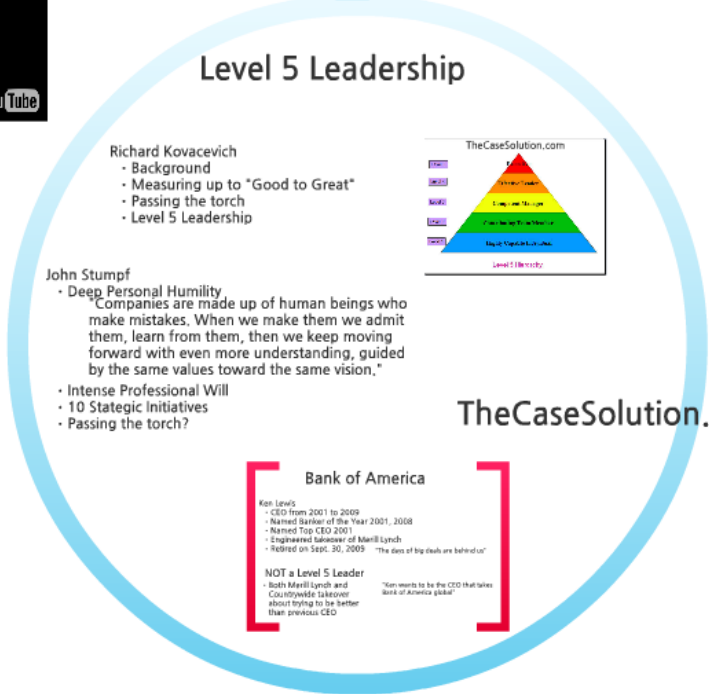
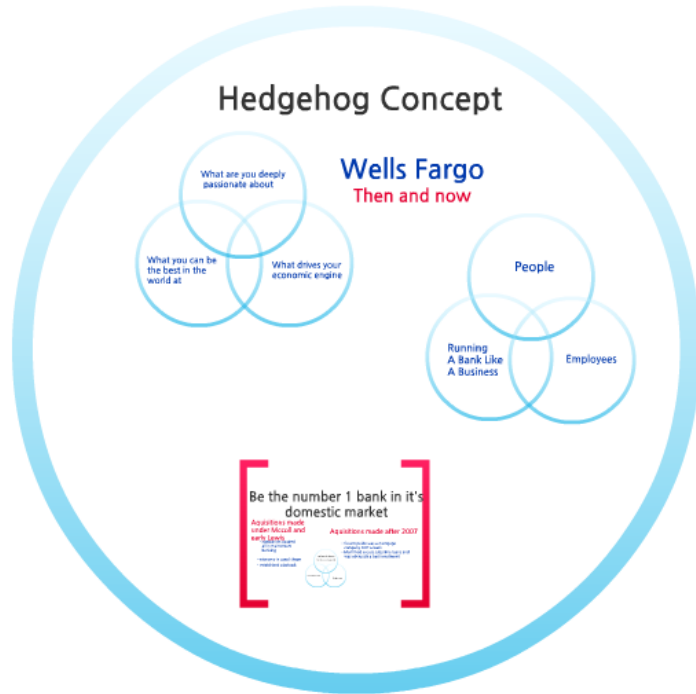


# Wells Fargo: Solar Energy for Los Angeles Branches (B)

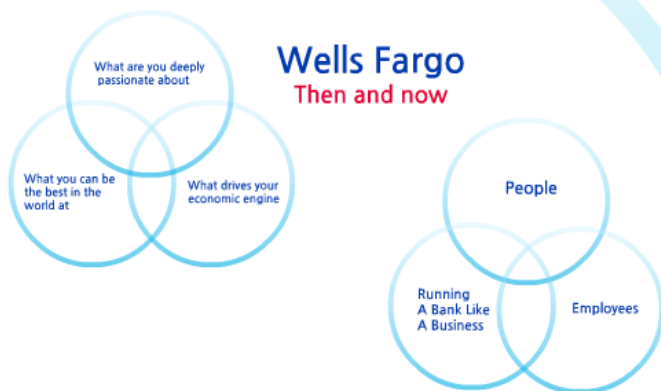
TheCaseSolution.com



# Wells Fargo: Solar Energy for Los Angeles Branches (B)

## TheCaseSolution.com

### Hedgehog Concept



### Financial

#### Since 1998

TheCaseSolution.com

- Wells Fargo has done very well financially
- Made a number of acquisitions
- In June 2007, John Stumpf became CEO
- Continued to exhibit positive financial growth until 2008



#### Economic Crisis of 2008

- The housing market 'bubble' burst
- The Government issued the Emergency Economic Stabilization Act of 2008
- Wells Fargo was forced to sign and received \$25 billion in government aid
- Compared to other companies, Wells Fargo was relatively unscathed

#### How Wells Fargo Survived

- They offered far fewer of the exotic and now toxic mortgages
- Stuck to their 'hedgehog concept'
- Set aside \$5.6 billion to cover any potentially bad loans
- Ended 2008 with an allowance for credit losses of \$21.7 billion TheCaseSolution.com

The Purchase of Wachovia  
Wells Fargo and Wachovia are trademarks of Wells Fargo Bank, N.A. © 2009 Wells Fargo Bank, N.A. All rights reserved.



Since 2009

# Financial

## Since 1998

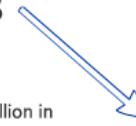
TheCaseSolution.com

- Wells Fargo has done very well financially
- Made a number of acquisitions
- In June 2007, John Stumpf became CEO
- Continued to exhibit positive financial growth until 2008



## Economic Crisis of 2008

- The housing market 'bubble' burst
- The Government issued the Emergency Economic Stabilization Act of 2008
- Wells Fargo was forced to sign and received \$25 billion in government aid
- Compared to other companies, Wells Fargo was relatively unscathed



## How Wells Fargo Survived

- They offered far fewer of the exotic and now toxic mortgages
- Stuck to their "hedgehog concept"
- Set aside \$5.6 billion to cover any potentially bad loans
- Ended 2008 with an allowance for credit losses of \$21.7 billion TheCaseSolution.com

### The Purchase of Wachovia

- Wachovia was about to be purchased by Citigroup
- Wells Fargo ended up purchasing Wachovia for \$7 a share (\$12.7 billion)
- Benefits:
- Made Wells Fargo the largest home lender in the U.S.
- Taxes

### Bank of America



### How did they handle the crisis?

- Also were forced to take the \$25 billion
- On Jan. 16 2009 take \$20 billion more
- December 2009 they pay all debts to fed. gov. off
- Continued to acquire banks

TheCaseSolution.com

### Acquisitions this decade

- FleetBoston Financial- \$47 billion
- MNB- \$35 billion
- United States Trust Company- \$3.3 billion
- LaSalle Bank Corporation- \$21 billion
- Countrywide Financial- 195 per share (\$2 billion)
- Merrill Lynch- \$50 billion

## Since 2009

- 2009
  - Wells Fargo paid back the \$25 billion to the government
  - Also paid the appropriate dividends
  - As of 2009, Wells Fargo was the nation's third-largest lender
  - In January 2009, there was a significant drop in stock prices
- 2010
  - #1 Residential mortgage Lender
  - Saw a slight decline in revenue
  - Still exhibiting positive growth in stocks
  - Reaching near 2008 highs

TheCaseSolution.com

# Wells Fargo & Company Common St

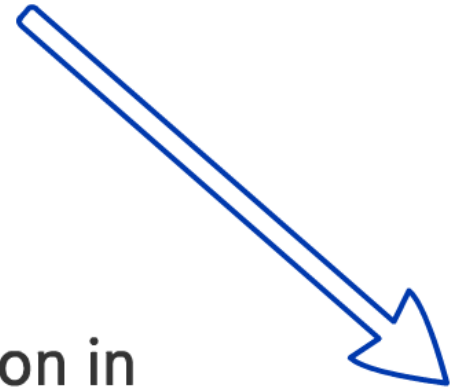


TheCaseSolution.com

# Since 1998

- Wells Fargo has done very well financially
- Made a number of acquisitions
- In June 2007, John Stumpf became CEO
- Continued to exhibit positive financial growth until 2008

## Economic Crisis of 2008



- The housing market 'bubble' burst
- The Government issued the Emergency Economic Stabilization Act of 2008
- Wells Fargo was forced to sign and received \$25 billion in government aid
- Compared to other companies, Wells Fargo was relatively unscathed

## How W

- They offe



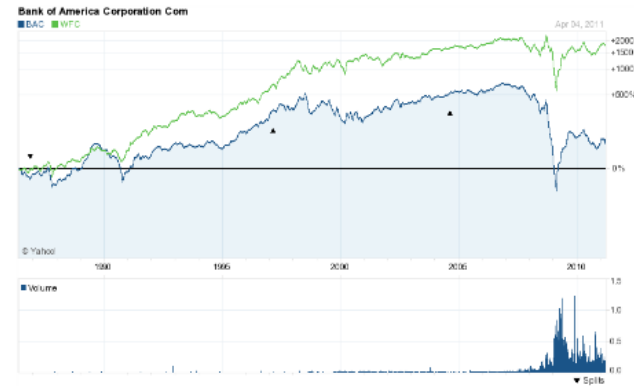
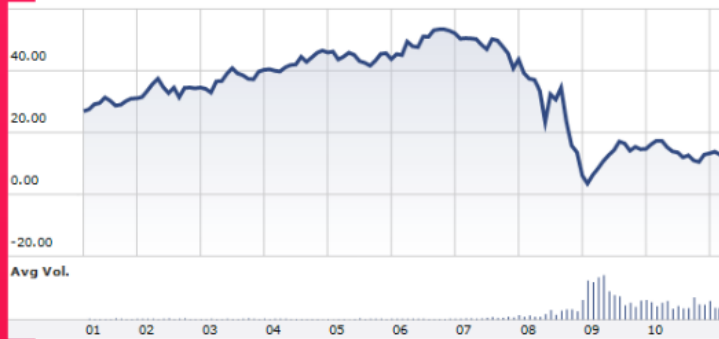
# How Wells Fargo Survived

- They offered far fewer of the exotic and now toxic mortgages
- Stuck to their “hedgehog concept”
- Set aside \$5.6 billion to cover any potentially bad loans
- Ended 2008 with an allowance for credit losses of \$21.7 billion [TheCaseSolution.com](http://TheCaseSolution.com)

## The Purchase of Wachovia

- Wachovia was about to be purchased by Citigroup
- Wells Fargo ended up purchasing Wachovia for \$7 a share (\$12.7 billion)
- Benefits:
  - Made Wells Fargo the largest home lender in the U.S.

# Bank of America



## How did they handle the crisis?

- Also were forced to take the \$25 billion
- On Jan. 16 2009 take \$20 billion more
- December 2009 they pay all debts to fed. govt. off
- Continued to acquire banks

## Aquisitions this decade

- FleetBoston Financial- \$47 billion
- MNBA- \$35 billion
- United States Trust Company- \$3.3 billion
- LaSalle Bank Corporation- \$21 billion
- Countrywide Financial- 18\$ per share (\$2 billion)
- Merrill Lynch- \$50 billion

TheCaseSolution.com



# Level 5 Leadership

Richard Kovacevich

- Background
- Measuring up to "Good to Great"
- Passing the torch
- Level 5 Leadership



John Stumpf

- Deep Personal Humility  
 "Companies are made up of human beings who make mistakes. When we make them we admit them, learn from them, then we keep moving forward with even more understanding, guided by the same values toward the same vision."
- Intense Professional Will
- 10 Strategic Initiatives
- Passing the torch?

TheCaseSolution.com

## Bank of America

Ken Lewis

- CEO from 2001 to 2009
- Named Banker of the Year 2001, 2008
- Named Top CEO 2001
- Engineered takeover of Merrill Lynch
- Retired on Sept. 30, 2009 "The days of big deals are behind us"

### NOT a Level 5 Leader

- Both Merrill Lynch and Countrywide takeover about trying to be better than previous CEO
- "Ken wants to be the CEO that takes Bank of America global"



# TheCaseSolution.com



Level 5 Hierarchy