

# **WELLS FARGO BANK INTERNATIONAL UNLIMITED COMPANY**

Pillar 3 Disclosures

For the year ended 31 December 2023

# Table of Contents

## Contents

1. Introduction	4
1.1. Overview	4
1.2. Scope of Disclosure	5
1.3. WFBI Background	5
1.4. Legal Structure	6-6
1.5. Pillar 3 Disclosure Policy	8
2. WFBI Corporate Governance	9
2.1. Introduction	9
2.2. The WFBI Board	9
2.3. WFBI Board Committee Structure	9-9
2.4. WFBI Board Directors (Template EU OVB)	11-11
2.5. WFBI Board Committees	13-14
2.6. Sub-Committees of WFBI Board Committees	15
3. Capital Adequacy and Key Metrics	18
3.1. Capital Adequacy	18
3.2. Key Metrics (Template EU KM1)	18-18
3.3. Key Metric Commentary	19-19
4. WFBI's Risk Management Approach (Table EU OVA)	21
4.1. Risk statement approved by the management body	21-21
4.2. Risk Governance Structure	22
4.3. Risk Reporting and Risk Measurement	23
4.4. Environmental, Social and Governance Factors	23
4.5. Adequacy of the Risk Management Arrangements	23
5. Credit Risk (Table EU CRA)	24
5.1. Risk Framework and Culture	24
5.2. Credit Risk Governance	24
5.3. Credit Risk Decision-Making, Escalation and Challenge	25
5.4. Credit Risk Management and Control Function	25
6. Operational Risk (Table EU ORA)	26
6.1. Risk Management Objectives and Policies	26
6.2. Operational Risk Governance	26
6.3. Operational Risk Reporting	27
7. Market Risk (Table EU MRA)	27
7.1. Management of Market Risk	27-27
7.2. WFBI Economic Value Methodology	28
7.3. WFBI Earnings Methodology	29
8. Liquidity Risk Management (Table EU LIQA)	29
8.1. Management of Liquidity Risk	30
8.2. Liquidity Planning & Assessment	30-30
8.3. Liquidity Risk Governance	31
8.4. Risk Appetite and Measures	31
8.5. Funding & Liquidity Monitoring and Reporting	32
8.6. Contingency Capital and Funding Plan and Recovery Plan	32
9. Remuneration Disclosures	33
9.1. Introduction	33
9.2. Governance (Table EU REMA)	33-33
9.3. Remuneration Structure	33-35
9.4. Remuneration Expenditure (Template EU REM1)	37
9.5. Special Payments (Template EU REM2)	38
9.6. Deferred remuneration (Template EU REM3)	39
9.7. Remuneration of 1 million EUR or more per year (Template EU REM4)	38
10. Reconciliation of Regulatory Own Funds (Template EU CC2)	40
11. Overview of total risk exposure amounts (Template EU OV1)	41
12. Composition of Regulatory Own Funds (Template EU CC1)	42-47
13. Credit quality of forborne exposures (Template EU CQ1)	48
14. Credit quality of performing and non-performing exposures by past due days (EU CQ3)	49-50
15. Performing and non-performing exposures and related provisions (EU CR1)	51-52
16. Collateral obtained by taking possession and execution processes (EU CQ7)	53
Appendix 1: WFBI Board Directors: Knowledge, experience and expertise	54-55
Appendix 2: Glossary	56-57

## List of Figures & Tables

### Figures

Figure	Description	Page(s)
Figure 1	WFBI Legal Structure	6
Figure 2	WFBI Board Committee Structure	9
Figure 3	Executive Committee Structure	17

### Tables

Table	Description	Page(s)
EU OVB	Disclosure on Governance Arrangements	11
EU KM1	Key Metrics	18-18
EU OVA	WFBI's Risk Management Approach	21 - 23
EU CRA	General qualitative information about Credit Risk	24 - 25
EU ORA	Qualitative information on Operational Risk	26 - 27
EU MRA	Qualitative Disclosure Requirements related to Market Risk	27 - 28
EU LIQA	Liquidity Risk Management	29 - 32
EU REMA	Remuneration Policy	33 - 35
EU REM1	Remuneration awarded for the financial year	37
EU REM2	Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	38
EU REM3	Deferred Remuneration	39
EU REM4	Remuneration of 1 million EUR or more per year	38
EU CC2	Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements	40
EU OV1	Overview of total risk weighted exposure amounts	41
EU CC1	Composition of regulatory own funds	42 - 47
EU CQ1	Credit quality of forborne exposures	48
EU CQ3	Credit quality of performing and non-performing exposures by past due days	49-50
EU CQ4	Performing and non-performing exposures and related provisions	51-52
EU CQ9	Collateral obtained by taking possession and execution processes	53

# 1. Introduction

## 1.1. Overview

Wells Fargo Bank International Unlimited Company<sup>1</sup> (“WFBI” or “the Company”) is a public unlimited company incorporated in the Republic of Ireland. On 1 March 2023 the ownership structure of WFBI was simplified. WFBI’s direct parent company, Wells Fargo International B.V. (“WFIBV”), a holding company incorporated in the Netherlands, and a subsidiary of Danube 1 Limited Partner LLC (United States), was liquidated. With effect from 1 March 2023, Danube 1 Limited Partner LLC (United States) became the direct parent undertaking of WFBI.

Danube 1 Limited Partner LLC is a wholly owned, direct subsidiary of Wells Fargo Bank, National Association (“WFBNA”), with the latter being a wholly owned indirect subsidiary of the ultimate parent incorporated in the United States, Wells Fargo & Company (“WFC”). WFC, together with its subsidiaries, form the Wells Fargo Group (“Group”).

As the immediate parent of WFBI at 31 December 2023 is a US entity, WFBI is no longer part of an EU prudential consolidated group. Therefore, the Pillar 3 disclosures laid out in this document are prepared for WFBI on a solo basis and prior year comparatives have been restated from a WFIBV consolidated basis to a WFBI solo basis.

WFBI is subject to Irish and European Union legislation which seeks to stabilise and strengthen the EU financial system by ensuring that institutions, including the Company, hold adequate capital to meet the potential impact of the risks to which the Company is exposed. The European Union legislation is structured around three “pillars”:

- a. Pillar 1 minimum capital requirements; and
- b. Pillar 2 supervisory review process; both are complemented by
- c. Pillar 3 market discipline.

Under Pillar 3, institutions are required to publicly disclose specified information including the scope of application by the institution of the Basel framework that has been enacted through the European Union legislation, their capital condition, risk exposures and risk management processes, and hence their capital adequacy. The Pillar 3 disclosures also include the remuneration disclosures required by the Capital Requirements Regulation<sup>2</sup> (“CRR”).

This report represents WFBI’s Pillar 3 disclosures as at 31 December 2023. The quantitative disclosures in this document are calculated under standardised approaches as set out in the CRR.

This document is prepared in accordance with the disclosure requirements set out under Part Eight of the CRR, associated implementing legislation and guidelines issued by the European Banking Authority (“EBA”) and WFBI’s Pillar 3 disclosure policy. The Pillar 3 disclosures are subject to a formal governance process, with oversight from Independent Risk Management (“IRM”) and are reviewed by the WFBI Board Risk Committee and recommended to the WFBI Board. The Pillar 3 disclosures are approved by the WFBI Board.

This document does not constitute a set of financial statements, should not be relied upon in making any financial or investment decision and is not subject to an external audit. The WFBI audited financial statements are prepared in accordance with the applicable Irish company law and International Financial Reporting Standards (“IFRS”), are externally audited by Mazars and approved by the WFBI Board.

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<sup>1</sup> WFBI’s Legal Entity Identifier (LEI) is SX0CI4F7GVW5530ZMN03

<sup>2</sup> Capital Requirements Regulation (EU) 575/2013

## 1.2. Scope of Disclosure

Noting the ownership change on as described in section 1.1, WFBI's Pillar 3 disclosures are prepared on a solo basis as at 31 December 2023, and the comparatives have been restated to a solo basis.

As WFBI does not meet the CRR definition for Large Institution<sup>3</sup> or Small and Non-Complex Institution<sup>4</sup>, its disclosures are defined in CRR Article 433c. WFBI is a non-listed institution, and is therefore required to disclose the following information on an annual basis:

- a. points (a), (e) and (f) of CRR Article 435(1) - Disclosure of risk management objectives and policies;
- b. points (a), (b) and (c) of CRR Article 435(2) - Disclosure of risk management objectives and policies;
- c. point (a) of CRR Article 437 - Disclosure of own funds and eligible liabilities;
- d. points (c) and (d) of CRR Article 438 - Disclosure of own funds requirements and risk-weighted exposure amounts;
- e. the key metrics referred to in CRR Article 447 - Disclosure of key metrics; and
- f. points (a) to (d) and (h) to (k) of CRR Article 450(1) - Disclosure of remuneration policy.

Certain additional disclosures apply to large subsidiaries on an individual basis. However, WFBI does not meet the definition of a large subsidiary.

## 1.3. WFBI Background

WFBI is a public unlimited company incorporated in the Republic of Ireland and a wholly owned, subsidiary of Danube 1 Limited Partner LLC (United States). Danube 1 Limited Partner LLC is a wholly owned, direct subsidiary of Wells Fargo Bank, National Association ("WFBNA"), with the latter being a wholly owned indirect subsidiary of the ultimate parent incorporated in the United States, Wells Fargo & Company ("WFC"). WFC, together with its subsidiaries form the Wells Fargo Group ("Group").

WFBI is headquartered in Dublin and operates a branch in Frankfurt, Germany, which also encompasses an office in Düsseldorf. WFBI has no subsidiaries. WFBI is passported under the European Union ("EU") Banking Consolidation Directive, and accordingly is permitted to undertake a broad range of banking and financial services activities across the European Economic Area, through its headquarters, branch and on a European cross-border basis.

WFBI is a deposit taking entity regulated by the Central Bank of Ireland ("CBI") and as an indirect wholly owned subsidiary of WFBNA, is also subject to regulation and examination by the Office of the Comptroller of the Currency (United States Department of the Treasury). WFBI is also subject to regulation by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") which performs conduct and anti-money laundering ("AML") supervision for activities undertaken by the Branch.

WFBI's principal activity is the provision of lending facilities and the sale of banking products.

WFBI has five Lines of Business ('LoB') under the WF Group Corporate Investment Banking and Commercial Banking LoBs:

- a. Corporate and Investment Bank
  - Commercial Real Estate
  - Corporate Banking Group (includes Energy)
  - Financial Institutions
  - Markets (includes Secured Funding and Assets Backed Finance)
- b. Commercial Bank
  - Wells Fargo Credit Solutions (includes Distribution Finance, Channel Finance, Asset Backed Lending and Commercial Banking Client Coverage)

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<sup>3</sup> As defined in CRR Article 4(146)

<sup>4</sup> As defined in CRR Article 4(145)

## 1.4. Legal Structure

WFC is a diversified, community-based financial services company with a traditional commercial-banking operating structure and a predominantly United States (U.S.) presence. Headquartered in San Francisco, California, U.S., WFC provides banking, insurance, investments, mortgage, and consumer and commercial finance to its customers. It is a corporation organized under the laws of Delaware and a financial holding company and a bank holding company registered under the U.S. Bank Holding Company Act of 1956, as amended. Its principal business purpose is to act as a holding company for its subsidiaries.

WFC is regulated by the Federal Reserve, the Office of the Comptroller of Currency, the Federal Deposit Insurance Corporation, and various state regulatory bodies in which WFC and its subsidiaries operate. WFC is listed on the New York Stock Exchange.

WFC had \$1.9 trillion in assets as of 31 December 2023. Wells Fargo's strategy, diversified business model and the breadth of its geographic reach facilitate growth in both strong and weak economic cycles, enabling it to grow by expanding the number of products customers have, gain new customers in extended markets, and increase market share in many businesses.

WFC has the following long term issue rating credit ratings:

- a. Standard & Poor's: BBB+;
- b. Fitch Ratings: A+; and
- c. Moody's: A1.

WFBI has the following long term issue rating credit ratings:

- a. Standard & Poor's: A+; and
- b. Fitch Ratings: A+.

## 1.4. Legal Structure (continued)

WFBI's ownership structure as at 31 December 2023 is outlined below and includes WFBNA (US), Danube I Limited Partner LLC, a US holding company who hold 100% of the share capital in WFBI.



Notes:

1. All ownership amounts are 100%
2. - - - - Denotes the scope of these Pillar 3 Disclosures

## 1.5. Pillar 3 Disclosure Policy

These Pillar 3 disclosures have been prepared in accordance with CRR requirements and in accordance with the WFBI's Pillar 3 Disclosure Policy, the key elements of which are set out below.

### Frequency

The CRR requires WFBI to disclose information at a minimum on an annual basis. To ensure the effective communication of WFBI's business and risk profile, WFBI also pays particular attention to the possible need to provide information more frequently than annually.

### Verification

The Pillar 3 document is subject to internal verification including a robust internal review and formal governance processes in line with the WFBI Pillar 3 Disclosure Policy. Certain information is sourced from WFBI financial statements which are subject to audit by WFBI external auditors, Mazars, and subject to both internal and external review, as part of its comprehensive governance structure.

The WFBI Pillar 3 Disclosure Policy is prepared in accordance with CRR Article 431. Under this article WFBI is required to adopt a formal policy to comply with the disclosure requirements included in Part Eight of the CRR, including applicable guidelines issued by the EBA.

The WFBI Pillar 3 Disclosure Policy is approved by the WFBI Risk Committee and sets out the framework of internal controls and procedures for assessing the completeness and comprehensiveness of public disclosures, including verification and frequency of the disclosures.

The key elements of the Policy are as follows:

- Purpose of Pillar 3 Policy;
- Scope of disclosures;
- Disclosure requirements;
- Control processes for disclosures;
- Governance of the disclosures; and
- Roles and responsibilities

The WFBI Pillar 3 Disclosure Policy requires that the WFBI Chief Financial Officer ("CFO") and WFBI Chief Risk Officer ("CRO"), attest in writing that the Pillar 3 disclosures have been prepared in accordance with the internal control processes as detailed in the Policy.

## **2. WFBI Corporate Governance**

### **2.1. Introduction**

WFBI has a strong corporate governance framework that governs its board structure and composition and is supported by Board policies and Charters, Committee Terms of Reference, Board and senior management training and a detailed corporate governance handbook in accordance with the requirement of the Central Bank of Ireland Corporate Governance Code for Credit Institutions 2015 and the EBA Guidelines on Internal Governance under Directive 2013/36/EU (EBA/ GL/2021/05).

WFBI is committed to the highest standards of corporate governance which is achieved through individual accountability, integrated decision-making and adherence to high standards of risk management. The WFBI Board has overall responsibility for ensuring that good corporate governance practices and robust systems of internal controls exist within WFBI. Customer centricity is a core value underpinning decisions and actions taken by WFBI employees, WFBI Senior Management and the WFBI Board.

The WFBI Board Charter and Governance Guidelines outline the authorities the WFBI Board has delegated to board committees, the WFBI executive and the WFBI board sub-committees, to act on behalf of the Board in respect of certain matters, in order to discharge its duties.

### **2.2. The WFBI Board**

The business of WFBI is controlled and managed under the direction and oversight of the Board with the Board being the ultimate decision-making body of the Company retaining primary responsibility for corporate governance within WFBI. The Board monitors and oversees the Company's operations, ensuring competent and prudent management, appropriate risk management structures, sound planning and proper procedures for the maintenance of accounting and other records. It also ensures the operation of systems of internal control, and ongoing compliance with all statutory and regulatory obligations.

The WFBI Board is responsible for the oversight of each of its committees and each respective committee chair, who are Independent Non-Executive members of the Board, reports to the WFBI Board. At a minimum each board committee reports quarterly to the WFBI Board escalating matters and putting forward recommendations or information for awareness to the Directors. Within the WFBI governance structure, each sub-committee reports up through the appropriate governance path by way of the relevant board committees on a quarterly basis and as required on an ad hoc basis.

### **2.3. WFBI Board Committee Structure**

The WFBI Board has the following committees

1. WFBI Nominations/Remuneration Committee ("WFBI NomRemCo");
2. WFBI Audit Committee ("WFBI AuditCo"); and
3. WFBI Risk Committee ("WFBI RiskCo").

Other relevant committees

1. WFBI Credit Committee ("CRCO");
2. Wells Fargo EMEA Remuneration Risk Review Committee ("ERRRC");
3. Wells Fargo EMEA New Initiatives Committee ("EMEA NIC"); and the
4. Wells Fargo EMEA Legal Entity Outsourcing Committee ("EMEA LE Outsourcing Co").

Furthermore, the WFBI Board has delegated certain authority to the WFBI Chief Executive Officer ("CEO") who sponsors and chairs the WFBI Executive Committee ("WFBI ExCo").

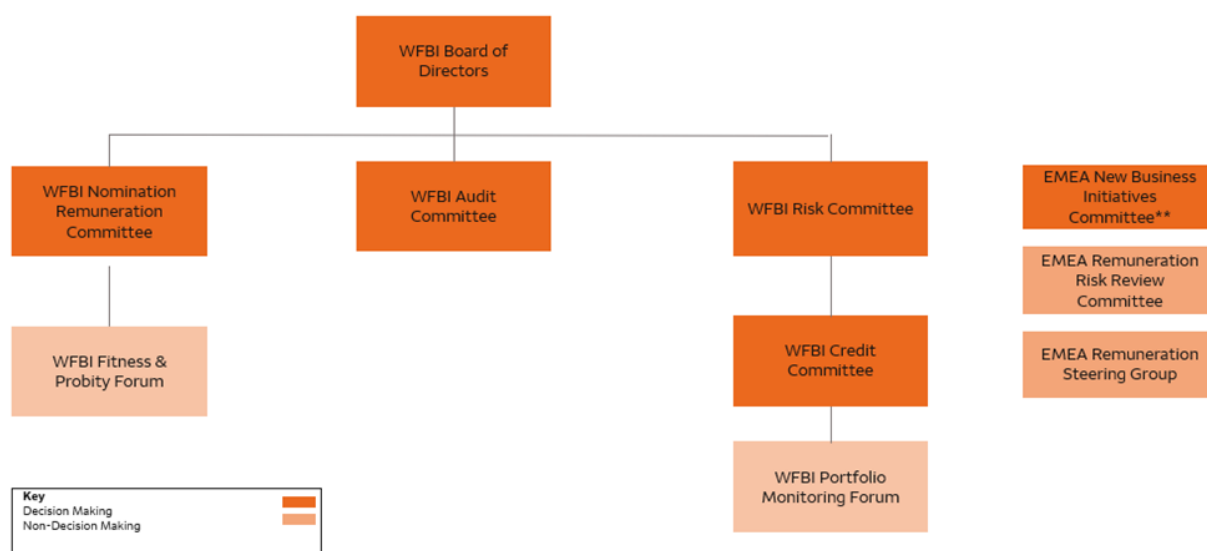
The Terms of Reference of each committee documents the remit of activities delegated to it by the WFBI Board. Each board committee reports regularly to the WFBI Board escalating matters for consideration and putting forward recommendations or information for awareness. In all instances the

## 2.3. WFBI Board Committee Structure (continued)

WFBI Board retains responsibility for all matters delegated. The WFBI Board is responsible for the oversight of each of its committees and each respective committee Chair reports to the WFBI Board.

The WFBI Board approved governance framework is the mechanism by which the WFBI Board and the WFBI ExCo oversee their responsibilities in running the Company. WFBI has in place an Executive team, reporting to the WFBI CEO. This is designed to ensure accountability within the entity as well as to ensure the WFBI CEO has oversight, control, influence and input into decision making.

Figure 2 WFBI Board Committee Structure:



\*\*Any EMEA NIC decisioning related to WFBI activities requires both WFBI delegates for quorum

The WFBI Corporate Governance Framework & Handbook (“the Handbook”) is aligned with the ‘Wells Fargo EMEA Governance Framework’ and sets out the principles and processes by which WFBI is directed and controlled. It provides an overview of the key functions, frameworks and foundational documents in place to support the effective management of WFBI. The WFBI Board and the executive-level governance committee structure is designed to ensure clear lines of accountability and responsibility.

## 2.4. WFBI Board Directors (Template EU OVB)

Table 1: WFBI Board Directors and Number of Directorships

	<b>Board Member</b>	<b>WFBI Board Sub-Committee Membership</b>	<b>Total Directorships</b>	<b>Total Directorships (Excluding non-commercial directorships &amp; counting group directorships as one)</b>
Peter Keegan	Independent Non-Executive Director (Chair of the WFBI Board)	Nomination/ Remuneration Committee and WFBI Risk Committee	2	1
Fiona Gallagher	Executive Director		3	1
Mark Jacob	Independent Non-Executive Director	Risk Committee (Chair) and Audit Committee	3	2
Gervaise Slowey	Independent Non-Executive Director	Nomination/ Remuneration (Chair), Risk Committee and Audit Committee	5	2
Fiona Tierney	Independent Non-Executive Director	Audit Committee (Chair) and Nomination/ Remuneration	4	1
Louise Li (UK)	Group Non-Executive Director		1	1
Mary Katherine Dubose (US)	Group Non-Executive Director	Risk Committee	2	2
John Langley	Group Non-Executive Director		3	3
John Cotter	Executive Director		1	1

The knowledge, experience and expertise of the individual WFBI Board Directors is set out in Appendix1.

## **2.4. WFBI Board Directors (Template EU OVB) (continued)**

### **Recruitment policy for the selection of members of the Board**

In respect of the Board composition, WFBI has established principles that form the basis for WFBI's Board and committee composition. These include the size of the board, the number of committees and diversity, tenure and required time commitment for directors.

The WFBI Board has delegated responsibility to the WFBI NomRemCo to review and make recommendations to the WFBI Board regarding Board and Board Sub-Committee composition and effectiveness. WFBI NomRemCo performs board composition reviews twice a year in parallel with board and senior management succession reviews. The composition of the board is designed to ensure there is an appropriate level of independence and diversity of skills and experience that align with the business activities of WFBI. The WFBI Board complies with all applicable regulatory requirements with respect to the composition of the Board including the Corporate Governance Requirements for Credit Institutions, the CBI's Fitness and Probity Regime and the Joint ESMA/ EBA Guideline of the suitability of members of the management body and key function holders ("Suitability Guidelines").

### **Diversity policy with regard to the members of the Board**

The WFBI Board promotes diversity on the Board and the approach to diversity which considers various aspects of diversity including educational and professional background, gender, geographical provenance, social and ethnic background and age is documented in the Diversity, Equity & Inclusion Policy.

The WFBI NomRemCo leads the diversity and inclusion review of the WFBI Board while the WFBI CEO, supported by the WFBI HR team, leads the review of diversity in respect of the WFBI ExCo. WFBI aims to maintain a minimum of 33% female representation across Board, ExCo and other key function roles which has been achieved throughout 2023. In addition at the end of 2023, WFBI achieved the Irish Women in Finance Charter aspirational goal of 37% women in senior management and agreed the new aspirational goal of 40%.

## **2.5. WFBI Board Committees**

### **WFBI Nomination and Remuneration Committee**

The WFBI NomRemCo is responsible for supporting the Board by providing oversight on the size, structure and composition of the Board, the succession plans of the Board, the Chief Executive Officer and other senior executives in a Controlled Function 1 or Pre-approval Controlled Function (“PCF”) roles, and the WFBI Remuneration Policy. The Nominations and Remuneration Committee's role is to review these matters and put forward recommendations to the Board for approval. The Nomination and Remuneration Committee is responsible for oversight of:

- a. Board and Senior Management appointments;
- b. Review of Board composition and effectiveness;
- c. Fitness & Probity and Suitability assessments;
- d. Succession planning;
- e. Remuneration policy & practices;
- f. Board Training and Development; and
- g. Culture and Diversity Initiatives

Specific responsibilities of the WFBI NomRemCo are outlined in detail within the WFBI NomRemCo Terms of Reference (“ToR”). The WFBI NomRemCo reports to the Board and the minutes of each meeting are circulated to the Board in advance the next Board Meeting.

## 2.5. WFBI Board Committees (continued)

### WFBI Risk Committee

WFBI RiskCo has been delegated authority by the Board to oversee risk, and advise the Board on the current and emerging risk exposures of WFBI and future risk strategy taking account of the Board's overall risk appetite, the current financial position of WFBI and the capacity of WFBI to manage and control risks within the agreed strategy. The Risk Committee is responsible for:

- a. Advising the Board on risk appetite, tolerance for future strategy and the current financial position of WFBI;
- b. Advising the Board on the capacity of WFBI to manage and control risks within the agreed strategy,
- c. Advising the Board on the WFBI Risk Management Framework and overseeing its establishment and implementation, including the processes established by management to identify, assess, measure, monitor and manage the material risks facing WFBI; and
- d. Overseeing the Risk Management and the Compliance functions and the performance of the Chief Risk Officer and Chief Compliance Officer.

WFBI RiskCo is responsible for advising the Board on the WFBI Risk Framework and overseeing its implementation, including the processes established by management to identify, assess, measure, monitor and manage material risks facing WFBI. It advises on and oversees WFBI's risk appetite, tolerance for future risk strategy, and the capacity of WFBI to manage and control risks within the agreed strategy.

The Board has delegated responsibility to the Risk Committee in respect of the following activities:

- a. Overseeing WFBI's Risk Management Framework and the risk management function;
- b. Reviewing and monitoring WFBI's overall actual and future risk appetite and strategy, taking into account all risk types and ensuring these are in line with WFBI's risk appetite, business strategy, objectives, corporate culture and values;
- c. Overseeing the implementation of WFBI's Risk Strategy and the corresponding limits set and assessing its adequacy in addressing all risk types facing WFBI;
- d. Determining whether an appropriate balance exists between risks and returns and ensuring the development of and, on-going maintenance of, the risk management system within WFBI that is proportionate to the nature, scale and complexity of the risks inherent in the lines of business operating through WFBI; and
- e. Overseeing the implementation of the strategies for capital and liquidity management as well as for all other relevant risks of an institution such as market, credit, operational and reputational risks, in order to assess their adequacy against the approved risk appetite and strategy.

The WFBI RiskCo takes a holistic view of all risks, including financial and non-financial risks. It monitors adherence to risk appetite by risk type and topic as well as at a holistic level. The WFBI RiskCo assesses WFBI's current and emerging risk profile relative to the Board approved risk appetite and across risk types and Lines of Business. Additionally, the WFBI RiskCo reviews and recommends approval to the Board, the qualitative and quantitative methodology and parameters used in establishing WFBI's Statement of Risk Appetite Statement ("SoRA"). The Risk Committee reviews the metrics at least quarterly to ensure that they are within approved risk parameters.

## **2.5. WFBI Board Committees (continued)**

### **WFBI Audit Committee**

The purpose of the WFBI Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial and regulatory reporting process, the system of internal control, the audit process, the internal audit function (including approval of the annual audit plan), and WFBI's process for monitoring compliance with laws and regulations relevant to the WFBI Audit Committee's areas of responsibility.

The responsibilities of the WFBI Audit Committee include:

- Monitoring of WFBI's financial reporting;
- Review of the Director's Report and Statement of Director's Responsibilities;
- Regulatory inspections and examinations;
- Independent auditor's qualifications, independence and performance;
- Overseeing the performance of the Internal Audit function and providing input into the performance evaluation of the WFBI Head of Internal Audit; and
- Internal controls.

Additionally, the WFBI Audit Committee reviews and challenges the information provided by those responsible for WFBI's financial management, including the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches, valuation of assets and liabilities, significant accounting accruals, and reserves or other estimates having a material impact on the financial statements.

The Audit Committee is responsible for the process to select the external auditor and recommends their appointment or removal to the Board for approval. It also considers whether the auditor's overall work plan and proposed resources to execute the audit plan, appears consistent with the scope of the audit engagement.

On an annual basis the Audit Committee will review and approve the WFBI Internal Audit Policy and Audit Plan.

### **Wells Fargo EMEA Committees leveraged by the WFBI Board**

The WFBI Board leverages three Wells Fargo EMEA Committees in addition to the WFBI Board sub-committees, the ERRRC, the EMEA NIC and the EMEA LE Outsourcing Co. The ERRRC provides expertise, advice and recommendations of performance and incentive rewards for Identified Staff in accordance with the WFBI Remuneration Policy. The EMEA NIC oversees product governance for all legal entities in EMEA. The EMEA Legal Entity Outsourcing Co oversees the ongoing monitoring the aggregate performance of WFBI's outsourcing arrangements. These committees operate in accordance with defined ToR.

## **2.6. Sub-Committees of WFBI Board Committees**

### **WFBI Credit Committee**

The WFBI Credit Committee ("CRCO") is a sub-committee of the WFBI RiskCo. The CRCO is responsible for the effective administration and awarding of credit as guided by the WFBI Board's strategy and risk appetite and within the policy, procedures and practices defined in the CRCO ToR, WFBI's credit risk policies, frameworks and relevant credit risk procedures.

WFBI Credit Committee Responsibilities

- a. Makes credit decisions to the extent of the authority delegated to it by the WFBI Board and as detailed in the WFBI Credit Decision-Making Framework;
- b. Reviews and recommends credit commitments outside of the delegated authority to the WFBI Board for approval;

## **2.6. Sub-Committees of WFBI Board Committees (continued)**

- c. Monitors and oversees credit decisions made by those who hold delegated credit approval authority (“DCAA”) as defined in the WFBI Credit Decision-Making Framework; and
- d. Monitors the performance and credit quality of WFBI’s portfolio through the WFBI Portfolio Monitoring Forum, and reports any notable strengths, weaknesses, or trends to senior management and the WFBI Risk Committee.

The CRCO is chaired by the WFBI Head of Credit Risk, with the Vice Chair being one of the WFBI Senior Credit Officers. The Credit Committee members include the WFBI CEO, WFBI CFO, WFBI CRO and the WFBI Head of Treasury Risk.

### **WFBI Portfolio Monitoring Forum**

The Portfolio Monitoring Forum (“PMF”), which meets quarterly, is a sub-group of the CRCO. The PMF is not a decision-making forum, rather it has delegated responsibility for monitoring the performance and credit quality of WFBI’s credit portfolio, and reports any notable strengths, weaknesses, trends or required corrective actions to the business, CRCO, WFBI RiskCo and WFBI Board as required.

The WFBI Head of Credit Risk serves as the Chair of the PMF and maintains the same membership as the WFBI Credit Committee, with the additional participation of all WFBI Credit Risk Officers. The Wells Fargo EMEA Regional Credit Risk Manager is a standing attendee and line of business representatives are also invited to attend.

### **WFBI Fitness and Probity Forum**

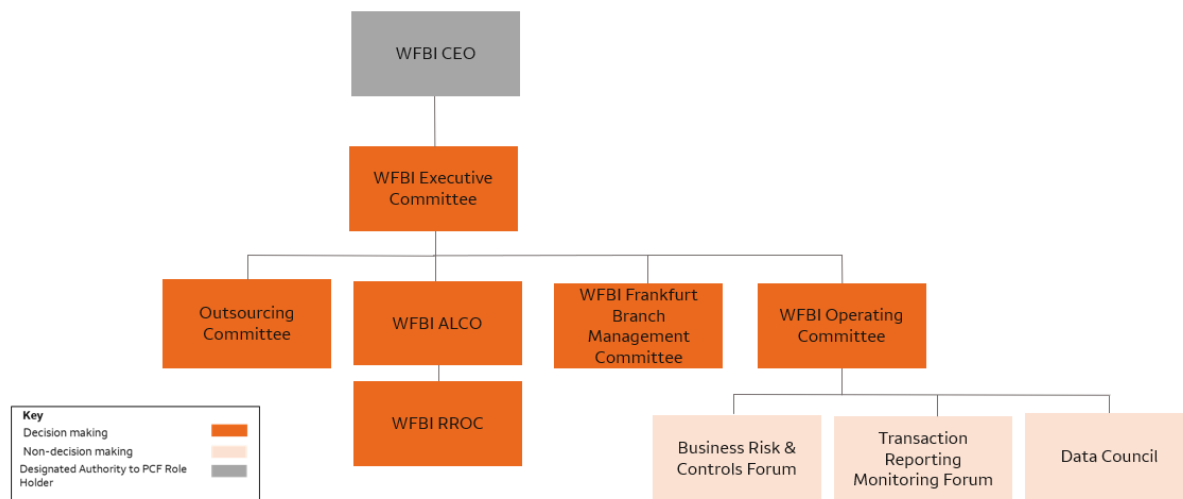
WFBI Fitness and Probity Forum (“WFBI F&P”) operates under the authority of the WFBI NomRemCo and assesses matters with respect to the CBI defined Fitness & Probity regime of CF, PCF, and proposed CF/PCF role holders. The WFBI F&P Forum supports and assists the WFBI NomRemCo and WFBI Board in carrying out their respective fitness and probity responsibilities and escalates matters to the WFBI NomRemCo and WFBI Board, as necessary. The WFBI F&P Forum is chaired by the WFBI CCO. Roles, responsibilities, and members of the WFBI F&P Forum are outlined in full in the WFBI F&P Forum ToR.

### **WFBI Executive Committees**

WFBI is managed under the direction and oversight of the WFBI Board and is led from an executive perspective by the WFBI CEO. The WFBI ExCo is sponsored by, operates under the authority of, and is accountable to the WFBI CEO who has delegated authority from the WFBI Board for the day-to-day management of WFBI.

## 2.6. Sub-Committees of WFBI Board Committees (continued)

Figure 3 Executive Committee Structure



The WFBI ExCo is responsible for:

- Providing strategic leadership and management oversight to WFBI including to its LOBs, Support Functions and the Branch. The WFBI ExCo supports the WFBI CEO in discharging her responsibilities, in accordance with the WFBI Risk Framework and WFBI policies.
- Developing and implementing the WFBI Board approved strategy and monitoring business performance against the strategy, capital and liquidity adequacy, and key risk and performance metrics.
- Identifying key risks and, where required, making decisions to action or escalate to the WFBI Board as appropriate. The WFBI ExCo receive periodic and/or ad hoc reports on the risk types, programs, topics, and/or events it oversees, and must discuss matters for which approval is requested and reach a general agreement as to whether to approve the matter or escalate to the Board as required.

The WFBI ExCo is chaired by the WFBI CEO, and membership is comprised of key executive leaders who carry a PCF or CF1 designation from the CBI. The Chair escalates any matter that requires Board decision-making or awareness to the Board or any other relevant Group committee, function or individual they deem necessary. The WFBI ExCo delegates authority to the following:

- WFBI Regulatory Reporting Oversight Committee (“WFBI RROC”) with responsibility for oversight and decision making regarding WFBI’s financial reporting risks specific to regulatory reporting and disclosures;
- WFBI Fitness and Probity Forum (“WFBI F&P”) assesses matters with respect to the fitness and probity of CF, PCF, and proposed CF/PCF role holders;
- WFBI Frankfurt Branch Management Committee (“WFBI FBMC”), for the purpose of day-to-day oversight of the branch, ensuring the business operating in the branch are in compliance with local regulatory requirements and WFBI strategy;
- WFBI Assets and Liability Committee (“WFBI ALCO”), for the purposes of the day-to-day liquidity and balance sheet management of WFBI; and
- WFBI Operating Committee (“WFBI OpCo”), for the purposed of overseeing the operational performance of WFBI.

## 3. Capital Adequacy and Key Metrics

### 3.1. Capital Adequacy

Senior management review the capital and liquidity levels on a continuing basis in the light of changing risk appetite, business needs and changes in the external business and regulatory environment. WFBI undertakes an Internal Capital Adequacy Assessment Process (“ICAAP”) at least annually which provides the Board with an assessment of its risks and the appropriate level of capital necessary to hold against these risks, having considered mitigating factors. The ICAAP brings together the business and control functions in assessing the future risk profile and capital needs of WFBI.

The latest ICAAP, approved by the WFBI Board on 14 December 2023, concluded that WFBI is adequately capitalised on the basis of the 3-year strategy, with regulatory capital resources of \$3.4bn and a strongly funded balance sheet. It has funding support from its indirect parent company WFBNA and is a designated material subsidiary for the purposes of the Group’s resolution plan and regulatory commitments. WFBI’s capital and liquidity plans (ICAAP and Internal Liquidity Adequacy Assessment Process (“ILAAP”)), include detailed stress tests, and consider the impact of geopolitical risks, climate-related risks and other factors.

### 3.2. Key Metrics (Template EU KM1)

USD Thousands		31-Dec-23	30-Sept-23	30-Jun-23	31-Mar-23	31-Dec-22
		a	b	c	d	e
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	3,359,622	3,197,967	3,197,926	3,217,064	3,217,991
2	Tier 1 capital	3,359,622	3,197,967	3,197,926	3,217,064	3,217,991
3	Total capital	3,359,622	3,197,967	3,197,926	3,217,064	3,217,991
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	7,946,996	7,524,962	7,733,579	7,371,957	7,045,701
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	42.28 %	42.50 %	41.35 %	43.64 %	45.67 %
6	Tier 1 ratio (%)	42.28 %	42.50 %	41.35 %	43.64 %	45.67 %
7	Total capital ratio (%)	42.28 %	42.50 %	41.35 %	43.64 %	45.67 %
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	6.90 %	6.90 %	6.90 %	6.90 %	6.90 %
EU 7b	of which: to be made up of CET1 capital (percentage points)	6.90 %	6.90 %	6.90 %	6.90 %	6.90 %
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	6.90 %	6.90 %	6.90 %	6.90 %	6.90 %
EU 7d	Total SREP own funds requirements (%)	14.90 %	14.90 %	14.90 %	14.90 %	14.90 %
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2.50 %	2.50 %	2.50 %	2.50 %	2.50 %
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	– %	– %	– %	– %	– %
9	Institution specific countercyclical capital buffer (%)	0.76 %	0.70 %	0.62 %	0.36 %	0.22 %
EU 9a	Systemic risk buffer (%)	– %	– %	– %	– %	– %
10	Global Systemically Important Institution buffer (%)	– %	– %	– %	– %	– %
EU 10a	Other Systemically Important Institution buffer (%)	– %	– %	– %	– %	– %
11	Combined buffer requirement (%)	3.26 %	3.20 %	3.12 %	2.86 %	2.72 %
EU 11a	Overall capital requirements (%)	18.16 %	18.10 %	18.02 %	17.76 %	17.62 %
12	CET1 available after meeting the total SREP own funds requirements (%)	27.38 %	27.60 %	29.95 %	32.24 %	34.27 %

### 3.2. Key Metrics (Template EU KM1) (continued)

USD Thousands		31-Dec-23	30-Sept-23	30-Jun-23	31-Mar-23	31-Dec-22
		a	b	c	d	e
<b>Leverage ratio</b>						
13	Total exposure measure	15,030,003	14,671,897	12,698,022	12,259,275	14,058,026
14	Leverage ratio (%)	22.35 %	21.80 %	25.18 %	26.24 %	22.89 %
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	- %	- %	- %	- %	- %
EU 14b	of which: to be made up of CET1 capital (percentage points)	- %	- %	- %	- %	- %
EU 14c	Total SREP leverage ratio requirements (%)	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14d	Leverage ratio buffer requirement (%)	- %	- %	- %	- %	- %
EU 14e	Overall leverage ratio requirement (%)	3.00 %	3.00 %	3.00 %	3.00 %	3.00 %
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	5,609,979	5,795,716	3,938,862	4,316,226	6,427,589
EU 16a	Cash outflows - Total weighted value	4,103,018	4,953,295	3,811,645	3,827,472	4,649,093
EU 16b	Cash inflows - Total weighted value	467,115	636,955	813,162	705,448	463,111
16	Total net cash outflows (adjusted value)	3,635,902	4,316,341	2,998,483	3,122,024	4,185,982
17	Liquidity coverage ratio (%)	154.29 %	134.27 %	131.36 %	138.25 %	153.55 %
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	5,910,298	5,291,790	4,763,848	4,892,536	5,396,799
19	Total required stable funding	3,997,509	4,054,456	3,597,718	3,504,165	3,218,571
20	NSFR ratio (%)	147.85 %	130.52 %	132.41 %	139.62 %	167.68 %

### 3.3. Key Metric Commentary

#### Own funds

CET1 and total capital totalled \$3,360m as at 31 December 2023, a \$142m increase since 2022. The increase is principally driven by the net profit for the year.

#### Risk-weighted exposure amounts (“RWAs”)

RWAs totalled \$7,947m as at 31 December 2023, a \$901m increase since December 2022. This increase is principally driven by:

- An increase in Credit Risk RWAs of \$817m mainly due to increased lending exposures;
- An increase in Operational Risk RWAs of \$131m reflecting the increase in average income over the preceding three years;
- A \$25m increase in Foreign Exchange Risk RWAs due to increased open EUR currency positions relating to EUR provisions; and
- A \$72m decrease in Counterparty Credit Risk RWAs, including associated decrease in CVA RWAs of \$30m, driven by decreased derivative and securities financing transaction exposures.

#### Leverage ratio

The leverage ratio as at 31 December 2023 was 22.35%, a 0.54% decrease since December 2022. This decrease is principally driven by an increase in the leverage ratio total exposure measure of \$972m as a result of the increase in both on balance sheet assets and off-balance sheet items.

### 3.3. Key Metric Commentary (continued)

#### **Liquidity coverage ratio (“LCR”)**

The LCR as at 31 December 2023 was 154.29%, a 0.74% increase since December 2022. This increase is principally driven by:

- a. A decrease in net cash outflows of \$550m mainly due to a decrease in deposits by financial customers offset by increased maturing debt security outflows; and
- b. A decrease of \$818m in High Quality Liquid Assets (“HQLA”) as the ratio is actively managed within risk appetite.

#### **Net Stable Funding Ratio (“NSFR”)**

The NSFR as at 31 December 2023 was 147.85%, a (19.83)% decrease since December 2022. This decrease is principally driven by:

- a. An increase in available stable funding of \$514m primarily as a result of increased deposits from financial customers, increased debt securities issued and increased Tier 1 capital; and
- b. An increase in required stable funding of \$779m primarily as a result of increased lending exposures and off-balance sheet items.

## **4. WFBI’s Risk Management Approach (Table EU OVA)**

### **4.1. Risk statement approved by the management body**

#### **Risk Management policies and objectives**

WFBI's risk management approach is documented in the Board approved WFBI Risk Framework, which sets forth WFBI's core principles for managing, controlling, reporting and governing its risks, including the risk programs required for effective risk management for all risk types WFBI faces. This Framework is developed and maintained by the CRO, taking consideration of the WF Group Risk Management Framework and local regulatory requirements, and is applicable to all of WFBI's Business Groups and support functions, including its branches. WFBI routinely takes risks to achieve its business goals and serves its customers, and these risks must be appropriately managed in accordance with WFBI's Risk Framework. Many other documents and risk policies flow from the Framework's core principles.

#### **Risk Culture and Profile**

The WFBI Board sets the tone at the top by supporting a strong risk culture focused on accountability, transparency, strong leadership and customer centricity, as defined in WFBI's cultural priorities. Effective risk management is a key component of WFBI's culture and influences employees risk decisions. All employees are empowered and expected to challenge risk decisions where appropriate, and to escalate their concerns when they have not been addressed. Furthermore, WFBI's performance management and incentive compensation programs are designed to promote a culture of risk management which encourages avoiding unnecessary or excessive risk-taking. Effective risk management is central to how employee performance is evaluated.

WFBI's risk profile is an assessment of the aggregate risk associated with WFBI's exposures and business activities after considering risk management effectiveness. Effective risk management occurs when management consistently identifies, measures and controls risk so that it remains within WFBI's risk appetite, as is defined in the WFBI Risk Appetite Framework ("RAF"). This provides a solid base for decisions on when a risk should be controlled, mitigated or accepted. WFBI measures and considers risk in connection with the products and services it offers to its customers. WFBI monitors its risk profile and the Board reviews reporting and analysis.

WFBI reinforces a strong risk culture, which is critical to sound risk management, through the WFBI RAF. The RAF explicitly defines the boundaries within which the business is expected to operate when pursuing the WFBI Business Strategy and is supported by the WFBI SoRA, which describes the nature and level of risks that the Board or business is willing to take in pursuit of its strategic priorities and key initiatives, while ensuring operations are conducted in a safe and sound manner consistent with applicable laws and regulations. The SoRA is a blend of qualitative statements and qualitative and quantitative measures in order to provide a holistic view and articulation of risk appetite.

The WFBI Risk Committee is responsible for the oversight and advice to the Board on the current and emerging risk exposures of WFBI and future risk strategy. The WFBI Risk Committee shall advise the Board on risk appetite and tolerance for future risk strategy, taking account of the Board's overall risk appetite, the current financial position of WFBI and the capacity of WFBI to manage and control risks within the agreed business strategy.

## 4.1. Risk statement approved by the management body (continued)

WFBI has identified the following 13 risks as material through WFBI's Risk Identification and Material Risk Assessment process:

- Credit Risk
- Compliance Risk
- Interest Rate Risk in the Banking Book (IRRBB)
- Liquidity Risk
- Reputation Risk
- Strategic Risk
- Capital Adequacy Risk (L2)
- Operational Risk
- Model Risk
- Information Security Risk (L2)
- Technology Risk (L2)
- Third Party Risk (L2)
- Data Management Risk (L2)

Credit Risk, Operational Risk, Market Risk (which is a relevant but non-material risk for WFBI) and Liquidity Risk, as well as their specific risk governance structures, are described in more detail in sections 5, 6, 7 and 8, respectively.

## 4.2. Risk Governance Structure

WFBI operates a three lines of defence model to manage risk, as set out in the WFBI Risk Framework, namely the Front Line, IRM, and Internal Audit. Each line of defence has distinct risk management responsibilities and every employee has a role to play in managing risk at WFBI.

### Three Lines of Defence

- **Front Line:** The Front Line, which is composed of Business Groups and certain activities of its support functions, is the first line of defence in managing risk. In the course of its business activities, it identifies; measures and assesses; manages; controls; monitors; and reports on risk associated with its business activities and balances risk and reward in decision making while remaining within WFBI's risk appetite.
- **IRM:** IRM is the second line of defence. It establishes and maintains WFBI's risk management program and provides oversight, including challenge to and independent assessment and monitoring of the Front Line's execution of its risk management responsibilities.
- **Internal Audit:** Internal Audit is the third line of defence. It acts as an independent assurance function and validates that the risk management program is adequately designed and functioning effectively.

In addition to the three lines of defence, WFBI's control environment is strengthened by leveraging certain group control activities, under a shared services model, related to specialised subject matter expertise such as human capital, accounting, reporting and tax and legal services.

The Front Line designs and executes internal controls and assesses new controls prior to implementation and during the monitoring phase. IRM governs and oversees internal controls and maintains a centralised control inventory. WFBI utilise a Risk and Control Self-Assessment ("RCSA") process to identify, assess and quantify key operational risks present in WFBI, which in turn provides the information to enable the examination of the effectiveness of related controls. This provides an overview of the aggregate risk and control environment within WFBI, the output of which is presented to the Risk Committee annually. Subsequent to this comprehensive annual review process, a formal mid-point review, and affirmation is conducted, and a report detailing the aggregate output from the RCSA is provided to the Risk Committee.

### **4.3. Risk Reporting and Risk Measurement**

Timely, accurate and comprehensive reporting on WFBI's risk profile and risk-generating activities facilitates safe and sound management of WFBI. WFBI's risk reporting provides senior management and the Board with aggregated and integrated views of material risks across WFBI, balanced between risk data analysis, interpretation and qualitative explanation. Risk reporting reviewed by management-level governance identifies significant and emerging risks, drivers of risks and issues (such as climate change) and informs members of areas that need additional monitoring or improvement. Risk reporting to the Board and Risk Committee is built upon the risk reporting reviewed by management-level governance forums and is designed to ensure that the Board and Risk Committee receives timely and reliable information about current and emerging risks.

WFBI's risk measurement program, as articulated in WFBI's RAF, sets expectations regarding how WFBI measures risk for determining its risk appetite and its risk capacity. Specifically, the risk measurement program defines risk parameters, qualitatively and quantitatively, and establishes related boundaries which are set and conveyed through the SoRA.

### **4.4. Environmental, Social and Governance Factors**

Wells Fargo understands that climate change is one of the most urgent environmental and social issues of our time and recognise the important role Wells Fargo play in ad. WFBI is committed to mitigating the impacts of ESG factors related to its activities and to partner with key stakeholders, including communities and customers, to do the same. WFBI continues to develop its monitoring of ESG factors as risk drivers that may generate risk. WFBI expects that ESG factors will increasingly impact the risk types it manages, and it continues to integrate ESG factors into its risk management program as its understanding of such factors changes and risks driven by it evolve.

Further details of the approach to ESG are contained in the WFBI Annual Report and Financial Statements.

### **4.5. Adequacy of the Risk Management Arrangements**

The WFBI Board reviews, approves and oversees the implementation of an adequate and effective internal governance and internal control framework that includes a clear organisational structure and well-functioning IRM function which has sufficient authority, stature, independence, resources and access to the Board to perform their duties. WFBI Risk Committee ensures an effective risk management system, commensurate with the nature, scale and complexity of the risk inherent in the business, is maintained on an ongoing basis. This is informed by ongoing engagement with the CRO, periodic reviews of the adequacy of risk reporting and assessment of IRM resources, which is underpinned by relevant attestations that adequate resources are allocated to the management of all material risks, valuation of assets of the institution, use of external credit ratings, internal models and other demands such as regulatory changes, group activities or special projects.

## **5. Credit Risk (Table EU CRA)**

WFBI defines credit risk as the risk of loss associated with a borrower or counterparty default (failure to meet obligations in accordance with agreed upon terms). WFBI assumes credit risk throughout the normal course of its commercial activities, with the objective of balancing risk and return throughout the economic cycle. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend, such as revolving credit facilities and asset financing). Credit risk includes credit-related risks such as counterparty default risk, country risk and portfolio concentration risk. In considering credit risk for lending activity, WFBI complies with the European Banking Authority Guidelines on loan origination and monitoring and takes into account the risks associated with ESG factors, with a particular focus on the potential impact of environmental factors and climate change.

WFBI's SoRA describes the nature and magnitude of risks that WFBI is willing to assume in pursuit of its strategic objectives, and is composed of appetites for individual risk types, including credit risk. Risk appetite limits translate WFBI's credit risk appetite into measurable SoRA metrics and key risk indicators ("KRIs"). The WFBI SoRA metrics and KRIs are reviewed and approved annually and are reported to and monitored by WFBI's Portfolio Monitoring Forum, WFBI Executive Committee and WFBI Risk Committee, at a minimum on a quarterly basis, or more frequently as necessary.

Key credit risks are monitored by credit risk appetite metrics and KRIs, which measure credit losses, asset quality, concentration risk, single name large exposures, intragroup large exposures, and asset growth. Established escalation protocols and processes are detailed in WFBI's RAF. Clear definition of those credit risk issues that require escalation is central to ensuring that the WFBI Risk Committee, WFBI Board, and appropriate levels of management receive timely information on important credit risk issues, and can act promptly to mitigate such risk, as necessary.

### **5.1. Risk Framework and Culture**

As outlined in Section 4, the WFBI Board sets the tone from the top by supporting a strong culture that guides how employees conduct themselves and make decisions. Specific to credit decision-making, WFBI's risk management culture promotes the granting of credit to borrowers who, to the best of the WFBI's knowledge at the time of granting the credit, are able to fulfil the terms and conditions of the credit agreement, and is secured by sufficient and appropriate collateral, where relevant, and considering the impact on the WFBI's capital position and profitability, whilst also taking into account sustainability, and related ESG factors.

### **5.2. Credit Risk Governance**

WFBI's Risk Framework is supported, from a credit risk perspective, by a number of governance policies, which include the WFBI Credit Policy, Country Risk Credit Policy, Impairment and Expected Credit Loss Policy, Concentration Risk Policy, and Credit Decision-Making Framework. These governance documents are supplemented by a suite of credit risk procedures, which focus on processes, controls and the separate roles and responsibilities of the Front Line and independent risk management functions. WFBI's credit policies are subject to review and approval, at least annually, by either WFBI Board or the WFBI Risk Committee, to ensure they remain aligned to WFBI credit risk priorities and any relevant regulatory developments.

### **5.3. Credit Risk Decision-Making, Escalation and Challenge**

Credit approval authority is delegated by the WFBI Board to WFBI Credit Committee and DCAA holders, subject to certain thresholds and in accordance with the WFBI's credit risk governing documents. The limitations set in relation to delegated credit approval authority, take into consideration the size, complexity and the types and risk profiles of the borrowers. They also take into account the relevant expertise and seniority of the DCAA holders and credit committee members.

The primary responsibility of WFBI Credit Committee, which is described in more detail in Section 2, and the DCAA holders, is the effective administration and awarding of credit as guided by the WFBI Board's strategy and risk appetite, and within WFBI's credit policies, procedures and practices.

Credible challenge of credit decisions is a key part of WFBI's credit decision-making process, with WFBI's Independent Risk Management Credit Risk team providing independent oversight of Front Line credit risk activities, and credible challenge of credit submissions received from the business.

### **5.4. Credit Risk Management and Control Function**

WFBI manages credit risk across its three lines of defence by:

- a. Identifying, assessing and measuring credit risk across WFBI and within each of its individual business groups, on an individual exposure and portfolio basis;
- b. Implementing a robust control framework for credit decision-making, incorporating independent oversight, challenge and quality assurance activities;
- c. Employing a disciplined approach to internal audit in order evaluate the effectiveness of credit risk management, control and governance processes;
- d. Enacting credit policies aligned with supervisory expectations, which are designed to protect WFBI against identified risks;
- e. Limiting concentrations of exposure by type of asset, industry sector; single name exposure and geographic location;
- f. Implementing sound processes for calculating and measuring ECLs in accordance with WFBI's policies and procedures, IFRS and relevant supervisory guidance;
- g. Monitoring to ensure that changes in the credit risk profile are identified, quantified, escalated and reported in a timely manner;
- h. Maintaining, measuring and monitoring a comprehensive suite of quantitative risk appetite metrics and key risk indicators which measure credit losses, asset quality, concentration risk, single name large exposure, intragroup large exposure, and asset growth; and
- i. Accurate and timely reporting to inform and report on credit risk trends and metrics and to provide detailed data to decision makers, relating to the composition, asset quality, concentrations and overall performance of WFBI's credit exposures.

The Front Line consists of WFBI's credit-risk-generating businesses, who are responsible for pursuing suitable business opportunities, which are within WFBI's risk appetite, strategy, and compliance requirements and certain support functions activities. The Front Line is responsible for understanding the credit risk generated by its activities, applying adequate controls and managing risk in the course of its business activities. The Front Line is represented on the WFBI Credit Committee by WFBI's Chief Executive Officer and WFBI's Chief Financial Officer.

IRM is composed of the WFBI risk management function (WFBI Risk), WFBI Compliance, WFBI Financial Crime Risk Management, Wells Fargo Corporate Commercial Credit, and Risk Asset Review. IRM, as the second line of defence, provides independent oversight and credible challenge with regard to the Front Line's execution of its credit risk management responsibilities.

Internal Audit is the third line of defence and provides independent assurance regarding the effectiveness of WFBI's credit risk processes and the integrity of WFBI's credit risk control systems, including the front line and independent credit risk management activities.

## **6. Operational Risk (Table EU ORA)**

### **6.1. Risk Management Objectives and Policies**

Operational risk is the risk resulting from inadequate or failed internal controls and processes, people, and systems, or resulting from external events and is inherent in WFBI's business. In evaluating and managing operational risks, WFBI considers strategic and reputational risks and their relationships to operational activities. As a result, internal controls are designed to mitigate operational risks. WFBI's Risk Framework defines the specific disciplines, roles and responsibilities and activities to manage operational risk.

The WFBI Risk Framework details WFBI's Operational Risk Program which defines WFBI's operational risk objectives such as:

- providing a structured approach to planning, identifying and assessing, controlling, monitoring and reporting, and testing and validating operational risks across all areas of WFBI in order to support senior management in achieving its strategic objectives and priorities, including helping its customers succeed financially;
- ensuring that WFBI's operational risk profile remains within its risk appetite by adequately controlling operational risk related incidents and losses and establishing appropriate capital reserves for operational risk in accordance with regulatory guidance; and
- supporting the Board as it carries out its oversight duties and responsibilities relating to operational risk.

The WFBI Operational Risk Program is supported by relevant operational risk policies, procedures and practices, which are designed to ensure that WFBI is able to meet its obligations during normal and stress situations in order to protect and maintain the safety and soundness of WFBI.

The WFBI Operational Risk Program is further supported by the WFBI Third Party Risk, Technology Risk, Information Security and Data Management Risk Programs.

### **6.2. Operational Risk Governance**

With respect to operational risk, relevant risk governance committees are responsible for overseeing and making decisions on operational risk issues in line with each committee's authorities, or for escalating issues up through the committee structure for further consideration. This structure ensures that WFBI has in place operational risk issue escalation paths from management committees/forums via the WFBI Risk Committee to the WFBI Board. The WFBI Board, WFBI Risk Committee, and WFBI Executive Committee are supported in their oversight of operational risk by the following governance bodies:

- WFBI Operating Committee;
- WFBI Business Risk and Controls Forum;
- EMEA Legal Entity Outsourcing Committee;
- WFBI Data Council;
- WFBI Regulatory Reporting Oversight Committee; and
- WFBI Transaction Reporting Monitoring Forum.

The Operational Risk function is led by the Head of Operational Risk and sits within the wider Risk Function under the CRO's leadership. The function has the appropriate expertise and experience to effectively manage operational risk across the organisation. Operational Risk Management's oversight responsibilities include oversight of the application of the operational risk programme and of operational risk exposures including business resilience & disaster recovery, change management, data management, financial reporting, fraud, human capital, information management, information security, safety & physical security, technology, third-party and transaction processing & execution. Additional oversight of Financial Reporting risk is also undertaken by a dedicated specialised IRM team, the Regulatory Reporting Incremental Compliance function ("RRIC").

## 6.3. Operational Risk Reporting

Operational risk reporting is submitted, from a Front Line and IRM perspective, to various forums and committees. Events that require upstream reporting and specific action and/or decision making, are a key component of WFBI's operational risk escalation processes and exist to ensure that key issues are elevated to the appropriate management level of WFBI for timely consideration and decision making. Operational risk appetite breaches are governed by established protocols and processes as documented in the WFBI Risk Appetite Framework.

WFBI's reporting framework is further enhanced by processes in place to support the timely and comprehensive reporting of third-party risks, technology risks and information security risks to the WFBI Board and to senior management, to ensure appropriate Board-level awareness of such risks, and to keep the WFBI Risk Committee apprised of these key risks.

## 7. Market Risk (Table EU MRA)

Market risk for WFBI is the risk of loss resulting from changes in the value of assets and liabilities (including on and off-balance sheet assets and liabilities) and changes in earnings and/or reserves due to changes in financial prices, including interest rates, credit spreads and exchange rates.

The objective of market risk management is to identify, manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Overall market risk responsibility is vested in the ALCO with oversight by the Risk Committee.

WFBI uses a range of quantitative and qualitative tools to manage and monitor market risk. Quantitative limits for net income sensitivities, value at risk ("VaR"), stress test and scenario analysis are used to enforce the WFBI market risk appetite. Market risk reports reflecting the WFBI exposures, risk concentrations, stress test results, utilisations of limits etc. are reviewed on a daily basis. Appropriate actions are taken when needed, including revisiting the market risk management policies and relative limits to ensure that the WFBI's market risk management objective is met. A historical simulation Value at risk ("VaR") methodology is adopted for measuring the maximum financial loss that the Foreign exchange position as part of the wider Market Risk exposure can be expected to suffer over a 1 day time horizon with a confidence level of 99 percent.

### 7.1. Management of Market Risk

WFBI does not have a trading book and does not run any traded risk in its business and is therefore not subject to material risks associated with trading book positions. WFBI's primary exposures to market risks are foreign exchange and IRRBB. The Board sets limits on the level of risk that can be held by WFBI.

#### Foreign Exchange risk

WFBI has currency mismatches resulting from assets and liabilities denominated in different currencies. WFBI economically hedges foreign exchange risk related to financial assets and liabilities denominated in currencies other than the US dollar. Foreign exchange risk for all portfolios is managed collectively with the intent of limiting unhedged net foreign exchange risk positions to predefined limits.

WFBI applies the standardised approach for calculating Pillar 1 foreign exchange risk capital requirements.

## **7.1. Management of Market Risk (continued)**

### **Interest Rate Risk in the Banking Book (IRRBB)**

As WFBI does not have any trading books, all interest rate risk resides in the banking book. WFBI is exposed to interest rate risk in that changes in market interest rates will affect economic value. This arises due to the normal repricing mismatch between assets and liabilities on the balance sheet.

Per EBA Guidelines (EBA/GL/2022/14), the key components of IRRBB are gap risk, basis risk and option risk. WFBI also considers credit spread risk as part of the interest rate risk management framework.

#### **Risk**

The WFBI balance sheet is generally positioned net long floating rate assets, funded by floating rate liabilities, together with zero cost US dollar denominated long term equity and reserves.

#### **Basis Risk**

Cross currency basis risk arises from the funding of non-USD (predominantly EUR), assets via USD denominated liabilities.

#### **Option Risk**

WFBI does not trade option instruments, nor does it offer customers products which contain embedded optionality. WFBI periodically has small amounts of wholesale call deposits which, at the limit, could give rise to a small amount of behavioural optionality. These are monitored and reported monthly to ALCO.

### **Credit Spread Risk in the Banking Book (CSRBB)**

WFBI maintains a floating rate High Quality Liquid Asset (HQLA) bond portfolio for liquidity purposes. Credit spread risk arises from the changes in credit spreads that impact the value of WFBI's assets measured at Fair Value and Other Comprehensive Income (FVOCI) in the HQLA bond portfolio. This is monitored using the Credit Spread Risk ("CR01") KRI which measures the sensitivity of the bond portfolio to a 1bp movement in credit spreads.

WFBI uses two complementary methodologies to assess IRRBB: Economic Value methodology and Earnings methodology. Both Economic Value of Equity ("EVE"), and Net Interest Income ("NII"), measures of risk are calculated in line with EBA Standard Outlier Test methodologies.

## **7.2. WFBI Economic Value Methodology**

To monitor long term interest rate risk WFBI employs two measures: Interest Rate Basis Point Sensitivity ("IRO1") and EVE sensitivity. Each of these measures captures the lifetime asset and funding cash flows that produce the net interest income portion of the company's earnings stream. IRO1 is the change in net present value for a 1bp change in interest rates. Economic value ("EV") is calculated as the discounted value of future cash flows of rate sensitive assets and liabilities. EVE is a specific form of EV measure where equity is excluded from the cash flows. EVE sensitivity is the change in EVE due to changes in rates under stress scenarios.

### **7.3. WFBI Earnings Methodology**

The earnings methodology calculates the impact on net interest income (NII) of a change in rates over a 1-year time horizon. WFBI considers a number of different shocks under the earnings methodology.

Capital is currently allocated internally via the economic value methodology. The calculation of capital is measured in line with the expectations of the relevant EBA Guidelines.

Interest rate risk is overseen by the WFBI ALCO.

Interest rate risk in the banking book is not subject to the market risk requirements for own funds.

## **8. Liquidity Risk Management (Table EU LIQA)**

Liquidity risk is the risk that WFBI does not have sufficient financial resources to meet its obligations as they fall due, or rollover funds at a reasonable cost, without incurring heightened losses. This risk arises from mismatches in the timing of cash flows which is inherent in all banking operations and can be affected by a range of bank-specific and market-wide events.

### **8.1. Management of Liquidity Risk**

The policy of WFBI is to maintain adequate liquidity at all times, by considering the nature and scale of its business and the risks inherent in its operations. It does this through the ILAAP.

The ILAAP provides the Board with an assessment of WFBI's risks and the level of liquidity necessary to hold against these risks, particularly in stress scenarios, having considered mitigating factors. The ILAAP brings together business and control functions to assess the current and future liquidity risks and liquidity needs of WFBI.

WFBI maintains a Funding & Liquidity Risk Management Policy and a Contingency Capital & Funding Plan. These documents are aligned to the CRR, Capital Requirements Directive ("CRD")<sup>5</sup>, and the EBA guidelines on liquidity management. The liquidity risk metrics are set out in the SoRA and in the ILAAP.

WFBI obtains the majority of its funding internally and it operates within WFC's objectives to centrally co-ordinate its funding, to manage global liquidity risk, to ensure adequate market access to funding and to maintain an external funding base.

The liquidity position is monitored by the treasury and risk teams on a daily basis and reported monthly, or more frequently if required, to the CBI. Liquidity reports are also provided to ALCO, Risk Committee and Board.

The ALCO is responsible for the oversight of liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring in order to effectively manage liquidity risk.

WFBI complies with the requirements of the CRR/CRD and Delegated act<sup>6</sup> in producing, monitoring and reporting the relevant liquidity metrics, including monetisation of liquid assets. Likewise, any additional reporting requirements set by the CBI are also complied with. Liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions to ensure ratios are expected to remain within the limits.

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<sup>5</sup> Capital Requirements Directive ("CRD"): DIRECTIVE 2013/36/EU transposed into Irish national law via Statutory Instruments 158/2014 [European Union (Capital Requirements) Regulations 2014] & 159/2014 [European Union (Capital Requirements) (No.2) Regulations 2014] under Statutory Instruments]

<sup>6</sup> Delegated Act – Commission Delegated Regulation (EU) 2015/61 – Liquidity Coverage Ratio

## 8.1. Management of Liquidity Risk (continued)

To ensure WFBI maintains liquidity strength consistent with its risk appetite, the following guiding principles for liquidity management have been established:

- Meet both internal liquidity level expectations and liquidity management requirements established by regulatory bodies;
- Maintain a rigorous process for assessing WFBI's overall liquidity adequacy under a range of market and macroeconomic conditions;
- Express liquidity planning strategies and liquidity adequacy processes in a comprehensive ILAAP that is prepared at least annually, or more frequently if required;
- Perform regular monitoring and reporting of the WFBI current and projected funding and liquidity position, and develop updates to the ILAAP funding plan as frequently as necessary; and
- Operate an early warning framework which requires management to consider liquidity conservation and/or liquidity generation activities in the event of a liquidity stress.

Additionally, in order to manage liquidity risk, WFBI carries out the following activities:

- Maintains a portfolio of highly liquid assets, in a variety of currencies and tenors;
- Ensures that there is diversity in its funding base;
- Monitors the behavioural characteristics of financial assets and liabilities;
- Monitors expected maturity profile of assets and liabilities;
- Establishes early warning indicators of potential liquidity stress events and ensures that sufficient and feasible liquidity options are in place;
- Performs regular liquidity stress tests; and
- Maintains a Contingency Capital and Funding plan designed to provide a framework where liquidity stress could be effectively managed.

## 8.2. Liquidity Planning & Assessment

Liquidity planning and assessment is conducted at least annually as part of the WFBI ILAAP. During this process, the WFBI Board of Directors and senior management assess the current WFBI business profile and strategy, the financial projections associated with the strategy, the material risks and mitigating controls associated with executing the strategy and the funding and liquidity required to support the strategy. The ILAAP also assesses the level of potential additional funding and liquidity required in adverse stress scenarios. When conducting liquidity planning WFBI considers primarily three key metrics:

- Liquidity Coverage Ratio (LCR – Total and by Currency);
- Liquidity Stress Testing (LST – Total and by Currency); and
- Net Stable Funding Ratio (NSFR – Total and by Currency).

The objective of the LCR and LST is to promote short-term resilience in the liquidity risk profile of a bank by ensuring it holds sufficient liquid assets to survive a stress scenario lasting one month. NSFR has a longer time horizon of one year and assesses WFBI's structural funding profile.

### Liquidity Coverage Ratio

The LCR requires WFBI to hold sufficient unencumbered liquid assets to cover its total net cash outflows over 30 days, under stressed conditions. During such a period, WFBI should be able to quickly convert its liquid assets into cash without recourse to central bank liquidity or public funds.

LCR is defined as a ratio of liquid assets to net liquidity outflows over a 30-day stress period. Net liquidity outflows are calculated by deducting liquidity inflows from liquidity outflows. LCR is calculated as a percentage as below:

High Quality Liquid Assets (“HQLAs”) ÷ Net Liquidity Outflows (over a 30-day stress period)

## 8.2. Liquidity Planning & Assessment (continued)

WFBI’s LCR as at 31 December 2023 was 154%.

WFBI recognises the need to operate at a buffer above the LCR regulatory minimum, to allow for usual volatility in both inflows and outflows. The buffer level is calculated on an annual basis as part of the Risk Appetite setting process.

### Liquidity Stress Testing

The primary purpose of LST is to assess the ability of WFBI to meet expected and unexpected cash flows and collateral needs, and to develop WFBI’s liquidity risk management strategies under multiple stress scenarios. Internal liquidity stress testing allows WFBI to have flexibility in its liquidity risk analysis, outside of Regulatory metrics such as LCR and NSFR, and to adapt to prevailing market conditions and balance sheet changes (through the development of market, idiosyncratic, combined and WFBI-tailored bespoke scenarios). The output from liquidity stress tests is an adjusted set of net cash flows derived from the balance sheet over a 12-month time horizon.

### Net Stable Funding Ratio

The NSFR was formally introduced as a binding regulatory metric in June 2021 under CRR2 (EU No.876/2019). The ratio measures the profile of an entity’s stable funding in relation to the composition of its assets and off-balance sheet activities. The NSFR is calculated as a percentage as shown below:

Available amount of stable funding (“ASF”) ÷ Required amount of stable funding (“RSF”)

NSFR considers a longer time horizon (≥1 year) than the LCR and entities are required to maintain a minimum total NSFR of 100%, with no minimum requirement applicable at individual currency level.

WFBI’s NSFR at 31 December 2023 was 148%.

WFBI recognises the requirement for a buffer above the NSFR regulatory minimum. The buffer level is calculated on an annual basis as part of the Risk Appetite setting process.

## 8.3. Liquidity Risk Governance

The WFBI Board, supported by the WFBI Risk Committee, Executive Committee and ALCO, review and approves the ILAAP (including a Statement of Liquidity Adequacy). The day-to-day management of funding and liquidity has been delegated to the WFBI Treasury function headed by the WFBI Treasurer, who reports to the WFBI CFO. Treasury’s front-line role is supported by the Regulatory Reporting function and reviewed and challenged by Independent Risk Management and the Internal Audit team.

## 8.4. Risk Appetite and Measures

WFBI’s SoRA articulates the appetite for individual risk types, including liquidity risk. The liquidity risk appetite section of the SoRA is composed of qualitative and quantitative elements and seeks to measure and report that WFBI is able to meet its obligations, anticipated or otherwise, in a timely manner. WFBI translates its liquidity SoRA into a defined set of liquidity risk limits, with inner boundaries of these limits functioning as early warning indicators.

## **8.5. Funding & Liquidity Monitoring and Reporting**

Quantitative liquidity reporting requirements are submitted to the CBI as and when due. Liquidity reporting to key internal stakeholders, including the Board, occurs at regular intervals and at an appropriate level of granularity.

## **8.6. Contingency Capital and Funding Plan and Recovery Plan**

The WFBI Contingency Capital and Funding Plan sets out the key components needed to manage capital and liquidity requirements during a stress event. It details monitoring of early warning signals, a governance framework and potential mitigating options to execute in a liquidity stress event.

The WFBI Recovery Plan identifies and analyses a variety of recovery options that are available to the Board and senior management to increase the WFBI's capital and/or liquidity levels, if necessary, during a time of stress.

## 9. Remuneration Disclosures

### 9.1. Introduction

The WFBI Nomination / Remuneration Committee ("NomRemCo") is a subcommittee of the Board of Wells Fargo Bank International UC ("WFBI"), established to assist the Board in fulfilling its oversight responsibilities for the remuneration of all Identified Staff role holders in WFBI.

It is also responsible for oversight of compliance with the principles and regulatory requirements specific to remuneration in Ireland, including but not limited to the Employment Equality Acts:

- The regulatory rules and guidance of the CBI
- The EBA Guidelines dated 2 July 2021, as amended from time to time ("2021 EBA Guidelines") and other relevant materials produced by the EBA
- The requirements that relate to remuneration in the EU Capital Requirements Directive, as amended from time to time ("CRD V"), as transposed into Irish law

### 9.2. Governance (Table EU REMA)

The WFBI NomRemCo is responsible for oversight of remuneration of all Identified Staff role holders in WFBI and the implementation of remuneration policies and practices in WFBI, including the application of the EMEA Remuneration Policy and ongoing compliance with the remuneration-related regulatory requirements taking relevant input from other internal corporate functions as well as other key supervisory function committees to ensure alignment with WFBI's risk management strategy and framework.

In line with the Remuneration Requirements, the WFBI Board assesses the remuneration framework at least annually to ensure that it properly considers all types of risks, including financial and non-financial risks, including those related to Environmental, Social and Governance (ESG). The WFBI NomRemCo will ensure that the overall EMEA Remuneration Policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, goals, corporate culture and expectations, and the long-term interests of WFBI.

The WFBI Risk Committee ("RiskCo") shall examine whether incentives provided by the remuneration policies and practices take into consideration WFBI's risk, capital and liquidity and affordability in accordance with the strength of the balance sheet. On an annual basis, or as required, the RiskCo will review and make recommendations in relation to the risk elements of the EMEA Remuneration Policy to the WFBI NomRemCo.

If there are concerns with the risk level of WFBI business activities or related concerns with the behaviour of WFBI employees, the WFBI Compliance and Risk functions can escalate these concerns to the WFBI Chief Executive Officer ("CEO"), the F&P Forum (as defined in the Glossary), or the WFBI NomRemCo as appropriate, so that they are considered as part of the review of individual awards.

The WFBI NomRemCo will ensure the adequacy of any information provided to shareholders on remuneration policies and practices, in particular on any proposed higher maximum level of the ratio between fixed and variable remuneration. The variable component of remuneration for Identified Staff may not exceed 200% of the fixed component of total remuneration in line with approval obtained on 31 December 2023 from the relevant shareholder bodies.

## 9.2. Governance (Table EU REMA) (continued)

The WFBI NomRemCo is responsible for oversight of the process for determining and approving the list of Identified Staff on an annual basis. Additionally, the WFBI NomRemCo approves any need for ex-post risk adjustment, including the application of malus and clawback arrangements. This assessment will be supported by recommendations from the F&P Forum, the ERRRC and the WFBI Head of HR as appropriate. Identified Staff are classified as those whose professional activities have a material impact on WFBI's risk profile in accordance with WFBI's approach to the qualitative and quantitative criteria of the RTS and EBA Guidelines and the Identified Staff Methodology.

### WFBI Fitness and Probity Forum

The NomRemCo delegates authority to the WFBI Fitness & Probity Forum for the assessment of matters that may call into question the fitness and probity of non-Board member PCF or CF role holders in WFBI and proposed CF/PCF role holders.

The Forum supports the NomRemCo and/or Board with the assessment of matters that may call into question the fitness and probity of Board member PCF's and will submit information to the NomRemCo and/or Board for decision making purposes in this regard.

The WFBI F&P Forum reports into the WFBI NomRemCo and assists both the WFBI NomRemCo and the WFBI Board in carrying out their respective fitness and probity responsibilities and escalates matters to the WFBI NomRemCo as necessary.

## 9.3. Remuneration Structure

### Remuneration Structure

For the purposes of the EMEA Remuneration Policy, "remuneration" consists of all forms of payments or benefits made directly by or indirectly but on behalf of, WFBI, in exchange for professional services rendered by WFBI staff. Total remuneration of WFBI staff, including Identified Staff may comprise a mix of fixed and variable remuneration.

As such:

- the level of fixed remuneration is sufficiently high to allow a fully flexible policy, including the possibility to pay no variable remuneration component;
- the ratio of variable to fixed remuneration for each Identified Staff is capped at 200%; and
- typically, the remuneration of independent Control Functions is predominantly fixed, to reflect the nature of responsibilities.

Wells Fargo pension policies, including those of WFBI are in line with business strategy, goals, expectations and long-term interests. WFBI does not provide discretionary pension benefits to employees.

### Performance Management

WFBI has clear and verifiable mechanisms for measuring performance, with risk adjustment applied thereafter. The Corporate Policy and Practices provide 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 WFBI and Wells Fargo's policies, guidelines and risk appetite, business strategy, corporate culture and expectations, long-term interests of WFBI, and the specific regulatory requirements in Ireland.

## **9.3. Remuneration Structure (continued)**

### **Risk Management Considerations**

Performance measures are specifically adjusted for risk considerations and allocation of incentive spend is directly related to this.

At the WFBI and EMEA-wide level as appropriate, the Wells Fargo EMEA Chief Risk Officer presents an annual ex ante assessment of risk considerations over and above the mechanisms within incentive plans to the ERRRC. WFBI CRO and CCO are voting members of the ERRRC, which provides updates (and, if relevant, recommendations) to the WFBI Nom/RemCo on the outcome of its assessments throughout the year.

WFBI's remuneration 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 including those measures related to ESG.

In alignment with the Wells Fargo Risk Management Framework, employees of WFBI's Control Functions are groups that must remain independent of the business as they provide support, monitoring, or control for the business.

Methods used for determining the variable remuneration of Control Functions do not compromise staff's objectivity and independence. To assure this, Wells Fargo has adopted a corporate standard applicable to the incentive compensation arrangements for Control Functions.

All WFBI 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.

### **Risk Management Considerations (continued)**

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

### **Variable Annual Incentives**

Guaranteed variable remuneration is not part of WFBI's remuneration approach and is discouraged in WFBI. If any guaranteed payments are offered on an exceptional basis, WFBI HR will ensure adherence to the provisions of applicable regulations, including application of deferral and clawback arrangements as required.

WFBI does not currently provide for the issue of other instruments that reflect the credit quality of the business.

### **Deferred Incentives**

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 four and five 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.

### **9.3. Remuneration Structure (continued)**

#### **Performance Adjustment**

WFBI NomRemCo 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 WFBI as a whole, and justified according to the performance of WFBI, the business unit and Identified Staff member concerned. Accordingly, WFBI NomRemCo has the ability to reduce awarded but unvested deferred variable remuneration (including both share-based and cash-based components) and/or to clawback vested deferred variable remuneration in situations where WFBI determines a malus event has occurred. Malus events are detailed in the EMEA Malus and Clawback Policy.

The WFBI NomRemCo shall apply performance adjustment policies (including the EMEA Malus and Clawback Policy), including the triggers under which malus adjustments or clawback would take place and may decide to delay vesting of any deferred variable remuneration where an employee is the subject of an ongoing disciplinary or regulatory investigation at the time such variable remuneration is due to vest. Further detail is available in the EMEA Malus and Clawback Policy.

## 9.4. Remuneration Expenditure (Template EU REM1)

The following table shows remuneration paid to WFBI Identified Staff for 2023 who are remunerated for their services to WFBI. Variable remuneration for 2023 performance was paid or awarded in 2024.

2023 Performance Year (All amount in Euro)			a	b	c	d	Total
			MB Supervisory function	MB Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	4	2	7	15	28
2		<b>Total fixed remuneration</b>	<b>572,712</b>	<b>1,273,739</b>	<b>1,913,164</b>	<b>3,211,303</b>	<b>6,970,918</b>
3		Of which: cash-based	572,712	1,204,189	1,771,721	3,017,049	6,565,671
EU-4a		Of which: shares or equivalent ownership interests	–	–	–	–	–
5		Of which: share-linked instruments	–	–	–	–	–
EU-5x		Of which: other instruments	–	–	–	–	–
7		Of which: other forms	–	69,550	141,443	194,254	405,247
9	Variable remuneration	Number of identified staff	4	2	7	15	28
10		<b>Total variable remuneration</b>	<b>–</b>	<b>1,796,000</b>	<b>1,584,000</b>	<b>1,471,900</b>	<b>4,851,900</b>
11		Of which: cash-based	–	898,000	809,500	832,900	2,540,400
12		Of which: deferred	–	509,200	309,800	306,680	1,125,680
EU-13a		Of which: shares or equivalent ownership interests	–	898,000	774,500	639,000	2,311,500
EU-14a		Of which: deferred	–	509,200	309,800	306,680	1,125,680
EU-13b		Of which: share-linked instruments <sup>7</sup>	–	–	–	–	–
EU-14b		Of which: deferred	–	–	–	–	–
EU-14x		Of which: other instruments	–	–	–	–	–
EU-14y		Of which: deferred	–	–	–	–	–
15	Of which: other forms	–	–	–	–	–	
16	Of which: deferred	–	–	–	–	–	
17	Total remuneration (2 + 10)		<b>572,712</b>	<b>3,069,739</b>	<b>3,497,164</b>	<b>4,683,203</b>	<b>11,822,818</b>

<sup>7</sup> Including equivalent non-cash instruments

## 9.5. Special Payments (Template EU REM2)

2023 Performance Year (All amount in Euro)		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards - Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-	1
7	Severance payments awarded during the financial year - Total amount	-	-	-	1
8	Of which paid during the financial year	-	-	-	558,813
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	558,813

## 9.7. Remuneration of 1 million EUR or more per year (Template EU REM4)

2023 Performance Year (All amount in Euro)		a
		Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	1
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-

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

## 9.6. Deferred remuneration (Template EU REM3)

The following table provides a summary of deferred remuneration for 2023 WFBI Identified Staff who are remunerated for their services to WFBI.

	2023 Performance Year (All amount in Euro)	a	b	c	d	e	f	EU - g	EU - h
		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e., changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments <sup>8</sup>	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function <sup>12</sup>	<b>3,368,007</b>	<b>1,026,096</b>	<b>2,341,912</b>	-	-	-	<b>884,320</b>	<b>796,250</b>
8	Cash-based	1,349,497	229,845	1,119,652	-	-	-	229,845	-
9	Shares or equivalent ownership interests	2,018,510	796,250	1,222,260	-	-	-	654,475	796,250
10	Share-linked instruments <sup>13</sup>	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	<b>2,055,559</b>	<b>768,855</b>	<b>1,286,704</b>	-	-	-	<b>577,695</b>	<b>646,565</b>
14	Cash-based	691,107	122,291	568,816	-	-	-	122,291	-
15	Shares or equivalent ownership interests	1,364,452	646,565	717,888	-	-	-	455,404	646,565
16	Share-linked instruments <sup>13</sup>	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	<b>1,155,663</b>	<b>482,759</b>	<b>672,904</b>	-	-	-	<b>348,434</b>	<b>373,971</b>
20	Cash-based	407,400	108,788	298,612	-	-	-	108,788	-
21	Shares or equivalent ownership interests	748,263	373,971	374,292	-	-	-	239,646	373,971
22	Share-linked instruments <sup>13</sup>	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	<b>Total amount</b>	<b>6,579,230</b>	<b>2,277,710</b>	<b>4,301,519</b>	-	-	-	<b>1,810,449</b>	<b>1,816,786</b>

<sup>8</sup> Including equivalent non-cash instruments

## 10. Reconciliation of Regulatory Own Funds (Template EU CC2)

USD Thousands		a/b	c
		Balance sheet as in published financial statements / Under regulatory scope of consolidation	Reference to Template EU CC1
		As at period end	
<b>Assets</b>			
1	Cash and cash equivalents	5,030,276	
2	Loans and advances to banks	1,178,657	
3	Loans and advances to customers	5,307,715	
4	Investment securities	137,196	
5	Derivative financial instruments	40,394	
6	Right of use assets	10,003	
7	Other assets	38,832	
8	Property, plant and equipment	9,124	
9	Current tax assets	1,496	
10	Deferred tax assets	597	
	<b>Total assets</b>	<b>11,754,290</b>	
<b>Liabilities</b>			
1	Deposits from banks	1,198,360	
2	Deposits from customers	99,896	
3	Certificates of deposit	1,936,749	
4	Short-term borrowings	168,095	
5	Term debt	4,507,975	
6	Derivative financial instruments	66,477	
7	Provisions	6,194	
8	Current tax liabilities	-	
9	Lease liabilities	9,789	
10	Other liabilities	400,292	
	<b>Total liabilities</b>	<b>8,393,827</b>	
<b>Shareholders' Equity</b>			
1	Share capital	777,950	1
2	Capital Contribution	1,511,423	3
3	Retained earnings	1,071,601	2
4	Other reserves	(511)	3
	<b>Total equity attributable to equity holders of the Bank</b>	<b>3,360,463</b>	
	<b>Total liabilities and equity</b>	<b>11,754,290</b>	

## 11. Overview of total risk exposure amounts (Template EU OV1)

USD Thousands		2023	2022	2023
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
1	Credit risk (excluding CCR)	7,355,911	6,538,751	588,473
2	Of which the standardised approach	7,355,911	6,538,751	588,473
3	Of which the Foundation IRB (F-IRB) approach	–	–	–
4	Of which slotting approach	–	–	–
EU 4a	Of which equities under the simple riskweighted approach	–	–	–
5	Of which the Advanced IRB (A-IRB) approach	–	–	–
6	Counterparty credit risk - CCR	25,786	97,821	2,063
7	Of which the standardised approach	8,863	39,476	709
8	Of which internal model method (IMM)	–	–	–
EU 8a	Of which exposures to a CCP	–	–	–
EU 8b	Of which credit valuation adjustment - CVA	8,793	38,976	703
9	Of which other CCR	8,131	19,368	650
15	Settlement risk	–	–	–
16	Securitisation exposures in the non-trading book (after the cap)	–	–	–
17	Of which SEC-IRBA approach	–	–	–
18	Of which SEC-ERBA (including IAA)	–	–	–
19	Of which SEC-SA approach	–	–	–
EU 19a	Of which 1250% / deduction	–	–	–
20	Position, foreign exchange and commodities risks (Market risk)	27,031	2,193	2,162
21	Of which the standardised approach	27,031	2,193	2,162
22	Of which IMA	–	–	–
EU 22a	Large exposures	–	–	–
23	Operational risk	538,268	406,936	43,061
EU 23a	Of which basic indicator approach	–	–	–
EU 23b	Of which standardised approach	538,268	406,936	43,061
EU 23c	Of which advanced measurement approach	–	–	–
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	–	–	–
<b>29</b>	<b>Total</b>	<b>7,946,996</b>	<b>7,045,701</b>	<b>635,759</b>

## 12. Composition of Regulatory Own Funds (Template EU CC1)

USD Thousands		(a)		(b)
		2023	2022	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation (Template EU CC2)
<b>Common Equity Tier 1 (CET1) capital: instruments and reserve</b>				
1	Capital instruments and the related share premium accounts	777,950	777,950	
	of which: Instrument type 1	777,950	777,950	Equity 1
	of which: Instrument type 2	—	—	
	of which: Instrument type 3	—	—	
2	Retained earnings	1,071,602	930,554	Equity 3
3	Accumulated other comprehensive income (and other reserves)	1,510,912	1,510,765	Equity 2 + Equity 4
EU-3 a	Funds for general banking risk	—	—	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	—	—	
5	Minority interests (amount allowed in consolidated CET1)	—	—	
EU-5 a	Independently reviewed interim profits net of any foreseeable charge or dividend	—	—	
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>3,360,464</b>	<b>3,219,269</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>				
7	Additional value adjustments (negative amount)	(245)	(545)	
8	Intangible assets (net of related tax liability) (negative amount)	—	—	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	—	—	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	—	—	
12	Negative amounts resulting from the calculation of expected loss amounts	—	—	
13	Any increase in equity that results from securitised assets (negative amount)	—	—	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—	
15	Defined-benefit pension fund assets (negative amount)	—	—	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	—	—	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—	

## 12. Composition of Regulatory Own Funds (Template EU CC1) (continued)

USD Thousands		(a)		(b)
		2023	2022	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	–	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	–	
EU-2 0a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	–	–	
EU-2 0b	of which: qualifying holdings outside the financial sector (negative amount)	–	–	
EU-2 0c	of which: securitisation positions (negative amount)	–	–	
EU-2 0d	of which: free deliveries (negative amount)	–	–	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(597)	(734)	
22	Amount exceeding the 17,65% threshold (negative amount)	–	–	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	–	–	
25	of which: deferred tax assets arising from temporary differences	–	–	
EU-2 5a	Losses for the current financial year (negative amount)	–	–	
EU-2 5b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	–	–	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	–	–	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	–	–	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	(842)	(1,278)	
29	<b>Common Equity Tier 1 (CET1) capital</b>	3,359,622	3,217,991	

## 12. Composition of Regulatory Own Funds (Template EU CC1) (continued)

<b>Additional Tier 1 (AT1) capital: instruments</b>				
USD Thousands		(a)		(b)
		2023	2022	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
30	Capital instruments and the related share premium accounts	–	–	
31	of which: classified as equity under applicable accounting standards	–	–	
32	of which: classified as liabilities under applicable accounting standards	–	–	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	–	–	
EU-3 3a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	–	–	
EU-3 3b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	–	–	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	–	–	
35	of which: instruments issued by subsidiaries subject to phase out	–	–	
<b>36</b>	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	–	–	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	–	–	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–	–	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–	–	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	–	–	
41	Empty set in the EU	–	–	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	–	–	
42a	Other regulatory adjustments to AT1 capital	–	–	
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	–	–	
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	–	–	
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	3,359,622	3,217,991	

USD Thousands		(a)		(b)
		2023	2022	Source based on reference numbers/ letters of the balance sheet under the regulatory
<b>Tier 2 (T2) capital: instruments</b>				
46	Capital instruments and the related share premium accounts	–	–	
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CR	–	–	
EU-4 7a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T	–	–	
EU-4 7b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T	–	–	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	–	–	
49	of which: instruments issued by subsidiaries subject to phase out	–	–	
50	Credit risk adjustments	–	–	
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustments</b>	–	–	
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	–	–	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–	–	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold)	–	–	
54a	Empty set in the EU	–	–	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)	–	–	
56	Empty set in the EU	–	–	
EU-5 6a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	–	–	
EU-5 6b	Other regulatory adjustments to T2 capital	–	–	
<b>57</b>	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	–	–	
<b>58</b>	<b>Tier 2 (T2) capital</b>	–	–	
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	3,359,622	3,217,991	
<b>60</b>	<b>Total Risk exposure amount</b>	7,946,996	7,045,701	

## 12. Composition of Regulatory Own Funds (Template EU CC1) (continued)

USD Thousands		(a)		(b)
		2023	2022	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	42.28%	46.21%	
62	Tier 1 (as a percentage of total risk exposure amount)	42.28%	46.21%	
63	Total capital (as a percentage of total risk exposure amount)	42.28%	46.21%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer	14.66%	14.12%	
65	of which: capital conservation buffer requirement	2.50%	2.50%	
66	of which: countercyclical buffer requirement	0.76%	0.22%	
67	of which: systemic risk buffer requirement	–%	–%	
EU-67 a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	–%	–%	
EU-67 b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	6.90%	6.90%	
68	<b>Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)</b>	27.38%	34.81%	
69	[non relevant in EU regulation]	–	–	
70	[non relevant in EU regulation]	–	–	
71	[non relevant in EU regulation]	–	–	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	–	–	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	–	–	
74	Empty set in the EU	–	–	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	–	–	

## 12. Composition of Regulatory Own Funds (Template EU CC1) (continued)

USD Thousands		(a)		(b)
		2023	2022	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	–	–	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	92,161	82,470	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	–	–	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	–	–	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>				
80	Current cap on CET1 instruments subject to phase out arrangements	–	–	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–	–	
82	Current cap on AT1 instruments subject to phase out arrangements	–	–	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–	–	
84	Current cap on T2 instruments subject to phase out arrangements	–	–	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	–	–	

### 13. Credit quality of forborne exposures (Template EU CQ1)

USD Thousands		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Of which defaulted	Of which impaired								
<b>005</b>	<b>Cash balances at Central banks and other demand deposits</b>	-	-	-	-	-	-	-	-
<b>010</b>	<b>Loans and advances</b>	<b>168,551</b>	<b>149,705</b>	<b>149,705</b>	<b>149,705</b>	<b>(382)</b>	<b>(43,265)</b>	<b>209,868</b>	<b>67,765</b>
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	142,200	103,191	103,191	103,191	(97)	(35,425)	209,868	67,765
060	Non-financial corporations	26,351	46,514	46,514	46,514	(285)	(7,840)	-	-
070	Households	-	-	-	-	-	-	-	-
<b>080</b>	<b>Debt securities</b>	-	-	-	-	-	-	-	-
090	Loan commitments given	26,644	25,538	25,538	25,538	-	(4,299)	-	-
<b>100</b>	<b>Total</b>	<b>195,195</b>	<b>175,243</b>	<b>175,243</b>	<b>175,243</b>	<b>(382)</b>	<b>(47,564)</b>	<b>209,868</b>	<b>67,765</b>

## 14. Credit quality of performing and non-performing exposures by past due days (EU CQ3)

USD Thousands		a	b	c	d	e	f	g	h	i	j	k	l	
		Gross carrying amount/nominal amount of exposures												
		Performing exposures			Non-performing exposures									
			Not past due or past due ≤30 days	Past due>30 days ≤90 days		Unlikely to pay that are not past due or are past due ≤ 90	Past due>90 days ≤180 days	Past due>180 days ≤ 1 year	Past due>1 year ≤ 2 year	Past due>2 year ≤ 5 year	Past due>5 year ≤ 7 year	Past due>7 year	Of which defaulted	
005	Cash balances at Central banks and other demand deposits	5,067,786	5,067,786	-	-	-	-	-	-	-	-	-	-	
010	Loans and advances	6,383,812	6,376,188	7,624	156,019	155,792	149	77	-	-	-	-	156,019	
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	
040	Credit institutions	1,146,217	1,146,217	-	-	-	-	-	-	-	-	-	-	
050	Other financial corporations	2,558,363	2,558,363	-	103,191	103,191	-	-	-	-	-	-	103,191	
060	Non-financial corporations	2,679,231	2,671,608	7,624	52,828	52,602	149	77	-	-	-	-	52,828	
070	Of which SMEs	668,384	668,255	129	4,951	4,724	149	77	-	-	-	-	4,951	
080	Households	-	-	-	-	-	-	-	-	-	-	-	-	
090	Debt securities	138,477	138,477	-	-	-	-	-	-	-	-	-	-	
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	
110	General governments	-	-	-	-	-	-	-	-	-	-	-	-	

## 14. Credit quality of performing and non-performing exposures by past due days (EU CQ3) (Continued)

USD Thousands		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount of exposures											
		Performing exposures			Non-performing exposures								
		Not past due or past due ≤30 days	Past due>30 days ≤90 days		Unlikely to pay that are not past due or are past due ≤ 90	Past due>90 days ≤180 days	Past due>180 days ≤ 1 year	Past due>1 year ≤ 2 year	Past due>2 year ≤ 5 year	Past due>5 year ≤ 7 year	Past due>7 year	Of which default ed	
120	Credit institutions	138,477	138,477	–	–	–	–	–	–	–	–	–	–
130	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	–	–	–	–	–	–	–	–	–	–	–	–
<b>150</b>	<b>Off balance sheet exposures</b>	<b>6,249,836</b>			<b>25,538</b>								<b>25,538</b>
160	Central banks	–			–								–
170	General governments	–			–								–
180	Credit institutions	50,000			–								–
190	Other financial corporations	930,405			–								–
200	Non-financial corporations	5,269,431			25,538								25,538
210	Households	–			–								–
<b>220</b>	<b>Total</b>	<b>17,839,911</b>	<b>11,582,452</b>	<b>7,624</b>	<b>181,557</b>	<b>155,792</b>	<b>149</b>	<b>77</b>	–	–	–	–	<b>181,557</b>

## 15. Performing and non-performing exposures and related provisions (EU CR1)

USD THOUSANDS		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Gross carrying amount/nominal amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral received and financial guarantees received	
		Performing exposures			Non-performing exposures				Performing exposures-accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
<b>005</b>	<b>Cash balances at Central banks and other demand deposits</b>	<b>5,067,786</b>	<b>5,067,786</b>	-	-	-	-	<b>(711)</b>	<b>(711)</b>	-	-	-	-	-	-	-	
<b>010</b>	<b>Loans and advances</b>	<b>6,383,812</b>	<b>5,388,359</b>	<b>995,452</b>	<b>156,019</b>	-	<b>156,019</b>	<b>(6,346)</b>	<b>(1,946)</b>	<b>(4,400)</b>	<b>(43,928)</b>	-	<b>(43,928)</b>	-	<b>3,585,837</b>	<b>67,765</b>	
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
040	Credit institutions	1,146,217	1,146,217	-	-	-	-	(161)	(161)	-	-	-	-	-	1,146,057	-	
050	Other financial corporations	2,558,363	1,962,284	596,079	103,191	-	103,191	(4,547)	(1,027)	(3,520)	(35,425)	-	(35,425)	-	2,196,349	67,765	
060	Non-financial corporations	2,679,231	2,279,858	399,373	52,828	-	52,828	(1,638)	(759)	(880)	(8,503)	-	(8,503)	-	243,432	-	
070	Of which SMEs	668,384	491,568	176,816	4,951	-	4,951	(718)	(428)	(290)	(583)	-	(583)	-	-	-	
080	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>090</b>	<b>Debt securities</b>	<b>138,477</b>	<b>138,477</b>	-	-	-	-	<b>(9)</b>	<b>(9)</b>	-	-	-	-	-	-	-	
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
110	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

## 15. Performing and non-performing exposures and related provisions (EU CR1) (Continued)

USD THOUSANDS		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
		Gross carrying amount/nominal amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral received and financial guarantees received	
		Performing exposures			Non-performing exposures				Performing exposures-accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
120	Credit institutions	138,477	138,477	–	–	–	–	(9)	(9)	–	–	–	–	–	–	–	
130	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
140	Non-financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>150</b>	<b>Off balance sheet exposures</b>	<b>6,249,836</b>	<b>5,605,145</b>	<b>644,691</b>	<b>25,538</b>	<b>–</b>	<b>25,538</b>	<b>(865)</b>	<b>(853)</b>	<b>(13)</b>	<b>(4,299)</b>	<b>–</b>	<b>(4,299)</b>	<b>–</b>	<b>–</b>	<b>–</b>	
160	Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
170	General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
180	Credit institutions	50,000	50,000	–	–	–	–	–	–	–	–	–	–	–	–	–	
190	Other financial corporations	930,405	871,679	58,726	–	–	–	(104)	(91)	(12)	–	–	–	–	–	–	
200	Non-financial corporations	5,269,431	4,683,466	585,966	25,538	–	25,538	(762)	(761)	–	(4,299)	–	(4,299)	–	–	–	
210	Households	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
<b>220</b>	<b>Total</b>	<b>17,839,911</b>	<b>16,199,768</b>	<b>1,640,144</b>	<b>181,557</b>	<b>–</b>	<b>181,557</b>	<b>(7,931)</b>	<b>(3,518)</b>	<b>(4,412)</b>	<b>(48,227)</b>	<b>–</b>	<b>(48,227)</b>	<b>–</b>	<b>3,585,837</b>	<b>67,765</b>	

## 16. Collateral obtained by taking possession and execution processes (EU CQ7)

USD Thousands		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)	-	-
2	Other than PP&E	-	-
3	Residential immovable property	-	-
4	Commercial Immovable property	-	-
5	Movable property (auto, shipping, etc.)	-	-
6	Equity and debt instruments	-	-
7	Other	-	-
<b>8</b>	<b>Total</b>	-	-

## Appendix 1: WFBI Board Directors: Knowledge, experience and expertise

<b>Knowledge, experience and expertise</b>	
<b>Peter Keegan</b>	Peter Keegan is the Chair of the Board of Directors. Peter joined the Board in June 2020 as an independent non-executive director and was appointed as Chair in March 2023. Peter has extensive experience in country and legal entity leadership roles in global corporate and investment banking organisations over a 30 year career in banking. He was Country Executive for Bank of America Merrill Lynch in Ireland from 2009 to 2019 and CEO of Bank of America Merrill Lynch International DAC from 2009 to 2018, having previously served as CFO and served as a Group Non-executive director on a number of Bank of America companies. Peter qualified as a Chartered Accountant with PwC and is a Fellow of both the Institute of Chartered Accountants in Ireland and the U.K. Association of Corporate Treasurers.
<b>Fiona Gallagher</b>	Fiona Gallagher is CEO of WFBI and joined Wells Fargo Group in October 2019. WFBI provides support and services to Wells Fargo’s clients in all European Union and European Economic Area countries. Fiona is a member of a number of WFBI and International Executive Committees and the EMEA New Initiative Committee. Fiona joined Wells Fargo from Deutsche Bank where she served as Deutsche Bank’s Global Head of Securities Services and Chief Country Officer for Deutsche Bank Ireland. She has extensive industry knowledge with over 25 years of experience in debt capital markets and transaction banking.
<b>Gervaise Slowey</b>	Gervaise Slowey joined the WFBI Board in June 2020 as an independent non-executive director with a background in senior management, international business, marketing and media. In addition to Wells Fargo Bank International, she currently serves as an independent non-executive director on the boards of Dalata Hotel Group Plc., Molten Ventures Plc and Eason PLC. Gervaise was CEO of Communicorp Group Ltd for four years to the end of 2016. Prior to that Gervaise held senior roles in Ogilvy Worldwide for 16 years, most recently as Global Client Director. Gervaise has also served on the boards of Ulster Bank DAC, the Institute of Directors Ireland, the International Rice Research Institute and the Institute of International and European Affairs. With a BBS in Business Studies, Gervaise is also a Chartered Company Director and a Certified Bank Director of the Institute of Banking and has completed the Sustainability Leadership Program at the University of Cambridge.
<b>Fiona Tierney</b>	Fiona Tierney joined the WFBI Board in July 2020 as an independent non-executive director. Fiona is a professionally qualified and highly experienced non-executive director, with a successful career history of leadership in the public and private sectors. She is currently serving as board member of Digital Manufacturing Ireland, an Irish foreign direct investment funded initiative which showcases and supports the transition to digital manufacturing in Ireland. Fiona is also on the Council of the Institute of Directors (IOD) in Ireland and is a member of the Top Level Appointments Committee. She is currently President of the Ireland chapter of the International Women’s Forum. Previously, Fiona was a director on the Board of Eir, Chair of the Audit Committee in the Office of the Comptroller and Auditor General and was a Trustee of the Irish Management Institute (2013 – 2021), and of Pieta (2018-2022). With a BA (Mod) in Economics and Political Science and a Masters in Public Administration, Fiona is a Chartered Director of the Institute of Directors and a Certified Bank Director of the Institute of Banking.
<b>Mark Jacob</b>	Mark Jacob joined the Board in January 2020 and has over 30 years’ experience in financial services having previously acted as Managing Director of DZ BANK Ireland Plc for 17 years, and also served as Chief Finance Officer and Chief Risk Officer of the company. He is a Fellow of the Institute of Chartered Accountants of Ireland and qualified as a chartered accountant with PwC. He currently acts as non-executive director on a number of Irish companies in the shipping finance sector.

## Appendix 1: WFBI Board Directors: Knowledge, experience and expertise

<b>Louise Li</b>	Louise Li has more than 15 years' experience at Wells Fargo and is Head of International Regulatory Relations for Europe, Middle East, and Africa. Louise provides oversight of regulatory relations for key activities within the Wells Fargo International and EMEA businesses. Previously Louise held numerous senior roles including EMEA chief operating officer, WFBNA London branch manager, and the Wells Fargo Director of Tax for Asia Pacific and EMEA. Louise has more than 20 years' experience in consulting within the financial and professional service industries before joining Wells Fargo and is a UK qualified Chartered Accountant and Chartered Tax Advisor.
<b>Mary Katherine Dubose</b>	Mary Katherine Dubose joined the Board in August 2021 in a group non-executive role and is an executive vice president and Head of Specialized Industries within Wells Fargo Commercial Banking. Previously, Mary Katherine was responsible for leading the secured lending and leasing businesses. She also served as Wells Fargo's Chief Credit Officer, responsible for leadership and oversight of all credit undertaken throughout Wells Fargo. Mary Katherine also served as the Head of Capital Markets where she led teams responsible for asset-backed finance, debt capital markets, and equity capital markets. She has held a steady progression of roles since joining Wells Fargo in 1998. With a bachelor's degree in Business Administration with a concentration in Finance, Mary Katherine is a member of the Board of Trustees for the Charlotte Latin School.
<b>John Langley</b>	John Langley joined the Board in May 2023 in a group non-executive role. John joined Wells Fargo in 2019 as the EMEA regional president and was appointed Head of International in April 2021. In July 2023, John's responsibilities expanded as the Chief Operating Officer for CIB. He has regional responsibility for all businesses that operate internationally: Corporate & Investment Banking, Commercial Capital, and Treasury Management. Before joining Wells Fargo, John served as global head of Capital Markets at Barclays PLC. During his 11 years at Barclays, John held a number of senior leadership positions, including global head of Risk Solutions Group. Prior to Barclays, John held several senior leadership roles at Merrill Lynch, including head of Corporate Risk Advisory Group and global Head of FX Derivatives Trading. John is a Fellow of The Sutton Trust, an organization that champions social mobility through programs, research, and policy influence. He holds an M.A. in Natural Sciences from Cambridge University.
<b>John Cotter</b>	John Cotter joined WFBI as CFO in October 2020, and was appointed to the Board in September 2022 as an executive director. John has over 30 years' experience in the Financial Service industry, including 15 years with Morgan Stanley in London and Singapore, including responsibility in Europe for financial, treasury and regulatory control. As CFO/COO of Morgan Stanley's UK Bank, John led the banking application and approval process. In addition, John has over 8 years as CFO/CEO and board member in public companies, such as Collins Stewart and IFG Group. John is a Fellow of the Institute of Chartered Accountants in Ireland and a Chartered Director with the Institute of Directors.

## Appendix 2: Glossary

Abbreviation / Acronym	Definition
AML	Anti-money laundering
ASF	Available amount of stable funding
CBI	Central Bank of Ireland
CCO	Chief Compliance Officer
CEO	Chief Executive officer
CF1	A controlled function under CBI's Fitness and Probity Standards
CFO	Chief Financial Officer
CRCO	WFBI Credit Committee
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
DCAA	Delegated Credit Approval Authority
EBA	European Banking Authority
EEA	European Economic Area
EMEA	Europe, the Middle East and Africa
EMEA NIC	Wells Fargo EMEA New Initiatives Committee
ERRRC	Wells Fargo EMEA Remuneration Risk Review Committee
ERSG	EMEA Remuneration Steering Group
ESG	Environmental, social and governance factors
EV	Economic value
EVE	Economic Value of Equity
Group	Wells Fargo Group
HQLA	High Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IR01	Interest Rate Basis Point Sensitivity
IRM	Independent Risk Management
IRRBB	Interest rate risk in the banking book
KRI	Key risk indicators
LCR	Liquidity coverage ratio

## Appendix 2: Glossary (Continued)

Abbreviation / Acronym	Definition
LoB	Lines of Business
MRTs	Material Risk Takers
NSFR	Net Stable Funding Ratio
PCF	Pre-approval Controlled Function. A controlled function that requires pre-approval under CBI's Fitness and Probity Standard
PMF	Portfolio Monitoring Forum
RAF	Risk Appetite Framework
RCSA	Risk and Control Self-Assessment
RRIC	Regulatory Reporting Incremental Compliance function
RSF	Required amount of stable funding
RTS	Regulatory Technical Standards
RWAs	Risk-weighted exposure amounts
SoRA	Statement of Risk Appetite
the Company	Wells Fargo Bank International Unlimited Company
ToR	Terms of Reference
VaR	Value at risk
WFBI	Wells Fargo Bank International Unlimited Company
WFBI ALCO	WFBI Assets and Liability Committee
WFBI AuditCo	WFBI Audit Committee
WFBI ExCo	WFBI Executive Committee
WFBI F&P	WFBI Fitness and Probity Forum
WFBI FB	WFBI Frankfurt Branch
WFBI NomRemCo	WFBI Nominations and Remuneration Committee
WFBI Risk	WFBI risk management function
WFBI RiskCo	WFBI Risk Committee
WFBI RROC	WFBI Regulatory Reporting Oversight Committee
WFBNA	Wells Fargo Bank, National Association
WFC	Wells Fargo & Company
WFC	Wells Fargo & Company
WFIBV	Wells Fargo International B.V.