HEARING BEFORE THE UNITED STATES SENATE
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

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I. Introduction

Chairman Brown, Ranking Member Toomey, Members of the Committee: good morning, and thank you for the opportunity to be here today.

Just over a year ago, when I last appeared before Congress upon assuming my role as CEO, we were on the verge of a global pandemic. I cannot help but look back and think how little we understood then of what 2020 would bring. When the pandemic struck, we all came together to stand up unprecedented assistance at a scale and speed that had never been done before. Though the process was not perfect, we, the government, and others worked together to help our fellow citizens. Banks were a part of the solution to beat back the economic impacts of a global pandemic, and now we must continue to work together to ensure a fair and equitable recovery.

As we begin taking steps toward a healthier economy, I am proud of all that Wells Fargo has done to support our customers, our employees, and the communities we serve—all while continuing to transform our organization. There is much more work to do, but Wells Fargo wants to be a constructive partner to forge an inclusive recovery for all.

II. Our Response to the COVID-19 Pandemic

Throughout the pandemic, our focus has been on providing high levels of support for our customers and the broader communities we serve.

Support for Customers During the Pandemic. We deferred payments and waived fees for more than 3.7 million consumer and small business accounts to help people during these challenging times. We provided more than one million mortgage forbearances and suspended residential property foreclosures and evictions to keep people in their homes. And we processed approximately $80 billion in federal stimulus payments. Further, we paused for 60 days the collection of negative balances existing at the time when federal stimulus payments are deposited to customers,[1] and we cashed federal stimulus payment checks for non-customers in our branches—with no fees charged. Additionally, during the pandemic, the number of overdraft-related fees collected dropped by more than 35 percent.

We donated $225 million through the Wells Fargo Foundation to support economic recovery for communities and vulnerable populations affected by COVID-19. We helped more than 200,000

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1 Where Wells Fargo has acted as garnishee and received third-party garnishment orders with respect to stimulus payments, our practice has been to follow federal and state guidance.

renters and homeowners stay in their homes through grants to nonprofits offering eviction and foreclosure prevention assistance, rental assistance, and financial counseling. We also undertook extensive efforts to keep at least 70 percent of our branches safely open, and we supported millions of customers through digital and mobile banking during the pandemic.

Paycheck Protection Program and Other Federal Stimulus Programs. We were also one of the leading lenders in the Paycheck Protection Program ("PPP"). To date, we have funded more than 275,000 loans, totaling over $13.7 billion to small businesses throughout the country, with an average loan size of approximately $50,000, making us an industry leader in providing support to the smallest businesses in need. This lending has supported more than 1.7 million jobs, and more than 40 percent of our loans were made to businesses in either low- and moderate-income ("LMI") or majority-minority census tracts.

As part of our PPP commitment, we created the *Open for Business Fund* to donate more than $400 million we earned from PPP program fees in 2020. The *Open for Business Fund* shares the same goal as the PPP itself: to help small businesses survive the pandemic and navigate its impact. The fund will donate roughly $250 million to Community Development Financial Institutions ("CDFIs") to help expand access to capital, $50 million to nonprofits focused on technical training and services for diverse entrepreneurs, and more than $100 million for long-term resiliency and other programs to strengthen the small business sector. We have already distributed more than $158 million to CDFIs around the country, which is projected to help more than 26,000 small businesses maintain an estimated 75,000 jobs nationwide.

Additionally, through the Federal Reserve's Main Street Lending program, Wells Fargo has originated $279 million in loans, helping more borrowers than any other large financial institution.

III. Our Company and Its Transformation

Our Company. In 1852, our founders, Henry Wells and William Fargo, built an innovative start-up to help customers build businesses and manage money in a rapidly changing world. A lot has changed since then, but through prosperity, depression, and war, customers have turned to us to help them through any challenge. And we're committed to continuing the Wells Fargo legacy of looking forward by finding solutions and removing barriers to help our customers.

Today, with approximately $1.9 trillion in assets, we proudly serve one in three U.S. households and more than 10 percent of all middle-market companies in the country. We have more than 65 million customers and over 260,000 employees, and we are an industry leader in affordable housing, retail mortgage, and commercial real estate lending. We have also recently been recognized as being among the best corporate citizens in the U.S., a top company for philanthropy, and one of the most generous companies in America.

We are well-capitalized and have been a source of strength for our customers and the financial system throughout the pandemic and beyond.[2] Despite the challenging environment brought on by

[2] Information regarding Wells Fargo's capital and leverage ratios as well as the annual amount of share buybacks and dividend payments for the past ten years can be found in Appendix A and in our annual reports. (*See, e.g.*, Wells Fargo 2020 Annual Report (Feb. 19, 2021), available at https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2020-annual-report.pdf).

the COVID-19 pandemic, the strength of our balance sheet was evident throughout last year. Our capital and liquidity levels remained well above regulatory minimums, and the results of two Federal Reserve stress tests confirmed our strong capital position. Given the economic uncertainty, we took appropriate measures to maintain strong capital by voluntarily suspending stock buybacks in March of 2020 for the balance of the year and subsequently reduced our dividend to comply with the temporary restrictions imposed by the Federal Reserve. These actions contributed to a $9 billion increase in our capital since March of 2020.

More broadly, we have generally maintained large amounts of excess capital and have taken a number of measures since the financial crisis to reduce our complexity, enhance our risk management framework, and change our culture, particularly over the last year and half as part of our ongoing transformation. As a result, we are a safer, sounder institution today, and we are confident that our company presents minimal risk to the government and taxpayers. We also believe we have contributed positively to the economy over the past 10 years.

We further recognize that, like so many companies and individuals, we benefit from our nation's strong central banking system and the support provided by various federal programs, facilities, and public financial infrastructure. And we are proud to support our customers and the American economy as a whole. For instance, even during the height of the COVID-19 crisis, we were able to extend significant credit to our clients. In fact, in March 2020 alone, our commercial customers utilized over $80 billion of their committed loan facilities.

Today, we provide a diversified set of banking, investment, and mortgage products and services, as well as consumer and commercial finance, through our four reportable operating segments: Consumer Banking and Lending; Commercial Banking; Corporate and Investment Banking;[3] and Wealth and Investment Management.

We believe these businesses, working together, form a differentiated platform that benefits all stakeholders. This vision has not always been realized in recent years, but we know our potential and have a roadmap to achieve it. We are committed to building the necessary foundation for a bank of our size and complexity; we recognize our responsibility; and we are committed to completing the work of making substantial changes in how we operate.

Our Transformation. Since I became CEO in October 2019, much has changed at Wells Fargo. While working to effectively serve our customers throughout the challenges of the last year, we have also been committed to advancing our regulatory work and implementing organizational and cultural change. While we still have significant work to do, we are committed to devoting the

[3] Corporate & Investment Banking delivers a comprehensive suite of advisory, capital markets, banking, and financial products and services to corporate, institutional, and government clients around the globe. The division includes a commercial real estate finance and capital markets platform, as well as investment banking, leveraged finance, mergers and acquisitions, equity and fixed income sales, trading, and research solutions for large and middle market companies.

With respect to Archegos, Wells Fargo had a cash prime brokerage relationship with the firm. We were well collateralized at all times in late March and no longer have any exposure as of March 30, 2021. We did not experience losses related to closing out our exposure.

resources necessary to operate with strong business practices and controls, maintain the highest level of integrity, and have an appropriate culture in place.

We have new leadership. In particular, we made significant changes to our management team by elevating strong internal talent while bringing in people with the experience and skills necessary for our success. Since the fourth quarter of 2019, we have replaced more than 50 percent of our Operating and Management Committees and added at least 30 senior strategic hires in risk management, operational excellence, and other key areas across the company—including a new Chief Operating Officer; Chief Financial Officer; Chief Compliance Officer; General Counsel; Head of Sales Practices; Head of Operations; Head of Wealth Management; Head of Consumer Lending; Head of Home Lending; Head of Credit Cards; and Head of Diverse Segments, Representation, and Inclusion; among many others. Our broader group of senior leaders is also a new team. Over 40 percent of our top leaders are new to the company or their roles from the start of 2020. Our Board of Directors also appointed a new chairman and elected a new member to add additional financial services experience and support our transformation.

We have also implemented a flatter organizational structure. One of my early observations when I joined Wells Fargo was that we were not managing the Company at the level of granularity necessary. As a result, we made changes to the management structure, most notably having more of our businesses report directly to me.

We now have five principal lines of business—that operate within the aforementioned operating segments—to ensure clear authority, accountability, and responsibility. All of those line of business leaders now report directly to me and sit on our Operating Committee. These changes have created the right structure to build our businesses over the long term and increase our ability to successfully execute our top priority, which is our risk, regulatory, and control work. I am confident that this organizational model and our strengthened risk and control foundation has brought greater focus and accountability to the company.[4]

We are also simplifying the company. We identified certain businesses that aren't core to our mission and decided to exit them, opting to focus on our customers and our core, scaled businesses. In the past months, we have announced sales of or our intention to exit the student loan business, international wealth management, asset management, corporate trust, and direct equipment finance in Canada.

During my short tenure, our focus on these changes has begun to yield results. In January of this year, the OCC terminated an open consent order from 2015 related to our Bank Secrecy Act and anti-money laundering compliance program. This is a positive step, but I recognize that we still

[4] Our leaders are also held accountable by the Company's compensation policies. The Human Resources Committee of Wells Fargo's Board made a number of enhancements to our executive compensation program for 2020, including the adoption of a new clawback and forfeiture policy that significantly strengthens the Company's ability to hold certain senior executives and other employees accountable for misconduct or risk events though forfeiture or recovery of compensation. Our most recent compensation policies are discussed in detail in our 2021 proxy statement. (*See* Notice of Annual Meeting and Proxy Statement (Mar. 16, 2021), available at: https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2021-proxy-statement.pdf.)

have multiple consent orders and regulatory matters that continue to require our urgent attention.[5] And we are continuing to commit significant resources to addressing them.

We are focused on making long-term, sustainable changes. And we know there is still much more to be done. As I've said before, this is a multi-year journey. As we execute on our commitments, we may have setbacks, but we believe we are doing what is necessary to move forward and satisfy our obligations.

Ultimately our regulators will decide when we have fulfilled our obligations. My commitment to them is that we are continuing to approach this work with the greatest sense of urgency, and we are intent on committing all necessary resources to diligently do what is necessary, issue by issue.

IV. Our Commitment to Customers

Doing what is right for customers must be at the center of everything we do, and we acknowledge that we have fallen short of that standard in the past. We have been taking dramatic steps to embed a customer-centric approach in all of our decisions that impact customers. This extends from product design and pricing, to our coverage and service models, to how we approach complaints and remediation.

While we have more work to do, we are making strides. In 2020, we rolled out a new set of company expectations with "Do What's Right" as one of six core pillars. It sounds simple — but that is the point. These new expectations are clear and straightforward and guide how we lead ourselves, collaborate with colleagues, and make decisions; they apply to everyone at the company and are directly linked to how we evaluate performance.

Additionally, we deployed a new customer feedback program and complaints management platform to collect and react to customer feedback and improve the customer experience. We also built our Sales Practices Management and Oversight program, designed to make sales practices monitoring and reporting more robust and consistent across the company. And lastly, we just recently announced the launch of an Office of Consumer Practices, a consumer-focused advisory group that will partner with our businesses on consumer product development, policies, procedures, training and other areas. All of these efforts are designed to keep the customer front and center and embed that perspective into our decision-making. They are also a critical part of strengthening our risk and control infrastructure.

We firmly believe that Wells Fargo is uniquely positioned to serve customers throughout the country. We operate at a local level, supporting consumers as well as small and larger businesses. We also actively support the communities where we do business. The quality, depth, and breadth of what we can offer customers are matched by few, and we continue to invest in a robust customer experience both digitally and through in-person interactions in our branches.

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[5] Since my testimony in March 2020, Wells Fargo has agreed to pay $20 million to settle claims by the Maryland Attorney General regarding residential mortgage-backed securities between 2005 and 2009. The Company also agreed to pay $7.8 million to resolve an inquiry by the U.S. Department of Labor into certain hiring practices at particular Wells Fargo locations between 2010 and 2018.

Branch Network. Our branch network provides local, in-person financial advice and planning. At the end of the first quarter of 2021, Wells Fargo had 4,944 branches[6] with more than 25 percent of those branches located in LMI census tracts. We have branches in 36 states and the District of Columbia and serve more markets than other major banks. Our branches are in 25 of the largest 30 markets in the U.S. and 27 of the 30 fastest growing markets in the country. And a Wells Fargo branch or ATM is within two miles of over half of the U.S. census households and small businesses in our footprint.

Financial Inclusion. In addition to our branches, Wells Fargo provides multiple choices for customers, including those who are not digitally connected, to conveniently access financial services and advice. We have an extensive ATM network and offer no-fee access for customers at approximately 13,000 ATMs for various banking services including withdrawing cash, transferring funds, checking account balances, and making deposits. Wells Fargo ATMs offer banking in English, Spanish, Chinese, Hmong, French, Korean, Russian, or Vietnamese and meet the Americans with Disabilities Act requirements. In addition, we offer free access to our ATM network for customers of our Minority Depository Institution ("MDI") partners and make our ATM network available to non-customers to pay their wireless bill with Visible, a Verizon subsidiary.

We provide 24/7, multi-lingual customer service over the telephone through our automated system as well as through our customer service representatives. This allows customers to get assistance with common needs, including asking questions about account balances and transaction history or initiating transactions like account transfers or stop payments. We also serve 32 million digital (mobile and online) active customers.

Wells Fargo further offers and continues to develop products and services to advance inclusion in the financial system. We are the number one mortgage lender in lower-income neighborhoods and to Black borrowers compared to other depositories. And we have made commitments to reduce the Black and Latino homeownership gap. For example, in 2015, we announced our support of the goals of the National Association of Hispanic Real Estate Professionals' Hispanic Wealth Project, which seeks to triple Hispanic household wealth by 2025.

In addition, we offer our Dream.Plan.Home. low-down-payment mortgage and closing cost assistance program for LMI borrowers with affirmative outreach to LMI communities and communities of color, and we provide significant grants in connection with the NeighborWorks LMI down payment assistance program, NeighborhoodLIFT. Since 2012, Wells Fargo has invested $521 million in NeighborhoodLIFT and other LIFT programs to help more than 24,700 individuals and families buy homes through 80 program launches by providing homebuyer education and down payment assistance. These efforts collectively seek to close the homeownership gap in key markets.

[6] At year-end 2010, Wells Fargo had approximately 6,310 branches. At year-end 2000, Wells Fargo had approximately 5,500 branches. Please note, however, that the year-end 2000 number is a rough estimate, as the timeframe predates Wells Fargo's merger with Wachovia. A map of Wells Fargo's branches at year-end 2020 is included as Appendix B.

Wells Fargo also actively participates in the OCC's Roundtable for Economic Access and Change (Project REACh), which focuses on removing barriers to financial inclusion and providing greater access to credit and capital. We chair the REACh Homeownership Working Group.

We are committed to bringing the unbanked into the financial mainstream. For example, last week, we announced the Banking Inclusion Initiative, a 10-year commitment to help unbanked individuals gain access to affordable, mainstream, digitally-enabled transactional accounts, a meaningful entry point to fully participating in the economy and achieving financial stability. It also will assist those who are underbanked or underserved—individuals who may have a bank account yet continue to use high cost, non-bank services and have similar needs. Overall, the initiative will focus in three areas: (i) access to affordable products and digital solutions; (ii) financial education and advice; and (iii) the launching of a National Unbanked Advisory Task Force that will feature representatives from leading organizations, including the League of United Latin American Citizens, the National Association for the Advancement of Colored People, the National Bankers Association, the National Congress of American Indians, UnidosUS, the National Urban League, and Hope Enterprise Corporation.

Additionally, we accept a range of alternative identification for account openings, including several consular cards, and we offer affordable and responsible products, such as Clear Access Banking, a checkless checking account with no overdraft or non-sufficient funds fees. The account is certified by Bank On, an organization led by the Cities for Financial Empowerment fund that works to ensure everyone has access to a safe, affordable transactional banking account. We also offer Everyday Checking, a full-service account for a $10 monthly fee that is waived if the customer is under 25 years old or maintains certain minimum balance or direct deposit amounts. The Everyday Checking account is equipped with our Overdraft Rewind feature, which automatically reverses overdraft fees assessed on prior business day transactions if the customer has a covering direct deposit credited to their account.

Arbitration. With respect to arbitration, we are in the process of removing confidentiality restrictions in all types of customer arbitration agreements that have them, thereby increasing the transparency of the arbitration process. Moreover, we will be updating all consumer arbitration agreements to provide for reimbursement of filing fees where the customer prevails. This is designed to ensure the costs of filing for arbitration do not prevent consumers from bringing justified disputes to the Bank's attention. These changes follow our decision last year to end the use of mandatory arbitration for future employee claims of sexual harassment. We are committed to maintaining a thoughtful approach to resolving disputes fairly and efficiently.

V. Our Commitment to Employees

To our employees: I am proud of the work you've done over the past year to support our customers and our communities during these uncertain times. We have prioritized safety and wellbeing, and my deepest gratitude goes out to our front-line workers, who made it possible to keep branches safely open. I am also thankful for the more than 200,000 employees who efficiently adapted to a new and challenging remote work environment.

For those employees who continue to work in person, we have taken significant actions to support their safety, including mandating social distancing, enhancing cleaning protocols, increasing sanitation supplies, and requiring employee self-screening. We are providing safety kits to all employees working on-site in branches and offices, and we launched temporary on-site nursing services at 56 of our largest U.S. sites. We also offer free, voluntary on-site or self-administered COVID-19 testing for employees currently working in-office at a Wells Fargo location in the U.S. as well as additional paid time off for COVID-19 vaccine appointments.

We also made a cash award to the approximately 165,000 employees who make less than $100,000 per year and an additional special payment to those working on the front lines as a way of recognizing their unique contributions.

To support eligible employees who faced challenges with child care, we granted additional days off to arrange for child care and provided a $100 per day reimbursement for eligible employees seeking child care through their own personal networks during the early phase of the pandemic. More than 22,000 employees benefitted from this assistance. We also made a $25 million grant to the We Care Employee Relief Fund, which is available to employees affected by COVID-19 and who have limited resources. The fund helped more than 23,000 employees in 2020.

Compensation and Benefits. In addition to our pandemic-related efforts, in 2020, we raised minimum hourly pay levels in a majority of U.S. markets from $15 to $20 based on employee location. And we saw a nearly 13 percent increase in median employee pay for the year.[7]

We provide a 401(k) plan to help employees save for retirement, and we match employee contributions, dollar for dollar, up to 6 percent of their eligible pay on an annual basis, after they complete one year of service. Additionally, in 2020, we announced a new base contribution of one percent of certified compensation that will be made to the 401(k) plan accounts for eligible employees whose annual compensation is less than $75,000, which is in addition to the matching contribution. These and additional benefits and opportunities are outlined in our recently published commitment to our employees.[8]

VI. Our Commitment to Diversity, Equity, and Inclusion

Our efforts to strengthen and improve Wells Fargo would be incomplete without a sustained commitment to diversity, equity, and inclusion, both for our customers and for our employees. These ideals are essential to our future and personally very important to me. I recognize that, as a bank and an industry, we can and must do better in this regard, and I am committed to making sure that we continue to make progress.

We have made significant strides to diversify our senior leadership, increase the pipeline of diverse talent inside Wells Fargo, and use our market position to increase the share of diverse suppliers

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7 Median employee pay for 2020 was $74,416, up from $65,931 in 2019—a 12.9% increase. Wells Fargo's ratio of CEO to median employee annual total compensation for 2020 was 274:1.

8 *See* Wells Fargo: Our Commitment to Employees (May 6, 2021), available at https://stories.wf.com/wells-fargo-our-commitment-to-employees.

and diverse asset managers. We also maintain sustained partnerships with third party stakeholders to drive positive outcomes for diverse communities.[9]

I am pleased that, in my short tenure, we have added three diverse executives to our Operating Committee, including our Head of Diverse Segments, Representation, and Inclusion, who reports directly to me. Additional new diverse leaders include our Head of Operations; Head of Strategy, Digital and Innovations; and CEO of Home Lending.

Among our U.S. employees, approximately 56.1 percent are female, and 44.6 percent are racially diverse. Our Operating Committee is currently 23.5 percent female and 17.6 percent racially diverse. And our Board of Directors is 25 percent female and 25 percent racially diverse.

Beyond particular roles, we are accountable for continuing to attract diverse candidates to all levels of our organization, including leadership. As part of the year-end evaluation process, Operating Committee members will be evaluated based on, among other performance metrics, their progress in improving diverse representation and inclusion in their area of responsibility. These evaluations will have a direct impact on year-end compensation decisions. Additionally, for the hiring of many senior roles, we have implemented guidelines that require a diverse slate of candidates (at least 50 percent) and a diverse interview panel.

We also continue to focus on early talent recruitment by working with historically Black colleges and universities ("HBCUs"), Hispanic serving institutions ("HSIs"), and other national partners to identify talent and build engagement. HBCUs and HSIs are national treasures that have been leading the way for generations in producing minority leaders in a variety of fields. We have deep and longstanding relationships with these institutions and related auxiliary groups. For example, since 2007, we have provided more than $38 million to support programming and scholarships for the Hispanic Scholarship Fund, the Thurgood Marshall College Fund, and the United Negro College Fund.

VII. Our Commitment to the Communities We Serve

For the communities we serve, we have continued to invest in the institutions critical to their success. While we are encouraged to see signs of improvement, we realize that not all communities are benefiting equally in the recovery. That is why Wells Fargo has been working to support a more inclusive economic recovery, with a focus on racial and social equity, economic mobility, and investments in LMI communities.

Investments in CDFIs and MDIs. We are a proud investor in CDFIs and MDIs. In total, we have provided more than $2.4 billion in funding to support CDFIs and more than $40 million to support MDIs from January 2011 to May 2021.

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9 *See* "Elevating Diversity, Equity, and Inclusion," 2020 Social Impact and Sustainability Highlights, at 13-26 (Apr. 2021), available at https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/social-impact-sustainability-highlights.pdf.

Within the last year, we made approximately $50 million of equity investments in Black-owned MDIs across the country.[10] Relatedly, we recently launched the Black Economic Alliance Entrepreneurs Fund, along with the Black Economic Alliance Foundation, to accelerate the growth of Black entrepreneurs and business owners. The $50 million evergreen fund will provide seed, start-up, and early-stage capital to businesses founded and led by Black entrepreneurs.

Additionally, through our *Open for Business Fund*, we have given more than $150 million over the past year to CDFIs around the country, which are providing grants to hard-hit small businesses with a focus on diverse-owned organizations. Our *Diverse Community Capital* ("DCC") program has dedicated $175 million to CDFIs over five years to provide capital and technical assistance for diverse small business owners in the U.S. The DCC program has enabled CDFIs to lend nearly $350 million to Black small business owners across the country since the program launched in 2015, according to Opportunity Finance Network. And on March 30, 2021, Wells Fargo closed on a $5 million patient capital loan to Hope Enterprise Corporation, a 501(c)(3) and certified CDFI that is dedicated to strengthening communities, building assets, and improving lives in the Delta and other economically distressed areas of the Deep South.

Investments in Underserved Communities. In the communities we serve, we focus on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health, and a low-carbon economy. For instance, last week, we announced the issuance of a $1 billion Inclusive Communities and Climate Bond, our first Sustainability Bond, designed to drive both social and environmental impact. The bond will fund projects and programs that support housing affordability, socioeconomic opportunity, and renewable energy. And diverse underwriting firms will receive the bulk of fees from the bond.

I am also proud to share that Wells Fargo received a rating of "Outstanding" in its most recent Community Reinvestment Act performance evaluation, which covers the years 2012 to 2018. This rating reflects Wells Fargo's strong performance on the exam's components and the company's proven commitment to serving LMI communities.

These commitments and investments complement a host of additional initiatives we have undertaken in recent years that aim to support all of our customers and communities. For example, we committed $1 billion through 2025 to help address the U.S. housing affordability crisis. Additionally, in the 10 years spanning 2009 to 2018, Wells Fargo was the number one financier of home loans to Black individuals and originated more mortgages to help Black home buyers purchase homes than the four other largest bank lenders combined. Similarly, in 2017, we pledged to create 250,000 Black homeowners by 2027 through lending $60 billion for home purchases, increasing the diversity of the sales team, and supporting homebuyer education and counseling. In

[10] As part of its $50 million equity investment commitment, Wells Fargo has invested in the following MDIs: Broadway Federal Bank (Los Angeles, California and Washington District of Columbia); Carver Federal Savings Bank (New York, New York); Carver State Bank (Savannah, Georgia); Citizens Savings Bank & Trust (Nashville, Tennessee); Citizens Trust (Atlanta, Georgia); Commonwealth National Bank (Mobile, Alabama); First Independence (Detroit, Michigan); Harbor Bank (Baltimore, Maryland); Industrial Bank (Washington, District of Columbia); Liberty Bank & Trust (New Orleans, Louisiana); M&F Bank (Durham, North Carolina); Optus Bank (Columbia, South Carolina); and Unity National Bank (Houston, Texas).

the first three years of the commitment, 60,527 Black homeowners have been supported with $15.2 billion in financing.

Our Approach to Risk and Societal Engagement. Beyond our investments, we know that in order to be a trusted partner in the communities where we operate and contribute in meaningful ways to the growth of the U.S., we must be guided by delivering for our customers every day in a manner that will make us, our employees, our customers, and our communities proud. Now more than ever, there is a renewed desire for businesses to operate with all stakeholders in mind.

In 2020, we launched a new Social Impact and Sustainability strategy designed to make a greater impact in communities by more effectively combining our financial resources and business expertise. In the communities we serve, the company focuses its social impact on building a sustainable, inclusive future for all by supporting housing affordability, small business growth, financial health, and a low-carbon economy. Through our businesses and the Wells Fargo Foundation, we are using our resources, business expertise, ingenuity, and collaborations with public and private sector organizations to help solve complex problems. A major near-term focus is fostering an inclusive recovery from the COVID-19 pandemic and strengthening communities that have been disproportionately impacted.

Also last year, we began an effort to be more transparent and comprehensive in non-financial reporting and disclosures. The company moved from a single, annual corporate responsibility report to a suite of disclosures that more completely addresses our approach to environmental, social, and governance ("ESG") risks and opportunities, and performance on related measures. Our inaugural ESG Report details how the company is working to create solutions for stronger communities through diversity and inclusion, economic empowerment, and environmental sustainability.[11]

Likewise, we recognize that our business decisions and those of our customers have the potential to impact communities and the environment. We believe it is important to evaluate and consider the environmental, social, and human rights impacts of our lending and investments along with the traditional financial risk. Our Environmental and Social Risk Management framework and policies are tied to our due diligence requirements, and they help us identify, evaluate, and manage the environmental and social risks associated with our lending and investments.[12] Similarly, in February 2021, we released our first Task Force for Climate-Related Financial Disclosures Report, which provides an update on the company's progress managing climate-related risks and opportunities.[13]

Recently, we made a significant announcement regarding our ongoing efforts to support the transition to a low-carbon economy. Climate change is one of the most urgent environmental and social issues of our time, and we are committed to helping transition to a net-zero carbon economy.

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[11] Environmental, Social, and Governance Report (Aug. 2020), available at https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/environmental-social-governance-report.pdf.

[12] Environmental and Social Risk Management Framework (June 2018), available at https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/esrm-framework.pdf.

[13] Task Force For Climate-Related Financial Disclosures Report (Feb. 2021), available at https://www08.wellsfargomedia.com/assets/pdf/about/corporate-responsibility/climate-disclosure.pdf.

The risks of not taking action are too great to ignore, and collective action is needed to avoid significant impacts on our most vulnerable communities.

Accordingly, we set a target to achieve net-zero greenhouse gas emissions—including our financed emissions—by 2050. We will also launch an Institute for Sustainable Finance to manage the deployment of $500 billion of financing to sustainable businesses and projects by 2030, as well as support science-based research on low-carbon solutions and advocate for policies that enable client transitions. Our aim is to support our customers as they work to transform their businesses for success in a low-carbon economy and to support our communities as they work to adapt to and mitigate the impacts of climate change.

These goals build on efforts already ongoing. We recently surpassed $10 billion in tax-equity investments in the wind, solar, and fuel cell industries, having invested in more than 500 projects, helping to finance 12 percent of all wind and solar energy capacity in the U.S. over the past 10 years.

As we move forward, we will continue to approach critical issues such as these with the care and diligence they deserve.

VIII. Our Commitment to Cybersecurity, Privacy, and Responsible Technology

We recognize that cybersecurity is an area where we must remain ever vigilant to meet evolving threats. We invest heavily in cyber threat management and controls aimed at preventing and preparing for cyberattacks, and we maintain tools to quickly detect and respond to adverse events, limiting their impact. Relatedly, we prioritize personal data privacy and support transparency in our information collection and use practices.

Finally, we believe safe and responsible use of emerging technology has great promise for our industry. Artificial Intelligence ("AI"), for example, has the potential to help detect and prevent harm from bad actors and greatly enhance customer experience and financial inclusion. Responsible use of AI at banks carries with it fundamental value propositions including making better business decisions, driving leaner and faster operations, enhancing customer experience, and detecting patterns or irregularities in data.

We have been involved in research and development in the area of distributed ledger technology ("DLT") to facilitate next-generation settlement services in a variety of areas, including announcing a pilot that will begin soon. It will be an internal settlement service which will run on our internal DLT platform and allow us to complete internal book transfers of cross-border payments within our global branch network.

Finally, we continue to closely and actively follow developments around cryptocurrencies, which have emerged as alternative investments products, though their status as a currency and mechanism of payment remains fluid.

IX. Conclusion

Last year was a challenging one for all, but I am proud of what Wells Fargo has done to support our customers, our country, and our communities throughout an incredibly difficult time. Even in the face of a global pandemic, we made progress in transforming our company, and we will continue to approach the work ahead with urgency.

Thank you, again, for the opportunity to testify. I look forward to answering your questions.

Appendix A
Wells Fargo Capital & Leverage Ratio, Dividend, and Stock Repurchase Data 2011 – 2020[14]

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Common Equity Tier 1 Capital Ratio	11.59%	11.14%	11.74%	12.28%	11.13%	11.07%	11.04%	10.82%	10.12%	9.46%
Tier 1 Capital Ratio	13.25%	12.76%	13.46%	14.14%	12.82%	12.63%	12.45%	12.33%	11.75%	11.33%
Total Capital Ratio	16.14%	15.75%	16.60%	17.46%	16.04%	15.45%	15.53%	15.43%	14.63%	14.76%
Tier 1 Leverage Ratio	8.32%	8.31%	9.07%	9.35%	8.95%	9.37%	9.45%	9.6%	9.47%	9.03%
Supplemental Leverage Ratio[15]	8.05%	7.07%	7.7%	8.0%	7.5%	7.7%	–	–	–	–
Common Stock Dividends	$5.0 b	$8.4 b	$7.9 b	$7.7 b	$7.7 b	$7.6 b	$7.1 b	$6.1 b	$4.7 b	$2.5 b
Common Stock Repurchased	$3.4 b	$24.5 b	$20.6 b	$10.7 b	$7.9 b	$8.9 b	$9.2 b	$5.1 b	$3.9 b	$2.4 b

14 All data reflected here appears in Wells Fargo's public annual reports.

15 In April 2014, federal banking regulators finalized a rule that enhances the supplemental leverage ratio requirements for bank holding companies, like Wells Fargo, and their insured depository institutions. Wells Fargo began reporting its SLR calculations in its 2015 annual report.

Appendix B: Branch Map