

WELLS FARGO & COMPANY/MN
Form FWP
February 02, 2018

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Wells Fargo & Company

Market Linked Securities

Market Linked Securities Auto-Callable with Fixed Percentage Buffered Downside

Principal at Risk Securities Linked to the EURO STOXX 50[®] Index due February 8, 2021

Final Term Sheet to Pricing Supplement No. 978 dated January 31, 2018

Summary of terms

Issuer	Wells Fargo & Company
Term	Approximately 3 years (unless earlier called)
Market Measure	EURO STOXX 50 [®] Index (the Index)
Pricing Date	January 31, 2018
Issue Date	February 7, 2018
Original Offering	\$1,000 per security (100% of par)
Price	
Automatic Call	If the closing level of the Index on any call date (including the final calculation day) is greater than or equal to the starting level, the securities will be automatically called for the original offering price plus the call premium applicable to that call date. See Call Dates and Call Premiums on page 3
Call Dates	February 7, 2019; February 7, 2020; and February 1, 2021
Call Settlement	Five business days after the applicable call date (if the securities are called on the last call date, the call settlement date will be the stated maturity date)
Date	
Payment at	See How the payment at maturity is calculated on page 3
Maturity	
Stated Maturity	February 8, 2021
Date	
Starting Level	3609.29 (the closing level of the Index on the pricing date)

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Ending Level	The closing level of the Index on the final calculation day
Threshold Level	3248.361 (90% of the starting level)
Calculation	Wells Fargo Securities, LLC, an affiliate of the issuer
Agent	
Denominations	\$1,000 and any integral multiple of \$1,000
Agent Discount	1.825%; dealers, including those using the trade name Wells Fargo Advisors (WFA), may receive a selling concession of up to 1.75% and WFA will receive a distribution expense fee of 0.075%
CUSIP	95000E4Z9
Investment description	

Linked to the EURO STOXX 50[®] Index

Unlike ordinary debt securities, the securities do not pay interest, do not repay a fixed amount of principal at maturity and are subject to potential automatic call upon the terms described below. Any return you receive on the securities and whether they are automatically called will depend on the performance of the Index

Automatic Call. If the closing level of the Index on any call date is greater than or equal to the starting level, the securities will be automatically called, and on the related call settlement date, you will receive the original offering price plus the call premium applicable to that call date

Call Date	Call Premium
February 7, 2019	8.00% of the original offering price
February 7, 2020	16.00% of the original offering price
February 1, 2021 (the final calculation day)	24.00% of the original offering price

Payment at Maturity. If the securities are not automatically called prior to the final calculation day, the payment at maturity will be based upon the closing level of the Index on the final calculation day and could be greater than, equal to or less than the original offering price per security as follows:

o **If the level of the Index increases or remains flat:**

The securities will be automatically called for the original offering price plus the call premium applicable to the final calculation day described above

o **If the level of the Index decreases but the decrease is not more than 10%:**

You will be repaid the original offering price

o **If the level of the Index decreases by more than 10%:**

You will receive less than the original offering price and will have 1-to-1 downside exposure to the decrease in the level of the Index in excess of 10%

Investors may lose up to 90% of the original offering price

Any positive return on the securities will be limited to the applicable call premium

All payments on the securities are subject to the credit risk of Wells Fargo & Company, and you will have no ability to pursue any securities included in the Index for payment; if Wells Fargo & Company defaults on its obligations, you could lose some or all of your investment

No periodic interest payments or dividends

No exchange listing; designed to be held to maturity

On the date of the accompanying pricing supplement, the estimated value of the securities is \$951.60 per security. The estimated value of the securities was determined for the issuer by Wells Fargo Securities, LLC using its proprietary pricing models. It is not an indication of actual profit to the issuer or to Wells Fargo Securities, LLC or any of the issuer's other affiliates, nor is it an indication of the price, if any, at which Wells Fargo Securities, LLC or any other person may be willing to buy the securities from you at any time after issuance. See "Investment Description" in the accompanying pricing supplement.

The securities have complex features and investing in the securities involves risks not associated with an investment in conventional debt securities. See "Selected Risk Considerations" in this term sheet and "Risk Factors" in the accompanying pricing supplement.

This final term sheet should be read in conjunction with the accompanying pricing supplement, market measure supplement, prospectus supplement and prospectus.

NOT A BANK DEPOSIT AND NOT INSURED OR GUARANTEED BY THE FDIC OR ANY OTHER GOVERNMENTAL AGENCY

Hypothetical payout profile

The profile to the right illustrates the potential payment on the securities for a range of hypothetical percentage changes in the closing level of the Index from the pricing date to the applicable call date (including the final calculation day). The profile is based on a call premium of 8.00% for the first call date, 16.00% for the second call date and 24.00% for the third call date and a threshold level equal to 90% of the starting level.

This graph has been prepared for purposes of illustration only. Your actual return will depend on (i) whether the securities are automatically called; (ii) if the securities are automatically called, the actual call date on which the securities are called; (iii) if the securities are not automatically called, the actual ending level; and (iv) whether you hold your securities to the call settlement date or maturity.

Hypothetical returns

If the securities are automatically called:

Hypothetical call date on which securities are automatically called	Hypothetical payment per security on related call	Hypothetical pre-tax total rate of return	Hypothetical pre-tax annualized rate of
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	settlement date		return ⁽¹⁾
1st call date	\$1,080.00	8.00%	7.70%
2nd call date	\$1,160.00	16.00%	7.49%
3rd call date	\$1,240.00	24.00%	7.29%

Each security has an original offering price of \$1,000.

⁽¹⁾ The annualized rates of return are calculated on a semi-annual bond equivalent basis with compounding.

If the securities are not automatically called:

Hypothetical ending level	Hypothetical percentage change from the hypothetical starting level to the hypothetical ending level	Hypothetical payment at stated maturity per security	Hypothetical pre-tax total rate of return	Hypothetical pre-tax annualized rate of return ⁽¹⁾
95.00	-5.00%	\$1,000.00	0.00%	0.00%
90.00	-10.00%	\$1,000.00	0.00%	0.00%
89.00	-11.00%	\$990.00	-1.00%	-0.33%
80.00	-20.00%	\$900.00	-10.00%	-3.48%
75.00	-25.00%	\$850.00	-15.00%	-5.33%
50.00	-50.00%	\$600.00	-40.00%	-16.29%
25.00	-75.00%	\$350.00	-65.00%	-32.05%
0.00	-100.00%	\$100.00	-90.00%	-63.65%

Assumes a hypothetical starting level of 100.00. The hypothetical starting level of 100.00 has been chosen for illustrative purposes only and does not represent the actual starting level. The actual starting level is set forth under Summary of Terms above. For historical data regarding the actual closing levels of the Index, see the historical information set forth below and under the section titled The EURO STOXX 50 Index in the accompanying pricing supplement. Each security has an original offering price of \$1,000.

⁽¹⁾ The annualized rates of return are calculated on a semi-annual bond equivalent basis with compounding. The above figures are for purposes of illustration only and may have been rounded for ease of analysis. The actual amount you receive upon automatic call or at stated maturity and the resulting pre-tax rate of return will depend on (i) whether the securities are automatically called; (ii) if the securities are automatically called, the actual call date on which the securities are called; and (iii) if the securities are not automatically called, the actual starting level and the actual ending level.

 Call Dates and Call Premiums

<u>Call Date</u>	<u>Call Premium</u>	<u>Payment per Security upon an Automatic Call</u>
February 7, 2019	8.00% of the original offering price	\$1,080.00
February 7, 2020	16.00% of the original offering price	\$1,160.00
February 1, 2021 (the final calculation day)	24.00% of the original offering price	\$1,240.00

The last call date is the final calculation day, and payment upon an automatic call on the final calculation day, if applicable, will be made on the stated maturity date.

How the payment at maturity is calculated

If the closing level of the Index is less than the starting level on each of the three call dates, the securities will not be automatically called, and on the stated maturity date you will receive a payment at maturity per security determined as follows:

If the ending level is less than the starting level, but greater than or equal to the threshold level, the payment at maturity will be equal to \$1,000

If the ending level is less than the threshold level, the payment at maturity will be equal to \$1,000 *minus*

$$\$1,000 \times \frac{\text{threshold level} - \text{ending level}}{\text{starting level}}$$

Any positive return on the securities will be limited to the applicable call premium, even if the closing level of the Index significantly exceeds the starting level on the applicable call date. You will not participate in any appreciation of the Index beyond the applicable call premium. If the securities are not automatically called prior to the final calculation day and the ending level is less than the threshold level, you will receive less, and possibly 90% less, than the original offering price of your securities at maturity.

EURO STOXX 50® Index daily closing levels*

*The graph above sets forth the daily closing levels of the Index for the period from January 1, 2008 to January 31, 2018. The closing level on January 31, 2018 was 3609.29. The historical performance of the Index is not an indication of the future performance of the Index during the term of the securities.

Selected risk considerations

The risks set forth below are discussed in detail in the Risk Factors section in the accompanying pricing supplement. Please review those risk disclosures carefully.

If The Securities Are Not Automatically Called And The Ending Level Is Less Than The Threshold Level, You Will Receive Less, And Possibly 90% Less, Than The Original Offering Price Of Your Securities At Maturity.

No Periodic Interest Will Be Paid On The Securities.

The Potential Return On The Securities Is Limited To The Call Premium.

You Will Be Subject To Reinvestment Risk.

The Securities Are Subject To The Credit Risk Of Wells Fargo.

The Estimated Value Of The Securities On The Pricing Date, Based On Wells Fargo Securities, LLC's Proprietary Pricing Models, Is Less Than The Original Offering Price.

The Estimated Value Of The Securities Is Determined By The Issuer's Affiliate's Pricing Models, Which May Differ From Those Of Other Dealers.

The Estimated Value Of The Securities Is Not An Indication Of The Price, If Any, At Which Wells Fargo Securities, LLC Or Any Other Person May Be Willing To Buy The Securities From You In The Secondary Market.

The Value Of The Securities Prior To Stated Maturity Will Be Affected By Numerous Factors, Some Of Which Are Related In Complex Ways.

The Securities Will Not Be Listed On Any Securities Exchange And The Issuer Does Not Expect A Trading Market For The Securities To Develop.

Historical Levels Of The Index Should Not Be Taken As An Indication Of The Future Performance Of The Index During The Term Of The Securities.

Changes That Affect The Index May Adversely Affect The Value Of The Securities And The Amount You Will Receive At Stated Maturity.

The Issuer Cannot Control Actions By Any Of The Unaffiliated Companies Whose Securities Are Included In The Index.

The Issuer And Its Affiliates Have No Affiliation With The Index Sponsor And Have Not Independently Verified Its Public Disclosure Of Information.

An Investment In The Securities Is Subject To Risks Associated With Foreign Securities Markets.

A Call Settlement Date And The Stated Maturity Date May Be Postponed If A Calculation Day Is Postponed.

The Issuer's Economic Interests And Those Of Any Dealer Participating In The Offering Are Potentially Adverse To Your Interests.

The Calculation Agent Is An Affiliate Of The Issuer And May Be Required To Make Discretionary Judgments That Affect The Return You Receive On The Securities.

The Estimated Value Of The Securities Was Calculated By An Affiliate Of The Issuer And Is Therefore Not An Independent Third-Party Valuation.

Research Reports By Affiliates Of The Issuer Or Any Participating Dealer Or Its Affiliates May Be Inconsistent With An Investment In The Securities And May Adversely Affect The Level Of The Index.

Business Activities Of Affiliates Of The Issuer Or Any Participating Dealers Or Its Affiliates With The Companies Whose Securities Are Included In The Index May Adversely Affect The Level Of The Index.

Hedging Activities By Affiliates Of The Issuer Or Any Participating Dealer Or Its Affiliates May Adversely Affect The Level Of The Index.

Trading Activities By Affiliates Of The Issuer Or Any Participating Dealer Or Its Affiliates May Adversely Affect The Level Of The Index.

A Participating Dealer Or Its Affiliates May Realize Hedging Profits Projected By Its Proprietary Pricing Models In Addition To Any Selling Concession And/Or Distribution Expense Fee, Creating A Further Incentive For The Participating Dealer To Sell The Securities To You.

The U.S. Federal Tax Consequences Of An Investment In The Securities Are Unclear.

Not suitable for all investors

Investment suitability must be determined individually for each investor. The securities described herein are not a suitable investment for all investors. In particular, no investor should purchase the securities unless they understand and are able to bear the associated market, liquidity and yield risks. Unless market conditions and other relevant factors change significantly in your favor, a sale of the securities prior to maturity is likely to result in sale proceeds that are substantially less than the original offering price per security. Wells Fargo Securities, LLC and its affiliates are not obligated to purchase the securities from you at any time prior to maturity.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling your financial advisor or by calling Wells Fargo Securities at 866-346-7732.

Not a research report

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Consult your tax advisor

Investors should review carefully the accompanying pricing supplement, market measure supplement, prospectus supplement and prospectus and consult their tax advisors regarding the application of the U.S. federal tax laws to their particular circumstances, as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

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