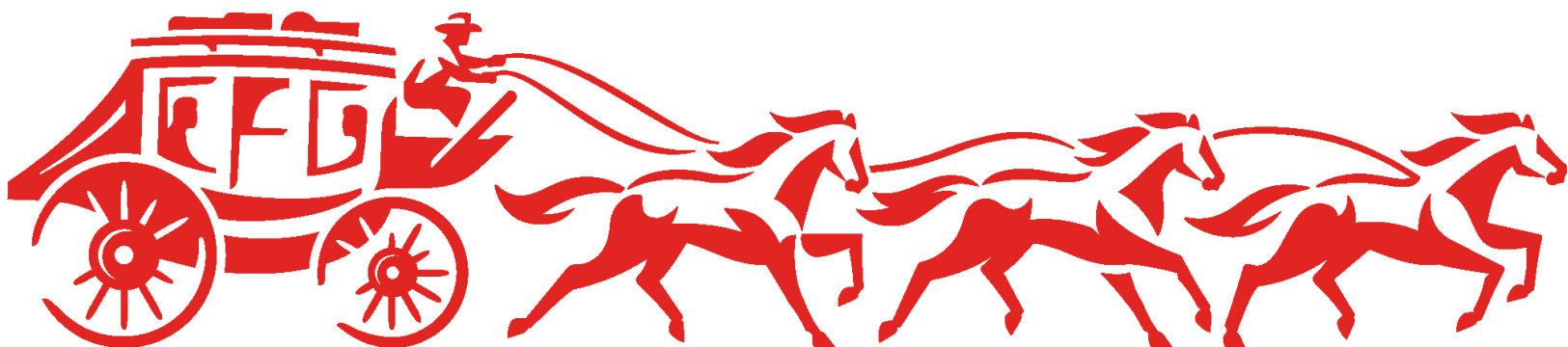


# 2023 Wells Fargo & Company 165(d) Resolution Plan

Public Section

June 2023



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### *Forward-Looking Statements and Other Disclaimers*

*This document contains forward-looking statements about our business, including discussion of the Company's future plans, objectives, and resolution strategies, including its expectations, assumptions, and projections regarding the implementation of those strategies and the effectiveness of the Company's resolution planning efforts. Because forward-looking statements are based on our current expectations and assumptions regarding the future, they are subject to inherent risks and uncertainties. Do not unduly rely on forward-looking statements as actual results could differ materially from expectations. Forward-looking statements speak only as of the date made, and we do not undertake to update them to reflect changes or events that occur after that date. For information about factors that could cause actual results to differ materially from our expectations, refer to our reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission and available on its website at [www.sec.gov](http://www.sec.gov).*

*The 2023 165(d) Plan is based on many significant assumptions, including assumptions about the actions of regulators and creditors, the state of the financial markets and the economy, and the impact of a significant loss event on the Company. While we expect to take the actions described in this 2023 165(d) Plan, some or all of these assumptions may prove to be incorrect in a resolution situation and our actual actions may differ. The 2023 165(d) Plan is not binding on us, a bankruptcy court, our regulators, or any other resolution authority.*

*All financial data in this document is as of December 31, 2022, except where otherwise indicated.*

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## Table of Contents

1.	Introduction .....	5
2.	Company Overview .....	13
3.	Core Business Lines .....	14
4.	Material Entities .....	17
5.	Approach to Maintaining Financial Resiliency .....	24
6.	Company's Preferred Resolution Strategy .....	36
7.	Focus Areas and Capabilities .....	43
8.	Resolution Planning Oversight .....	58
9.	Financial Information .....	63
10.	Identities of Principal Officers .....	67
11.	Glossary .....	68

# 1. Introduction

In response to the 2008 financial crisis, the U.S. Government passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) to prevent a similar financial crisis from occurring by enhancing governmental oversight of the banking industry. The Dodd-Frank Act requires large bank holding companies, including Wells Fargo & Company,<sup>1</sup> to file resolution plans with the Federal Reserve and Federal Deposit Insurance Corporation (FDIC) that demonstrate how they could be rapidly and orderly resolved in the event of material financial distress or failure. Pursuant to regulatory requirements, we also file Recovery Plans, which show how we would proactively identify and respond to financial stress to avoid failure. In this Public Section of our 2023 165(d) Plan, we discuss not only resolution concepts, but also recovery concepts to demonstrate a more extensive picture of our financial resiliency.

Figure 1-1 Resolution Developments



## Preparedness to Recover from Financial Stress

At Wells Fargo, we have taken steps to be able to identify and respond early to unanticipated financial stress. These monitoring and response mechanisms have been in place for many years, and we continue to refine them to meet evolving economic environments, including the market stress events earlier this year.

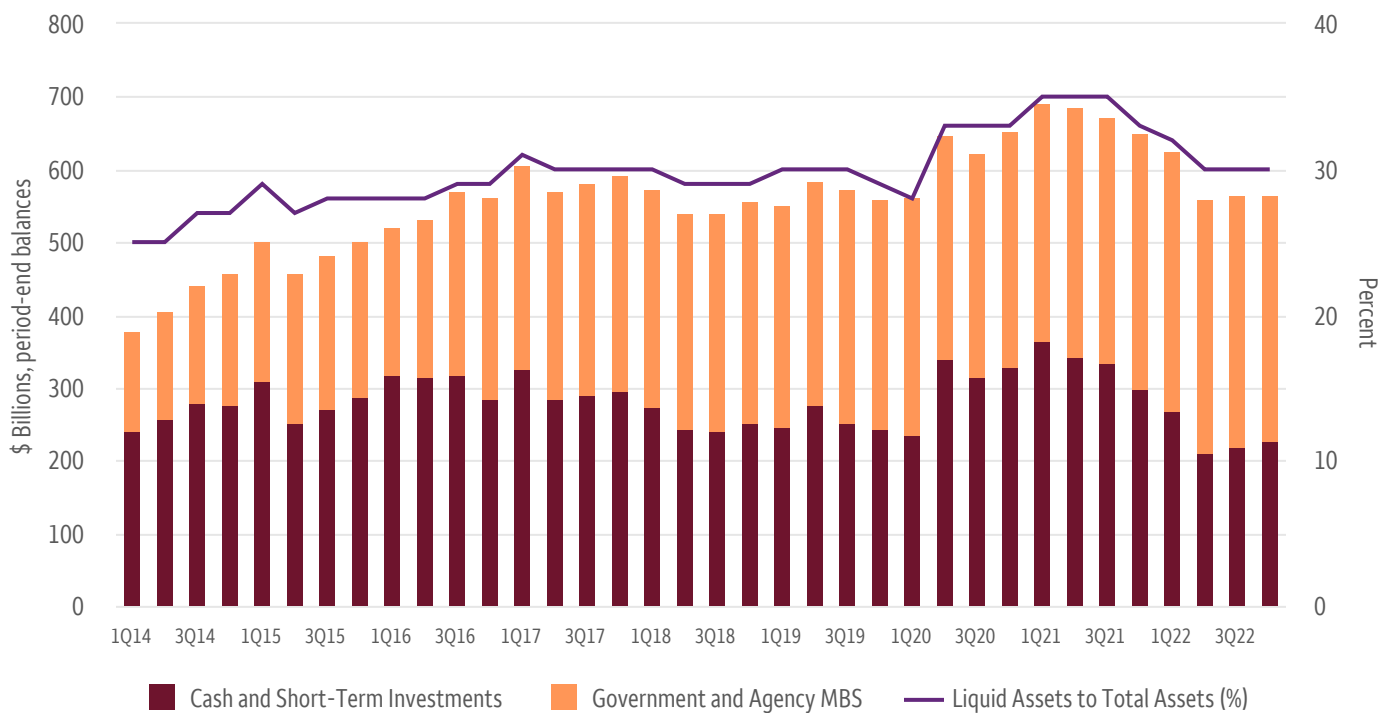
<sup>1</sup> Wells Fargo & Company including its subsidiaries is referred to as the "Company," "Wells Fargo," "we," "our," or "us," and, as a stand-alone entity, is referred to as the "Parent."

We adhere to strict capital and liquidity requirements that position us to identify and effectively respond early to unexpected severe financial stress. Some of these requirements include:

- Daily reporting to the Federal Reserve of the liquidity profile for our consolidated Company and certain legal entities, which includes information on assets, liabilities, and funding activities.
- Liquidity stress testing and daily monitoring of expected short-term cash outflows to demonstrate that we have sufficient liquidity available to withstand severe financial stress if higher than normal outflows occurred.
- Annual capital stress testing that is conducted both internally and by regulatory agencies using hypothetical economic scenarios that test our ability to withstand severe financial stress.

For liquidity positioning, we monitor financial resources at Material Entities<sup>2</sup> against established metrics that could indicate deteriorating available liquidity. Our liquid assets include cash, U.S. Treasuries, U.S. government agency and government sponsored company-issued securities, agency mortgage-backed securities, and certain other financial instruments. Our liquid assets as a percentage of total assets were more than 5% higher on December 31, 2022 compared to the beginning of 2014, as illustrated in the following figure. In addition, we currently maintain liquid assets in excess of our forecasted resolution liquidity execution need requirement.<sup>3</sup>

**Figure 1-2 Liquid Assets**



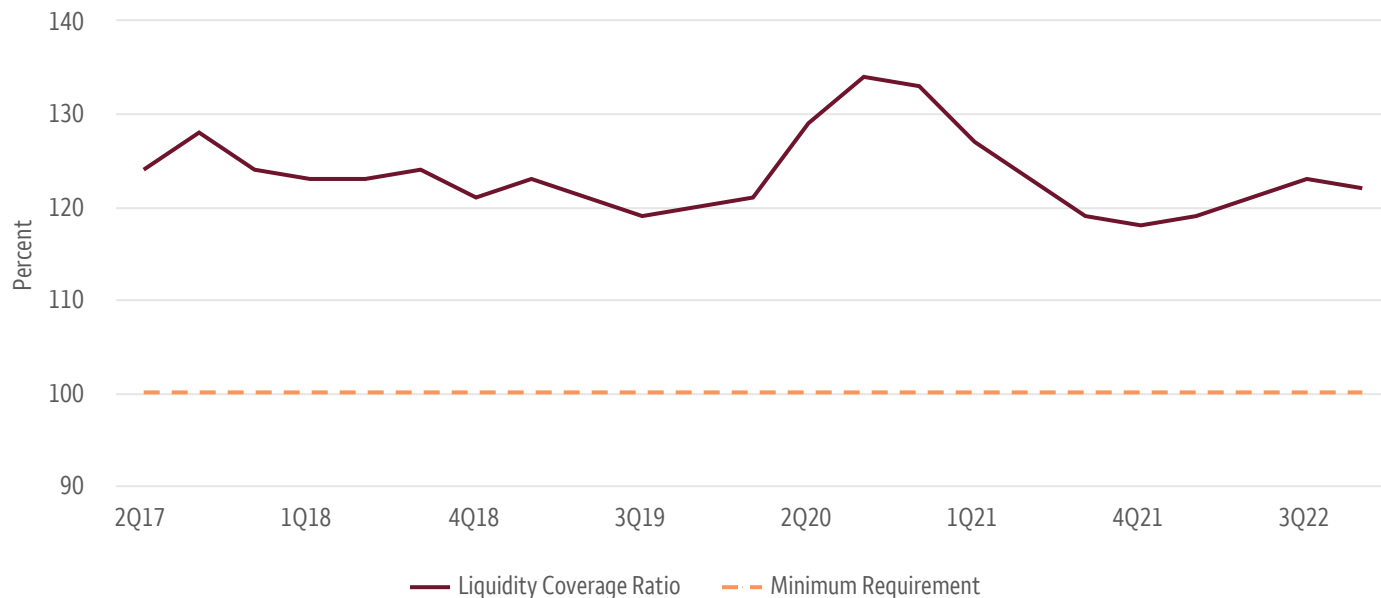
High-quality liquid assets (HQLAs) are assets that financial institutions hold and can be easily accessed to meet short-term liquidity needs in times of financial stress. We closely monitor our liquidity coverage ratio,

<sup>2</sup> A material entity is a subsidiary or foreign office of the covered company that is significant to the activities of an identified critical operation or core business line, or is financially or operationally significant to the resolution of the covered company. Detail on the Material Entities is provided in Section 4, Material Entities.

<sup>3</sup> Resolution liquidity execution need (RLEN) is how much liquidity applicable Material Entities would need to continue operating if we reach resolution.

which measures the amount of HQLAs we have compared to our projected net cash outflows over a 30-day period. As shown in the following figure, we have consistently been above the regulatory minimum requirement.

**Figure 1-3**                      **Liquidity Coverage Ratio**



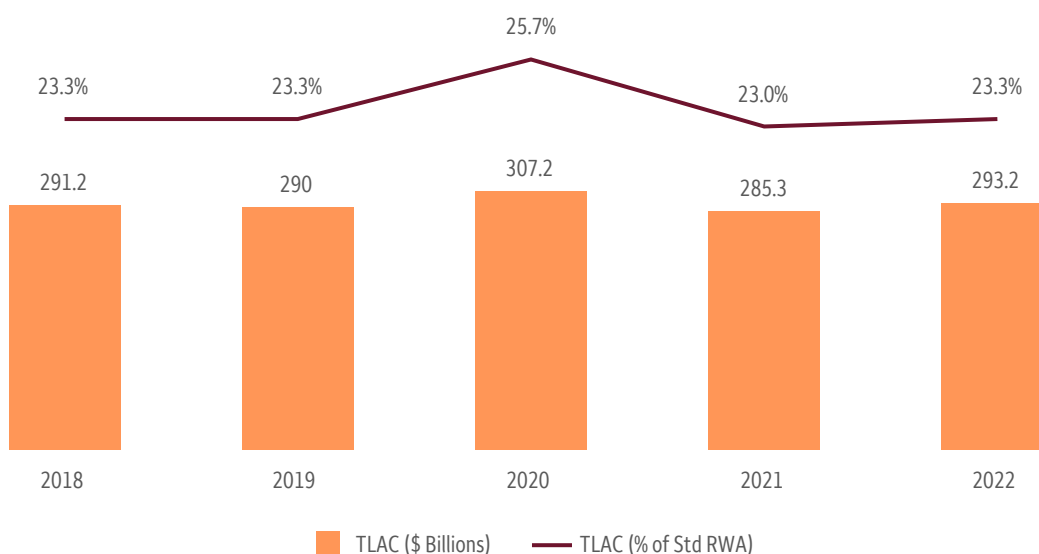
## Preparedness for Resolution

In addition to the monitoring performed to identify financial stress early, we also monitor metrics that help us identify when failure could occur and what our financial needs could be in a severe financial stress situation. Those metrics include:

- **Total loss-absorbing capacity:** the amount of regulatory capital and long-term debt to absorb losses and recapitalize Material Entities in a resolution event
- **Resolution capital execution need:** how much capital applicable Material Entities would need to continue operating or be wound down in an orderly manner in a resolution event
- **Resolution liquidity execution need:** how much liquidity applicable Material Entities would need to continue operating if we reach resolution

The U.S. banking industry has focused on the amount of overall loss-absorbing capacity since the Federal Reserve published its total loss-absorbing capacity (TLAC) rule in 2016 to improve the resiliency of global systemically important bank holding companies, as well as improve their resolvability in the event of failure or material financial distress. We maintain TLAC in excess of our regulatory requirements including buffers and in excess of our resolution capital execution needs. Our current TLAC requirement including buffers is 21.5%. We have consistently maintained TLAC above regulatory requirements including buffers (which have not exceeded 22.0%) since TLAC reporting began in 2018, as shown in the following figure.

Figure 1-4 Total Loss-Absorbing Capacity



Details about resolution capital execution need and resolution liquidity execution need can be found in Section 7.1, Capital and Section 7.2, Funding & Liquidity, respectively.

## Resolution Capabilities and Strategy

We have resolution-related capabilities in place that we could use if we need to execute our Preferred Resolution Strategy, described in more detail in Section 6, Company's Preferred Resolution Strategy, which is designed to only have the Parent file for bankruptcy while other Material Entities continue as going concerns or are wound down. We believe this strategy is appropriate because:

- It minimizes disruption to the U.S. financial system.
- Our key operations, services, business lines, and legal entities continue to operate.
- We have flexibility to determine the portfolios or businesses to sell as we determine the appropriate size and focus of the remaining company.
- We reduce the risk that non-U.S. authorities or third parties would take action against our operating entities because the Parent is the only legal entity that would enter bankruptcy.

## Strengthening Governance Mechanisms

We successfully addressed the feedback from the governance mechanisms and liquidity capabilities-related shortcomings identified in connection with our 2019 165(d) Plan and the Federal Reserve and FDIC did not identify any shortcomings in our 2021 Targeted 165(d) Resolution Plan. We have continued our efforts to identify and implement improvements to our processes that increase efficiency, reduce time, and add automation. The following list identifies some of those changes.

- We automated tools and processes used in crisis management, which include our financial crisis management reporting package, internal liquidity stress testing, and our resolution liquidity adequacy and positioning and resolution liquidity execution need processes.



- We held exercises to confirm preparedness for a stress event. These exercises included simulations with senior leaders to (1) review metrics, escalation and communication protocols, and actions to respond to hypothetical stress events, and (2) test our ability to dynamically calculate resolution liquidity execution need using assumptions that reflect the current operating environment.

## Developing and Testing Resolution Preparedness

We integrated our recovery and resolution planning capabilities into our normal operations to support our resolvability efforts. We developed and strengthened our planning for financial stress to understand what operations would be essential during times of stress, what existing capabilities we need to enhance, whether we need to create new capabilities, and how we could identify financial stress early and execute an appropriate response. We leverage past experiences to understand what worked well and where we could continue to improve.

We assess and test our recovery and resolution planning capabilities, using a risk-based approach, to confirm the necessary capabilities perform as intended for a financial stress event. Business Groups,<sup>4</sup> Enterprise Functions,<sup>5</sup> Independent Risk Management, and Internal Audit perform this testing.

Business Groups and Enterprise Functions test controls and lead simulations, tabletops, or other testing exercises. Controls are designed to mitigate risk or prevent or detect significant errors. Simulations give participants the opportunity to perform their duties in a simulated operational environment. Tabletops allow participants to discuss their roles and responses in a particular scenario.

Independent Risk Management tests resolution-related capabilities through its Independent Testing and Validation team. Internal Audit tests Business Groups, Enterprise Functions, and Independent Risk Management.

The following examples demonstrate some tests we perform to operationalize our capabilities:

- We test aspects of our Contingency Funding Plans annually to verify the readiness of our senior leaders for a financial stress event and confirm reporting packages have the data our senior leaders would use in an actual stress event.
- We populate virtual data rooms for divestiture options annually to build the muscle memory that would be necessary in a stress event if we would sell a business or portfolio.
- We administer annual contingency exercises with financial market utilities (FMUs) and agent banks to understand potential impacts to those relationships in financial stress.
- We simulate the employee retention process that would be used in a resolution event to confirm we can quickly verify the key employees who should be retained.
- We conduct bankruptcy preparedness exercises to mimic aspects of Chapter 11 bankruptcy preparations.

We identify and mitigate risks, implement well-controlled processes, enhance monitoring and response capabilities, and simplify the overall structure of the Company as part of our resolution planning. The

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<sup>4</sup> Business Groups are organizational units that are client facing and generate revenue.

<sup>5</sup> Enterprise Functions are organizational units that support and oversee the Company and its Business Groups.

following figure identifies some of our accomplishments over the past 10 years to show the depth of our preparedness efforts.

**Figure 1-5 Details of Resolution Developments**

Structural and Operational Abilities
We continue to exit activities that are non-core to focus our efforts on building our core, scaled business. We completed 31 business, hybrid portfolio, or portfolio divestitures from 2016 to 2021, 15 of which were executed from 2019 to 2021 at significantly increased scale, volume, and speed, thereby demonstrating the efficacy of our divestiture capability if needed during a time of financial stress.
We created Legal Entity Rationalization Criteria and eliminated over 1,000 legal entities since Wells Fargo acquired Wachovia, simplifying our legal entity structure.
We created a Service Catalog that provides a detailed mapping of Critical Services to our key operations and businesses.
We identified and mitigated, where possible, recoverability and resolvability risks.
We executed Service Level Attachments between legal entities, which incorporate resolution-resilient language and arm's length pricing, that would allow Critical Services to continue during a stress event or resolution.
We analyzed the access requirements to material FMUs and agent banks, ran contingency exercises, and communicated with the FMUs and agent banks about continued access during a stress event.
We moved employees and vendor contracts to the legal entities that each support, thereby minimizing impediments in the event of a divestiture.
We enhanced data capabilities to enable accurate and timely reporting for senior leaders during stress.

Financial Stress Monitoring and Response
We increased the amount of liquid assets that could be available in stress and the amount of our total loss-absorbing capacity.
We refined our methodologies for evaluating resolution liquidity and capital needs to improve the timeliness and accuracy of our trigger reporting and to reduce the possibility of declaring bankruptcy too early or too late.
We took steps to adhere to the International Swaps and Derivatives Association (ISDA) Protocols to prevent counterparties from terminating qualified financial contracts and thereby generating the associated liquidity outflows in resolution.
We improved our collateral management capabilities by establishing a centralized governance and policy structure, building an in-house trading system for repurchase agreements and securing lending that multiple Core Business Lines leverage, and consolidating how the Securities Lending Desks for institutional and retail platforms are managed to provide a unified view.
We strengthened our capital and liquidity trigger frameworks and escalation protocols for financial stress to be able to identify and respond to stress in an even more timely and appropriate manner.
We expanded and improved our incident management structure to build a consistent approach for how the Company responds to all types of incidents, including financial stress.

### Resolution Strategy Preparedness

We established an intermediate holding company, WFC Holdings, LLC (WFCH), that provides direct and indirect subsidiaries of the Parent with capital and funding in the event the Parent files for bankruptcy. This obligation to downstream resources enables those entities to engage in business as usual activities and receive the necessary resources pursuant to the Company's Preferred Resolution Strategy.

The Parent made an initial contribution of assets to WFCH in exchange for funding notes. This initial contribution and the Parent's obligation to make additional contributions provide for WFCH to be able to support the remaining Material Entities upon the Parent's resolution.

We executed a Secured Support Agreement, which is a contract between the Parent, WFCH, and other Material Entities that, among other things, obligates WFCH to provide ongoing capital and liquidity support to the Material Entities (other than the Parent) during resolution.

### Governance and Oversight

Our chief financial officer is the co-chair of our Recovery & Resolution Committee, a governance committee that reports to the Parent Board of Directors Finance Committee and oversees the Company's recovery and resolution planning efforts. The Recovery & Resolution Committee also includes our chief risk officer, corporate treasurer, and Finance chief risk officer, among other senior leaders.

We integrated recovery and resolution planning oversight into the Independent Risk Management teams that oversee the Front Line's work on a daily basis.

We established a dedicated Internal Audit recovery and resolution planning team that tests the control environment and adherence to guidance for the Front Line and Independent Risk Management.

We educate Board members, senior leaders, and Companywide teams on recovery and resolution planning.

We developed playbooks for Material Entity Boards and senior leaders, financial market utility and agent bank relationships, employee retention, and stakeholder communications that would guide our actions during a stress event.

## Roadmap to the Public Section

**Section 2, Company Overview, Section 3, Core Business Lines, and Section 4, Material Entities** provide the framework to understand our recovery and resolution planning efforts. These sections give a high-level overview of the Company, our presence outside the U.S., how we organize business activity, information about our predominant U.S. focus, and our processes for designating Core Business Lines and Material Entities.

**Section 5, Approach to Maintaining Financial Resiliency** describes how we approach maintaining our financial health to avoid resolution. This section includes information about how we identify risk, develop our strategic plan, forecast financials, manage liquidity and capital in business as usual, and update our Recovery Plans.

In the event our response to financial stress is not effective, **Section 6, Company's Preferred Resolution Strategy** describes how we developed a Preferred Resolution Strategy that fits our business model and corporate structure. This section specifically addresses how our Material Entities would be affected by a Parent bankruptcy filing, the various parts of our Preferred Resolution Strategy, how the Secured Support Agreement works, and the resulting organization.

**Section 7, Focus Areas and Capabilities** describes how each of our Focus Areas prepared for and enhanced their business as usual processes and capabilities to manage a potential resolution.

**Section 8, Resolution Planning Oversight** explains the governance structure, senior leader engagement, resolution planning processes, internal controls, and material supervisory authorities who provide oversight of our resolution planning efforts.

**Section 9, Financial Information** provides our balance sheet, regulatory capital information, and TLAC as of December 31, 2022.

**Section 10, Identities of Principal Officers** provides details about our senior leadership team.

**Section 11, Glossary** includes defined terms and acronyms that are used in this Public Section.

## 2. Company Overview

Wells Fargo is a global systemically important bank holding company with approximately \$1.9 trillion in total consolidated assets. We provide a diversified set of banking, investment, and mortgage products and services, as well as consumer and commercial finance. We provide these products and services with the majority of activity occurring in Wells Fargo Bank, National Association,<sup>6</sup> which accounts for \$1.7 trillion of the Company's approximately \$1.9 trillion in total consolidated assets.

Our business activity is primarily U.S. focused, largely serving U.S. clients and markets. Our non-U.S. strategy focuses primarily on serving U.S. customers doing business abroad and foreign multinationals and global banks doing business in the U.S. This non-U.S. activity is predominantly conducted within Corporate & Investment Banking. Approximately 90% of our revenues come from U.S. clients or activities of non-U.S. clients in the U.S. Non-U.S. loans represented \$87.5 billion of our \$955.9 billion of total loans.

We manage the non-U.S. footprint by regions, which include Asia-Pacific; Europe, Middle East, and Africa; Canada; and Latin America. WFBNA is the primary service provider to its non-U.S. branches and subsidiaries. In-region support is provided through regional hubs that primarily include London, Hong Kong, and Canadian WFBNA branches. Wells Fargo Bank, N.A. - London Branch and Wells Fargo Bank International Unlimited Company are our only non-U.S. Operating Material Entities. Wells Fargo Bank, N.A. - London Branch was designated as a Material Entity because of its role allowing WFBNA and Wells Fargo Securities, LLC to use Wells Fargo Bank, N.A. - London Branch to access its memberships with material financial market utilities. Wells Fargo Bank International Unlimited Company was designated as a Material Entity because of its significance to the Company's Europe, Middle East, and Africa region as it is Wells Fargo's only European Union regulated bank.

Our business activity, for resolution planning purposes, is focused in the following six Core Business Lines: (1) Consumer & Small Business Banking, (2) Consumer Lending, (3) Commercial Banking, (4) Corporate & Investment Banking, (5) Wealth & Investment Management, and (6) Corporate Treasury Investments. These Core Business Lines are detailed in the following section.

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<sup>6</sup> Wells Fargo Bank, National Association is referred to as "WFBNA" or the "Bank."

### 3. Core Business Lines

A core business line is a business line of the company, including associated operations, services, functions, and support, that upon failure would result in a material loss of revenue, profit, or franchise value for the company. These designations align to resolution regulatory requirements and may differ from the operating segments that we use for our reports filed with the Securities and Exchange Commission (SEC).

#### 3.1 Core Business Line Designation

We evaluate our business lines annually and this analysis includes, among other items, the assets, revenue, and employee contributions of a business line to the Company. As described in Section 2, Company Overview, we designated the six Core Business Lines shown in the following figure. Each of these business lines have sub-business lines.

Figure 3-1

Core Business Lines



As part of our Preferred Resolution Strategy, detailed in Section 6, Company's Preferred Resolution Strategy, elements of each of our Core Business Lines would be maintained throughout resolution and contribute to the liquidity needed to support the Company's Material Entities and Critical Services<sup>7</sup> through resolution, thereby mitigating systemic risk that may result from the unlikely event of our failure.

<sup>7</sup> Services that support Critical Operations or Core Business Lines and must remain operational during the resolution process to facilitate the orderly execution of the Preferred Resolution Strategy.

## 3.2 Core Business Line Descriptions

This section describes the products and services each Core Business Line offers.

### Consumer & Small Business Banking

Consumer & Small Business Banking (CSBB) provides diversified financial products and services to consumers and small businesses and a full range of business credit products to small businesses with up to \$10 million in annual revenue through a range of channels, including approximately nearly 4,600 retail branches and more than 12,000 ATMs. CSBB is organized into four business groups that consist of (1) Branch Banking, (2) Deposits, (3) Small Business Banking, and (4) Operations (including contact centers).

### Consumer Lending

Consumer Lending provides diversified financial products and services to consumers and businesses. Consumer Lending products and services include mortgage loans, auto loans, personal loans, retail services, credit cards, and merchant services.

Consumer Lending offers its products and services through a range of channels and other Core Business Lines including CSBB and WIM (e.g., WIM refers mortgage customers to Home Lending).

Consumer Lending is organized into four business segments consisting of (1) Home Lending, (2) Auto, (3) Cards & Merchant Services, and (4) Personal Lending, which includes Retail Services. Consumer Lending also includes one functional support group — Consumer Lending Shared Services — that works across the business.

### Commercial Banking

Commercial Banking provides financial solutions to private, family owned, and certain public companies. Products and services include banking and credit products across multiple industry sectors and municipalities, secured lending and lease products, and treasury management.

### Corporate & Investment Banking

Corporate & Investment Banking (CIB) delivers a suite of capital markets, banking, and financial products and services to corporate, commercial real estate, government and institutional clients globally. Products and services include corporate banking, investment banking, treasury management, commercial real estate lending and servicing, equity and fixed income solutions as well as sales, trading, and research capabilities.

### Wealth & Investment Management

Wealth & Investment Management (WIM) provides personalized wealth management, brokerage, financial planning, lending, private banking, trust, and fiduciary products and services to affluent, high-net-worth clients. WIM operates through financial advisors in our brokerage and wealth offices, consumer bank branches, independent offices, and digitally through WellsTrade® and Intuitive Investor®.

### Corporate Treasury Investments

Corporate Treasury Investments consists of Global Funding and the Investment Portfolio. This Core Business Line helps Wells Fargo maintain a satisfactory financial cushion to protect against stresses stemming from

the economic environment or the Company's operations. Investments that Corporate Treasury Investments manages include cash, Fed Funds, debt securities, collateralized loan obligations, and Federal Reserve Bank capital stock.



## 4. Material Entities

A material entity is a subsidiary or foreign office of the company that is significant to the activities of an identified critical operation<sup>8</sup> or core business line, or is financially or operationally significant to the resolution of the company. We do not complete these designations pursuant to any SEC rules or related requirements, but rather we evaluate them in accordance with applicable resolution planning regulations.

### 4.1 Material Entity Designation

We evaluate our legal entities and non-U.S. offices at least annually as part of our Material Entity designation process. This process is conducted through an established governance framework that includes participation from Business Groups, Enterprise Functions, and Independent Risk Management. The evaluation process, as shown in the following figure, includes quantitative and qualitative components to assess potential materiality in the following areas:

- Contributions (financial and labor resource) to Core Business Lines and Critical Operations
- Provision of Critical Services (or components<sup>9</sup> of Critical Services) to Material Entities
- Holding assets under management and/or custody
- Significance to global treasury operations
- Involvement in derivatives and trading activity
- Interaction with material financial market utilities

**Figure 4-1 Material Entity Designation Process**



The Recovery & Resolution Program Office leads the Material Entity designation process and partners closely with select Focus Areas and lines of business to evaluate the legal entities.

Identifying Material Entities is necessary for us to understand which legal entities are financially or operationally significant to the Company, and would continue as going concerns and receive pre-positioned resources. Material Entities facilitate our Preferred Resolution Strategy as discussed in Section 6, Company's Preferred Resolution Strategy.

<sup>8</sup> Critical operations are those operations of the covered company, including associated services, functions and support, the failure or discontinuance of which would pose a threat to the financial stability of the United States.

<sup>9</sup> A Critical Service component is a service component essential to support a Critical Service (in the case of employees, facilities, systems, and third parties) or Critical Operation and Core Business Lines (in the case of Intellectual Property).

The following figure shows the key designation drivers for each of our Material Entities.

**Figure 4-2 Material Entity Designation Drivers**

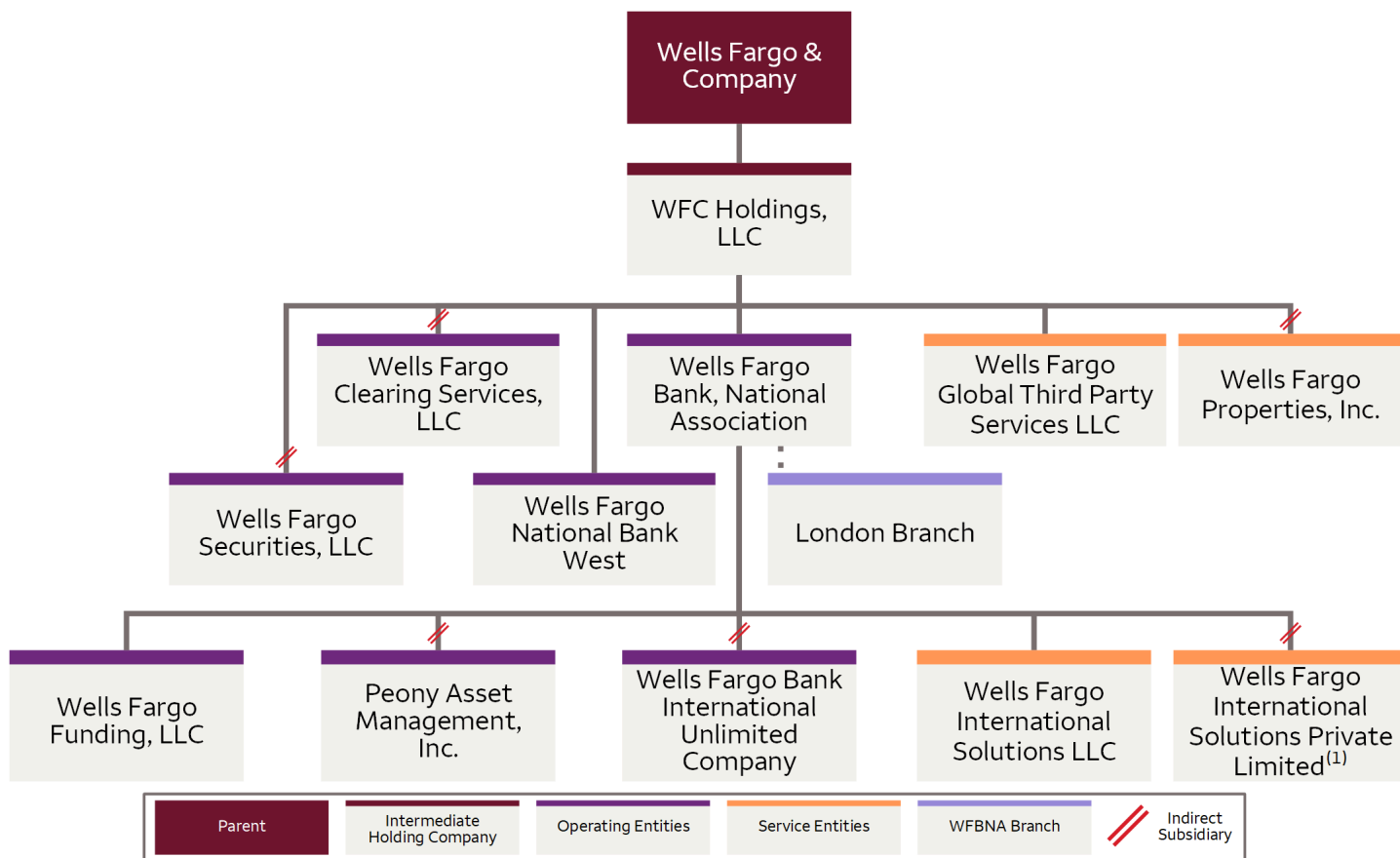
Material Entity	Material Entity Designation Driver					
	Core Business Line	Critical Operation	Critical Services	Global Treasury	Derivatives	Financial Market Utility Access <sup>(1)</sup>
Wells Fargo & Company	✓			✓	✓	
WFC Holdings, LLC				✓		✓
Wells Fargo Bank, National Association	✓	✓		✓	✓	✓
Wells Fargo Bank, N.A. - London Branch				✓		✓
Wells Fargo National Bank West				✓		
Wells Fargo Bank International Unlimited Company				✓		
Wells Fargo Clearing Services, LLC	✓	✓		✓		✓
Wells Fargo Securities, LLC	✓	✓		✓	✓	✓
Peony Asset Management, Inc.	✓			✓	✓	
Wells Fargo Funding, LLC	✓					
Wells Fargo Global Third Party Services LLC			✓			
Wells Fargo International Solutions LLC			✓			
Wells Fargo International Solutions Private Limited			✓			
Wells Fargo Properties, Inc.			✓			

<sup>(1)</sup> Financial market utilities, for purposes of this figure, also include agent banks.

Since submitting the 2021 Targeted 165(d) Resolution Plan, we removed Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC as Material Entities as a result of divesting the Wells Fargo Asset Management business.

The following figure shows our current Material Entity structure.

**Figure 4-3 Material Entity Structure**



<sup>(1)</sup> 0.01% ownership interest held by WFC Holdings in accordance with Indian law requiring the presence of two or more shareholders.

## 4.2 Material Entity Descriptions

The following information provides a summary of each Material Entity and the anticipated actions related to each one that would occur pursuant to our Preferred Resolution Strategy.

### Holding Companies and Operating Material Entities

#### Wells Fargo & Company

The Parent is a Delaware corporation, publicly traded on the New York Stock Exchange under the ticker symbol “WFC,” and is a financial holding company. The Parent had assets of \$370.0 billion as a stand-alone legal entity, and approximately \$1.9 trillion as a consolidated legal entity. The Parent had liabilities of \$190.1 billion as a stand-alone legal entity, and \$1.7 trillion as a consolidated legal entity. The Company had total equity of \$181.9 billion. In 2022, the Company generated \$73.8 billion in revenue, had noninterest expense of \$57.3 billion, and net income of \$13.2 billion. For a summary of capital figures and the Company’s balance sheet, see Section 9, Financial Information.

As described in Section 6, Company's Preferred Resolution Strategy, at the point of non-viability, the Parent would file for chapter 11 bankruptcy protection under the U.S. Bankruptcy Code. All Material Entity subsidiaries, whether held directly or indirectly, would be transferred, with the approval of the U.S. Bankruptcy Court in which the Parent's bankruptcy case is pending, to a new holding company, and would remain solvent, liquid, and operational.

### WFC Holdings, LLC

WFC Holdings, LLC (WFCH), the intermediate holding company (IHC) between WFBNA and the Parent, is a Delaware limited liability company and a direct, wholly owned subsidiary of the Parent. WFCH had assets of \$343.9 billion, liabilities of \$185.6 billion, and equity of \$158.3 billion as a stand-alone legal entity. The majority of the assets and liabilities were intercompany balances.

As described in Section 6, Company's Preferred Resolution Strategy, in the event of a resolution, WFCH would be transferred to a new holding company and would continue to provide capital and liquidity support to the Material Entities, as required under the Secured Support Agreement.

### Wells Fargo Bank, National Association

Wells Fargo Bank, National Association (WFBNA) is an FDIC-insured national bank and an indirect, wholly owned subsidiary of the Parent. WFBNA is the Company's lead insured depository institution. It engages in retail, commercial, corporate banking, real estate lending, trust, and investment services. With its subsidiaries, WFBNA held 91% of the Company's consolidated assets and accounted for over 91% of the Company's consolidated revenue and net income. WFBNA also provided more than 99% of the Critical Services it relies on.

WFBNA held approximately \$919.1 billion of loans and leases, composed of loans and leases held for sale plus loans and leases held for investment net of unearned income and allowance. Of the \$919.1 billion, \$403.7 billion represented loans secured by real estate. WFBNA's liabilities included \$1.4 trillion in domestic deposits. WFBNA had \$1.7 trillion in assets, \$1.6 trillion in liabilities, and \$161.5 billion in equity, as a consolidated legal entity. WFBNA had noninterest expense of \$45.5 billion and net income of \$16.1 billion in 2022. For a summary of capital figures, see Section 9, Financial Information.

As described in Section 6, Company's Preferred Resolution Strategy, WFBNA would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

### Wells Fargo Bank, N.A. – London Branch

Wells Fargo Bank, N.A. – London Branch (WFBNA-LB) is a non-U.S. branch of WFBNA. WFBNA-LB operates in London, England and is the largest branch, by assets, operated by Wells Fargo outside the U.S. and serves as Wells Fargo's primary multi-currency platform for lending, treasury management, securities products, and services. WFBNA-LB is authorized in the U.K. by the Prudential Regulation Authority and is authorized and regulated by the Financial Conduct Authority. WFBNA-LB serves as an international hub for distributing corporate and commercial banking products and services to Wells Fargo clients particularly in the U.K. WFBNA-LB facilitates the Commercial Banking and Corporate & Investment Banking Core Business Lines and conducts banking activities, including commercial lending, commercial real estate, treasury management, and trade finance. It does not provide services to retail customers.

As described in Section 6, Company's Preferred Resolution Strategy, WFBNA-LB would continue to operate throughout resolution, receiving capital and liquidity support as a branch of WFBNA.

### Wells Fargo National Bank West

Wells Fargo National Bank West (WFNBW) is an FDIC-insured national bank domiciled in Nevada that holds mortgage loans typically purchased from affiliate entities funded by Wealth & Investment Management sweep deposits and brokered certificates of deposit. These mortgage loans are pledged as collateral to increase borrowing capacity at the Federal Home Loan Bank of San Francisco. WFNBW had \$17.7 billion in assets.

As described in Section 6, Company's Preferred Resolution Strategy, WFNBW would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

### Wells Fargo Bank International Unlimited Company

Wells Fargo Bank International Unlimited Company (WFBI) is a public unlimited company and a deposit-taking entity regulated by the Central Bank of Ireland. It is an indirect, wholly owned subsidiary of WFBNA. WFBI is the Company's only European Union regulated bank. WFBI provides lending and deposit taking services to its customers.

As described in Section 6, Company's Preferred Resolution Strategy, WFBI would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

### Wells Fargo Clearing Services, LLC

Wells Fargo Clearing Services, LLC (WFCS) is a Delaware limited liability company registered with the SEC as both a broker-dealer and an investment adviser. It is an indirect, wholly owned, non-bank subsidiary of the Parent. It is the Company's primary retail broker-dealer and engages in aspects of the Wealth & Investment Management Core Business Line.

WFCS had \$30.8 billion in assets, \$18.0 billion in liabilities, and \$12.8 billion in equity.

As described in Section 6, Company's Preferred Resolution Strategy, WFCS would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

### Wells Fargo Securities, LLC

Wells Fargo Securities, LLC (WFS LLC) is a Delaware limited liability company and an indirect, wholly owned non-bank subsidiary of the Parent. It is registered with the SEC as a broker-dealer and with the United States Commodity Futures Trading Commission as a futures commission merchant. WFS LLC is the Company's primary institutional broker-dealer and engages in aspects of the Corporate & Investment Banking Core Business Line.

WFS LLC had \$115.9 billion in assets, \$106.2 billion in liabilities, and \$9.6 billion in equity.

As described in Section 6, Company's Preferred Resolution Strategy, WFS LLC would conduct an orderly and solvent wind-down during resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement. In accordance with the Preferred Resolution Strategy, no

Material Entities require Critical Services from WFS LLC beyond 12 months following the point of non-viability.

### Peony Asset Management, Inc.

Peony Asset Management, Inc. (Peony) is a Delaware corporation and an indirect, wholly owned subsidiary of WFBNA. It holds a significant portion of WFBNA's investment portfolio.

As described in Section 6, Company's Preferred Resolution Strategy, Peony would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

### Wells Fargo Funding, LLC

Wells Fargo Funding, LLC (WFF) is a Minnesota LLC and direct, wholly owned subsidiary of WFBNA. It holds mortgage loan participations of WFBNA's consumer mortgage portfolio from Consumer & Small Business Banking and Wealth & Investment Management.

As described in Section 6, Company's Preferred Resolution Strategy, WFF would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

### Service Material Entities

Service Material Entities are those Material Entities designated based primarily on the Critical Services (or Critical Service components) they provide to the other Material Entities. The following descriptions provide information about these Material Entities. In addition to the following Service Material Entities, WFBNA, WFBNA-LB, WFS LLC, and WFCS also provide Critical Services to Material Entities. This operational interconnectedness is discussed in more detail in the Services section in Section 7, Focus Areas and Capabilities. To keep Critical Services operational in resolution, we pre-position six months of working capital at each Service Material Entity so services can continue. In addition, we incorporate arm's length pricing and resolution-resilient language in our intercompany agreements between legal entities. The Service Material Entities are parties to the Secured Support Agreement. As described in Section 6, Company's Preferred Resolution Strategy, our Service Material Entities would be transferred to a new holding company and would continue to operate throughout resolution.

### Wells Fargo Global Third Party Services LLC

Wells Fargo Global Third Party Services LLC (WFGTPS) is a Delaware limited liability company and an indirect, wholly owned, non-bank subsidiary of the Parent. It contracts with a number of external third-party vendors that provide technology, operations, knowledge services, and voice support, primarily to WFBNA, but also to other Material Entities.

### Wells Fargo International Solutions LLC

Wells Fargo International Solutions LLC (WFIS) is a Delaware limited liability company and a direct, wholly owned subsidiary of WFBNA, with operations in its branch located in the Philippines. It provides Critical Services to the Company's Material Entities, Core Business Lines, and Critical Operations.

### Wells Fargo International Solutions Private Limited

Wells Fargo International Solutions Private Limited (WFISP) is a private limited company incorporated and located in India and an indirect subsidiary of WFBNA. WFCH holds 0.01% ownership interest in WFISP in compliance with Indian law. The remaining 99.99% is owned by Wells Fargo International Banking Corporation, a wholly owned subsidiary of WFBNA. WFISP provides Critical Services to the Company's Material Entities, Core Business Lines, and Critical Operations.

### Wells Fargo Properties, Inc.

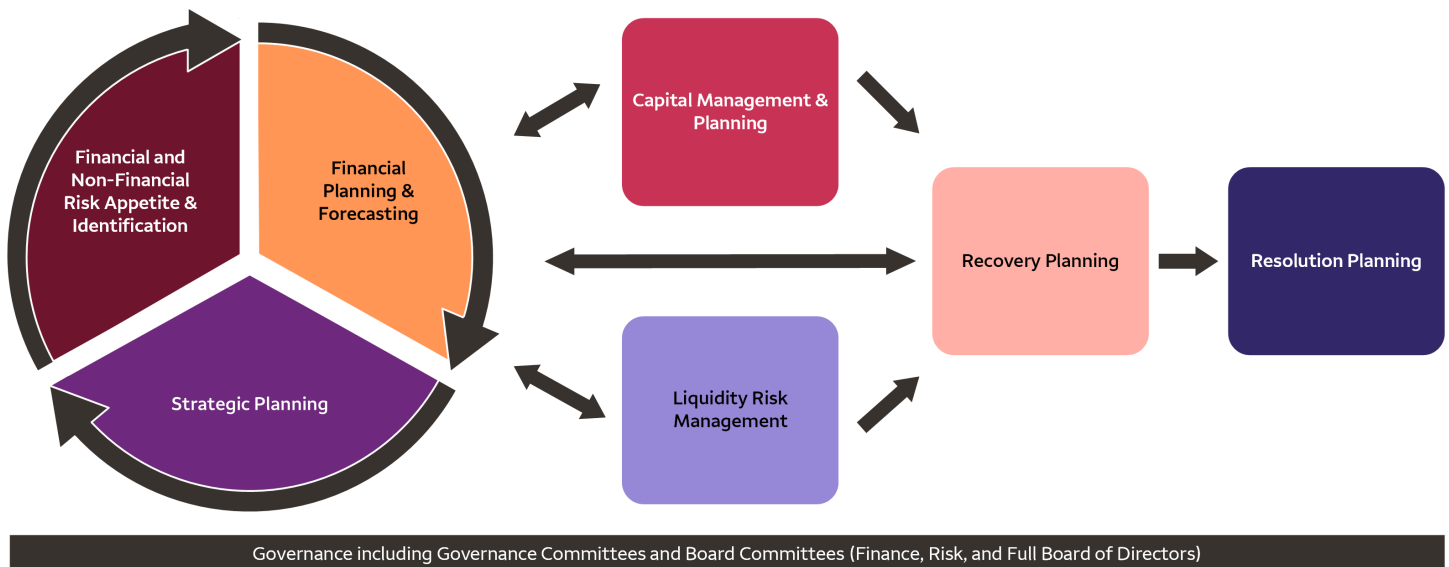
Wells Fargo Properties, Inc. (WFP) is a Minnesota corporation and an indirect, wholly owned, non-bank subsidiary of the Parent. It holds, leases, and owns properties that support the provision of Critical Services to the Company's Material Entities, Core Business Lines, and Critical Operations.

## 5. Approach to Maintaining Financial Resiliency

We have a responsibility to our customers, creditors, employees, and the financial system as a whole to remain financially resilient. We cannot predict which risks, stressors, or future events could damage our business, but we can plan during business as usual times, set up early warning indicators to help identify the impacts from events, and be prepared to address them. We have processes to identify and manage risk, design meaningful triggers and response options, and establish timely and effective response procedures. We believe we would be prepared to handle a variety of future financial stresses in a manner that maintains our financial health and, if necessary, returns us to a position of financial strength, minimizes effects to our customers, and provides a stable future for the institution.

The following figure shows how we integrate risk management, strategic planning, financial forecasting, capital management, liquidity management, and recovery and resolution planning into our approach to financial resiliency. The financial resiliency process is used both for forward-looking financial risk management planning and in our routine monitoring.

**Figure 5-1 Key Processes Used to Maintain Financial Resiliency**



### 5.1 Risk Appetite and Risk Identification

Having a resilient foundation begins with a strong risk- and control-focused base. Building a comprehensive risk and control framework is our top priority. We continue to move forward with the foundational work of building out a risk and control framework appropriate for our Company. This multi-year journey continues to be about setting clear priorities, cultural change, and operational execution. In addition to that framework, we execute processes that identify, mitigate, and measure risk. Our Enterprise Risk Identification and Assessment and Risk Measurement programs assist with setting and monitoring our risk tolerance.

#### Enterprise Risk Inventory

The Enterprise Risk Identification and Assessment program leads the process to identify and assess risk across all financial and non-financial risk types and establishes principles and practices for independent risk



assessment. This program helps us identify and assess our material risks, which are captured in the Enterprise Risk Inventory, a comprehensive list of enterprise risks, descriptions, related attributes, and associated ratings to prioritize and manage risk across the Company, including risks related to recovery and resolution planning. The program supports a variety of purposes in both risk and finance. It can both inform and be informed by our strategic planning process, which is directly connected to risk appetite (discussed below). Governance committees and the Parent Board of Directors (Board) Risk Committee review and discuss the Enterprise Risk Inventory.

### Risk Appetite (Risk Measurement)

We have a Risk Measurement program that sets expectations regarding how we measure risk for determining risk appetite and risk capacity, and a Risk Measurement Policy that establishes requirements for measuring risk and determining our risk appetite and risk capacity. Risk appetite is the amount of risk, within risk capacity, that we are comfortable taking given our current level of resources. Risk capacity is the maximum level of risk we can assume given our current level of resources before triggering constraints. We express risk capacity through capital and liquidity metrics that are informed by regulatory minimums. Risk appetite is articulated in our Statement of Risk Appetite, which establishes acceptable risks and at what level and includes risk appetite principles. Our Statement of Risk Appetite is defined by senior management, approved at least annually by the Board, and helps guide our business and risk leaders. We continuously monitor our risk appetite, and the Board reviews reports which include risk appetite information and analysis. The Front Line identifies, measures and assesses, controls, monitors, and reports on risk generated by or associated with its business activities and balances risk and reward in decision making while operating within our risk appetite.

## 5.2 Strategic Planning

The Strategic Plan, which is approved by the Board annually, outlines our overall strategy covering a three-year period and serves as a high-level basis for potential future business decisions. The strategic planning process identifies our most significant opportunities and challenges, develops options to address them, and evaluates the risks and trade-offs of each. This process serves as an input into our financial, liquidity, operational, and capital plans, as well as our Statement of Risk Appetite. Multiple stakeholders are involved in the process including, but not limited to, Front Line teams, Independent Risk Management, Internal Audit, the Operating Committee, and the Board.

## 5.3 Financial Forecasting

We conduct financial forecasting processes to enable senior decision makers, including the Operating Committee and the Board, to make strategic and operational decisions. Our financial forecasting processes incorporate the priorities and initiatives we identify in our Strategic Plan. The financial forecasting processes can both inform and be informed by our approach to maintaining financial resiliency described in this section. Key forecasting processes include:

- The annual budget process, which involves review and challenge meetings with senior leaders, including the Corporate Asset/Liability Committee, Operating Committee, lines of business, and Enterprise Functions, before the final budget is presented to the Board.
- Forecasts used in the quarterly capital adequacy assessments, which are presented to the Board.

- Interest rate risk sensitivities conducted by Corporate Treasury to support proactive balance sheet management.

## 5.4 Capital Management

We manage capital through a comprehensive process to assess our overall capital adequacy. Our objective is to maintain capital at an amount commensurate with our risk profile and risk tolerance objectives, and to meet both regulatory and market expectations.

We maintain a capital management framework that includes a rigorous and comprehensive Internal Capital Adequacy Assessment Process (ICAAP) for assessing our overall capital adequacy in relation to our risk profile and risk appetite. The process is designed to identify our exposure to risks and evaluate the capital resources available to absorb potential losses arising from those risks. This process is interconnected with our strategic planning and risk management activities, requiring a balance between risk and financial objectives. Our ICAAP is an ongoing process that includes the annual Capital Plan submission as well as quarterly adequacy assessments and reporting by our Capital Management team to the Finance Committee of the Board. This process is designed to capture significant changes since the Capital Plan submission and confirms or recommends changes to capital actions and capital targets, as necessary.

ICAAP's core elements include (1) a comprehensive process of risk identification and direct incorporation of key risks into capital management, (2) robust measurement of loss and resource estimation under base and stressed conditions, (3) quarterly assessments and ongoing monitoring of risks and forward capital projections, and (4) regular reporting to executive management and the Board.

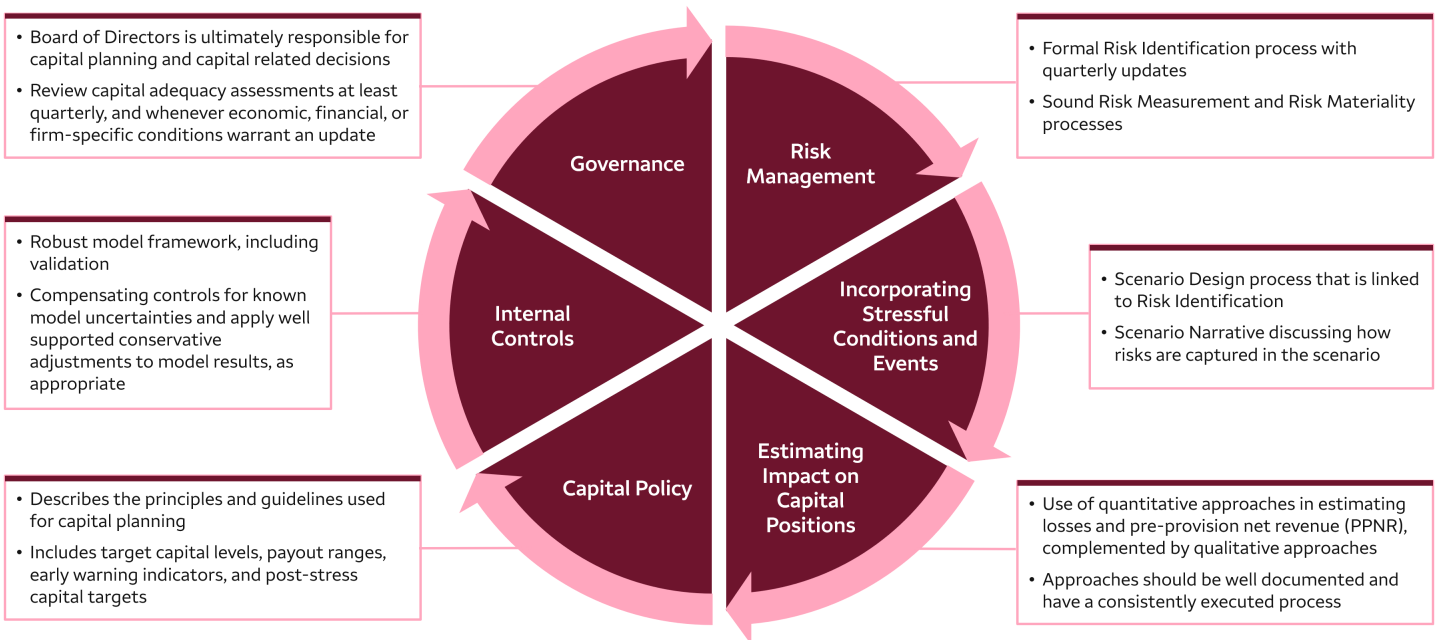
### Capital Planning and Stress Testing

Our capital targets are designed to meet regulatory requirements and internal and market expectations. We believe that our long-term targeted capital structure enables us to invest in and grow our business, satisfy our customers' financial needs in varying environments, access markets, and maintain flexibility to return capital to our shareholders. We also maintain a Capital Contingency Plan (CCP) focused on how to identify and monitor signs of capital stress as well as the range of potential actions that senior leaders and our Board would be able to consider to react to capital stress.

The Federal Reserve's capital plan rule establishes capital planning and other requirements that govern capital distributions, including dividends and share repurchases, by certain bank holding companies, including Wells Fargo. The Federal Reserve conducts an annual CCAR exercise and has published guidance regarding its supervisory expectations for capital planning, including capital policies regarding the process relating to common stock dividend and repurchase decisions. The Parent's ability to make certain capital distributions is subject to the requirements of the capital plan rule and is also subject to the Parent meeting or exceeding certain regulatory capital minimums. The following figure shows how we meet those expectations.

Maintaining processes is critical to our financial strength and resiliency and enables us to absorb unexpected losses and continue to lend to creditworthy businesses and consumers.

**Figure 5-2 Core Capital Planning Expectations for Wells Fargo**



## 5.5 Liquidity Risk Management

We actively manage our liquidity risk profile in accordance with Wells Fargo's Statement of Liquidity Risk Appetite, Funding and Liquidity Risk Management Policy, and our Contingency Funding Plan (CFP). Our liquidity risk management objective is to meet customer loan requests, customer deposit maturities and withdrawals, and other cash commitments efficiently under both normal operating conditions and under periods of Company-specific stress and/or market stress.

Deposits have historically provided a sizable source of funds. Long-term debt and short-term borrowings provide additional funding. We access domestic and international capital markets for long-term funding (generally greater than one year) through issuances of registered debt securities, private placements, and asset-backed secured funding.

We manage liquidity to meet internal liquidity targets with the goal of ensuring liquidity reserves remain in excess of regulatory requirements and applicable internal buffers (set by the Board in excess of minimum regulatory requirements). We maintain operational and governance processes designed to manage, forecast, monitor, and report liquidity levels to management and the Board in relation to regulatory requirements and management metrics and limits. Under this comprehensive process, we perform regulatory-prescribed stress tests (e.g., the liquidity coverage ratio) and internal liquidity stress tests to evaluate our available liquidity resources against potential liquidity needs under a range of adverse scenarios and time horizons. The results of our liquidity stress tests, which consider both market and Company-specific events, are used to inform management of current liquidity positioning against expected and unexpected future events.

We established a number of management metrics and limits, some of which serve as early warning indicators of liquidity stress. Broadly, these are grouped into five categories, as shown in the following figure.

Figure 5-3 Triggers and Limits for Funding and Liquidity Risk Management

Liquidity Coverage Ratio (LCR)	Net Stable Funding Ratio (NSFR)	Internal Liquidity Stress Testing (ILST)	Resolution Liquidity Adequacy and Positioning (RLAP)	Resolution Liquidity Execution Need (RLEN)
<ul style="list-style-type: none"> <li>Federal Reserve liquidity standard requiring banks to hold enough liquid assets to cover net stressed outflows over a 30-day period</li> <li>Calculated as the ratio of the Company's high-quality liquid assets compared to its projected net cash outflows</li> <li>The LCR regulatory minimum is equal to or greater than 100%</li> <li>Produced daily</li> </ul>	<ul style="list-style-type: none"> <li>Federal Reserve liquidity standard requiring banks to hold enough stable funding to cover the duration of their long-term assets</li> <li>Calculated as the ratio of Available Stable Funding to Required Stable Funding</li> <li>The NSFR regulatory minimum is equal to or greater than 100%</li> <li>Produced daily</li> </ul>	<ul style="list-style-type: none"> <li>Calculation of liquidity needs across three internally defined liquidity stress scenarios over a range of time periods</li> <li>Scenarios include Name-Only, Market-Only, and Combined Name and Market Stress</li> <li>Required by Reg YY guidance</li> </ul>	<ul style="list-style-type: none"> <li>Calculation of the stand-alone net liquidity position of each Material Entity under an approximately three-month stress scenario consisting of both market and idiosyncratic events</li> <li>Informs the required amount of liquidity to be pre-positioned at Material Entities or readily available to meet unanticipated outflows</li> <li>Required by 165(d) resolution plan guidance</li> <li>Produced daily</li> </ul>	<ul style="list-style-type: none"> <li>Calculation informing the amount of liquidity needed at each Material Entity to successfully execute the Company's Preferred Resolution Strategy</li> <li>Includes a runway period leading up to the point of non-viability, followed by a stabilization horizon</li> <li>Required by 165(d) resolution plan guidance</li> <li>Produced at least monthly in business as usual and daily in Stress</li> </ul>
<b>Market Conditions</b>	Measures of market conditions designed to provide information about how the Company is perceived in the market and the overall availability of liquidity in the market			
<b>Operating Conditions</b>	Measures of internal operating conditions such as unusual deposit outflows that help identify whether the Company is experiencing liquidity stress			
<b>Liquidity Risk Composition</b>	Measures designed to control the composition of the Company's liabilities to prevent concentrations in sources of funding, maturities, and off-balance sheet exposures, and include measures designed to monitor intraday liquidity usage			
<b>Buffer Composition</b>	Key principles used to help determine the liquidity buffer in the Company's liquidity stress testing, designed to avoid, among other things, undue concentrations and over-reliance on certain markets			

If we breach our liquidity stress test outcomes, market conditions, or operating conditions triggers, we would follow the communication and escalation protocols and action steps contained in the Contingency Funding Plan. The Contingency Funding Plan is designed to help management and the Board react quickly to a potential liquidity event by:

- Identifying, calibrating, and monitoring metrics and related processes used to quickly identify emerging liquidity stress events.
- Describing the liquidity stress event management process by specifying roles and responsibilities and specific actions that should be taken.
- Outlining testing processes used to confirm operational readiness for liquidity events.

Section 7, Focus Areas and Capabilities contains more information about resolution-focused capital and liquidity management capabilities.

## 5.6 Governance Mechanisms

We designed our governance mechanisms to promptly identify financial stress and facilitate how we execute actions in an effort to return to financial strength following a stress event. This framework supports our financial resiliency efforts and includes both financial and non-financial metrics, and, specifically, triggers related to capital, liquidity, market conditions, and operating conditions. As shown in the following figure, there are three categories that align to the governance mechanisms framework to support our efforts during business as usual through resolution: (1) triggers and escalation protocols, (2) pre-bankruptcy Parent support, and (3) governance-related documents. The governance mechanisms framework is designed to promptly identify financial stress, facilitate executing contingency plans and recovery options, and improve conditions so we can return to financial strength.

**Figure 5-4 Governance Mechanisms Overview**

Trigger and Escalation Protocols	Pre-Bankruptcy Parent Support	Governance-Related Documents
<ul style="list-style-type: none"> <li>Enterprise Financial Assessment Levels</li> <li>Triggers</li> <li>Escalation protocols</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining the Secured Support Agreement</li> <li>Pre-funding WFC Holdings, LLC</li> <li>Pre-positioning financial resources at Material Entities</li> <li>Legal analysis of potential creditor challenge issues</li> </ul>	<ul style="list-style-type: none"> <li>Material Entity Governance Playbooks</li> <li>Stakeholder Engagement Strategy</li> <li>Employee Retention Strategy</li> <li>Bankruptcy Playbook</li> </ul>

The governance mechanisms framework includes:

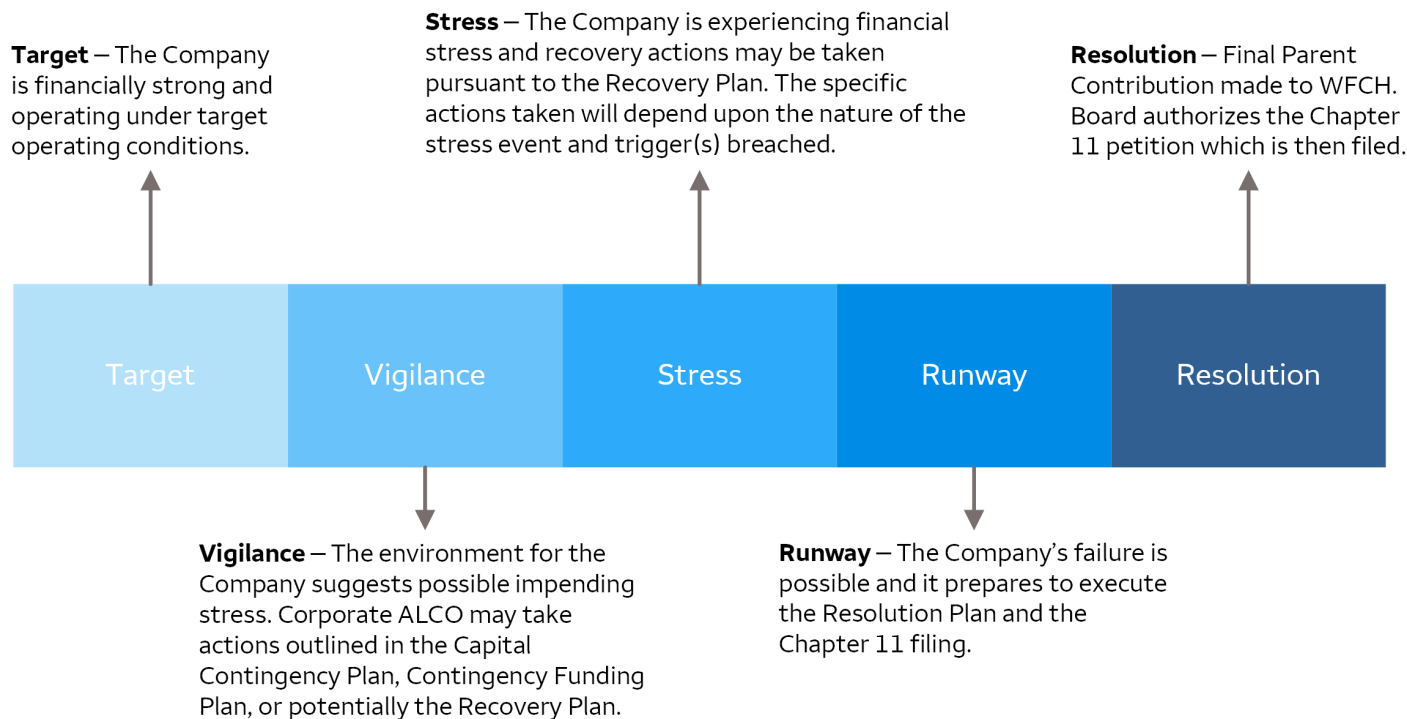
- **Triggers and Escalation Protocols**
  - **Enterprise Financial Assessment Levels (EFALs) and triggers** — Triggers are quantitative or qualitative indicators that help us identify and monitor the onset of financial stress in a timely manner. EFALs indicate the level of financial stress the Company is experiencing. Triggers are tied to specific EFALs to guide the Company's response to the level of financial stress it is experiencing.
  - **Escalation protocols** — Aligned to triggers and EFALs for timely reporting of trigger breaches to the Parent or other Material Entity Boards and senior leaders.
  - **Incident management structure** — Facilitates executing actions by the Board and senior leaders during an incident, including financial stress (as outlined by the EFALs), by enabling collaboration and timely communication among those groups and our business and functional areas.
- **Pre-bankruptcy Parent support** — Provided to WFC Holdings, LLC and the other Material Entities (except the Parent) to provide capital and liquidity support to Covered Material Entities, pre-position financial resources, and protect against potential creditor challenges, among other items.
- **Governance-related documents** — Prepared Governance Playbooks covering Material Entities to help enable informed decision making and executing pre-determined actions; a Stakeholder Engagement Strategy to help provide efficient and effective communications in response to stress events through resolution; an Employee Retention Strategy that guides how we would retain key employees; and a Bankruptcy Playbook that describes the steps to prepare for the Parent's potential voluntary bankruptcy case.

## Triggers and Escalation Protocols

### Enterprise Financial Assessment Levels

EFALs indicate the magnitude of financial stress we are experiencing. The levels provide a structure that facilitates a uniform approach to identifying and responding to stress. Upon trigger breaches, our governance mechanisms require escalation to our Board or senior leaders to declare the appropriate EFAL. The following figure describes our EFALs.

**Figure 5-5 Enterprise Financial Assessment Levels**



The process to approve or declare a particular EFAL is based on a breach of a particular trigger or triggers. The decision to recommend and approve an EFAL is also based on other factors, including but not limited to the following:

- The pace at which our financial and operational condition is deteriorating
- The proximity of a breached trigger to a subsequent trigger level associated with the next EFAL
- The cumulative financial impact of multiple trigger breaches and the anticipated impact to the lines of business, Material Entities, or the Company as a whole including potential reputational risks, based on prevailing market conditions and sentiment

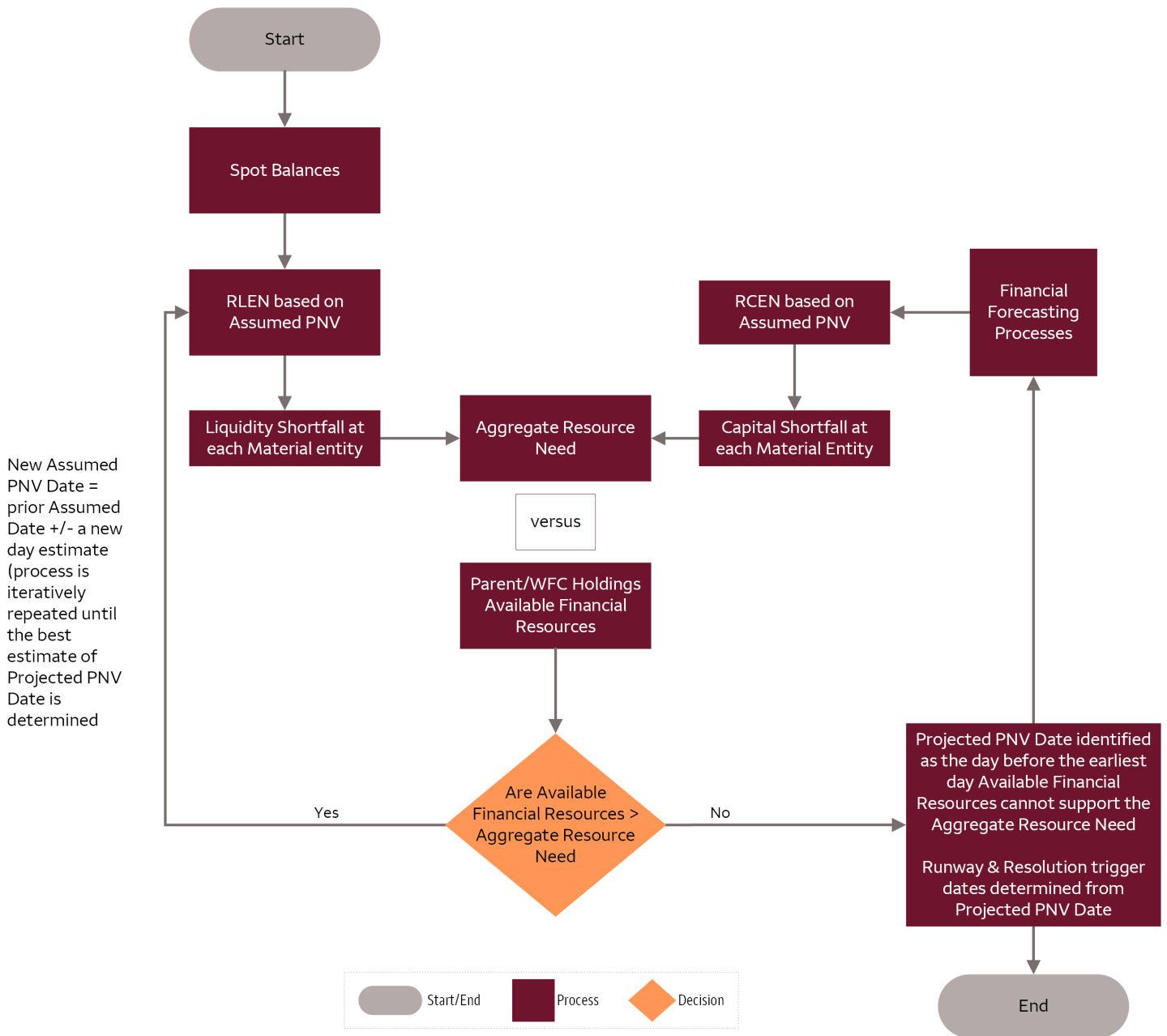
### Triggers

We monitor capital, liquidity, market, and operating conditions across Material Entities through triggers that are designed to provide early warning indicators of stress and inform decision making during the events leading up to resolution. These triggers are reviewed and updated regularly to help provide the most effective tools to monitor stress.

## Resolution Trigger Monitoring

Pursuant to the Secured Support Agreement, in the event we enter the Stress EFAL, the Parent would begin monitoring, on a daily basis, the proximity of the Resolution trigger. To assess the proximity of the Resolution trigger, we would analyze our financial condition by calculating resolution liquidity execution need and resolution capital execution need of the Material Entities using assumptions that reflect actual prevailing stress conditions. These execution needs will be compared to the level of pre-positioned resources at each of the Material Entities to determine if any shortfalls exist. The sum of any shortfalls would be compared to the Available Financial Resources of the Parent and WFCH to determine if the Resolution trigger has breached. Upon a confirmed Resolution trigger breach, we would automatically move to the Resolution EFAL and a Final Contribution Event would occur under the Secured Support Agreement.

Figure 5-6 Approach to Determining the Resolution Trigger



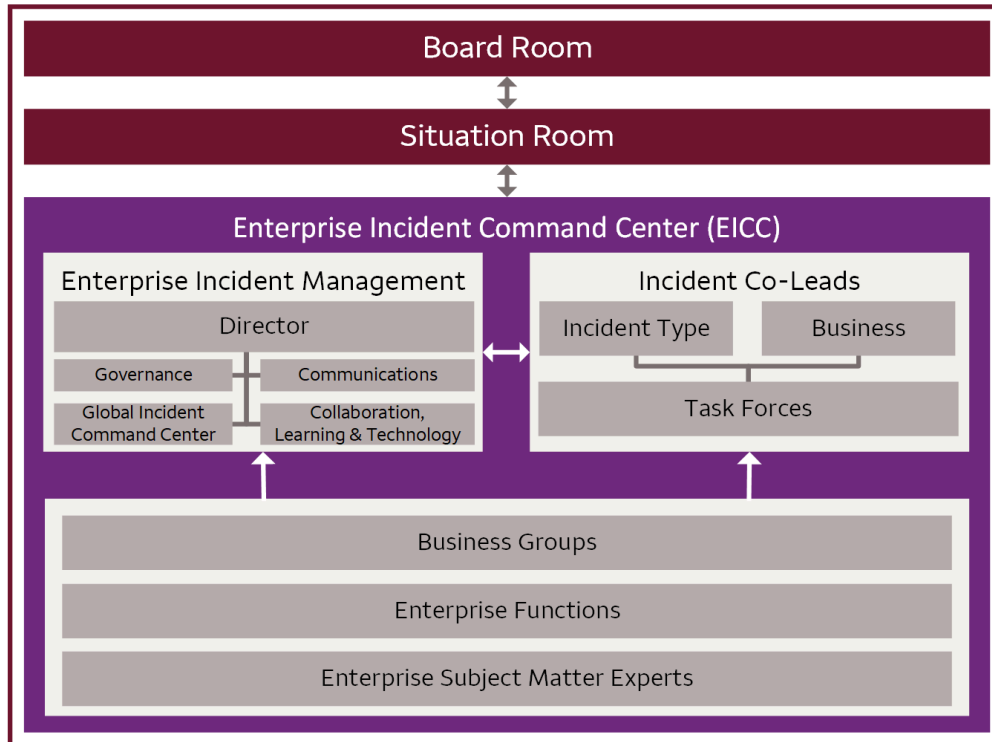
### Incident Management Structure

Our incident management structure provides communication, coordination, and decision-making support and logistics throughout the EFALs. The incident management structure is designed to facilitate decision making by the Board and senior leaders during various incidents, including physical hazards, technology, or financial stress events (that may be reflected by a change in EFAL). In addition, the incident management structure facilitates internal and external communications, including to the regulatory agencies that oversee our work. The incident management structure is incident agnostic and used for various financial and operational incidents as well as a resolution event, thereby creating a structure that is familiar to its participants.



As shown in the following figure, the incident management structure includes three distinct and interrelated parts: (1) the Board Room, (2) the Situation Room, and (3) the Enterprise Incident Command Center (EICC), which enable a coordinated Company response to an incident.

**Figure 5-7 Incident Management Structure**



The Board Room is a forum for the Board's members to oversee our response to incidents and to make timely and informed decisions that mitigate key vulnerabilities, as needed. The Board chair leads the Board Room and provides direction on Board actions and decisions. The Board Room's primary objective is to enable the Board to perform its oversight and other responsibilities during incidents.

The Situation Room is a forum for members of the Corporate Asset/Liability Committee, the Operating Committee, and liaisons to the Material Entity Boards of Directors to make decisions, give updates, and provide recommendations to the Board Room for approvals (where relevant), and activate the EICC to execute actions in response to an incident.

- As the Situation Room Leader, the chief operating officer is the primary point of contact between the chief executive officer (CEO) and the Board Room to timely escalate risks and issues.
- The Situation Room includes members of significant Company management committees to enable action by those committees (or the members of senior management in their respective capacities) in a coordinated and timely fashion.
- The chief risk officer provides risk management oversight of decisions made through the Situation Room.

The EICC is a forum that consists of approximately 200 team representatives from various business and functional areas who are responsible for executing actions as directed by the Board Room and Situation Room. The EICC is designed to achieve the following:

- Execute actions based on the direction from the Board Room and Situation Room
- Monitor the results of the executed actions
- Provide status updates to the Situation Room

The EICC includes representatives from the Business Groups and Enterprise Functions, and subject matter experts in Enterprise Incident Communications, Corporate Properties, Corporate Security, Finance, Human Resources, Technology, Cyber, and Compromised Data, among others, which convene via a secure video conferencing application.

The EICC Finance taskforce, led by the head of the Recovery & Resolution Program Office, includes representatives from Finance and the Recovery & Resolution Program Office, among others, who coordinate the response to a financial stress event.

Enterprise Incident Management, part of Enterprise Business Resiliency, provides logistical support to the incident management structure. The incident management structure is scalable and flexible, allowing for each part to be activated as needed.

We test our emergency management processes and protocols at various levels of the organization to prepare relevant stakeholders to follow proper processes and protocols. Specifically, we conduct incident management testing and training, including financial stress incidents, through the incident management structure.

### Pre-Bankruptcy Parent Support

Under the Secured Support Agreement, the Parent made an initial contribution of assets to WFCH and is required to make certain additional contributions prior to any bankruptcy proceeding. The following list identifies actions we took in connection with this pre-bankruptcy Parent support:

- We analyzed potential bankruptcy and state law challenges to understand and help mitigate potential challenges to the Parent's proposed pre-bankruptcy funding of capital and liquidity to Material Entities and timely execution of the Parent's pre-bankruptcy and bankruptcy filing actions.
- We executed the Security Agreement and Secured Support Agreement to contractually bind the Parent, WFCH, Related Support Entities, and our other Material Entities to provide capital and liquidity support and to help mitigate any potential creditor challenges that could impede successfully executing the Preferred Resolution Strategy.
- We pre-positioned financial resources at various Material Entities and pre-positioned six months of working capital at our Service Material Entities to continue services during resolution.

### Governance-Related Documents

We have Material Entity Governance Playbooks that outline actions that Material Entity board members and senior leaders could take in response to financial stress, including in a resolution scenario to facilitate our Preferred Resolution Strategy. The Governance Playbooks include descriptions of the Boards of Directors' fiduciary responsibilities and how actions would be consistent with those responsibilities, potential conflicts of interest, and triggers identifying the Runway and Resolution EFALs and any associated escalation procedures and actions. We also have a Bankruptcy Playbook to guide bankruptcy-related actions leading up to and shortly after a Parent bankruptcy filing.

## 5.7 Recovery Plan

If potential or actual financial stress occurs, we hope to manage the stress event early and return to a business as usual state. If our efforts are not successful or financial stress escalates quickly, we would rely on our Recovery Plans, which are updated annually, to respond to the financial stress. A recovery plan identifies triggers and options for responding to a wide range of severe internal and external stress scenarios to restore a covered bank to financial strength and viability in a timely manner. A recovery plan includes the following:

- A detailed description of the Company's organizational and legal entity structure
- Detail on the interconnections between our Material Entities, Core Business Lines, and Critical Operations, including Critical Service provision
- Triggers that serve as warning signs that stress is occurring
- Stress scenarios that help senior leaders identify, develop, calibrate, and validate the appropriateness of triggers
- Options the Company could undertake to restore its financial strength and viability, which includes how it would execute each option
- Responsibilities of senior leaders and the Board

We update Recovery Plans for the Company, the Bank, and certain of our affiliates annually. The Recovery Plans provide our anticipated actions and the Bank's anticipated actions to respond to stress events should initial capital, liquidity, and risk management responses not immediately return us and the Bank to a normal operating state. Our goal is to have Recovery Plan actions that would allow us to avoid resolution.

## 6. Company's Preferred Resolution Strategy

### 6.1 Introduction to the Preferred Resolution Strategy

To prepare for resolution, we have a Preferred Resolution Strategy that uses a single point of entry (SPOE) approach. The Parent would file a chapter 11 bankruptcy case under the U.S. Bankruptcy Code and all other Material Entities would either remain solvent and operational or be wound down consistent with our Preferred Resolution Strategy. The continued solvency of these Material Entities would be facilitated by our Secured Support Agreement (discussed in detail below), which obligates WFCH to provide support to such entities, as needed to execute our Preferred Resolution Strategy, and enables their continued operation.

We believe the SPOE approach improves our resolvability by:

- Reducing disruption to the U.S. financial system and better promoting continuity by planning to maintain our Critical Operations, Critical Services, and Core Business Lines operated through our Material Entities, which are expected to have sufficient capital and liquidity to operate as going concerns<sup>10</sup> throughout the Parent's resolution.
- Increasing our flexibility to execute divestiture options over time because all Material Entities, with the exception of the Parent, would remain operational and solvent when the Parent enters bankruptcy.
- Reducing risks that non-U.S. authorities or third parties could take actions (or abstain from taking actions) that could result in separate resolution proceedings or restricting the activities or availability of assets of our non-U.S. branches or subsidiaries (often referred to as "ring-fencing") because the Parent would be the only legal entity entering bankruptcy.
- Providing additional optionality during resolution to sell business lines spanning multiple Material Entities or jurisdictions.
- Providing flexibility if our structure, size, or risk profile should change.

Moreover, since submitting the 2021 Targeted 165(d) Resolution Plan, we strengthened the effectiveness of our Preferred Resolution Strategy and the associated financial, operational, structural, governance, strategic, and legal preparedness actions. Some of these actions include:

- Updating our Governance Playbooks, Bankruptcy Playbook, and Employee Retention Strategy.
- Refining our financial forecasting tools.
- Recalibrating our trigger framework and escalation protocols.
- Identifying new divestiture options and modifying existing ones to provide us with optionality that aligns to our operating model and a different types of financial stress.

### The Effects of Resolution Actions on the Company

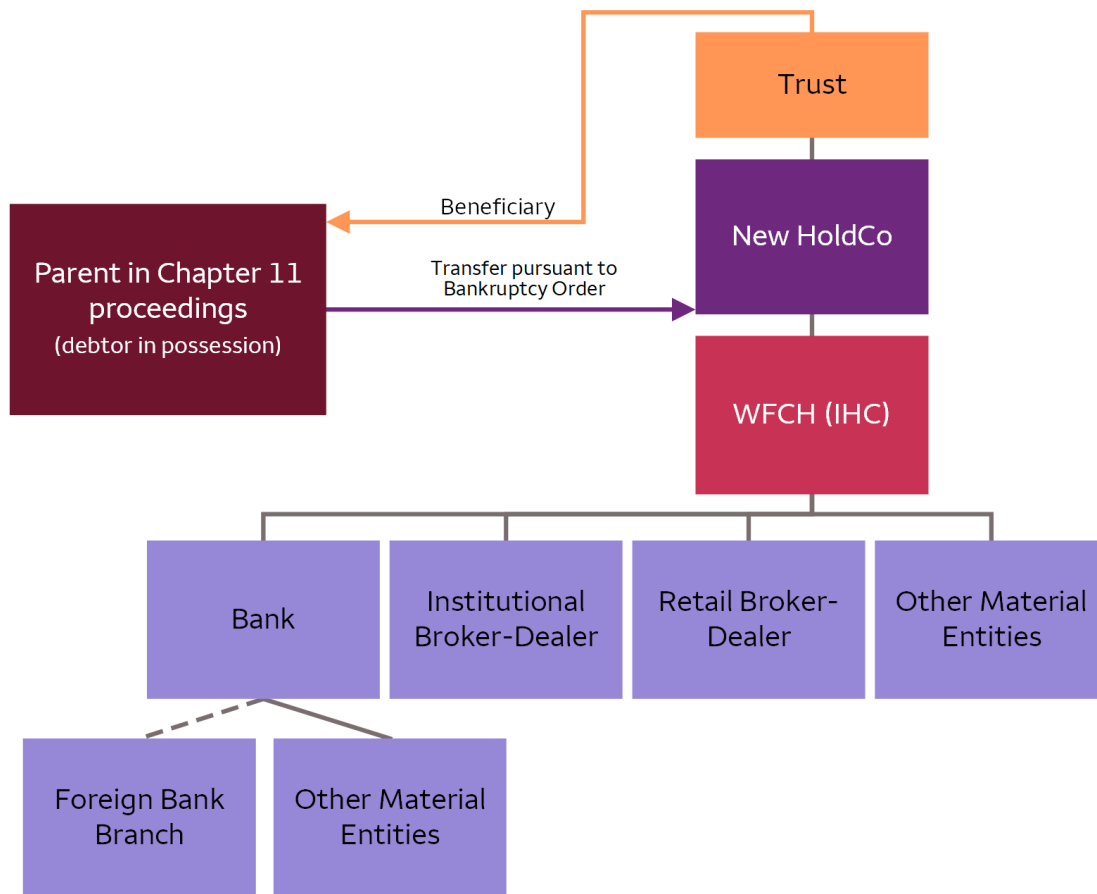
Consistent with the Preferred Resolution Strategy, after the resolution trigger breaches but prior to the Parent's bankruptcy filing, the Parent would establish New HoldCo and a Trust to hold New HoldCo for the benefit of the creditors in the Parent's bankruptcy case. After the Parent files its voluntary Chapter 11

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<sup>10</sup> WFS LLC will commence a solvent wind-down under the Preferred Resolution Strategy, but the legal entity will remain open, i.e., a going concern.

bankruptcy case, the Parent would file an Emergency Transfer Motion asking the Bankruptcy Court to approve the continued service of the trustees for the Trust and the initial directors and officers of New HoldCo. In addition to these approvals, we would request through the Emergency Transfer Motion that certain other relief, including that the Parent's equity interests in WFCH, be transferred to New HoldCo. The following figure illustrates the legal entity ownership structure after the Trust and New HoldCo have been established and the transfer of Parent's equity interests in WFCH. As a result of transferring WFCH to New HoldCo, all of WFCH's Material Entity subsidiaries would become indirect subsidiaries of New HoldCo.

**Figure 6-1 Legal Entity Ownership Structure that would result from Emergency Transfer Motion Transactions**



## 6.2 Achieving Our Resulting Organization Post-Bankruptcy

After completing the transactions contemplated by the Emergency Transfer Motion described above, we would begin to reduce our size and complexity through strategic solvent wind-downs and sales of our businesses, consistent with our Preferred Resolution Strategy. While New HoldCo's balance sheet becomes smaller during resolution, the Preferred Resolution Strategy retains those businesses that provide the most value, including strategic synergies, across the franchise and does not target a specific balance sheet size.

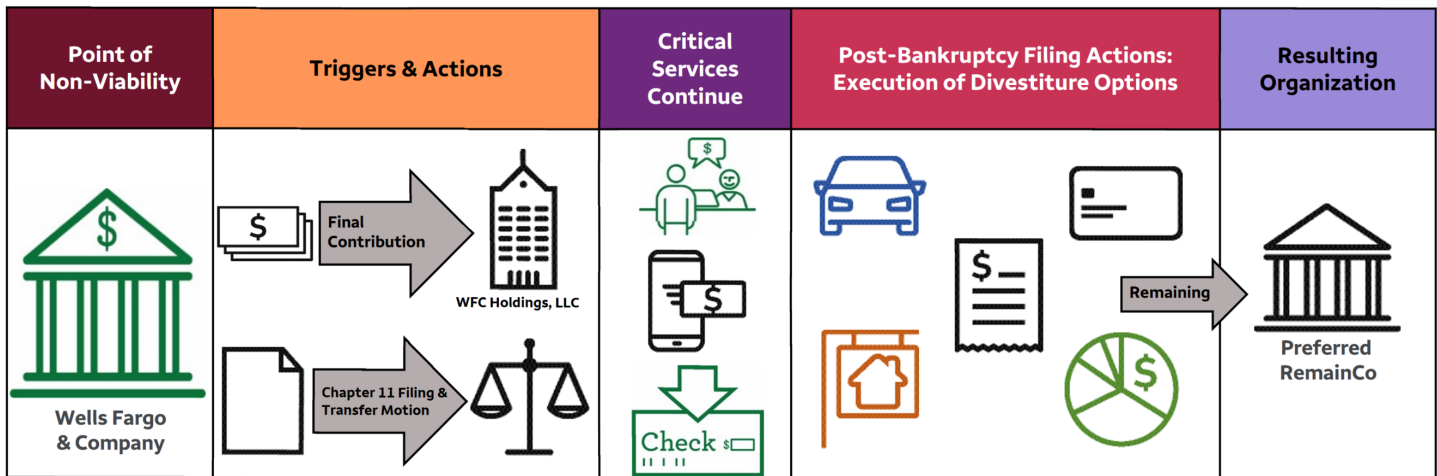
All Material Entities would continue as going concerns, including WFBNA as it is our largest insured depository institution, comprises 91% of our assets, has the most employees, and provides the most Critical Services.

After the transfer, we anticipate that the Material Entities (except the Parent) would go through a period of stabilization, whereby they continue operating and regain market confidence by remaining well-capitalized and meeting minimum liquidity requirements taking account of customer deposit withdrawals and counterparty collateral demands. WFS LLC, our institutional broker-dealer, however, would initiate a solvent wind-down of its business upon commencing the Parent's bankruptcy case. All Core Business Lines would continue to operate as part of Preferred RemainCo, but would do so on a smaller scale.

We also identified a series of divestiture options that, if executed, would reduce our size and complexity, while allowing us to retain a national presence and be effectively resolved without interrupting Critical Operations essential to the continued stability of the U.S. financial system. Our Critical Operations would remain operational because they receive the necessary funding and Critical Services to continue. We refer to the resulting organization as the Preferred RemainCo. The Preferred RemainCo would still be a nationally-focused bank with full-service retail, wealth management, and commercial banking offerings, and some limited corporate and investment banking capabilities. Moreover, we identified and are prepared to execute divestiture options that could further reduce our size and complexity. This approach provides us the flexibility to respond to financial stress in a manner that is most appropriate for the particular circumstances at such time.

The following figure shows how these actions collectively come together to form our Preferred Resolution Strategy. The figure depicts the actions that occur after the Parent reaches the point of non-viability, how operations can continue, when divestiture options are considered, and the resulting organization.

**Figure 6-2 Company's Preferred Resolution Strategy**



### 6.3 Secured Support Agreement

The Secured Support Agreement, as amended, is a contract between the Parent, WFCH, and other Material Entities. The Secured Support Agreement, among other things, obligates WFCH to provide ongoing capital and liquidity support to the Covered Material Entities<sup>11</sup> during resolution.<sup>12</sup> The Secured Support Agreement was initially executed on June 28, 2017 between the Parent, WFCH, WFBNA, WFS LLC, and WFCS. At the

<sup>11</sup> A Covered Material Entity is entitled to receive financial support under the Secured Support Agreement, which currently include: WFBNA, WFNBW, WFBI, WFCS, WFS LLC, Peony, WFF, WFGTPS, WFIS, WFISP, and WFP.

<sup>12</sup> WFBNA-LB is not a party to the Support Agreement because it is not a separate and distinct legal entity. WFBNA-LB's resolution needs will be provided through WFBNA.

time the Parent executed the Secured Support Agreement in 2017, it made the Initial Parent Contribution, as required by the Secured Support Agreement. The Secured Support Agreement was amended and restated on June 26, 2019 to add parties and to comply with our Preferred Resolution Strategy shift to an SPOE approach. Actions previously taken under the Secured Support Agreement, including the Initial Parent Contribution, are unchanged under the amended Secured Support Agreement. Since submitting the 2021 Targeted 165(d) Resolution Plan, two Material Entities are no longer parties to the Secured Support Agreement as a result of divesting Wells Fargo Asset Management.

### How the Secured Support Agreement Works in a Business as Usual Environment

The Secured Support Agreement (1) facilitates pre-positioning of resources at WFCH by requiring the Parent to make initial and subsequent contributions to WFCH, (2) verifies WFCH has sufficient assets to fund the other Material Entities' capital and liquidity needs in resolution, and (3) provides WFCH with the appropriate flexibility to determine how to fulfill the Material Entities' capital and liquidity needs.

Consistent with the Secured Support Agreement, the Parent made an initial contribution of assets to WFCH in 2017. That initial contribution, which included liquid assets and inter-affiliate loans, was made in exchange for funding notes issued by WFCH to the Parent. The funding notes are subordinated to WFCH's obligations to support the Material Entities during resolution, as set forth in the Secured Support Agreement, and would be forgiven during a resolution scenario. Through the Initial Parent Contribution, the Parent transferred substantially all of its liquid assets to WFCH.

Notwithstanding the Initial Parent Contribution, during business as usual the Parent is permitted to retain a cash reserve amount and sufficient cash to cover near-term expenditures, as well as a limited amount of certain other assets. To avoid the Parent retaining more assets than it needs, the Secured Support Agreement requires the Parent to repay its line of credit (described below) or make additional contributions to WFCH of assets in excess of the retained assets that the Secured Support Agreement authorizes the Parent to hold. Additionally, should the Company experience significant financial stress, the amount of assets that the Parent may retain is reduced and such assets must be transferred to WFCH.

WFCH has a committed line of credit available to the Parent that the Parent may use to replenish its cash reserve or pay near-term expenses. The committed line of credit, together with payments made by WFCH under the funding notes, provides the Parent with ongoing liquidity that can be used to satisfy its debts and short-term funding needs. During this time, the Parent also continues to receive dividends or distributions from WFCH. WFCH is obligated to (1) cooperate with the Parent to facilitate the Parent's existing practice of providing liquidity or capital to its subsidiaries and (2) provide capital and liquidity to the Covered Material Entities in amounts determined in good faith by the Parent in accordance with the Parent's policies, as those policies may be amended from time to time consistent with the Secured Support Agreement.

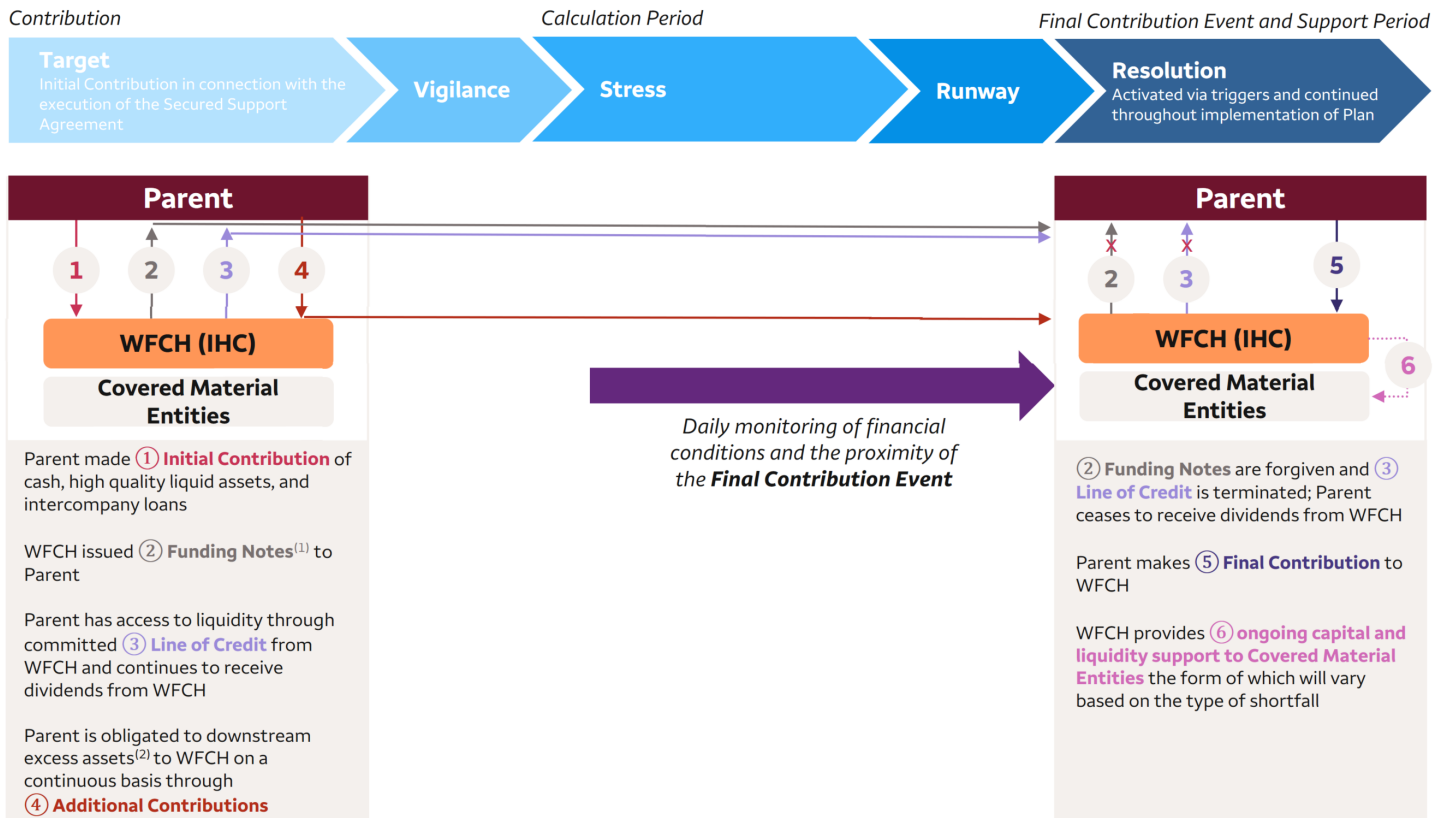
We designed our trigger framework to support our Preferred Resolution Strategy and to allow WFCH to provide our Material Entities with sufficient resources. Specifically, we designed combined triggers to determine when to initiate the Runway and Resolution EFALs based on the projected liquidity and capital needs of all Material Entities (except the Parent) throughout the resolution period (Aggregate Resource Needs), relative to the amount of resources that the Parent and WFCH would have available to fund such needs (Available Financial Resources).

To calibrate the Runway and Resolution triggers, we considered key activities that must occur before the Parent would file a bankruptcy case, which would occur at the point in time when Available Financial Resources are just adequate to fulfill Aggregate Resource Needs. Such actions include the time required to

finalize preparations for the Parent’s voluntary bankruptcy filing and to make the Final Parent Contribution of assets to WFCH.

The following figure reflects the Secured Support Agreement obligations and required Resolution actions.

**Figure 6-3 Secured Support Agreement Includes Obligations that Occur Across Enterprise Financial Assessment Levels**



<sup>(1)</sup> Funding Notes are unsecured and subordinated to WFCH’s obligations under the Secured Support Agreement  
<sup>(2)</sup> Subject to certain exceptions

### Effect of the Secured Support Agreement on the Parent and WFCH

We designed the Resolution trigger so it would breach at a time when we have sufficient resources to execute the Preferred Resolution Strategy. The Secured Support Agreement incorporates the Resolution trigger, where the point of non-viability is projected to occur in less than or equal to two business days. The point of non-viability is the day before Available Financial Resources are below the Aggregate Resource Need. This timeframe allows the Company to complete its contractual obligation to make the Final Parent Contribution of nearly all of its remaining assets and certain other assets to WFCH. The Parent can hold back a limited amount of cash that is necessary to cover expenses related to the bankruptcy proceeding. The timing would also allow the Company to obtain any necessary Board approvals prior to filing the bankruptcy case. All of these actions are intended to occur before Available Financial Resources fall below the Aggregate Resource Need.

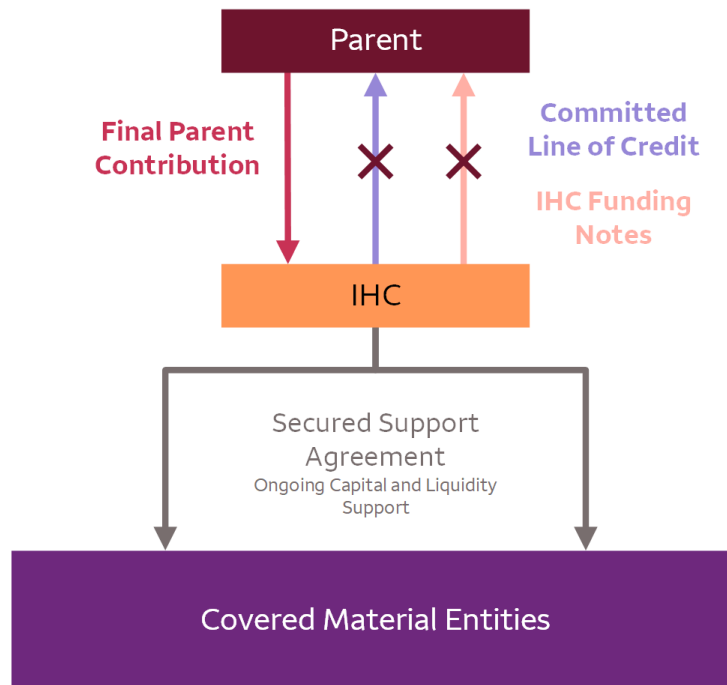
Pursuant to the Secured Support Agreement, upon the Resolution trigger breaching, the funding notes issued by WFCH are automatically forgiven, the Parent’s committed line of credit is automatically terminated, and



WFCH is prohibited from paying dividends to the Parent. Thus, once the Resolution trigger occurs and the Final Contribution is made, the Parent would no longer have access to liquidity to fund its near-term expenses (other than expenses to support the chapter 11 bankruptcy case) or pay debt, and is expected to file a chapter 11 bankruptcy case. In addition, WFCH is obligated to begin providing capital and liquidity support to the Material Entities on an ongoing and as needed basis. The Secured Support Agreement provides WFCH with flexibility to determine the type and amount of support that is appropriate under the circumstances, based on observed need. The Secured Support Agreement also provides WFCH with the flexibility to provide support directly or indirectly, via entities in the ownership chain between WFCH and the Material Entities requiring support. The Related Support Entities, which are entities in the corporate ownership chain that fall between WFCH and the Material Entities requiring support, have agreed, under the terms of the Secured Support Agreement, to facilitate support by WFCH to those Material Entities, in accordance with WFCH's instructions.

The following figure demonstrates what would happen after the Resolution trigger breaches, the Final Contribution is made, the committed line of credit terminates, and the funding notes are automatically forgiven.

**Figure 6-4 Secured Support Agreement Actions in SPOE**



## Effects of Resolution on the Parent's Creditors

We designed our SPOE approach to preserve the Material Entities (other than the Parent) as going concerns enabling their value to be maximized for the benefit of the Parent's creditors. The Parent's primary creditors are third-party investors in its long-term debt. As of December 31, 2022, the Parent had \$111.9 billion of senior unsecured long-term debt, \$21.4 billion of subordinated long-term debt outstanding, and \$1.2 billion of junior subordinated long-term debt outstanding. The Parent had \$19.3 billion of preferred stock outstanding. Under our Preferred Resolution Strategy, we expect the Parent's creditors would be in a loss-absorption position immediately behind Parent common shareholders and would be entitled to a pro rata share of equity in New HoldCo. The Trust would, consistent with its obligations under the Trust Agreement, provide its sole beneficiary, the Parent's bankruptcy estate, with distributions that could include stock in New HoldCo. The proceeds of such distributions would be paid to the Parent's creditors pursuant to a confirmed chapter 11 plan in the Parent's bankruptcy case. Although our SPOE approach preserves value in the Material Entities, by enabling such entities to be recapitalized and continue to operate as going concerns, this approach also places losses in the Parent to be borne by its creditors. In addition to losses that would be borne by the Parent's creditors, the Parent's equity holders would likely face significant, if not complete, losses. The ultimate recovery for a particular group of creditors would depend on a number of factors, including the amount and types of creditor claims against the Parent.

## Complying with the Secured Support Agreement

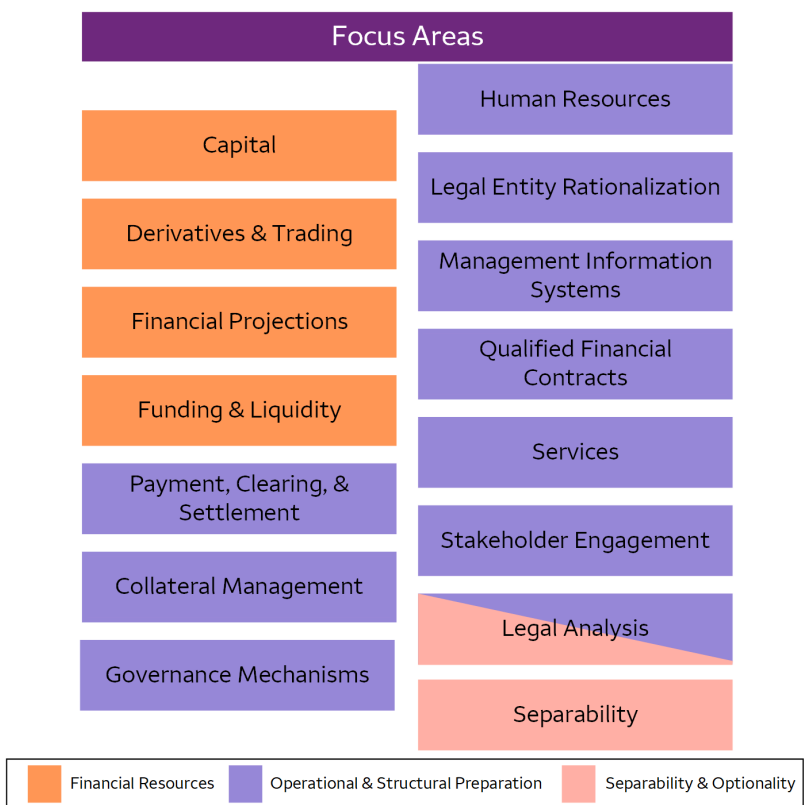
To enable the value of the Material Entities to be maximized in a manner consistent with the Preferred Resolution Strategy, the Secured Support Agreement incentivizes the Parent and WFCH to comply with their contribution and support obligations. The Secured Support Agreement contains a liquidated damages provision, which sets damages for breaches by the Parent of its obligations to make contributions to WFCH, and by WFCH to provide support following the breach of the Resolution trigger. The obligations of the Parent and WFCH are secured by security interests in most of the Parent's and WFCH's respective assets. These security interests were granted pursuant to the Security Agreement for the benefit of the Covered Material Entities and perfected during business as usual.

The board of each party to the Secured Support Agreement approved the Secured Support Agreement when all legal entities who are parties were financially strong and authorized each party to the Secured Support Agreement to take all necessary and appropriate actions under it, as applicable. Thus, executing the Secured Support Agreement enabled us to obtain necessary approvals for the Parent's contributions of financial resources upon the occurrence of pre-determined circumstances, WFCH's provision of capital and liquidity support, intermediate entities' facilitation of support, and Material Entities' acceptance of capital and liquidity support.

## 7. Focus Areas and Capabilities

Our successful and orderly resolution requires the commitment of stakeholders across the Company organized across Focus Areas. These are teams of subject matter experts that produce critical information or perform functions that are necessary to support our financial resiliency, strategic business profile, and resolvability. Their primary function is to maintain strong business as usual operations to further our ability to successfully serve customers and maintain a strong financial position. In addition to leading business as usual operations, the Focus Areas, as shown in the following figure, assist with preparing our Recovery and Resolution Plans.

Figure 7-1 Focus Areas



The following information explains how Focus Areas implemented processes to prepare for resolution. Capital Management, Liquidity Risk Management, Financial Projections, and Governance Mechanisms have additional processes, beyond those created for resolution, that were previously detailed in Section 5, Approach to Maintaining Financial Resiliency.

### 7.1 Capital

We seek to have an adequate amount of loss-absorbing capacity, known as resolution capital adequacy and positioning (RCAP). We measure RCAP by looking at external and internal total loss-absorbing capacity (TLAC), which can be used to recapitalize our Material Entities. External TLAC refers to financial instruments issued and outstanding at the Parent-level and that are available to absorb losses. Internal TLAC refers to positioning loss-absorbing capacity within the Company in the form of regulatory capital and internal debt.

Our RCAP framework seeks to position resources at our Material Entities in a manner that balances the certainty associated with pre-positioning resources directly at the Material Entities with the flexibility of holding resources at the Parent and WFCH to meet unanticipated losses when and where they occur.

We also seek to reasonably estimate the amount of capital we may need to support Material Entities, known as resolution capital execution need (RCEN), if the Parent fails and files for bankruptcy. Our Material Entity RCEN calculations include capital levels that meet or exceed all applicable regulatory capital requirements and satisfy additional capital needs through resolution. Financial support received based on these estimates is intended to allow a Material Entity to maintain market confidence, enabling the entity to stabilize and continue operating through resolution. RCEN estimates are incorporated into our governance framework, both through the RCAP framework and as part of our trigger framework across our crisis continuum.

Our capability to produce RCAP and RCEN estimates allows us to monitor our capital resources and execution needs, strive to have sufficient resources, and appropriately position them, which improves our resolvability and ability to remain in a strong financial state.

Once we enter a Calculation Period,<sup>13</sup> capital resources will need to be monitored more frequently. During the Stress and Runway EFALs, the level of capital resources relative to RCEN will be monitored daily so any applicable capital shortfalls can be included as we assess whether we breached the Runway and Resolution EFAL triggers.

## 7.2 Funding & Liquidity

Similar to Capital Management, we have a comprehensive process to evaluate and manage our liquidity needs in business as usual and in times of stress. Resolution liquidity capabilities form a part of our broader liquidity risk management program and include resolution liquidity adequacy and positioning (RLAP) and resolution liquidity execution need (RLEN).

We calculate the stand-alone liquidity position for each Material Entity across a stress scenario consisting of both market and idiosyncratic events. This calculation determines the amount of liquidity we position at each Material Entity and is designed to allow us to maintain adequate and appropriately positioned liquidity so it is readily available on a daily basis to meet deficits. This daily liquidity calculation is known as RLAP. We maintain a sufficient amount of RLAP, including a surplus across all Material Entities in aggregate. Our liquidity positioning framework considers the risk profile of each Material Entity and guides the placement of liquidity resources across our legal entity structure while maintaining the flexibility to respond to a stress event that may unfold in an unpredictable manner.

We also estimate RLEN, the amount of liquidity that the Covered Material Entities could require after the Parent's bankruptcy filing to execute our Preferred Resolution Strategy, including minimum operating liquidity (MOL) and peak funding needs. MOL is the estimated minimum levels of liquidity each Material Entity requires to continue operations in accordance with our Preferred Resolution Strategy and market expectations. It includes intraday usage, inter-affiliate funding frictions, working capital needs, and operating expenses. Peak funding needs are the estimated peak net cash outflow requirement at each Material Entity throughout the stabilization period, including third-party and inter-affiliate transactions. RLEN incorporates runway and stabilization period-specific assumptions across products, including third-party transactions, inter-affiliate transactions, and funding frictions across all Material Entities.

<sup>13</sup> The period beginning with a Calculation Event and ending with the earlier of (1) a Cessation Event (i.e., a sustained return to the Vigilance or Target Enterprise Financial Assessment Levels (EFALs) after an escalation to the Stress EFAL) or (2) a Final Contribution Event (i.e., breach of the Resolution trigger or the Parent's bankruptcy filing being authorized by the Board).

The objective of calculating RLEN daily during financial stress is to produce a more accurate RLEN forecast using updated spot balances and dynamic assumptions that reflect prevailing stress conditions. Calibrating and updating RLEN input assumptions is intended to reduce the likelihood of a false resolution trigger. We maintain available liquid assets well in excess of our forecasted RLEN requirement and continually monitor financial resources at each Material Entity against established triggers to identify deteriorating available liquidity and facilitate timely management actions.

## 7.3 Legal Entity Rationalization

We use Legal Entity Rationalization (LER) Criteria to provide guidance about legal entity ownership relationships and to help guide our legal entity structure to facilitate resolvability as structural and relational changes occur. The LER Criteria include priorities, and clear and actionable parameters, to guide such changes. Moreover, the LER Criteria contain rules for minimizing risk to the stability of the U.S. financial system in resolution.

The LER Criteria have five high-level objectives, as shown in the following figure, that promote a more resolvable legal entity organizational structure and mitigate the resolvability risks that we face in executing our Preferred Resolution Strategy. We refresh the LER Criteria at least annually, with the last update occurring in the fourth quarter of 2022.

**Figure 7-2 LER Criteria**

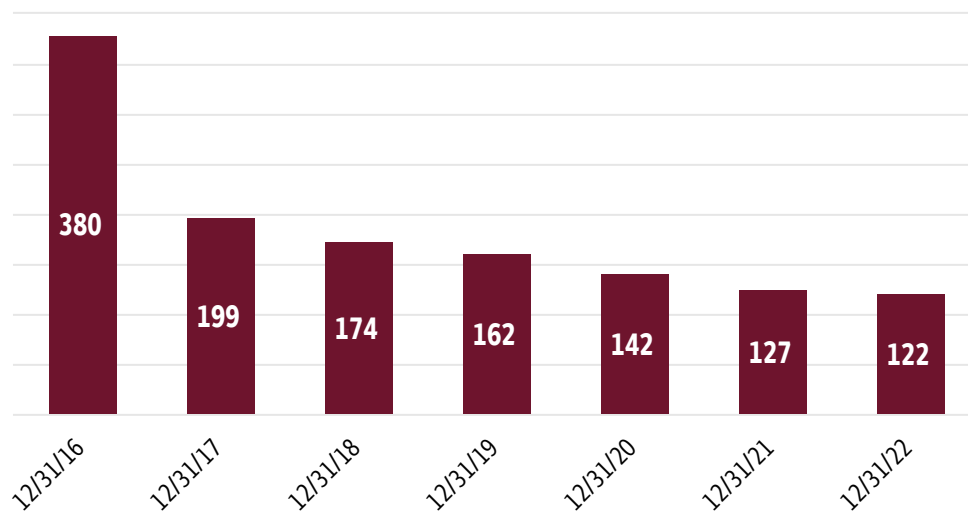
Objective Title	Description
<b>Objective 1. Protect the Insured Depository Institutions</b>	Protect the Insured Depository Institutions (IDIs) from potentially adverse impacts of the Company's direct or indirect non-bank subsidiaries.
<b>Objective 2. Minimize Complexity</b>	Limit the total number of legal entities (including the interposition of redundant or unnecessary intermediate holding companies), as well as simplifying and minimizing the complexity of the legal entity structure.
<b>Objective 3. Promote Separability</b>	Promote the separability of businesses and legal entities that are targeted for sale in the Company's Recovery and Resolution Plans.
<b>Objective 4. Facilitate Capital and Liquidity Flows</b>	Facilitate the positioning and maintenance of appropriate levels of capital and liquidity at each Material Entity in the ordinary course of business and throughout periods of stress, including the maintenance of resources sufficient to support the execution of the Company's Preferred Resolution Strategy and to facilitate flexibility in a resolution or recovery scenario.
<b>Objective 5. Ensure Continuity of Critical Services</b>	Assure that the legal entities used to provide Critical Services and Critical Service components can continue to do so. These criteria are designed to mitigate the risk of loss of operational continuity due to loss of access to Critical Services and/or Critical Service components (personnel, facilities, third-party vendors, systems, and intellectual property) provided by legal entities or branches under enhanced supervisory conditions.

The Legal Entity Governance Committee (LEGC) is composed of subject matter experts from across the Company and is responsible for monitoring how we manage our legal entities. The LEGC can escalate matters, as appropriate, to multiple governance committees. The LEGC reviews and approves the Company's LER Criteria and Justification Principles at least annually, monitors the legal entity assessment processes and reviews results on an ongoing basis, and oversees processes and functions related to legal entity data integrity.

In addition to periodically refreshing the LER Criteria, we perform ongoing business as usual reviews of legal entity initiations, changes, and dispositions to provide review and credible challenge of legal entity events against the LER Criteria and to validate the existence of legal entities. We also periodically assess those legal entities most significant to our resolvability. These assessments review aspects of the Company's organizational structure, Critical Services Framework, funding model, and other significant activities and relationships between legal entities. We embed the LER Criteria into applicable Company policies and processes. The Legal Entity Office monitors and tracks approved LER Criteria exceptions.

For our legal entity rationalization assessments, we identify a subset of legal entities that are most impactful to our resolvability. We call these legal entities the Resolvability Population. As of the most recent assessment in 2023, the Resolvability Population consisted of 122 legal entities, which include our Material Entities (detailed in Section 4). As shown in the following figure, this population decreased year over year as we continue to simplify our legal entity hierarchy, in support of resolvability and our strategic business divestitures.

**Figure 7-3** Resolvability Population Legal Entities: 2016 to 2022



## Guarantees

In connection with our resolution planning process, our Intercompany Guarantee Policy facilitates our Legal Entity Rationalization Criteria by promoting the final TLAC rule and clean holding company provisions. As part of our business as usual efforts to minimize potential matters that could arise in resolution, we have an Intercompany Guarantee Policy that governs our intercompany guarantees and prohibits the Parent from entering into new guarantees for the benefit of its subsidiaries, with limited exceptions. Our Intercompany Guarantee Policy prohibits downstream guarantees by the Parent for the benefit of its subsidiaries that contain affiliate cross-default provisions, and incorporates other applicable requirements of the final TLAC rule.

## 7.4 Separability

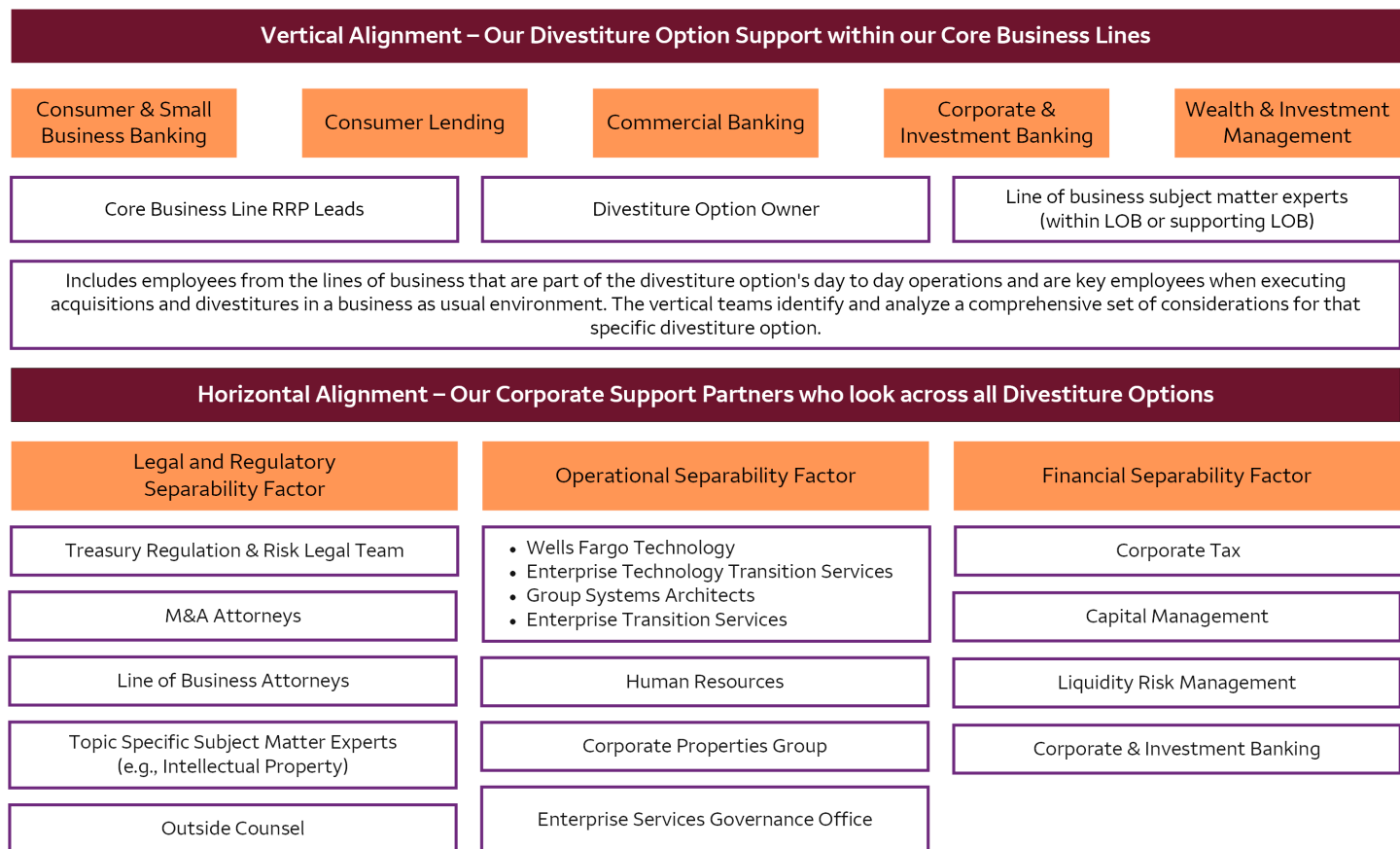
Corporate Development leads the Separability Focus Area. Our Corporate Development team is staffed with dedicated and experienced mergers and acquisitions specialists that conduct business as usual divestitures and acquisitions and would continue to do so in recovery and resolution scenarios.

We identify discrete portfolios, hybrid portfolios, and businesses that could be sold during times of financial stress that could improve our financial position, facilitate recovery, or simplify our operating model and systemic importance to facilitate resolution. The portfolio, hybrid portfolio, and business sales are collectively referred to as divestiture options. Maintaining divestiture options across multiple business lines provides flexibility that enhances our financial resiliency as business lines may be impacted differently in a time of stress.

We developed execution playbooks for each divestiture option, which identify divestiture attributes, market and buyer analysis results, valuation analysis results, and key steps, responsibilities, and anticipated timelines for those divestitures. To provide divestiture options that are actionable, we perform an annual reverse due diligence reevaluation process, which includes an impediment and mitigant analysis, an impact assessment, and divestiture playbook documentation, to show that the divestiture option scope is actionable. We consider operational, legal, and financial separability factors for each divestiture option. The reverse due diligence process is similar to the acquisition due diligence process, but is performed on the Company's own business, rather than on a target company.

As shown in the following figure, Corporate Development manages and coordinates the various internal parties required to execute a transaction, including senior leaders, lines of business, Enterprise Functions, and functional subject matter experts.

**Figure 7-4 Stakeholders Involved with Divestiture Option Playbooks**



A divestiture option's role within our Preferred Resolution Strategy is to provide optionality under different market conditions for reducing the complexity and size of Wells Fargo while maximizing franchise value. We assess numerous avenues to monetize our divestiture options to create substantive optionality and flexibility. For example, certain loan portfolio sales can be sold in tranches based on credit quality, geography, industry, or other characteristics to best fit the needs of a broad market of buyers. Our divestiture options have numerous operating model benefits that will attract a broad universe of strategic and financial buyers.

We maintain the capability to populate virtual data rooms, which contain information to address a comprehensive set of data requests to facilitate a buyer's due diligence and valuation efforts. We populate virtual data rooms annually for divestiture options so there are opportunities to build and maintain the muscle memory that would be drawn upon in a crisis situation and allow divestiture option virtual data rooms to be updated in a timely manner.

Corporate Development's operational separability expertise would be leveraged for divestitures. We completed 31 business, hybrid portfolio, or portfolio divestitures from 2016 to 2021, 15 of which were executed from 2019 to 2021 at increased scale, volume, and speed, which we believe demonstrates the efficacy of our divestiture capability. We analyzed lessons learned from these divestitures to refine our divestiture capabilities, which would be leveraged in a stress event.



## 7.5 Payment, Clearing, & Settlement Activities

Financial market utilities (FMUs) are multilateral systems that provide the infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and the system. These systems are necessary for financial institutions and their clients to conduct business. To mitigate the risk of losing access to payment, clearing, and settlement services provided by FMUs and agent banks, we identify those material relationships and conduct outreach exercises to understand and plan for potential adverse actions an FMU or agent bank could implement in the event we experience financial stress.

We conduct payment, clearing, and settlement (PCS) activities through FMUs and agent banks across the following seven instruments:

**Figure 7-5 Instrument Definitions**

Instrument	Services
Automated Clearing House (ACH)	The Company offers ACH origination and receiving services allowing customers to manage debit and credit transactions for a wide variety of activities including single and recurring bill payments, online transfers, collections, disbursements, payrolls, check conversions, and tax/trade payments.
Cards	The Company offers several types of cards to its customers including credit cards, ATM cards, debit cards, and campus cards. In addition to card products, the Company also provides merchant customers outlets with card acceptance, point-of-sale systems, gateways, multi-currency capabilities, mobile products, and check acceptance.
Checks	The Company offers check services (electronic and paper), allowing customers to easily manage check payments, both issued and received. Checks include on-us and transit items, which vary by presentment and settlement channels.
Instant Payments	The Company uses instant payments processing to accommodate instantaneous, irrevocable, credit-push transactions, based on dollar limits set by the network, as well as the related payment information, between sending and receiving participant accounts based in the U.S.
Wires	The Company offers wire payment services allowing customers to send and receive high value, irrevocable, domestic and global transactions, in U.S. dollar and foreign-currency, as well as the associated payment-related information.
Securities	The Company offers a full suite of investment banking, capital markets, and advisory products and services through broker-dealer entities (WFS LLC and WFCS), as well as trust, asset servicing, and transaction processing services through WFBNA. Products offered include equities, high-grade debt, high-yield debt, loan syndications, securitizations, and market-linked products.
Derivatives	The Company uses a full suite of derivative contracts to hedge exposure to its market risk, interest rate risk, credit risk, and foreign currency risk, and to assist customers with their risk management objectives including interest rate swaps and swap options, futures, options, equity, credit, foreign exchange, and forward agreements.

Establishing memberships with FMUs and agent banks allows us to meet the needs of our clients, manage risk, and secure funding. Several of our Material Entities participate and maintain memberships with a number of FMUs. Maintaining continuity of access during resolution is key because our clients rely heavily on these memberships to meet their financial needs.

Wells Fargo's PCS activity is largely driven by payment operations, specifically wires and Automated Clearing House (ACH) movements through WFBNA on behalf of its customers. WFBNA's check and cards operations are also significant drivers of payment activity, given our nationwide retail banking presence. Clearing and settlement activity is concentrated largely in WFCS, the Company's primary retail broker-dealer, and WFS

LLC, the Company's institutional broker-dealer. WFCS clears and settles securities and derivatives on behalf of Wealth & Investment Management clients. WFS LLC clears and settles securities and derivatives on behalf of Corporate & Investment Banking clients affiliates, and is the only registered futures commission merchant of the Company's Material Entities. WFBNA is the only registered derivatives swap clearing dealer, and also settles foreign exchange currency derivatives.

## Identifying Material FMUs and Agent Banks

We monitor our relationships with FMUs and agent banks and maintain contingency plans for the most material ones. We determine materiality through an assessment process that considers both quantitative and qualitative criteria to determine the criticality of each FMU or agent bank involved in cash, securities, and derivative markets. The objective of the assessment is to have an inclusive risk management view that accounts for market, credit, liquidity, and operational risk, and also considers additional resolvability risks such as customer and market impact if access to an FMU or agent bank is severed. The results from this assessment, as shown in the following figure, reflect our most material FMU and agent bank relationships.

Figure 7-6 Material FMU/Agent Bank Memberships

FMU/Agent Bank		Material Entities				
		Parent	WFCH	WFBNA	WFS LLC	WFCS
Payment	Checks	FedChecks			✓	
		SVPCO			✓	
		Viewpoint			✓	
	ACH	Electronic Payments Network (EPN)			✓	
		FedACH			✓	
	Wires	Fedwire Funds			✓	
Clearing House Interbank Payments System (CHIPS)				✓		
Cards	Visa			✓		
Clearing	Securities	National Securities Clearing Corporation (NSCC)			✓	✓
		Fixed Income Clearing Corporation (FICC)			✓	✓
	Derivatives	ICE Clear Europe				✓
		ICE Clear Credit				✓
		ICE Clear U.S.				✓
		Chicago Mercantile Exchange (CME)				✓
		LCH.Clearnet Ltd			✓	✓
		Options Clearing Corporation (OCC)				✓
Settlement	Securities	Fedwire Securities			✓	
		Depository Trust Company (DTC)			✓	✓
		Bank of New York Mellon (BNY Mellon)	✓	✓	✓	✓
	Derivatives	CLS Bank International			✓	

## Contingency Planning

FMUs and agent banks have broad discretion to modify participant rules in response to financial stress. As a result, our continuity strategy includes ongoing planning efforts to understand the actions FMUs and agent banks may take against a stressed member, as well as the financial and operational implications of those

actions. The Company engages in annual internal and external discussions, which inform the Company's understanding of potential adverse actions and emphasizes the importance to maintain access to material FMUs and agent banks. Our contingency planning accounts for coordinating FMU and client-related actions, including communication protocols in the event of stress or failure. Clients include key clients as determined by our annual key client assessment, which uses a methodology that considers both quantitative and qualitative criteria.

## 7.6 Shared and Outsourced Services

The Company is committed to maintaining continuity of Critical Services during resolution. We define Critical Services as those services that support Critical Operations or Core Business Lines and must remain operational during the resolution process to facilitate the orderly execution of our Preferred Resolution Strategy.

The Company mitigates the risk that Critical Services may be susceptible to disruption by executing intercompany service agreements with resolution-resilient language and arm's length pricing for Critical Services provided from one legal entity to another. The Company further mitigates the risk of Critical Service disruption by maintaining appropriate levels of working capital at Service Material Entities and Operating Material Entities to fund Critical Services. The Company also maintains contingency strategies to help prevent the disruption of Critical Services due to the loss of one or more Critical Service components. For example, we identify promptly substitutable alternatives for third parties to help prevent the disruption of Critical Services due to potential discontinued access.

As a final measure to continue services during resolution, our LER Criteria seeks to centralize the majority of Critical Services and Critical Service components within Material Entities. By following this strategy, the Company limits the risk of interrupting Critical Services during resolution (and improves resolvability) by simplifying the interconnections and interdependencies between legal entities, non-U.S. subsidiaries, and third parties.

The Company maintains a Service Catalog, which is a comprehensive set of services-related inventories. The Service Catalog includes (1) an inventory used to categorize services performed Companywide (the Service Taxonomy), (2) an inventory of service components needed to perform each service, including those needed to support each Critical Service (Critical Service components), such as employees, facilities, systems, third party engagements, and intellectual property, and (3) a mapping of the legal entities, including Material Entities, that provide and receive services through intercompany and intra-company legal entity relationships. Through these inventories, the Service Catalog enables the Company to identify those Critical Services needed to continue operations of Material Entities, Critical Operations, and Core Business Lines. The Company identifies and manages the following four types of operational interconnectedness:

- **Material Entity interconnectedness** – Critical Services provided by Material Entities, supporting other Material Entities
- **External interconnectedness** – Reliance on external critical third parties to continue Critical Services
- **Core Business Line interconnectedness** – Mapping Critical Services to Core Business Lines
- **Critical Operation interconnectedness** – Critical Services required to continue Critical Operations

## 7.7 Management Information Systems

Wells Fargo Technology manages the systems necessary to maintain the Core Business Lines, Critical Operations, and Material Entities in periods of stress and resolution. The technology required to support these objectives is segmented into the following three functions: (1) maintaining critical systems, (2) providing critical reporting, and (3) supplying the technology support and mechanisms necessary to promote separability.

Critical systems are those systems that are necessary to perform a Critical Service and required to avoid Critical Service disruptions that might arise from an inability to access such components in resolution. Identifying these critical systems prior to stress allows us to focus on their continued operation during times of stress. The systems identified are contained in the Service Catalog, discussed in Section 7.6, Shared and Outsourced Services.

We identify reports on financial and risk data to include in the Critical Reports Inventory. The Critical Reports Inventory provides detailed information about the reports necessary to support decision making throughout the Enterprise Financial Assessment Levels. That reporting presents information at the legal entity level across financial, operational, structural, and risk-related areas. It includes, but is not limited to, reporting on trigger monitoring, credit exposures, financial data (such as income statements and balance sheets), operational risks, and shared services. Reports in the Critical Reports Inventory are subject to heightened data management and governance requirements per Company policy.

Technology also provides support and systems to enable divestiture execution, which include processes to produce on-demand reports required for buyer due diligence during a divestiture and the virtual data room technology that we use to store this documentation and securely share relevant information with potential buyers.

In addition, the Management Information Systems Focus Area maintains the Use & Access Technology capability to be used in our divestiture strategy. This capability allows for the logical separation of customer accounts by product based on the terms of the purchase agreement. Accounts sold as part of a region sale would be flagged in appropriate systems and access to those accounts would be permitted to avoid service interruption. Importantly, the Use & Access to Technology permits an earlier Legal Close (i.e., receipt of sale proceeds) and enables multiple buyers to purchase parts of the region simultaneously. The technology supporting the Use & Access to Technology capability is embedded in the production environment ready to be enabled as required. We have a patent for several proprietary aspects of the Use & Access to Technology capability.

## 7.8 Collateral Management

The Company maintains a set of collateral management capabilities to improve Company resolvability and comply with the 165(d) Rule and 2019 165(d) Guidance. This approach incorporates resolution planning considerations into routine collateral management practices.

We receive and pledge collateral under a variety of transactions across Business Groups and Enterprise Functions (e.g., Consumer Lending, Commercial Banking, Corporate & Investment Banking, Wealth & Investment Management, and Corporate Treasury) to mitigate liquidity, credit, counterparty, and other risks. As a result, we maintain policies, systems, processes, controls, and functional support groups to support the availability, accuracy, and control of collateral management activities. Core Business Lines manage collateral sources or use collateral through various activities, including, but not limited to, over-the-counter derivatives

and to be announced securities, secured financing transactions, margin lending, clearing services, and our principal investment portfolio. The Company maintains collateral eligible to secure borrowings from the Federal Home Loan System and Federal Reserve Bank of San Francisco as needed based on funding and liquidity needs.

We maintain governance and oversight of collateral management through (1) a cross-functional collateral governance committee and Companywide Collateral Management Policy, (2) Companywide collateral reporting, (3) client agreement and terms digitization for query and aggregation purposes, and (4) quarterly collateral stress testing. In addition, the five Core Business Lines that manage collateral have business line-specific collateral management policies that support the Collateral Management Policy. This approach to collateral management governance and capabilities, including Business Group- and Enterprise Function-level policies, is designed to improve risk management and incorporate resolution planning considerations into the Business Groups' and Enterprise Functions' routine collateral management practices.

## 7.9 Derivatives & Trading

We use derivatives to manage exposure to market risk, including interest rate risk, credit risk, and foreign currency risk, and to assist customers with their risk management objectives. This approach involves modifying the repricing characteristics of certain assets and liabilities so that changes in interest rates, foreign currency and other exposures, which may cause the hedged assets and liabilities to gain or lose fair value, do not have a significant adverse effect on the net interest margin, cash flows and earnings. We designate certain derivatives as hedging instruments in qualifying hedge accounting relationships (fair value or cash flow hedges). Our remaining derivatives consist of economic hedges that do not qualify for hedge accounting and derivatives held for customer accommodation trading or other purposes.

We have a comprehensive derivatives booking model framework that articulates the principles, rationales, and approach to implementing our booking practices across legal entities. WFBNA has the majority of our derivatives exposures as our provisionally registered swap dealer with the Commodity Futures Trading Commission and security-based swap dealer with the SEC. Additional derivative and trading activities are primarily conducted through WFBNA-LB, the Parent, and WFS LLC.

Our derivatives and trading activities comprise approximately 5% of the United States top 25 holding companies total derivatives exposure in terms of gross notional amount. We have the sixth largest derivatives notional amount among United States bank holding companies, according to the Office of the Comptroller of the Currency Quarterly Report on Bank Trading and Derivatives Activities.

### Wind-down of Derivatives

To support our strategy for winding down the Company's derivative and trading portfolio, we enhanced and developed capabilities designed to enable an orderly preferred wind-down, which includes both passive and active strategies and related capabilities. These capabilities include the following: the ability to manage inter-affiliate risks, assessments of our operational resource needs and associated costs, our wind-down capabilities managed through the implementation of our Wind-Down Tool, and our booking model policy and governance structure.

We employ four key derivatives wind-down strategies as shown in the following figure.

**Figure 7-7 Wind-Down Strategies**

Strategy	Definition
Termination	Termination reflects our expectation that derivatives-related counterparties will exercise contractual termination rights whenever beneficial to them (i.e., if the market value of the sum of the transactions under the governing agreement reflects an unrealized gain to the counterparty, or a loss for the applicable Wells Fargo entity).
Maturation	Maturity is the date on which the life of a transaction or financial instrument ends, after which it must either be renewed, or it will cease to exist. The term is commonly used for derivative transactions that have a contractual maturity date.
Compression	Compression is a way to reduce the number of outstanding contracts (and, therefore, their gross notional amount), but keep the same economic exposure. Compression can be done on a solo basis where a firm cancels offsetting contracts in its own portfolios or on a multilateral basis, typically conducted through a third-party vendor, where a firm submits portfolios to such vendor for matching with two or more counterparties who agree to cancel trades with each other within agreed parameters. Compression can be done for all or part of the notional amounts concerned.
Novation	Novation is the replacement of a contract between two counterparties with an over-the-counter derivative transaction with a new contract between the remaining party and a third party.

In our Preferred Resolution Strategy, the active wind-down period is the 12 months following the one month runway period. It is anticipated that the wind-down will result in approximately 98% of the gross notional amount of the overall derivatives portfolio exited by the end of the preferred wind-down period. A small residual portfolio of derivatives would remain that would be more complex to wind down, which would not be systemically impactful.

We included the impact of the derivative wind-down in our liquidity and capital needs to help assess our ability to manage the costs of the wind-down activity.

Under the Preferred Resolution Strategy, all Material Entities that enter into derivatives transactions other than the Parent would remain solvent and operational upon and after beginning chapter 11 proceedings of the Parent.<sup>14</sup> We rely in a limited manner on Parent guarantees. If the Bankruptcy Court grants our Emergency Transfer Motion request, the transfer of equity interests to a solvent New HoldCo would comply with the creditor protection conditions of the International Swaps and Derivatives Association (ISDA) Protocols (i.e., the 2015 ISDA Universal Resolution Stay Protocol (the 2015 Protocol) or the 2018 ISDA U.S. Resolution Stay Protocol (the U.S. Protocol)).

We developed a policy to restrict the ability of the Parent to enter into customer-facing derivatives transactions and have actively novated QFCs containing cross-default provisions from the Parent to the Bank.

As a result of the Secured Support Agreement, our capital and liquidity modeling capabilities, and other operational enhancements to resolvability, we expect that our non-Parent Material Entities would be able to continue performing on their derivatives transactions during execution of our Preferred Resolution Strategy, minimizing impacts on customers, counterparties, and the markets generally. Additionally, as all derivatives booking Material Entities adhere to the ISDA Protocols, we confirmed that all of our major external counterparties also have adhered. Accordingly, the Qualified Financial Contract Stay Rules and adherence to the ISDA Protocols would prevent the closeout of a majority of non-Parent Material Entity derivatives pursuant to certain cross-defaults that would otherwise be triggered in connection with the Parent's bankruptcy. If the Bankruptcy Court declined to provide the relief requested, we do not anticipate this would

<sup>14</sup> As previously explained, WFS LLC would undergo a solvent wind-down.

have a significant impact on the implementation of our Preferred Resolution Strategy or our Preferred Derivatives & Trading Wind-Down Strategy, given our limited use of Parent guarantees for Material Entities' Qualified Financial Contracts.

The following figure shows the notional or contractual amounts and fair value of derivatives as shown in Exhibit 13 of our form 10-K.

**Figure 7-8 Notional or Contractual Amounts and Fair Value of Derivatives**

\$ Millions			
December 31, 2022	Notional or Contractual Amount	Fair Value	
		Derivative Assets	Derivative Liabilities
Derivatives designated as hedging instruments			
Interest rate contracts	\$ 263,876	\$ 670	\$ 579
Commodity contracts	1,681	9	25
Foreign exchange contracts	15,544	161	1,015
Total derivatives designated as qualifying hedging instruments		840	1,619
Derivatives not designated as hedging instruments			
Economic hedges:			
Interest rate contracts	65,727	410	253
Equity contracts	3,884	—	260
Foreign exchange contracts	38,139	490	968
Credit contracts	290	14	—
Subtotal		914	1,481
Customer accommodation trading and other derivatives			
Interest rate contracts	10,156,300	40,006	42,641
Commodity contracts	96,001	5,991	3,420
Equity contracts	390,427	9,573	8,012
Foreign exchange contracts	1,475,224	21,562	24,703
Credit contracts	45,359	52	36
Subtotal		77,184	78,812
Total derivatives not designated as hedging instruments		78,098	80,293
Total derivatives before netting		78,938	81,912
<b>Netting</b>		(56,164)	(61,827)
<b>Total</b>		<b>\$ 22,774</b>	<b>\$ 20,085</b>

## Prime Brokerage

Our Prime Brokerage (Prime Brokerage) line of business developed tools to segment the client base and monitor its client's risk exposures on a daily basis, and it conducts operational capacity assessments to help demonstrate that it has the resources to provide its client base with a rapid and orderly exit under a solvent wind-down in a time of stress. Due to the severity of the resolution scenario and the collective experience of our clients during the 2008 financial crisis, it is expected that clients will protect their assets and trading strategies by exiting the Prime Brokerage platform as soon as possible in line with the segmentation analysis after a stress event.

Most Prime Brokerage clients have multiple prime brokerage relationships and would be able to easily transition to alternative service providers. Those Prime Brokerage clients without existing alternative providers are generally smaller, less complex funds, running lower leverage levels and financing liquid collateral with wider financing spreads, which will provide attractive economics to other prime brokers. Accordingly, we believe that Prime Brokerage would be able to successfully transfer all of its clients to alternative providers during the runway period in the event of an idiosyncratic stress event.

## 7.10 Financial Projections

The Company's Financial Projections team works with Corporate Treasury, Corporate Development, and finance teams across the Company to generate financial statements that accompany Recovery and Resolution Plans. Partner groups rely on these financial statements to generate metrics, most notably resolution capital execution need. The team also verifies there is appropriate governance for financial statements and processes that accompany each regulatory submission. The Financial Projections team helps demonstrate the feasibility of the Company's Preferred Resolution Strategy and addresses regulatory expectations, which includes pro forma financial statements for each Material Entity.

We run a series of forecasting processes during normal and stressed conditions that enable the Operating Committee and the Boards to make strategic and operational decisions. In a stress situation, Corporate Financial Planning & Analysis coordinates with line of business finance teams and Corporate Treasury to understand the nature and severity of the financial stress and determine appropriate updates to the Company's current business forecasts. This includes discussions about updates to forecast assumptions in light of prevailing conditions and frequency of our forecasts, which can be accelerated during stress situations. Corporate Financial Planning & Analysis and Corporate Treasury also coordinate on management actions that need to be evaluated and then recommended to management committees and the Board, as appropriate. This coordination allows Capital Management and Liquidity Risk Management to use appropriate forecasts as key inputs in their resolution metrics updates.

## 7.11 Legal Analysis

The Legal Analysis Focus Area advises on and, as needed, periodically updates certain recovery and resolution planning-related documents, including those that support or facilitate the Company's Preferred Resolution Strategy and guide senior leaders and Boards during periods of financial stress. These documents include the Secured Support Agreement, a memorandum analyzing the potential state law and bankruptcy law challenges and mitigants to capital and liquidity support, and the Bankruptcy Playbook that describes bankruptcy-related actions that the Board, senior management, advisors, and others would take when the Company is experiencing financial distress and failure is possible, and shortly after the Parent files its bankruptcy case.

## 7.12 Human Resources

The Company's Human Resources team maintains a comprehensive employee retention strategy to retain key employees during a period of financial stress. The Human Resources team designed the strategy to identify and retain key employees necessary to maintain Critical Operations, Critical Services, and Core Business Lines, to support the Preferred Resolution Strategy and Recovery Plans, and to deploy retention packages and payments to those identified employees. These key employees would provide senior leaders with the necessary leadership, management, and operational skills to assist through a financial stress event.



We regularly review and update the list of key employees and retention packages so information remains current should financial stress occur.

The process to identify key employees requires data from various sources that is automatically aggregated into a Human Resources data warehouse and is used to create reporting. Leaders use these reports to analyze their respective organization's key employee designations. We conduct this process annually and administer maintenance refreshes between annual cycles.

## 7.13 Stakeholder Engagement

Efficient and effective communications can help mitigate the impacts that stress events may have on the Company. The Company coordinates its communications processes across business and functional areas by defining roles and responsibilities, identifying a core executive leadership team for decision-making, and confirming proper resources are available to rapidly mobilize communications in response to stress. The Company's communications strategy contains processes and controls to provide effective and timely communication to external and internal stakeholders throughout each Enterprise Financial Assessment Level.

## 8. Resolution Planning Oversight

Oversight for the resolution planning process is integral and occurs through the following categories: (1) ownership and execution, (2) governance bodies' review, (3) internal controls and independent review, and (4) external oversight.

### 8.1 Ownership and Execution

Our chief financial officer (CFO) is the executive sponsor of our Resolution Plans. The head of the Recovery & Resolution Program Office is responsible for coordinating resolution preparedness and leading how our Resolution Plans are developed. Accountability for resolution capabilities is aligned to senior leaders who are responsible for functions and processes where the capabilities are embedded in business as usual activities. Additional information on the Recovery & Resolution Program Office and our Front Line ownership is explained below.

#### Recovery & Resolution Program Office

The Recovery & Resolution Program Office is primarily responsible for coordinating resolution preparedness at the Company and managing the end to end process to develop the Company's Resolution Plans. The Recovery & Resolution Program Office has the following key responsibilities:

- Conducting activities to support resolution planning, coordinating Plan drafting, communications with stakeholders, and controls
- Monitoring resolution planning developments, including changes to applicable laws, regulations, guidance, and industry best practices
- Understanding and communicating regulatory requirements and guidance necessary to develop the Resolution Plans and coordinating internal gap assessments to verify that the Plan aligns to requirements
- Designing and delivering training related to resolution planning
- Coordinating the process to identify, review, and obtain approval of the Company's Material Entities, Core Business Lines, and Critical Operations
- Escalating strategic issues and material developments with respect to resolution planning

#### Front Line

Additionally, various Front Line businesses and Company functions own the underlying activities and capabilities needed to produce successful and executable Resolution Plans, with the RRPO acting as a centralized office facilitating and aggregating their work to oversee prompt Plan submission. This ownership approach places recoverability and resolvability oversight at the forefront of business as usual operations and our day to day risk management. We designated "owners" to lead each of our resolution Focus Areas, Core Business Lines, Critical Operations, Material Entities, and divestiture options, using specific criteria so owners have the requisite seniority and knowledge.

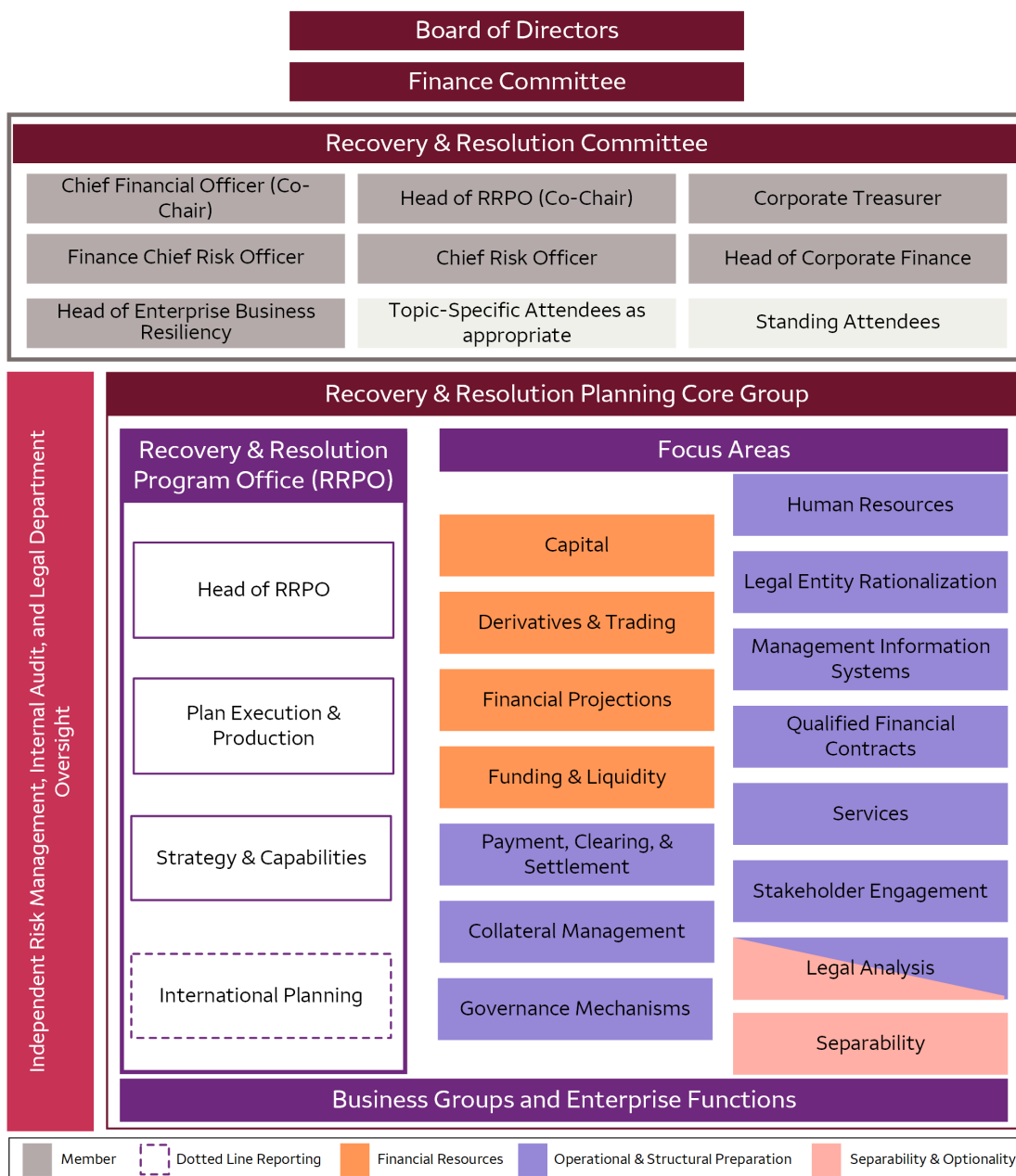
## 8.2 Governance Bodies

Our Board and senior leaders oversee the governance structure with clearly defined roles for key decision-makers and established reporting and communication protocols. These protocols are designed to allow for effective communication about Resolution Plan decisions, incorporate feedback from the Board, and help to adapt the Resolution Plan as our business structure and activities evolve. The following three main governance bodies are chartered with specific tasks in the governance structure:

- The Board oversees the Company's resolution planning process and approves the Resolution Plan.
- The Finance Committee of the Board receives regular updates from senior leaders on our resolution planning progress, including actions taken to mitigate resolvability risks, and recommends approval of the Resolution Plan to the Board.
- The Recovery & Resolution Committee (RRC) is a governance committee that operates under the authority of our CFO and is co-chaired by the CFO and head of the Recovery & Resolution Program Office. The RRC oversees our Preferred Resolution Strategy and related initiatives. In addition to the CFO and the head of the Recovery & Resolution Program Office, members of the RRC also include our chief risk officer; corporate treasurer; Finance chief risk officer, head of Corporate Finance, and head of Enterprise Business Resiliency.

The following figure shows our resolution planning governance structure.

**Figure 8-1 Recovery and Resolution Planning Governance Structure**



Our executive management and senior leaders support the governance structure presented in the previous figure with coordinated oversight and quality control. We clearly define roles for key stakeholders and use well-established reporting and communication protocols. These protocols enable us to communicate decisions about our Resolution Plans generally throughout the Company, receive guidance specifically from the Board, and adapt our Resolution Plans as our business structure and activities evolve.

The following figure provides more information about the roles and responsibilities of the key stakeholders in resolution planning and risk management.

**Figure 8-2 Key Resolution Planning Stakeholders and Responsibilities**

Stakeholder	Roles and Responsibilities
<b>Board</b>	The Board oversees the Company's 165(d) resolution planning process and approves the 165(d) Plan. The Board delegated the responsibility of providing ongoing oversight of resolution planning to the Finance Committee.
<b>Board Finance Committee</b>	The Finance Committee is responsible for the review and recommendation of the 165(d) Plan to the Board for approval. Having been delegated responsibility by the Board, the Finance Committee provides ongoing oversight of resolution planning activities. The Finance Committee receives regular updates on the Company's resolution planning progress, including remediation actions addressing resolvability impediments.
<b>Recovery &amp; Resolution Committee</b>	The RRC, a governance committee, oversees all significant resolution planning-related initiatives, including Plan development and resolution Focus Areas' readiness. Oversight responsibilities include, among other things, approving the Recovery and Resolution Planning Policy; approving changes to the designation of Critical Operations, Core Business Lines, and Material Entities; and approving significant changes to key strategic assumptions supporting the Preferred Resolution Strategy and significant changes to the Preferred Resolution Strategy.
<b>Recovery &amp; Resolution Planning Core Group (Core Group)</b>	The Core Group serves as the cross-functional working group for resolution planning at the Company and provides an opportunity for integration across functional areas that support the Resolution Plan's coordination. The Core Group discusses resolution planning developments, strategic issues that impact multiple Focus Areas, and cross-functional program risks, issues, and dependencies that may merit escalation to the RRC. Core Group membership includes members of the Recovery & Resolution Program Office, the Legal Department, and management-level employees from the resolution Focus Areas, lines of business, and support functions.

### 8.3 Internal Controls and Independent Review

We maintain a framework for resolution planning, supported with policies and procedures, designed to meet and sustain resolution planning requirements. Features of this framework include the following:

- We developed a catalog of foundational assumptions and a formalized process for designating Material Entities, Critical Operations, and Core Business Lines.
- Independent Risk Management (IRM) is responsible for establishing and maintaining the Company's risk management program and providing oversight, which includes challenge to and independent assessment of the Front Line's execution of its risk management responsibilities. The program includes identifying, assessing, monitoring, and reporting of all risks, including recovery and resolution risks. IRM independently monitors and evaluates the effectiveness of Front Line recovery and resolution activities, plans, policies, procedures, controls, and capabilities. IRM aligns subject matter experts to each Focus Area, Core Business Line, Critical Operation, and Material Entity, and engages additional subject matter experts for relevant topics, as appropriate.
- Internal Audit independently tests the risk management, systems of internal controls, and governance processes for Resolution Planning through execution of audits in alignment with the coverage horizons established in the Internal Audit methodology. Specific to resolution planning, Internal Audit has a centralized, dedicated recovery and resolution planning audit team within the larger Enterprise Functions audit team. The recovery and resolution planning audit team provides focused, recurring coverage of resolution planning processes, related Focus Areas, and risks. That team consists of a dedicated senior audit manager and employees with subject matter knowledge in key resolution planning capability areas, data analytics, and project management. Coverage by the recovery and

resolution planning audit team is supplemented by testing performed by other Internal Audit teams, as needed, through a hybrid-centralized approach.

## 8.4 External Oversight

The following authorities exercise material supervisory or regulatory authority over our Material Entities:<sup>15</sup>

### U.S. Authorities

- Federal Deposit Insurance Corporation
- Board of Governors of the Federal Reserve System
- Office of the Comptroller of the Currency
- Securities and Exchange Commission
- Commodity Futures Trading Commission
- Consumer Financial Protection Bureau
- Municipal Securities Rulemaking Board
- National Futures Association
- Financial Industry Regulatory Authority
- Securities Investor Protection Corporation

### U.K. Authorities

- Prudential Regulation Authority/Bank of England
- Financial Conduct Authority

### Irish Authorities

- Central Bank of Ireland

### Philippines Authorities

- Philippine Economic Zone Authority
- Department of Labor and Employment
- City Government - City of Taguig

### Indian Authorities

- Reserve Bank of India
- Ministry of Commerce and Industry (Special Economic Zone Authority)
- Indian Companies Act Administrator
- Labor Department of the states of Telangana, Karnataka, and Tamil Nadu

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<sup>15</sup> In addition to Wells Fargo Bank, N.A. - London Branch, WFBNA has branches in other jurisdictions, which are not designated as Material Entities, that are subject to other regulatory bodies.

## 9. Financial Information

This section provides additional financial information, including our balance sheet, regulatory capital information, and total loss-absorbing capacity.

For additional financial information, please refer to our reports filed with the SEC and available on the SEC's website at [www.sec.gov](http://www.sec.gov),<sup>16</sup> including our Annual Report on Form 10-K for the year ended December 31, 2022.

**Figure 10-1 Company Balance Sheet**

\$ Millions (except shares)	
<b>Wells Fargo &amp; Company and Subsidiaries Consolidated Balance Sheet</b>	
<b>Assets</b>	
Cash and due from banks	34,596
Interest-earning deposits with banks	124,561
Total cash, cash equivalents, and restricted cash	159,157
Federal funds sold and securities purchased under resale agreements	68,036
Debt securities:	
Trading, at fair value (includes assets pledged as collateral of \$26,932)	86,155
Available-for-sale, at fair value (includes amortized cost of \$121,725, net of allowance for credit losses)	113,594
Held-to-maturity, at amortized cost, net of allowance for credit losses (fair value \$255,521)	297,059
Loans held for sale (includes \$4,220 carried at fair value)	7,104
Loans	955,871
Allowance for loan losses	(12,985)
Net loans	942,886
Mortgage servicing rights (includes \$9,310 carried at fair value)	10,480
Premises and equipment, net	8,350
Goodwill	25,173
Derivative assets	22,774
Equity securities (includes \$28,383 carried at fair value; and assets pledged as collateral of \$747)	64,414
Other assets	75,834
<b>Total assets<sup>(1)</sup></b>	<b>1,881,016</b>
<b>Liabilities</b>	
Noninterest-bearing deposits	458,010
Interest-bearing deposits	925,975
Total deposits	1,383,985
Short-term borrowings (includes \$181 carried at fair value)	51,145
Derivative liabilities	20,085
Accrued expenses and other liabilities (includes \$20,123 carried at fair value)	69,056
Long-term debt (includes \$1,346 carried at fair value)	174,870
<b>Total Liabilities<sup>(2)</sup></b>	<b>1,699,141</b>

<sup>16</sup> We do not control this website. Wells Fargo has provided this link for your convenience, but does not endorse and is not responsible for the content, links, privacy policy, or security policy of this website.

\$ Millions (except shares)	
<b>Wells Fargo &amp; Company and Subsidiaries Consolidated Balance Sheet</b>	
<b>Equity</b>	
Wells Fargo stockholders' equity:	
Preferred stock - aggregate liquidation preference of \$20,216	19,448
Common stock - \$1-2/3 par value, authorized 9,000,000,000 shares; issued 5,481,811,474 shares	9,136
Additional paid-in capital	60,319
Retained earnings	187,649
Accumulated other comprehensive loss	(13,381)
Treasury stock - 1,648,007,022 shares	(82,853)
Unearned ESOP shares	(429)
<b>Total Wells Fargo stockholders' equity</b>	<b>179,889</b>
Noncontrolling interests	1,986
<b>Total equity</b>	<b>181,875</b>
<b>Total liabilities and equity</b>	<b>1,881,016</b>

<sup>(1)</sup> Our consolidated assets at December 31, 2022, included the following assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs: Debt securities, \$71 million; Loans, \$4.8 billion; All other assets, \$191 million; and Total assets, \$5.1 billion.

<sup>(2)</sup> Our consolidated liabilities at December 31, 2022, included the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Long-term debt, \$0 million; All other liabilities, \$201 million; and Total liabilities, \$201 million.

We are subject to rules issued by federal banking regulators to implement Basel III capital requirements for U.S. banking organizations. For additional information on the Basel III requirements we are subject to, please refer to the "Capital Management" section of our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

The following figure provides information about our risk-based capital and related ratios as calculated under Basel III capital guidelines.



**Figure 10-2 Regulatory Capital Information as of 12/31/22**

\$ Millions (except ratios)				
	Wells Fargo & Company		WFBNA	
	Advanced Approach	Standardized Approach	Advanced Approach	Standardized Approach
<b>Regulatory capital:</b>				
Common equity tier 1	\$ 133,527	\$ 133,527	\$ 140,644.00	\$ 140,644.00
Tier 1	152,567	152,567	140,644	140,644
Total	177,258	186,747	154,292	163,885
<b>Assets:</b>				
Risk-weighted	1,112,307	1,259,889	977,713	1,177,300
Adjusted average	1,846,954	1,846,954	1,685,401	1,685,401
<b>Capital ratios:</b>				
Common equity tier 1 capital	12.00 %	10.60% <sup>(1)</sup>	14.39 %	11.95% <sup>(1)</sup>
Tier 1 capital	13.72 %	12.11% <sup>(1)</sup>	14.39 %	11.95% <sup>(1)</sup>
Total capital	15.94%	14.82% <sup>(1)</sup>	15.78 %	13.92% <sup>(1)</sup>
<b>Regulatory leverage:</b>				
Total leverage exposure <sup>(2)</sup>	\$ 2,224,789		\$ 2,058,568	
Supplementary leverage ratio <sup>(2)</sup>		6.86 %		6.83 %
Tier 1 leverage ratio <sup>(3)</sup>		8.26 %		8.34 %

<sup>(1)</sup> Denotes the binding ratio under the Standardized and Advanced Approaches at December 31, 2022.

<sup>(2)</sup> The supplementary leverage ratio consists of tier 1 capital divided by total leverage exposure. Total leverage exposure consists of total average assets, less goodwill and other permitted tier 1 capital deductions (net of deferred tax liabilities), plus certain off-balance sheet exposures.

<sup>(3)</sup> The tier 1 leverage ratio consists of tier 1 capital divided by total average assets, excluding goodwill and certain other items as determined under the rule.

As a global systemically important bank holding company, we are required to have a minimum amount of equity and unsecured long-term debt for purposes of resolvability and resiliency, often referred to as total loss-absorbing capacity. For additional information on the total loss-absorbing capacity rule and the requirements we are subject to, please refer to the "Capital Management" section of our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023.

As of December 31, 2022, our eligible external total loss-absorbing capacity as a percentage of total risk-weighted assets was 23.27% compared with a required minimum of 21.50%. The following figure demonstrates the breakdown of our external total loss-absorbing capacity compared to the regulatory requirement.

**Figure 10-3 Total Loss-Absorbing Capacity and Eligible Unsecured Long-Term Debt as of 12/31/22**

\$ Millions				
	TLAC <sup>(1)</sup>	Regulatory Minimum <sup>(2)</sup>	Eligible Unsecured Long-Term Debt	Regulatory Minimum
Total Eligible Amount	\$ 293,152		\$ 134,521	
Percentage of Risk-Weighted Assets <sup>(3)</sup>	23.27 %	21.50 %	10.68 %	7.50 %
Percentage of Total Leverage Exposure	13.18 %	9.50 %	6.05 %	4.50 %

<sup>(1)</sup> Total-loss absorbing capacity ratios are calculated using the CECL transaction provision issued by federal banking regulators.

<sup>(2)</sup> Represents the minimum required to avoid restrictions on capital distributions and discretionary bonus payments.

<sup>(3)</sup> Our minimum total loss-absorbing capacity and eligible unsecured long-term debt requirements are calculated based on the greater of risk-weighted assets determined under the Standardized and Advanced Approaches.

## 10. Identities of Principal Officers

The following figure identifies our principal officers and their positions as of June 27, 2023.

Name	Position
Muneera S. Carr	Executive vice president, chief accounting officer, and controller
William H. Daley	Vice chairman of Public Affairs
Kristy Fercho	Senior executive vice president, head of Diverse Segments, Representation and Inclusion
Derek A. Flowers	Senior executive vice president and chief risk officer
Kyle G. Hranicky	Senior executive vice president and CEO of Commercial Banking
Tracy Kerrins	Senior executive vice president and head of Technology
Bei Ling	Senior executive vice president and head of Human Resources
Ellen R. Patterson	Senior executive vice president and general counsel
Scott E. Powell	Senior executive vice president and chief operating officer
Paul Ricci	Senior executive vice president and chief auditor
Michael P. Santomassimo	Senior executive vice president and chief financial officer
Kleber R. Santos	Senior executive vice president and CEO of Consumer Lending
Charles W. Scharf	Chief executive officer and president
Barry Sommers	Senior executive vice president and CEO of Wealth & Investment Management
Saul Van Beurden	Senior executive vice president and CEO of Consumer & Small Business Banking
Jonathan G. Weiss	Senior executive vice president and CEO of Corporate & Investment Banking
Ather Williams III	Senior executive vice president and head of Strategy, Digital, and Innovation

## 11. Glossary

Term	Definition
165(d) Rule	Regulation QQ of the Federal Reserve Board of Governors (12 C.F.R. Part 243) and Part 381 of the regulations of the FDIC (12 C.F.R. Part 381), collectively.
2019 165(d) Guidance	The final guidance, published by the Federal Reserve and FDIC in December 2018, for the 2019 and subsequent resolution plan submissions by the eight largest, complex U.S. banking organizations.
2021 Targeted 165(d) Resolution Plan	The Company's required Resolution Plan, submitted by July 1, 2021, submitted to the Federal Reserve and FDIC pursuant to Section 165(d) of Title I of the Dodd-Frank Act.
Advanced Approach	Method of calculating risk-weighted assets using internal models to determine and assign risk weights. As an Advanced Approach bank holding company, we are required to report capital ratios reflecting the lower of Advanced Approach or Standardized Approach.
Aggregate Resource Needs	The combined capital and liquidity resolution needs net of pre-positioned resources (i.e., RCEN and RLEN shortfalls) of the Covered Material Entities.
Available Financial Resources	Available Financial Resources include the sum of the value of all liquid assets owned by the Parent and IHC, minus the Parent Holdback, the operational continuity buffer, and certain excluded liquid assets as specified in the Secured Support Agreement.
Bank	Wells Fargo Bank, National Association; it is also referred to as "WFBNA."
bankruptcy	Refers to proceedings under the Bankruptcy Code.
Bankruptcy Code	The United States Bankruptcy Code, codified at 11 U.S.C. § 101, et seq.
Bankruptcy Court	The United States Bankruptcy Court for the District of Delaware, where the Parent would be expected to file its Chapter 11 Petition.
Bankruptcy Playbook	Describes select actions Wells Fargo & Company teams (both internal and external) have taken or would take at each Enterprise Financial Assessment Level to prepare for and execute the Parent's Chapter 11 Case in accordance with the Company's Preferred Resolution Strategy, which includes sample motions and draft documents that would be presented to the Bankruptcy Court.
Basel III	A comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen the regulation, supervision, and risk management of the banking sector.
Board	The Parent's Board of Directors
Boards or "Boards of Directors"	In its plural form, Boards of Directors may refer to the boards of directors or equivalent bodies of the Parent, WFBNA, and other Material Entities.
Business Groups	Organizational units that are client-facing and generate revenue.
Calculation Event	Means any of the following events: (1) the onset of the Stress Enterprise Financial Assessment Level; or (2) any other event that senior management or the Board of Directors of the Parent determines constitutes material financial distress warranting a Calculation Period.
Calculation Period	The period beginning with a Calculation Event and ending with the earlier of (1) a Cessation Event (i.e., a sustained return to the Vigilance or Target Enterprise Financial Assessment Levels (EFALs) after an escalation to the Stress EFAL) or (2) a Final Contribution Event (i.e., breach of the Resolution trigger or the Parent's bankruptcy filing being authorized by the Board).
Capital Plan	A plan prepared by the Company that establishes the amount and composition of capital to be maintained over a certain planning horizon.
CCAR	Comprehensive Capital Analysis and Review, a set of requirements introduced by the Federal Reserve that allows for regulatory oversight of bank holding companies' capital adequacy, capital distribution, and capital planning process under various base and stress economic scenarios.

Term	Definition
CCP	Capital Contingency Plan, describes how the Company and WFBNA would identify and monitor a capital event, and the range of potential actions that senior management, the Board, and the WFBNA Board would consider taking, if necessary.
CEO	chief executive officer
CFO	chief financial officer
CFP	Contingency Funding Plan, describes the liquidity stress event management process by specifying roles and responsibilities and specific actions to be taken should a liquidity stress event occur, including Corporate Treasury's responsibilities to escalate and communicate trigger breaches, recommend mitigating actions, and monitor and report on the status of liquidity-related actions.
Chapter 11 Case	Proceedings under chapter 11 of the Bankruptcy Code that would be initiated by Parent.
Committed Line of Credit	Committed line of credit between the Parent, as borrower, and WFCH, as lender, established by the Secured Support Agreement, through which the Parent can access funding from WFCH, subject to certain conditions, until the date of a Final Contribution Event.
Company	Wells Fargo & Company together with its consolidated subsidiaries, also referred to as "Wells Fargo," "we," "us," or "our."
component	An asset or resource used to deliver a service and includes five categories (1) personnel, (2) facilities, (3) systems, (4) third parties and financial market utilities, and (5) intellectual property.
Core Business Line	Business lines of the covered company (Wells Fargo & Company), including associated operations, services, functions, and support that in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value.
Core Group	Recovery & Resolution Planning Core Group; a cross-functional working group responsible for recovery and resolution planning at the Company, composed of senior leaders representing Focus Areas, lines of business, and Enterprise Functions.
Corporate ALCO	Corporate Asset/Liability Committee; a governance committee that provides oversight of the Company's balance sheet, interest rate exposure, liquidity, and capital. Corporate ALCO sets strategies that enable the Company to achieve its short- and long-term financial objectives (e.g., growth, returns, and profitability) while maintaining strong liquidity and capital levels.
Covered Material Entities	An entity entitled to receive financial support under the Secured Support Agreement, which currently include: WFBNA, WFNBW, WFBI, WFCS, WFS LLC, Peony, WFF, WFGTPS, WFIS, WFISP, and WFP.
Critical Operation	An operation, including associated operations, services, functions, and support that, if it were to fail or be discontinued, could pose a threat to the financial stability of the United States.
Critical Services	Services that support Critical Operations or Core Business Lines and must remain operational during the resolution process to facilitate the orderly execution of the Preferred Resolution Strategy.
Critical Services Framework	The Critical Services Framework identifies what services are performed across the Company, how they are performed, and who provides and receives the services.
D&T	Derivatives & Trading
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act (of 2010)
EFAL	Enterprise Financial Assessment Level
Emergency Transfer Motion	An emergency motion to transfer the stock of substantially all of the Parent's direct subsidiaries to New HoldCo, including any Material Entities that are Parent's direct subsidiaries, in support of the SPOE approach to the Preferred Resolution Strategy, to be filed immediately after commencement of the Parent's Chapter 11 Case.
Enterprise Functions	Organizational units that support and oversee the Company and its Business Groups.

Term	Definition
Enterprise Services Governance Office	Oversees the Company's Critical Services Framework to help provide the efficient, effective, and sustainable delivery of services across the Company by maintaining the Companywide inventory of services and the components required for service delivery, facilitating the identification of Critical Services, identifying the interconnectedness of services across legal entities, mitigating identified service continuity risks, and documenting all intercompany service relationships across the Company.
ERIA	Enterprise Risk Identification and Assessment, a program that sets expectations for risk identification and assessment across all financial and non-financial risk types and establishes principles and practices for independent risk assessment.
external TLAC	external total loss-absorbing capacity: the minimum amount of total loss-absorbing capital, as well as a minimum amount of long-term debt, so the Company has adequate capacity to recapitalize its Material Entities once the Parent files for bankruptcy.
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
Final Contribution Event	The Final Contribution Event is an event triggering the final contribution of assets by the Parent to WFCH, and WFCH's obligation to provide capital and liquidity support under the Secured Support Agreement to the Covered Material Entities to allow for their continued operation throughout the Chapter 11 Case.
Final Parent Contribution	The Parent's contribution of Retained BAU Assets upon occurrence of a Final Contribution Event.
Finance Committee	Finance Committee of the Parent Board
FMU	financial market utility; multilateral systems that provide the infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions among financial institutions or between financial institutions and the system.
FMU materiality assessment	An annual review of each FMU using the certain materiality criteria that separates material FMUs from non-material FMUs.
Focus Areas	Teams of subject matter experts that produce critical information or perform functions that are necessary to support the Company's financial resiliency, strategic business profile, and resolvability, which includes assisting with preparing or executing the Recovery or Resolution Plans.
Front Line	First line of defense, which is composed of Business Groups and certain activities of the Enterprise Functions.
G-SIB	global systemically important bank holding company
Governance Playbooks	Guides for the Material Entity boards and senior leaders to detect, monitor, and respond to stress events and to take actions to prepare and, if necessary, to execute the Company's Recovery and Resolution Plans.
HQLA	high-quality liquid asset
ICAAP	Internal Capital Adequacy Assessment Process
IHC	Intermediate Holding Company
ILST	Internal Liquidity Stress Test
Initial Parent Contribution	Initial contribution of assets that were made by the Parent to WFCH under the Secured Support Agreement in June 2017.
Internal Audit	The Company's independent oversight function, which in accordance with the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing, develops an annual audit plan to determine whether the risk management, system of controls, and governance processes for resolution planning are adequate and functioning as intended.

Term	Definition
IRM	Independent Risk Management; group that provides independent assessment, monitoring, and oversight of the Company's recovery and resolution planning activities.
ISDA	International Swaps and Derivatives Association
ISDA Protocols	ISDA Protocols means the Universal Resolution Stay Protocol published by ISDA in 2015, together with the U.S. Resolution Stay Protocol published by ISDA in 2018 to facilitate compliance with the U.S. QFC Stay Rules.
LCR	liquidity coverage ratio
Legal Entity	Refers to any of the following in which the Company has an interest: a corporation, general or limited partnership, limited liability company, bank, equity joint venture, association, nonprofit organization, business trust or any other trust, or any similar organization formed under U.S. or non-U.S. law, including any investment fund (or any segregated compartment or series of a fund) sponsored or advised by the Company or any subsidiary of the Company.
LER	Legal Entity Rationalization; the process by which the Company justifies its legal entity structure in light of resolvability requirements.
LER Criteria	Legal Entity Rationalization Criteria; a set of criteria used so the Company's legal entity organizational structure that (1) promotes the alignment of legal entities and business lines and (2) facilitates the execution of the Company's Preferred Resolution Strategy.
LLC	Limited Liability Company
Material Entity	Under the 165(d) Rule, a material entity is a subsidiary or foreign office of the covered company that is significant to the activities of an identified critical operation or core business line, or is financially or operationally significant to the resolution of the covered company.
Material Entity Board	The Board of Directors (or Managers) for each Material Entity.
MIS	management information systems
MOL	minimum operating liquidity
New HoldCo	A new holding company owned by the Trust that would be created, and after the Parent's bankruptcy case has been filed and the Transfer Assets transferred, under which each Material Entity other than the Parent would continue to operate as a going concern.
NSFR	net stable funding ratio
Operating Committee	Operating Committee refers to the CEO, his direct reports, and select additional leaders as determined by the CEO, including the chief risk officer and the chief auditor who report administratively to the CEO and functionally and respectively to the Risk Committee and Audit Committee of the Board of Directors.
Operating Material Entities	WFBNA, WFBNA-LB, WFNBW, WFBI, WFCS, WFS LLC, Peony, and WFF.
Parent	Wells Fargo & Company, the bank holding company and the "covered company" under the 165(d) Rule.
PCS	Payment, Clearing, & Settlement Activities
Peony	Peony Asset Management, Inc.
PNV	point of non-viability; the earliest business day on which Available Financial Resources are less than Aggregate Resource Need.
Preferred RemainCo	The resulting company after the Parent files for bankruptcy, which would be a nationally-focused bank with full-service retail, wealth management, and commercial banking offerings, and some limited corporate and investment banking capabilities

Term	Definition
Preferred Resolution Strategy	Refers to the entire set of assumptions, strategic choices, processes, and predetermined actions by which Wells Fargo & Company would move through the resolution process, using a single point of entry approach, in the event financial stress leads to its failure.
QFC	qualified financial contract; a financial agreement used for derivatives, securities lending, and short-term funding transactions such as repurchase agreements. These contracts can be amended to prevent immediate cancellation if the Company enters bankruptcy or resolution.
QFC Stay Rules	Regulations promulgated by the Federal Reserve, FDIC, and the Office of the Comptroller of the Currency imposing certain restrictions on the terms of QFCs of U.S. G-SIBs and the U.S. operations of foreign G-SIBs, which are codified at 12 CFR part 47, 252.81-.88, and part 382.
RCAP	resolution capital adequacy and positioning; the concept for detailing the requirements for the amounts and positioning of capital required to support the Company's Preferred Resolution Strategy.
RCEN	resolution capital execution need; the amount of capital needed at the time of failure to support each Material Entity after the Parent's bankruptcy filing, which includes ensuring the Material Entities can operate or be wound down as provided for under the Preferred Resolution Strategy.
Recovery and Resolution Planning Policy	The policy adopted by the Company and administered by the Recovery & Resolution Program Office that provides the framework to help the Company satisfy its resolution planning obligations.
Recovery Plan	A plan that identifies triggers and options for responding to a wide range of severe internal and external stress scenarios to restore a covered company or bank to financial strength and viability in a timely manner.
Related Support Entities	The term Related Support Entities shall have the meaning given to such term in the Secured Support Agreement. Related Support Entities include entities in the ownership chain between WFCH and the Covered Material Entities, which have an obligation under the Secured Support Agreement to facilitate support provided by WFCH to Covered Material Entities, consistent with WFCH's instructions.
Resolution	Represents the EFAL whereby failure is imminent, the Company begins executing the Resolution Plan, and initiates the Parent's Chapter 11 bankruptcy case.
resolution period	The time that begins immediately after the Parent's bankruptcy filing and extends through the completion of the Preferred Resolution Strategy.
ring-fencing	Separate actions taken with respect to a non-U.S. branch or subsidiary that would be initiated by a non-U.S. resolution authority.
Risk Committee	A committee of the Board of Directors that assists the Board in fulfilling its responsibilities to oversee the Company's Risk Management Framework and Independent Risk Management function.
RLAP	resolution liquidity adequacy and positioning; a calculation of the liquidity position of Material Entities, individually and in the aggregate, designed to ensure that liquidity is adequately and appropriately positioned to meet liquidity needs in stress.
RLEN	resolution liquidity execution need; a measure of the estimated liquidity need of each Material Entity post-failure to successfully execute the Company's Preferred Resolution Strategy.



Term	Definition
RRC	Recovery & Resolution Committee; Oversees the management of the Company's Resolution Plan and associated resolvability risks. As a governance committee, it has the authority to direct certain business activities related to recovery and resolution planning on behalf of the executive management or the Board. Key responsibilities of the RRC include oversight of the Company's Recovery and Resolution Planning Policy; approving changes to Core Business Lines, Critical Operations, and Material Entities; approving changes to the Resolution Plan; and approving key assumptions supporting the Resolution Plan. The RRC is sponsored by and operates under the chief financial officer and the Finance Committee.
RRPO	Recovery & Resolution Program Office; part of Finance, the RRPO leads recovery and resolution planning. The RRPO develops and maintains Wells Fargo's Plan strategies, evaluates if the Company maintains the necessary capabilities to execute its strategies, prepares required Plan documentation, and verifies the Company operates within a well-defined governance framework. The RRPO relies upon an extensive network of senior leaders across the Company who are responsible for executing recovery and resolution planning requirements. These requirements impact a wide range of Company activities, including finance, legal, treasury, operations, risk management, and strategic planning.
Runway	Represents the Enterprise Financial Assessment Level whereby the Company's failure is possible and it prepares to execute the Resolution Plan.
RWA	risk-weighted assets; a measurement of a bank's on- and off-balance sheet exposures, including credit risk, market risk, and operational risk according to U.S. Basel III rules; measured under both the Standardized and Advanced approaches.
SEC	U.S. Securities and Exchange Commission
Section 165(d)	Section 165(d) of the Dodd-Frank Act.
Secured Support Agreement	Secured Support Agreement means the Wells Fargo Support Agreement dated as of June 28, 2017, as amended or otherwise modified from time to time, including by the Wells Fargo Amended and Restated Support Agreement dated as of June 26, 2019.
Security Agreement	The Security Agreement dated as of June 28, 2017, as amended or otherwise modified from time to time, including by that certain Amended and Restated Security Agreement dated as of June 26, 2019, among the Parent WFCH and the Related Support Entities, as grantors, WFCH and the Covered Material Entities, as secured parties, and WFBNA, as the collateral agent.
Service	A means of delivering value to customers (internal or external) by facilitating outcomes customers want to achieve without the ownership of specific costs and risks. Customers expect to pay a fee for services (in line with the value of the outcome) while the provider considers the specific costs and risks, along with a profit, if applicable.
Service Catalog	The Service Catalog is a comprehensive set of services-related inventories, including the Service Taxonomy, Service Components, and Legal Entity relationships.
Service Material Entities	The legal entities that are designated as Material Entities for resolution planning purposes because of their role in the provision of Critical Services, including WFGTPS, WFIS, WFISP, and WFP.
service provider	The second (or middle) of three roles in the service component provider – service provider – service receiver construct. A service provider is a legal entity that provides a service and is responsible for the management and decision-making governing the service. The service provider receives service components from service component providers and uses them to deliver a service (holistically) to service receivers.

Term	Definition
service receiver	The last of three roles in the service component provider – service provider – service receiver construct. A service receiver is a legal entity that receives a service from a service provider. The service receiver does not have a direct relationship with any service component provider as they receive the service (holistically) from the service provider and not any one specific service component from a service component provider.
SPOE	single point of entry; meaning the commencement of Chapter 11 proceedings in respect of the Parent (and possibly certain immaterial subsidiaries) only, while all other Material Entities remain outside of bankruptcy or resolution proceedings and continue to operate as going concerns.
Standardized Approach	Method of calculating risk-weighted assets using regulatory-prescribed "standard" risk weights. The Standardized Approach serves as a "floor" to the Advanced Approach.
Statement of Risk Appetite	The Statement of Risk Appetite describes the nature and level of risks that the Company is willing to take as the Company pursues its strategic and business objectives. The Statement of Risk Appetite is updated annually and approved by the Board.
Strategic Plan	A plan that outlines the Company's long-term goals and overall strategy and serves as a high-level basis for future business decisions.
Stress	Represents the Enterprise Financial Assessment Level whereby the Company is experiencing increased stress and its financial condition has deteriorated such that access to capital and debt markets has been impaired, including substantially increased funding costs, and recovery triggers may be breached.
Target	Represents the Enterprise Financial Assessment Level whereby the Company is financially strong and operating under target operating conditions.
Technology	Wells Fargo Technology organization.
TLAC	total loss-absorbing capacity; long-term debt, and Clean Holding Company Requirements for Systemically Important U.S. Bank Holding Companies and Intermediate Holding Companies of Systemically Important Foreign Banking Organizations, 82 Fed. Reg. 8266 (January 24, 2017) (codified at 12 C.F.R. Part 252).
trigger	An indicator of financial stress or potential financial stress, which, if breached, will result in escalation and possibly consideration of contingency plan or recovery options to restore the Company's financial strength.
trigger framework	The Company's trigger framework includes monitoring of capital, liquidity, and other key metrics.
Trust	The private trust that would hold 100% of the equity of New HoldCo and oversee New HoldCo and its subsidiaries for the sole benefit of the Parent's Chapter 11 estate.
Vigilance	Represents the Enterprise Financial Assessment Level whereby signs of remediable stress and deterioration of financial condition begin to occur, the Company's risk appetite or other boundaries are exceeded as part of the normal course of business, and Corporate ALCO may take actions outlined in the CCP, CFP, or the Recovery Plan.
Wells Fargo & Company	Wells Fargo & Company including its subsidiaries is referred to as the "Company" and, as a stand-alone entity, referred to as the "Parent."
WFBI	Wells Fargo Bank International Unlimited Company
WFBNA	Wells Fargo Bank, National Association; it is also referred to as "the Bank"
WFBNA-LB	Wells Fargo Bank, N.A. - London Branch
WFCH	WFC Holdings, LLC
WFCS	Wells Fargo Clearing Services, LLC
WFF	Wells Fargo Funding, LLC

Term	Definition
WFGTPS	Wells Fargo Global Third Party Services LLC
WFIS	Wells Fargo International Solutions LLC
WFISP	Wells Fargo International Solutions Private Limited
WFNBW	Wells Fargo National Bank West
WFP	Wells Fargo Properties, Inc.
WFS LLC	Wells Fargo Securities, LLC
WIM	Wealth & Investment Management
Wind-Down Tool	Refers to the D&T technology application that is used for calculating the wind-down period for the Company's derivatives portfolio. The D&T Wind-Down Tool is governed under the Company's model risk policies.