



How We Picture the
Next Stage of Success
in Our Communities

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Our History of Doing the Right Thing



Our commitment to our communities is as old as our company—part of our culture since we opened our doors 155 years ago. One of our founders, Henry Wells, said it best back in the mid-19th century, “Our lives are not measured by the number of years and days we exist, but by what we accomplish while we live, and the good we may render to our fellow man.”

This is our heritage and our strength—and our future. We have a responsibility to our customers and our communities because we cannot be financially successful unless they’re financially successful—and vice versa. It’s that simple.

Financial services is a highly regulated industry because it safeguards and grows our customers’ most precious material assets to help ensure their financial security. But our business extends far beyond merely meeting the letter of the law. Doing the right thing is part of our culture. It’s just how we do business. We expect all our team members to care not just about their customers but about their communities. Our Vision & Values (wellsfargo.com/invest_relations/vision_values/index.jhtml) have been in place for almost two decades and they’re the foundation for how we do business and how we give back to the community.

This is our first comprehensive annual report on our community involvement—what we’re doing, why we’re doing it, and how we intend to do even better. It demonstrates how we approach corporate citizenship and how we manage our responsibilities, not just where we’re doing well but where we can improve.

We expect to be consistently outstanding in both financial performance and community involvement. We invest in our communities for three reasons:

Our customers expect it.

They view investing in our communities as a way to create future economic growth and prosperity. This is not a cost of *doing* business, this is a cost to *earn* more business.

Our team members expect it.

They want to be part of a company that’s making a meaningful difference. Thanks to the generosity of our team member volunteers, we invest not only financial capital in local non-profits, but human and social capital—as a catalyst for gathering talent and building partnerships that help communities thrive.

Our stockholders expect it.

They hold us responsible for investing the Company’s resources wisely in our communities. We believe these investments—financial, human and social—have been essential to our double-digit revenue and profit growth rates in the past 20 years, helping us earn superior returns for our stockholders.

We view corporate responsibility as a pyramid. At the base is simply **compliance**—doing what a company is legally required to do to stay in business. For us, for example, that’s deposit-taking or lending those funds back into the communities from which those deposits came to help our customers succeed financially, to help start and grow businesses, and to create jobs.

On the pyramid’s second level: **financial contributions**. Giving money is essential. Many companies simply write checks. We believe, however, that just giving money is not enough—it has to have purpose and focus. We believe in local decision making because our team members who live and work in our communities know their communities better than anyone else and because each of their communities is different and has different needs. Our local market presidents have the responsibility and accountability to do the right thing for their customers and for their communities. We benefit from the powerful combination of our local market knowledge and central product expertise.

The third level goes beyond compliance and financial capital. We call this **team member volunteerism**—encouraging and celebrating the good work our team members do in their communities. In many ways, human capital is more important than financial capital because it immerses us into every segment of our community and builds a sense of ownership that doesn’t come from simply writing checks.

The pyramid’s fourth and highest level is **social capital**—applying a company’s best thinking as a leader in making communities better places to live and work.

I’m privileged and grateful to work with team members who instinctually share their leadership, passion and gifts with generosity and thoughtfulness. Thank you for taking time to learn more about our efforts. We look forward to partnering with every segment of our communities for their economic growth and prosperity—and updating you annually on our progress—for many years to come.

A handwritten signature in black ink that reads "Dick".

Richard M. Kovacevich, Chairman and CEO

About this Report

This inaugural annual report—which describes how we serve our communities—is one way we measure ourselves against our Vision and Values. It's also a foundation for future benchmarking. We want to promote the economic advancement of everyone in our communities including those not yet able to be economically self-sufficient. We'll be known as an active community leader in economic development, in services that promote economic self-sufficiency, education, social services, the environment and the arts.

This report is based on the most current company information available December 31, 2005, unless otherwise noted. The goals in this report are the result of guidance we receive from diverse viewpoints, our marketplace knowledge, institutional memory and customer research. In the end, we are responsible and accountable for our ethical behavior, business practices, lending decisions, risk management and profitability.

In preparing this report, we consulted the 2002 Global Reporting Initiative (GRI) Guidelines.

Team member volunteers lend a hand at a Habitat for Humanity home build in San Francisco. This group represents a few of the thousands of team members volunteering in their communities during the company's annual "Week of Caring." Back row (l to r): Collin Conoley, Nathan Coles, Kevin Kalahiki, James Brandon, Cortis Echols and Sheena Goss. Middle row: Emily Watson, Betsy Flanagan, Ashish Kurani and Laurie Frank. Front row: Yvonne Meyer, Mimi Thibodeau, Tina Tran, Mark Vieira and Laura Manies.



Summary Highlights

Achievements

Financial Highlights

We've achieved industry-leading, double-digit annual growth in revenue and earnings per share not just for one year, but for the past five, 10, 15 and 20-year periods. Our total shareholder return the past five years was 10 times that of the S&P 500®, and almost double the S&P 500 for the past 10, 15 and 20 years.

Team Member Satisfaction

We want to be a great place to work, a place where our team members can stay, learn and grow for their entire careers. That's why we constantly focus on improving our team member experience. In our most recent team member survey, the vast majority of team members told us they like their work, are proud to work at Wells Fargo, and know how their work helps our company achieve its goals. Our team member satisfaction scores are significantly higher than the national average.

Community Giving

We're one of corporate America's largest financial contributors to people and communities. Since 2000, we've increased our annual giving by 53 percent—from \$62 million in 2000 to \$95 million in 2005. In 2005 we were one of *BusinessWeek's* Top 10 Most Generous Corporate Donors.

Supplier Diversity

We seek qualified suppliers run by owners who are ethnically diverse, women or who have disabilities. In 2005 we committed to spending at least \$1 billion with diverse-owned suppliers by the year 2010.

Community Reinvestment

Wells Fargo Bank, N.A. received an "Outstanding" rating—the highest regulatory rating possible—in its most recent Community Reinvestment Act (CRA) examination by the Office of the Comptroller of the Currency. We not only met, but exceeded community needs in areas such as affordable housing, financial education and small business lending. This is something we'd be doing even if there was no CRA—it's just good business!

Volunteer Efforts

In 2005 we introduced a company-wide tool called *Volunteer Wells Fargo!* to help our team members find projects and to better manage and measure the company's volunteer efforts. We're also in our 27th continuous year of awarding fully-paid leaves with benefits of up to four months to team members selected for a Wells Fargo Volunteer Leave Award.

Financial Education

In 2004 we created a free, comprehensive financial literacy program called *Hands on Banking®* to teach basic personal money management skills. Since then, we've added a Spanish language version and new content to address the needs of different age groups. We deliver this commercial-free educational tool to communities nationwide through partnerships with schools, community groups and government agencies.

Access to Financial Services

We were the first financial services company in the United States to accept the Mexican Matricula Consular card as valid identification for opening accounts. Today we have more than 750,000 customers who've opened an account using a Mexican, Guatemalan or Argentine consular identification card.

Small Business Lending

We're the #1 lender to small businesses nationwide in loans of less than \$100,000. In the past 10 years, we've loaned more than \$26 billion to small businesses owned by African Americans, Asian Americans, Latinos and women, exceeding our publicly-stated goals.

Environment

In mid-2005, we announced a 10-point Environmental Commitment to more effectively integrate environmental responsibility into our business practices and procedures. We also created an internal campaign to educate and engage team members on environmental opportunities and issues that face the company.

Our Company

We want to satisfy all of our customers' financial needs, help them succeed financially, be the premier provider of financial services in every one of our markets, and be known as one of America's great companies.



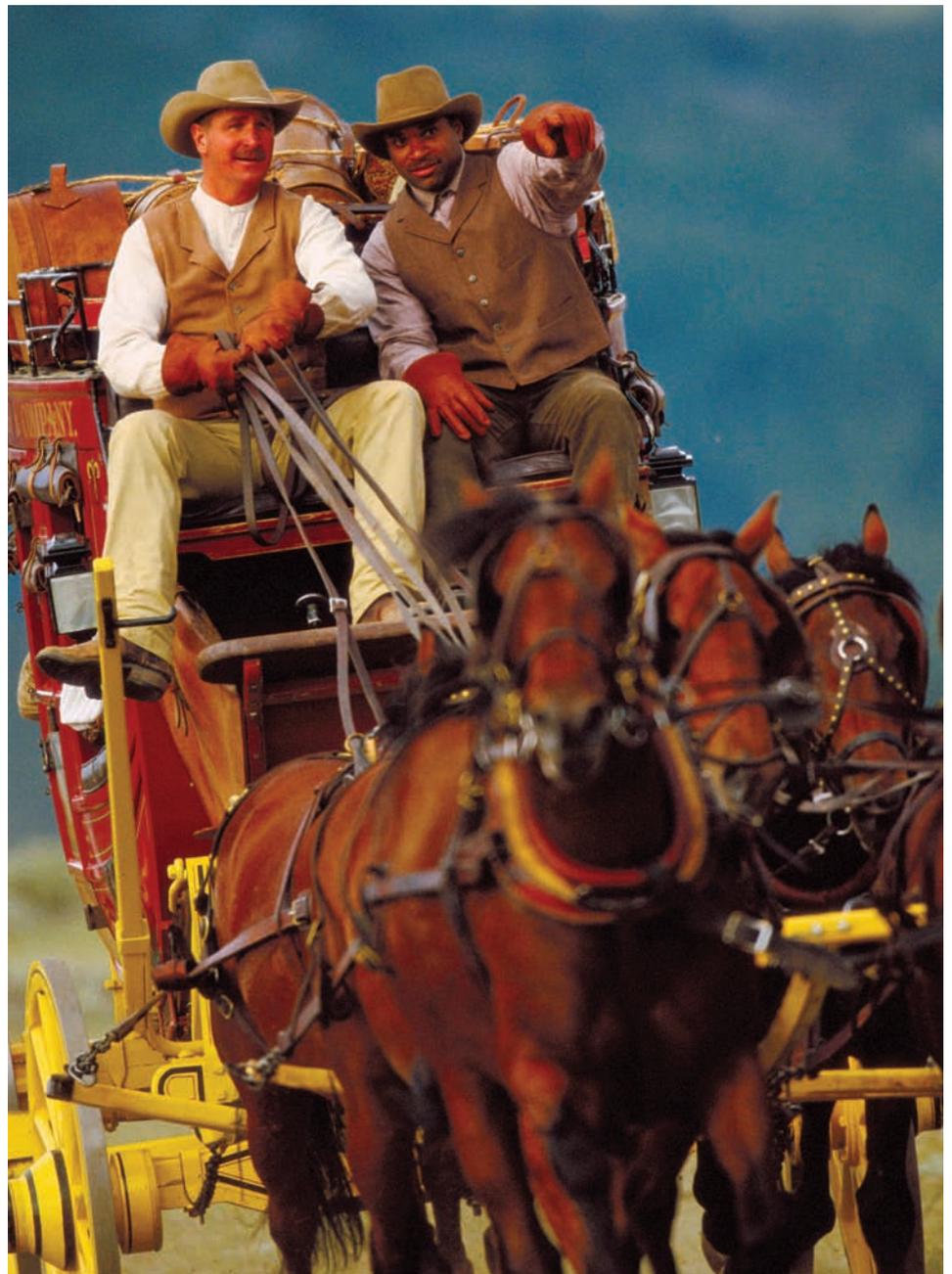
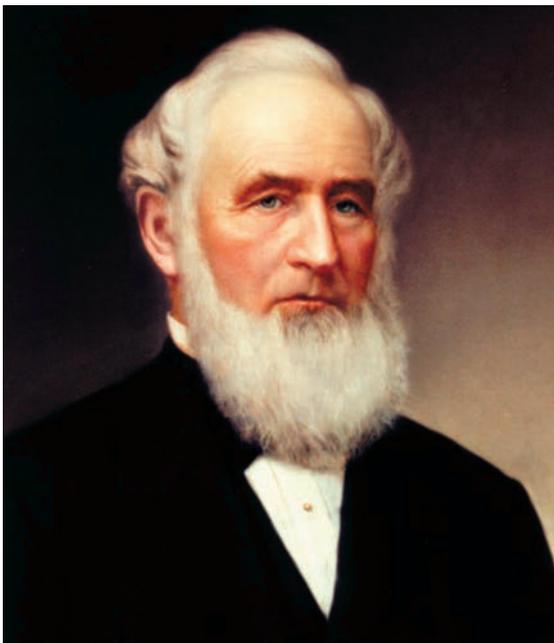
Our History

What's the Big Idea?

The story of our company begins in 1852 in New York City with one idea and two men: Henry Wells and William Fargo. Their idea: start a banking and transportation company founded on trust, service and courtesy to serve the thousands of people migrating west during the California Gold Rush. A number of their competitors turned out to be swindlers. Wells and Fargo counter with a company that places enormous importance on trust, reliability and security.

Today's Wells Fargo—resulting from the 1998 merger of Norwest Corporation and Wells Fargo—is a blend of thousands of companies, each with rich histories of community service and all sharing values that our company has stood for since 1852.

Henry Wells (top) and William Fargo founded the financial services company that still bears their names.

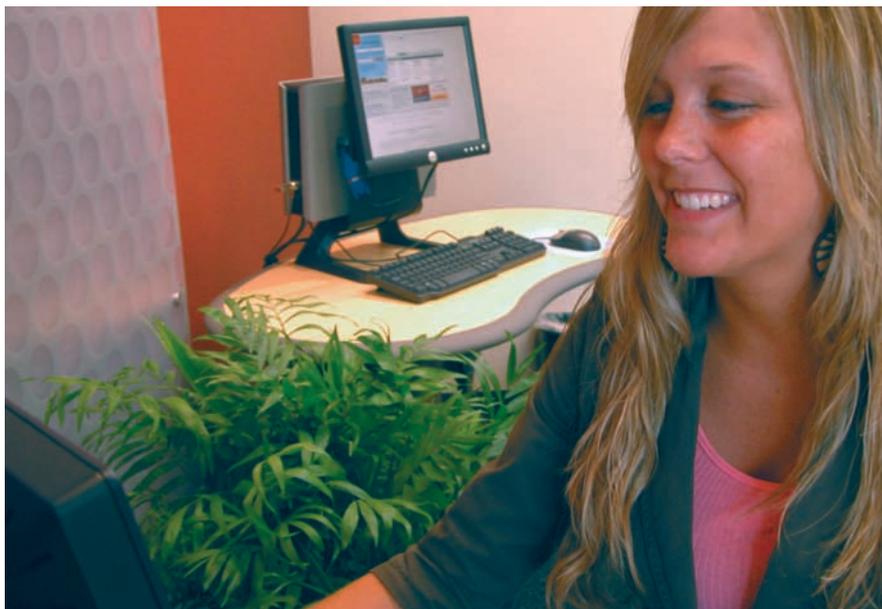


In the 1906 San Francisco earthquake, Wells Fargo provided horses and wagons to evacuate patients at St. Mary's Hospital. Northwestern National Bank of Minneapolis—an ancestor of our predecessor company, Norwest—organized one of the nation's first bank-holding companies in 1929 to protect Midwest banks—battered by inflated farm land values and low crop prices—from

Eastern consolidators. In the 19th century, we were one of the first to use telegraph to transmit money. In the late 20th century, we were one of the first financial institutions to bring banking on the Internet to our customers.

Tilla Patterson, Wells Fargo agent at the Winchester, Calif. office (from 1892-1910), embodied Wells Fargo's commitment to community. She used her business connections—as a Winchester Woman's Club member and officer—to help build the book collection of the Riverside County Library, where she also volunteered.

Wells Fargo horses and wagons helped a community recover after San Francisco's 1906 earthquake by evacuating residents and delivering food and supplies across the city.



Wells Fargo's comprehensive online services allow customers to be served when, where and how they want. Whether it's opening accounts, paying bills or monitoring spending habits, wells Fargo.com is open 24 hours a day. Team member Alicia Hicks helps serve University of Minnesota students at the on-campus banking store.

Who We Are

Wells Fargo (NYSE: WFC) is a diversified financial services company providing banking, insurance, investments, mortgage and consumer finance for more than 23 million customers through more than 6,200 stores, the Internet and other distribution channels across North America and elsewhere internationally.

We're headquartered in San Francisco, but we're decentralized so every Wells Fargo store is a headquarters for satisfying all our customers' financial needs and helping them succeed financially. Our more than 80 businesses, spanning virtually all of financial services, partner together to put customers and communities at the center of everything we do.

Wells Fargo has \$492 billion in assets and 153,000 team members (3/31/06). We're one of the United States' top-40 largest private employers. We ranked 5th in assets and 4th in market value of our stock among our peers as of Dec. 31, 2005. For more information on our various businesses, go to www.wellsfargo.com.

Among our many businesses:

- We have 3,100 community banking stores in 23 states.
- Wells Fargo Home Mortgage is the nation's #1 Retail home mortgage lender and #2 servicer of home mortgage loans. We fund about one of every 11 homes financed annually in the U.S. serving 5.7 million customers in all 50 states.
- Wells Fargo Financial (consumer finance) has 1,307 stores serving 6.7 million customers in 48 states, Canada, the Caribbean, Latin America and the Pacific Rim.
- Wholesale Banking serves middle-market and large corporate businesses with traditional and asset-based lending, treasury management, equipment leasing, international, institutional investment, insurance brokerage, risk management and real estate services.
- We can help our customers open bank accounts in 66 countries and trade in 80 countries through our offices in Hong Kong and Taipei and strategic relationships with select global banks.

To learn more about Wells Fargo's financial performance, please visit our 2005 Annual Report at http://www.wellsfargo.com/invest_relations/annual.

Revenue and EPS Annual Growth

Years	Revenue	EPS
5	10%	14%
10	13	11
15	12	12
20	12	14

CAGR 12/31/05

Total Annual Stockholder Return

Years	Wells Fargo	S&P 500®
5	5%	0.5%
10	17	9
15	21	11
20	21	12

12/31/05

Business Practices

Corporate Governance at All Levels

Our reputation is shaped not just by what we think and do, but how we're perceived by our team members, customers, communities and stockholders. They're the ones who decide, not us, if our governance practices are sound, if our behavior reflects our ethics, if we're really a company of integrity—based on the quality of the results we deliver.

Corporate governance starts with our Board of Directors, comprised of diverse executives and professionals. It selects and then works with our chief executive officer, who leads the management team. This leadership group, operating within a system of internal and external checks and balances, is responsible for the day-to-day operations of the Company and is held accountable for their actions. For more information, you can view Wells Fargo & Company's Corporate Governance Guidelines at: www.wellsfargo.com/about/corporate/corporate.governance.jhtml.

Corporate governance also is the responsibility of all 153,000 Wells Fargo team members.

Beyond Compliance

One of our most important priorities is keeping information about our customers safe, secure and confidential. Our compliance program, including oversight and training, helps our team members understand the laws and regulations that apply to their jobs and to meet the goals of such important areas as fair lending and information security. And when mistakes are made—and that will happen since we're a company made up of people—we will acknowledge them, fix them quickly, and learn from them.

Affirmative Action/Equal Employment Opportunity at Wells Fargo

For more than 25 years, Wells Fargo has had an affirmative action/equal employment opportunity program to help ensure equal opportunity for all team members in all positions at all levels in our company. This program supports our goal to include people from diverse backgrounds at all levels within the Company. Affirmative action at Wells Fargo goes beyond compliance with laws, regulations and policies. It includes a company-wide affirmative action policy statement and special policy statements on people with disabilities, women, people of color and protected veterans. Each business group or support function drafts its own affirmative action plan every year.

Community Reinvestment

We have a consistent history of strong support for affordable housing, community services, economic development and neighborhood revitalization.

The federal Community Reinvestment Act (CRA) requires banks to serve the financial needs of low- to moderate-income communi-

ties where they do business. Supervised by our primary regulator, the Office of the Comptroller of the Currency (OCC), Wells Fargo Bank, N.A. has a CRA examination every three years to measure how well we meet community credit needs including affordable housing, economic development and service to low- to moderate-income people.

Although we view community reinvestment as a "want to do" (it's just good business) not just a "have to do," we do receive—under the government process—certain "credits" toward our CRA exam by investing and volunteering in our communities. In our most recent exam (October 1, 2004) we were awarded an "Outstanding" rating, the highest possible score for each component—lending, services and investments—and were recognized for exceeding community needs in affordable housing, financial education and small business lending. The OCC noted support in helping low- to moderate-income borrowers become homeowners, including our use of flexible mortgage products and down payment assistance programs. For example, our Community Development Mortgage Program provides financing to homebuyers who may have higher debt to income ratios, and/or need help meeting down payment requirements. In 2005, 90 percent of borrowers who used the program were first-time homebuyers and the average loan was \$121,000.

We cultivate relationships with and learn from a diverse variety of community groups. Because we need to seek out a diversity of viewpoints from many community groups, we do not rely exclusively on the recommendations of any one group to shape our products and services. We do not "negotiate" agreements with any community group, and it is our practice not to make specific commitments to any community group or groups.

Equity in Lending Practices

Wells Fargo has helped more Americans buy homes in recent years than any other lender. We were the #1 retail mortgage originator in the U.S. from 1993 to 2005. We were also #1 in originating mortgages to low- and moderate-income homebuyers from 2001 to 2004. We believe everyone—regardless of income, race, ethnicity or geography—should have the opportunity to build financial wealth and own a home. We also believe every community, city, county and state should share in the benefits to society that come when people own their own homes.

We do not tolerate discrimination against, or unfair treatment of, any customer. We are committed to equal access to credit for all. Our underwriting and pricing policies do not treat customers differently based on their race, ethnicity, neighborhood or any other prohibited basis. We price all mortgage loans consistent with the financial risk involved, assessing the customer's financial situation

“Integrity is not a commodity. It’s the most rare and precious of personal attributes. It is the core of a person’s—and a company’s—reputation.”

Dick Kovacevich, Chairman and CEO

and credit history, the property involved and the type of loan the customer chooses. We want to satisfy all of the financial needs of all credit-worthy customers.

Our continued growth depends on serving diverse customers fairly and responsibly. We have policies and procedures to offer prime pricing to all first mortgage loan customers whose credit histories and transaction terms make them eligible.

We have developed and follow a set of principles which address the fees, features and services that come with non-prime lending in the U.S. For more information, please go to <https://www.wellsfargo.com/jump/truthinlending.jhtml>.

Customer Privacy and Information

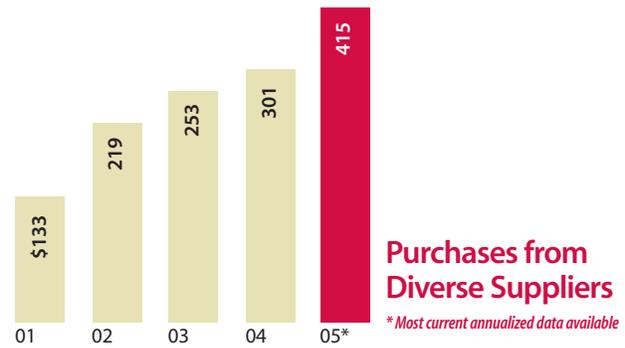
Safeguarding our customers and their information is a top priority and we take significant steps to protect that information:

- We limit team member access to customer information to those who have a business reason to know this information. Team members receive annual training on how to safeguard customer information. They must observe our Code of Ethics and Business Conduct, which includes standards to protect customer confidentiality. They are subject to disciplinary action if they fail to do so.
- We have policies and procedures for the proper physical security of workplaces, equipment and records.
- Our physical, electronic and procedural safeguards meet or exceed federal standards for protecting information about our customers.
- We require independent consultants and outside companies who work with us to adhere to strict policy standards through their contract with us.
- We evaluate the latest technology to protect against unauthorized access or alterations to customer data.

If a security breach occurs, we do what’s right for our customers—we notify them and encourage them to take precautionary steps to reduce any potential risk.



Supplier Diversity



To be known as one of America's great companies, we must ensure that our suppliers reflect the diversity of our team members, customers and communities. To achieve this goal, we seek qualified suppliers whose owners are ethnically diverse, women and people with disabilities. Our Supplier Diversity initiative helps ensure that such owners, who are qualified and certified, have equal opportunity to compete for our business. We define a diverse supplier as a business certified by an independent third party to be at least 51 percent owned, operated and managed by women, people of color, or people with disabilities.

Over the past five years we have:

- Spent over \$1.3 billion with diverse suppliers.
- Expanded our Supplier Diversity team with a focus on increasing opportunities for diverse suppliers.
- Developed web tools to help suppliers register with Wells Fargo and help team members find and use qualified diverse suppliers.
- Expanded our mentoring and advocacy to include certification support, trade show participation, seminar sponsorship and supplier education efforts.
- Improved our data-collection and reporting to ensure that full company numbers are counted and reported.
- Expanded the scope of our Supplier Diversity advocacy and reporting to include a greater focus on spending with second tier suppliers, or those subcontractors who provide goods and services to our primary suppliers.

In 2005 we set a goal of spending at least \$1 billion a year with diverse-owned suppliers by 2010.

Team members, especially those responsible for purchasing decisions, play an important role in helping us achieve our goals. Our 2005 Diversity survey (see page 16) highlighted some of the opportunities we have to increase team member awareness of the importance of Supplier Diversity. We're investing in improved online tools so our managers can better monitor, understand and increase their diverse supplier spending.

We want to:

- Spend at least \$1 billion annually with diverse suppliers.
- Increase team member awareness of the program through training and better communication.
- Invest in better reporting and measurement tools to track our progress.

Los Angeles-based Anita Santiago Advertising provides strategic marketing services to clients seeking to reach Latino markets. Anita—president and creative director for her firm—has had a business relationship with Wells Fargo for 15 years.

ACT•1 Technical & Professional Services has been providing non-technical temporary staffing services for Wells Fargo for the past five years. Founded in 1978, ACT•1 is the largest female and minority-owned employment service in the country.

Our People

We strive to find the best people from a diversity of backgrounds and cultures, give them the knowledge and training they need, allow them to be responsible and accountable for their businesses, and recognize them for outstanding performance.

Wells Fargo's Vision & Values



People as a Competitive Advantage

The success of our company—and our customers—depends on team members who feel valued, rewarded, challenged, supported and recognized. They need to see Wells Fargo as a great place to work and build a career. We call ourselves “team members” instead of “employees” because we’re all on the same team, partnering with each other to serve our customers. Financial services is a complicated business. No one team member can know everything about all the products we offer to satisfy all our customers’ financial needs. So, we’re all part of one team working toward the same goal—to help our customers succeed financially.

We’re a growth company so we’re always adding new team members, attracting new customers, entering new communities. We have about 25 percent more team members today than we did four years ago. To attract, hire, keep and grow the most talented people we must have the best resources and training to help them succeed *professionally, personally and financially*. We do this through job rotation opportunities, tuition reimbursement for university courses, mentoring, internships, learning programs and encouraging participation on internal committees, projects and professional associations. We call this very important part of our culture “People as a Competitive Advantage.”

Professional Development

We develop our team members in their current job and build and expand their skills for promotions and other career opportunities. We’re a large and complex organization, so we need to make sure our people are in the right jobs, or being given new opportunities at the right time. We have a disciplined process for reviewing the performance of team members and for identifying their development opportunities. Giving our high potential performers opportunities in other parts of our company helps round out their leadership skills and builds a strong leadership team across the company.

Training

We offer comprehensive training and development courses for team members at every level, including customer service, sales, technical skills, management and leadership. In 2005 we invested 2.08 percent of payroll dollars in training, up 1.9 percent since 2004.

In 2005, we:

- Offered more than 9,000 unique training courses, 30,000 classroom-based and 3,500 virtual-classroom sessions.
- Reimbursed \$18 million in tuition expenses for 7,500 team members.
- Added a leadership training program for Asian, Latino and African American leaders.
- Were recognized as one of the Top 25 companies for human capital development by *Training 100* magazine.

Wells Fargo Employment Profile

<i>* billions</i>	2002	2003	2004	2005
Team members	137,300	143,700	149,600	153,000
Wages and benefits (salaries, incentive compensation and employee benefits)	\$7.4*	\$8.4	\$8.9	\$10.4
Annual percent of team members promoted	30%	23%	30%	27%

Team member Deb Broberg of Minneapolis had been with Wells Fargo Home Mortgage for five years as a learning and development manager.



Personal Development

We want all our team members to have a sense of balance between their work and personal life. Each team member has different needs, so we strive to be as flexible as possible by supporting alternative work arrangements. In 2005, more than 15,000 team members worked part-time or flexible schedules and 5,000 took personal or family-related leaves of absence.

We help our team members with a wide variety of personal and work-related issues. Almost everyone experiences difficulties in life or on the job at some point. Team members and their family members can speak to professionals at Employee Assistance Consulting (EAC) anytime, free of charge, about matters with their family, relationships or job. This confidential support helps people deal with or overcome emotional concerns, health-related issues, financial stress and work difficulties. EAC also supports our managers and team members during crises such as bank robberies, natural disasters and other emergencies.

We provide resources to make life easier. Team members have free access to LifeCare®, a 24-hour service that helps team members find child care, choose the right lawyer or find dozens of other services. We offer emergency backup childcare in major locations through Bright Horizons. In 2005 we provided team members who were victims of Hurricanes Katrina and Rita with grants for housing, clothing and food, and continue to support these team members in other ways as they recover.

Promoting the health of our team members. We offer affordable and flexible health care programs to our full-time and part-time team members. More than 98 percent of our team members are eligible for health care coverage and more than 83 percent choose to enroll in health plans offered by Wells Fargo. In 2003 we responded to rising health care costs by being one of the first companies to offer a consumer-driven health plan, allowing team members to make health care choices that match their needs so they can better manage their own health care expenses. In 2006 we plan to improve our health care program by providing more financial support to team members and their dependents with chronic health conditions.

Our health benefits focus on treatment, prevention and wellness. A range of resources is available to help team members stay healthy and fit. For example, we offer partial reimbursement to team members who join *Weight Watchers*. Our team members also receive free access to online tools and other resources through the WebMD® "Personal Health Manager."

We regularly survey our team members to gauge satisfaction and see where we, as a company, can improve. Team members give confidential feedback during our company-wide "Voice of the Team" survey, used by business groups to develop action plans. In 2004, we had a record response rate of 85 percent, up from 76 percent in 2002, and showed improvements in all categories. Our team member satisfaction scores are significantly higher than the national average for all workers. The majority of team members said they like their work and know it helps our company achieve its goals.

2004 Team Member Survey Results

Question	2000	2002	2004	Financial Services Industry Benchmark
I like the kind of work I do	84%	89%	88%	83%
I am proud to tell people I work for Wells Fargo	77%	79%	80%	73%
I understand how the work I do helps Wells Fargo achieve its goals	73%	79%	91%	N/A
I feel there is a promising future for me at Wells Fargo	65%	67%	68%	59%
I receive the training I need to perform my job effectively	63%	66%	70%	63%
Wells Fargo makes it easy for people from diverse backgrounds to fit in and be accepted	73%	79%	81%	74%

Financial Development

Our vision is to satisfy all our customers' financial needs. That goes for our own team members, too.

We view compensation as more than salary and benefits. Our total compensation package combines base pay with a broad array of benefits and opportunities for growth. We have consistently recognized our team members for their outstanding achievements by awarding shares of company stock. For example, in 2005 we contributed more than \$47 million in Wells Fargo stock as a special allocation to the 401(k) plan over and above the regular matching contribution. In addition, team members are eligible for a variety of Wells Fargo financial products and services for free or at a discounted rate.

We encourage team members to save. Our retirement plan is among the best in corporate America. We encourage each of our team members to take advantage of the company's 401(k) plan, which we match dollar for dollar up to 6 percent of pay. In 2005 we simplified our 401(k) enrollment process to increase the number of team members who participate. In addition, eligible team members are automatically enrolled in our Cash Balance Plan, a defined-benefit pension plan funded solely by Wells Fargo.

We help make higher education more affordable. Team members are eligible for a generous tuition reimbursement program. In addition, three scholarship programs are available to the children and dependents of our team members. In 2005 Wells Fargo awarded 723 students across the U.S. with more than \$867,500 in scholarships.

We want to:

- Improve team member satisfaction and engagement.
- Improve team member retention.
- Administer a team member survey in 2006.
- Invest more in career development at all levels of the organization, including training, leadership development, mentoring and tuition reimbursement.
- Build more financial support into our health plans for team members and their dependents with chronic health conditions.

A high school work program brought DeAndrea Davis of Wichita Falls, Texas to Wells Fargo in 1994. She's been here ever since, building her career to become a registered sales associate with our Private Banking group. She started as a proof operator logging checks as they arrived at an operations center, then became a part-time teller while going to college. She was promoted to business banking assistant, using Wells Fargo's tuition reimbursement program to take MBA classes at night, and then a business relationship manager. DeAndrea plans to stay with Wells Fargo. "It's a place," she says, "where you can be the best you can be."



Diversity and Inclusiveness

Our Diversity Vision:

Wells Fargo team members should expect to work in an environment where each person feels valued for individual traits, skills and talents, and has the opportunity to fulfill their ambitions and contribute to the success of the company.

Diversity is central to Wells Fargo's success on several levels. We have more than 80 businesses, which helps diversify our risk so we do not over-rely on the revenue stream of any one business. We have a diversity of products that help us satisfy all our customers' financial needs and achieve steady growth. We do business in diverse geographies which helps insulate us from local economic downturns. We also have millions of diverse customers. We have greater creativity and multiple perspectives when our teams have different experiences and backgrounds. We believe that all these levels of diversity make Wells Fargo a stronger company and a great place to work.

At Wells Fargo, "diversity" isn't just about gender, ethnicity, national origin, socioeconomic background, or other traits. It's about making sure everyone feels valued, included and has the opportunity to succeed in their career.

During the past five years, we have:

- Increased the number of women in management. In 2005, 40 percent of senior managers were women, up from 35 percent in 2000.
- Significantly improved "Voice of the Team" (bi-annual team member survey) responses about diversity.
- Increased team member participation in diversity initiatives. More than 7,000 team members participate on 53 diversity councils and 81 Team Member Resource Groups.

We're among the "Top 50 Companies for Diversity" according to *DiversityInc* magazine and among the "Top 50 Employers for Minorities and Women" according to *FORTUNE* magazine. We scored a perfect 100 on the Human Rights Campaign "Corporate Equality Index" and were recognized by the National Federation of the Blind for being the first financial institution to make online banking services on www.wellsfargo.com accessible to the visually impaired.

Achieving Diversity Goals

We want our team members to reflect the diversity of the populations in the communities we serve. We've made a lot of progress, but we can and must do better. One of our biggest challenges is to increase the ethnic diversity of our senior managers, which is low

Team Member Diversity

(as of 12/31/2005)

	Team Members	Ethnically Diverse	Women
Company	153,000	31%	62%
All Managers	20,800	21	52
Senior Managers/ Executives	8,150	14	40
Board of Directors	15	13	33

relative to the labor market. This is driven by lower turnover among senior executives and a policy of promoting from within. We've also identified opportunities to increase team member participation in the company's Supplier Diversity efforts (see page 10).

In 2003, Wells Fargo's Corporate Diversity Council—32 team members who advise senior management on policy, culture and best practices—created "Six Steps to Diversity" to guide and measure the company's progress toward becoming an inclusive environment for everyone. Since then, the Diversity Council has introduced several company-wide initiatives under each of the Steps and most business groups have built their own plans. Here are our Six Steps to Diversity:

1. Our CEO and executive management team take responsibility for diversity and hold themselves and others accountable.
2. We strive to include people from diverse backgrounds at all levels of management.
3. We establish long-term relationships with diverse communities.
4. We contribute to the communities we work, live and do business in.
5. Diversity is present in all of our company communications.
6. We seek to be known as a diverse company.

We're committed to improving in these areas and we're measuring our progress in many ways, including a team member Diversity Survey, which we did for the first time in 2005.

Team Member Involvement

Diversity isn't just the responsibility of the Corporate Diversity Council, senior management or Human Resources—it's up to every team member to make Wells Fargo more inclusive.

The Corporate Diversity Council's goals are supported by about 7,000 team members who participate on 53 diversity councils for their business group or local area, and 81 Team Member Resource Groups (TMRGs). TMRGs—for example Native Peoples, DisAbilities Awareness and PRIDE, our group for gay, lesbian, bi-sexual and transgender team members—focus on career development, networking and mentoring. Here are some of the other things we're doing to support a diverse culture:

Diversity training helps raise awareness among team members. We've updated our standard diversity learning curriculum and added a new workshop called "MicroInequities," which teaches team members to identify and manage subconscious messages that hinder workplace performance and inclusiveness. We also added a Diverse Leaders program for Asians, Latinos and African Americans. We've received positive comments from participants and are tracking their long-term retention rates.

We encourage team members to celebrate diversity by getting involved with cultural events, celebrations and networking events. All of our Team Member Resource Groups come together once a year at the TMRG National Conference to share best practices and hear from company leaders.

We support hundreds of diverse organizations through grants, educational programs, board participation and volunteerism. For example, the National Council of LaRaza, National Coalition of 100 Black Women, Asian Pacific Islander American Scholarship Fund and the National Gay and Lesbian Chamber of Commerce.

We want to:

- Create a Diversity Scorecard so that all business groups can more effectively track their progress in hiring and retention.
- Expand diversity training for all managers and increase the number of Diverse Leaders programs.
- Learn more about the opinions of our diverse team members through research and develop initiatives to increase their satisfaction.

We asked team members in 2005 for their opinions in the company's first ever Diversity Survey. Almost half (76,500) of our team members completed the survey. They confirmed that we've made some positive changes the past few years and they gave their company high overall marks for efforts to create an inclusive environment. We're using survey results to guide our 2006 Diversity Council initiatives and will continue to seek feedback from team members.

Wells Fargo's 2005 Diversity Survey Results

Six Steps to Got Diversity	Favorable
Leadership Accountability	78%
Diversity in Management	73
Community Relationships	83
Community Contribution	74
Diversity in Communications	79
Known as Diverse	76



Team members at a Team Member Resource Group cultural celebration in San Francisco (l to r): Maggie Mui, Tzu-Chen Lee, Ellen Kim, Vickie Liang and JoAnn Mar

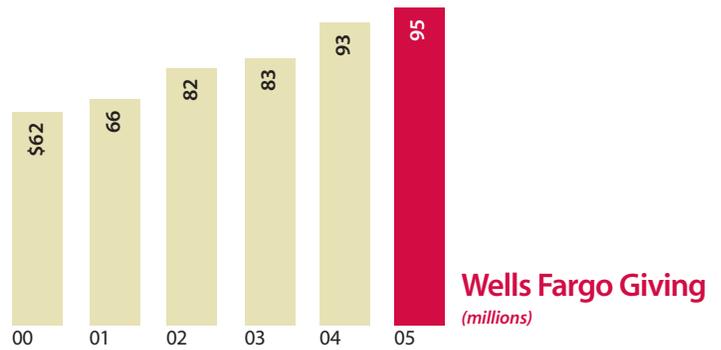
Our Communities

We'll promote the economic advancement of everyone in our communities, including those not yet able to be economically self-sufficient, who have yet to share fully in the prosperity of our extraordinary country. We'll be an active leader in community development, in services that promote economic self-sufficiency, education, social services and the arts.

Wells Fargo's Vision & Values



Community Partnerships



Non-profits, schools and community service groups depend on the generosity of Wells Fargo and we're proud to be one of the country's largest financial contributors to people and communities. We support our communities through the Wells Fargo Foundation and the Wells Fargo Housing Foundation and—thanks to the generosity of our team members—volunteerism.

We partner with communities so they can be great places to live and work. We generate economic growth by creating jobs, using local suppliers, encouraging team members to volunteer in their community and by offering our customers the convenience of doing business with us when, where and how they want to do it.

Corporate Giving

In 2005, Wells Fargo gave \$95 million to 15,000 non-profits and community organizations, up from \$93 million in 2004. Each year—if we achieve our financial performance targets—we seek to increase this giving. In 2005, we were recognized for the third year in a row by *BusinessWeek* for being one of America's ten-largest corporate givers.

We're disciplined in where and how to contribute our time and resources. We have long-term partnerships with many national non-profits, but most of our grants and contributions go to local organizations that address specific, community needs. Local team members understand the needs of the communities where they work and live better than anyone else. They're the major voice in the decision making process. They earn more business from our customers and generate the revenue that allows us to give generously. When they demonstrate a commitment to an organization, we work hard to support that commitment, so funding decisions are often tied to the board participation and volunteerism of our team members.

We believe that we can do the greatest good by concentrating our support in five areas of social development: human services, education, community development, arts and culture, and civic projects.

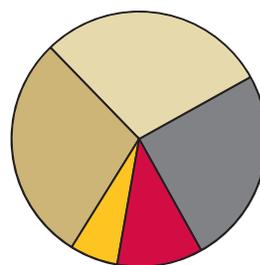
Human Services

Cancer Care Services of Fort Worth, Texas, helps underserved cancer patients and their families while undergoing treatment. Through operating support and a \$2,500 grant from Wells Fargo, the organization tripled its building space in 2005 to better serve their patients.

Education

The Accelerated School in South Los Angeles opened its doors a dozen years ago with the help of a grant of \$200,000 from Wells Fargo. Since opening day, it has grown from a handful of students in a rented church social hall to a multi-building campus serving pre-school through 12th grade. Wells Fargo donated \$1 million to help renovate the campus and Wells Fargo leaders serve on the board.

Survivors On Our Own in Phoenix, Ariz., provides a safe place for mentally ill adults to care for themselves and receive encouragement. Local team members awarded the organization a \$4,500 grant through the company's Community Partners program, which lets team members solicit grant applications from local non-profits and select recipients. The program allows team members to learn first-hand about community needs, make contribution decisions and build personal relationships.



Giving by Category

● Arts and Culture	11%
● Civic	6%
● Education	29%
● Human Services	29%
● Community Development	25%

The school was named *Time* magazine's elementary school of the year in 2001 and is a model for urban inner city education reform.

Community Development

A redevelopment project in Minneapolis, Minn., is underway to transform the historic Sears Building site into the Midtown Exchange, a mixed-use urban center, including the Midtown Exchange Global Marketplace which will offer a variety of ethnic food vendors, restaurants and specialty grocery stores that reflect the significant immigrant populations in Minneapolis. The Global Marketplace supports community-based economic development and uses local resources to create a cultural exchange center, which Wells Fargo has supported with a \$250,000 donation.

Civic

In 2005, Wells Fargo and its team members contributed \$25,000 and more than 100 volunteer hours to Mount Saint Vincent of Denver, Colo., which helps children with emotional and behavioral problems. With donations of furniture, carpet and pictures, and a monetary gift for paint and supplies, team members helped renovate the reception and waiting areas. Wells Fargo also donated and helped build a new playground, and we sponsor events for the families of Mount Saint Vincent.

Arts and Culture

In a partnership that began in 2002, Wells Fargo made a five-year commitment of \$1.15 million to the Des Moines, Iowa, Art Center's 21st Century Campaign. In addition, we provide annual funding of \$100,000 for operating expenses for the Des Moines Art Center Downtown, a branch of the city's art museum located in the Wells Fargo Financial headquarters. In 2003, Wells Fargo also donated artwork valued at \$325,000 to the Art Center.

We want to:

- Continue to support a diverse group of non-profit organizations.
- Identify a system to calculate the monetary value of volunteerism.
- Explore credible ways to measure our success in community outreach efforts.

To help improve crop yields by controlling weeds, insects and plant diseases, Wells Fargo provided a \$10,000 grant to the North Central Research Extension Center at North Dakota State University in Fargo. The Center specializes in agricultural field research and is in the midst of multi-year project to build a new agronomy research lab and greenhouse.

Recognition

- *BusinessWeek* "Top 10 Most Generous Corporate Donors"
- *Business Ethics* magazine "Top 10 Companies for Corporate Citizenship"
- The Business Committee for the Arts, Inc. and *Forbes* "Top 10 Best Companies Supporting the Arts in America"



Team member Jodi Wright sorts donations of school supplies accepted during the annual 'Stuff-a-Bus' drive in Nevada. Each year, team member volunteers collect thousands of school supplies to help ensure low- to moderate-income school-children have the tools they need to be successful students.

Housing and Home Ownership

We believe everyone deserves a safe and comfortable place to call home. We believe homeownership is the foundation of security for families and contributes to the economic success of families in our communities.

Founded in 1993, the Wells Fargo Housing Foundation, funded by Wells Fargo Home Mortgage and a program of the Wells Fargo Foundation, has provided resources to non-profits to meet the increasing homeownership needs for low- to moderate-income families.

The Housing Foundation provides financial, human and social capital to its communities through a variety of innovative programs and initiatives, including long-standing relationships with housing non-profits such as Rebuilding Together and Habitat for Humanity. Since the program's inception, Wells Fargo has contributed \$33 million in loans and grants toward housing and homeownership initiatives for low- to moderate-income families. In addition, our team members have helped build or renovate 1,900 homes across the United States.

NeighborWorks® America—Native American Community Development Training Program

Since 2003, the Housing Foundation has funded NeighborWorks America Corporation's Native American Community Development Training Program. The program gives Native American tribes tools and skills to create economic development and homeownership opportunities in tribal lands, which helps tribes to become more self-sufficient. We've provided 181 scholarships to tribal community

Since 1993, the Wells Fargo Housing Foundation has provided Habitat for Humanity and its affiliates nationwide with funding, leadership and volunteers to build and renovate 1,900 homes across the country, including 92,000 volunteers, 3.2 million volunteer hours and \$35 million in loans and grants.

Volunteers from Houghton, Mich. Top row (l to r): Kristin Bucknell, Leann Wuthrich and Elyssa Harris. Bottom row: Colleen Mayra and Becky St. John.



Contributions

(millions)

	Contributions	Homes Built, Renovated
1996–2000	\$ 4.2	587
2001–2005	\$11.9	1075

development workers from across the United States to access new training.

Among the program's successes:

- Developed four training courses (homeownership, management, Native American Real Estate Development and Native American Community Economic Development).
- Certified 89 Native homebuyer education counselors.
- Trained a dozen "super trainers" who can teach additional counselors.
- Served people in 28 states.
- Benefited 90 tribes.

Focus Communities Initiative

Wells Fargo developed the Focus Communities initiative in 1999 to increase low- to moderate-income homeownership. The program helps non-profits develop a broader base of non-government support income for Wells Fargo's neediest communities.

Each Focus Community gets a \$100,000 "matching" grant that goes to a local housing organization or affordable housing developer. The non-profit receives a dollar from Wells Fargo for every dollar it can raise in six months, up to \$100,000. This pays for construction or rehabilitation costs, and provides down payment and closing-cost assistance. Wells Fargo selects six communities every year, for a total contribution of \$600,000 annually.

This program engages Wells Fargo leaders to work with government officials, community leaders and the business community to provide expertise to reach low- to moderate-income housing goals in their local communities.

In Anchorage, Alaska, one of the 2005 Focus Communities, Hazel Sagoonik and her nine-year-old daughter have finally realized a life-long dream to own their own home. Hazel's new home in the Mountain View Village development is a three-bedroom ranch-style house with a two-car garage. "The minute I walked into this one, I knew it was it," said Hazel. Wells Fargo chose the Cook Inlet Housing

Authority in Anchorage as the non-profit recipient of the \$100,000 matching grant. Money raised was used to help people with down payment assistance on homes built by Cook Inlet as part of a \$38 million renovation project.

We want to:

- Increase the percentage of team members volunteering for house builds and renovations.
- Continue building relationships with housing non-profits.

(l to r): Carol Gore, president and CEO of Alaska's Cook Inlet Housing Authority, new homeowner Hazel Sagoonik with her daughter, and regional president Richard Strutz.



Since 1999, the non-profit Northwest Real Estate Capital Corporation has been buying, renovating and preserving older apartments for low income and elderly tenants throughout Idaho. Today, over 200 rural families—most earning below the average income in their area—are living in clean, safe and modernized homes thanks in part to Wells Fargo.

Wells Fargo provided \$11,000 in construction financing and invested \$8.3 million in the project in return for the low-income Housing Tax Credits allocated to the partnership. Housing Tax Credits, a U.S. Department of Treasury program, provide dollar-for-dollar federal tax liability reduction to development owners to reduce the development's debt and bring rents within reach of more eligible families. As the nation's #1 agricultural lender, Wells Fargo is proud that its investment preserves and improves the availability of rental housing in these rural Idaho communities.

Team Member Giving and Volunteerism

Every day, hundreds of team members across the country get personally involved in their communities as Wells Fargo volunteers—serving as mentors, board members, project heads, fund-raisers and educators. We encourage them to organize groups of colleagues to participate in everything from coaching youth sports and tutoring school children, to building houses and cooking meals for the homeless. Many of our team members use their financial expertise to teach financial literacy courses or volunteer to support free tax preparation programs for low-income families. It's not only good for our communities but it helps build team spirit at work.

Our team members are our face to the community. We do everything we can to support their volunteer efforts. For example, we hold volunteer fairs so our team members can learn more about opportunities in their community. In 2005, we expanded our efforts by building an Internet-based tool called *VolunteerWellsFargo!* to help team members find volunteer projects and organize activities with colleagues. *VolunteerWellsFargo!* also helps us manage and track the incredible quantity and quality of our volunteer efforts. So far, 20 percent of our team members have logged onto the *VolunteerWellsFargo!* Web site and 9 percent have recorded their hours. In addition, 3,000 team members have reported board membership activities. Our goal is that every team member who volunteers will record his or her hours on the Web site because it provides a more accurate picture of Wells Fargo's total community contributions.

Recognizing Volunteers

We recognize team members who've shown a commitment to their communities through two programs that have been in place over 25 years.

Our Volunteer Leave program awards team members with up to four months of leave—with full pay and benefits—to work with the non-profit of their choice. In 2005, 23 team members received a combined 54 months of Volunteer Leave.

Our Volunteer Service program donates \$300,000 annually to non-profits where team members volunteer. In the most recent program, nearly 1,000 team members were nominated to receive the award.

Educational Matching

Wells Fargo matches team member contributions to educational institutions dollar-for-dollar, up to \$6,500 per year. In 2005 team members contributed \$6.8 million to 6,300 educational institutions, bringing the total contribution to \$13.2 million.

Wells Fargo team members in San Diego, Calif., participated in Adopt-A-Block Community Clean-up Day. The team used the company's new online tool, VolunteerWellsFargo!, to recruit 60 volunteers to spend a Saturday painting the inside and outside of the Encanto Teen Center.



Laraine Thulin (right) of Minneapolis, Minn., was one of 23 team members to receive a four-month Volunteer Leave in 2005. She worked with Orphan's Hope, a non-profit that provides relief to orphans in Asia and Eastern Europe. She used her accounting skills to establish better back office systems for managing and tracking donations.



Community Support Campaign

Year	Online Donors	Total Donors	Total Giving (millions)
2001	13,499	43,139	\$12.3
2002	26,524	44,938	\$15.3
2003	37,452	50,692	\$17.5
2004	43,938	52,243	\$19.0
2005	46,586	54,243	\$23.0
Increase	245% (33,087)	27% (11,721)	87% (\$10.7)

Disaster Relief

When disaster strikes, our team members are often the first to respond. For example, thousands of team members worked around the clock to help customers and communities struck by Hurricanes Katrina and Rita. They collected and delivered supplies, volunteered at shelters and opened their homes to evacuees. In addition, our company and team members contributed \$1.5 million to the American Red Cross and United Way Hurricane Katrina relief funds.

Community Support Campaign

Each year, Wells Fargo's Community Support Campaign encourages team members to donate to any non-profit agency. In 2005, 55,000 team members donated \$23 million to support 15,000 non-profits and schools.

We want to:

- Increase recognition and support for the number of team members volunteering in the community.
- Raise the percentage of team members making their own gifts through the Community Support Campaign.
- Accurately measure the number of hours our team members volunteer by encouraging them to enroll in *VolunteerWellsFargo!*.

Wells Fargo team member Gary Johnson of Minneapolis has volunteered for eight years at Reach for Resources, helping the developmentally disabled become more independent. This year Gary—who also has cerebral palsy—won the \$50,000 Volunteer Service Award on behalf of Reach for Resources. The award will be used to develop a scholarship program.



Financial Education

We've promoted financial literacy in our communities for almost a century. In 1914, when personal checking and deposit accounts were new to consumers, Wells Fargo distributed "The Bank Depositors Hand-Book" in Nevada to help customers understand the basics of banking with us. The same spirit drives our financial education efforts today. The foundation of financial success is knowledge. We want to provide the tools for success to people at every age and grade level, in every community and every school.

Our goal is to make financial education a priority in every classroom across America. We're actively involved with government agencies on the local, state and national levels, including the Department of Treasury, the Financial Literacy Commission and the Federal Consumer Information Center to establish financial literacy standards across the country.

Hands on Banking®/El futuro en tus manos®

After consulting with teachers and community groups, in 2004 we created the financial literacy program *Hands on Banking* and its Spanish version, *El futuro en tus manos*. This free, comprehensive curriculum teaches people in all stages of life about the basics of personal money management, including home buying, investing and starting a small business. The *Hands on Banking* program is commercial-free and available through the Internet (www.handsonbanking.org), CD-ROMs and teaching guides.

The *Hands on Banking* program has received rapid and widespread acceptance—to date we've had over 12 million website visitors, distributed 300,000 CDs and 2,000 teaching guides across the country. Over 4,000 Wells Fargo team members are trained to teach the *Hands on Banking* curriculum, and we strive to include the *Hands on Banking* program in all our financial education efforts. For example, in 2005, 2,000 bankers delivered *Hands on Banking* savings lessons at schools in our 23 retail banking states as part of the American Bankers Association's National Teach Children to Save Day. We plan to expand the program to include information for young adults on managing credit and preparing for college.

Financial Education & Technology

The WellsFargo.com Bus is our high-tech classroom on wheels, bringing the *Hands on Banking* program and access to wellsfargo.com to communities across the U.S. through hands-on training and outreach using a secure, 45-foot, satellite-linked motor coach. In 2005 we introduced the *Stagecoach Island*SM game—a free, online role-playing game allowing participants to interact with their peers while learning about banking and money management (www.stagecoachisland.com). We offer an online financial checkup to help customers optimize the way they manage their money, helping



Hands on Banking Distribution

Hands on Banking Website Visitors	12 million
Teaching Guides Distributed	2,000
CDs Distributed	300,000
Team Members Trained to Teach Curriculum	4,000

them stay "fiscally fit." Tools and forms help consumers create a budget, calculate their investing risk tolerance, choose a home loan and more.

Tools for Financial Success

Wells Fargo offers free bilingual seminars to help consumers address financial issues. Workshops concentrate on the basics of checking, savings and credit, wealth building, starting and running a small business, first-time home buying and financing higher education. We also offer online planning tools to teach consumers about credit, insurance, taxes, retirement planning and buying and owning a home. We developed a "train the trainer" program that teaches people to present basic financial skills in their own neighborhoods.

We want to:

- Launch a new *Hands on Banking* module for young adults.
- Continue to work with government agencies and state education departments to promote financial literacy standards.
- Increase the number of schools in which the *Hands on Banking* curriculum is the preferred financial literacy program.
- Continue to work with each business across the company to integrate the *Hands on Banking* program into their distribution channels for both customers and team members.

Teacher on the Trail

We've been a major sponsor of Alaska's 1,150-mile Iditarod Trail Sled Dog Race since 1988, and we've sponsored the Wells Fargo Teacher on the Trail program for seven years. Each year, educators apply to travel in the "Last Great Race" as the Teacher on the Trail. From checkpoint to checkpoint, he or she can share their experiences and Iditarod-themed lesson plans online with teachers and students

around the world using a satellite link. In support of the Teacher on the Trail's efforts, Wells Fargo developed Iditarod "Classroom Kits," including *Hands on Banking* materials, for elementary school teachers with tools to incorporate Alaska's rich heritage in their curriculum.

Team member Jo-Li Sellin and her husband Dale Sellin serving hot chocolate from the Wells Fargo tent at the Iditarod Race Start.



Serving Our Diverse Communities

Wells Fargo has supported diverse communities since the 19th century when our bilingual agents served Spanish- and Chinese-speaking customers in California and we extended our express-mail services across the U.S. and into Mexico. In 1888 our company offered an “Instructions to Agents” booklet which insisted upon fair treatment of all its customers: “Proper respect must be shown to all—let them be men, women or children, rich or poor, white or black—it must not be forgotten that the Company is dependent on these same people for its business.”

By 2020, 40 percent of the U.S. population will be people of color, according to 2000 U.S. census data, many of whom will be new immigrants. These are the faces of Wells Fargo’s current and future customers. Everyone should have access to secure financial products and services, but we understand that most of the world is still cash-based and the U.S. banking system can be intimidating to someone just getting started. We welcome all customers into our stores to help them understand personal money management including opening a checking account, establishing credit, buying a home or starting a new business.

We want every qualified customer who walks through our doors—no matter what gender, ethnicity, or socioeconomic background—to feel welcome and comfortable. Our customers want to talk with a banker who speaks their language. We do our best to accommodate that. Everyone values a company that contributes to their community through volunteerism or non-profit support.

In 2001, we created our Diverse Growth Segments team to help ensure we’re offering products and services to meet the lifestyle and cultural needs of our diverse customers. For example:

- We staff our phone banks and many banking stores with bilingual team members.
- We provide information about our products and services and advertise in many different languages.
- Our ATMs feature six languages – English, Spanish, Chinese, Hmong, Korean and Vietnamese.
- Customers have safely and economically transferred money to family and friends to Mexico since 1995. In the past two years, we added services to India, El Salvador, Guatemala and the Philippines.
- We have a Spanish language version of our Web site—wellsfargo.com/espanol.
- We host bilingual financial seminars on topics such as checking and savings, credit, homeownership and starting a business.
- In 2005 we held 23 wealth building seminars across the country for 7,000 African American adults.

In 2001, the Austin, Texas Police Department, and later the Mexican Consul General in Los Angeles, asked for Wells Fargo’s help. With no secure place to keep their money, immigrants carrying cash were becoming robbery victims. Wells Fargo was the first major financial institution to step forward to help the growing Latino community gain access to banking products and services by promoting acceptance of the Mexican Matricula Consular card as valid identification for opening accounts. Today we have more than 750,000 customers who’ve opened an account using a Mexican, Guatemalan or Argentine consular identification card.

- We sponsor educational initiatives such as the Asian and Pacific Islander American Scholarship Fund, the Hispanic Scholarship Fund and the United Negro College Fund. In 2005 we partnered with American Indian Graduate Center to create the Wells Fargo American Indian Scholarship Fund.

We want to:

- Improve language/service capabilities and quality of our store, phone, Internet and ATM service channels.
- Attract and keep more diverse customers and earn more of their business.
- Increase marketing efforts focused on diverse customers.
- Increase support for community initiatives serving diverse communities, including sponsorships, grants and board participation.

Serving Small Businesses

The success of the U.S. economy—and Wells Fargo—is closely linked to the success of small businesses.

American small business owners are the entrepreneurs who drive our economy, and will continue to shape its future. Small business owners are everywhere. They own our favorite restaurants, take care of our dental needs, sell us our flowers, repair our cars, and are our neighbors.

Today, there are 25 million small businesses nationwide, one million of which are Wells Fargo customers. U.S. small businesses:

- Represent 99 percent of all employers.
- Employ half of all private sector employees.
- Generate 60 percent of new net jobs annually.
- Create approximately 50 percent of the GDP.

Business Services for Women and Minorities

In 1995, we became the first financial services provider in the country to establish a national program to support women small business owners. We were also the first to establish a public lending goal of \$1 billion over three years to women business owners. We reached the goal in the first year. Each subsequent goal has been more ambitious than the last, and each was achieved well ahead of target. Our latest goal, announced in September 2003, is to lend \$20 billion to women business owners over 10 years. Since 1995, we've loaned more than \$23 billion to women business owners nationwide.

We also have an alliance with the National Association of Women Business Owners (NAWBO), and other regional and local organizations that help connect women business owners with the financial resources they need to build and grow their businesses. In partnership with NAWBO, we annually recognize outstanding women small business owners with three \$5,000 grants.

Building on the success of Women's Business Services, Wells Fargo also established outreach and education programs for Latino, African American and Asian small business owners. Since 1995, we've loaned \$28 billion through our diverse business services programs.

Number-one lender

Wells Fargo is the #1 lender to small businesses nationwide in loans of less than \$100,000, according to the 2004 Community Reinvestment Act (CRA) (see page 8). In 2004, we made 540,000 loans for \$13.6 billion in loans under \$100,000—15 percent of the industry total. We are also the #1 ranked lender to small businesses in low- to moderate-income neighborhoods for loans under \$100,000, and the #2 SBA lender nationwide.

We want to:

- Lend \$20 billion to women business owners over 10 years.
- Lend \$5 billion to Latino business owners over 13 years.
- Lend \$1 billion to African American business owners over 12 years.
- Lend \$3 billion to Asian business owners over 10 years.

Wells Fargo Diverse Business Services Programs – Total Lending

Program	Date Started	Dollars Loaned
Wells Fargo Women's Business Services Current Goal: \$20B over 10 Years	9/20/95	\$23 billion
Wells Fargo Latino Business Services Current Goal: \$5B over 13 Years	10/02/97	\$3.2 billion
Wells Fargo African American Business Services Current Goal: \$1B over 12 Years	6/19/98	\$660 million
Wells Fargo Asian Business Services Current Goal: \$3B over 10 Years	2/28/02	\$1.4 billion

Judi Henderson-Townsend, owner of Mannequin Madness in Oakland, Calif., started her business in 2001 thanks largely to Wells Fargo's African American Business Services program. She received the 2005 Wells Fargo/ Turning Point 2005 Living History Maker's Award.

"I learned about the program at a Wells Fargo-sponsored seminar," she said, "and was impressed that Wells Fargo had a special program to reach out to African American business owners like me."

Environmental Affairs

“Environmental stewardship is extremely important for Wells Fargo because it’s directly linked to the success of our communities. We want all our communities to grow and prosper but we want them to grow and prosper the right way so our air, water and land are protected for all our stakeholders, including our team members, customers and their families.”

Dick Kovacevich, Chairman and CEO

In 2005 we began a concerted effort to ensure that environmental responsibility is integrated into our business practices, including how we directly and indirectly affect the environment.

State of affairs

Environmental stewardship is not new at Wells Fargo. In the 1970s we printed checks on paper made from a sugar cane byproduct, donated 25 cents to a customer’s environmental non-profit of choice for each new individual check ordered and financed residential and commercial projects using solar power.

Today, we finance smart-growth and green-building developments, we’re founding members of the Environmental Bankers Association and we compost waste from one of our large office buildings with a worm farm.

Our challenge is to institutionalize our best practices, to ensure that environmental considerations are an integral part of the way we do business, and to track and measure our environmental performance company-wide.

Where we’ve been and where we’re going

We strive to be environmentally responsible in every community in which we do business. We want to support environmentally responsible businesses and organizations as they make their products and services available to all.

On July 11, 2005, we announced a 10-Point Environmental Commitment, a framework for integrating environmental responsibility throughout the organization. We’re focused on three themes: choices matter, habits matter and leadership matters.

Choices matter:

We encourage all of our customers to take advantage of online services—thereby conserving the use of trees, water and energy. Wells Fargo has increased the number of customers that use online

Wells Fargo’s 2005 10-Point Environmental Commitment

1. \$1 billion financial target for environmentally beneficial opportunities
2. Improved environmental due diligence procedures
3. Adopt the Equator Principles
4. Focus on energy-efficient mortgage products and environmentally friendly construction and development
5. Increased efforts to conserve resources in our operations
6. Support for commitment from managers
7. Create an external Environmental Advisory Board to guide our efforts in meeting this commitment
8. Increased contributions to environmental non-profits
9. Incorporate our environmental goals into our Vision & Values
10. Annual progress reports on our efforts

bill pay/presentation by 43 percent in 2005. Currently 7.6 million consumer customers and two-thirds of our commercial banking customers bank electronically (as of March 31, 2006). We're also financing and continuing to look for opportunities to boost environmentally beneficial businesses.

In 2005 we:

- Provided more than \$600 million for the acquisition and redevelopment of brownfields; \$309 million in financing for environmentally beneficial commercial real estate developments; and \$150 million in underwriting to environmentally beneficial public projects and improvements.
- Introduced Green Equity Equivalent Investments (Green EQ2) to provide capital to non-profit organizations engaged in environmentally responsible practices in low- to moderate-income communities. Green EQ2s are community development investments that are paid back at below prime rates of about 2 to 3 percent.
- Launched Desktop DepositSM, a first-of-its-kind Internet-based service that eliminates the need for travel by allowing business customers to deposit checks right from their desktops.

Habits matter:

We're developing a company-wide Environmental Management system to better understand and reduce our use of energy and our effect on the environment.

In 2005 we:

- Achieved the Environmental Protection Agency's "Energy Star" rating for excellence in energy performance at our Corporate Headquarters.
- Continued to implement energy saving measures in all of our new facilities and upgrades nationwide. In the last three years, we have installed more than 500 energy management systems in our retail banking stores, resulting in energy savings of up to 20 percent in those facilities.
- Began piloting a comprehensive recycling program.
- Invested in a company-wide video conferencing network that saved an estimated 11 million miles of team member travel in 2005.
- Launched an internal environmental awareness campaign to encourage our team members to conserve resources.
- Encouraged team members to take public transportation, resulting in a 12 percent increase in the number of team members who purchased mass transit passes on a pre-tax basis through Wells Fargo's Commuter Benefit Program.

Leadership matters:

We also support environmental non-profits. For example, in 2005 we:

- Provided hands-on and monetary contributions to more than 100 different environmental organizations through the efforts of our team members.
- Donated \$1.1 million to environmental organizations.
- Earned the *Partnership of the Year* and *Land Use* awards from the Minnesota Environmental Initiative for our help in providing long-term leadership and support to the Phalen Corridor in St. Paul, a community development project involving businesses, community leaders and local government working together to restore wetlands, clean and redevelop brownfields, and create jobs.
- Promoted the development of environmentally friendly homes by sponsoring Build It Green's home tours and workshops in the East Bay area of Northern California.
- Encouraged our senior managers to participate on boards of environmental non-profits; we have representation on the Board of Directors of Earthwatch Institute and the Board of Trustees of the Nature Conservancy/Arizona Chapter.

A more comprehensive look at our environmental efforts will be available on www.wellsfargo.com by July 11, 2006, the one-year anniversary of our environmental commitment.



Wells Fargo's William Barnhart Consumer Loan Center in Beaverton, Ore. has started a "worm ranch" to recycle food scraps from its cafeteria. Maintenance Technician Tom Rempfer shows some of the worms to the center's Property Manager June Pisha (left) and Regional Property manager Peggi Hawes.



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