

Good morning. I am Paul Hazen, Chairman of Wells Fargo. I will divide my remarks this morning into two parts. First, I will describe what the Norwest-Wells Fargo merger will mean for the communities where we do business—specifically what values will guide the new company as we move forward. Secondly, I will also describe Wells Fargo's record since 1852 of keeping its promises to the communities where it does business and assure you we will continue our "best practices" with respect to CRA lending, services and investments.

The new Wells Fargo & Co. will have one of the most widely known brand names in the financial services industry, a name that has endured for 146 years. Since the gold rush, Westerners have relied on Wells Fargo for honest, reliable banking service. It may surprise you to know that Minnesotans, too, once counted on Wells Fargo for express delivery services.

If I may, I'd like to give you a one minute history of Wells Fargo. In 1852, Henry Wells and William Fargo, formed Wells Fargo & Co., to provide reliable banking and express services to Western pioneers, and opened their first office in San Francisco.

By 1858, as Minnesota became a state, Wells Fargo had established seventy-eight offices. These offices and stagecoaches linked mining camps and towns all over the West. In May 1869, the completion of the transcontinental railroad allowed Wells Fargo express messengers to ride the rails. By April 1, 1897, Wells Fargo was operating in the upper Midwest aboard the trains of the Chicago Great Western Railroad, and had 31 offices in Minnesota. The Twin Cities' locations became part of Wells Fargo's "Ocean to Ocean" express network of offices around the country and around the world. By 1910, Wells Fargo had offices in 194 Minnesota communities, from Adams to Zumbrota.

In 1918, Wells Fargo changed abruptly when as a wartime measure the federal government took over all the 10,000 offices throughout the U.S. of Wells Fargo's express operations, and the Wells Fargo name disappeared from depots and storefronts throughout Minnesota. However, Wells Fargo's banking operations continued in the West, carrying on the most famous name in Western banking.

This year our history adds a new chapter with our merger with Norwest. We want to build a strong foundation for the new Wells Fargo that will last a long time. We pledge to make the transition as smooth as possible. I can assure you that we will take the time to do it right.

In bringing Norwest and Wells Fargo together, we find that our cultures have much in common. These similarities include high performance orientation, commitment to customer service, high quality of teammember talent and strong records of community involvement.

One value that we find that Norwest and Wells Fargo share is our belief that people are the best competitive advantage we have. At Wells Fargo, our employees "do whatever it takes to come through" for the customer.

Both Wells Fargo and Norwest believe in the strong linkage between a diverse workforce and business success in an increasingly competitive global economy. For Wells Fargo, nowhere is this more evident than in California, a state that is a true mosaic of ethnicities. The new Wells Fargo will continue in its efforts to recruit, retain and promote women and minority employees in key positions throughout the company in all our combined markets just as we have since the company's founding in 1852.

It is true that our banks do have different business models, based on our geographic origins and the different types of businesses we are in. For example, Norwest grew up here in the Midwest with more community banks than Wells Fargo's predominantly urban markets. But that does not mean that the new Wells Fargo would adopt an urban model in areas

where a community banking model would work better. Both banks have been looking for a model to cultivate that other marketplace. We'll gain by sharing our different business models that fit each type of community, and combining them into a common operating philosophy.

Our commitment to all of the communities in which we do business is to take "best practices"-- those things that work well in both organizations and apply them to the new Wells Fargo.

First, let me emphasize that the new Wells Fargo will honor all of Wells Fargo's and Norwest's previous CRA obligations. Wells Fargo is a leader in outreach to women and minority-owned small businesses in the West, if not the nation. These commitments include a \$10 billion, 10-year goal for women-owned small businesses, a \$1 billion, 6-year goal for providing loans to Latino-owned small businesses, and a recently announced \$1 billion, 12-year goal for loans to African-American owned small businesses. The new Wells Fargo will continue to aggressively market its products to low-income and minority communities to ensure equal access to credit and banking services to all citizens.

It is worth noting that in 1990, Wells Fargo was the first major bank in the country to announce a multi-year CRA lending goal and the first bank to

exceed its goal. Our CRA goals and lending results are shared with the communities we serve on an ongoing basis. You can find state-by-state results of our lending, service and investment programs at our website, which is www.wellsfargo.com.

Some have asked, how can the new Wells Fargo set goals when no one knows what will happen 10 years from now? We can't predict the future. But we do know that we will be there to meet credit needs of communities and consumers, however those needs change. We know that from our past experience with our CRA program. It is flexible and can accommodate new or special local programs as needed.

Wells Fargo's most current CRA lending goal which is \$45 billion over 10 years was announced in December 1995 at the time of our merger with First Interstate. This goal is a public commitment to provide community lending and investments through a comprehensive and focused CRA strategy that capitalizes on the Bank's unique small business and community development lending strengths. We will continue to honor this commitment.

To date, Wells Fargo has accomplished over **\$16 billion** of this goal resulting in the creation of over **340,000** jobs and over **13,000** affordable living spaces.

Wells Fargo and Norwest intend through our current and future community reinvestment programs to be the unrivaled banking leader in CRA lending throughout our new 21-state territory. Wells Fargo has achieved "Outstanding" CRA ratings from its primary regulator and will continue to do so.

Let me give you examples from two areas, small business and community development lending, where Wells Fargo has exemplified community reinvestment "best practices."

Small Business

Since 1996, Wells Fargo has lent over **\$11 billion** to small businesses and small farms. According to the most current public data available, Wells Fargo provided more small business loan dollars to low- and moderate-income communities in the U.S. than any other bank in both 1996 and 1997. With Norwest's expertise in small farm lending, Wells Fargo

expects to “Out Local the Nationals” and become the premier small business and small farm bank in the nation.

Community Development Lending

Wells Fargo is already a national leader in community development financing for both the construction of multi-family housing units and financing to middle-market businesses for job creation. We believe that the creation of a Community Development Corporation (CDC) will further enhance our community programs. Through the creation of a new national CDC, Wells Fargo will lend to non-profit organizations that develop affordable housing or provide technical assistance to micro and very small businesses in low-income communities.

Additionally, Wells Fargo has developed a portfolio of diverse and innovative CRA investments to meet local community financing needs. Currently Wells Fargo has a CRA investment portfolio of **\$213 million** towards its \$500 million, 10-year CRA Investment goal.

A significant portion of Wells Fargo's investments are focused on rural markets. Wells Fargo is the largest bank investor in the Rural Community Assistance Corporation (RCAC), a non-profit agency dedicated to

improving the lives of low-income, rural Americans. RCAC provides technical assistance, loans, grants, and operational support for organizations in rural communities.

When it comes to CRA contributions, both Wells Fargo and Norwest have solid records of making grants throughout their markets. In 1995 Wells Fargo pledged that 75% of our contributions would support credit counseling, affordable housing, job training programs, schools serving low-to-moderate income students, and programs that provide social services in low-income and rural communities. Last year, 78% of our contribution dollars funded such activities.

We will not decrease our contribution levels in the communities where we do business. We intend to continue to be the leader in a wide range of crucial community reinvestment-related issues.

Now, on to the business aspects of this merger. The new Wells Fargo has nine of the 10 fastest growing state economies in our markets. In 73 of our cities, we will be in first, second or third position for deposit market share, which represents 80% of our customer base. To serve our customers, the new Wells Fargo will have a strong delivery system across the new 21-state territory, including traditional branches, supermarket branches,

business centers, ATMs, 24-hour telephone customer service, Internet banking, and PC banking.

One reason we are so convinced about the synergies of this merger is that the retail networks of both Wells Fargo and Norwest had already begun to evolve toward each other. Wells Fargo had looked for an effective community banking model and identified Norwest. Norwest had looked for an effective urban model and identified Wells Fargo. In our integrated retail network, services will continue to be expanded and customers will have the benefit of the widest choices possible.

These choices cover all income segments. In our major metropolitan areas, approximately half of Wells Fargo's branches are located within a mile of a low-income community. In fact, to be where our customers want and need us, we expanded our network. In the past two years, we added 506 new staffed offices which includes 353 supermarket offices.

Just as Wells Fargo historically expanded its delivery system from stagecoach to the railroad lines, we are embracing new banking technology and new formats for branch offices. Wells Fargo's leadership in alternative delivery systems is a perfect complement to Norwest's leadership in community banking.

Wells Fargo recognizes the challenges posed by technology.

Demographic studies show that it is a consumer's attitude, not their income that determines the acceptance of technology. The new Wells Fargo will continue to work with non-profits and providers of credit counseling and banking services education to increase low-income consumers' understanding of how to access banking and financial services through technology.

So today, in a sense we are where we first started in 1852 – we are spanning the Western territories and back to serving Minnesota communities.

Wells Fargo looks forward to merging with a strong partner, Norwest, and continuing our historic leadership role as a community reinvestment bank. We pledge to become the best financial institution in this marketplace and in every community we serve.

#

9/15/98 – 5:25 p.m. – 10 minutes

Facts regarding Wells Fargo's Relationship with Oregon Steel Mills, Inc.

- The labor dispute has nothing to do with Wells Fargo. It is between Oregon Steel and some of its employees who are members of the United Steelworkers of America (union).
- Wells Fargo is one of many bank lenders to this company and we also handle some of its deposit accounts. We have had a lending relationship with Oregon Steel since 1976.
- The most recent financing was done in syndication with eight other banks and has been in place since June 1996. Wells Fargo and The Bank of Nova Scotia are co-agents of this syndication. Other bank members include: Key Bank, U.S. Bank, NationsBank, First National Bank of Chicago, Union Bank of California, PNC Bank, and Bank of Tokyo-Mitsubishi.
- The financing provides for working capital and general corporate purposes. It does not specifically provide financing related to the union strike, which ended December 1997, or for the continuing dispute between Oregon Steel and the union.
- Wells Fargo is not a shareholder of Oregon Steel, as some literature that has been distributed suggests. We act as fiduciary trustee for certain Oregon Steel Mills shareholders, including employees of the mill, but Wells Fargo has no investment for our own account in the company's stock.
- Finally, it would be against our business principles to deny service to one customer, be it a large company, an individual or a union, simply because another customer urges us to do so. If the shoe were on the other foot and a company asked us to withdraw credit from an employee because of a dispute, we would also turn down such a request. From the very beginning of this labor dispute, Wells Fargo has maintained that there is no role we can play in the negotiations between the union workers and Oregon Steel.

FOR IMMEDIATE RELEASE

Monday, April 27, 1998

Wells Fargo Reasserts it Plays No Role in Union Dispute with Steel Company

PORTLAND, Ore. – Responding to the United Steelworkers of America's series of recent protests against Wells Fargo, the bank reasserts that it plays no role whatsoever in the dispute between the union and Portland-based Oregon Steel.

The protests are due to the union's continuing quarrel with the management of the mill operated by Oregon Steel in Pueblo, Colo. Union members struck the mill in October 1997 but settled the strike in December 1997. Because Oregon Steel has not re-hired all of the workers who were on strike, the union decided to target Wells Fargo, one of many lenders to the steel company.

The union campaign against Wells Fargo is aimed at forcing the bank to abandon a 22-year customer relationship to pressure the steel company into accepting the union's demands. Wells Fargo's business principals do not allow it to deny service to one customer, be it a large company, individual or union, simply because another customer urges it to do so. If positions were reversed and a company asked Wells Fargo to withdraw credit from an employee or union because of a dispute, the bank would likewise turn down such a request.

Not only do Wells Fargo's business principles require that it honor its commitments, the bank also has a legal obligation to Oregon Steel.

At issue with the union is a \$125 million loan made to Oregon Steel by Wells Fargo along with eight other major banks in June 1996. The loan is for working capital and general corporate purposes. It was not made to provide financing related to the strike, as alleged by the union.

Wells Fargo is not a shareholder in Oregon Steel, as also alleged. The bank acts as fiduciary trustee for certain Oregon Steel shareholders, including Oregon Steel employees, but Wells Fargo has no direct investment in the company's stock.

###