

Wells Fargo & Company (WFC)

\$95.95 (Stock Price as of 01/09/2026)

Price Target (6-12 Months): **\$97.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 03/17/25)
Prior Recommendation: Outperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: VGM: D
Value: C | Growth: F | Momentum: A

Summary

Shares of Wells Fargo have outperformed the industry in the past three months. Its earnings surpassed the estimates in each of the trailing four quarters. The Federal Reserve's June 2025 removal of the \$1.95 trillion asset cap allows growth in deposits, loans, and fee-based services. The bank also gains room to scale fee-based businesses like payment services and asset management, enhancing its revenue mix. After clearing the 2025 Fed stress test, Wells Fargo raised its dividend, backed by strong liquidity and capital position. Also, strategic investments in talent and technology support long-term growth. Yet, despite the recent Fed rate cuts, NII recovery may remain slow, pressuring near-term revenue growth. The mortgage banking income remains weak amid ongoing mortgage rate volatility. Also, rising expense base may weigh on its profitability.

Data Overview

52 Week High-Low	\$97.76 - \$58.42
20 Day Average Volume (sh)	10,815,922
Market Cap	\$301.2 B
YTD Price Change	3.0%
Beta	1.09
Dividend / Div Yld	\$1.80 / 1.9%
Industry	Financial - Investment Bank
Zacks Industry Rank	Top 30% (72 out of 244)

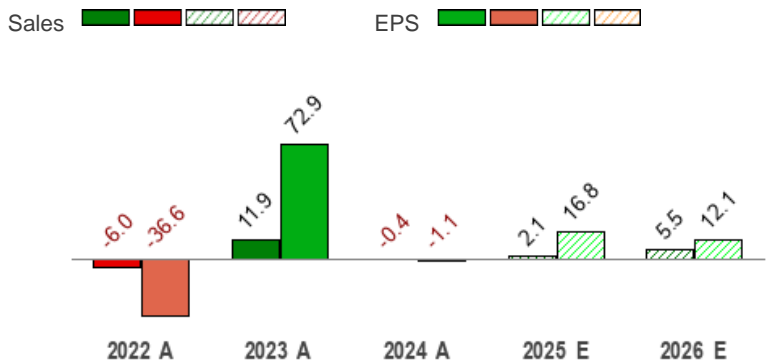
Last EPS Surprise	11.6%
Last Sales Surprise	1.2%
EPS F1 Est- 4 week change	1.2%
Expected Report Date	01/14/2026
Earnings ESP	-0.1%

P/E TTM	16.1
P/E F1	13.6
PEG F1	1.0
P/S TTM	2.5

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	21,815 E	22,024 E	22,454 E	22,410 E	88,683 E
2025	20,149 A	20,822 A	21,436 A	21,603 E	84,029 E
2024	20,863 A	20,689 A	20,366 A	20,378 A	82,296 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.52 E	1.77 E	1.88 E	1.86 E	7.04 E
2025	1.27 A	1.54 A	1.73 A	1.66 E	6.28 E
2024	1.26 A	1.33 A	1.52 A	1.42 A	5.37 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 01/09/2026.

(2) The report's text and the price target are as of 12/19/2025.

Overview

San Francisco-based Wells Fargo & Company is one of the largest financial services companies in the United States, with \$2.06 trillion in assets as of Sept. 30, 2025. The company provides banking, insurance, trust and investments, mortgage banking, investment banking, retail banking, brokerage services and consumer and commercial finance through 4300 retail bank branches, broad automated telling machines (ATMs) network, the Internet and other distribution channels across North America and globally.

It provides services through following segments. Consumer Banking and Lending (34.7% of the total loans as of Sept. 30, 2025) offers products and services, such as checking and savings accounts, credit and debit cards, as well as home, auto, personal and small business lending to consumers and small businesses with annual sales generally up to \$10 million.

Commercial Banking (23.7%) provides banking and credit products across multiple industry sectors and municipalities, secured lending and lease products, and treasury management, to private, family-owned and certain public companies. Corporate and Investment Banking (32.2%) delivers services related to capital markets, banking and financial products to corporate, commercial real estate, government and institutional clients globally.

Wealth and Investment Management (9.3%) provides personalized wealth management, brokerage, financial planning, lending, private banking, trust and fiduciary products and services to affluent, high-net-worth and ultra-high-net-worth clients. All other business activities that are not included in the reportable operating segments have been included in a Corporate (0.1%) category.

In September 2023, Wells Fargo sold its investment in Norwest Equity Partners and Norwest Mezzanine Partners to a buyer group, including Alpinvest Partners, Atalaya Capital Management, Lexington Partners and Pantheon.

In fourth-quarter 2021, Wells Fargo sold its Corporate Trust Services (CTS) business, and asset management unit — Wells Fargo Asset Management. In August 2021, the bank combined its Treasury Management and Global Payment Solutions businesses.



As of 01/09/2026



As of 01/09/2026

Reasons To Buy:

- ▲ Wells Fargo reached a pivotal moment in June 2025 as the Federal Reserve lifted the asset cap imposed in 2018 following its fake account scandal. The asset cap had restricted balance sheet growth, limiting the bank's full potential. With its removal, the company can now expand deposits, grow its loan portfolio, and increase securities holdings, setting the stage for stronger financial performance and long-term strategic gains. The bank also gains room to scale fee-based businesses like payment services, asset management, and mortgage origination, enhancing its revenue mix and supporting future top-line growth. Given this, the company now targets a medium-term return on tangible common equity (ROTCE) of 17% to 18%, up from the previous 15% goal.
- ▲ Wells Fargo continues to build on its deposit base, evidenced by its five-year (ended 2024) compound annual growth rate (CAGR) of nearly 1%, driven by growth in customer deposits, enabling a reduction in higher-cost corporate treasury deposits. Though the trend reversed in the first nine months of 2025, a large retail client base, along with the asset cap removal, is expected to support deposit growth in the upcoming period.
- ▲ Wells Fargo's prudent expense management initiatives support its financials. Since the third-quarter 2020, the company has been actively engaging in cost-cutting measures, including the streamlining of its organizational structure, closure of branches, and reduction in headcount. As a result, non-interest expenses witnessed a negative CAGR of 1.3% over the last four years (ended 2024). However, the trend reversed in the first nine months of 2025. The company keeps investing in and optimizing its branch network to reduce costs. It is being more deliberate about branch location strategy, as the number of branches declined 2.1% year over year to 4,108 at the end of the third quarter of 2025. Its headcount reduced by 4.3% year over year to 211 by the end of the third quarter of 2025. Hence, the company's sustained focus on operational efficiency and cost discipline is expected to support profitability and enhance shareholder value in the upcoming period.
- ▲ As of Sept. 30, 2025, Wells Fargo's long-term debt was \$177.8 billion. However, short-term borrowings were \$230.36 billion. The company has a strong liquidity position, with a liquidity coverage ratio of 121% as of the third quarter of 2025, which has exceeded its regulatory minimum of 100%. Its liquid assets (including cash and due from banks, as well as interest-earning deposits with banks) totaled \$158.7 billion as of the same date. The bank also maintains long-term issuer investment-grade credit ratings of A+, A1 and BBB+ from Fitch, Moody's and S&P Global, respectively. Thus, given the solid credit profile and liquidity position, Wells Fargo will be able to meet its near-term debt obligations, even if the economic situation worsens.
- ▲ Wells Fargo has an impressive capital distribution plan. After clearing the Federal Reserve's 2025 stress test, the company raised its third-quarter common stock dividend by 12.5% in July 2025, to 45 cents per share. The company also has a share repurchase program in place. In April 2025, its board of directors authorized an additional \$40 billion share repurchase program, following the \$30 billion authorization announced in July 2023. As of Sept. 30, 2025, the company had remaining authority to repurchase up to approximately \$34.7 billion of common stock. Given its robust capital position and ample liquidity, the company's capital-deployment activities seem sustainable and will boost investor confidence in the stock.
- ▲ Shares of Wells Fargo have outperformed the industry over the past three months. The company's 2025 earnings estimates have remained unchanged over the past month. Given the strong fundamentals, the stock has decent upside potential in the near term.

Wells Fargo continues to benefit from deposit growth, strong capital position and a solid liquidity profile. Also, cost-efficiency initiatives might support bottom-line growth in the upcoming period.

Reasons To Sell:

- ▼ Revenue growth has become challenging at Wells Fargo. Revenues witnessed a negative CAGR of 0.5% over the last five years (2019-2024), as net interest income (NII) dipped because of high funding costs. However, total revenue increased year over year, while net interest income (NII) declined in the first nine months of 2025. In 2025, the Fed reduced interest rates by 75 basis points after implementing a 100-basis-point cut in 2024. It also signaled one additional rate cut in 2026. This might keep the company's NII under pressure in the near term. Also, the company's efforts to diversify revenue and grow fee-based income are underway, providing some support to the business. Although these efforts and rate cuts may provide some relief, it will take time to offset NII weakness, and near-term top-line growth is expected to remain subdued.
- ▼ Wells Fargo's mortgage banking activities consist of residential and commercial mortgage originations, sales, and servicing. Mortgage banking income saw a five-year (ended 2024) negative CAGR of 17.4%. Though the metric increased in the first nine months of 2025, ongoing volatility in the mortgage market might affect its performance in the upcoming period. The company is repositioning its home lending business, reducing headcount by more than 49% and third-party mortgage loan servicing by over 33% since late 2022. In 2023, WFC announced its exit from the Correspondent business and reduction of its mortgage servicing portfolio. Additionally, in August 2024, the bank announced an agreement to divest its non-Agency third-party servicing segment of its CMS business to Trimont. These limited the company's capacity for loan originations and servicing growth. Hence, mortgage banking income is likely to remain under pressure in the upcoming quarters.
- ▼ Wells Fargo's trailing 12-month return on equity (ROE) undercuts its growth potential. The company's ROE of 12.51% compares unfavorably with 17.10% of the S&P 500. This reflects that it is less efficient in using shareholders' funds.

Wells Fargo's declining revenues due to subdued NII amid relatively high funding costs remain a concern. Lower loan balance due to asset cap and declining mortgage banking income are major drags.

Last Earnings Report

Wells Fargo Q3 Earnings Beat Estimates on Fee Income Growth

Wells Fargo has reported third-quarter 2025 adjusted earnings per share of \$1.73, which surpassed the Zacks Consensus Estimate of \$1.55. In the prior-year quarter, the company reported earnings per share of \$1.54.

Results have benefited from an improvement in net interest income, higher non-interest income and lower provisions. Higher loan balances and improved deposits were other positives. However, an increase in expenses acted as a spoilsport.

Results excluded 7 cents per share of severance expense. After including this, net income (GAAP basis) was \$5.59 billion, which increased 9.3% from the prior-year quarter.

FY Quarter Ending **12/31/2025**

Earnings Reporting Date	Oct 14, 2025
Sales Surprise	1.15%
EPS Surprise	11.61%
Quarterly EPS	1.73
Annual EPS (TTM)	5.96

Revenues Improve, Expenses Rise

Total revenues were \$21.44 billion, surpassing the Zacks Consensus Estimate of \$21.19 billion. Also, the top line increased 5.2% from the year-ago quarter.

NII was \$11.95 billion, up 2.2% year over year. The increase was driven by fixed-rate asset repricing, improved results in the company's Markets business, and higher investment securities and loan balances, partially offset by deposit mix changes.

The net interest margin (on a taxable-equivalent basis) contracted 6 basis points year over year to 2.61%.

Non-interest income grew 9.3% year over year to \$9.49 billion. The increase reflected the absence of \$447 million of net losses recorded in the prior-year quarter due to the repositioning of the investment securities portfolio. The current quarter also benefited from higher asset-based fees in Wealth and Investment Management on higher market valuations and an increase in investment banking fees.

Non-interest expenses of \$13.85 billion increased 5.9% year over year. The rise was primarily driven by higher severance costs, revenue-related compensation expenses predominantly in Wealth and Investment Management, increased technology and equipment expenses and higher advertising expenses, partially offset by the impact of efficiency initiatives.

Wells Fargo's efficiency ratio of 65% was higher than 64% in the year-ago quarter.

Loan Balance & Deposits Improve

As of Sept. 30, 2025, total average loans were \$928.7 billion, which increased 1.3% on a sequential basis. Total average deposits were \$1.34 trillion, up marginally on a sequential basis.

Credit Quality Improves

The provision for credit losses was \$681 million, down 36% from the prior-year quarter.

Net loan charge-offs were 0.40% of average loans in the reported quarter, down from 0.49% in the year-ago quarter. Non-performing assets fell 6.6% year over year to \$7.83 billion.

Capital Ratio Improve

As of Sept. 30, 2025, the Tier 1 common equity ratio was 11% under the Standardized Approach, down from 11.3% in the third quarter of 2024.

Profitability Ratio Improves

Return on assets was 1.10%, up from the prior-year quarter's 1.06%. Return on equity of 12.8% increased from 11.7% a year ago.

Outlook

4Q25

Net interest income is expected to be in the range of \$12.4–\$12.5 billion.

Non-interest expenses for 4Q25 are expected to be approximately \$13.5 billion.

2025

Wells Fargo expects 2025 NII to be in line with 2024 NII of \$47.7 billion.

Non-interest expenses for 2025 are now expected to be approximately \$54.6 billion, up from the prior expectation of \$54.2 billion. This is due to higher-than-expected severance costs along with continued investments in technology, risk-control infrastructure, and other strategic areas.

The company aims to achieve a return on tangible common equity of 15% in 2025, suggesting a rise from the 13.4% recorded in 2024 through efficiency initiatives, revenue growth and disciplined expense management.

Recent News

Dividend Update

On Oct. 28, 2025, Wells Fargo announced a quarterly common stock dividend of 45 cents. The dividend was paid out on Dec. 1, 2025, to its shareholders of record as of Nov. 7, 2025.

Valuation

Wells Fargo's shares are up 22.4% in the past six-month period and 30.1% over the trailing 12-month period. Stocks in the Zacks sub-industry and Zacks Finance sector are up 21.2% and up 10.5%, respectively, over the past six-month period. Over the past year, the Zacks sub-industry and the sector are up 35% and 16.7%, respectively.

The S&P 500 Index up 15.5% in the past six-month period and up 15.9% in the past year.

The stock is currently trading at 13.20X forward 12-months earnings, which compares to 14.84X for the Zacks sub-industry, 17.25X for the Zacks sector, and 23.06X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 16.16X and as low as 7.42X, with a five-year median of 11.57X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$97 price target reflects 14.00X forward earnings.

The table below shows the summary valuation data for WFC.

Valuation Multiples - WFC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	13.20	14.84	17.25	23.06
	5-Year High	16.16	15.26	18.28	23.78
	5-Year Low	7.42	8.94	12.36	15.73
	5-Year Median	11.57	12.00	16.12	21.22
P/TB TTM	Current	2.19	3.10	6.00	12.70
	5-Year High	2.23	3.16	6.05	16.57
	5-Year Low	0.94	1.55	3.44	10.53
	5-Year Median	1.44	2.20	4.74	13.65
P/S F12M	Current	3.25	4.24	8.90	5.21
	5-Year High	3.30	4.55	10.06	5.50
	5-Year Low	1.68	2.42	6.68	3.83
	5-Year Median	2.46	3.47	8.35	5.05

As of 12/18/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 30% (72 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Bank of America Corp... (BAC)	Neutral	3
The Bank of New York... (BK)	Neutral	2
Citigroup Inc. (C)	Neutral	3
JPMorgan Chase & Co. (JPM)	Neutral	3
The PNC Financial Se... (PNC)	Neutral	2
State Street Corpora... (STT)	Neutral	3
Truist Financial Cor... (TFC)	Neutral	3
U.S. Bancorp (USB)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Financial - Investment Bank

	WFC	X Industry	S&P 500	BAC	C	JPM
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	D	-	-	F	F	F
Market Cap	301.20 B	14.27 B	40.82 B	407.84 B	217.07 B	896.14 B
# of Analysts	8	6	22	10	5	6
Dividend Yield	1.88%	0.46%	1.37%	2.01%	1.98%	1.82%
Value Score	C	-	-	F	D	F
Cash/Price	1.61	0.46	0.04	2.25	5.67	1.88
EV/EBITDA	0.19	4.90	15.05	-2.05	-9.62	-2.51
PEG Ratio	0.96	1.00	2.07	NA	0.47	1.61
Price/Book (P/B)	1.81	2.63	3.46	1.47	1.11	2.63
Price/Cash Flow (P/CF)	11.49	14.95	15.57	14.50	13.50	14.95
P/E (F1)	13.63	16.28	18.90	12.88	11.99	15.70
Price/Sales (P/S)	2.46	2.53	3.12	2.16	1.29	3.23
Earnings Yield	7.34%	6.15%	5.28%	7.77%	8.33%	6.37%
Debt/Equity	1.07	0.26	0.57	1.12	1.62	1.26
Cash Flow (\$/share)	8.35	6.61	8.98	3.85	8.99	22.01
Growth Score	F	-	-	F	F	F
Hist. EPS Growth (3-5 yrs)	27.93%	6.03%	8.24%	6.21%	-7.93%	11.55%
Proj. EPS Growth (F1/F0)	16.95%	14.13%	9.16%	15.55%	30.25%	3.14%
Curr. Cash Flow Growth	4.22%	9.70%	7.00%	-4.54%	0.93%	5.52%
Hist. Cash Flow Growth (3-5 yrs)	0.21%	8.89%	7.49%	-2.18%	-5.26%	7.08%
Current Ratio	0.84	1.10	1.19	0.79	0.99	0.86
Debt/Capital	49.27%	19.78%	38.14%	50.60%	59.63%	55.84%
Net Margin	17.18%	14.35%	12.77%	15.70%	8.73%	20.90%
Return on Equity	12.51%	15.66%	17.03%	10.76%	7.91%	17.18%
Sales/Assets	0.06	0.13	0.53	0.06	0.07	0.06
Proj. Sales Growth (F1/F0)	2.10%	7.99%	5.34%	7.30%	6.40%	2.80%
Momentum Score	A	-	-	B	A	F
Daily Price Chg	0.37%	0.00%	0.65%	-0.59%	0.60%	-0.18%
1 Week Price Chg	0.79%	0.84%	1.57%	-0.18%	2.21%	1.14%
4 Week Price Chg	3.44%	1.35%	2.03%	1.29%	8.52%	3.35%
12 Week Price Chg	15.21%	7.69%	4.54%	8.91%	24.98%	10.63%
52 Week Price Chg	37.15%	23.81%	19.55%	23.81%	69.92%	37.24%
20 Day Average Volume	10,815,922	671,479	2,391,362	30,284,996	12,665,254	8,183,499
(F1) EPS Est 1 week change	0.36%	0.15%	0.00%	0.08%	0.73%	-0.20%
(F1) EPS Est 4 week change	1.21%	0.49%	0.00%	-0.24%	1.11%	-0.87%
(F1) EPS Est 12 week change	4.42%	2.12%	0.48%	1.54%	4.09%	1.15%
(Q1) EPS Est Mthly Chg	1.12%	0.83%	0.00%	0.94%	5.58%	0.83%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	F
Momentum Score	A
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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