



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company WELLS FARGO & CO Date 04/06/06

Prepared by jah Data taken from NAIC Data

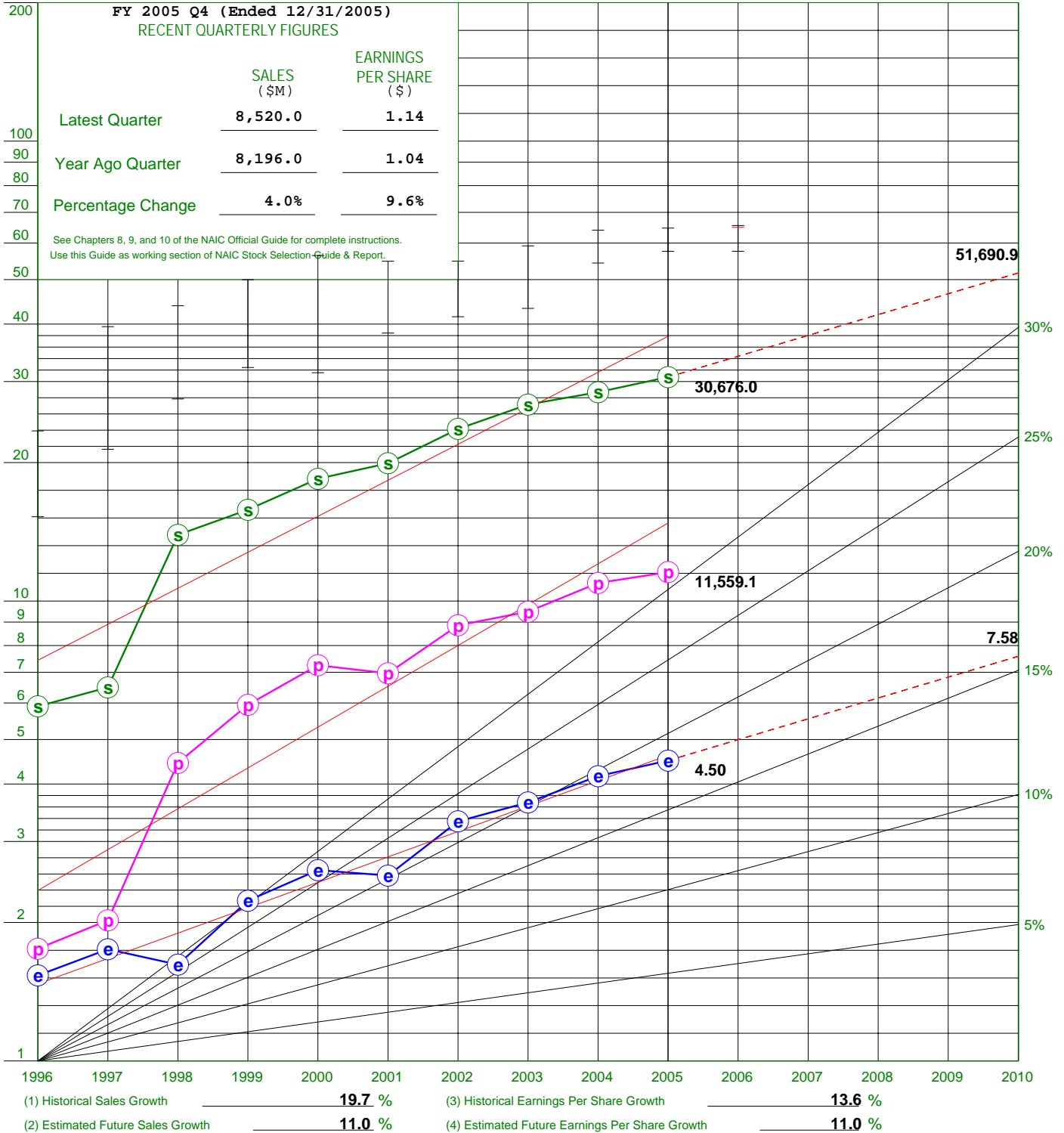
Where traded NYSE Major product/service Diversified

CAPITALIZATION --- Outstanding Amounts Reference _____

Preferred (\$M)	-23.0	% Insiders	% Institution
Common (M Shares)	1,677.6	0.0	0.0
Debt (\$M)	103,560.0	% to Tot.Cap.	71.8
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

WFC



2 EVALUATING MANAGEMENT

Company **WELLS FARGO & CO (WFC)**

04/06/06

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	LAST 5 YEAR AVG.	TREND	
													UP	DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	29.7	31.2	31.9	37.7	39.3	34.9	37.4	35.4	38.5	37.7	36.8	UP	
B	% Earned on Equity (E/S ÷ Book Value)	19.3	19.4	13.1	16.7	17.1	15.8	18.5	18.0	18.6	18.6	17.9	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE <u>64.940</u>			HIGH THIS YEAR <u>65.510</u>			LOW THIS YEAR <u>57.620</u>		
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		E Dividend Per Share	F % Payout F ÷ C X 100	G % High Yield F ÷ B X 100	
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C				
1	2001	54.8	38.3	2.53	21.7	15.1	1.000	39.5	2.6	
2	2002	54.8	41.5	3.32	16.5	12.5	1.100	33.1	2.7	
3	2003	59.2	43.3	3.65	16.2	11.9	1.500	41.1	3.5	
4	2004	64.0	54.3	4.16	15.4	13.1	1.860	44.7	3.4	
5	2005	64.7	57.6	4.50	14.4	12.8	2.000	44.4	3.5	
6	TOTAL		235.0		84.2	65.4		202.8		
7	AVERAGE		47.0		16.8	13.1		40.6		
8	AVERAGE PRICE EARNINGS RATIO <u>14.9</u>				9	CURRENT PRICE EARNINGS RATIO <u>14.4</u>				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 16.8 ~~16.8~~ 16.0 X Estimate High Earnings/Share 7.58 = Forecast High Price \$ 121.3 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 13.1 ~~13.1~~ 12.0 X Estimated Low Earnings/Share 4.50 = \$ 54.0 (3E7 as adj.)
 (b) Avg. Low Price of Last 5 Years = 47.0 (3B7)
 (c) Recent Severe Market Low Price = 54.3

(d) Price Dividend Will Support 2.080 = 59.9
 High Yield (H) 0.035
 Selected Estimate Low Price = \$ 54.0 (4B1)

C ZONING

121.3 (4A1) High Forecast Price Minus 54.0 (4B1) Low Forecast Price Equals 67.3 (C) Range. 1/3 of Range = 16.8 (4CD)
 (4C2) Lower 1/3 = 54.0 (4B1) to 70.8 (Buy) Note: Ranges changed to 25%/50%/25%
 (4C3) Middle 1/3 = 70.8 to 104.5 (Maybe)
 (4C4) Upper 1/3 = 104.5 to 121.3 (4A1) (Sell)

Present Market Price of 64.940 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 121.3 Minus Present Price 64.940 = 56.4
 Present Price 64.940 Minus Low Price (4B1) 54.0 = 10.9 = 5.2 To 1 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 121.3 = (1.868) X 100 = (186.8) - 100 = 86.8 % Appreciation (4E)
 Present Market Price 64.940

Relative Value: 96.6% Proj. Relative Value: 87.3%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate: use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 2.080
 Present Price of Stock \$ 64.940 = 0.032 X 100 = 3.2 Present Yield or % Returned on Purchase Price (5A)

B AVERAGE YIELD OVER NEXT 5 YEARS
 Avg. Earnings Per Share Next 5 Years 6.15 X Avg. % Payout (3G7) 40.6 = 249.7 = 3.8 % (5B)
 Present Price \$ 64.940

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)		P.A.R.	Tot. Ret.
	<u>86.8</u>	<u>17.4</u> %	<u>2.9</u> %	<u>2.5</u> %
Average Yield (5B)			<u>10.3</u> %	<u>13.3</u> %
Average Total Annual Return Over the Next 5 Years (5C)		<u>21.2</u> %	<u>13.2</u> %	<u>15.8</u> %

WELLS FARGO NYSE-WFC

RECENT PRICE **63.49** P/E RATIO **13.4** (Trailing: 14.1, Median: 16.0) RELATIVE P/E RATIO **0.69** DIV'D YLD **3.3%**

VALUE LINE

TIMELINESS 3 Lowered 5/16/03
SAFETY 1 Raised 2/28/03
TECHNICAL 3 Raised 4/15/05
BETA .85 (1.00 = Market)

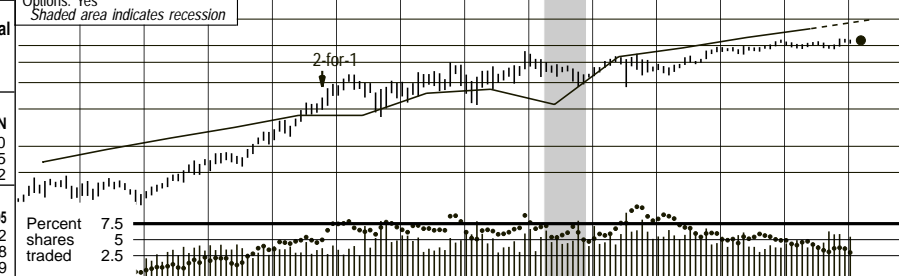
High: 14.1, 17.4, 23.4, 39.5, 43.9, 49.9, 56.4, 54.8, 54.8, 59.2, 64.0, 64.7
 Low: 10.5, 11.3, 15.3, 21.4, 27.5, 32.2, 31.4, 38.3, 38.1, 43.3, 54.3, 57.6

Target Price Range
 2008 2009 2010

2008-10 PROJECTIONS
 Price Gain Ann'l Total
 High 110 (+75%) 17%
 Low 90 (+40%) 12%

Insider Decisions
 M A M J J A S O N
 to Buy 2 0 0 0 0 1 0 0 0
 Options 3 2 2 2 3 3 1 2 5
 to Sell 0 0 0 0 0 1 0 0 2

Institutional Decisions
 12/2005 2/2005 3/2005
 to Buy 505 511 492
 to Sell 484 477 488
 Hlds (000) 11108311241431036699



% TOT. RETURN 1/06	THIS STOCK	VL ARITH. INDEX
1 yr.	5.1	17.8
3 yr.	44.7	102.2
5 yr.	38.4	65.4

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Price	.63	.68	.73	.86	1.05	1.21	1.37	1.54	1.75	1.75	2.23	2.33	1.97	3.32	3.65	4.09	4.50	5.00
Div	.19	.21	.24	.27	.32	.38	.45	.53	.62	.62	.79	.90	1.00	1.10	1.50	1.86	2.00	2.08
Book Value	3.42	3.76	4.31	4.85	5.52	5.39	7.10	7.97	9.01	12.35	13.44	15.22	15.55	17.34	19.73	21.65	24.10	27.10
Common Shs	373.97	404.88	520.65	560.46	584.35	618.29	705.52	737.41	758.62	1644.1	1626.8	1714.6	1736.4	1736.4	1736.4	1736.4	1685.0	1685.00
P/E Ratio	8.0	7.1	9.9	11.2	11.9	10.4	10.4	12.3	16.6	21.5	18.2	18.2	23.4	14.7	13.9	14.3	13.5	15.0
Relative P/E	.61	.53	.63	.68	.70	.68	.70	.77	.96	1.12	1.04	1.18	1.20	.80	.79	.76	.71	.71
Div Yield	3.8%	4.4%	3.3%	2.8%	2.6%	3.1%	3.2%	2.8%	2.1%	1.6%	1.9%	2.1%	2.2%	2.3%	3.0%	3.2%	3.3%	2.2%

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Assets (\$mil)	72134	80175	88540	202475	218102	272426	307569	349259	387798	427849	481741	495000	575000					
Loans (\$mil)	35236	38340	41288	104860	116294	157405	168738	192772	249182	283824	306966	330000	396000					
Net Interest Inc (\$mil)	3269.3	3701.3	4033.4	8990.0	9355.0	10865	12460	14855	16007	17150	18504	20050	23600					
Loan Loss Prov'n (\$mil)	312.4	394.7	524.7	1225.0	1045.0	1329.0	1780.0	1733.0	1722.0	1717.0	2383.0	2520	3100					
Noninterest Inc (\$mil)	1865.0	2564.6	2962.3	6427.0	7420.0	8843.0	7690.0	9641.0	12382	12909	14445	15120	18050					
Noninterest Exp (\$mil)	3399.1	4089.7	4421.3	9427.0	9782.0	11830	12891	13909	17190	17573	19018	19320	20200					
Net Profit (\$mil)	956.0	1153.9	1351.0	2906.0	3747.0	4026.0	3423.0	5710.0	6202.0	7014.0	7671.0	8530	11380					
Income Tax Rate	32.8%	35.2%	34.1%	39.0%	37.0%	38.5%	37.5%	35.5%	34.6%	34.9%	33.6%	36.0%	38.0%					
Return on Total Assets	1.33%	1.44%	1.53%	1.44%	1.72%	1.48%	1.11%	1.63%	1.60%	1.64%	1.59%	1.70%	2.00%					
Long-Term Debt (\$mil)	13677	13082	12767	20494	24160	32981	38530	50205	63642	73580	79668	80000	80000					
Shr. Equity (\$mil)	5312.1	6064.2	7022.2	20759	22131	26488	27214	30358	34469	37866	40985	45920	65500					
Shr. Eq. to Total Assets	7.4%	7.6%	7.9%	10.3%	10.1%	9.7%	8.8%	8.7%	8.9%	8.9%	8.5%	9.5%	11.5%					
Loans to Tot Assets	48.8%	47.8%	46.6%	51.8%	53.3%	57.8%	54.9%	55.2%	64.3%	66.3%	63.7%	66.5%	69.0%					
Return on Shr. Equity	18.0%	19.0%	19.2%	14.0%	16.9%	15.2%	12.6%	18.8%	18.0%	18.5%	18.7%	18.5%	17.5%					
Retained to Com Eq	12.3%	12.8%	12.8%	9.3%	11.1%	9.3%	6.3%	12.7%	10.7%	10.3%	10.5%	11.0%	11.5%					
All Div's to Net Prof	35%	35%	35%	35%	35%	39%	50%	33%	41%	45%	44%	41%	34%					

CAPITAL STRUCTURE as of 9/30/05
 LT Debt \$78592 mill. Due in 5 Yrs \$53840 mill.
 LT Interest \$2815 mill.
 Pension Assets-12/04 \$4.46 bill. Oblig. \$4.01 bill.
 Pfd Stock \$462.0 mill. Pfd Div'd \$4.0 mill.
 Common Stock 1,672,244,159 shs. as of 10/31/05
 MARKET CAP: \$106.2 billion (Large Cap)

ASSETS
 Loans 249182 283824 292303
 Funds Sold 2745 5020 5861
 Securities 32953 33717 34480
 Other Earning -- -- --
 Other 102918 105288 120850

LIABILITIES(\$Mill.)
 Deposits 247527 274858 289029
 Funds Borrowed 24659 21962 23243
 Long-Term Debt 63642 73580 78592
 Shr. Equity 34469 37866 39835
 Other 17501 19583 22795
 Total 387798 427849 453494
 Loan Loss Resrv. 3891 3762 3886

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
ANNUAL RATES of change (per sh)																		
Loans	12.0%	12.0%	17.0%	10.5%														
Earnings	13.5%	14.0%	10.0%															
Dividends	16.5%	17.0%	7.5%															
Book Value	14.0%	11.0%	12.0%															
Total Assets	10.0%	12.5%	7.0%															

ANNUAL RATES
 Past 10 Yrs. Past 5 Yrs. Past Est'd '02-'04 to '08-'10

LOANS (\$Mill.)
 Cal-endar Mar.31 Jun.30 Sep.30 Dec.31

2002	174605	181118	182449	192772
2003	202067	211498	227951	249182
2004	260325	265791	275528	283824
2005	286805	297964	292303	306966
2006	314000	318000	322000	330000

EARNINGS PER SHARE A B
 Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year

2002	.80	.82	.84	.86	3.32
2003	.88	.90	.92	.95	3.65
2004	1.03	1.00	1.02	1.04	4.09
2005	1.08	1.12	1.16	1.14	4.50
2006	1.20	1.24	1.26	1.30	5.00

QUARTERLY DIVIDENDS PAID A C
 Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year

2002	.26	.28	.28	.28	1.10
2003	.30	.30	.45	.45	1.50
2004	.45	.45	.48	.48	1.86
2005	.48	.48	.52	.52	2.00
2006					

Wells Fargo is coming off a year of record earnings in 2005. The bottom line rose 10%, to \$4.50, driven by greater demand for commercial and consumer credit, credit and debit cards, consumer finance, and home equity products, among other items. This helped to support the 8% increase in net interest income. Furthermore, credit quality remained solid, with nonperforming assets as a percentage of total loans improving from slightly. Meanwhile, the bank continues to reposition its balance sheet and investment portfolio to take advantage of the shifting interest-rate environment.

The bottom line should advance at a similar pace over the next couple of years. Wells Fargo is increasing its earning assets at a steady rate through modest loan growth. Moreover, it has had success in cross-selling financial services to customers, and we think that this trend will continue over the next couple of years. Benefits from the refinance market will likely not be as great as they have been over the past few years, but healthy consumer and commercial loan growth, higher deposit fees, and tighter expense manage-

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BUSINESS: Wells Fargo & Company was formed by the merger of Norwest and Wells Fargo on 11/98. Wells is the 5th largest bank holding co. in the U.S. on 12/31/04. At 12/31/04, had about 6,000 offices, including about: 3,170 bank branches; 830 mortgage offices, 1,220 consumer finance offices in the U.S., Canada, Caribbean, & Central America. Loan losses, .62% of loans in '04. Loan loss reserve, 1.37% of loans; nonperforming assets, .55%. At 12/31/04, about 145,500 full-time equivalent empls. At 1/31/05, 94,669 common stockholders. Officers & directors own about 1.1% of common stock (Proxy 3/05). Chairman and CEO: R. Kovacevich. Inc.: DE. Address: 420 Montgomery Street, San Francisco, CA 94104. Telephone: 800-292-9932. Internet: www.wellsfargo.com

ment will probably help results. All told, we expect an approximate 10% annual earnings increase for Wells Fargo in 2006 and 2007.

The bank is well positioned for growth over the pull to 2008-2010. Commercial and consumer loan activity should rise further during this time as the economy improves. Meanwhile, we believe that the percentage of net charge-offs and nonperforming assets will remain relatively stable over the long haul. This will probably be brought about as Wells places greater emphasis on risk management and loan portfolio diversification, and adjusts reserve coverage accordingly.

This stock is an average selection for relative price performance over the next six to 12 months. Modest earnings advances in 2006 support our outlook. That said, the appeal in these shares lies in the fact that they are a relatively safe investment with a solid dividend yield. All told, our projections for above-average total-return potential make Wells Fargo's shares well suited for conservative, income-oriented investors.

Randy Shrikishun February 24, 2006

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	90
Earnings Predictability	75

(A) Historical figures prior to '98 are for Norwest alone. (B) Based on average shares until 1989; diluted from 1990. Excludes nonrecurring gains (loss): '92, (\$0.12); '98, (\$0.58). Next earnings report due mid-Apr. (C) Dividends historically paid in early-March, June, September, December. ■ Dividend reinvestment plan available. (D) In mill., adj. for stock splits.

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