

# FACT SHEET — WELLS FARGO BANK

Wells Fargo & Company, officially formed as a bank holding company in 1969, has become the eleventh largest bank in the United States. Capitalizing on a classy image of stagecoaches and the old West, and on the leadership of Bank President Richard C. Cooley, Wells Fargo's performance in 1977 was better than almost all of the top 20 bank holding companies in the United States. Since 1971 Wells Fargo's earnings have climbed at an annual rate of 13%, moving the New York Times to publish an article on "The Galloping Profits at Wells Fargo Bank". Among other areas, Wells Fargo's profits accrue from newly captured portions of the southern California market and increasing international banking activity.

The Wells Fargo Bank is the largest of the Company's subsidiaries accounting for nearly 90% of the Company's earnings. It has over 325 offices in California. Non-bank subsidiaries include the Wells Fargo Mortgage Company, Wells Fargo Leasing Corporation, and Wells Fargo Realty Advisors.

## INTERNATIONAL BANKING

Wells Fargo's main international interests have traditionally centered in Latin America; with offices in Buenos Aires, Santiago, Sao Paulo, Managua, and other Latin American cities. In 1975 Wells Fargo worked with the government of Iran to help finance the Trans-Andean pipeline in Peru. Wells Fargo owns certain Edge Act Banks in New York and Miami.

Wells Fargo has recently diversified its international holdings; the main increases in loans and acceptances were in the Middle East and Africa. Along with this diversification has come rapid growth. In 1967 the International Banking Group had 50 employees and \$100 million in assets. In late 1977 this group had over 830 employees and loans and acceptances near \$2.75 billion. Government finance deals with medium-term loans and syndications for governments and public sector enterprises account for over 50% of the international business.

## SOUTH AFRICA

Wells Fargo has increased its loans to South Africa in the last years. In 1973 Wells Fargo had \$2 million in loans to the government of South Africa. These loans were made through the Luxemburg branch and were approved only under the condition that they remain *secret*. However, information on these loans was leaked to the public. After pressure from a corporate responsibility action group, Wells Fargo made the statement (privately) that "*it has no plans at this time to make new and larger loans to the South African government in 1975*". Total outstanding loans to South Africa (government and private sector) amounted to \$25.2 million in June 1977. Wells Fargo said its current policy (June 1977) was to consider only short-term trade related loans to the private sector; and that it would not consider further loans to government agencies. Another statement (late 1977) condemned Apartheid but said nothing about not considering loans to the government.

## CORPORATE RESPONSIBILITY

As an innovator in many banking fields, Wells Fargo also regards itself as an innovator in the area of social responsibility. Bank President Cooley established the Corporate Responsibility Committee in 1972 and since that time "corporate responsibility" has taken an increasing space in the Bank's literature and promotional materials. The Bank's Corporate Responsibility Committee was expanded to 12 members in 1973, the majority of whom are white and male, and belong to senior management. Recent Bank statements speak of "corporate responsibility" in commitments to shareholders, employees, customers, and society. Wells Fargo's main community thrusts include the Affirmative Action Program, Low-Income Consumer Loans, Minority Business Loans, Student Loans and educational gift matching. Most of these "socially responsible" activities supply a healthy profit and some are required by the United States government. Certain programs such as an Ecology Program have been dropped when they proved a financial drain on the Bank. Wells Fargo claims programs in neighborhood development and renovation, but was publicly embarrassed about Redlining at a hearing held by Oakland community organizations.

## CONNECTIONS

Wells Fargo serves as the investment manager for funds from many corporations. The largest 10 stock holdings (in terms of market value) are in IBM, General Motors, Proctor & Gamble, Caterpillar Tractor, Standard Oil of California, Stauffer Chemical and Eastman Kodak. Most of these firms operate in South Africa—several extensively.

Among the Wells Fargo Board of Directors are executives of the following companies: Industrial Indemnity Company, John Breuner Company, The Copley Press (newspaper publishing), PPG Industries, Rama Corporation, Utah International Inc., Castle & Cooke Inc., Pacific Lighting Corporation (natural gas holding company), The Newhall Land and Farming Company, and Hewlett-Packard Company.

Wells Fargo has maintained a close relationship with Stanford University during the past years. The recently returned Chairman of the Board of Wells Fargo had previously been Dean of the Stanford School of Business. The current Dean of the Graduate School of Business is also a Wells Fargo Board member.