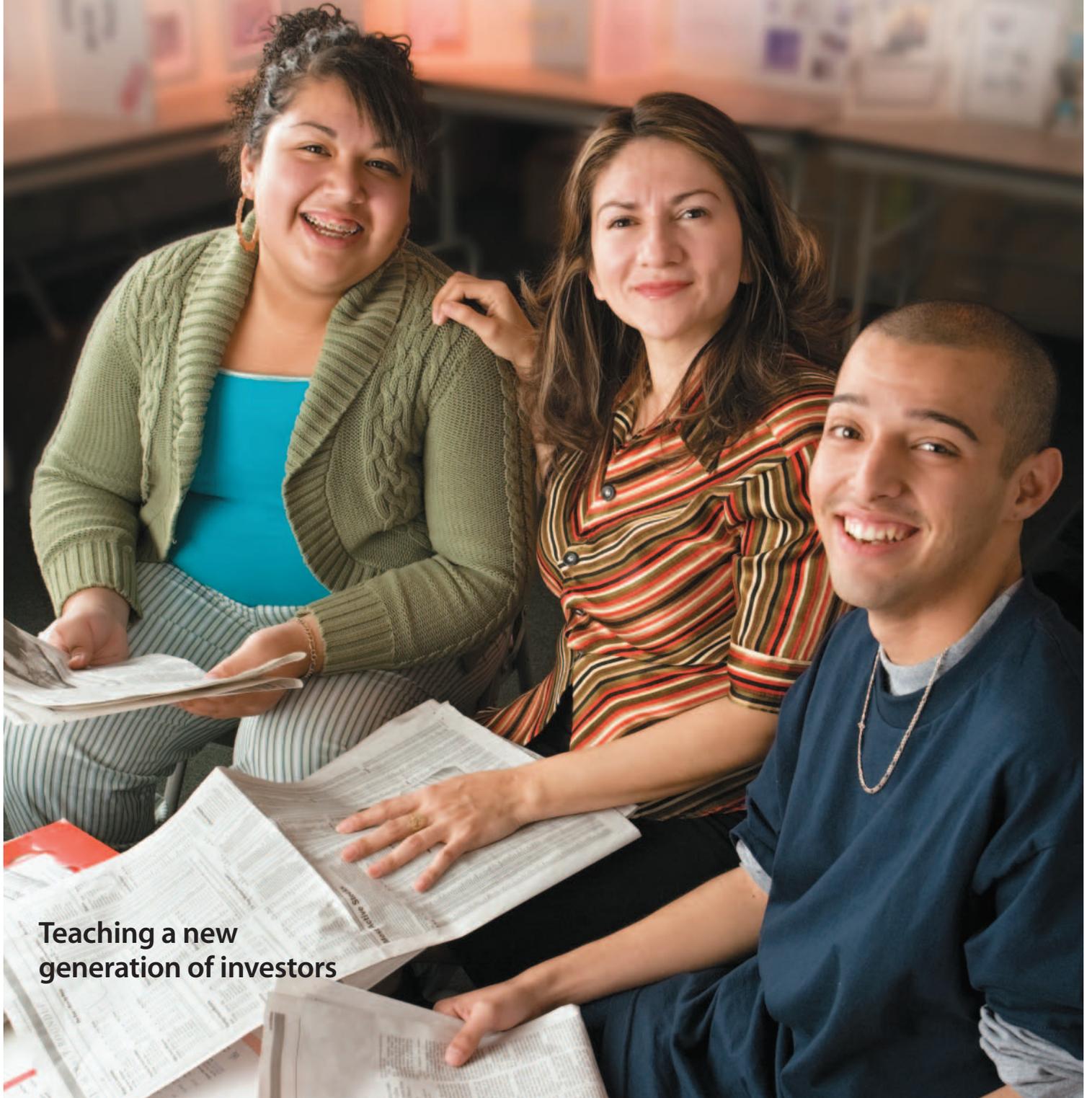


How we're **working together** with our communities to teach, build, support and serve.



Teaching a new generation of investors

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As a leading financial services company, Wells Fargo has almost 6,000 stores across the United States. Our 168,000 team members provide consumers and businesses with a broad range of financial products and services, including banking, insurance, investments, mortgage and consumer finance.

This report is based on information available on Dec. 31, 2007, unless otherwise noted. Our stated goals are the result of guidance we seek from the diverse segments of our communities—including our team members, customers, shareholders and community groups—as well as our own marketplace knowledge, institutional memory and customer research. We alone are ultimately responsible and accountable for our ethical behavior, business practices, lending decisions, risk management and profitability.

This report was printed on 30 percent post-consumer waste FSC-certified paper*. Using this paper, we saved:

- 83 fully grown trees
- 81,099 gallons of water
- 24,935 pounds of greenhouse gases

*Estimated using Environmental Defense Paper Calculator



*We dedicate this report to team member **Joan McDade**, the passionate and inspiring leader of our company's community support campaigns, and the thousands of other team members who embody our spirit of corporate citizenship.*

On the Cover

High school students in Compton, Calif., learn principles of investing, techniques for evaluating companies, money management and how to read a financial newspaper through the 10-week Access Wall Street program. Wells Fargo contributed \$35,000 to the program and business banker **Hilda Amaya**—here with Vivian and Edgar, graduates of the program—volunteers through El Nido Family Center, a nonprofit serving at-risk children and families throughout Los Angeles County.

Photos

George Simian, cover and p. 15; Wayne Martin, p. 10; Brett Buchanan, p. 42

Working Together with Our Communities

We work together with our communities the same way we work together with our customers. Think about it—every customer belongs to a community. We make it a priority to help every one of our customers and every one of our communities succeed financially.

Our Community Commitment



We aspire to meet the highest level of performance in each of our four levels of community commitment:

- Social capital—applying our best thinking as leaders in making communities better places to live and work.
- Team member volunteerism—encouraging and celebrating the good work our team members do in their communities.
- Financial contributions—giving with purpose and focus.
- Compliance—conducting business ethically and responsibly according to legal requirements and our own standards.

Our commitment to work together for increased economic prosperity starts where it counts the most, locally.

Team members such as **Hilda Amaya**—on the cover with high school students in Compton, Calif.—are our eyes, ears and helping hands. They volunteer, teach, build, plant, fundraise and serve on nonprofit boards to make our communities better places to live and work. They discern the unique needs of their community and the most effective ways our company can respond to those needs. They make sure the dollars and time we invest are put to the best use.

Our team members are the key to our success—in our communities and in a competitive financial services market—so we work hard to make Wells Fargo one of the best places to work. Investing in our team members builds a strong company with passionate people. When they're satisfied and happy with their work, our customers and our communities feel it in every interaction.

Wells Fargo has a proud history of supporting communities. That spirit has been part of our culture since we opened our doors one hundred and fifty-six years ago, and we'll continue to be responsible and active members of our communities because it's part of our Vision & Values. In this third annual report we show you our progress in important areas that affect businesses and communities, and we also highlight areas where we believe we can do better. And it all starts with our team members, working together with our communities.

Making Our Vision & Values Come to Life

Dick Kovacevich, chairman (right);
John Stumpf, president and CEO



We're very proud of the progress we made in all of our more than 80 businesses toward our vision of satisfying all our customers' financial needs and helping them succeed financially. We're equally proud—as you'll see in this report—of the progress we made as corporate citizens. It's virtually impossible today to know where our company's business ends and the needs of our communities begin.

The two have become one and the same. Economic growth. Job creation. Entrepreneurship. Facilitating global trade. Protecting the environment. Responsible lending. Responsible spending. Investing in education. Health care. Arts and culture. They're all not just community responsibilities—they're corporate responsibilities, too. Our team members feel the same way. They want to be part of a company that helps make their communities better places to live and work. We all need something greater to work for. That's one of the reasons we have our Vision & Values (https://www.wellsfargo.com/invest_relations/vision_values). It says who we are, what we want to become and how we plan to get there.

We encourage our team members to bring their entire person to work and not check personalities at the door. One way our team members show this is in their own diversity and their unique passions. The diversity of our team enriches our 156-year-old company and gives us the opportunity to reach out and into the communities where we live and work to make a difference. It fosters an environment where team members can contribute in very personal ways to making our Vision & Values come to life at work and in our communities.

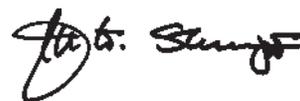
Team member **Mary Platt** of Wholesale Banking, for example, is serving a three-year term on the National Easter Seals board of directors. She's been on the board of the National Easter Seals'

Southern California affiliate for seven years and chair the past two. In Salem, Ore., Community Banking district manager **Aben Hill** serves on the Enterprise Employment & Education Board, helping local businesses with recruitment, retention and growth. In Des Moines, Iowa, the Iowa Council for International Understanding honored **Eric Idehen**, Community Development representative, for his help starting the Cornerstone of Hope Orphanage in Benin City, Nigeria.

We have thousands of team members such as Mary, Aben and Eric who are doing outstanding work and connecting with their communities. It's a team that puts our customers at the center of everything we do. It's a team that is making a difference in the lives of countless people. This is the story of our amazing team. How proud we are of their work!



Richard M. Kovacevich, Chairman



John G. Stumpf, President and Chief Executive Officer

Major Achievements

Responsible Business Practices

One hundred and fifty-six years ago, Wells Fargo was founded on the values of convenience, security, trust, dependability and courtesy. We have long applied responsible lending principles in creating educational opportunities for students and families. In 2007 we adopted our responsible lending principles and marketing practices for education financing (see page 11). We also introduced the Wells Fargo *Teen Checking* account to give young customers money management experience. These accounts include spending limits and safeguards so parents can monitor the account.

Homeownership

We did more to help customers avoid foreclosures and manage changes in their adjustable-rate mortgages. We also announced our responsible mortgage servicing principles. We helped launch Hope Now—an alliance of mortgage servicers, not-for-profit counselors and investors in the capital markets—to help homeowners at risk of foreclosure. We funded affordable-housing projects (investments in affordable-housing projects are 75 percent of our community-development portfolio). During our 14-year partnership with Habitat for Humanity and other housing nonprofits, we've provided \$45 million in loans and grants, and 100,000 team members have volunteered to help build and renovate homes for low-to moderate-income families.

Our Communities

We've grown revenue and profit more consistently than nearly any other public company the past two decades. Our corporate giving has mirrored that consistency. We're one of America's largest financial contributors to nonprofits. We've given almost \$200 million in grants the last two years—an average of \$266,000 every day—to 14,000 nonprofits and schools. In 2007 we invested \$371 million in community-development projects for affordable housing, schools, economic development, community revitalization and job creation.

Team Member Giving and Volunteerism

In 2007, 20,000 Wells Fargo team members reported volunteering 796,000 hours. That time is worth \$14.7 million according to a calculation of the value of a volunteer hour by Independent Sector, a coalition of 550 philanthropic organizations. Our team members raised a record \$28.4 million during the annual Community Support/United Way campaign—four of every 10 team members contributed, the highest participation rate in our company's history.

Financial Education

Financial literacy is the foundation for our customers' financial success. We made the *Hands on Banking*®/*El futuro en tus manos*® program, our financial education curriculum, available to more customers and communities. We had a monthly average of 8,200 unique Web site visitors, integrated the program into our new *Teen Checking* product, used the curriculum to teach students during "National Teach Children to Save Day," and began offering the *Hands on Banking* program to our commercial customers who want to build their employees' financial knowledge.

Green Business

We emerged as a significant financier of large-scale wind- and solar-energy projects. We committed to purchase 550 million kilowatt hours of renewable energy certificates each year for three years, making us the nation's second-largest purchaser of renewable energy, and were named one of the U.S. Environmental Protection Agency's Green Power Partners of the Year. We surpassed \$1 billion in financing for Leadership in Energy and Environmental Design (LEED) "green" building projects.

Our People

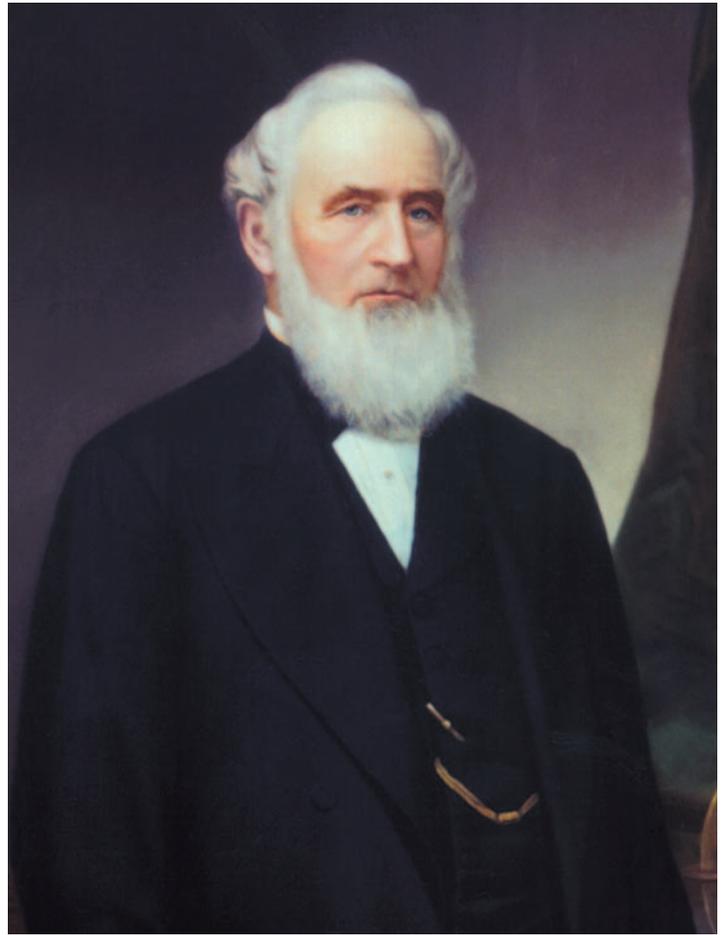
Our team members are our single most important competitive advantage. A company as large as ours needs smart, caring team members, and there's fierce competition among businesses to attract—and keep—talented people. In 2007 we invested 3.1 percent of total payroll dollars in training and professional development programs and *BusinessWeek* magazine ranked us among the top 50 Best Places to Launch a Career. We offer flexible work arrangements and other work/life programs to help support our team members as they balance their personal and work lives. For the fifth consecutive year, *DiversityInc* magazine named us one of the country's Top 50 Companies for Diversity.

SERVING Customers Responsibly

Gold dust, gold bars, gold coins, legal papers, checks and drafts traveled in strong boxes like this one held by team member, **Shahryar Rehman**, and were stored under the stagecoach driver's seat. A strong box loaded with bullion weighed from 100 to 150 pounds and protected the valuables of Wells Fargo customers 156 years ago. It's still a powerful symbol of security, dependability and trust.

Today team members like Shahryar, who works in customer service for our Home and Consumer Finance Group in Des Moines, Iowa, are responsible for making sure our customers' transactions are safe and secure.





“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 men.”

—Henry Wells, 1875

Born in Vermont in 1805, **Henry Wells** grew up in New York. An entrepreneur, he joined William Fargo in 1852 to start a banking and express company to serve the thousands of people migrating west during the California Gold Rush. Wells Fargo & Company was founded on trust, service and courtesy: “We are a company that does business on the fair and square,” wrote the corporate secretary in 1869.

Wells was a nineteenth-century man of vision. And not just when it came to business.

He struggled with speech problems throughout his life, and as an adult opened eight schools from New York to Cleveland for speech disorders and managed them for 15 years. In 1868 he donated property and a sizeable share of his fortune to establish the Wells Seminary for the Higher Education of Young Women, later changed to Wells College, in Aurora, N.Y. It was one of the first American

institutions of higher learning for women to offer bachelor’s degrees and still thrives today.

Later, in 1888, Wells Fargo & Company formalized its founders’ long-established philosophy in its instructions to agents: “The most polite and gentlemanly treatment of all customers, however insignificant in their business, is insisted upon. 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.”

Responsible Business Practices

Our company—today a blend of thousands of companies including our predecessor Norwest Corporation—has stood for these shared values since 1852.

We treat all customers fairly—because it is the right thing to do *and* because it allows us to earn more of their business. Everyone needs a banking relationship and the opportunity to establish credit because it opens the doors to financial success. We work with our customers to make sure they have access to bank accounts, investment accounts, insurance and mortgages, and to make certain their transactions are safe and secure.

Our lending philosophy is for the long term—to create customers for life. Our business strategy is based on earning all the business of our customers. Our relationships with customers grow—students can become future mortgage customers or credit card consumers can become 401(k) holders.

We have a responsibility to our customers to go beyond our traditional role of loan provider and be a financial partner. Our product is service and our value-added is financial advice.

Our customers tell us they want more than “just a loan”; they want us to help them with smarter money management. One financial decision can influence the path of a career or business for years, so customers want and need a true financial partner. We want to help them connect the dots. Across Wells Fargo, we’re finding new ways to help our customers make smarter decisions. For example, we created services like the *Steps To Success*SM program (see page 13) and My Spending Report to creatively meet customer needs.

Access to Banking

Without a bank, you would carry all your cash or keep it someplace risky. You would pay bills in cash. You may turn to other ready-cash services that likely charge high fees and send you into a spiral of mounting debt. It would be next to impossible to build savings or assets. Yet about 22 million Americans are “unbanked.” They don’t even have basic checking or savings accounts, let alone the chance to get affordable car loans, credit cards or mortgages. They’re often members of low-income families—young adults, single women, military personnel or immigrants—who don’t have easy access to a local bank, have poor credit histories or simply don’t know how to open an account.

The main point of entry into the U.S. banking system is the checking account, and we believe everyone deserves the opportunity to have one. Six years ago, Wells Fargo was the first bank in the U.S. to promote use of the Matrícula Consular card as a form of identification to help Mexican nationals establish banking relationships. Since then, with the active support of the U.S. Treasury Department and hundreds

of local police departments and municipalities, we’ve expanded the program to include immigrants from Guatemala, Argentina, Colombia and, new in 2007, El Salvador.

We work closely with local community groups and city governments to expand access to financial education and bank accounts. For example, we joined with the City of San Francisco and other financial institutions to offer many of the city’s estimated 50,000 unbanked residents that opportunity through the Bank on San Francisco program. So far, 11,000 people have opened accounts and several more cities may copy the program.

Military Banking

Wells Fargo has a decades-long history of making banking easier for our servicemen and women—wherever they are around the world. Our San Antonio, Texas-based Worldwide Military Banking group—mostly retired military professionals and veterans serving 400,000 households—has been satisfying the financial needs of our nation’s service members for more than a half century.

We offer international toll-free numbers (so Wells Fargo military customers overseas can talk free to a Military Banker), special discounts for loans and lines of credit and Bank by Mail/Direct Deposit.

“Our team tells our military customers hundreds of times each day, ‘Thank you for your service to our country,’” said **Curtis Beauchamp**, Military Affairs Director with Wells Fargo Worldwide Military Banking. “The servicemen and women really appreciate that. We serve men and women all over the world and we do all we can to help them.”

That includes using the *Hands on Banking*[®] (see page 29) program to teach about savings accounts, mortgages, credit cards, loans and credit lines or answering person-to-person questions from military customers about the best products for their families.

Our team members make the difference—many have retired from the military, served in the military or have had someone in their family who served or is serving. Customers immediately relate to us because we speak their language and understand their unique needs.

When our team members themselves are called to duty, our military leave policy goes well beyond the requirements for employers under federal law. Wells Fargo team members called to active duty receive up to two years of pay (one month of full pay followed by 23 months of supplemental pay) while on military leave, during which they can

“We need to protect the children in Iraq and teach them how to take care of themselves. If we do that, I think they’re more likely to grow up to protect the innocent and maintain their own sovereignty and freedom.”



Team member **Mark Grgurich**, with our Network Compliance team in Roseville, Calif., took 21 months of military leave from Wells Fargo and was stationed in Iraq for one year. Wells Fargo’s Military Veterans Resource Group sent him 250 boxes of school supplies and gifts to distribute to Iraqi families at the Civil-Military Operations Center run by the 322nd Civil Affairs Brigade in Baghdad, which houses a clinic and a food pantry.

continue to receive benefit coverage such as medical, dental, vision, life insurance and long-term care for up to 24 months. Team members who return from military leave are reinstated to the position they would have received had they not gone on military leave and receive 401(k) matching contributions they missed.

Customer Privacy and Information: Agent of Trust

Wells Fargo was founded on trust. Think about our first customers: people coming west during the California Gold Rush. They were far from home and needed a safe place to keep their gold and transport their letters. The company guaranteed the safe transport of precious cargo and assets. Customers trusted Wells Fargo would deliver. We did.

SERVING Customers Responsibly

One hundred and fifty-six years later, we're still transporting assets—no longer by stagecoaches, but electronically. More than five million customer transactions flow through our company daily. Many are face-to-face, but most are electronic. Our customers trust that these transactions will be made securely, accurately and privately.

Customers expect the same from us in protecting personal and confidential account information.

- We safeguard the security and integrity of customer information.

- We collect and maintain customer information to service the account and the relationship.
- We do not share information about customers with outside parties who market their products to them.
- We share information among our Wells Fargo businesses so we can work together to satisfy all our customers' financial needs.

To ensure these standards are upheld:

- We limit team member access to customer information to those who have a business reason to know the information.



Customer Virginia Kivits (right) likes to plan ahead, so the 94-year-old toured four assisted living centers with Wells Fargo's **Sue Johnson**, an Elder Services trust officer in Bloomington, Minn. Kivits lives in a senior cooperative now, but knows she'll soon need more help. She relies on Johnson to help her think through next steps. Wells Fargo has provided such assurance to seniors since starting Elder Services in 1997. The Wealth Management Group program combines life management services with wealth management services and serves customers with investable assets in excess of \$1 million in trusts.

- 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.
 - We have strict policies and procedures for the proper physical security of workplaces, equipment and records.
 - Our 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 privacy standards through their contracts with us.
 - We evaluate new technology to protect against unauthorized access or changes to customer data.
- Product offerings: loans for undergraduate and graduate students enrolled full-time, half-time or part-time; loans for parents to cover their dependent undergraduate student's tuition or expenses for a child's private K-12 education; and federal and private consolidation loans that allow customers to combine their student loans to simplify repayment.

Our Responsible Marketing Practices prohibit revenue sharing agreements and use of opportunity loans (private loans to borrowers who could otherwise not satisfy Wells Fargo credit criteria), and limit lender advisory councils and staffing of financial aid offices.

We want to:

- Partner with our customers to help them make smarter money management decisions.
- Work closely with local community groups and city governments to expand access to financial education and bank accounts.

When a company has an information security incident, the vast majority of the time it doesn't result in account fraud or identity theft. However, if customer information is compromised, we do what's right for our customers—we notify them as soon as possible and encourage them to take precautions to reduce any risk.

Elder Abuse

Old age should be a time of peace and reflection. It also can be a time of vulnerability. Many elderly are at risk of having someone forge their signature to steal their money or property. Our online training program helps team members with early identification of crimes against older customers. Wells Fargo requires this training for all team members who serve customers. We have a team that collects those suspected elder-abuse reports and passes them to state agencies. Some states require this kind of response, others don't. We decided that doesn't matter—we want to protect all our customers, so our program is nationwide.

Student Lending

Since 1968 we've provided educational-loan products and services to help millions of customers pay for their education. We believe in attracting customers through the quality of our products and services, and in complying with the letter and spirit of the law.

In 2007 we adopted our responsible lending principles and marketing practices for education financing:

- Informed choices: full disclosures about loan options and costs.
- Benefits for the customer: competitive interest rates and a range of repayment options.
- The right student loan results from promoting choices among all financing options.

SUPPORTING Homeownership

Team members (from left) Nagam Abdaljabbar, Kim Latam, Reza Razzaghipour and Bhanu Mishra of Community Banking repaired homes in Menlo Park, Calif., as part of National Rebuild Day. More than 50 team members and their families volunteered to rebuild kitchen counters, build fences, landscape and paint the homes and community facilities of low-income, elderly and people with disabilities.





Wells Fargo Home Mortgage team member **Albert Singleton**, based in Fort Mill, S.C., talks with a customer about options that could help prevent foreclosure.

We live by our responsible lending principles (first published in 2004) for U.S. nonprime real estate lending, available at www.wellsfargo.com. We also made public the responsible servicing principles we've long practiced. Our foreclosure rates remain below industry averages, and our servicing practices for investor-owned loans are recognized as among the best in the industry.

Wells Fargo did even more to contact and help customers with impending interest-rate increases and led national efforts to expand options for help. We dedicated specialists to the effort and started a special toll-free number for customers needing counseling. Well in advance, we contacted homeowners to remind them of upcoming interest-rate increases.

To help keep more customers in their homes, we launched in 2006 a free program called *Steps To Success*SM for all new mortgage customers who have less than prime credit. It provides credit reports and credit scores, access to advice from credit-education specialists, financial education and access to automatic mortgage payment programs to help customers better manage their credit. Almost 20,000 nonprime customers have signed up for this program, and they appear to have a lower likelihood of delinquency than our nonprime customers not in this program. We believe *Steps To Success* participants have contributed to higher use of the *Hands on Banking*[®] and *El futuro en tus manos*[®] program (see page 29).

We're leaders—nationally and locally—in working with nonprofit counseling agencies to help homeowners. In Minnesota, for example, we helped found the Minnesota Homeownership Center, which helps low- and moderate-income consumers buy and maintain homes.

In 2007, in addition to a \$100,000 grant for general operations, Wells Fargo Housing Foundation contributed \$100,000 to the Center to support the increasing demand for foreclosure prevention counseling.

Wells Fargo Home Mortgage played a central role in starting two national programs that help at-risk consumers: Hope Now and Fast-Track. Hope Now is a national alliance of mortgage counselors, mortgage servicers, capital markets investors and the government to help at-risk homeowners facing foreclosure. The industry campaign includes direct mail to millions of at-risk borrowers encouraging them to contact servicers or counselors for help and a toll-free hotline. Given its broad membership, Hope Now can reach the vast majority of subprime homeowners. In late 2007, partnering with other large servicers, the U.S. Treasury Department and the American Securitization Forum, we announced our support for “fast-track” solutions so certain subprime adjustable rate mortgage consumers can refinance or modify their loans.

Wells Fargo Home Mortgage also hosted a symposium (Safeguarding the American Dream) in Washington D.C., bringing together government leaders, industry partners and consumer organizations to discuss challenges facing mortgage lending and our economy.

Responsible Servicing Principles for Residential Real Estate Lending

In addition to responsible lending principles for U.S. nonprime real-estate loans, in 2007 we unveiled our responsible mortgage servicing principles. We service (collect payments, distribute taxes and maintain paperwork) loans we originate, and we service loans made by other lenders. Most of the loans we service are owned by investors who provide guidelines we must follow. We collaborate with our investors to help customers while complying with contract commitments. We are just as diligent about finding solutions for customers experiencing challenges, whose loans we hold in portfolio. Our responsible mortgage servicing principles commit us to:

- Approaching every interaction from our *customers'* point of view—putting *their* needs first.

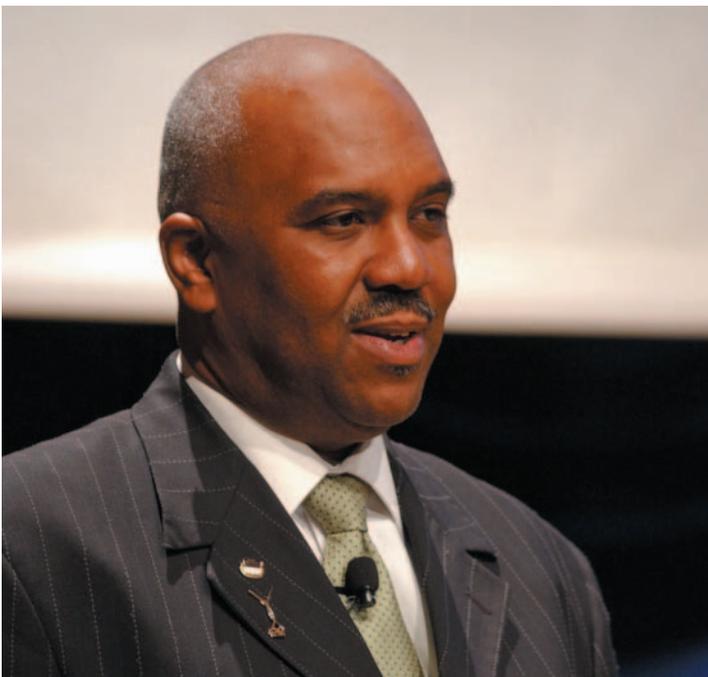
- Providing *clear, simple and timely* information to consumers, understanding how complex homeownership and financing can be.
- Hiring and retaining a dedicated and knowledgeable service team.
- Providing tools, services and information that *help our customers manage their credit*.
- Believing in homeownership, and *doing all we can to keep people in their homes*.

For more information go to http://www.wellsfargo.com/jump/mortgage_principles.

We want to:

- Continue leading the industry in following fair and responsible lending and servicing principles.
- Continue to work at national, regional and local levels to share best practices and help homeowners.

“Wells Fargo’s passionate commitment to its customers is clearly evident in its fair and responsible lending and servicing principles. On behalf of our membership, we honor Wells Fargo for sharing our view that we must work together as an industry to be better champions of the consumer.”



Clifford Turner, President, National Association of Real Estate Brokers

BUILDING Our Communities



When Centennial High School instructor John Roberts, top-center, in Compton, Calif., needed funding to hire specialists to improve the music programs, Wells Fargo teamed up with the Compton Educational Foundation (CEF) to make sure they didn't miss a beat. Compton Gateway store manager, **Jacqueline Banks**, center-right, serves on the CEF board of directors and has worked with Visual Arts Performing Arts to bring the arts to students in Compton. In 2005, there were only two bands in the entire school district—now, 1,500 students participate in 11 bands and music programs.

A community prospers when businesses thrive, people have good jobs, housing is safe and affordable, schools offer high-quality education and residents have access to hospitals, banks and other services. Wells Fargo helps it happen in many ways.

Residents of Compton, Calif., in metro Los Angeles, have an average annual income below \$35,000 (median U.S. \$48,000). In 2004 only four banks served Compton’s 100,000 residents, well below the average of 25 banks serving communities of similar size. Wells Fargo partnered with local churches, businesses, schools and nonprofits to better understand what Compton’s residents and businesses needed.

Wells Fargo had served the community through its banking store inside a local supermarket since 1994. In March 2005—thanks to our meetings with Compton leaders—the first full-service Wells Fargo banking store opened, staffed by team members who

are local residents and built by local vendors and diverse suppliers. In 2007 Wells Fargo Financial, our consumer finance business, opened a new store in Compton. Our supermarket banking store expanded to full service. We focus on hiring members of the community who are bilingual (more than 50 percent of Compton is Spanish-speaking).

Wells Fargo Housing Foundation chose Compton to receive one of its six annual “Focus Communities” grants, a \$100,000 matching program to support low- to moderate-income communities. Thanks to the grant, in 2007 four Compton residents purchased new homes. All qualified for first mortgages with Wells Fargo, and

Contributions by category



Wells Fargo Foundation works through our team members nationwide to provide grants to nonprofits that support education, civic projects, community development, arts and culture, human service and the environment. We’ve given almost \$200 million in grants the last two years—an average \$266,000 every day—to 14,000 nonprofits and schools. Our success comes from a time-tested formula: local people making local decisions because they know best what their communities need. We’re recognized as being one of America’s largest financial contributors to communities—in 2007 *BusinessWeek* magazine named Wells Fargo one of the Top 10 Biggest Givers in Corporate Philanthropy.



Cash giving is just one way we support communities. Team members in Albuquerque N.M., for example, competed for the sixth time in a foot of watery mud during the 13th annual Mudd Volleyball Tournament to benefit the Carrie Tingley Hospital Foundation. Wells Fargo fielded three 20-person co-ed teams for the tournament and helped raise \$382,000.

the Housing Foundation provided each homeowner with a \$25,000 down payment assistance grant. Our team members volunteered 250 hours to build four other homes in Compton. We've contributed \$300,000 to local churches, family centers, schools and career counseling services, and invested \$500,000 in community redevelopment and entrepreneurial training.

Wells Fargo team members teach financial education classes at many community-based organizations in Compton, including El Nido Family Centers and Our Lady of Victory Church. When budget cutbacks forced the Compton Unified School District to eliminate many of its elective creative classes, Wells Fargo brought high-caliber arts to the local students. With the help of team member **David DiCristofaro**, our market president and board member of the Pasadena Playhouse, Wells Fargo sent 100 Compton-area students to see live productions at the Playhouse and learn about theater from its artistic director, Sheldon Epps, who grew up in Compton.

Community Development

Newly-occupied homes. Signs that read “open for business” and “help wanted.” Patched potholes. Buildings with new facades. These are all signs of a prospering community. Communities need money to grow, but sometimes it's hard for low-income areas to attract investors because the return on their investment seems riskier than other options. Partnerships among Wells Fargo, nonprofits and the government can give communities the boost they need. To help reduce the risk on investments in low-income communities, the federal government provides tax credits for businesses and private institutions to build homes and help business owners.

When Wells Fargo invests in a community, other businesses and developers pay attention. With the right type of planning, funding and broad-based support, a struggling community can prosper. Wells Fargo's Community Development Corporation (CDC) manages the company's investments in projects that promote long-term growth for low- and moderate-income communities.

The CDC manages a \$1.6 billion investment portfolio and pursues what we call a “double bottom line”: strategic investments that create positive social and environmental change and long-term financial returns for Wells Fargo. These investments, \$413 million in 2006 (up 128 percent the last five years), often qualify for credit under the Community Reinvestment Act (CRA), a law which requires banks to serve the financial needs of the communities where they accept deposits.

A \$10.7 Million Historic Renovation

With an investment from Wells Fargo, six historically significant buildings on 28 acres of a former naval base in San Diego, Calif., are becoming the Naval Training Center Promenade Arts and Cultural Center. The \$27 million project will house a cluster of arts and civic-related nonprofits and public meeting spaces including art museums, galleries, dance companies and a culinary arts institute. Wells Fargo is the lead financier, tapping into New Market Tax Credits, Historic Tax Credits, short-term gap financing and other public and private funding sources. The tax credits and private funding helped triple the public redevelopment funds invested in the project, reducing the city’s financial risk. This provided cheaper long-term funding on more favorable terms than conventionally available. Those savings will be passed onto tenants, mostly nonprofits.

\$50,000 for Entrepreneurs

We invested in the Lincoln Action Program, a nonprofit in Lincoln, Neb., that helps prepare low-income people for jobs in Lancaster and Saunders counties. We invested in a new micro-loan program to finance graduates of its Entrepreneur Development Project, which helps start and strengthen small businesses through training.

\$1.6 Million in Community Space

Wells Fargo invested \$1.6 million in the Anchorage Community Land Trust to acquire and renovate an abandoned commercial building in a low-income area of downtown Anchorage, Alaska. The \$8.6 million project will provide 52,000 square feet for private and local nonprofit and community-service organizations. Our investment used commercial financing, city funding and foundation grants to make up for budget shortfalls.

Funding for Community Services

Do you know how much a fire truck costs, or a police car? What about improvements to a hospital? Public services like these help keep our neighborhoods safe, clean and efficient. Wells Fargo’s Public Finance group helps communities find funding sources for equipment, buildings and projects. In 2007 we helped with

185 financing solutions valued at \$7.4 billion of tax-exempt debt for local governments, public parks, health care providers and nonprofit organizations.

For example, we created a financing plan to expand a Midwest rural water district that provides treated water to 10 counties in Iowa. Through an \$84 million bond issue, they’ll double their 9,000 users the next five years.

We create custom financing for a wide range of improvement projects, including homeless shelters, airport runways, universities, community centers, food banks and schools. We financed Intermediate District No. 287 in Minnesota, 13 school districts that provide special-educational services to students, young adults and teachers in 22 locations. When a nine-acre site became available, the district saw the opportunity to build a facility to consolidate programs from multiple sites. Our Public Finance team secured \$33 million to buy the land and fund construction of a three-story, 105,000-square-foot classroom and administration building. This dramatic increase in space for the students, with significant cost savings for the district, allowed administrators to focus their resources on other community needs.

Housing and Homeownership

Nationwide, we fund affordable-housing projects and provide educational resources through our Community Development Corporation, Public Finance group and Wells Fargo Housing Foundation. Investments in affordable-housing projects are 75 percent of our community development portfolio.

We provided \$200,000 to the Umpqua Community Development Corporation, a nonprofit in Oregon that helps low- and moderate-income renters become homeowners. Umpqua finances housing development, rental property, resident services, micro-lending, home rehabilitation loans and homebuyer education. It partners with two other nonprofits to form Oregon Homeownership Partners, providing low-interest second mortgages and down-payment assistance to low- and moderate-income households throughout Oregon. Wells Fargo was the organization’s inaugural private sector investor, helping launch a second mortgage program and a down-payment assistance program operated by the nonprofit.

Habitat for Humanity

We’ve had a long partnership with Habitat for Humanity and other housing nonprofits, providing them with the resources they need most, from financial contributions to our team members’ volunteer

efforts. We're known for providing caring, energetic volunteers and leadership in community partnerships.

Land acquisition costs and demand for larger homes are just two of the challenges that have forced many local Habitat for Humanity affiliates to shift focus on single-family homeownership to multi-generational, mixed-income and mixed-use housing.

Consider Ripley Gardens, a mixed-use multi-unit housing development in north Minneapolis, with 52 rental units and eight owner-occupied homes that will house more than 150 people.

Wells Fargo is the lead development sponsor of the project, working with Habitat for Humanity and community leaders, government organizations, religious groups and neighborhood volunteers to transform a former hospital and vacant land into a vibrant, thriving addition to the neighborhood.

Since 1993, Wells Fargo Housing Foundation has teamed with Habitat for Humanity to provide \$45 million in loans and grants, and 100,000+ team member volunteers who contributed four million hours to help build or renovate homes for low- to moderate-income families.

“The diverse partnerships that have made the Ripley Gardens project a reality are a vivid example of what it takes to create new affordable-housing opportunities for the thousands of hard-working families in need,” said Susan Haigh. “Partnerships like this make our work possible and provide the opportunity to transform families, neighborhoods and communities one house at a time.”



Jan Plimpton (right), executive director of Habitat for Humanity Minnesota, and Susan Haigh, executive director, Twin Cities Habitat for Humanity, worked with Wells Fargo to build Ripley Gardens, a multi-unit housing development in north Minneapolis.

Native American Community Development Training Program

Less than one-third of Native Americans living on reservations own their own homes, compared to two-thirds of the U.S. population.

To help close this gap, Wells Fargo partnered with NeighborWorks Training Institute to create the Native American Community Development Training Program, providing essential courses in home buying and financial management.

In 2007 Wells Fargo Housing Foundation was named one of the Most Generous National NeighborWorks® America Contributors. We developed curricula for a number of courses and provided scholarships to 300 training program participants.

“Wells Fargo Housing Foundation has been a steadfast and generous supporter to NeighborWorks America and NeighborWorks organizations,” said Ken Wade, NeighborWorks America CEO. “Their commitment to supporting innovative solutions to our nation’s affordable housing challenges is exemplary and we are proud to recognize them for their generosity and leadership.”

Small Businesses

Have you ever thought about how your local dry cleaner, restaurant owner or florist benefits your community? Small businesses boost market competition (which helps keep prices low), create jobs and strengthen local economies. With 25 million firms nationwide, small business is the backbone of our economy. Accounting for 99.7 percent of U.S. employers, small businesses create between 60 and 80 percent of net new jobs each year and generate \$5 trillion of the U.S. gross domestic product.

With 1.5 million small business customers nationwide, we contribute to the success of small businesses in many ways:

- We provide access to capital for entrepreneurs starting or expanding their businesses, and provide educational resources to small business owners.
- We invest in nonprofits and organizations that support entrepreneurs by providing education and resources.
- We support the growth of diverse- and women-owned businesses, extending close to \$35 billion in loans since 1995.

The Community Reinvestment Act (CRA) provides the industry’s most comprehensive measurement for small business lending. For the last five years, Wells Fargo was America’s number one small business lender, based on loan origination tracked by CRA data. With an average loan size of \$26,000, Wells Fargo extended 820,000 small

business loans (defined as loans less than \$100,000) in 2006.

According to CRA data, Wells Fargo is the leading small business lender in 18 states: Alaska, Arizona, California, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Texas, Utah, Washington and Wyoming.

We’re also the number one lender to small businesses in low- and moderate-income neighborhoods for loans of less than \$100,000. In 2006, Wells Fargo made 160,000 loans, totaling \$4.3 billion, to businesses in these neighborhoods.

We invest in community organizations that support the development of small businesses in low- and moderate-income neighborhoods (10 percent of our Community Development investment portfolio). In 2007 we invested \$500,000 in the Colorado Enterprise Fund, a certified Community Development Financial Institution in Denver that specializes in micro-enterprise and small business development. The Fund will use the majority of Wells Fargo’s investment to expand its loan programs and provide extensive technical help to small business owners.

In 1995 Wells Fargo became the first financial services provider in the country to establish a national outreach and education program to help women small business owners access credit and other financial services. With the success of that program, Wells Fargo established similar programs for Latino, African American, and Asian American small business owners.

Supplier Diversity: 400 Percent Increase in Spending Over Seven Years

Keith Elzia, an African American business owner, needed more office space, a second office in Ohio and more employees after starting his business relationship with us.

Elzia’s company, NS Group, links minority-owned and women-owned printers with Wells Fargo’s needs. NS Group sends print jobs electronically to the printers best suited for the project in the region. He’s grown his own business and that of dozens of minority-owned businesses.

Our relationship with NS Group is one example of thousands with diverse-owned and women-owned suppliers. Elzia first connected with Wells Fargo in 2005 and has been working to earn our business as an Enterprise Preferred Supplier.

“We use technology to drive costs down and break projects into manageable pieces,” Elzia said. “Sending a steady flow of projects over several years created the exponential growth needed for these diverse printers to upgrade equipment and expand their business.”

Companies owned by women, people of color and people with disabilities are among the fastest-growing in the country. These companies may not be considered as suppliers for large corporations, however, because the scale of work needed may be beyond their capacity. They also face vendor consolidation among larger companies and lack of knowledge of sourcing and procurement processes.

We’re working to overcome those challenges by encouraging business leaders across Wells Fargo to hire local diverse suppliers to fulfill their needs. Last year, we gave 7 percent of our business to thousands of diverse-owned and women-owned suppliers across the United States. Our Supplier Diversity initiative, started in 1999, puts into action the company’s commitment to economic development among diverse communities.

We spent \$550 million with diverse suppliers in 2007, halfway to our \$1 billion goal for such annual spending by 2010.

To further support diverse- and women-owned businesses, we educate potential suppliers and team members, partner with regional and national diverse organizations, and track spending with second-tier suppliers. Wells Fargo Financial, our consumer finance business, developed an online supplier diversity training course and identified high-potential goods and services to purchase from diverse suppliers, which has already lead to a contract with an African-American-owned company for computer hardware.

We want to:

- Select community development investments based on local needs, and work with community organizations to identify those local needs.
- Provide financial and volunteer resources to local and national nonprofit housing organizations that result in sustainable homeownership opportunities for low- to moderate-income families.
- Provide a roadmap to business group leaders for increasing diverse supplier spending by 5 percent in one year’s time.
- Spend at least \$1 billion annually with diverse suppliers.

VOLUNTEERING Makes All the Difference

Team member **Peter Siddons** of Wells Fargo Home Mortgage, a survivor of the Interstate 35W bridge collapse in Minneapolis, near the site of re-construction.



It happened fast: a rumble and the road ahead vanished. Another rumble. Gone.

“My car fell 40 feet, and then another 15 feet when the bridge section I landed on collapsed,” said Wells Fargo team member **Peter Siddons**, a survivor of the Interstate 35W bridge collapse in Minneapolis, August 2007. As he climbed a Mississippi riverbank, covered in shards of glass and choking on dust, he saw an extraordinary sight: “People came flooding from their cars and homes doing everything they could to help, even forming human chains to pull victims from the wreckage. A couple approached me and offered me a ride home, reuniting me with my family. They are every bit heroes to me as the first responders.”

A few days later, bruised but otherwise unhurt, Peter was overwhelmed by team members—many of whom he didn’t know—who offered support, meals for his family and rides to work. “I’m so proud to work for a company that has a culture of caring and helping others. I knew that I wasn’t alone and it helped me get through the first few weeks,” he said. Team members also provided food and bottled water to hundreds of rescue-and-recovery volunteers, and Wells Fargo donated \$150,000 to the Twin Cities chapter of the American Red Cross to support local disaster relief.

Our team members are leaders. They teach money management skills, build homes, mentor youth, fundraise and serve on nonprofit

boards. They learn first-hand what local issues and projects need our support, and then bring the right resources together so Wells Fargo can help.

When you volunteer, you give a part of yourself, your time and your skills. And you feel self-fulfilled by helping others. But volunteering also gives you the chance to showcase and develop management, teamwork, technical, communication and leadership skills, which builds company loyalty and team morale. So we make it as easy as possible for team members to get involved, whether they want to join a one-time project team or make a bigger contribution of time through a board membership or other leadership role. One way they find volunteer opportunities and build project teams is through our online tool *VolunteerWellsFargo!*

How does one person organize 250 volunteers on 13 separate projects all happening on the same day? Team member **Anita Fogarty** knows. In 2004 she started a tradition in Phoenix, Ariz.: volunteering with Rebuilding Together, which repairs homes of low-income and elderly people and people with disabilities, in its annual Rock-n-Roll Paint-a-Thon. She mailed flyers to her colleagues across the city, and kept track of volunteers using an arcane spreadsheet system. Now, with the help of *VolunteerWellsFargo!*, she easily recruits



Wells Fargo team members in the San Francisco Bay Area set a new volunteer record during the annual Week of Caring: 1,600 Bay Area team members helped the community at food banks, parks and beach clean-ups. Team members **Linda Low** (left) and **Monica Blos** of Community Banking joined the San Francisco 49ers and United Way to paint Gilman Playground in Bayview Hunters Point.

volunteers and organizes events using the Web-based tool. In 2007 the teams Anita organized painted 13 homes in one day. One thankful homeowner wrote to Wells Fargo, “I had the most wonderful experience with the folks from Wells Fargo Insurance on Saturday. They arrived at my home early and went straight to work. They did a fine job and were so kind and considerate of me. I cannot find words to thank you enough.”

We’re using *VolunteerWellsFargo!* to try to quantify the number of hours our team members donate. In 2007, 20,000 Wells Fargo team members, 10 percent of all team members, logged 796,000 volunteer hours, up 6 percent in 2006. According to Independent Sector, a U.S. coalition of more than 550 philanthropic organizations, the value of

one volunteer hour is \$18.77, so our team members have contributed \$14.7 million in volunteer time nationwide.

Here are just a few of the hundreds of volunteer success stories of our team members in 2007:

- 120 team members in Minneapolis, Minn., collected 4,884 pounds of food for the Aliveness Project, a community center that offers services to and promotes self-empowerment of the HIV/AIDS community. The previous largest donation was 1,800 pounds.
- Team members in Rochester, N.Y., and Frederick, Md., collected donations of cash and goods from local businesses to send much-needed personal supplies to 3,800 men and women stationed in Iraq.

VOLUNTEERING Makes All the Difference

- The Wells Fargo Military Veterans Community of Practice group in Des Moines, Iowa, spent three weekends renovating and painting the home of an 89-year-old World War II veteran who was required by the city to complete maintenance work on his home.
- 59 team members participated in Dylan's Run/Walk for Autism in Milwaukee, Wis., an annual event started by **Scott Schwartz** in the Institutional Trust Services group and his wife Dawn after their son Dylan was diagnosed with autism. The group raised \$2,000 for autism research and the Autism Society of Southeastern Wisconsin.
- For the past four years, 15 team members in Fort Collins, Colo., have volunteered for Meals on Wheels, delivering meals to the elderly and others in need every Friday.
- Every week during their lunch hour, team members in Los Angeles support, mentor and tutor 35 students from Camino Nuevo Charter Academy through a partnership with Big Brothers Big Sisters. Team members visit the Academy to teach money management and budgeting skills to hundreds of students and their parents using the *Hands on Banking* program.
- 27 team members from Rock Island, Iowa, partnered with Habitat for Humanity and 1,300 other volunteers to build a home in a record 24 hours. The home was built for Travis Hearn, a local high school football player who became paralyzed from the neck down during a game, and was designed to accommodate his medical needs. As lead sponsor, Wells Fargo Housing Foundation contributed \$25,000 to the project.

Rewarding Community Leadership

Nonprofits are companies, too. They earn money and disperse it to others. They offer a product or a service. They hire employees. But most nonprofits can't achieve their social missions, or even survive, without volunteers. One of the most important contributions our team members can make is using their professional skills and knowledge to help nonprofits with business and organizational projects—building a Web site, fundraising or training volunteers. We know at least 9,100 team members company-wide are serving on nonprofit boards. This is how we often find out about projects and organizations that need funding or other support. It's a critical part of our grassroots community giving strategy.

Service manager **Yesica Trujillo** in Seattle, Wash., was nominated by her mentor to attend The Bridge, a community leadership training program that helps young people learn about nonprofit board service. Yesica and eight other team members participated in the four-week training program, offered by the nonprofit Seattle Works. "I was interested in serving on a nonprofit board, specifically

involving public policy, but wasn't really sure where to begin," said Yesica. "The class helped me understand the importance of finding a board position that matched my passion and talents, and later they helped me find a board position." Today Yesica is secretary on the executive board of the Washington State Hispanic/Latino Legislative Organization, encouraging participation by Hispanics/Latinos in state legislative issues.

Volunteer Service Award

We reward team members' service with grants to nonprofits in which they're involved. Twenty-nine years ago Wells Fargo created the Volunteer Service Awards to encourage team members to volunteer and reward their efforts with cash contributions from Wells Fargo to the nonprofit or school where they volunteer. Wells Fargo awarded \$300,000 to 161 team members and their organizations in 2007. Team member **Bill Robins**, with Wells Fargo's Internet Services Group in San Francisco, won the top \$50,000 Volunteer Service Award on behalf of Project Night Night, a nonprofit that works to help homeless children sleep better by donating individual tote bags filled with books, blankets and stuffed animals. Bill became involved with the nonprofit in 2005 because, as a father himself, he understands how critical a good night's sleep is to a child. He manages all of Project Night Night's volunteer efforts,



Team member **Bill Robins** and his wife Kendra Robins, founder and executive director of Project Night Night, sort toys and put together packages for homeless children.

and he advises the organization on its Web site development, media outreach and special events. Through his support, Project Night Night increased distribution by almost 700 percent in 2006, distributing 8,000 Night Night packages. His Volunteer Service Award will be used to create 20,000 Night Night Packages for homeless children in the Bay Area and across the U.S., and a direct-mail campaign to increase corporate involvement in the Bay Area.

Volunteer Leave Award

Wells Fargo's Volunteer Leave Program, established in 1976, is one of the country's few fully paid sabbatical programs for community service. It awards team members up to four months off, with full pay and benefits, to work with a nonprofit of their choice to help solve social problems important to them and to build the nonprofit's long-term sustainability. In 2007, 20 team members were awarded 43 months in volunteer leave.

"I'm so grateful that my company has given me the time and resources to do more for the orphanage. Soon we'll be taking 50 children off the streets, fulfilling my dream and, more importantly, the dreams of those children. I truly believe if you don't give, then you don't get."



Wells Fargo community development representative **Eric Idehen** of Des Moines, Iowa, and his wife realized they'd be unable to have their own children. They promised that for every child they were given, they would adopt one child. They were blessed with three children, and in 2001 established an orphanage of their own. Today the Cornerstone of Hope Orphanage in Benin City, Nigeria, the city where Eric was born, provides children (such as those above) with a safe home, compassionate care-givers, an education and nutritious food.

Eric received a \$10,000 Volunteer Service Award on behalf of the nonprofit, and was also one of 20 recipients of a 2007 Wells Fargo fully paid Volunteer Leave. He plans to spend 10 weeks in Nigeria to expand the orphanage to serve 50 children. Eric also received awards for community leadership from the Iowa Council for International Understanding, American Red Cross Central Iowa Chapter and the Des Moines Chapter of Links, Incorporated.

Annual Community Support Campaigns

Houston team member **Warren Matthews**, of Community Banking, chairs the board of directors for the Spring Branch Education Foundation. It supports educational programs and extracurricular activities across the school district—which has a growing population of low-income students—that aren't funded by the state, such as mentoring programs, scholarships, teacher training and the arts. The foundation raises \$500,000 annually through partnerships with local businesses and fundraising events, and Warren takes advantage of Wells Fargo's educational matching program whenever he makes a donation. Wells Fargo matches individual team members' financial contributions to schools dollar-for-dollar, up to \$6,500 per person, per year. "It's critical for our schools to receive adequate funding for programs that improve students' academic performance and personal development, and I'm grateful that Wells Fargo recognizes the value of supporting schools and matches my donations," he said. In 2007 Wells Fargo matched \$7.9 million in donations, up from \$6.5 million in 2006.

Also, each year Wells Fargo team members raise money for the nonprofit of their choice, including United Way, during our community support campaign. For example, team members in Des Moines, Iowa teamed up with Buckets of Hope Agency to support Refugee Cooperative Services, a nonprofit that serves refugees new to Iowa. Team members came together to donate and package 500 Buckets of Hope—laundry baskets filled with personal hygiene products, and large cans filled with household products and cleaning supplies. One hundred percent of team member donations during the community support campaign reach the agency of their choice. That's because Wells Fargo covers all administrative costs. Since 2002, Wells Fargo team members have pledged \$130 million through the campaign. In 2007 team members contributed \$28.4 million, up 9 percent from 2006.

We want to:

- Increase team member use of *VolunteerWellsFargo!* for finding and documenting volunteer and board membership opportunities.
- Recognize our team members for their community leadership.
- Support our communities, both through financial and volunteer contributions, to make a real and significant impact.

STARTING with Knowledge



Team member **Pamela Erwin** (right) with Dr. **Judy Gilson**, an education professor at the University of San Francisco and a project advisor for Wells Fargo's *Hands on Banking* financial education program.

In early 2003 Pamela Erwin, of Wells Fargo Foundation and a former high school principal and teacher, was channel surfing when she landed on C-SPAN.

“Someone on the program said the value of a company should be measured by how it uses its expertise to give back to communities,” said Pam. “A bell went off in my head. We teach people every day about money—that’s our expertise. We should be doing more.”

What she saw led to creating Wells Fargo’s free financial education tool and one of the most important products we can offer the public: the *Hands on Banking*®/*El futuro en tus manos*® program.

Managing money is more complex than ever. Banking isn’t just checking, savings and loans anymore. Customers have a wealth of choices now—you can get a checking account five different ways, products are based on fluctuating interest rates and the money you’re saving might earn more in mutual funds, bonds or stocks. Personal debt, bankruptcies and foreclosures continue to rise. We believe education is the best way to avoid financial pitfalls and achieve financial success at every stage in life.

After months of work—with teachers, members of the community and more than 50 Wells Fargo team members—the *Hands on Banking* educational program was launched as a free, non-commercial program less than a year later in 2004. It’s now available in English and Spanish through the Internet (www.handsonbanking.org), CD-ROMs and teaching guides.

The last four years have taught us that the *Hands on Banking* program is not a static online tool. Financial needs evolve—from

putting change in a piggy bank to getting a job, from starting a family to retirement. Financial education should evolve too.

You’ll find Wells Fargo team members pulling out the chalk in classrooms across the country and teaching students about money management. When young people step out of the classroom and into the real world, they’ll be asked to go beyond the basics, so we also reach out to adults. People have more ways than ever to build their wealth and manage their money, so we must provide sound guidance, resources and education to help them choose wisely. We’ve customized the way we deliver the *Hands on Banking* program to different audiences at every stage of life. It’s a way for us to talk with and help customers, build relationships with

Hands on Banking®

	2006	2007	% increase
Unique Web site visitors	60,000	100,000	66
CDs distributed	156,000	250,000	60
Total team members trained to teach curriculum	5,000	6,000	20

schools and nonprofits, and add value to our financial services and products.

In 2007 we focused on integrating the *Hands on Banking* program into more channels. For example, we launched *Teen Checking*, a checking account with “training wheels,” to help parents teach their teenagers good money management skills. We partner with parents to prepare teens for financial responsibility through account tools, parental controls and lessons from our *Hands on Banking* curriculum. The curriculum is also a significant educational component in our *Steps To Success*SM program, helping mortgage customers with less than prime credit manage their money and

strengthen their credit. This free program also includes advice from credit education specialists (see page 13).

We’ve taken the *Hands on Banking* program into the community in a number of ways. In Peoria, Ariz., Community Banking team member **Julie Schreul** recognized the need for financial education in the deaf community. A long-time interpreter and volunteer, Schreul met with the Arizona Commission for the Deaf and Hard of Hearing to find out how Wells Fargo could help. After viewing the *Hands on Banking* program, the organization immediately asked Julie and her manager, **Alyson Cline**, to give a presentation at its monthly meeting. Julie and Alyson worked with interpreters to find ways to



The *Stagecoach Island*SM game (www.stagecoachisland.com) teaches young adults how to manage money responsibly through online, virtual role-playing. Users interact with each other and answer financial questions to earn virtual money to make purchases, buy virtual property, apply for virtual loans to build homes, work and earn virtual money, and manage revolving credit. Simulating real life experiences gives parents and teachers another way to talk to kids about financial responsibility.

communicate complex banking terms and concepts. Each class reaches 50 deaf, hard-of-hearing, sign-language students and deaf-support workers. Julie arranged for presentations to the deaf community on banking basics, reverse mortgages, retirement and identity theft.

In New York City, our Real Estate and Real Estate Merchant Banking teams' first group community service project took them from midtown Manhattan to Public School no. 161 in Harlem. There, 13 team members talked finances with six classes of fifth-grade students, with activities and discussions focused on saving money, establishing credit and the basics of real estate. In many classrooms, their lessons were translated into Spanish. Our team members learned that many students called high-rise apartment buildings "home," surprising to those raised in single family dwellings.

Wells Fargo team members across the country participated in *National Teach Children to Save Day*, sponsored by the American Bankers Association. They used the *Hands on Banking* curriculum to teach real-life lessons to K-12 students on topics including how interest makes money grow, the difference between needs and wants and the importance of budgeting. This year, 800 team members delivered 500 lessons to 21,000 students.

We've begun offering the *Hands on Banking* program and other financial education tools to our commercial customers to help them educate their own employees about topics such as taxes, homeownership and funding a college education for their children.

We partner with Mexican Consulates to deliver financial education programs such as the *Hands on Banking* program to our Latino communities. Since 2004 Wells Fargo has been collaborating with the Institute for Mexicans Abroad. This year, we attended three summits in Mexico City to teach 120 Latino community leaders from the United States to use the *Hands on Banking* program to help their local communities achieve financial success. The Institute's Web site includes information on where to learn about money management and Wells Fargo's *El futuro en tus Manos* program was one of six organizations featured.

Small Business Education

In 2007 Wells Fargo launched the Small Business Webcast Series (www.wellsfargo.com/biz/webcast). The webcasts feature a panel of industry experts who offer advice on topics identified as areas of concern: how to obtain and manage credit; protecting a business's

virtual and physical assets; using technology for business growth; and how to make smart, cost-effective healthcare decisions for owners and their employees. Recognizing the value of these webcasts, Nebraska-based business banker **Troy Brockmeier** partnered with a local technology business to host a viewing session of the Technology and Your Business webcast for customers at a community chamber of commerce site.

"As a small business owner, I'm always looking for new ways to grow and develop my business, so I need to understand the latest industry issues and trends," said Carol Dawes, owner of Nebraska-based Kearney Tire and Auto Service Company. "These webcasts provide me with useful information in a convenient format. I can listen to industry experts and learn how to better manage my business without leaving my desk."

We want to:

- Develop new curricula for the *Hands on Banking* program.
- Form more partnerships in our communities and throughout our businesses to deliver financial education through more channels.

PROTECTING the Environment

Wells Fargo team members celebrate after installing solar panels on the roof of an affordable apartment complex in San Francisco with GRID Alternatives, a California-based nonprofit that provides renewable energy and energy-efficiency services, equipment and training. Participants (from left): Tim Sears, Taulafo Laulu, Yul-Mee Joo, Matt Traille, Jim Asprinio, Carrie Fuller, Faisal El-Azzouzi, Justin Sears, Gary Routt, Michael Sánchez, Rebecca Grow and Ben Krugman.





Climate change—the warming of our Earth and changing of weather patterns due to heat-trapping greenhouse gas emissions—can affect our operations, customers, investors, team members, and communities.

Our goal: to be environmentally responsible stewards in every community where we do business. That means we must integrate environmental responsibility and thoughtfulness into our business practices, operations and culture.

We also encourage team members to consider the environment—just as they would consider revenue growth, efficiency or cost savings—

whenever they make a decision about lending money, developing a new product or saving a single sheet of paper. We’ve made great strides since announcing our 10-point commitment in 2005, but we’re not satisfied. Here is an update on our progress:



Pita Benz of the Business Banking Group (fifth from left) participated in a ground breaking ceremony for the Grass Creek Village affordable housing development in Anchorage, Alaska. The development received a \$425,000 Wells Fargo Green Equity Equivalent Investment for its environmentally-responsible building practices, including five-star energy efficiency ratings, Leadership in Energy and Environmental Design (LEED)-certified design and restoration of the natural flow of nearby Chester Creek.

Wells Fargo's 10-point Environmental Commitment

1. Create \$1 billion financial target for environmentally beneficial opportunities

- Committed \$400 million to support renewable energy projects and led to the creation of an Environmental Finance group.
- Financed \$1.5 billion in Leadership in Energy and Environmental Design (LEED)-certified “green” buildings—a result of doing business with experienced customers and internal training to encourage financing of energy-efficient, environmentally-friendly buildings.

2. Improve environmental due diligence

- Incorporated environmental assessments into our credit policies with an initial emphasis on our commercial lending to agricultural, coal and metal mining industries.
- Educated credit management trainees and business groups on environmental issues.

3. Adopt the Equator Principles

- Adopted environmental and social benchmarks for environmental procedures provided by a private sector of banks, and readopted them in 2006 in accord with revised Principles.

4. Focus on energy-efficient mortgage products and environmentally-friendly construction and development

- Give customers resources and tips for green home improvements on wellsfargo.com/equity/homeimprovement.
- Provide Green EQ2's*, special financing—five- and 10-year loans with interest rates from about 1 to 2 percent—for green affordable homes in low- to moderate-income neighborhoods.

5. Do more to conserve resources in our operations

- Introduced a comprehensive recycling program in our 3,300 banking stores.

- Created a central “shred” system to monitor and recycle paper across the company.
- Worked with suppliers to ensure that our purchasing habits match our environmental commitment.
- Began purchasing copy paper with at least 30 percent post-consumer waste company-wide.

6. Support and sponsor our environmental commitment at all levels

- Formed internal Environmental Affairs Council, made up of 19 executive- and senior-level managers from businesses and staff functions, to monitor company progress.
- Formed 12 Green Teams—grassroots team member networks—to help integrate environmental stewardship into local business practices.

7. Create an external Environmental Advisory Board to guide our efforts

- Established an eight-member advisory board in 2005 to help us anticipate environmental opportunities. The board includes environmental experts from across the country, with diverse perspectives and expertises.

8. Increase giving to environmental nonprofits

- Contributed \$1.4 million to environmental nonprofits in 2007.
- Established \$250,000 matching fund to support giving by local Wells Fargo stores and business units to eco-organizations.

9. Incorporate environmental commitments into our Vision & Values

- Included commitments in our most recent version of Vision & Values.

10. Report annually on our progress

- This is the third-annual report on our progress.

*Community Development Corporation's Green Equity Equivalent Investments

Renewable Energy

In 2006 we began pursuing ways to support renewable energy sources such as wind and solar power. Today, our support extends throughout the organization, including our commercial and retail businesses, our company practices and our team members' actions.

Financing and Investments

We're making it easier for our commercial businesses to use renewable energy. In 2007 we:

- Committed to invest nearly \$400 million in renewable energy projects, including eight utility-scale wind farms in four states.
- Invested in two funds that help commercial customers use solar power at predictable rates less than or equal to traditional utility rates without having to pay for upfront capital costs. For example, SunEdison's SunE Solar Fund III invests in multiple commercial-scale solar projects that will deliver at least 20 megawatts of solar photovoltaic power to SunEdison customers

nationwide. That's enough energy to power 20,000 homes when the sun is visible.

- Added more renewable energy companies as customers, providing them with treasury services, credit products, investment and foreign exchange advisory services.

Renewable Energy Certificates

We purchase renewable energy certificates (RECs)—which represent the environmental benefits of 1,000 kilowatt hours (kWh) of renewable energy and support the production of renewable energy with financial incentives. In 2007 we:

- Received the Green Power Partner of the Year award from the U.S. Environmental Protection Agency (EPA) for our leadership in the green power market.
- Purchased 550 million kWh of renewable energy certificates a year for three years. This made us the second-largest purchaser of renewable energy in the country, according to the EPA.



Kathleen Hogan of the U.S. Environmental Protection Agency presents **Don Dana**, head of Wells Fargo Corporate Properties, with a 2007 *Green Power Partner of the Year Award* for leadership in the green power market.

- Encouraged our customers to support green power by making RECs available to them through our credit card rewards programs, making us the first to offer RECs this way. We encouraged customers to take advantage of this offer by matching program points redeemed for RECs one-to-one, up to \$100,000, this year.
- Began marketing the benefits of RECs and took part in the Fortune 500 Green Power challenge, a challenge by EPA's Green Power Partnership to increase green power purchases to 5 billion kWh annually (enough to power 400,000 average American homes a year).
- Began offering our middle-market commercial customers electricity hedges with the option to purchase RECs, which help customers reduce their use of fossil fuels. The Wells Fargo/Gallup Small Business Index, a 2007 survey of small business owners, showed that 94 percent of those responding agreed that funding for alternative energy sources is a priority.

Green Buildings

Homes and offices consume 39 percent of our nation's energy. Supporting more efficient use of energy and resources is just as important as developing new clean, renewable energy sources.

Wells Fargo supports community-based green development in our own buildings and elsewhere. We have:

- Loaned \$1.1 billion the past two years for buildings that will receive the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) "green building" certification. LEED buildings consume much less energy and resources than conventional buildings.
- Began investing in renewable energy funds to encourage our commercial customers to use solar energy. The funds help cover the capital costs of photovoltaic systems, making them more affordable.
- Collaborated with Build it Green, a nonprofit promoting healthy, energy- and resource-efficient buildings, to give our customers tools and information about green home improvements. At www.wellsfargo.com/homeimprovements, we offer an introduction to green remodeling, guidelines and information about methods and materials.
- Financed nonprofits that build green affordable homes in low-to-moderate-income neighborhoods. Green EQ2s are priced below market rates, at interest rates of about 1 to 2 percent.
- Piloted an environmental rewards campaign giving customers financial incentives for buying energy-efficient appliances.

- Financed the Aardex Signature Center Building in Denver, the first commercial LEED Platinum Building in Colorado. It's designed to reduce energy use by 36 percent at a minimum.

We go beyond just financing green buildings—we occupy them ourselves. Eight Wells Fargo buildings, including our San Francisco headquarters, are ENERGY STAR-rated by the U.S. Environmental Protection Agency and the U.S. Department of Energy for excellence in energy efficiency. One of every three of our banking stores are "smart" stores, wired for energy management systems. In these stores it's common to see a 25 percent reduction in energy consumption.

Wells Fargo participates in the U.S. Green Building Council's Volume Build pilot to incorporate environmentally efficient design elements into our new stores. We've increased use of recycled content in building materials such as fiberboard made with 100 percent recycled demolition wood and old pallets, countertops made with 75 percent recycled glass and concrete and products that can be used, recycled and used again.

Wells Fargo 2006 Greenhouse Gas Emissions and Energy Efficiency Data

We Track and Monitor Our Energy Use and Related Greenhouse Gas Emissions¹

	Absolute Consumption	Intensity Consumption	Absolute Emissions	Intensity Emissions
Scope I: Direct Emission Sources²				
Stationary combustion natural gas	7.8 million therms	.2 therms/sq. ft.	45,550 short tons CO ₂ e	2.5 lbs CO ₂ e/sq. ft.
Stationary combustion fuel oil	0.1 million therms	<.1 therms/sq. ft.	1,054 short tons CO ₂ e	1 oz.CO ₂ e/sq. ft.
Scope II: Indirect Emissions from Purchased Electricity²				
Consumption of purchased electricity	936.6 million kWh	25.5 kWh/sq. ft.	594,790 short tons CO ₂	32.3 lbs CO ₂ /sq. ft.
Renewable Energy Certificates³				
Renewable energy certificates (RECs) — i.e. we replace a portion of the electricity we use with 100% Green-e certified wind power	550 million kWh	15.0 kWh/sq. ft.	349,272 short tons CO ₂	19 lbs CO ₂ /sq. ft.
Total Scope I & II²				
	944.5 million kWh	25.8 kWh/sq. ft.	641,394 short tons CO ₂	34.8 lbs CO ₂ /sq. ft.
Scope III: Other Indirect Emissions				
Business air travel	470,785,554 miles	2,980 miles/FTE	104,303 short tons CO ₂	.66 lbs. CO ₂ /FTE

¹ We use the World Resources Institute/World Council for Sustainable Development Greenhouse Gas (GHG) Protocol Initiative to guide how we collect and report this data.

² Includes facilities within our operational control.

³ RECs are shown in this report, but not counted as a reduction to our absolute emissions. RECs help offset our environmental impact. We strive to reduce our emissions through careful energy management.

Performance indicators

- Wells Fargo is the second-largest purchaser of renewable energy, committed to purchasing 550 million kWh of renewable energy certificates each year for three years.
- Greenhouse gas reporting has advanced to include emissions from our business air travel.
- Greenhouse gas emissions rose 5 percent from 2005 to 2006 due to growth.

Education and Engagement

In 2006 we said we wanted to increase awareness about environmental responsibility among our team members, our customers and communities. Some examples of increased awareness:

- Team members in eight states participate in 12 Wells Fargo Green Teams to promote environmental stewardship in our communities. Their efforts include: waste stream reduction efforts such as “bring your mug to work day” campaigns to encourage using reusable cups; water taste tests to encourage use of tap water instead of bottled water; and educational campaigns about two-sided printing and recycling.
- We’ve educated our team members about green power and made RECs available to them at a discounted rate, leading to team members purchasing 3 million kWh of wind power.
- We’re piloting solar education for our customers, including special financing for home solar projects. We’ve held seven seminars, including one for Wells Fargo team members at Wells Fargo’s first Eco Fair in San Francisco.
- We’re piloting promotions that encourage positive environmental behavior. In Washington, we tested a program offering customers a 5 percent rebate on the purchase of ENERGY STAR-rated appliances.

We’ve increased contributions to environmental organizations and efforts, including climate change issues. This year’s recipients:

- Center for Health and the Global Environment to support its Climate Change Futures project. The program educates corporate leaders, policy-makers, the media and the public about climate change and climate-related diseases to encourage informed decisions about public policies and their individual practices.
- Earthwatch Institute to fund education and research on the cause and effect of climate change. Wells Fargo gave grants to 10 teachers for expeditions, giving them experiences they could share with students through blogs and “live from the field” technology.
- U.S. Green Building Council Arizona- and Texas-based chapters and Build it Green, to advance green building education and practices.
- Bonneville Environmental Foundation’s Solar 4R Schools program to highlight solar energy at five schools across the country.

We plan to encourage more team members and customers to consider the environment in their financial decisions involving financing, investments and education.

We want to:

- Reduce the greenhouse gas emissions from our operations.
- Find more ways to help our customers save energy in environmentally friendly ways that benefit them financially.
- Develop our comprehensive environmental management system to better understand how we can conserve resources in a systematic, measurable way.

PUTTING Our People First

Team members (from left): **Lisa Dreyer** (Wholesale Banking), **Liza Rogers**, **Alice Boswell**, **Isander Santiago** and **Keith Karpinske** (Home and Consumer Finance Group) have been with Wells Fargo for a combined 40 years.



Tempe, Ariz., team member Laurie Lee had a bright idea to help service customers' accounts more quickly. She put a process in place so customers now receive their tax information faster and more accurately. Laurie knows that our customers come first. Like her fellow team members, Laurie lives our Vision & Values every day.

We articulate our Vision & Values* in a 36-page booklet that guides the actions of our 168,000 team members. Dick Kovacevich, Wells Fargo's chairman and then CEO of our predecessor Norwest Corporation, first spoke about these values in the late '80s, putting them on paper in 1991. They guide our way of thinking. They hold us accountable for our behavior. They help us remain one of America's most admired companies. They remind us that our most important value is people as a competitive advantage.

With 168,000 team members, Wells Fargo is one of the top-30 largest employers in the United States. There's a lot of competition for customers, but even more so for talented team members. We know people are more likely to stay with a company if they feel valued, rewarded and challenged; are supported by competitive health and lifestyle benefits; and, most importantly, can clearly see growth potential. If we offer those things, our team members will stay engaged and we'll continue to generate double-digit growth in revenue and grow our market share.

In 2007, we continued to develop and invest in our leaders' growth and development, improve our workplace programs, provide more flexibility in work arrangements and more resources to help team members make better health and financial decisions.

*https://www.wellsfargo.com/invest_relations/vision_values

Investing in Leaders

Melody Slamka began her 13-year career with Wells Fargo as a bank teller in Phoenix working to pay for college. After working in various positions, including as a financial consultant for high-net-worth customers, she applied for one of our professional development training programs to broaden her view of the organization. The year-long rotational program acquainted her with projects in technology, retail, the phone banking center, and

The Wells Fargo Team

	2004	2005	2006	2007
Team members*	149,600	153,000	158,000	159,800
Wages and benefits**	\$8.9	\$10.4	\$11.9	\$13.4
Team members promoted annually	30%	27%	28%	33%
* Full time equivalents				
** billions				



Liza Ford (left), manager of Wells Fargo’s African American Business Services, and **Cheryl Blackman**, a Wells Fargo recruiter with Regional Banking in Texas, meet with prospective job candidates at the National Black MBA Association’s career fair in Austin, Texas.

several other operational divisions. “Learning was our job,” she said of the experience. “We spent time in each business contributing wherever and whenever possible. We also worked on several special projects across Wells Fargo. Most importantly, we worked with senior leaders from around the company. The experience introduced me to different styles of leadership, helping me decide what kind of leader I want to be and how to be most effective.” Since graduating from the program in 2005, Melody has become a technology manager in Network Services and Operations, where she’s a team lead.

Stories like Melody’s aren’t unique. We have a culture of recruiting from within, and our size and scope offers many career opportunities. Our team members filled one of every three jobs that became available in 2007—33.3 percent were promoted and 4 percent made a lateral move to another group, growing professionally and most importantly staying with Wells Fargo.

We have a rigorous program to identify and prepare the next generation of leaders—a key focus as senior leaders move on to different leadership assignments across the company or approach retirement. We build leaders by offering development opportunities including:

- An online welcome program for all new team members: an introduction to our values, culture, commitment to diversity and inclusion, strategic initiatives and career development opportunities.
- Programs to help emerging leaders understand their leadership style and develop a plan for building skills and talents.
- Thirteen programs for undergraduate and graduate students. Ranging from six to 24 months, they acquaint students with projects and businesses to prepare them for future leadership.
- Our team members each receive an average of 47 hours of training a year. In 2007, we invested 3.1 percent of total payroll

dollars in training and offered 45,000 classroom and virtual training sessions.

- Tuition reimbursement for classes or degree programs that support career development up to 100 percent (or \$5,000).

Leadership is not the exclusive domain of senior managers. Everyone at Wells Fargo is encouraged to be a leader. Some demonstrate leadership by helping others succeed. Some coach and mentor others. Some lead community organizations.

Financial Management Skills

Peg Robinson, with our Wells Fargo Services group in Denver, has been with the company for 30 years and is planning for retirement. To help get started, she attended one of Wells Fargo's all-day retirement planning seminars a few years ago and took the course again this year. "Whatever stage you're at in life, it's critical to start planning for retirement," she said. "The course helped me prepare for key decisions when I retire, like what to do with my 401(k) and pension plan, when and how to apply for Social Security and how to pay for health benefits and health costs."

We consider our team members valued customers. And, just like our customers, they want financial security for themselves and their families. They're putting children through college. They're buying homes. They're planning for retirement. That's why we offer our team members financial advice and teach them money management skills. It's one of the most critical life skills in a complex world—and the core expertise of our company. We have a wealth of financial information and tools readily available for team members, including:

- Classroom and virtual financial education workshops, including one to help team members plan for retirement.
- Free or discounted Wells Fargo financial products and services.
- College scholarships for children of full- and part-time team members.
- Automatic enrollment for all team members, after one year of employment, in our defined-benefit pension plan that credits team members quarterly with compensation and investments based on their percentage of quarterly pay, age and years of service.
- Education resources, and easy enrollment, to encourage participation in our 401(k) plan, through which we match team member contributions, dollar-for-dollar, up to 6 percent of pay.

By taking full advantage of the benefits of working for a financial services company, our team members are more likely to succeed in their personal and professional lives. In 2008 we're introducing

a destination Web site just for team members to make it easier for them to research and apply for financial products and services and provide money management tools and free online seminars.

Making Strides Toward Better Health and Wellness

What is the best coverage available for our team members? How can we make the most of our team members' health-care dollars? How can we help our team members understand their benefits and ask good questions? How can we help them choose a healthy lifestyle and take advantage of preventative care? We examine our health plans and research new ones to make sure our team members are getting the most affordable health care plans available.

We provide tools and resources for our team members to help them make informed choices. For example, we offer the WebMD® Personal Health Manager to help team members identify health risks, evaluate their health condition and get personalized health improvement plans for themselves and their families. They can also use our Medical Plan Comparison Tool to consider cost, quality, services and doctors.

We provide our team members with information and workshops on topics such as stress reduction, recognizing depression and preventing heart disease. Also, all of our plans cover preventative services such as:

- flu shots and other immunizations;
- mammograms and Pap Smears;
- body mass index monitoring;
- cholesterol, blood pressure, diabetes, colorectal cancer, cervical cancer and osteoporosis monitoring;
- weight management programs and partial reimbursement for joining Weight Watchers.

Healthy Minds

Wildfires swept through southern California last October, burning 800 square miles and 1,700 homes from Los Angeles to the Mexican border. Fifty Wells Fargo locations were closed and hundreds of team members and their families were evacuated from their homes. Our Employee Assistance Consultants were making calls to check on team members, helping them find child and elder care resources and providing coping strategies and support for their families.

Mental health is just as important as physical health, on or off the job, so we offer our team members free anytime access to our Employee Assistance Consulting team. These licensed behavioral health consultants—team members themselves with knowledge of our culture and values—can confidentially help with emotional

concerns, workplace relationships, performance effectiveness, threats of violence, financial stress, and crises such as robberies and community disasters. They also counsel our managers to help them be more effective. In 2007 Wells Fargo introduced another resource called Live and Work Well, an online portal with information about behavioral health, relationships and work concerns.

Balance

Sometimes we need the flexibility to work where we want, when we want and how we want. We give many team members flexible work arrangements, including telecommuting, part-time hours and job sharing. In 2007, 14,000 team members worked part-time or flexible schedules and 5,850 took personal- or family-related leaves of absences. We offer work/life programs to help reduce stress and increase productivity, including on-site health clubs and back-up/emergency

“Military veterans have had a harder time entering the business community, perhaps because many companies don’t understand the value of their skills,” said Vince Liuzzi. “We’re excited to work with veterans because they share our company values of loyalty, commitment to goals and teamwork.”



“Hire a Hero, Hire a Vet” Job Fair and Career Expo in Burbank, Calif., is the largest veterans’ job fair ever in the U.S. We sponsored the event and sent team members to talk with veterans about job opportunities. **Vince Liuzzi** (right), San Fernando Valley regional banking president, accepted an honorary military Purple Heart award on behalf of Wells Fargo for our commitment to veterans from Tom Poulter, past national commander, Military Order of the Purple Heart.

childcare in some locations, help dealing with the needs of an aging parent, and adoption assistance and reimbursement.

Accessibility

Our stores and offices accommodate team members and customers with disabilities. Wells Fargo's Web site is accessible to customers who are visually impaired and today all of Wells Fargo's ATM locations offer voice instructions in English and Spanish.

Sometimes our team members with disabilities need a little extra help. The *WorkAbility* program guides and supports team members with medical conditions or restrictions that can affect job performance. Our in-house consultants work with the team member, manager and healthcare provider to find creative solutions so team members can be productive. Consultants helped 3,000 team members in 2007. We want to do even more for those people with disabilities who want to join our company. In 2007 we worked with recruiters to improve the job application and interview experience for candidates with disabilities. Now, for example, if visually impaired applicants need help during the interview process, we evaluate their needs and provide assistance.

Listening to Team Member Feedback

Being happy and productive at work is a two-way street. We expect our team members to tell us what we're doing right and how we can improve. We have an open-door policy company-wide. Many of our senior leaders take this quite literally, working from offices without doors. Our company-wide surveys gauge team member satisfaction and engagement.

Team member engagement—an important leading indicator of satisfied customers who give us more of their business—rose again in 2007. Our ratio of engaged to actively disengaged team members in Community Banking now stands at 8.5 to 1 (7.1 to 1 last year, 2.5 to 1 five years ago)—the fifth consecutive year of improvement. The national average for all surveyed companies is only 2 to 1.

Our team members have lots of great ideas, but it can be a challenge to share that knowledge in such a large company. Chandler, Ariz. team member **Sharon Ihnat** had an idea to re-negotiate a long-term vendor contract to create big savings. **Tanya Tesh** of Minneapolis created a desktop customer service reference guide to help her team. They had great ideas and shared them with others through our Best Practices program, started in 2002, passing that knowledge to other teams who can replicate their ideas and improve business.

Creating an Inclusive and Welcoming Environment

Jeff Post joined the Sioux Falls Race Relations Taskforce to organize and host the third-annual Sioux Falls Diversity Fair. A diversity trainer at Wells Fargo, Jeff also helped the Race Relations Taskforce create a diversity toolkit for small- and medium-sized businesses striving for inclusive cultures.

At the fair, students, educators, business leaders and civic leaders discussed diversity issues and communications. Twenty-five Wells Fargo team members—many from the local Amigos Team Member Resource Group—welcomed guests, distributed diversity toolkits and attended break-out sessions.

Team Member Diversity

	Team members	% Ethnically diverse	% Increase 2006	% Women	% Increase 2006
Company	166,000*	34	+1	60	-1
All managers	21,918	23	+1	51	0
Senior managers/executives	9,575	17	+1	42	+1
Board of Directors	16	19	0	25	0

* Total U.S. team members

“The demographics of Sioux Falls are rapidly changing, and it’s important for us to educate the community about different cultures, abilities and backgrounds so we can create conditions where diversity succeeds,” said Jeff Post.



Team member **Jeff Post** with Education Financial Services is a member of the Sioux Falls Race Relations Taskforce and a participant in two Wells Fargo affinity groups—Amigos and CheckPoint South Dakota.

The term “diversity” has taken on many meanings in the business community over the last decade. We see diversity as more than just the tally of different faces. It’s the power created by teams of people with different experiences, perspectives, backgrounds, cultures, geographies and work styles. Diversity among teams improves commitment, performance, creativity and innovation—all of which lead to better team member engagement and earning more of our customers’ business.

This is why we’ve integrated diversity into our business practices and everyday actions. In 2003 we identified Six Steps to Diversity—six behaviors for an inclusive environment. Here are some of our successes for each step in 2007:

Step 1: Our CEO and executive management team take responsibility for diversity and hold themselves and others accountable.

Senior leader engagement is critical. Their sponsorship and accountability are even more critical. We encourage leaders to hire and develop diverse teams, participate in diversity events and encourage awareness of diverse cultures. CEO **John Stumpf**—as well as many of our senior leaders—seeks to incorporate diversity into all of his internal presentations and has spoken at many team member diversity events.

Our Corporate Diversity Council works with management and Human Resources to build more accountability for diversity, emphasizing the business case. Many managers track their Six Steps progress—similar to tracking financial performance—and reward

their teams based on measurable outcomes. We also factor diversity into our succession planning for key senior leadership roles.

Step 2: People from diverse backgrounds are in all levels of management.

Minneapolis team member **Terry Cheng** doesn't sit around and wait for change to happen. This former chairperson of a local team member network for Asian Americans leads an education task force for the Minnesota Diversity Council. He started a new internal group for baby boomers and organized a welcome back reception for veterans who served in Iraq. In the community, he's on the board of the Chinese American Academic and Professional Association and was appointed to the State Council on Asian-Pacific Minnesotans.

Team members such as Terry, and members of our team member networks and diversity councils, are essential to our recruiting and retention. We have groups, for example, for African Americans, Arab Americans, Hispanics, Indian Americans, parents, military veterans and people with disabilities. These groups—numbering 179 network groups and 89 diversity councils, triple the number in 2005—offer career development, mentoring programs, networking and community outreach activities. In 2007, we introduced our first company-wide Diversity Champion award to recognize team members who show their commitment to diversity in tangible ways. Winners will be selected this year.

Step 3: We establish long-term relationships with diverse communities.

We believe everyone should have access to secure and reliable financial services: bank accounts, home mortgages, finances for a child's education, funds for a comfortable retirement and more. We've helped thousands of immigrants move from the risky cash economy to the safety and security of banking by accepting consular identification cards from Mexico, Guatemala, Argentina, Colombia and El Salvador as one of the qualifying forms of identification for opening accounts. We've been active in the international remittance market since 1994 and in 2007 we expanded our remittance service—the Wells Fargo ExpressSendSM program—adding special pricing based on the customers' relationship with us and more choices for sending money to Mexico, El Salvador, Guatemala, China, Vietnam, India and the Philippines. For the last 13 years, our Diverse Business Services programs have helped connect women- and diverse-owned businesses with financial resources to start and grow their businesses, including close to \$35 billion in loans (see page 20).

Step 4: We contribute to the diverse communities where we work, live and do business.

Our customers and team members come from a variety of geographies, cultures and backgrounds, so it's important for us to invest money and time in a variety of organizations serving diverse communities. We spent \$550 million with diverse suppliers in 2007, more than half of our goal of \$1 billion in spending with diverse suppliers by 2010 (see page 21). In 2007, 19 percent of our company donations were made to organizations that enrich and strengthen diverse communities nationwide, up 2 percent. For example:

- We awarded \$100,000 to the United Negro College Fund to establish a new scholarship program for low-income students attending historically black colleges and universities. We also offer scholarships through the Asian and Pacific Islander American Scholarship Fund, the Hispanic Scholarship Fund and the United American Indian Graduate Center.
- For the last five years, Wells Fargo Home Mortgage has sponsored the Homeownership Fair and Expo at the National Council of La Raza's Annual Conference, educating Hispanic families about the benefits of homeownership.
- Wells Fargo was a major sponsor of the 14th annual Pistahan Festival and Parade in support of the Filipino community. Asian Connection Bay Area, a team member network, coordinated efforts for the two-day festival of art and culture by recruiting volunteers, collecting giveaway items and taking part in the parade.
- We gave \$110,000 to the L.A. Gay and Lesbian Center, which provides social services to seniors, families and youth, and a transitional living program for homeless young people. The grant also supported HIV/AIDS medical care, individual and group counseling, and HIV/STD testing and prevention. Wells Fargo has given \$875,000 to the organization since 1994.

Step 5: Diversity is present in all of our company communication.

Financial services can be complicated. When team members in Orange County, Calif., home to the largest Vietnamese population living outside of Vietnam, realized there was a language barrier for some customers, they created an English and Vietnamese dictionary of basic banking terms to help community members navigate the American financial services system.

We want our customers to feel at home and see people who look like them in our stores and in our advertising. We want them to understand and feel understood. That's why we strive to represent people of diverse backgrounds in our company communications and

we focus on all dimensions of diversity—cultural background, gender, disabilities, age, sexual orientation, geographical location, problem-solving approaches and learning styles. Many of our stores have bilingual team members, and when that isn't possible, many of our team members learn basic phrases in Spanish, Mandarin Chinese and other languages to improve communication. For example, our Amigos Team Member Resource Group in Washington created *Lunch en Español*, a way for team members to gather at lunch and learn some common conversational phrases in Spanish. One hundred team members attended 15 programs in four locations throughout the state.

Step 6: We seek to be known as a diverse company.

In 2007 we ranked 20th among *DiversityInc* magazine's top 50 Companies for Diversity, and *Esence* magazine named us one

of the top 25 Great Places to Work for African American Women. Please see page 49 for more of our accomplishments in 2007. It's important for our team members to recognize our progress as well. In our latest team member diversity survey, 81 percent of team members agreed that Wells Fargo is known as a diverse company, up from 73 percent in 2005.

We want to:

- Expand leadership development opportunities for all team members.
- Further help team members reach their financial goals by providing more financial education tools and resources.
- Increase the diverse representation of our team members.



Dick Kovacevich (right), chairman, accepted on behalf of all team members the 2007 Helen Keller Achievement Award in Corporate Social Responsibility from the American Foundation for the Blind (AFB) by **Carl Augusto**, president and CEO of the AFB and **Concetta Conkling** (left), retired Wells Fargo team member and AFB board member.

Our Reputation

Market Leadership

- #1 retail mortgage lender
- #1 small business lender in loans of less than \$100,000 (Community Reinvestment Act)
- #1 prime home equity lender in our banking states
- #1 agricultural lender
- #1 financial services provider to middle-market businesses across our banking states
- #1 Web site for online mortgage experience
- #2 green power purchaser (Environmental Protection Agency)
- #2 largest U.S. commercial real estate lender as a direct lender and as an intermediary
- #2 mortgage servicer
- #2 debit card issuer
- #2 provider of home equity loans nationally
- #3 branded bank ATM owner
- #4 deposits

Reputation

- *Barrons*: World's 16th Most Admired Company
- *Financial Times*: 18th Highest-valued Brand in the World
- *BusinessWeek*: Top 10 Biggest Givers in Corporate Philanthropy; Top 50 Best Places to Launch a Career
- *DiversityInc* magazine: 20th Best Company for Diversity; Top 10 Best Companies for Latinos; Top 10 Best Companies for Asian Americans
- *Environmental Protection Agency*: Green Power Partner of the Year
- *Human Rights Campaign*: Perfect score of 100 on Corporate Equality Index
- *Out & Equal Workplace Advocates*: Workplace Excellence Award
- *LATINA Style* magazine: Top 50 Companies for Latinas
- *Essence* magazine: Top 25 Great Places to Work for African American Women
- *National Association of Real Estate Brokers*: Corporate Achievement Awards for work in fair and responsible lending and servicing principles
- *Global Finance* magazine: Top 10 World's Safest Bank
- *Training* magazine: Training Top 125



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