

Wells Fargo & Company

# Liquidity Coverage Ratio Disclosure

For the quarter ended December 31, 2022

# Table of contents

Introduction	3
Executive Summary	3
Company Overview	3
LCR Rule Overview	4
Liquidity Risk Management	5
Liquidity Coverage Ratio Results	6
Liquidity Coverage Ratio Components	7
HQLA	7
Cash Outflow Amounts	7
Cash Inflow Amounts	9
Maturity Mismatch Add-On	9
Outflow Adjustment Percentage	9
Total Adjusted Net Cash Outflow Amount	9
Forward-Looking Statements	10

Any reference to "Wells Fargo," "the Company," "we," "our", or "us" in this disclosure, means Wells Fargo & Company and Subsidiaries (consolidated). When we refer to the "Parent," we mean Wells Fargo & Company. This disclosure contains forward-looking statements, which may include our current expectations and assumptions regarding our business, the economy, and other future conditions. Please see the "Forward-Looking Statements" section for additional information, including factors that could cause our actual results to differ materially from our forward-looking statements.

### Introduction

### **Executive Summary**

The Liquidity Coverage Ratio (LCR) disclosures included within this disclosure are required by the LCR public disclosure rule issued by the Board of Governors of the Federal Reserve System (FRB) to promote market discipline through the provision of comparable liquidity information. These disclosures should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022 (2022 Form 10-K). The LCR disclosures provide quantitative and qualitative information about the LCR calculated in conformity with the final LCR rule (the Rule) issued by the FRB, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC), which established a standardized minimum liquidity requirement for large and internationally active banking organizations.

As shown in Table 1, for the quarter ended December 31, 2022 (fourth quarter 2022), the Company's average value for the daily-calculated LCR was 122%, which exceeded the regulatory minimum threshold of 100%. The ratio is calculated as the quarterly average of the daily amount of unencumbered high quality liquid assets (HQLA) divided by average projected net cash outflows over a forward-looking 30-day period of stress. The excess of the average weighted amount of HQLA over the average total projected net cash outflows for fourth quarter 2022 was \$63 billion. HQLA includes certain types of liquid assets and debt securities that meet the criteria to be considered HQLA under the Rule, subject to weighted value adjustments prescribed by the Rule. The projected net cash outflows are calculated by applying a standardized set of outflow and inflow assumptions, defined by the Rule, to various exposures and liability types. The quarterly average LCR for the Company decreased 1% from the prior quarter primarily due to an increase in funding provided to affiliates from the Parent.

	Average for Quarter endec				
December 31, 2022	September 30, 2022		December 31, 2021		
\$ 123,446	\$	125,576	\$210,527		
231,337		238,678	172,761		
354,783		364,254	383,289		
292,001		296,495	325,015		
122%		123%	118%		
	\$ 123,446 231,337 354,783 292,001	\$ 123,446 \$ 231,337 354,783 292,001	December 31, 2022 September 30, 2022   \$ 123,446 \$ 125,576   231,337 238,678   354,783 364,254   292,001 296,495		

(1) Excludes excess HQLA at certain subsidiaries that are not transferable to other Wells Fargo entities.

(2) Net of applicable haircuts required under the LCR rule.

### **Company Overview**

Wells Fargo & Company is a leading financial services company that has approximately \$1.9 trillion in assets, proudly serves one in three U.S. households and more than 10% of small businesses in the U.S., and is a leading middle market banking provider in the U.S. 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, and Wealth and Investment Management. 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. Wells Fargo manages a variety of risks that can significantly affect our financial performance and our ability to meet the expectations of our customers, shareholders, regulators and other stakeholders. Risk is the possibility of an event occurring that could adversely affect the Company's ability to achieve its strategic or business objectives. The Company routinely takes risks to achieve its business goals and to serve its customers. These risks include financial risks, such as interest rate, credit, liquidity, and market risks, and non-financial risks, such as operational risk, which includes compliance and model risks, and strategic and reputation risks. A discussion of the Company's risk management framework and culture is provided in the introduction to "Risk Management", "Risk Management – Risk Governance", and "Risk Management – Risk Operating Model – Roles and Responsibilities" sections in Management's Discussion and Analysis to our 2022 Form 10-K and is applicable to our management of liquidity risk as discussed in this disclosure.

### **LCR Rule Overview**

The liquidity requirements under the Rule are consistent with the minimum standards for funding and liquidity issued by the Basel Committee on Banking Supervision (BCBS) as part of its liquidity framework. A key objective of the BCBS liquidity framework is to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient HQLA, such as central bank reserves and government and corporate debt that can be converted easily and quickly to cash in an amount sufficient to survive a significant stress scenario lasting 30 days. The Rule implements a quantitative liquidity requirement consistent with the LCR established by the BCBS. See the "Risk Management – Asset/Liability Management – Liquidity Risk and Funding" section in Management's Discussion and Analysis to our 2022 Form 10-K for additional information concerning regulatory liquidity rules applicable to us.

The Rule is part of a comprehensive set of reform measures and regulations intended to improve the banking sector's ability to absorb shocks arising from financial and economic stress, improve risk management and governance, and strengthen banks' transparency and disclosures. To achieve these objectives, the Rule requires covered companies to maintain daily HQLA equal to or greater than projected net cash outflows over a 30 calendar-day stress period, subject to detailed specifications around the calculation process which:

- Define which instruments constitute HQLA;
- Limit the amount of excess HQLA held in a subsidiary that can be included in the consolidated company's HQLA to the amount that can be transferred without restrictions in times of liquidity stress;
- Prescribe standardized cash inflow and outflow rates that must be used to calculate total adjusted net cash outflows over the 30-day stress period; and
- Prescribe the methodology for calculating total net cash outflows, including capping cash inflows at 75% of cash outflows and requiring an add-on calculation to address potential maturity mismatches<sup>1</sup> between outflows and inflows.

General eligibility criteria and operational requirements for inclusion of an asset as HQLA are outlined in the Rule. Per the Rule, eligible HQLA are divided into Level 1 assets and Level 2 assets, which are further segmented into Level 2A and Level 2B assets. The composition of asset types within each level, as well as applicable haircuts and quantitative limits, are specified in the Rule.

The calculation of net cash outflow incorporates prescribed standardized outflow and inflow rates, and in some instances prescribes the methodology by which certain transaction types are to be classified. A delineation of wholesale deposits into operational and non-operational is required for LCR reporting. Operational deposits are defined as unsecured wholesale funding that is necessary to provide operational services. Additional criteria must also be satisfied, including an assessment of whether the volatility of the average balance indicates there is an excess balance which must be excluded from the operational deposit amount. Retail brokered deposits are segmented differently for LCR purposes relative to other reporting with the LCR classification based on type of account, insurance, and maturity to assign differentiated outflow rates.

<sup>&</sup>lt;sup>1</sup> The maturity mismatch add-on is applicable to U.S. banking organizations with total consolidated assets of at least \$250 billion or on-balance sheet foreign exposure of at least \$10 billion, and any advanced approaches banking organization's consolidated U.S. depository institution subsidiary that has \$10 billion or more in total consolidated assets.

The daily calculation of LCR is evaluated against the minimum threshold of 100%, and in the event that it falls below the threshold on any given business day, we are required under the Rule to provide same-day notification to the FRB. Regulatory guidance indicates that during certain periods of systemic or idiosyncratic stress, it would be acceptable to fall below the minimum LCR requirement, thus allowing for the utilization of liquid assets to meet stressed outflow needs.

The Rule is applicable to the Company on a consolidated basis, Wells Fargo Bank, N.A. and Wells Fargo National Bank West. The basis of consolidation used for regulatory reporting is the same as that used under U.S. Generally Accepted Accounting Principles (U.S. GAAP). For additional information on our basis for consolidating entities for accounting purposes, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2022 Form 10-K.

# Liquidity Risk Management

Wells Fargo's objective in managing its liquidity is to maintain liquidity at an amount commensurate with our risk profile and risk appetite, and to meet both regulatory and market expectations. We manage liquidity to meet internal liquidity guidelines with the goal of ensuring that sufficient asset-based liquidity is available to cover potential funding requirements and to avoid over-dependence on volatile, less reliable funding markets. We maintain operational and governance processes designed to manage, forecast, monitor, and report to management and the Company's Board of Directors liquidity levels in relation to regulatory requirements and internal liquidity guidelines.

Wells Fargo measures and monitors its LCR as part of our overall liquidity risk management framework, the objective of which is to ensure that we can meet customer loan requests, customer deposit maturities and withdrawals, debt service, leases for premises and equipment, and other cash commitments efficiently under both normal operating conditions and under periods of Company-specific and/or market stress. The Company actively manages liquidity risk through a comprehensive process for assessing its overall liquidity and funding risks. We perform internal liquidity stress tests to evaluate our available liquidity resources against potential liquidity needs under a range of adverse scenarios and time horizons. The results of our liquidity stress tests, which consider both market and Company-specific events, are used to inform management of current liquidity positioning against expected and unexpected future events. See the "Risk Management – Asset/Liability Management – Liquidity Risk and Funding" section in Management's Discussion and Analysis to our 2022 Form 10-K for additional information concerning our liquidity risk management practices.

Primary oversight of liquidity and funding resides with the Risk Committee of the Board of Directors. At the management level, the Corporate Asset/Liability Committee (ALCO) oversees these risks and supports periodic reports provided to the Risk Committee. In conjunction with ALCO, the Liquidity Risk Management Oversight Committee (LRMOC) oversees the process by which liquidity risk is managed. LRMOC is responsible for reviewing and approving liquidity stress testing methodologies and underlying assumptions, and overseeing the Company's liquidity stress testing and monitoring frameworks and the structure of its contingency funding plan. ALCO reviews the actual and forecasted liquidity levels, and together with LRMOC, monitors liquidity against regulatory requirements and internal guidelines for signs of stress. Management reviews the Company's liquidity performance against objectives intended to ensure alignment with the expectations and guidance offered by regulatory agencies and our Board. For a discussion on our risk management framework, see the introduction to "Risk Management", "Risk Management – Risk Governance", and "Risk Management – Risk Operating Model – Roles and Responsibilities" sections in Management's Discussion and Analysis to our 2022 Form 10-K.

# Liquidity Coverage Ratio Results

The following table sets forth the average values for our LCR and related components calculated pursuant to the LCR rule and its requirements for the period from October 1 to December 31, 2022.

Average unweighted Average weighted   (In millions, except ratio) amount   High Quality Liquid Assets amount   Total eligible HQL (2), of which: \$ 370,339 354,783   Eligible level 2A liquid assets 266,633 266,633   Eligible level 2A liquid assets - -   Deposit Outflow from retail customer and counterparties, of which: \$ 980,523 71,018   Stable retail deposit outflow 120,447 22,876   Unsecured vholesale funding outflow, of which: 363,624 123,737   Operational deposit outflow 230,155 57,039   Non-operational funding outflow, of which: 363,624 123,737   Operational deposit outflow 132,762 66,633   Unsecured wholesale funding and asset exchange outflow 100,172 28,094   Additional outflow requirements, of which: 9494,970 95,552   Outflow related to derivative exposures and other collateral requirements 21,178 1.88,69   Outflow related to derivative exposures and other collateral requirements 21,373 76,683   Other carbineding obligation outflow 1,845	Table 2: Liquidity Coverage Ratio (1)	2: Liquidity Coverage Ratio (1) Quarter ended Decem			mber 31, 2022
unweightedweighted(In millions, except ratio)amountamountTotal eligible HQL (2), of which:\$ 370,339354,783Total eligible level 1 liquid assets266,633266,633Eligible level 128 liquid assets103,70688,150Eligible level 28 liquid assets103,70688,150Eligible level 28 liquid assetsCash Outflow Anounts567,09917,013Other retail deposit outflow567,09917,013Other retail deposit outflow, of which:363,624123,737Operational deposit outflow, of which:363,624123,737Operational deposit outflow132,75266,030Unsecured wholesale funding outflow, of which:363,624123,737Operational deposit outflow132,75266,030Unsecured debt outflow132,75266,030Unsecured debt outflow100,17228,094Additional outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Other contingent funding obligation outflow1,8451,8451,845Other contingent funding obligation outflow2,4371,2181,918Secured wholesale cash inflow3,2353,2353,2353,235Secured lending and asset exchange cash inflow3,244681,9181,918<					Average
(In millions, except ratio)amountamountHigh Quality Liquid Assets370,339354,783Total eligible HQLA (2), of which:\$ 370,339266,633Eligible level 2 liquid assets266,633266,633Eligible level 2 liquid assets103,70688,150Eligible level 2 liquid assetsCash Outflow Amounts567,09917,013Other retail funding292,93731,129Brokered deposit outflow120,48722,876Unsecured wholesale funding outflow, of which:363,624123,737Operational deposit outflow230,19557,039Non-operational deposit outflow132,76266,030Unsecured wholesale funding outflow, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,3253,2253,2235Secured wholesale exhange cash inflow3,2453,245Secured wholesale exhange cash inflow3,2453,245Secured wholesale exchange cash inflow3,2453,223Secured wholesale exhange cash inflow3,2453,225Secured wholesale exchange cash inflow3,24683,245Cash Inflow Amounts3,245Se					
High Quality Liquid Assets \$ 370,339 354,783   Total eligible HvQL (2), of which: \$ 370,339 354,783   Eligible Level 12 liquid assets 266,633 266,633   Eligible Level 28 liquid assets - -   Cash Outflow Amounts 5 980,523 71,018   Stable retail deposit outflow 567,099 17,013   Other retail funding 292,937 31,129   Brokered deposit outflow 230,195 57,039   Non-operational funding outflow, of which: 363,624 123,762 66,030   Unsecured wholesafe funding outflow 132,762 66,030 01,822,762 66,030   Outflow related to derivative exposures and other collateral requirements 21,178 18,869 04160   Outflow related to derivative exposures and other collateral requirements 21,178 18,869 04160 139,655 4,223   Other contragent funding obligation outflow 139,605 4,223 14,845 1,445 1,445   Other contragent funding obligation soutflow 139,605 4,223 12,223 12,223 12,223	(in millions, except ratio)				
Total eligible HQLA (2), of which: \$ 370,339 354,783   Eligible level 1A liquid assets 266,633 266,633   Eligible level 2B liquid assets 103,706 88,150   Deposit Outflow from retail customer and counterparties, of which: \$ 980,523 71,018   Stable retail deposit outflow 292,937 31,129   Brokered deposit outflow 292,937 31,219   Brokered deposit outflow 201,437 228,763   Operational deposit outflow 233,624 123,737   Operational deposit outflow 230,195 57,039   Non-operational funding outflow, of which: 363,624 123,737   Operational deposit outflow 230,195 57,039   Non-operational deposit outflow 231,722 66,030   Outflow related to derivative exposures and other collateral requirements 21,178 18,869   Outflow related to derivative exposures and other collateral requirements 2,178 18,869   Outflow related to derivative exposures and other collateral requirements 2,178 18,845   Other contractual funding obligation outflow 1,845 1,845 1,845 <td></td> <td></td> <td></td> <td></td> <td></td>					
Eligible level 2 liquid assets266.633266.633Eligible level 2 8 liquid assets103.70688.150Cash Outflow AmountsDeposit Outflow from retail customer and counterparties, of which:\$ 980.52371.018Stable retail deposit outflow567.09917.013Other retail funding292.93731.129Brokkerd deposit outflow120.487228.737Operational deposit outflow230.19557.039Non-operational funding outflow, of which:363.624123.737Operational deposit outflow132.76266.030Unsecured wholesale funding and asset exchange outflow100.17228.094Additional outflow requirements, of which:494.97095.552Outflow related to cerdit and liquidity facilities including unconsolidated100.17228.094Other contractual funding outflow1,8451,4451,445Other contractual funding obligation outflow1,8451,4451,445Other contractual funding obligation soutflow1,8451,4451,445Other contractual funding obligations outflow3,2353,2353,235Secured ending and asset exchange cash inflow3,2353,2353,235Secured ending and asset exchange cash inflow3,2353,2353,235Other contractual funding obligations outflow1,9181,9181,918Unsecured wholesale cash inflow3,2353,2353,2353,235Secured lending and asset exchange cash inflow3,2353,2353		\$	370,339		354,783
Eligible level 2A liquid assets 103,706 88,150   Eligible level 2B liquid assets - -   Deposit Outflow from retail customer and counterparties, of which: \$ 980,523 71,018   Stable retail deposit outflow 292,937 31,129   Brokered deposit outflow 120,487 22,876   Unsecured wholesale funding outflow, of which: 363,624 123,737   Operational deposit outflow 230,195 57,039   Non-operational deposit outflow 132,762 66,030   Unsecured wholesale funding and asset exchange outflow 100,172 28,094   Additional outflow requirements, of which: 494,970 95,552   Outflow related to derivative exposures and other collateral requirements 21,178 18,869   Other contractual funding obligation outflow 138,605 4,223   Other contractual funding obligation outflow 138,605 4,223   Other contractual funding obligation outflow 1,845 1,845   Other contractual funding obligation outflow 1,845 1,845   Other contractual funding obligation outflow 1,845 1,845					
Eligible level 2B liquid assets -   Cash Outflow Amounts -   Deposit Outflow from retail customer and counterparties, of which: \$ 980,523 71,018   Stable retail deposit outflow 292,937 31,129   Brokered deposit outflow 120,487 223,0195 57,039   Non-operational deposit outflow 230,195 57,039 Non-operational funding outflow 132,762 66,030   Non-operational funding outflow 132,762 66,030 00,172 28,094   Additional outflow requirements, of which: 494,970 95,552 0utflow related to derivative exposures and other collateral requirements 21,178 18,869   Outflow related to derivative exposures and other collateral requirements 139,665 4,223   TOTAL CASH OUTFLOW \$ 2,080,739 324,468   Cash Inflow Amounts 33,235 3,235 3,235   Secured lending and asset exchange cash inflow \$ 83,005 24,195   Retail cash inflow, of which: 7,229 6,6855 3,235 3,235   Other contrigget funding obligation outflow 3,235					
Cash Outflow Amounts \$ 980,523 71,018   Deposit Outflow from retail customer and counterparties, of which: \$ 980,523 71,018   Stable retail deposit outflow 292,937 31,129   Brokered deposit outflow 120,487 22,876   Unsecured wholesale funding outflow, of which: 363,662 122,772   Operational deposit outflow 132,762 66,030   Unsecured wholesale funding outflow, of which: 363,662 122,3737   Operational funding outflow, of which: 363,662 122,3737   Operational deposit outflow 132,762 66,030   Unsecured wholesale funding outflow, of which: 494,970 95,552   Outflow related to derivative exposures and other collateral requirements 21,178 18,869   Outflow related to credit and liquidity facilities including unconsolidated 76,683 76,683   Other contractual funding obligations outflow 1,845 1,845   Other contractual funding obligation outflow 1,845 1,845   Other contractual funding obligation outflow 2,080,739 324,468   Other contractual funding obligation outflow 2,3169			-		-
Stable retail deposit outflow567,09917,013Other retail funding292,93731,129Brokerd deposit outflow120,48722,876Unsecured wholesale funding outflow, of which:363,624123,737Operational deposit outflow230,19557,039Non-operational funding outflow132,72266,030Unsecured debt outflow6676667Secured wholesale funding and asset exchange outflow6676677Secured wholesale funding and asset exchange outflow21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Structured transactions and mortgage commitments4139,6054,223Other contractual funding obligation outflow1,8451,845Other contingent funding obligations outflow2,4371,214Secured lending and asset exchange cash inflow9,1696,417Other cash inflow Amounts2,2353,2353,235Securities cash inflow1,7021,7021,702Other cash inflow, of which:7,2296,85510,8403,235Securities cash inflow1,7021,9181,9181,918Broker-dealer segregated account inflow1,7021,7021,702Other cash inflow1,7021,7023,845Total net cash outflow	5				
Stable retail deposit outflow567,09917,013Other retail funding292,93731,129Brokerd deposit outflow120,48722,876Unsecured wholesale funding outflow, of which:363,624123,737Operational deposit outflow230,19557,039Non-operational funding outflow132,72266,030Unsecured debt outflow6676667Secured wholesale funding and asset exchange outflow6676677Secured wholesale funding and asset exchange outflow21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Structured transactions and mortgage commitments4139,6054,223Other contractual funding obligation outflow1,8451,845Other contingent funding obligations outflow2,4371,214Secured lending and asset exchange cash inflow9,1696,417Other cash inflow Amounts2,2353,2353,235Securities cash inflow1,7021,7021,702Other cash inflow, of which:7,2296,85510,8403,235Securities cash inflow1,7021,9181,9181,918Broker-dealer segregated account inflow1,7021,7021,702Other cash inflow1,7021,7023,845Total net cash outflow	Deposit Outflow from retail customer and counterparties, of which:	\$	980,523		71,018
Other retail funding292,93731,129Brokered deposit outflow120,48722,876Unsecured wholesale funding outflow, of which:363,624123,737Operational deposit outflow230,19557,039Non-operational funding outflow132,76266,030Unsecured wholesale funding and asset exchange outflow100,17228,094Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Other contractual funding obligation outflow1,8451,445Other contractual funding obligation soutflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,4371,218Unsecured wholesale cash inflow3,2253,2235Net derivative explication outflow3,2253,2235None operate dation inflow1,9181,918Unsecured wholesale cash inflow3,2253,2235Net derivative cash inflow3,2253,2235Secured lending and asset exchange cash inflow3,2353,235Secured elending and asset exchange cash inflow3,2353,235Net derivative cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow3,74-Cother cash inflow3,54,783T					
Brokered deposit outflow 120,487 22,876   Unsecured wholesale funding outflow, of which: 363,624 122,737   Operational deposit outflow 230,195 57,039   Non-operational funding outflow 132,762 66,030   Unsecured wholesale funding and asset exchange outflow 667 667   Secured wholesale funding and asset exchange outflow 100,172 28,094   Additional outflow requirements, of which: 494,970 95,552   Outflow related to derivative exposures and other collateral requirements 21,178 18,869   Outflow related to credit and liquidity facilities including unconsolidated 473,793 76,683   Other contractual funding obligation outflow 1,845 1,845   Other contractual funding obligation soutflow 139,605 24,223   TOTAL CASH OUTFLOW 2,080,739 324,468   Cash Inflow Amounts 2,437 1,218   Unsecured wholesale cash inflow 3,235 3,235   Securit lending and asset exchange cash inflow 3,235 3,235   Net derivative cash inflow 1,918 1,918   Unsecured who	•				
Unsecured wholesale funding outflow, of which:363,624123,737Operational deposit outflow230,19557,039Non-operational funding outflow132,76266,030Unsecured debt outflow667667Secured wholesale funding and asset exchange outflow100,17228,094Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Other contractual funding obligation outflow1,8451,845Other contractual funding obligation outflow139,6054,223TOTAL CASH OUTFLOW\$2,080,7393224,468Cash Inflow Amounts2,4371,2181,918Breat cash inflow, of which:7,2296,8553,235Secured lending and asset exchange cash inflow3,2353,2353,235Secured lending and asset exchange cash inflow3,2353,2353,235Secured lending and asset exchange cash inflow3,2353,2353,235Secured lending and asset exchange cash inflow1,9181,9181,918Broker-dealer segregated account inflow1,7021,7021,702Other cash inflow, of which:7,2296,8553,235Secured lending and asset exchange cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,7021,702Other cash inflow3,74-	-				
Operational deposit outflow230,19557,039Non -operational funding outflow132,76266,030Unsecured debt outflow667667Secured wholesale funding and asset exchange outflow100,17228,094Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Other contractual funding obligation outflow1,8451,845Other contractual funding obligation outflow139,6054,223Other contingent funding obligation soutflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,4371,218Unsecured wholesale cash inflow3,2353,235Secured lending and asset exchange cash inflow3,2353,235Net derivative cash inflow1,9181,918Unsecured wholesale cash inflow1,7021,702Other cash inflow, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,7021,702Other cash inflow374-TOTAL CASH UNFLOW\$ 101,84038,685Maturity mismatch add-on285,7836,219Total unadjusted net cash outflow amount292,00120%Outflow adjustement percentage209,20020%Total adjusted net cash outflow amount292,001 <td></td> <td></td> <td></td> <td></td> <td></td>					
Non-operational funding outflow132,762660,30Unsecured debt outflow667667Secured wholesale funding and asset exchange outflow100,17228,094Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Structured transactions and mortgage commitments473,793324,468Other contractual funding obligation outflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,4371,218Secured lending and asset exchange cash inflow2,4371,218Unsecured wholesale cash inflow3,2353,235Securities cash inflow3,2353,235Securities cash inflow1,9181,918Unsecured wholesale cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Securities cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Diffex and inflow1,7021,702Securities cash inflow1,7021,702Securities cash inflow1,7021,702Other cash inflow1,7021,702Securities cash inflow2,86852,8685Met derivative cash inflow3,7253,235Securities cash					
Unsecured debt outflow667667Secured wholesale funding and asset exchange outflow100,17228,094Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Other contractual funding obligation outflow1,8451,845Other contractual funding obligation soutflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,4371,218Unsecured wholesale cash inflow\$ 2,4371,218Unsecured wholesale cash inflow3,2353,235Secured lending and asset exchange cash inflow3,2353,235Net derivative cash inflow1,9181,918Unsecured wholesale cash inflow1,7021,702Other cash inflows, of which:7,2296,855Net derivative cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Securities cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Securities cash inflow1,7021,702Other cash inflow1,7021,702Dother cash inflow1,7021,702Dother cash inflow1,7021,702Securities cash inflow<					
Secured wholesale funding and asset exchange outflow100,17228,094Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated21,17818,869Outflow related to credit and mortgage commitments473,79376,683Other contractual funding obligation outflow1,8451,845Other contractual funding obligations outflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,4371,218Unsecured wholesale cash inflow\$ 2,4371,218Unsecured wholesale cash inflow3,2353,235Securities cash inflow3,2353,235Securities cash inflow1,9181,918Unsecured wholesale cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Securities cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow1,7021,702Other cash inflow3,74-TOTAL CASH INFLOW\$ 101,84036,685Total exist inflow2,847,83-Total exist inflow2,847,83-Total exist inflow2,847-Total exist inflow2,847-Total exist inflow2,847- <td></td> <td></td> <td></td> <td></td> <td></td>					
Additional outflow requirements, of which:494,97095,552Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated21,17818,869Outflow related to credit and liquidity facilities including unconsolidated473,79376,683Structured transactions and mortgage commitments473,79376,683Other contractual funding obligation outflow139,6054,223TOTAL CASH OUTFLOW\$2,080,739324,468Cash Inflow Amounts2,4371,218Secured lending and asset exchange cash inflow9,1696,417Other cash inflow, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow, of which:7,2296,855Net derivative cash inflow1,9181,918Broker-dealer segregated account inflow3,74-Other cash inflow3,74-TOTAL CASH INFLOW\$101,84038,685Maturity mismatch add-on285,783Total unadjusted net cash outflow amount285,7836,213Total unadjusted net cash outflow amount29,001200%Outflow adjustment percentage-100%Total adjusted net cash outflow amount-292,001					
Outflow related to derivative exposures and other collateral requirements21,17818,869Outflow related to credit and liquidity facilities including unconsolidated <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
Outflow related to credit and liquidity facilities including unconsolidatedstructured transactions and mortgage commitments473,79376,683Other contractual funding obligation outflow1,8451,845Other contingent funding obligations outflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts2,4371,218Unsecured wholesale cash inflow\$ 2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflow, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685HQLA Amount(A)\$ 354,783Total unadjusted net cash outflow amount285,783-Maturity mismatch add-on225,001-Outflow adjustment percentage100%221,001	· ·				
structured transactions and mortgage commitments473,79376,683Other contractual funding obligation outflow1,8451,845Other contractual funding obligations outflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow Amounts\$ 2,4371,218Secured lending and asset exchange cash inflow2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685Net derivative cash inflow374-Other cash inflow374-Other cash inflow374-TOTAL CASH INFLOW\$ 101,840\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount292,001	· · ·		,_, 0		_0,000
Other contractual funding obligation outflow1,8451,845Other contingent funding obligations outflow139,6054,223TOTAL CASH OUTFLOW\$2,080,739324,468Cash Inflow AmountsSecured lending and asset exchange cash inflow\$83,00524,195Retail cash inflow2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$101,840Broker-dealer segregated account inflow374-Cother cash inflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on-6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount292,001			473,793		76.683
Other contingent funding obligations outflow139,6054,223TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow AmountsSecured lending and asset exchange cash inflow2,4371,218Unsecured wholesale cash inflow2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on292,001Outflow adjustment percentage100%100%Total adjusted net cash outflow amount(B)\$ 292,001	5 5				
TOTAL CASH OUTFLOW\$ 2,080,739324,468Cash Inflow AmountsSecured lending and asset exchange cash inflow\$ 83,00524,195Retail cash inflow2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow374-Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$ 292,001					
Cash Inflow Amounts\$ 83,00524,195Secured lending and asset exchange cash inflow2,4371,218Retail cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$101,840HQLA Amount(A)\$Maturity mismatch add-on(A)\$Maturity mismatch add-onOutflow adjustment percentage-2001Outflow adjustment percentage100%100%Total adjusted net cash outflow amount(B)\$20,0010,011\$202,001		\$			
Secured lending and asset exchange cash inflow\$ 83,00524,195Retail cash inflow2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$101,84038,685HQLA Amount(A)\$354,783Total net cash outflow amount excluding the maturity mismatch add-on6,2196,219Total unadjusted net cash outflow amount292,001100%Outflow adjustment percentage100%100%100%Total adjusted net cash outflow amount10%\$292,001Outflow adjustment percentage100%100%100%		Ŧ	2,000,733		524,400
Retail cash inflow2,4371,218Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$101,840HQLA Amount(A)\$354,783Total net cash outflow amount excluding the maturity mismatch add-on6,219-Total unadjusted net cash outflow amount292,001100%Outflow adjustment percentage100%100%		\$	83 005		24 195
Unsecured wholesale cash inflow9,1696,417Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$101,840HQLA Amount(A)\$Total net cash outflow amount excluding the maturity mismatch add-on-Maturity mismatch add-on-6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$292,001		Ŧ			
Other cash inflows, of which:7,2296,855Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$101,84038,685Average Amount (3)HQLA Amount(A)\$354,783Total net cash outflow amount excluding the maturity mismatch add-on-6,219Total unadjusted net cash outflow amount285,7836,219Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$292,001(B)\$292,001					
Net derivative cash inflow3,2353,235Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685Average Amount (3)HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on-6,219Total unadjusted net cash outflow amount100%Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$ 292,001					
Securities cash inflow1,9181,918Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on-6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$ 292,001					
Broker-dealer segregated account inflow1,7021,702Other cash inflow374-TOTAL CASH INFLOW\$ 101,84038,685HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on-285,783Maturity mismatch add-on-6,219Total unadjusted net cash outflow amount-292,001Outflow adjustment percentage-100%Total adjusted net cash outflow amount(B)\$ 292,001					
Other cash inflow374TOTAL CASH INFLOW\$ 101,84038,685Average Amount (3)44HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$ 292,001					
TOTAL CASH INFLOW\$ 101,84038,685Average Amount (3)Average Amount (3)HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$ 292,001					1,702
Average Amount (3)HQLA Amount(A)\$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B)\$ 292,001		¢			38 685
HQLA Amount(A) \$ 354,783Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B) \$ 292,001	TOTAL CASH INFLOW	φ	101,840	Avora	
Total net cash outflow amount excluding the maturity mismatch add-on285,783Maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B) \$ 292,001	HOLA Amount		(A)		
Maturity mismatch add-on6,219Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B) \$ 292,001	•		(-4)	+	
Total unadjusted net cash outflow amount292,001Outflow adjustment percentage100%Total adjusted net cash outflow amount(B) \$ 292,001	<b>v</b>				
Outflow adjustment percentage100%Total adjusted net cash outflow amount(B) \$ 292,001	•				
Total adjusted net cash outflow amount(B) \$ 292,001	•				
			(B)	\$	
	Liquidity coverage ratio (%)		(A)/(B)	•	122%

(1) As required under 12 CFR Part 249, subpart J.

(2) Excludes excess HQLA at certain subsidiaries that are not transferable to other Wells Fargo entities.

(3) Amounts reported in this section may not equal the calculation of those amounts using the components in the preceding portion of the table due to technical factors such as the application of the Level 2 liquidity asset caps and the total inflow cap.

# Liquidity Coverage Ratio Components

### HQLA

As shown in Table 2, our HQLA weighted amount averaged \$355 billion in fourth quarter 2022, compared with \$364 billion in third quarter 2022, largely due to consumer deposit outflows partially offset by other funding sources at Wells Fargo Bank, N.A. Under the Rule, Level 1 securities are included in our HQLA based on fair value as determined under U.S. GAAP plus accrued interest, without the application of a haircut. A significant portion of our Level 1 assets are held in the form of cash on deposit with central banks, predominantly the Federal Reserve.

In total, average Level 2 assets of \$88 billion composed 25% of our HQLA amount. Per the Rule, Level 2A and Level 2B assets are weighted in HQLA with haircuts applied to fair value at 15% and 50%, respectively. Total Level 2 assets are subject to a 40% HQLA composition limit with a 15% sub-limit for Level 2B.

Among other criteria, an asset must be unencumbered to be included as part of our HQLA amount. Additionally, the amount of HQLA held at subsidiaries that is included in the consolidated company's calculation is limited to the amount that would be available to transfer without restrictions to the top-tier company during times of liquidity stress. A significant portion of Level 2 assets in the Company are not transferrable from the owning subsidiaries and are excluded from the Company's HQLA.

The composition of our HQLA by asset class is summarized in Table 3.

Table 3: HQLA Composition	Quarter ended December 31, 2022			
(in millions)	Average unweighted amount			Average weighted amount
Cash on deposit (Level 1)	\$	123,446	\$	123,446
Securities of U.S. Treasury (Level 1)		65,028		65,028
Securities of federal agencies and mortgage-backed securities of federal agencies:				
Level 1		71,115		71,115
Level 2A		103,706		88,150
Other foreign government obligations (Level 1 and 2A)		7,045		7,045
Eligible corporate debt and publicly traded equity securities (Level 2B)		-		-
Total HQLA	\$	370,339	\$	354,783

Eligible HQLA securities are held on our balance sheet as debt or equity securities, or received as collateral on secured lending transactions or as margin for certain counterparty exposures. Some of the securities in our HQLA amount are within the held-to-maturity portion of our debt securities portfolio and as such are not intended for sale but, to the extent such securities are not encumbered, may be pledged to obtain financing. The size and composition of our available-for-sale and held-to-maturity debt securities is dependent upon the Company's liquidity and interest rate risk management objectives. Additional information on our debt securities portfolio can be found in the "Balance Sheet Analysis – Available-for-Sale and Held-to-Maturity Debt Securities" section of our 2022 Form 10-K.

### **Cash Outflow Amounts**

The Company's predominant sources of funding are deposits, short-term borrowings, and long-term debt. Deposits, which are the Company's largest source of funding, are diversified between retail and wholesale customers. Our short-term borrowings, which generally mature in less than 30 days, are primarily composed of securities sold under agreements to repurchase which are secured primarily with HQLA. Long-term debt, which consists of domestic and international issuances of registered debt securities, private placements and asset-backed secured funding, is issued in a variety of maturities and currencies to achieve cost-efficient funding and to maintain an appropriate maturity profile. The

composition of our funding sources forms the basis for the majority of our cash outflow amounts as derived through the LCR calculation methodology.

In line with the Company's overall business model, our primary source of cash outflows as defined by the LCR calculation stems from deposit funding transactions across wholesale and retail deposit accounts, most of which do not have defined maturity dates.

As shown in Table 2, our largest average weighted cash outflows are derived from sources of unsecured wholesale funding, primarily wholesale deposits, and are prescribed outflow rates higher than other funding sources under the Rule. The prescribed outflow rates on unsecured wholesale funding transactions have a wide range. Substantially all operational deposits, including escrow deposits, are assigned an outflow factor of 25% under the Rule. Operational deposit outflows of \$57 billion were a major component of total average weighted cash outflows for fourth quarter 2022. We generally consider operational deposits to be a stable source of funding as these deposits are associated with key operational services provided to our wholesale customers, which increases the likelihood they will maintain their balances in a time of stress.

The Company's non-operational funding cash outflows for the purposes of the LCR calculation are predominantly composed of deposit accounts which do not satisfy the characteristics of operational deposits. The prescribed outflow rates assigned to these transactions are higher for financial counterparties than for non-financial counterparties. For substantially all non-financial counterparties, the Rule's prescribed outflow rate is 40%, while the outflow rate for financial counterparties is 100%. For fourth quarter 2022, non-operational funding outflows averaged \$66 billion.

Unsecured debt outflows are substantially composed of maturities of our long-term debt and wholesale negotiable certificates of deposit occurring within 30 days of the calculation date.

Consistent with our large retail banking presence, retail deposit outflows of \$71 billion were a major component of total average weighted cash outflows for fourth quarter 2022. Transactional and relationship retail deposits that are fully insured are considered a stable source of funding for the Company and thus are assigned a lower 3% outflow rate under the Rule, whereas other retail deposits are predominantly prescribed a higher 10% outflow rate under the Rule. For fourth quarter 2022, stable retail deposit outflows averaged \$17 billion, while other non-brokered retail funding outflows averaged \$31 billion.

Brokered deposit cash outflow amounts are predominantly associated with bank deposit sweeps offered through Wells Fargo Clearing Services, LLC and similar deposits sourced by our wholesale line of business. The Rule's prescribed outflow rates for these deposits range from 10-40% depending on the affiliation between the bank and the broker sweeping the deposit and whether the deposit is fully covered by deposit insurance. For fourth quarter 2022, outflows related to bank deposit sweeps averaged \$18 billion. The Company has also issued brokered certificates of deposit to retail counterparties, with average outflows of \$4 billion in fourth quarter 2022 under the Rule. In total, brokered deposits averaged \$23 billion in outflows for fourth quarter 2022.

Outflows related to credit and liquidity facilities, including unconsolidated structured transactions and mortgage commitments, of \$77 billion were also a significant component of cash outflows under the Rule in fourth quarter 2022. These prescribed drawdowns on unfunded commitments included credit facilities and mortgage commitments to retail counterparties (5-10% outflow rates), and wholesale credit and liquidity facilities to financial and non-financial counterparties (10-100% outflow rates, depending on facility and counterparty type). Notably, credit facilities to non-financial wholesale customers are assigned a prescribed outflow rate of 10%; credit facilities to financial wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 40-100%; and liquidity facilities to wholesale customers are assigned prescribed outflow rates of 30-100%. Liquidity facilities are defined in the Rule as legally binding written agreements to extend funds to a counterparty at a future date for the purpose of refinancing the debt of the counterparty when it is unable to obtain a primary or anticipated source of funding; all other legally binding loan agreements are considered credit facilities.

Secured wholesale funding and asset exchange outflows of \$28 billion were substantially derived from repurchase and security lending agreements, collateralized deposits, and loans of collateral to the Company's customers to effect short positions. For secured funding transactions that mature within 30 days of the calculation date, outflow rates prescribed by the Rule are based on the quality of collateral securing the transaction and generally prescribed according to HQLA classifications. No outflow rates are prescribed for transactions secured by Level 1 assets, while the Rule assigns transactions secured by Level 2A assets an outflow rate of 15%. Transactions secured by Level 2B and non-HQLA assets have specified outflow rates of 50% and 100%, respectively. The repurchase and security lending transactions referred to above are primarily collateralized by HQLA and represent a primary source of funding for Wells Fargo Securities, LLC, our institutional broker dealer.

Derivative exposures and other collateral requirements generated average outflows of \$19 billion under the LCR calculation methodology prescribed by the Rule. Substantially all of these outflows represented increased collateral requirements associated with the prescribed stress.

Average outflows of \$4 billion for other contingent funding obligations are associated with debt security buyback outflows where the maturity date is more than 30 calendar days from the calculation date and we are the primary market maker. The Rule's prescribed rate on debt security buyback outflows varies between 3% and 5%, depending on whether the security is unstructured or structured, respectively.

### **Cash Inflow Amounts**

In fourth quarter 2022, the majority of the Company's cash inflows calculated under the Rule were attributable to secured lending transactions which averaged \$24 billion. Substantially all of our secured lending transactions consist of securities purchased under resale agreements, securities borrowing transactions, and margin loans. To determine the cash inflows eligible for inclusion in the calculation, an effective maturity date must be determined for each secured lending transaction by taking the later of the transaction's contractual maturity date and the maturity date of an associated secured funding transaction for which the collateral received under the secured lending transaction has been rehypothecated. The prescribed rates for secured lending transactions where the transaction will mature within 30 days of the calculation date are dependent on the quality of the collateral securing the transaction and are assigned according to HQLA classifications consistent with the classifications prescribed for secured funding transactions.

Of the remaining inflow categories, unsecured wholesale cash inflows, securities cash inflows and derivatives cash inflows accounted for \$12 billion of our fourth quarter 2022 average cash inflow amount. As shown in Table 2, other sources of cash inflows under the 30 day scenario include retail cash inflows and cash inflows relating to broker-dealer segregated accounts.

### Maturity Mismatch Add-On

Maturity mismatches occur when there are contractual inflows late in the 30-day stress period and outflows early in the same period. Within the LCR calculation, the maturity mismatch add-on attempts to address potential maturity mismatches between early outflows and late inflows. In Table 2, the quarterly average value for the maturity mismatch add-on compared to the total net cash outflow amount is not significant.

### **Outflow Adjustment Percentage**

A covered company's total net cash outflow amount is multiplied by an outflow adjustment percentage specified in the Rule. The outflow adjustment percentage applicable to the Company is 100%.

### **Total Adjusted Net Cash Outflow Amount**

The total adjusted net cash outflow amount, which is the denominator of the LCR, is derived by aggregating and netting total cash outflows and total cash inflows against each other, then adding the calculated maturity mismatch amount and then multiplying by the outflow adjustment percentage.

# Forward-Looking Statements

This document contains forward-looking statements. In addition, we may make forward-looking statements in our other documents filed or furnished with the Securities and Exchange Commission, and our management may make forwardlooking statements orally to analysts, investors, representatives of the media and others. Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "target," "projects," "outlook," "forecast," "will," "may," "could," "should," "can" and similar references to future periods. In particular, forward-looking statements include, but are not limited to, statements we make about: (i) the future operating or financial performance of the Company, including our outlook for future growth; (ii) our noninterest expense and efficiency ratio; (iii) future credit quality and performance, including our expectations regarding future loan losses, our allowance for credit losses, and the economic scenarios considered to develop the allowance; (iv) our expectations regarding net interest income and net interest margin; (v) loan growth or the reduction or mitigation of risk in our loan portfolios; (vi) future capital or liquidity levels, ratios or targets; (vii) the performance of our mortgage business and any related exposures; (viii) the expected outcome and impact of legal, regulatory and legislative developments, as well as our expectations regarding compliance therewith; (ix) future common stock dividends, common share repurchases and other uses of capital; (x) our targeted range for return on assets, return on equity, and return on tangible common equity; (xi) expectations regarding our effective income tax rate; (xii) the outcome of contingencies, such as legal proceedings; (xiii) environmental, social and governance related goals or commitments; and (xiv) the Company's plans, objectives and strategies. Forward-looking statements are not based on historical facts but instead represent our current expectations and assumptions regarding our business, the economy and other future conditions. Investors are urged to not unduly rely on forward-looking statements as actual results may differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date.

For additional information about factors that could cause actual results to differ materially from our expectations, refer to the "Forward-Looking Statements" section in Management's Discussion and Analysis in our 2022 Form 10-K, as well as to our other reports filed with the Securities and Exchange Commission and available on its website at www.sec.gov<sup>2</sup>, including the discussion under "Risk Factors" in our 2022 Form 10-K.

<sup>2</sup> We do not control this website. Wells Fargo has provided this link for your convenience, but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.