Wells Fargo:
Serving Native American Communities
September 2002
Vision of Wells Fargo & Company

To satisfy all of our customers’ financial needs and help them succeed financially.
Values

Our product is service
Our value added is financial advice and
Our competitive advantage is our people
Vision of Wells Fargo & Company

To satisfy all of our customers’ financial needs and help them succeed financially.
Wells Fargo Native American Communities

- Wells Fargo’s Community Bank 23-state territory contains 90% of federally-recognized tribes and a majority of the Native American population of the U.S.
- Wells Fargo has relationships with 40 tribes in 10 states
- Wells Fargo has more stores on Indian Reservation than any other financial services company
- The Native American Banking Services group creates jobs and economic opportunities through lending and investments on tribal lands
Wells Fargo’s Retail Network in Native American Communities

- Wells Fargo has 17 banking locations on Indian Reservation lands
  - Alaska: 1 store
  - Arizona: 6 stores
  - Colorado: 1 store
  - New Mexico: 2 stores
  - South Dakota: 2 stores
  - Utah: 4 stores
  - Wyoming: 1 store

- These stores serve predominantly low- and moderate-income areas

- In most cases, these are the only banks serving these reservations
Native American Communities in Arizona

- Native American population: 192,202 = 5.2% of state
- Navajo Nation largest tribe in U.S. (175,000)
- 6 stores on the Navajo Nation
  - 5 Traditional Stores
    - Window Rock, AZ
    - Chinle, AZ
    - Kayenta, AZ
    - Tuba City, AZ
    - Shiprock, N.M.
  - 1 In Store, Bashas’ Supermarket
    - Pinion, AZ

Source: 1990 Census
Why Bank on the Navajo Nation?

- In 1993 Norwest bought Citibank Arizona
- Citibank had 2 stores on the Navajo Nation
  - Window Rock and Tuba City
- Stores in very poor physical condition
- Navajo Leadership asked for Norwest help
- Norwest built 4 new stores
- Why? Company Vision
  - 27.9% unemployment
  - $11,835 median family income vs. $35,225 national avg.
Navajo Initiatives

- Expanded our banking facilities (4 new buildings)
- Participation in Decision Making: Community Advisory Board
- Employees are Navajo
- Small Business Development
- Loan Commitment for Mortgage and Consumer
- Credit Needs Assessment
  - CARE: Education Program for chapter houses and schools
    - KEY: Financial Education for community and employees
  - LIFT: Low Income Flexible Terms
Window Rock
Where we are today

- Northeast AZ numbers only
- 44 Employees
- $1.2mm Personnel Expense
- $5mm of Commercial commitments
- Financially viable stores

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<tr>
<th>Aug, 000's</th>
<th>2001</th>
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<tr>
<td><strong>Loans</strong></td>
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<td>Consumer</td>
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<tr>
<td>Commercial</td>
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<td><strong>Total</strong></td>
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<tr>
<td>Commercial</td>
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<tr>
<td><strong>Total</strong></td>
<td>72,637</td>
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Open More Branches?

- Closest current WF location to prospective area
- Normally we look for areas with high economic growth
  - Low HH growth
- Number of competitors
- Can’t use normal financial model or time frame
- Our goal is to Partner with a tribe
  - Politics usually gets in the way
  - Maturity of governance is key
- Format: Prefer stand alone buildings
- Don’t be concerned with sovereignty
Wells Fargo Involvement with Arizona Native American Organizations

- Wells Fargo has the most stores on Native American reservations (6 stores)
- Participating lender in National One-Stop Mortgage Program
- WFHM Approved HUD 184 Lender
- Focus on Native American loans through Wells Fargo’s Commercial Banking Group
- Employee and/or Financial Support:
  - Native Americans for Community Actions, Inc.
  - National Center for American Indian Enterprises
  - Arizona Native American Economic Coalition
Northeast Native American Initiatives

- Navajo Partnership for Housing; $100m grant in `01
- Fort Defiance Housing Authority; $10m grant in `01
- Navajo Housing Services; $10m grant in `00
- Presidents Housing Task Force
- Indigenous Community Enterprises
- Northern Arizona University:
  - College of Business Administration: retain students
  - Indigenous Studies: Governance Training
  - Summer Intern Program
- Twilight Dawn, $10m grant in `00
- Higher Ed Scholarships annually of $5m
Native American Mortgage Lending Challenges

- **Goal:** Provide mortgages eligible for the secondary market

- **Laws**
  - Tribal sovereignty - each tribe unique

- **Government Policies**
  - Obtaining home site leases
  - Bureau of Indian Affairs approval/recordation process - multiple offices

- **Secondary Market**
  - Streamlined mortgage approval process
  - Homebuyers Club - culturally sensitive credit counseling **EDUCATION**

- This took 7 years to achieve on the Navajo Nation
Wells Fargo Home Mortgage, Inc.

- WFHM operates the leading mortgage lending network in the country
- WFHM funds approximately one of every 11 homes financed annually in the United States
- WFHM Emerging Markets team specializes in identifying the opportunities for home lending and services to underserved markets, especially Native Americans
- WFHM is the leading home purchase lender on tribal trust land
- Placed a HMC in Window Rock
Wells Fargo Home Mortgage is the leading national provider of HUD 184 mortgage loans as well as the largest producer specifically on trust lands. Congress created the HUD Section 184 Indian Home Loan Guarantee Program in 1992, which authorized HUD to guarantee loans made by private lenders to Native Americans. The 184 Program is unique because it requires approval from two different government entities since the land being mortgaged or encumbered is held in trust by the federal government.
Resources for the Small Business Market

- Wells Fargo launched the Resource Center for Small Business Owners in June 2000 (wellsfargo.com/biz)
- Comprehensive web site that offers information, access to banking product applications, and use of on- and off-line banking services
- Financial education content incorporated throughout the site
- Arizona Native American Economic Coalition
- Northern Arizona University Small Business Center
Financial Literacy Services

- The Salt River Indian Reservation in Phoenix was the launch for Wells Fargo’s innovative new financial literacy program, Banking On Our Future™.

- This program integrates Wells Fargo’s commitment to education with its leadership in Internet banking and helps narrow the digital divide by bringing the unbanked community into the financial mainstream.

- The program was launched with the wellsfargo.com bus, a customized motor coach designed to bring customer education and training to any community in the U.S.

- The bus was developed specifically to support Wells Fargo’s strategy to bring alternative services to all the bank’s diverse communities, including Tribal lands.
In 2001, Wells Fargo provided a $1 million line of credit to a Native American Tribe to fund interim financing for homeownership programs.

This tribal organization has approximately 7,500 homes under their management with 500 homes currently under construction.

Wells Fargo team members have conducted homeownership seminars for this tribal organization.

Wells Fargo has provided $15,000 in grants.
Summary

To satisfy all of our customers’ financial needs and help them succeed financially. My bank will only be as strong as the community I serve.