

**OPENING REMARKS OF
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WELLS FARGO & COMPANY**

**BEFORE THE UNITED STATES HOUSE COMMITTEE ON FINANCIAL
SERVICES**

March 10, 2020

Chairwoman Waters, Ranking Member McHenry, members of the Committee:
good morning. Thank you very much for the opportunity to be here today, I
joined Wells Fargo just over four months ago after serving as CEO of BNY Mellon
and Visa. And while it's early days, I welcome the opportunity to discuss the next
steps for Wells Fargo.

The members of this Committee are familiar with Wells Fargo's history.

Our failings have been detailed recently in both the settlement with the DOJ and
SEC as well as the administrative actions taken by the OCC against former
employees. These matters describe deeply disturbing conduct that is utterly
unacceptable and has no place in our company.

In addition, the recently released reports from this Committee reinforce what I have said since I arrived – that we have not done what’s necessary to address our shortcomings.

Simply said, we had a flawed business model in how the company was managed.

Our structure and culture were problematic, and the company’s leadership failed its stakeholders.

But today, I’d like to talk to you about our plan to chart a better course. I took this job because I believe that our country and communities benefit from a strong Wells Fargo. I am confident we can do what’s necessary to move this company in a significantly improved direction.

While it will take time, the transformation has begun, and though I realize the path forward will be difficult, I’m optimistic about our future.

Here are some important steps we’ve taken so far.

First, I provided an honest assessment – both internally and externally – of our significant shortcomings and our failure to effectively address them.

Second, I made it clear – also internally and externally – that we must prioritize the work outlined by our regulators above all else. Completing that work is essential to ensuring the company is run with the highest standards of both operational excellence and integrity.

Third, I am making substantial changes to our leadership team. I brought in three new leaders and expect to add two more soon from outside the company to join our Operating Committee. Almost 75 percent of that group will be new to the company since 2018. Hiring experienced people with proven track records in the issues we face is necessary to bring about the change required.

Fourth, we reorganized the structure of our businesses to ensure we have clear responsibility and accountability.

We created a new role, Chief Operating Officer, who will ensure that high quality, consistent execution and operational excellence become part of our culture – especially with regard to our regulatory work.

We announced a flatter organizational structure with more direct business representation on our Operating Committee. This will give me clearer line of sight and more direct involvement across the company. It will also provide greater transparency into how our businesses are working, what kinds of risks they're taking on, how they're treating customers, and whether they're operating at the highest standards.

Fifth, we're introducing a new set of processes to thoroughly review our progress against our regulatory work.

Sixth, we altered our evaluation and compensation practices and have significantly greater accountability and will continue to make tough decisions around our leaders.

Seventh, we're redefining our culture – especially regarding how we work together.

We will have a strong centralized control infrastructure.

We will ensure we have the right people in the right roles.

We will move with a sense of urgency.

We will hold each other accountable for our commitments.

And we will judge ourselves based upon our outcomes, not our words.

But most importantly, the guiding principle in how we make business decisions must be that everything starts and ends with our customers. We must put them first in our decision making – in all we do.

As we move forward, I have no preconceived notions about what size our bank should be, but I firmly believe that we must be able to manage all of it. I also know that progress on our plan will take time and that ultimately our regulators will decide when we have met our obligations under the consent orders. My commitment to our regulators is that we will approach this work with the greatest sense of urgency.

To my colleagues at Wells Fargo – you deserve more from the bank's leadership and the failings that occurred in the past have made your jobs difficult. I am committed to doing better as we seek to ensure that such things never occur again at Wells Fargo.

And to the Committee, I want to give you my personal assurance that we will do the work necessary to put Wells Fargo on a sound footing with our customers, employees, regulators, shareholders, and communities.

Thank you, and I am happy to answer your questions.