812	$10,851	$10,714	$11,083	$43,460	$11,058	$11,213	$11,281	$11,360	$44,912	$45,635	$47,917	$50,992	$53,542	-3%	-4%	3%	2%	5%	6%	5%	3%	1%
FTE adjustment	$706	$629	$161	$173	$172	$191	$697	$170	$176	$173	$173	$692	$727	$763	$801	$841	-11%	11%	-1%	5%	5%	5%	5%	2%	4%
Average loans ($bn)	$823	$771	$754	$751	$755	$769	$757	$769	$768	$780	$791	$777	$816	$857	$899	$944	-6%	-2%	3%	5%	5%	5%	5%	2%	0%
Loan loss provision	$21,668	$15,753	$2,210	$1,838	$1,811	$2,040	$7,899	$1,995	$1,800	$1,657	$1,682	$7,134	$6,119	$6,425	$6,296	$6,611	-27%	-50%	-10%	-14%	5%	-2%	5%	-2%	-10%
Provision/loan ratio	2.63%	2.04%	1.17%	0.98%	0.96%	1.06%	1.04%	1.04%	0.94%	0.85%	0.85%	0.92%	0.75%	0.75%	0.70%	0.70%	-59	-100	-13	-17	0	-5	0	(4)	(10)
Net credit income	$24,656	$29,004	$8,441	$8,840	$8,731	$8,852	$34,864	$8,893	$9,237	$9,451	$9,505	$37,086	$38,789	$40,729	$43,895	$46,090	18%	20%	6%	5%	5%	8%	5%	4%	4%
Service charges on deposit accounts	$5,741	$4,916	$1,012	$1,074	$1,103	$1,091	$4,280	$1,084	$1,139	$1,150	$1,200	$4,573	$4,802	$5,042	$5,294	$5,559	-14%	-13%	7%	5%	5%	5%	5%	6%	5%
Trust and investment fees	$9,735	$10,934	$2,916	$2,944	$2,786	$2,658	$11,304	$2,839	$2,898	$2,950	$3,050	$11,737	$12,324	$13,002	$13,717	$14,471	12%	3%	4%	5%	6%	6%	6%	-2%	2%
Card fees	$3,683	$3,652	$957	$1,003	$1,013	$680	$3,653	$654	$704	$710	$730	$2,798	$2,910	$3,026	$3,178	$3,337	-1%	0%	-23%	4%	4%	5%	5%	-30%	8%
Other fees	$3,804	$3,990	$989	$1,023	$1,085	$1,096	$4,193	$1,095	$1,134	$1,060	$1,080	$4,369	$4,544	$4,771	$5,009	$5,260	5%	5%	4%	4%	5%	5%	5%	11%	4%
Mortgage banking (details below)	$12,028	$9,737	$2,016	$1,619	$1,833	$2,364	$7,832	$2,870	$2,893	$2,800	$1,770	$10,333	$9,366	$8,390	$8,561	$8,812	-19%	-20%	32%	-9%	-10%	2%	4%	79%	1%
Insurance	$2,126	$2,126	$503	$568	$423	$466	$1,960	$519	$522	$510	$530	$2,081	$2,185	$2,294	$2,409	$2,529	0%	-8%	6%	5%	5%	5%	5%	-8%	1%
Net gains from trading activities	$2,674	$1,648	$612	$414	($442)	$430	$1,014	$640	$263	$400	$450	$1,753	$1,823	$1,914	$2,010	$2,110	-38%	-38%	73%	4%	5%	5%	5%	-36%	-59%
Operating leases	$685	$815	$77	$103	$284	$60	$524	$59	$120	$70	$70	$319	$332	$348	$366	$384	19%	-36%	-39%	4%	5%	5%	5%	17%	103%
Other	$1,828	$2,180	$409	$364	$357	$606	$1,736	$631	$398	$500	$500	$2,029	$2,110	$2,173	$2,260	$2,351	19%	-20%	17%	4%	3%	4%	4%	9%	-37%
Fee income	$42,304	$39,998	$9,491	$9,112	$8,442	$9,451	$36,496	$10,391	$10,071	$10,150	$9,380	$39,992	$40,395	$40,962	$42,804	$44,813	-5%	-9%	10%	1%	1%	4%	5%	11%	-3%
Salaries	$13,757	$13,869	$3,454	$3,584	$3,718	$3,706	$14,462	$3,601	$3,705	$3,680	$3,700	$14,686	$14,906	$15,353	$15,814	$16,289	1%	4%	2%	2%	3%	3%	3%	3%	3%
Commissions and incentive compensation	$8,021	$8,692	$2,347	$2,171	$2,088	$2,251	$8,857	$2,417	$2,354	$2,200	$2,200	$9,171	$8,896	$9,074	$9,437	$9,814	8%	2%	4%	-3%	2%	4%	4%	8%	-3%
Employee benefits	$4,689	$4,651	$1,392	$1,164	$780	$1,012	$4,348	$1,608	$1,049	$1,000	$1,050	$4,707	$4,848	$4,994	$5,143	$5,298	-1%	-7%	8%	3%	3%	3%	3%	-10%	-35%
Equipment	$2,506	$2,636	$632	$528	$516	$607	$2,283	$557	$459	$525	$575	$2,116	$2,053	$2,094	$2,177	$2,264	5%	-13%	-7%	-3%	2%	4%	4%	-13%	-18%
Net occupancy	$3,127	$3,030	$752	$749	$751	$759	$3,011	$704	$698	$720	$725	$2,847	$2,705	$2,759	$2,897	$3,013	-3%	-1%	-5%	-5%	2%	5%	4%	-7%	-1%
Core deposit and other intangibles	$2,577	$2,199	$483	$464	$466	$467	$1,880	$419	$418	$425	$425	$1,687	$1,603	$1,667	$1,733	$1,803	-15%	-15%	-10%	-5%	4%	4%	4%	-10%	0%
FDIC and other deposit assessments	$1,284	$1,197	$305	$315	$332	$314	$1,266	$357	$333	$350	$340	$1,380	$1,380	$1,421	$1,464	$1,493	-7%	6%	9%	0%	3%	3%	2%	6%	-7%
Other	$10,112	$10,357	$2,520	$2,711	$2,379	$2,648	$10,258	$2,808	$3,092	$3,000	$2,200	$11,100	$10,767	$10,982	$11,312	$11,651	2%	-1%	8%	-3%	2%	3%	3%	14%	10%
Expenses	$46,073	$46,631	$11,885	$11,686	$11,030	$11,764	$46,365	$12,471	$12,108	$11,900	$11,215	$47,694	$47,157	$48,344	$49,978	$51,625	1%	-1%	3%	-1%	3%	3%	3%	4%	-3%
Preprovision net revenue	**$43,261**	**$38,753**	**$8,418**	**$8,277**	**$8,126**	**$8,770**	**$33,591**	**$8,978**	**$9,176**	**$9,531**	**$9,525**	**$37,210**	**$38,873**	**$40,534**	**$43,819**	**$46,730**	**-10%**	**-13%**	**11%**	**4%**	**4%**	**8%**	**7%**	**11%**	**2%**
OREO expense	$1,071	$1,537	$408	$305	$271	$370	$1,354	$304	$289	$300	$300	$1,193	$800	$400	$200	$100								-5%	-5%
Securities gains	($127)	($324)	($166)	($128)	$300	$48	$54	($7)	($61)	$0	$0	($68)	$0	$0	$0	$0								NA	NA
OTTI	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0								NA	NA
Net gains (losses) from equity investments	$185	$779	$353	$724	$344	$61	$1,482	$364	$242	$0	$0	$606	$0	$0	$0	$0								-67%	-34%
Nonrecurring gains	$0	$0	$0	$0	$0	$153	$153	$0	$0	$0	$0	$0	$0	$0	$0	$0								NA	NA
Nonrecurring losses	$1,876	$2,288	$440	$484	$376	$374	$1,674	$218	$0	$0	$0	$218	$0	$0	$0	$0								NA	NA
Pretax income	$17,998	$19,001	$5,386	$6,073	$6,140	$6,057	$23,656	$6,648	$7,092	$7,401	$7,370	$28,511	$31,227	$32,947	$36,521	$39,178	6%	24%	21%	10%	6%	11%	7%	17%	7%
Taxes	$5,331	$6,338	$1,572	$2,001	$1,998	$1,874	$7,445	$2,328	$2,371	$2,590	$2,580	$9,869	$10,809	$11,404	$12,642	$13,561	19%	17%	33%	10%	6%	11%	7%	18%	2%
Tax rate - stated	29.6%	33.4%	29.2%	32.9%	32.5%	30.9%	31.5%	35.0%	33.4%	35.0%	35.0%	34.6%	34.6%	34.6%	34.6%	34.6%								48	-159
Net income	$12,667	$12,663	$3,814	$4,072	$4,142	$4,183	$16,211	$4,320	$4,721	$4,810	$4,791	$18,642	$20,418	$21,542	$23,880	$25,617	0%	28%	15%	10%	6%	11%	7%	16%	9%
Change in acctg. principle/ minority interest	$392	$301	$55	$124	$87	$76	$342	$72	$99	$75	$75	$321	$300	$300	$300	$300	-23%	14%	-6%	-7%	0%	0%	0%	-20%	38%
Preferred dividends	$4,285	$730	$189	$220	$216	$219	$844	$226	$219	$219	$219	$883	$876	$876	$876	$876	-83%	16%	5%	-1%	0%	0%	0%	0%	-3%
Net income to common	**$7,990**	**$11,632**	**$3,570**	**$3,728**	**$3,839**	**$3,888**	**$15,025**	**$4,022**	**$4,403**	**$4,516**	**$4,497**	**$17,438**	**$19,242**	**$20,366**	**$22,704**	**$24,441**	**46%**	**29%**	**16%**	**10%**	**6%**	**11%**	**8%**	**18%**	**9%**

Source: Barclays Research, Company Reports

Figure 2: WFC Earnings Model- Balance Sheet and Performance Metrics

	Actual	Actual	Actual					Quarterly Forecast					Annual Forecast				Annual Change							2Q12A vs.	
	2009A	2010A	1Q11A	2Q11A	3Q11A	4Q11A	2011A	1Q12A	2Q12A	3Q12E	4Q12E	2012E	2013E	2014E	2015E	2016E	09/10	10/11	11/12	12/13	13/14	14/15	15/16	2Q11A	1Q12A
Average Balance Sheet ($ in billions)																									
Assets	$1,262	$1,227	$1,241	$1,251	$1,281	$1,307	$1,270	$1,303	$1,322	$1,341	$1,362	$1,332	$1,416	$1,487	$1,561	$1,639	-3%	4%	5%	6%	5%	5%	5%	6%	1%
Earning assets	$1,097	$1,072	$1,076	$1,085	$1,111	$1,136	$1,102	$1,135	$1,151	$1,169	$1,186	$1,160	$1,233	$1,295	$1,360	$1,428	-2%	3%	5%	6%	5%	5%	5%	6%	1%
Securities	$176	$162	$156	$160	$180	$203	$175	$215	$214	$219	$223	$218	$228	$240	$252	$265	-8%	8%	25%	5%	5%	5%	5%	34%	0%
Loans held for sale	$44	$40	$40	$32	$36	$46	$38	$48	$50	$50	$50	$50	$50	$50	$50	$50	-7%	-5%	30%	0%	0%	0%	0%	57%	6%
Loans	$823	$771	$754	$751	$755	$769	$757	$769	$768	$780	$791	$777	$816	$857	$899	$944	-6%	-2%	3%	5%	5%	5%	5%	2%	0%
Deposits	$808	$818	$841	$851	$883	$912	$872	$915	$924	$942	$961	$936	$982	$1,032	$1,083	$1,137	1%	7%	7%	5%	5%	5%	5%	9%	1%
Borrowed funds	$289	$239	$205	$199	$190	$178	$193	$176	$179	$183	$187	$181	$190	$200	$210	$220	-17%	-19%	-6%	5%	5%	5%	5%	-10%	2%
Equity	$118	$122	$131	$137	$140	$141	$137	$145	$149	$151	$153	$150	$158	$167	$177	$188	4%	12%	9%	6%	6%	6%	6%	9%	3%
Period-end Balance Sheet ($ in billions)																									
Assets	$1,244	$1,258	$1,245	$1,260	$1,305	$1,314	$1,314	$1,334	$1,336	$1,356	$1,377	$1,377	$1,463	$1,536	$1,613	$1,694	1%	4%	5%	6%	5%	5%	5%	6%	0%
Risk-weighted assets	$1,014	$980	$963	$970	$982	$1,006	$1,006	$1,000	$1,009	$1,024	$1,040	$1,040	$1,105	$1,160	$1,218	$1,279	-3%	3%	3%	6%	5%	5%	5%	4%	1%
Securities	$173	$173	$168	$186	$207	$223	$223	$230	$227	$231	$236	$236	$248	$260	$273	$287	0%	29%	6%	5%	5%	5%	5%	22%	-1%
Loans held for sale	$45	$53	$35	$33	$43	$50	$50	$44	$51	$51	$51	$51	$51	$51	$51	$51	18%	-6%	3%	0%	0%	0%	0%	57%	16%
Loans	$783	$757	$751	$752	$760	$770	$770	$767	$775	$787	$799	$799	$839	$880	$925	$971	-3%	2%	4%	5%	5%	5%	5%	3%	1%
Loan loss reserve	$24.5	$23.0	$22	$21	$20	$19	$19.4	$19	$18	$18	$17	$17.4	$15	$14	$14	$13	-6%	-16%	-10%	-12%	-6%	-6%	-7%	-12%	-3%
Deposits	$824	$848	$838	$854	$895	$920	$920	$930	$929	$948	$966	$966	$1,015	$1,066	$1,119	$1,175	3%	9%	5%	5%	5%	5%	5%	9%	0%
Tangible common equity	$66	$83	$88	$90	$92	$95	$95	$100	$103	$105	$107	$107	$116	$125	$135	$147	25%	14%	13%	8%	8%	8%	8%	14%	3%
Common equity	$104	$118	$123	$125	$126	$129	$129	$133	$136	$138	$140	$140	$149	$158	$169	$180	14%	9%	9%	6%	6%	7%	7%	9%	2%
Goodwill & other intangibles	$38	$35	$35	$35	$34	$34	$34	$34	$34	$34	$34	$34	$34	$34	$34	$34	-6%	-4%	-1%	0%	0%	0%	0%	-3%	-1%
Performance Ratios																									
Return on equity	**6.78%**	**10.36%**	**11.68%**	**11.87%**	**11.82%**	**11.88%**	**11.81%**	**11.92%**	**12.64%**	**12.73%**	**12.51%**	**12.45%**	**12.90%**	**12.88%**	**13.47%**	**13.62%**	**358**	**145**	**64**	**44**	**-2**	**59**	**15**	**77**	**72**
Return on tang com equity	19.14%	15.26%	17.40%	18.08%	18.05%	17.65%	17.10%	17.33%	18.36%	18.36%	17.95%	17.47%	17.65%	17.23%	17.62%	17.45%	-388	184	37	19	-43	40	-17	27	103
Return on assets	**1.00%**	**1.03%**	**1.23%**	**1.30%**	**1.29%**	**1.28%**	**1.28%**	**1.33%**	**1.43%**	**1.44%**	**1.41%**	**1.40%**	**1.44%**	**1.45%**	**1.53%**	**1.56%**	**3**	**24**	**12**	**4**	**1**	**8**	**3**	**13**	**10**
Return on tangible assets	1.03%	1.06%	1.26%	1.34%	1.33%	1.31%	1.31%	1.36%	1.47%	1.47%	1.44%	1.44%	1.48%	1.48%	1.56%	1.59%	3	25	13	4	1	8	3	13	10
Return on RWA	1.25%	1.29%	1.58%	1.68%	1.69%	1.66%	1.61%	1.73%	1.87%	1.88%	1.84%	1.79%	1.85%	1.86%	1.96%	2.00%	4	32	18	5	1	10	4	19	14
Efficiency ratio	51.6%	54.6%	58.5%	58.5%	57.6%	57.3%	58.0%	58.1%	56.9%	55.5%	54.1%	56.2%	54.8%	54.4%	53.3%	52.5%	304	337	-182	-134	-42	-111	-80	-165	-125
Net profit margin	14.2%	14.8%	18.8%	20.4%	21.6%	20.4%	20.3%	20.1%	22.2%	22.5%	23.1%	22.0%	23.7%	24.2%	25.4%	26.0%	65	544	169	176	50	122	59	178	204
Fee income/revenue	47.4%	46.8%	46.7%	45.6%	44.1%	46.0%	45.6%	48.4%	47.3%	47.2%	45.2%	47.1%	46.9%	46.1%	45.6%	45.5%	-51	-120	143	-13	-87	-45	-7	167	-113
Loans/AEA	73.0%	69.6%	70.1%	69.3%	67.9%	67.7%	67.7%	67.7%	66.7%	66.7%	66.7%	66.7%	66.1%	66.1%	66.1%	66.1%	-339	-193	-95	-58	0	0	0	-253	-97
Equity/loans	16.3%	16.8%	17.3%	18.3%	18.6%	18.3%	18.3%	18.9%	19.4%	19.4%	19.3%	19.3%	19.4%	19.5%	19.7%	19.9%	45	155	103	4	13	19	20	119	58
Loans/deposits	97%	90%	90%	88%	86%	84%	87%	84%	83%	83%	82%	83%	83%	83%	83%	83%	-718	-308	-381	0	0	0	0	-517	-86
Asset Quality ($ in millions)																									
Nonperforming loans	$24,418	$26,242	$24,965	$23,045	$21,900	$21,304	$21,304	$22,026	$20,578	$20,500	$19,500	$19,500	$17,550	$15,795	$13,426	$11,412	7%	-19%	-8%	-10%	-10%	-15%	-15%	-11%	-7%
OREO	$3,221	$6,009	$5,512	$4,861	$4,944	$4,661	$4,661	$4,617	$4,307	$4,050	$4,500	$4,500	$4,410	$4,190	$3,771	$3,507	87%	-22%	-3%	-2%	-5%	-10%	-7%	-11%	-7%
Nonperforming assets	**$27,639**	**$32,251**	**$30,477**	**$27,906**	**$26,844**	**$25,965**	**$25,965**	**$26,643**	**$24,885**	**$24,550**	**$24,000**	**$24,000**	**$21,960**	**$19,985**	**$17,196**	**$14,918**	**17%**	**-19%**	**-8%**	**-9%**	**-9%**	**-14%**	**-13%**	**-11%**	**-7%**
Accruing TDRs	$6,244	$10,573	$12,904	$14,113	$15,071	$15,846	$15,846	$15,859	$16,000	$15,800	$15,400	$15,400	$13,860	$12,474	$11,227	$9,543	69%	50%	-3%	-10%	-10%	-10%	-15%	13%	1%
NPL ratio	3.12%	3.47%	3.32%	3.06%	2.88%	2.77%	2.77%	2.87%	2.65%	2.61%	2.44%	2.44%	2.09%	1.79%	1.45%	1.18%	35	-70	-33	-35	-30	-34	-28	-41	-22
NPA ratio	**3.52%**	**4.23%**	**4.03%**	**3.69%**	**3.51%**	**3.35%**	**3.35%**	**3.46%**	**3.19%**	**3.10%**	**2.99%**	**2.99%**	**2.61%**	**2.26%**	**1.85%**	**1.53%**	**71**	**-87**	**-37**	**-38**	**-35**	**-41**	**-32**	**-50**	**-26**
NPA ratio (including accruing TDRs)	4.31%	5.61%	5.73%	5.55%	5.48%	5.40%	5.40%	5.51%	5.24%	5.10%	4.91%	4.91%	4.25%	3.67%	3.06%	2.51%	130	-21	-49	-66	-58	-61	-55	-31	-27
NCOs ($)	$18,168	$17,753	$3,210	$2,838	$2,611	$2,640	$11,299	$2,395	$2,200	$2,144	$2,137	$8,876	$8,158	$7,281	$7,196	$7,556	-2%	-36%	-21%	-8%	-11%	-1%	5%	-22%	-8%
NCO ratio	**2.21%**	**2.30%**	**1.70%**	**1.51%**	**1.38%**	**1.37%**	**1.49%**	**1.25%**	**1.15%**	**1.10%**	**1.08%**	**1.14%**	**1.00%**	**0.85%**	**0.80%**	**0.80%**	**10**	**-81**	**-35**	**-14**	**-15**	**-5**	**0**	**-37**	**-10**
Provision/loans	2.63%	2.04%	1.17%	0.98%	0.96%	1.06%	1.04%	1.04%	0.94%	0.85%	0.85%	0.92%	0.75%	0.75%	0.70%	0.70%	-59	-100	-13	-17	0	-5	0	-4	-10
Reserve/NPLs	100.4%	87.7%	88.1%	90.7%	91.5%	90.9%	90.9%	85.6%	89.0%	87.0%	89.1%	89.1%	87.4%	91.7%	101.2%	110.7%	-1267	320	-182	-172	429	948	958	-163	344
Reserve/loans	**3.13%**	**3.04%**	**2.93%**	**2.78%**	**2.64%**	**2.52%**	**2.52%**	**2.46%**	**2.36%**	**2.27%**	**2.18%**	**2.18%**	**1.83%**	**1.64%**	**1.47%**	**1.30%**	**-9**	**-52**	**-34**	**-35**	**-18**	**-18**	**-17**	**-42**	**-10**
90 days past due	$6,852	$3,755	$2,428	$1,830	$1,929	$2,048	$2,048	$1,636	$1,360															-26%	-17%
Capital ($ in billions)																									
Equity/assets	10.43%	9.96%	10.52%	10.97%	10.94%	10.78%	10.80%	11.13%	11.30%	11.29%	11.25%	11.24%	11.17%	11.25%	11.35%	11.47%	-47	84	44	-7	7	11	12	34	18
TCE ratio	5.49%	6.79%	7.25%	7.35%	7.23%	7.41%	7.41%	7.67%	7.90%	7.93%	7.95%	7.95%	8.08%	8.31%	8.57%	8.83%	130	62	54	13	23	26	26	55	23
Tier 1 common	$65.5	$81.3	$86.0	$88.8	$91.9	$95.1	$95.1	$99.5	$101.7	$103.7	$105.5	$105.5	$114.3	$123.5	$133.9	$145.0	24%	17%	11%	8%	8%	8%	8%	15%	2%
Tier 1 common ratio	**6.46%**	**8.30%**	**8.93%**	**9.16%**	**9.36%**	**9.46%**	**9.46%**	**9.95%**	**10.08%**	**10.13%**	**10.15%**	**10.15%**	**10.34%**	**10.65%**	**10.99%**	**11.33%**	**183**	**116**	**70**	**19**	**31**	**34**	**35**	**92**	**13**
Tier I capital	$93.8	$109.4	$110.8	$113.4	$110.8	$113.9	$113.9	$117.4	$117.9	$119.9	$121.7	$121.7	$130.4	$139.7	$150.0	$161.1	17%	4%	7%	7%	7%	7%	7%	4%	0%
Tier I capital ratio	9.25%	11.16%	11.50%	11.70%	11.28%	11.33%	11.33%	11.74%	11.68%	11.71%	11.71%	11.71%	11.80%	12.04%	12.31%	12.60%	190	17	38	10	24	27	28	-2	-6
Leverage ratio	7.87%	9.19%	9.30%	9.40%	8.97%	9.03%	9.03%	9.35%	9.25%	9.06%	9.06%	9.06%	9.12%	9.29%	9.50%	9.70%	132	-16	3	6	17	20	21	-15	-10
Tang assets/tang equity	18.2x	14.7x	13.8x	13.6x	13.8x	13.5x	13.5x	13.0x	12.7x	12.6x	12.6x	12.6x	12.4x	12.0x	11.7x	11.3x									

Source: Barclays Research, Company Reports

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Primary Stocks (Ticker, Date, Price)

Wells Fargo (WFC, 13-Jul-2012, USD 33.91), 1-Overweight/1-Positive

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KeyCorp (KEY)	Northern Trust (NTRS)	PNC Financial Services Gp (PNC)
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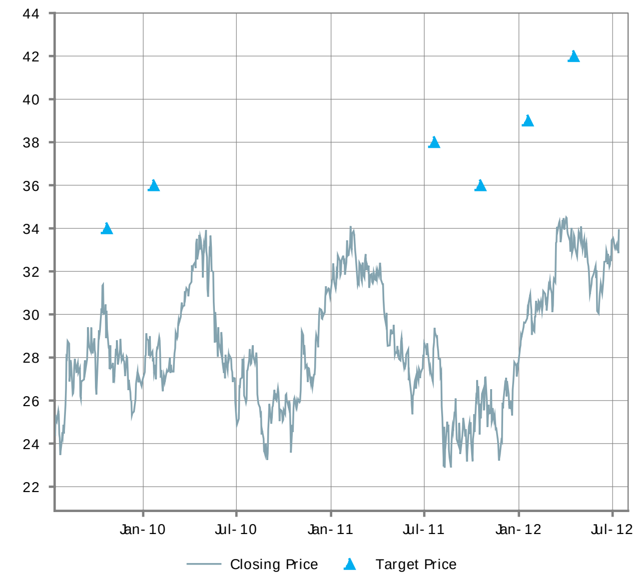
Wells Fargo (WFC)

USD 33.91 (13-Jul-2012)

Stock Rating: **1-OVERWEIGHT**

Sector View: **1-POSITIVE**

Rating and Price Target Chart - USD (as of 13-Jul-2012)



Link to Barclays Live for interactive charting

Currency=USD

Date	Closing Price	Rating	Price Target
16-Apr-2012	33.15		42.00
18-Jan-2012	30.24		39.00
18-Oct-2011	25.86		36.00
20-Jul-2011	28.70		38.00
21-Jan-2010	28.00		36.00
22-Oct-2009	30.17		34.00

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Valuation Methodology: Our price target of $42 is based on our DCF and ROIC models and implies an 11x multiple on our 2013 EPS estimate of $3.70.

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U.S. Large-Cap Banks (Cont'd)

Inna Blyakher
1.212.526.3904
inna.blyakher@barclays.com
BCI, New York