

WELLS FARGO & COMPANY/MN

Form 424B2

April 27, 2018

Table of Contents

**Filed Pursuant to Rule 424(b)(2)
Registration Statement Nos. 333-221324 and 333-221324-01**

PROSPECTUS

WELLS FARGO & COMPANY

420 Montgomery Street

San Francisco, California 94104

(866) 249-3302

Debt Securities

Warrants

Units

Purchase Contracts

Guarantees

WELLS FARGO FINANCE LLC

375 Park Avenue, 4th Floor

New York, New York 10152

(415) 371-2921

Debt Securities

Warrants

Units

Purchase Contracts

Fully and Unconditionally Guaranteed by Wells Fargo & Company

We, Wells Fargo & Company, may from time to time offer and sell any of our securities listed above. Our wholly-owned finance subsidiary, Wells Fargo Finance LLC, also may from time to time offer and sell any of its securities listed above. We fully and unconditionally guarantee all payments of principal, interest and other amounts payable on any securities Wells Fargo Finance LLC issues. You should read this prospectus, the applicable prospectus supplement and any additional supplements to this prospectus carefully before you invest.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

These securities are the unsecured obligations of Wells Fargo & Company or Wells Fargo Finance LLC, as applicable, and, accordingly, all payments are subject to credit risk. If Wells Fargo & Company or Wells Fargo Finance LLC, as issuer, and Wells Fargo & Company, as guarantor, if applicable, default on their obligations, you could lose some or all of your investment. The securities are not savings accounts, deposits or other obligations of any bank subsidiary and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency.

We and Wells Fargo Finance LLC will use this prospectus in the initial sales of the securities. In addition, Wells Fargo Securities, LLC, Wells Fargo Advisors (the trade name of the retail brokerage business of our affiliates, Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC) or another of our affiliates, may use this prospectus in a market-making transaction in any of the securities after their initial sale.

Investing in the securities involves risks. You should consider the risk factors described in any accompanying supplement and in any documents incorporated by reference in this prospectus.

This prospectus is dated April 27, 2018.

Table of Contents

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	1
<u>RISK FACTORS</u>	2
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	3
<u>WELLS FARGO & COMPANY</u>	5
<u>WELLS FARGO FINANCE LLC</u>	5
<u>USE OF PROCEEDS</u>	6
<u>RATIOS OF EARNINGS TO FIXED CHARGES OF WELLS FARGO & COMPANY</u>	7
<u>DESCRIPTION OF DEBT SECURITIES OF WELLS FARGO & COMPANY</u>	8
<u>DESCRIPTION OF DEBT SECURITIES OF WELLS FARGO FINANCE LLC</u>	17
<u>BOOK-ENTRY, DELIVERY AND FORM</u>	27
<u>DESCRIPTION OF WARRANTS OF WELLS FARGO & COMPANY</u>	32
<u>DESCRIPTION OF WARRANTS OF WELLS FARGO FINANCE LLC</u>	33
<u>DESCRIPTION OF UNITS OF WELLS FARGO & COMPANY</u>	34
<u>DESCRIPTION OF UNITS OF WELLS FARGO FINANCE LLC</u>	35
<u>DESCRIPTION OF PURCHASE CONTRACTS OF WELLS FARGO & COMPANY</u>	36
<u>DESCRIPTION OF PURCHASE CONTRACTS OF WELLS FARGO FINANCE LLC</u>	37
<u>PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)</u>	38
<u>LEGAL OPINIONS</u>	41
<u>EXPERTS</u>	41

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we and Wells Fargo Finance LLC filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, we may sell securities described in this prospectus in one or more offerings. In addition, our subsidiary, Wells Fargo Finance LLC, may sell securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities that we or Wells Fargo Finance LLC may issue. Each time we or Wells Fargo Finance LLC sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. Such prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

We or Wells Fargo Finance LLC may also prepare free writing prospectuses that describe particular debt securities. Any free writing prospectus should also be read in connection with this prospectus and with any prospectus supplement referred to therein. For purposes of this prospectus, any reference to an applicable prospectus supplement may also refer to a free writing prospectus, unless the context otherwise requires.

When we refer to Wells Fargo, we, our and us in this prospectus under the heading Ratios of Earnings to Fixed Charges, we mean Wells Fargo & Company and its subsidiaries. When such terms are used elsewhere in this prospectus, we refer only to Wells Fargo & Company unless the context otherwise requires or as otherwise indicated.

The registration statement that contains this prospectus, including the exhibits to the registration statement, contains additional information about us, Wells Fargo Finance LLC and the securities offered under this prospectus. That registration statement can be read at the SEC website or at the SEC office mentioned under the heading Where You Can Find More Information.

The distribution of this prospectus and the applicable prospectus supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus and the applicable prospectus supplement come should inform themselves about and observe any such restrictions. This prospectus and the applicable prospectus supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Table of Contents

RISK FACTORS

Your investment in the securities involves risks. Before purchasing any securities, you should carefully consider the risk factors incorporated by reference in this prospectus, including the risk factors contained in our annual and quarterly reports. **Additional risk factors specific to particular securities will be detailed in one or more supplements to this prospectus.** You should consult your financial, legal, tax and other professional advisors as to the risks associated with an investment in our securities and the suitability of the investment for you.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Office of Investor Education and Advocacy of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-3000.

We incorporate by reference into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that we file subsequently with the SEC will automatically update this prospectus. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus and/or information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later. We incorporate by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, on or after the date of this prospectus and prior to the later of (i) the time that we sell all the securities offered by this prospectus and (ii) the date that our broker-dealer subsidiaries cease offering securities in market-making transactions pursuant to this prospectus (other than any documents or any portions of any documents that are not deemed filed under the Exchange Act in accordance with the Exchange Act and applicable SEC rules):

Annual Report on Form 10-K for the year ended December 31, 2017, including information specifically incorporated by reference into our Form 10-K from our 2017 Annual Report to Stockholders and our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders; and

Current Reports on Form 8-K or 8-K/A filed on January 2, 2018, January 3, 2018, January 9, 2018, January 12, 2018, January 17, 2018, January 23, 2018, January 24, 2018, January 24, 2018, January 26, 2018, January 26, 2018, January 29, 2018, January 30, 2018, January 31, 2018, February 1, 2018, February 2, 2018, February 5, 2018, February 7, 2018, February 7, 2018, February 14, 2018, February 16, 2018, February 28, 2018, March 1, 2018, March 1, 2018, March 2, 2018, March 5, 2018, March 13, 2018, March 14, 2018, March 21, 2018, March 28, 2018, April 2, 2018, April 3, 2018, April 4, 2018, April 5, 2018, April 13, 2018, April 19, 2018, April 20, 2018, April 20, 2018, April 23, 2018, April 24, 2018, April 25, 2018 and April 26, 2018.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning us at the following address:

Office of the Corporate Secretary

Wells Fargo & Company

MAC D1053-300

301 South College Street

Charlotte, North Carolina 28202

Phone: (704) 374-3234

We will not be providing you with any financial statements for Wells Fargo Finance LLC, as permitted by the SEC in Rule 3-10(b) of Regulation S-X. Wells Fargo Finance LLC is our 100%-owned finance subsidiary, and the securities Wells Fargo Finance LLC may issue under this prospectus will be fully and unconditionally guaranteed by us. As such, you should look to, read, and rely solely upon the financial statements that we file with the SEC.

Table of Contents

You should rely only on the information incorporated by reference or presented in this prospectus or the applicable prospectus supplement. Neither we nor any underwriters or agents have authorized anyone else to provide you with different information. We may only use this prospectus to sell securities if it is accompanied by a prospectus supplement. We are only offering these securities in jurisdictions where the offer is permitted. You should not assume that the information in this prospectus or the applicable prospectus supplement is accurate as of any date other than the dates on the front of those documents.

Table of Contents

WELLS FARGO & COMPANY

We are a diversified, community-based financial services company organized under the laws of the State of Delaware and registered as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended. Founded in 1852 and headquartered in San Francisco, we provide banking, insurance, investments, mortgage, and consumer and commercial finance through banking locations, ATMs, the internet and mobile banking, and we have international offices to support our customers who conduct business in the global economy.

We are a separate and distinct legal entity from our banking and other subsidiaries. A significant source of funds to pay dividends on our common and preferred stock and debt service on our debt is dividends from our subsidiaries. Various federal and state statutes and regulations limit the amount of dividends that our banking and other subsidiaries may pay to us without regulatory approval.

WELLS FARGO FINANCE LLC

Wells Fargo Finance LLC is a Delaware limited liability company and a direct, wholly-owned finance subsidiary of Wells Fargo & Company.

Table of Contents

USE OF PROCEEDS

Unless the applicable prospectus supplement states otherwise, we will contribute the net proceeds that we receive from the sale of our securities to our general funds that will be available for general corporate purposes, including, but not limited to, the following:

investments in or advances to our existing or future subsidiaries;

repayment of obligations that have matured; and

reducing our outstanding commercial paper and other debt.

Until the net proceeds have been used, they will be invested in short-term securities.

Unless the applicable prospectus supplement states otherwise, Wells Fargo Finance LLC intends to lend the net proceeds from the sale of its offered securities to us and/or our affiliates. We expect that we and/or our affiliates will use the proceeds from these loans for general corporate purposes, including the purposes set forth above.

Table of Contents**RATIOS OF EARNINGS TO FIXED CHARGES OF WELLS FARGO & COMPANY**

Fiscal Year Ended December 31,

	2017	2016	2015	2014	2013
Ratio of Earnings to Fixed Charges:					
Excluding interest on deposits	5.01	7.49	10.74	11.05	10.68
Including interest on deposits	3.78	6.06	8.60	8.56	7.91

The ratio of earnings to fixed charges is calculated as follows:
(income before income tax expense)

(net income from noncontrolling interests) + (fixed charges)

(fixed charges)

Fixed charges, excluding interest on deposits, consist of

interest on short-term borrowings and long-term debt;
amortization of debt expense;
capitalized interest; and
one-third of net rental expense, which we believe is representative of the interest factor.

Fixed charges, including interest on deposits, consist of all of the items listed immediately above plus interest on deposits.

We have included these ratios to comply with SEC regulations. However, we believe that the fixed charge ratios are not meaningful measures for our business due to two factors. First, even if our net income did not change, our ratios would decline if the proportion of our income that is tax-exempt increased. Conversely, our ratios would increase if the proportion of our income that is tax-exempt decreased. Second, even if our net income did not change, our ratios would decline if our interest income and interest expense increased by the same amount due to an increase in the level of interest rates. Conversely, our ratios would increase if our interest income and interest expense decreased by the same amount due to a decrease in the level of interest rates.

Table of Contents

DESCRIPTION OF DEBT SECURITIES OF WELLS FARGO & COMPANY

In this Description of Debt Securities of Wells Fargo & Company section, all references to debt securities refer only to debt securities issued by Wells Fargo & Company and not to any debt securities issued by any subsidiary or affiliate.

This section describes the general terms and provisions of our debt securities. The prospectus supplement will describe the specific terms of the debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

Unless otherwise specified in the applicable prospectus supplement, our debt securities will be issued under an indenture dated as of February 21, 2017 between us and Citibank, N.A., as trustee, referred to in this Description of Debt Securities of Wells Fargo & Company section as the indenture. We have summarized the material terms and provisions of the indenture in this section. We have also filed the indenture as an exhibit to the registration statement of which this prospectus is a part. You should read the indenture for additional information before you buy any debt securities. The summary that follows includes references to section numbers of the indenture so that you can more easily locate these provisions.

A prospectus supplement to this prospectus may relate to a series of medium-term notes, established as a series of debt securities under the indenture. In that event, references herein to terms and conditions of debt securities being provided in the applicable prospectus supplement may be provided in the applicable prospectus supplement, applicable product supplement and/or applicable pricing supplement for such debt securities.

General

The debt securities will be our direct unsecured obligations and will rank equally with all of our other unsecured unsubordinated debt. The indenture does not limit the amount of debt securities that we may issue. **Holders of the debt securities may be fully subordinated to interests held by the U.S. government in the event we enter into a receivership, insolvency, liquidation or similar proceeding.**

The debt securities are our unsecured senior debt securities, but our assets consist primarily of equity in our subsidiaries. We are a separate and distinct legal entity from our subsidiaries. As a result, our ability to make payments on our debt securities depends on our receipt of dividends, loan payments and other funds from our subsidiaries. Various federal and state statutes and regulations limit the amount of dividends that our banking and other subsidiaries may pay us without regulatory approval. In addition, if any of our subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on its assets. Our rights and the rights of our creditors, including your rights as an owner of our debt securities, will be subject to that prior claim, unless we are also a direct creditor of that subsidiary. This subordination of creditors of a parent company to prior claims of creditors of its subsidiaries is commonly referred to as structural subordination.

New York State law governs the indenture under which the debt securities will be issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities. Under present New York usury law, the maximum permissible rate of interest, subject to some exceptions, is 16% per annum on a simple interest basis for debt securities in which less than \$250,000 has been invested and 25% per annum on a simple interest basis for debt securities in which \$250,000 or more has been invested. This limit may not apply to debt securities in which \$2,500,000 or more has been invested. We agree, to the extent permitted by law, not to voluntarily claim the benefits of any such usury laws in connection with the debt securities.

Unless otherwise specified in the applicable prospectus supplement, we may, from time to time, without the consent of the holders of a series of debt securities, issue additional debt securities of that series having the same terms as previously issued debt securities of that series (other than the issue date, the date, if any, that interest begins to accrue and the price to public, which may vary). Any such additional debt securities, together with the initial debt securities, will constitute a single series of debt securities under the indenture. No

Table of Contents

additional debt securities of a series may be issued if an event of default under the indenture has occurred and is continuing with respect to that series of debt securities.

A prospectus supplement relating to a series of debt securities being offered will include specific terms relating to the offering. (Section 301) These terms will include some or all of the following:

the title and type of the debt securities;

any limit on the total principal or face amount of the debt securities of that series;

the price at which the debt securities will be issued;

the place or places where:

we can make payments on the debt securities;

the debt securities can be surrendered for registration of transfer or exchange; and

notices and demands can be given to us relating to the debt securities and under the indenture;

any optional provisions that would permit us to elect redemption of the debt securities, or the holders of the debt securities to elect repayment of the debt securities, before their final maturity;

if the debt security may be extended at our option or renewed at a holder's option, the provisions relating to extension of the debt security or renewal of the debt security;

the currency or currencies in which the debt securities will be denominated and payable, if other than U.S. dollars, and, if a composite currency, any special provisions relating thereto;

any circumstances under which the debt securities may be paid in a currency other than the currency in which the debt securities are denominated and any provisions relating thereto;

any circumstances under which the debt securities may be issued in authorized denominations other than \$1,000 each or integral multiples of \$1,000 in excess thereof;

any circumstances under which the depositary (the depositary) for global securities (global securities) are debt securities that we issue in accordance with the indenture to represent all or part of a series of debt securities) issued under the indenture is other than The Depository Trust Company (DTC);

any circumstances under which the debt securities may be listed on any securities exchange or automated quotation system;

the date or dates on which the debt securities will be issued;

the date or dates on which the principal of and any premium on the debt securities will be payable;

the maturity date or dates of the debt securities or the method by which those dates can be determined;

Table of Contents

if the amount payable on the debt security will be determined by reference to one or more equity-, commodity- or currency-based indices, exchange traded funds, securities, commodities, currencies, statistical measures of economic or financial performance, or a basket comprised of any of the foregoing, or any other measure (referred to herein as a market measure), the method by which the amount payable will be determined and information about such market measure or measures;

if the debt securities will bear interest at a fixed or floating rate or at a rate determined by reference to a market measure:

the interest rate on the debt securities or the method by which the interest rate may be determined;

the date from which interest will accrue;

the record and interest payment dates for the debt securities; and

the first interest payment date;

if the debt securities may be optionally or mandatorily converted or exchanged: (i) the terms on which holders of the debt securities may convert or exchange the debt securities into or for debt, equity or other securities of an entity unaffiliated with us, or into any other property or for the cash value of any such debt securities or other property; (ii) the terms on which conversion or exchange may occur, including whether any optional conversion or exchange occurs at the option of the holder or at our option; (iii) the date on which, or period during which, such conversion or exchange may occur; (iv) the initial conversion or exchange price or rate; and (v) the circumstances or manner in which the amount of any debt securities, or any other property or the cash value of any such debt securities or other property upon conversion or exchange may be adjusted;

the identity of the calculation agent (the calculation agent), if applicable, for the debt securities if other than Wells Fargo Securities, LLC, one of our affiliates;

the identity of the security registrar and paying agent for the debt securities if other than Wells Fargo Bank, N.A. (Wells Fargo Bank), one of our affiliates;

any special tax implications of the debt securities;

any events of default and covenant breaches which will apply to the debt securities in addition to those contained in the indenture;

any additions or changes to the covenants contained in the indenture and the ability, if any, of the holders to waive our compliance with those additional or changed covenants; and

any other terms of the debt securities not inconsistent with the provisions of the indenture.

When we use the term holder in this prospectus with respect to a registered debt security, we mean the person in whose name such debt security is registered in the security register. (Section 101)

Holders may present debt securities for exchange or transfer, in the manner, at the places and subject to the restrictions described in the applicable prospectus supplement. If the debt securities are held as global securities, the procedures for transfer will depend upon procedures of the depositary for those global securities. See Book Entry, Delivery and Form herein.

Table of Contents

Holders may present debt securities for payment of principal, premium, if any, and interest, if any, register the transfer of the debt securities and exchange the debt securities at the agency in Minneapolis, Minnesota maintained by us for that purpose. On the date of this prospectus, the paying agent for the debt securities issued under the indenture is Wells Fargo Bank, acting through its corporate trust office at 600 South 4th Street, Minneapolis, MN 55415. We refer to Wells Fargo Bank, acting in this capacity for our debt securities, as the paying agent.

Any money that we pay to the paying agent for the purpose of making payments on the debt securities and that remains unclaimed two years after the payments were due will, at our request, be returned to us and after that time any holder of a debt security can only look to us for the payments on the debt security. (Section 1003)

Although we anticipate making payments of principal, premium, if any, and interest, if any, on most debt securities in U.S. dollars, some debt securities may be payable in foreign currencies as specified in the applicable prospectus supplement. Currently, few facilities exist in the United States to convert U.S. dollars into foreign currencies and vice versa. In addition, most U.S. banks do not offer non-U.S. dollar denominated checking or savings account facilities. Accordingly, unless alternative arrangements are made, we will pay principal, premium, if any, and interest, if any, on debt securities that are payable in a foreign currency to an account at a bank outside the United States, which, in the case of a debt security payable in euros, will be made by credit or transfer to a euro account specified by the payee in a country for which the euro is the lawful currency.

When we refer to the payment of principal in this prospectus in the context of the amount payable at stated maturity or earlier redemption or repayment of a debt security whose payment is linked to the performance of a market measure, we are referring to the amount payable on such debt security at stated maturity or earlier redemption or repayment, as specified in the applicable prospectus supplement, other than any interest payable at such time. Such amount may be greater than, equal to or less than the stated principal or face amount of such debt security at issuance.

Fixed Rate Debt Securities

We may issue debt securities that bear interest at a fixed rate (fixed rate debt securities). Each fixed rate debt security will bear interest from the date of issuance at the annual rate specified in the applicable prospectus supplement until the principal is paid or made available for payment.

Floating Rate Debt Securities

We may issue debt securities that bear interest at a floating rate determined by reference to a base rate specified in the applicable prospectus supplement (floating rate debt securities).

Redemption and Repayment

General. Any redemption by us of debt securities may be subject to the prior approval of the Board of Governors of the Federal Reserve System or other appropriate Federal banking agency.

Optional Redemption By Us. If applicable, the prospectus supplement will indicate the terms of our option to redeem the debt securities offered thereby.

Repayment At Option Of Holder. If applicable, the prospectus supplement will indicate that the holder has the option to have us repay the debt securities offered thereby on a date or dates specified prior to their stated maturity date.

Open Market Purchases. We may purchase debt securities at any price in the open market or otherwise. Debt securities so purchased by us may, at our discretion, be held or resold or surrendered to the trustee for cancellation.

Table of Contents

Payment of Additional Amounts

Unless we specify otherwise in the applicable prospectus supplement, we will not pay any additional amounts on the debt securities offered thereby to compensate any beneficial owner for any United States tax withheld from payments on such debt securities.

Conversion and Exchange

If any offered debt securities are optionally or mandatorily convertible or exchangeable into debt, equity or other securities of an entity unaffiliated with us, or into any other property or for the cash value of any such securities or other property, the prospectus supplement relating to those debt securities will include the terms and conditions governing any conversions and exchanges.

Denominations

Unless we state otherwise in the applicable prospectus supplement, the debt securities will be issued only in registered form, without coupons, in denominations of \$1,000 each or integral multiples of \$1,000 in excess thereof.

The Trustee

From time to time, we and certain of our subsidiaries maintain deposit accounts and conduct other banking transactions, including lending transactions, with the trustee in the ordinary course of business.

Notices

Unless otherwise specified in the applicable prospectus supplement, any notices required to be given to the holders of the debt securities in global form will be given to the depository.

Governing Law

The indenture is, and the debt securities will be, governed by and will be construed in accordance with New York law.

No Listing

Unless otherwise specified in the applicable prospectus supplement, the debt securities will not be listed or displayed on any securities exchange or automated quotation system.

Covenants

Except as otherwise set forth in the next sentence, the indenture:

prohibits us and our subsidiaries from selling, pledging, assigning or otherwise disposing of shares of capital stock, or securities convertible into capital stock, of any Principal Subsidiary Bank or of any subsidiary owning, directly or indirectly, any capital stock of a Principal Subsidiary Bank; and

prohibits any Principal Subsidiary Bank from issuing any shares of its capital stock or securities convertible into its capital stock.

This restriction does not apply to:

sales, pledges, assignments or other dispositions or issuances of directors' qualifying shares;

Table of Contents

sales, pledges, assignments or other dispositions or issuances, so long as, after giving effect to the disposition and to the issuance of any shares issuable upon conversion or exchange of securities convertible or exchangeable into capital stock, we would own directly or through one or more of our subsidiaries not less than 80% of the shares of each class of capital stock of the applicable Principal Subsidiary Bank;

sales, pledges, assignments or other dispositions or issuances made in compliance with an order or direction of a court or regulatory authority of competent jurisdiction; or

sales of capital stock by any Principal Subsidiary Bank to its stockholders so long as before the sale we own directly or indirectly shares of the same class and the sale does not reduce the percentage of the shares of that class of capital stock owned by us. (Section 1005)

When we use the term subsidiary in this Description of Debt Securities of Wells Fargo & Company section, we mean any corporation of which we own more than 50% of the outstanding shares of voting stock, except for directors qualifying shares, directly or indirectly through one or more of our other subsidiaries. Voting stock is stock (or the equivalent thereof) that is entitled in the ordinary course to vote for the election of a majority of the directors, managers or trustees of a corporation and does not include stock (or the equivalent thereof) that is entitled to so vote only as a result of the happening of certain events and references to corporation refer to corporations, associations, companies (including limited liability companies) and business trusts.

When we use the term Principal Subsidiary Bank in this prospectus, we mean any commercial bank or trust company organized in the United States under Federal or state law of which we own at least a majority of the shares of voting stock directly or indirectly through one or more of our subsidiaries if such commercial bank or trust company has total assets, as set forth in its most recent statement of condition, equal to more than 10% of our total consolidated assets, as set forth in our most recent financial statements filed with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). (Section 101) As of the date hereof, our only Principal Subsidiary Bank is Wells Fargo Bank.

Except as expressly set forth above, the indenture does not contain restrictions on our ability to:

incur, assume or become liable for any type of debt or other obligation;

create liens on our property for any purpose; or

pay dividends or make distributions on our capital stock or repurchase or redeem our capital stock.

The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the indenture does not contain any provisions which would require us to repurchase or redeem or modify the terms of any of the debt securities upon a change of control or other event involving us which may adversely affect the creditworthiness of the debt securities.

Consolidation, Merger or Sale

The indenture generally permits a consolidation or merger between us and another entity. It also permits the conveyance, transfer or lease by us of all or substantially all of our property and assets. These transactions, if a transaction other than a conveyance, transfer or lease to one or more of our subsidiaries, are permitted if:

the resulting or acquiring entity, if other than us, is organized and existing under the laws of a domestic jurisdiction and assumes all of our responsibilities and liabilities under the indenture, including the payment of all amounts due on the debt securities and performance of the covenants in the indenture;
and

Table of Contents

immediately after the transaction, and giving effect to the transaction, no covenant breach (as defined below) or event of default under the indenture exists. (Section 801)

If we consolidate or merge with or into any other entity or convey, transfer or lease all or substantially all of our assets in accordance with the requirements of the indenture, the resulting or acquiring entity will be substituted for us in the indenture with the same effect as if it had been an original party to the indenture. As a result, such successor entity may exercise our rights and powers under the indenture, in our name and, except in the case of a lease of all or substantially all of our properties, we will be released from all our liabilities and obligations under the indenture and under the debt securities. (Section 802) **The indenture permits us to convey, transfer or lease all or substantially all of our assets to one or more of our subsidiaries without any restriction and, in that event, those subsidiaries would not be required under the indenture to assume our liabilities and obligations under the indenture and the debt securities.**

Modification and Waiver

Under the indenture, certain of our rights and obligations and certain of the rights of holders of the debt securities may be modified or amended with the consent of the holders of at least a majority of the aggregate principal amount of the outstanding debt securities of all series of debt securities affected by the modification or amendment, acting as one class. However, the following modifications and amendments will not be effective against any holder without its consent:

a change in the stated maturity date of any payment of principal or interest;

a reduction in payments due on the debt securities;

a change in the place of payment or currency in which any payment on the debt securities is payable;

a limitation of a holder's right to sue us for the enforcement of payments due on the debt securities;

a reduction in the percentage of outstanding debt securities required to consent to a modification or amendment of the indenture or required to consent to a waiver of compliance with certain provisions of the indenture or certain defaults under the indenture;

a reduction in the requirements contained in the indenture for quorum or voting;

a limitation of a holder's right, if any, to repayment of debt securities at the holder's option; and

a modification of any of the foregoing requirements contained in the indenture. (Section 902)

Under the indenture, the holders of at least a majority of the aggregate principal amount of the outstanding debt securities of all series of debt securities affected by a particular covenant or condition, acting as one class, may, on

behalf of all holders of such series of debt securities, waive compliance by us with any covenant or condition contained in the indenture unless we specify that such covenant or condition cannot be so waived at the time we establish the series. The indenture provides that compliance with the covenant relating to Principal Subsidiary Banks described above under Covenants can be waived in this manner. (Section 1008)

In addition, under the indenture, the holders of a majority in aggregate principal amount of the outstanding debt securities of any series of debt securities may, on behalf of all holders of that series, waive any past default under the indenture, except:

a default in the payment of the principal of or any premium or interest on any debt securities of that series; or

Table of Contents

a default under any provision of the indenture which itself cannot be modified or amended without the consent of the holders of each outstanding debt security of that series. (Section 513)

Events of Default and Covenant Breaches

Unless otherwise specified in the applicable prospectus supplement, an event of default, with respect to any series of debt securities, means any of the following:

- (1) failure to pay interest on any debt security of that series for 30 days after the payment is due;
- (2) failure to pay the principal of or any premium on any debt security of that series for 30 days after the payment is due;
- (3) the entry by a court having jurisdiction of (A) a decree or order for relief in respect of Wells Fargo in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency or similar law or (B) a decree or order adjudging Wells Fargo a bankrupt or insolvent, or approving a petition seeking receivership, insolvency or liquidation of or in respect of Wells Fargo under any applicable Federal or State law, or appointing a receiver, liquidator, trustee or similar official of Wells Fargo, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;
- (4) the commencement by Wells Fargo of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency or similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, the appointment of a receiver for Wells Fargo under any applicable Federal or State bankruptcy, insolvency or similar law following consent by the Board of Directors of Wells Fargo to such appointment, or the entry of a decree or order for relief in respect of Wells Fargo in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, receivership, liquidation or similar law following Wells Fargo's consent to such decree or order; or
- (5) any other event of default that may be specified for the debt securities of that series when that series is created. (Section 501)

If an event of default for any series of debt securities occurs and continues, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of the series may declare the entire principal of all the debt securities of that series to be due and payable immediately. If such a declaration occurs, the holders of a majority of the aggregate principal amount of the outstanding debt securities of that series can, subject to conditions, rescind the declaration. Unless otherwise specified in the applicable prospectus supplement for a particular offering of debt securities, the holders of our debt securities will not have the right to accelerate the payment of principal of the debt securities as a result of a covenant breach or our failure to perform any covenant or agreement contained in the debt securities or the indenture other than the obligations to pay principal and interest on the debt securities. (Sections 502, 513)

Unless otherwise specified in the applicable prospectus supplement, a covenant breach, when used in the indenture with respect to any series of debt securities, means any of the following:

- (1) failure to perform any of the covenants regarding capital stock of Principal Subsidiary Banks described above under Covenants ;
- (2) failure to perform any other covenant in the indenture that applies to debt securities of that series for 90 days after Wells Fargo has received written notice of the failure to perform in the manner specified in the indenture; or
- (3) any other covenant breach that may be specified for the debt securities of that series when that series is created. (Section 101)

Table of Contents

A covenant breach shall not be an event of default, and neither the trustee nor any holder of debt securities will have any acceleration rights if a covenant breach occurs or continues.

The indenture requires us to file an officers certificate with the trustee each year that states, to the knowledge of the certifying officer, whether or not any defaults exist under the terms of the indenture. (Section 1007). The trustee may withhold notice to the holders of debt securities of any default, except defaults in the payment of principal, premium, interest or any sinking fund installment, if it considers the withholding of notice to be in the best interests of the holders. For purposes of this paragraph, default means any event which is, or after notice or lapse of time or both would become, a covenant breach with respect to the debt securities of a series or an event of default under the indenture with respect to the debt securities of the applicable series. (Section 602)

Other than its duties in the case of a covenant breach or an event of default, the trustee is not obligated to exercise any of its rights or powers under the indenture at the request, order or direction of any holders, unless the holders offer the trustee indemnification. (Sections 601, 603) If indemnification is provided, then, subject to other rights of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series may, with respect to the debt securities of that series, direct the time, method and place of:

conducting any proceeding for any remedy available to the trustee; or

exercising any trust or power conferred upon the trustee. (Sections 512, 603)

The holder of a debt security of any series will have the right to begin any proceeding with respect to the indenture or for any remedy only if:

the holder has previously given the trustee written notice of a continuing covenant breach or event of default with respect to that series;

the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series have made a written request of, and offered reasonable indemnification to, the trustee to begin such proceeding with respect to such covenant breach or event of default;

the trustee has not started such proceeding within 60 days after receiving the request; and

the trustee has not received directions inconsistent with such request from the holders of a majority in aggregate principal amount of the outstanding debt securities of that series during those 60 days. (Section 507)

However, the holder of any debt security will have an absolute right to receive payment of principal of and any premium and interest on the debt security when due and to institute suit to enforce this payment. (Section 508)

Table of Contents

DESCRIPTION OF DEBT SECURITIES OF WELLS FARGO FINANCE LLC

In this Description of Debt Securities of Wells Fargo Finance LLC section, we, us or our refer only to Wells Fargo Finance LLC and not to any of our affiliates, including Wells Fargo & Company; references to Guarantor refer only to Wells Fargo & Company and not to any of its subsidiaries or affiliates; and all references to debt securities refer only to debt securities issued by Wells Fargo Finance LLC and not to any debt securities issued by Wells Fargo & Company.

This section describes the general terms and provisions of our debt securities. The prospectus supplement will describe the specific terms of the debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

Unless otherwise specified in the applicable prospectus supplement, our debt securities will be issued under an indenture dated as of April 25, 2018 among us, as issuer, Wells Fargo & Company, as Guarantor, and Citibank, N.A., as trustee, referred to in this Description of Debt Securities of Wells Fargo Finance LLC section as the indenture. We have summarized the material terms and provisions of the indenture in this section. We have also filed the indenture as an exhibit to the registration statement of which this prospectus is a part. You should read the indenture for additional information before you buy any debt securities. The summary that follows includes references to section numbers of the indenture so that you can more easily locate these provisions.

A prospectus supplement to this prospectus may relate to a series of medium-term notes, established as a series of debt securities under the indenture. In that event, references herein to terms and conditions of debt securities being provided in the applicable prospectus supplement may be provided in the applicable prospectus supplement, applicable product supplement and/or applicable pricing supplement for such debt securities.

General

The debt securities will be our direct unsecured obligations and will rank equally with all of our other unsecured unsubordinated debt. Payment on the debt securities is fully and unconditionally guaranteed by Wells Fargo & Company, as Guarantor. The indenture does not limit the amount of debt securities that we may issue.

The assets of the Guarantor consist primarily of equity in its subsidiaries, and the Guarantor is a separate and distinct legal entity from its subsidiaries. As a result, the Guarantor's ability to address claims of holders of our debt securities against the Guarantor under the guarantee depends on its receipt of dividends, loan payments and other funds from its subsidiaries. Various federal and state statutes and regulations limit the amount of dividends that banking and other subsidiaries may pay to the Guarantor without regulatory approval. In addition, if any of the Guarantor's subsidiaries becomes insolvent, the direct creditors of that subsidiary will have a prior claim on its assets. The rights of the Guarantor and the rights of its creditors will be subject to that prior claim unless the Guarantor is also a direct creditor of that subsidiary. This subordination of creditors of a parent company to prior claims of creditors of its subsidiaries is commonly referred to as structural subordination.

Holders of our debt securities are our direct creditors, as well as direct creditors of the Guarantor under the related guarantee. As a finance subsidiary, we have no independent operations beyond the issuance and administration of our securities and will have no independent assets available for distributions to holders of our debt securities if they make claims in respect of the debt securities in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related guarantee by the Guarantor and that guarantee will rank *pari passu* with all other unsecured, unsubordinated obligations of the Guarantor. Holders of our debt securities should accordingly assume that in any such proceedings they would not have any priority over and should be

treated *pari passu* with the claims of other unsecured, unsubordinated creditors of the Guarantor, including holders of debt securities issued by the Guarantor.

The indenture does not contain restrictions on our ability to:

incur, assume or become liable for any type of debt or other obligation;

Table of Contents

create liens on our property for any purpose; or

pay dividends or make distributions on our capital stock or repurchase or redeem our capital stock.

The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the indenture does not contain any provisions which would require us to repurchase or redeem or modify the terms of any of the debt securities upon a change of control or other event involving us which may adversely affect the creditworthiness of the debt securities.

New York State law governs the indenture under which the debt securities will be issued. New York has usury laws that limit the amount of interest that can be charged and paid on loans, which includes debt securities. Under present New York usury law, the maximum permissible rate of interest, subject to some exceptions, is 16% per annum on a simple interest basis for debt securities in which less than \$250,000 has been invested and 25% per annum on a simple interest basis for debt securities in which \$250,000 or more has been invested. This limit may not apply to debt securities in which \$2,500,000 or more has been invested. We agree, to the extent permitted by law, not to voluntarily claim the benefits of any such usury laws in connection with the debt securities.

Unless otherwise specified in the applicable prospectus supplement, we may, from time to time, without the consent of the holders of a series of debt securities, issue additional debt securities of that series having the same terms as previously issued debt securities of that series (other than the issue date, the date, if any, that interest begins to accrue and the price to public, which may vary). Any such additional debt securities, together with the initial debt securities, will constitute a single series of debt securities under the indenture. No additional debt securities of a series may be issued if an event of default under the indenture has occurred and is continuing with respect to that series of debt securities.

A prospectus supplement relating to a series of debt securities being offered will include specific terms relating to the offering. (Section 301) These terms will include some or all of the following:

the title and type of the debt securities;

any limit on the total principal or face amount of the debt securities of that series;

the price at which the debt securities will be issued;

the place or places where:

we can make payments on the debt securities;

the debt securities can be surrendered for registration of transfer or exchange; and

notices and demands can be given to us relating to the debt securities and under the indenture;

any optional provisions that would permit us to elect redemption of the debt securities, or the holders of the debt securities to elect repayment of the debt securities, before their final maturity;

if the debt security may be extended at our option or renewed at a holder's option, the provisions relating to extension of the debt security or renewal of the debt security;

the currency or currencies in which the debt securities will be denominated and payable, if other than U.S. dollars, and, if a composite currency, any special provisions relating thereto;