Wells Fargo Securities Europe, société anonyme

Pillar 3 Disclosure for the year ended December 2024

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1. Introduction

1.1 Overview

Wells Fargo Securities Europe S.A[1] (**WFSE** or the **Firm**) was subject to the EU Capital Requirements (CRR) until 30th June 2024 when it transitioned back to the Investment Firm Regulation (IFR) and the Investment Firm Directive (IFD). The Firm's Pillar 3 disclosures are subject to a formal governance process and are reviewed and approved by the WFSE Board of Directors (**the Board**) annually or more frequently if required.

The qualitative and quantitative information in this document represent the position of WFSE as at 31st December 2024. The quantitative disclosures in this document are calculated according to the approaches outlined in the Investment Firms Regulation (IFR) and the Investment Firms Directive (IFD).

This document does not constitute a set of financial statements. The WFSE audited financial statements are prepared in accordance with the applicable French company law and accounting standards. Information contained in the WFSE 2024 audited financial statements may contain differences with the information in this document as the regulatory approaches may differ from accounting definitions.

Attestation Statement

I confirm that I have taken all reasonable measures to ensure that the information included in the WFSE Pillar 3 Disclosures for the year ended December 2024, to the best of my knowledge, comply with Part Six of the IFR and have been prepared in accordance with formal policies and internal processes, systems and controls.

Catherine Mineur

Chief Finance Officer

Director

1.2 WFSE Background

WFSE was officially registered and authorised to conduct business as an investment firm and commenced business during 2019.

WFSE's shareholders, EVEREN Capital Corporation (**EVEREN**) and Wells Fargo Central Pacific Holdings (**WFCPH**), are wholly owned, indirect subsidiaries of Wells Fargo & Company (**WFC or the Group**). The WFC group has total assets of $1.9 trillion as at 31st December 2024.

WFSE therefore remains a 100% subsidiary of WFC which prepares Pillar 3 disclosures on a consolidated basis. These disclosures comply with WFSE's reporting obligations on an individual basis.

WFSE is a Markets in Financial Instruments Directive II (**MiFID II**) compliant-entity, entitled to conduct investment business in all of the European Union (**EU**) / European Economic Area (**EEA**) jurisdictions on a cross-border basis by exercising passport rights and its primary activities comprise:

- Sales of securities;
- Underwriting, distributing and dealing in debt securities;
- Providing corporate finance advice on securities, investments, mergers & acquisitions, capital and financing transactions, and similar transactions.

[1] Legal Entity Identifier (LEI) Code 549300AQWOOF7S8JFF80

2. Risk Governance

2.1 Introduction

WFSE recognises that effective risk management practices help WFSE better serve its customers, maintain and improve its position in the market, ensure the appropriate balance between achieving returns and mitigating risk, and protect its long-term safety, soundness, and reputation. The prudent taking of risk, in line with WFSE's strategy, is fundamental to its future growth. WFSE's business operations are based on conscious and disciplined risk-taking. WFSE believes that independent risk management, compliance and audit processes with proper management accountability are critical to the interests and concerns of its stakeholders. The business growth strategy benefits from areas where WFSE has deep domain expertise, strong client base and robust risk management and governance infrastructure. The WFSE risk culture is supported by the following principles:

- Risk management policies that set out authorities and responsibilities for taking and managing risks;
- A clear risk appetite statement that sets out the types and levels of risk WFSE is prepared to take;
- Active monitoring of risks and taking mitigating actions where they fall outside accepted levels;
- Breaches of risk limits are identified, analysed and escalated, and large, repeated or unauthorised exceptions may result in disciplinary action; and
- Resilient risk controls that promote multiple perspectives on risk and reduce the reliance on single risk measures.

The Board oversees the risk appetite statement and risk profile of WFSE and ensures that business developments are consistent with the risk appetite and strategic goals of WFC.

The WFSE Statement of Risk Appetite (**SoRA**) is comprised of both qualitative and quantitative components and metrics which are monitored on a frequent basis. The SoRA is reviewed on at least an annual basis. The business strategy, key ratios, internal data and issues are used to ensure appropriate calibration of the thresholds.

The Board also reviews and endorses WFSE's risk management activities, which includes the establishment of policies for the control of risk. The Board receives information on the risk profile of WFSE, breaches of risk appetite and external developments that may have some impact on the effectiveness of the risk management activities. It also approves significant changes to risk management policies and approves WFSE's SoRA annually. The Board also ensures that the Wells Fargo risk culture remains strong and that controls are respected by staff. This is achieved by the Board setting clear expectations regarding appropriate behaviours and implemented by WFSE's Senior Management through their leadership actions, communication and organisational governance.

Diversity

WFSE further aims to maintain an inclusive environment in which differences and perspectives are respected and valued. When recruiting members to the Board and Executive Committee, WFSE aims to engage candidates with a broad set of qualities and competencies, to achieve a variety of views and experience and to facilitate independent thinking and sound decision making within the Board and Executive Committee.

2.2 WFSE Committee structure

Whilst WFSE's Executive Committee is in charge of the firm's conduct and its day-to-day activities, WFSE's Board of Directors provides supervision, oversight, including guidance on implementation of business strategy. WFSE is also fully integrated in the international governance framework which oversees Wells Fargo's activities in EMEA and APAC.

WFSE benefits from guidance and oversight provided via the following committees, where WFSE management and / or WFSE Board members participate:

- WFSE Board
- WFSE Executive Committee (ExCo)
- WFSE Asset & Liability Committee (ALCO)
- International Asset & Liability Committee

- International Remuneration Risk Review Committee (IRRRC)
- International Regulatory Reporting Oversight Committee (International RROC)
- International Operating Committee
- International Regional Risk and Control Committee
- International Markets Change Steering Committee
- International CIB Transaction Reporting Steering Committee
- Corporate and Investment Banking New Product Committee (CIB NPC)
- EMEA Clients Assets Steering Committee (EMEA CASS)
- EMEA Legal Entity Outsourcing Committee (EMEA OC)
- EMEA Underwriting Approval Committee (UAC)
- Mergers and Acquisitions Commitment Committee (MACC)

WFSE Board of Directors

The Directors of WFSE as at 31st December 2024 are listed in the following table:

Figure 2.2: WFSE Directors[2]

Directors	No. Directorships
Catherine Mineur	1
Rory Hudson	1
Claire Lanigan	1
Mary Jackson	1
Vincent Hindman	1

The primary responsibility of the Board is to set the business objectives, risk strategies and profile for WFSE, to ensure WFSE's compliance with relevant internal policies and applicable laws, and to monitor WFSE's performance against these parameters.

The Board may determine that it is appropriate to delegate certain of its responsibilities and decision-making powers to ad-hoc or standing committees. The Board has established a governance structure that includes two legal entity specific committees, the ExCo and the ALCO. The ExCo is concerned with the day-to-day management of the Firm. The ALCO provides oversight of the balance sheet, funding, liquidity and capital of WFSE.

The Board oversee the management of material risks as they apply to WFSE, including credit/counterparty credit risk, compliance risk, market risk, operational risk, and others. Further detail on the management of these risks can be found in section 2.4 (Sources of Material Risk) of this document.

2.3 WFSE Risk Management Program

WFSE risk governance is based on a "three lines of defence" governance model, where each line has a specific role and defined responsibilities and works in close collaboration with respect to the risk management program. WFSE's three lines of defence are organised as follows:

1. **Front Line:** The Front Line identifies, assesses, manages, and mitigates risk associated with its activities and balances risk and reward in decision-making, while complying with laws, rules, regulations, and the risk management program. The Front Line comprises WFSE's risk-generating activities, including all activities of its Business Groups and certain activities of its Enterprise Functions. The Front Line is responsible for identifying, measuring, assessing, controlling, mitigating, monitoring, and reporting current and emerging risk exposures associated with its activities and operations.

   The Business Control Executive team also sits in the Front Line, aligned to the line of business. This team ensures effective management of risks across the businesses, consistent with Corporate Risk programs. They understand risks facing the lines of business and coordinate with management and IRM on end-to-

[2] If a Director has more than one Directorship within the WFC group, this is counted as a single directorship.

end business processes, provide consistent implementation of enterprise risk programs, aggregate analytics and reporting, and set consistent standards across the lines of business. In addition, control executives ensure accountability at the line-of-business level for direct implementation and execution of risk-related programs.

2. **Independent Risk Management (IRM)**: The Permanent Control Key Function Holders (WFSE Chief Risk Officer and WFSE Chief Compliance & Anti Money Laundering / Counter Terrorist Financing Officer) are responsible for risk management in the legal entity. These individuals are supported by the International regional risk management group (**International Risk**). IRM establishes, implements, and maintains the risk management program under the direction of senior management, and oversees the Front Line's execution of its risk management responsibilities and independently credibly challenges Front Line risk decisions.

   The Permanent Control Key Function Holders inform business leadership and the WFSE Board of Directors to ensure effective understanding and management of risk within the WFSE legal entity. The goal is to ensure that the Board of Directors has the information and tools it needs to do the following:

   - Understand, monitor and manage the risks in their businesses.
   - Prioritize and mitigate deficiencies.
   - Anticipate future problems.

   WFC has a Corporate Risk group, its primary second line of defence led by the WFC Chief Risk Officer who reports to the Risk Committee of the WFC Board of Directors. To ensure that the risk management oversight of WFSE is conducted in line with the policies and procedures at the corporate level, various WFC Corporate Risk groups maintain a line of sight into WFSE activities with regard to risk management oversight. In International, Corporate Risk conducts most of its oversight activities through the International Risk team which also reports up through WFC Corporate Risk. International Risk incorporates senior risk leaders representing their relevant risk areas across the region where the International Chief Risk Officer (**ICRO**) has overall regional oversight and responsibility of Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Compliance Risk, Reputation Risk, Model Risk, Strategic Risk and Interest Rate Risk in the Banking Book (**IRRBB**).

3. **Internal Audit**: Internal Audit is the third line of defence and is responsible for acting as an independent assurance function.

   The WFSE Head of Internal Audit is part of the global Internal Audit department and has a reporting line to the International Head of Internal Audit. The WFSE Head of Internal Audit is supported by Internal Audit department. Wells Fargo's Internal Audit function is led by the Group Chief Auditor who reports to the Group Audit Committee of the Board of Directors.

   The Internal Audit function is leveraging policies, processes, controls, and systems maintained across the broader Wells Fargo organisation.

Each line of defence generates risk, and each line of defence is responsible for managing the risk it generates in accordance with the Corporate Risk Management Framework.

In addition to the three lines of defence, WSFE's control environment is further strengthened by Enterprise Control Activities (**ECA**), which are specialised activities performed within centralised Enterprise Functions with a focus on controlling a specific risk such as Data and Business Continuity Planning. Functions performing ECAs adhere to the Corporate Risk Management Framework and to the extent applicable, use the common risk tools and processes established by IRM. The ECA for regulatory reporting is Enterprise Control and Oversight (**ECO**). Risk Management in WFSE is subject to continuous review, improvement and augmentation as the business grows.

2.4 Sources of Material Risks and their Management

Key risk types are set out below, along with a summary of the risk management processes adopted:

2.4.1 Credit and Counterparty Credit Risk

Credit Risk at WFSE arises from direct credit exposure to banks with which it has nostro deposit accounts and counterparty credit risk from securities sales activity (mostly settled on a T+2 delivery vs payment (**DVP**) (standard) settlement basis).

WFSE employs the following measures to mitigate Credit and counterparty credit risk (**CCR**):

- Strong credit underwriting and approval of exposures in accordance with the WFSE Counterparty Credit Risk Policy.
- Regular reporting and monitoring of risks.

Concentration risk is not a significant concern for WFSE given the short tenor of the securities buy/sell transactions and the granular nature of the overall portfolio, Concentration risks are mitigated by their consideration as part of limit approval processes and through their reporting and monitoring.

2.4.2 Compliance Risk

The risk resulting from the failure to comply with laws (legislation, regulation, and rules) and regulatory guidance and the failure to appropriately address associated impact, including to customers. Compliance risk encompasses violations of applicable internal policies, program requirements, procedures, and standards related to ethical principles applicable to the banking organisation, Includes Conduct risk and Financial Crimes risk.

WFSE employs the following measures to mitigate Compliance Risk:

- As part of the Enterprise Risk and Control Self-Assessment (**RCSA**) exercise, assess inherent and net risks of the Compliance and Financial Crimes major requirements at the appropriate level, and ensure controls and control procedures are defined and performed;
- The execution of the compliance program is performed through a clearly articulated and well-defined three lines of defence construct, allocating responsibilities regarding compliance risk management between the front line, independent risk management, and Internal Audit;
- Maintenance of policies, procedures, and reference documents to manage compliance risks in support of its compliance program;
- Maintenance of regulatory obligations in a regulatory inventory;
- Reviews and challenge of compliance-related issue management activities;
- Testing and validation of compliance and Financial Crime issues and risks to inform ongoing risk and control self-assessment activities;
- Regular reporting and monitoring of risks.

2.4.3 Model Risk

Model Risk is defined as the risk arising from the potential for adverse consequences of decisions made based on model output that may be incorrect or used inappropriately. Model risk impacts business processes across WFSE and can result in financial loss, poor business decisions, inaccurate financial or regulatory reporting, compliance issues, customer harm, or damage to the Firm's reputation.

Management of model risks

Models are tracked and managed consistently across the Group by the Enterprise Model Risk Management (**MRM**) team, who perform governance and validation activities for all models, including those used by WFSE, regardless of business group or geographical location. WFSE, in common with other International regional entities, relies on specialist teams in the wider Group to carry out model risk management services, including but not limited to:

- Model development;
- Model risk monitoring;
- Model governance and oversight; and
- Model testing and validation.

2.4.4 Operational Risk

Operational risk is defined as the risk of loss or damage to WFSE, resulting from inadequate or failed internal controls, processes, people and systems or from external events. Operational risk is inherent in all of WFSE's activities.

Management of operational risks

Wells Fargo has established a comprehensive, enterprise-wide Operational Risk Management programme, which supports the identification, assessment and management of operational risks.

Wells Fargo has identified and classified all operational risks that it faces as a result of its activities. The Operational Risk Business Oversight function, in partnership with Operational Risk type teams, executes appropriate oversight, reporting and escalation, associated with the operational risk sub-types (Business Resiliency and Disaster Recovery Risk, Change Management Risk, Data Management Risk, Fiduciary and Investment Risk, Financial Reporting Risk, Fraud Risk, Human Capital Risk, Information Management Risk, Information Security Risk, Safety and Physical Security Risk, Technology Risk, Third-Party Risk and Transaction Processing and Execution Risk) to WFSE senior management and the Board of Directors.

2.4.5 Liquidity Risk

The risk arising from the inability of WFSE to meet obligations when they come due, or roll over funds at a reasonable cost, without incurring heightened losses.

WFSE has in place a liquidity risk and limit framework which has a combination of qualitative and quantitative measures underpinning it and include:

- WFSE maintains an Internal Liquidity Adequacy Assessment Process (**ILAAP**) as a part of the Internal Capital Adequacy & Risk Assessment Process (ICARAP) that provides an assessment of the level of liquidity necessary to hold against the risks to which it is exposed.
- Monthly liquidity stress testing is an integral part of WFSE's liquidity risk management practices, ensuring the entity operates within its liquidity risk tolerance.
- Liquidity risk appetite boundaries and other risk metrics are calibrated as part of the ILAAP process and are subject to regular monitoring.
- WFSE maintains a contingency capital and funding plan as a part of the Internal Capital Adequacy & Risk Assessment Process (ICARAP) which can be activated in times of stress and details options available to restore the Firm's liquidity position.
- Financial Assessment Level Framework used by WFC has been incorporated into WFSE's liquidity planning and monitoring processes. This framework shows how a stress develops and the early warning indicators are linked to different levels of assessment within this framework.

WFSE maintains liquidity resources sufficient to stay within limits during normal market conditions and periods of liquidity stress. As at 31st December 2024 under IFR/IFD, WFSE held liquid assets well in excess of the regulatory minimum.

2.4.6 Reputation Risk

The risk arising from the potential that negative stakeholder opinion or negative publicity regarding WFSE's business practices, whether true or not, will adversely impact current or projected financial conditions and resilience, cause a decline in the customer base, or result in costly litigation. Stakeholders include employees, customers, communities, shareholders, regulators, elected officials, advocacy groups, and media organisations.

WFSE has adopted the following processes to manage Reputation Risk, associated with its business:

- A CIB Reputational Risk Council has been established that provides senior management a forum to which reputational risk items can be escalated and dispositioned appropriately.
- Guidance document has been published, and distributed to WFSE Business Divisions to ensure the staff members are aware of the items that require escalation.
- Key Reporting Indicators have been established and are reported and monitored regularly.

2.4.7 Strategic Risk

Strategic Risk is defined as the risk to earnings, capital, or liquidity arising from adverse business decisions, improper implementation of strategic initiatives or inadequate responses to changes in the external operating environment.

Management of strategic risks

WFSE has adopted the following processes to manage Strategic Risk, associated with its business:

- The Internal Capital Adequacy & Risk Assessment Process (**ICARAP**) provides an assessment of the level of capital necessary to hold against the risks to which it is exposed;
- WFSE operates under a Board-approved five-year strategic plan that is subject to a thorough IRM review and credible challenge process;
- SoRA metrics and key risk indicators have been established for WFSE and are subject to regular monitoring and reporting.
- Business goals and targets set out by management are quantified as objectives in the Budget/Business Plan;
- The Board receives quarterly progress reports (budgeting controls) with comparison and explanation for differences between the budget figures and actual results;
- If needed, the Board can define the actions to correct deviations or change the business goals to take account of factors such as earnings volatility or failure to achieve strategic objectives;
- The Corporate and Investment Banking New Product Committee (CIB NPC) provides an official forum where all proposed new products/initiatives, post-implementation reviews, material changes to existing products/initiatives, and Product Portfolio Monitoring Reviews impacting CIB (including those impacting WFSE) are presented for awareness, challenge, and formal approval.

2.4.8 Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book (**IRRBB**) is the risk that market fluctuations in interest rates and/or product spreads can cause a reduction in WFSE's earnings and capital.

Banking book exposures include:

- Short-term intra-group funding (i.e., senior unsecured funding from EVEREN).
- Cash balances, held in nostro accounts, arising from normal funding activities.

Management of interest rate risk

WFSE employs the following measures to mitigate and manage interest rate risk:

- The WFSE ALCO monitors and oversees IRRBB positions in line with WFSE's risk appetite and limits.
- Interest rate risk metrics and thresholds are reported and presented at the ALCO monthly. These metrics are also reviewed and challenged by Balance Sheet, Interest Rate, and Investment Portfolio risk.
- IRRBB is measured and reported in terms of risk to Economic Value of Equity (**EVE**) sensitivity, and Earnings at Risk (**EaR**)/Net Interest Income (**NII**) Stress.

2.4.9 Environmental, Social and Governance Factors

Climate change is expected to affect the various sectors in the economy in different ways. For some sectors, the transition to a low-carbon economy represents a general opportunity, where new products, supply chains, and technologies will be in demand across the globe.

WFSE's focus has continued on strategic initiatives that support client climate-related transition activities, further integrating climate considerations into WFSE's risk management programmes, and addressing WFSE's compliance with legal and regulatory requirements.

WFSE considers climate change as a risk driver which impacts all risk types rather than as a standalone risk, recognising that an increase in the frequency and severity of extreme weather events and natural disasters could disrupt WFSE's operations or the operations of clients or third parties on which WFSE depends.

These enhancements, which will further evolve, are reflected across the WFSE Statement of Risk Appetite ("SoRA") and Risk Appetite Framework.

2.5 Adequacy of risk management arrangements

The Board believes that the risk management framework in place is adequate and proportionate given the size and complexity of the Firm. The framework is embedded and guided by a clearly articulated tolerance for the type of risks faced via the SoRA, which itself is informed by a detailed, robust and regular assessment of material risks. Furthermore, ongoing governance forums allow monitoring of the inherent risk, management effectiveness and residual risk on a periodic basis. It also allows for breaches of qualitative or quantitative risk appetite and/or tolerances to be monitored in line with strategy and business model changes in a timely fashion.

The Board acknowledges that the current macroeconomic environment leads to some uncertainty, however they remain comfortable that the risk profile of the Firm remains aligned with the business strategy and the risks posed are mitigated through the systems of controls and senior management oversight that have been implemented throughout the Firm.

3. Capital Adequacy

Senior management reviews capital and liquidity level on an ongoing basis in the light of changing risk appetite, business needs and changes in the external business and regulatory environment. WFSE undertakes an internal capital and risk assessment process (ICARAP) at least annually which provides the Board with an assessment of its risks and the level of capital necessary to hold against these risks having considered mitigating factors.

The ICARAP uses stress tests that identify the additional impacts on the Firm's ability to meet its capital needs as a result of changes in the external environment, taking into account available management actions.

Capital adequacy risk appetite and early warning indicator boundaries are calibrated as part of the ICARAP process and these are subject to regular monitoring.

Figure 3.1: WFSE Capital Adequacy

EUR '000	Amount
Item	**31-Dec-2024**
Own Funds	128,551.7
Capital Requirements	9,465.0
Capital Surplus	119,086.7

4. Own Funds

Figure 4.1: WFSE Composition of Regulatory Own Funds[3]

	EUR '000	31-Dec-2024	Reference to Annual Financial Statements
1	OWN FUNDS	128,551.7	
2	TIER 1 CAPITAL	128,551.7	
3	COMMON EQUITY TIER 1 CAPITAL	128,551.7	
4	Fully paid up capital instruments	148,877.0	Based on the Share Capital note in the annual financial statements
5	Share premium	0.0	
6	Retained earnings	-20,396.3	Based on the Owner's Equity section of the balance sheet of the annual financial statements
7	Accumulated other comprehensive		
8	Other reserves	71.1	Based on the Owner's Equity section of the balance sheet of the annual financial statements
9	Minority interest given recognition in CET1 capital		
10	Adjustments to CET1 due to prudential filters		
11	Other funds		

[3] Table structure as per the ITS on Supervisory Reporting: https://www.eba.europa.eu/risk-and-data-analysis/reporting-frameworks/reporting-framework-33

Figure 4.2: WFSE Balance Sheet Reconciliation for Own Funds

	EUR '000	31-Dec-2024	Cross reference to EU IF CC1
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
1	**Cash, due from central banks and postal current accounts**	**128,594.9**	
2	**Tangible fixed assets**	**3,324.4**	
3	Other tangible assets	2,424.7	
4	In-progress fixed assets	899.7	
5	**Other financial assets**	**451.1**	
6	**Other assets**	**3,820.9**	
7	**Regularisation accounts**	**1,136.1**	
8	Prepayments	570.1	
9	Accrued Income	565.9	
10	**Total assets**	**137,327.4**	
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial			
1	**Other Debts**	**1,196.1**	
2	**Other liabilities**	**7,457.1**	
3	Accounts payables and related payables	418.4	
4	Payroll liabilities - Employees	5,370.8	
5	Payroll and debts to social instructions	254.5	
6	Tax payable	1,413.5	
7	**Accrued expenses**	**122.4**	
8	**Total Provisions**	**0.0**	
9	**Total Liabilities**	**8,775.6**	
Shareholders' Equity			
1	Capital	148,877.0	Row 4: Table 4.1.
2	Reserves	71.1	Row 8: Table 4.1.
3	Retained earnings	-33,517.2	Row 6: Table 4.1
4	Net income	13,120.9	Row 6: Table 4.1
5	**Total Shareholders' equity**	**128,551.7**	Row 1: Table 4.1.

Figure 4.3: Own instruments issued by the firm

		CET 1
1	Issuer	WFSE
2	Unique identifier	N/A
3	Public or private placement	Private
4	Governing law(s) of the instrument	France
5	Instrument type	Ordinary Shares
6	Amount recognised in regulatory capital	1,000
7	Nominal amount of instrument	EUR148,877
8	Issue price	EUR148,877
9	Redemption price	N/A
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	No
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
22	Existence of step up or other incentive to redeem	N/A
23	Non-cumulative or cumulative	N/A
24	Convertible or non-convertible	Non-convertible
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A
(1) Insert ‘N/A’ if the question is not applicable		

5. Capital Requirements

WFSE calculates its Pillar 1 capital requirements under Article 11 under IFR. Investment firms must always have own funds that is the highest of the following:

(a) Their fixed overheads requirement calculated in accordance with Article 13;

(b) Their permanent minimum capital requirement in accordance with Article 14; or

(c) Their K-factor requirement calculated in accordance with Article 15.

WFSE's limiting requirement is the Fixed Overhead requirement. 2023 year end capital requirements were calculated under requirements laid down in CRR. These are not directly comparable to the IFR calculation and, therefore, have not been discussed below. Please refer to the 2023 WFSE Pillar 3 disclosures for these figures.

Figure 5.1: WFSE Capital Requirements

EUR '000	Amount
Item	**31-Dec-2024**
Capital Requirements	**9,465**
K-Factor Capital Requirements	**1,185**
Risk to client	
K-CMH - Client Money Held	1
Risk to firm	
K-TCD - Trading Counterparty Default	301
K-DTF - Daily Trading Flow	883
Risk to market	
K-NPR - Net Position Risk	0
Fixed Overheads Requirement	**9,465**
Permanent Minimum Requirement	**750**

6. Remuneration

WFSE's ultimate parent company, Wells Fargo & Company has enterprise-wide remuneration policies and practices, namely the Wells Fargo Incentive Compensation Risk Management Policy, Performance Management Policy and other key policies (**Corporate Policy and Practices**).

Remuneration is regulated in articles L511-71 to L511-88 of the French Financial and Monetary Code, Article 198 of the French Order of 3 November 2014 on internal control as modified and the EBA IFD Guidelines.

WFSE (as authorized and regulated by the "*Autorité de contrôle prudential et de résolution* (**ACPR**) and the "*Autorité des marchés financiers* (**AMF**)) complies with the principles and requirements applying to investment firms regarding remuneration as set out in the EU Investment Firms Regulation / Directive ("IFR/IFD") as applicable to Class 2 investment firms[4] and as transposed into French law in the case of the IFD. The European Banking Authority (**EBA**) Guidelines on Sound Remuneration Policies dated 22 November 2021 and other relevant materials produced by the EBA (the "**EBA IFD Guidelines**" and the Final Report on draft regulatory technical standards of 21 January 2021 on the criteria to identify material risk takers under Directive (EU) 2019/2034 have been considered in developing the approach to remuneration.

[4] Since 30 June 2021, WFSE had been classified as a "Class 2 - Investment Firm" reporting under IFR/IFD regulatory regime. However, WFSE was required by *Autorité de contrôle prudential et de résolution* (**ACPR**) to transition to CRR2 from 30 June 2022 using the ACPR's discretion as local authority according to IFD Article 5.1. As of 30 June 2024, WFSE has transitioned to IFR/IFD prudential regime and is no longer subject to CRR2. However, from the Remuneration perspective, IFR/IFD applies from 1 January 2024.

Remuneration is designed to ensure that WFSE, complies with the regulatory requirements under the EU Investment Firms Regulation / Directive ("IFR/IFD") for the performance year 2024 to maintain a sound capital base.

Governance

The WFSE Board is responsible for overseeing the application of the approval and EMEA Remuneration Policy and its compliance with applicable laws, rules, regulations and regulatory guidance within the overarching framework of Wells Fargo policy.

The EMEA Remuneration Policy and Corporate Policies and Practices are designed to avoid conflicts of interest with clients and regulatory obligations, in particular with regard to using profit-based measures to determine financial performance of the individual, business units and entities, and the assessment of non-financial performance.

No amendment to or exception from the WFSE Remuneration Policy can be made without the express approval of the WFSE Board.

Remuneration Philosophy

The EMEA Remuneration Policy and framework is consistent with Wells Fargo's key compensation principles:

a. **Pay for performance.** Compensation is linked to company, business group and individual performance, including meeting regulatory expectations and creating long-term value consistent with the interests of shareholders.

b. **Promote effective risk management.** Compensation promotes effective risk management and discourages imprudent or excessive risk-taking.

c. **Attract and retain talent.** People are one of WFSE's competitive advantages. Therefore, compensation helps attract, motivate, and retain people with the skills, talent, and experience to drive superior long-term company performance.

WFSE does not pay variable remuneration through vehicles or methods that facilitate non-compliance with the obligations set out in the Remuneration Requirements.

WFSE only offers buyouts to new joiners on an exceptional basis. Any such buyouts are determined in accordance and compliance with the Remuneration Requirements, align with the long-term interests of WFSE and Wells Fargo more generally, and are subject to suitable retention, deferral, and performance and clawback arrangements.

Guaranteed variable remuneration is not part of WFSE's remuneration approach and is discouraged in keeping with the Corporate Policy and Practices. If any guaranteed payments are offered on an exceptional basis, International Human Resources (**HR**) will ensure adherence to the provisions of applicable Remuneration Requirements, including application of deferral, retained non-cash instruments, malus clawback arrangements as required.

In accordance with the Remuneration Requirements, the International HR function must ensure that any early termination payments for Identified Staff reflect performance achieved over time, do not reward for failure or misconduct, are made consistent with appropriate risk management. Any severance payments to Identified Staff, are made in compliance with the requirements of section 9.3 of the EBA IFD Guidelines. The entity approach to determining termination payments is in line with the framework set out in the Corporate Policies and Practices.

WFC and WFSE's pension policies are in line with business strategy, goals, expectations and long-term interests. WFSE does not provide discretionary pension benefits to employees.

Total Remuneration

Total remuneration of WFSE staff, including Identified Staff, may comprise a mix of fixed remuneration (i.e. base salary, fixed allowances – including role-based allowances, non-discretionary pension and other benefits) and variable remuneration (i.e. annual and deferred incentives).

Both components of remuneration (fixed and variable) may include monetary payments or benefits (such as cash, equity, or equity-linked instruments) or non-monetary benefits (such as health insurance, fringe benefits etc.). Ancillary payments or benefits that are part of a general, non-discretionary, Wells Fargo-wide policy and pose no incentive effects in terms of risk assumption are not covered by the EMEA Remuneration Policy.

There is a clear distinction in the criteria for setting fixed remuneration and variable remuneration:

Fixed Remuneration: Wells Fargo sets a base salary target for each job, considering local market survey data, the skills and experience required for the job, and the appropriate proportion of variable compensation. Generally, employees are paid a rate of base salary within the identified range for the job, considering their individual skills and experience. To the extent a functional job title is not available Enterprise HR will determine an appropriate match until a functional job title is identified.

Variable Remuneration: An incentive opportunity is set for most jobs and is informed by market data and careful consideration is given so that the mix of remuneration (fixed and variable) does not provide total cash compensation in excess of the job's Total Compensation maximum (or other risk appropriate) limit. Variable Remuneration outcomes are also determined by the performance measures and risk adjustments set out in the Corporate Policies and Practices as well as individual performance outcomes measured against performance goals and reflecting long-term performance.

Performance Management

WFSE has clear and verifiable mechanisms for measuring performance, with risk adjustment applied thereafter. The Corporate Policy and Practices provides for consideration of:

- financial (company and Business Group) performance and individual performance;
- other financial and non-financial metrics including those related to ESG; and
- the linkage between compensation and compliance within the context of WFSE and Wells Fargo's policies, guidelines and risk appetite, business strategy, corporate culture and expectations, long-term interests of WFSE, and the specific regulatory requirements in France.

Assessments of financial performance for WFSE, its businesses or individuals, are based principally on profits. Non-financial metrics for WFSE include adherence in general with regulation in France and, where appropriate, other relevant overseas regulatory requirements and effective risk management. Certain non-financial metrics may override metrics of financial performance, as appropriate.

WFSE's remuneration arrangements are based on the principle that a multi-year framework (in the context of expectations set out by the ACPR and EBA IFD Guidelines) must be considered in the assessment of an Identified Staff member's variable remuneration so that the assessment process is appropriately based on longer-term performance and where appropriate, to ensure that the actual payment of performance-based components of remuneration is spread over a multi-year period which takes account of the underlying business cycle firm and risks.

Risk Management

Performance measures are specifically adjusted for risk considerations and allocation of incentive spend is directly related to this. In particular, at the EMEA-wide level, the International Chief Risk Officer must present an ex ante risk report of considerations over and above the mechanisms within incentive plans to the International Remuneration Risk Review Committee (I**RRRC**). This assessment is also presented to the WFSE Board by the WFSE CRO. The IRRRC provides updates (and, if relevant, recommendations) to the WFSE Board on the outcome of its assessments throughout the year.

Conflicts of Interest

The EMEA Remuneration Policy and Corporate Policies and Practices are designed to avoid conflicts of interest with clients and regulatory obligations, in particular with regard to using profit-based measures to determine financial performance of both the individual and business units and the assessment of non-financial performance.

In alignment with the Incentive Compensation Risk Management Policy, employees of WFSE's control functions are groups that must remain independent of the businesses they align to. Methods used for determining the variable remuneration of control functions do not compromise employee's objectivity and independence. To assure this, Wells Fargo has adopted a corporate standard applicable to the incentive compensation arrangements for control functions, the key features of which are as follows:

- All incentive-eligible control function employees must be subject to the Wells Fargo Bonus Plan. They are not eligible for incentive compensation under any other incentive compensation arrangement, including any which relate to business performance.
- Control functions may not have a financial performance objective unless it is related to expense management, business strategy, or risk mitigation activities.
- All incentive plans, including those with sales incentive targets, have robust risk management controls and are subject to the employee meeting risk and compliance goals.

All WFSE employees are prohibited from undertaking personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements. They are also subject to the EMEA Personal Account Dealing Policy, which requires them to declare personal dealing accounts for themselves and connected persons and attest annually that they have declared all such accounts and the necessary steps are taken to ensure that all associated trades are monitored.

Bonus Cap 2024

Under 13.2 of the EBA IFD Guidelines, Investment firms may set different ratios for different jurisdictions, different business units, corporate and internal control functions and different categories of staff, e.g. identified staff, unidentified staff responsible for managing assets, sales staff, staff in control functions or staff within administrative functions. The variable component of remuneration for Identified Staff may not exceed 200% of the fixed component of total remuneration. This was approved by the WFSE Board in 2024.

Variable Annual Incentives[5]

Identified Staff are subject to the terms of Wells Fargo's incentive compensation plans – as summarised in the Corporate Policies and Practices. Per the terms of the Identified Staff Incentive Payout Structure (Overlay Plan), at least 40% of variable remuneration awards made to Identified Staff are deferred, to reward them for sustained performance over the medium and long term, for a period of between three and seven years.At least 60% of variable remuneration awards made to Identified Staff are deferred if variable remuneration is greater than GBP500,000 or EUR500,000 per the terms of the Overlay Plan.

WFSE Board is responsible for overseeing that any variable remuneration awarded to Identified Staff, including any deferred portion, is paid or vests only if it is sustainable according to the situation of WFSE as a whole, and justified according to the performance of WFSE, the business group and Identified Staff member concerned. Accordingly, the WFSE Board has the ability to reduce awarded but unvested deferred variable remuneration (including both share-based and cash-based components) ("**malus**") and/or to clawback vested deferred variable remuneration in situations where the entity determines a malus or clawback event has occurred. Malus and clawback events are detailed in the EMEA Malus & Clawback Policy.

[5] The definition of 'Identified staff' includes any individual who meets any of the criteria set out in Articles 3 to 5 of Commission Delegated Regulation (EU) No 604/2014 (criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile).

Remuneration Expenditure

The following table shows remuneration paid to 2024 WFSE Identified Staff who are remunerated for their services to WFSE[6]. Variable remuneration for 2024 performance year was paid or awarded in 2025.

Figure 6.1: Remuneration Expenditure for Identified Staff

Remuneration Type	EUR'000 31-Dec-2024 All Material Risk Takers
Total Remuneration	**5,825**
of which:	
Fixed Remuneration[7]	**3,328**
Variable Remuneration	**2,497**
of which:	
Cash	**1,276**
Upfront	*729*
Deferred	*547*
Shares / RSRs	**1,221**
Upfront	*665*
Deferred	*556*
Number of Staff	**9**

Note, in the table above the disclosed values are aggregated for both senior management (eight) and other members of staff (one). This is in order to preserve the confidentiality of the one other member of staff.

Figure 6.2: Guaranteed Variable Remuneration and Severance Payments

Remuneration Type	EUR'000 31-Dec-2024 Senior Management
Severance payment awarded in prior years paid in the current year	867

There was no guaranteed variable remuneration or severance payments awarded in the period.

The following table provides a summary of deferred remuneration for 2024 WFSE Identified Staff who are remunerated for their services to WFSE[8].

Figure 6.3 Deferred Remuneration for Identified Staff

Remuneration Type	EUR'000 31-Dec-2024 Senior Management
Deferred Remuneration from previous years	**2,056**
Vested in 2024[9]	*367*
Vesting after 2024	*1,689*

The information contained in these disclosures has not been audited and does not constitute a financial statement of WFSE or WFC.

[6] Only Identified Staff employed by the entity have been included in the reporting. Where appropriate, remuneration has been pro-rated to reflect WFSE employment and Identified Staff status.
[7] Fixed remuneration includes salaries, fixed allowances, company-paid benefits and pension contributions.
[8] Deferred remuneration may relate to compensation awarded by other Wells Fargo entities.
[9] No performance adjustments were made to deferred remuneration in the financial year.