September 20, 2013

Secretariat of the Basel Committee on Banking Supervision
Bank for International Settlements
CH-4002 Basel
Switzerland

Re: Consultative Document: Revised Basel III leverage ratio framework and disclosure requirements

Ladies and Gentlemen:

On behalf of Wells Fargo & Company ("Wells Fargo" or "we"), we appreciate the opportunity to provide our comments on the Basel Committee on Banking Supervision's (the "Basel Committee") June 2013 consultative document on a revised Basel III leverage ratio framework and disclosure requirements (the "Proposal"). We are supportive of the Basel Committee's efforts to develop, and recognize the value of, a harmonized, simple and transparent non-risk based leverage ratio to serve as a backstop to risk-based capital rules.

Wells Fargo worked closely with several trade organizations in reviewing the Proposal. We share the concerns identified in the comment letter filed by The Clearing House Association L.L.C. and in the joint comment letter filed by the Global Financial Markets Association, American Bankers Association, Financial Services Roundtable, Institute of International Bankers, Institute of International Finance, and the International Swaps and Derivatives Association. We are filing this separate comment letter to highlight areas of particular concern to us. Specifically, we urge the Basel Committee to (i) reconsider the requirement to include cash and reserves at central banks in the denominator of the leverage ratio (the "Exposure Measure"), (ii) reconsider the requirement that a current exposure amount be added to the gross amount of a securities financing transaction (an "SFT") that involves a loan or exchange of securities for cash, and (iii) re-evaluate the calibration of the leverage ratio (currently set at 3%) in the event the Basel Committee makes further changes to the leverage ratio's numerator (the "Capital Measure") or the Exposure Measure and in the event of future changes in international and U.S. accounting standards that have a substantial impact on banks' balance sheets.

First, we encourage the Basel Committee to reconsider the appropriateness of including cash and reserves maintained at central banks in the Exposure Measure. We are aware of no evidence or belief by regulatory agencies, and we do not believe, that these assets raise the capital risk concerns that the leverage framework has been designed to address. Furthermore, requiring capital for low-risk, low-return yielding assets runs counter to the regulatory goal of strengthening liquidity in the banking industry by incentivizing banks to hold only the minimum necessary level of these assets. Although we appreciate the Basel Committee's concerns with recognizing exceptions to the Exposure Measure, we do not believe that the exclusion of cash

and reserves at central banks from the Exposure Measure compromises the effectiveness of the leverage framework given the risk profile of these assets.

Second, with respect to SFTs involving a loan or exchange of securities for cash, we do not understand the basis for the requirement that a current exposure amount be added to the SFT gross assets amount. We believe counterparty credit risk is already more than adequately captured by the Proposal's requirement that exposure include gross SFT assets recognized for accounting purposes. The proposed treatment of SFTs involving a loan or exchange of securities for cash may negatively and unnecessarily restrict the ability of banks to use SFTs as contingent funding sources.

At a minimum, the Basel Committee should differentiate the treatment of SFTs on securities issued by high-quality sovereigns and public sector entities. We do not believe that the liquidation of SFTs on these securities during the recent financial crisis resulted in downward pricing pressure on the securities, and we urge the Basel Committee to bifurcate the treatment of SFTs into two categories: (i) U.S. GAAP treatment would apply to SFTs involving high quality sovereign and public sector entity securities exchanged for cash, and (ii) the Proposal's requirements would apply to all other SFTs.

Finally, we wish to emphasize the importance of the Basel Committee continuing to re-evaluate the appropriate calibration level for the leverage ratio in the event it makes further adjustments to the Capital Measure or Exposure Measure and in the event of changes in international and U.S. accounting standards that have a substantial impact on banks' balance sheets. Any restriction of the Capital Measure to common equity tier 1 capital (from tier 1 capital) or expansion of the components of the Exposure Measure should only be implemented following re-evaluation of the calibration level. Without corresponding adjustments to the calibration level, the leverage ratio cannot act in its intended role as a backstop to the risk-based capital measures.

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We appreciate the opportunity to provide comments on the Proposal. If you have any questions regarding our comments, please feel free to contact us.

Very Truly Yours,

Timothy J. Sloan, Senior Executive Vice President and
Chief Financial Officer

Paul R. Ackerman, Executive Vice President and Treasurer