April 11, 2014

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

Re: Consultative Document: Basel III: The Net Stable Funding Ratio

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") January 2014 consultative document on proposed revisions to the Basel III Net Stable Funding Ratio (the "NSFR Proposal"). We are supportive of the Basel Committee's efforts to promote funding stability, and appreciative of the progress made in the revised NSFR Proposal. However, we continue to have concerns regarding the NSFR Proposal.

Wells Fargo worked closely with several trade organizations in reviewing the NSFR Proposal. We share the concerns identified in the joint comment letter filed by the Institute of International Finance Inc., the Global Financial Markets Association and The Clearing House Association L.L.C. We are filing this separate comment letter to highlight areas of particular concern to us. Specifically, we urge the Basel Committee to (1) assign a 0% RSF factor for all securities that mature in less than six months, (2) separate securities sold short into two categories based on the type of the counterparty from which the security was borrowed or reversed in, and (3) assign at least a 75% ASF factor to general accounts payable and other liabilities such as accrued expenses in the final NSFR.

1) Wells Fargo believes a 0% RSF factor is appropriate for all securities that mature in less than six months because, compared to loan maturities for example, there is no customer relationship expectation that the proceeds will be reinvested in additional securities from the issuer. We propose that Paragraph 29(c) be amended in the final NSFR to include "all securities of counterparties with which there is no contractual or reputational requirement to rollover the relevant asset, with residual maturities of less than six months."

2) Securities sold short are assigned a 0% ASF factor in the NSFR Proposal, which appears to be overly conservative. An asymmetry exists to the extent that firms reverse in collateral or borrow stock from counterparties other than banks to cover the short position because in that case the reverse/borrow transaction is assigned a 50% RSF (in cases where the firms reverse

in collateral or borrow stock from banks, the transaction is assigned a 0% RSF so no asymmetry concern exists). In transactions with all counterparty types, no true liquidity risk exists for the firm short because cash would net out if the short is covered, as cash paid to purchase the security would be funded with cash received as the reverse repo or stock borrow transaction is also closed out, and the balance sheet would also be adjusted accordingly with a corresponding decrease in both assets and liabilities. In order to remedy this seemingly unintended outcome we suggest the final NSFR be amended to acknowledge securities sold short and make it clear that securities sold short should be separated into two categories based on the type of the counterparty from which the security was borrowed or reversed in: A) Only securities sold short for which the security was borrowed from banks would receive the current 0% ASF, B) Securities sold short for which the security was borrowed from all other customers would receive a 50% ASF.

3) General accounts payable and other liabilities such as accrued expenses represent liabilities that are quite stable and as such should not receive a 0% ASF factor. Due to the normal course of the accrual accounting cycle associated with core business needs, firms consistently operate with a certain level of non-interest bearing liabilities. Although the liabilities will generally have payment schedules that are less than 1 year, the liability accrual is replenished for the next accounting cycle. From a structural funding perspective, these non-interest bearing liabilities generally grow over time as firms grow and do not rely on external parties to continue to provide funding. Non-financial related accrued expenses such as income tax payable, employee salary and incentive compensation accruals, general accounts payable, accrued interest, accrued dividends, etc. should receive a factor that is greater than 0% because they provide structural stable funding. As seen in the sample data below from five large U.S. banks, we believe these accounts are structurally stable and as such, should receive at least a 75% ASF factor in the final NSFR.

Stability of Other Liabilities

$ Billions

	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	Average
WFC - Total Assets[1]	1,309.6	1,243.6	1,258.1	1,313.9	1,423.0	1,527.0	
WFC - Other Liabilities[1,2]	20.8	39.2	46.3	51.6	49.5	39.4	
% of Total Assets	1.6%	3.2%	3.7%	3.9%	3.5%	2.6%	3.1%
JPM - Total Assets[3]	2,175.1	2,032.0	2,117.6	2,265.8	2,359.1	2,415.7	
JPM - A/P & Other Liabilities[3,4]	72.5	69.8	75.0	81.5	86.8	78.1	
% of Total Assets	3.3%	3.4%	3.5%	3.6%	3.7%	3.2%	3.5%
C - Total Assets[3]	1,938.5	1,856.6	1,913.9	1,873.9	1,864.7	1,880.4	
C- A/P & Other Liabilities[3,4]	92.0	80.2	72.8	69.3	67.8	59.9	
% of Total Assets	4.7%	4.3%	3.8%	3.7%	3.6%	3.2%	3.9%
BONY - Total Assets[3]	237.5	212.2	247.3	325.3	359.0	374.3	
BONY- A/P & Other Liabilities[3,4]	8.7	8.4	13.3	12.8	13.3	11.6	
% of Total Assets	3.7%	3.9%	5.4%	3.9%	3.7%	3.1%	4.0%
USB - Total Assets[1]	267.0	281.2	307.8	340.1	353.9	364.0	
USB - Other Liabilities[1,2]	8.2	6.7	8.4	10.1	10.6	10.4	
% of Total Assets	3.1%	2.4%	2.7%	3.0%	3.0%	2.9%	2.8%
Average - Total Assets	1,185.5	1,125.1	1,168.9	1,223.8	1,271.9	1,312.3	
Average - Other Liabilities	**40.4**	**40.9**	**43.2**	**45.0**	**45.6**	**39.9**	
% of Total Assets	3.4%	3.6%	3.7%	3.7%	3.6%	3.0%	3.5%

[1] Source: Y9-C, Schedule HC-G--Other Liabilities.

[2] Other liabilities excluding deferred tax liabilities, allowance for credit loss on off-balance sheet credit exposures.

[3] Source: Annual Reports.

[4] Excludes Brokerage payables including payables to customers and brokers, dealers and clearing organizations, and securities fails.

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We appreciate your consideration of our comments. We will gladly make ourselves available for any further consultations and/or questions you may have. Please contact me at 415-396-5196 if you have any questions.

Sincerely,

Paul R. Ackerman
Executive Vice President & Treasurer