

"What are current rates for a commercial line of credit?" "How can we best collect funds from our overseas customers?" These are some of the questions that commercial and international banking experts at Wells Fargo attempt to answer each day.

Started in 1852, today Wells Fargo is the fifth largest bank in the U.S., with about 3,000 branch offices and another 1,000 home mortgage stores. When the company opened for business in San Francisco and Sacramento, California, buying and selling gold was a major focus. Between 1852 and 1918, Wells Fargo used a variety of transportation modes to move gold. These included the Pony Express, stagecoaches, steamships, railroads, and motor vehicles.

Today, the banking services of Wells Fargo are aimed at business customers that have revenues of \$10 million or more. The main focus of commercial banking is credit. Wells Fargo provides loans to companies for a variety of purposes. This core product of lending is used to cross-sell other services, such as managing depository needs, coordinating stock transfers, and creating letters of credit for international payments. Working with corporate clients requires developing strong relationships. Wells Fargo employees serve their customers by servicing new loans, assisting with fund transfers, documenting legal requirements, and suggesting risk management strategies. These activities require staff teams to support several large corporate clients in a geographic region.

The company also offers global financial services. The Wells Fargo International Personal Banking (IPB) program for international customers provides online access to many banking services. IPB may be used by a foreign national moving to the U.S. or a U.S. citizen going abroad. Wells Fargo HSBC Trade Bank is a joint venture between Wells Fargo Bank and HSBC, the largest bank in the world, based in London. This agreement allows Wells Fargo customers access to 8,000 HSBC offices in 80 countries. Other international services offered by Wells Fargo include:

- Foreign exchange services for buying and selling more than 90 currencies
- Online trade services allowing access to various services for importers and exporters, including letters of credit
- International treasury management providing cash management payments and collections around the world
- Consumer remittance accounts used by customers to electronically send money to Mexico, Hong Kong, Taiwan, and many other international locations

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. How do the commercial and global banking services at Wells Fargo serve its business clients?

2. What types of commercial banking services offered by Wells Fargo could be of value to businesses in your community?

3. How might Wells Fargo adapt its commercial banking services to serve the needs of family-run businesses in poor countries?

4. Create some promotional messages that Wells Fargo might use to promote its commercial and international banking services.

5. What are possible benefits and drawbacks of the HSBC joint venture?

6. Wells Fargo hopes to expand its commercial banking among major companies based in other countries.
 - a. What services would be appropriate for customers in this new target market?
 - b. What actions might be taken by the company to offer commercial banking services in other countries?