Wells Fargo & Company
2021 Targeted 165(d) Resolution Plan

Public Section

June 2021

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Forward-Looking Statements and Other Disclaimers

This document contains forward-looking statements about Wells Fargo & 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 the Company's current expectations and assumptions regarding the future, they are subject to inherent risks and uncertainties. In addition, the resolution planning process as a whole, and its expectations and projections regarding the implementation and effectiveness of the Company's resolution strategies, are based on hypothetical scenarios and assumptions and may not reflect events to which the Company is or may become subject. Accordingly, you should 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 the Company does not undertake to update them to reflect changes or events that occur after that date. For more information about the Company and the factors that could cause actual results to differ materially from the Company's expectations, refer to the "Forward-Looking Statements" discussion in Wells Fargo & Company's most recent Quarterly Report on Form 10-Q as well as to the Company's other reports filed with the Securities and Exchange Commission, including the discussion under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission and available on its website at www.sec.gov.

The 2021 Targeted 165(d) Resolution 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 and its subsidiaries. While the Company would expect to take the actions described in this 2021 Targeted 165(d) Resolution Plan, some or all of these assumptions may prove to be incorrect in an actual resolution situation. Therefore, the actions the Company would take in an actual resolution situation may differ. The resolution strategies described in the 2021 Targeted 165(d) Resolution Plan are not binding on a bankruptcy court, the Company's regulators, or any other resolution authority. The strategy described in our 2021 Targeted 165(d) Resolution Plan is not binding in the event of an actual resolution of Wells Fargo. Accordingly, the scenarios and assumptions underlying the 2021 Targeted 165(d) Resolution Plan reflect events and circumstances that may not arise, and the impact of these events may be very different if they do arise in circumstances other than those contemplated in the 2021 Targeted 165(d) Resolution Plan.

All financial data in this document is as of December 31, 2020, except where otherwise indicated.

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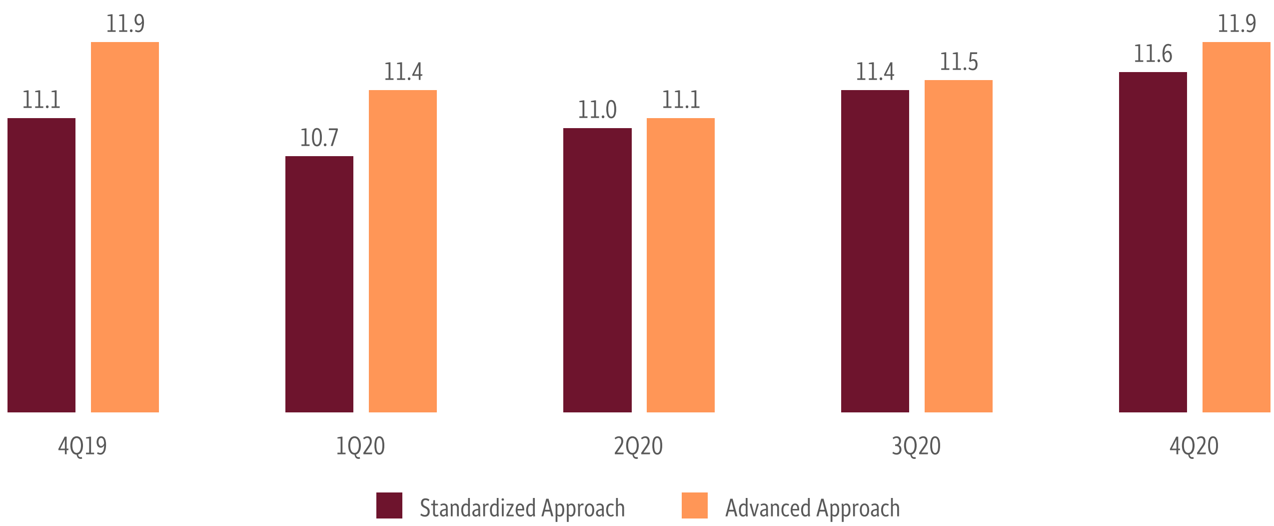
1. Introduction

Wells Fargo & Company[1] has a long-standing commitment to maintain our financial strength, serve our customers through the best and worst economic times, and continually improve our resiliency. These qualities are tested during difficult times and the past 18 months confirmed that. In the challenging and evolving environment of a global pandemic, we remained steadfastly focused on stability. We maintained strong capital and liquidity levels during these times and, as a result, served our customers' financial needs in unique ways to help them remain resilient too. In addition, we demonstrated our strong operational resiliency by continuing to serve customers while over 200,000 employees worked remotely. This Public Section describes actions that we would anticipate taking, pursuant to our Resolution Plan, in the event of severe financial stress to resolve the Company without extraordinary government support.

One of our financial resiliency goals is to maintain a strong capital position. We ended 2020 with a Common Equity Tier 1 ratio of 11.6% under the Standardized Approach and 11.9% under the Advanced Approach, which demonstrated improvements year over year as shown in the following figure. This ratio helps gauge our ability to withstand stress.

Figure 1-1 Common Equity Tier 1 Ratio

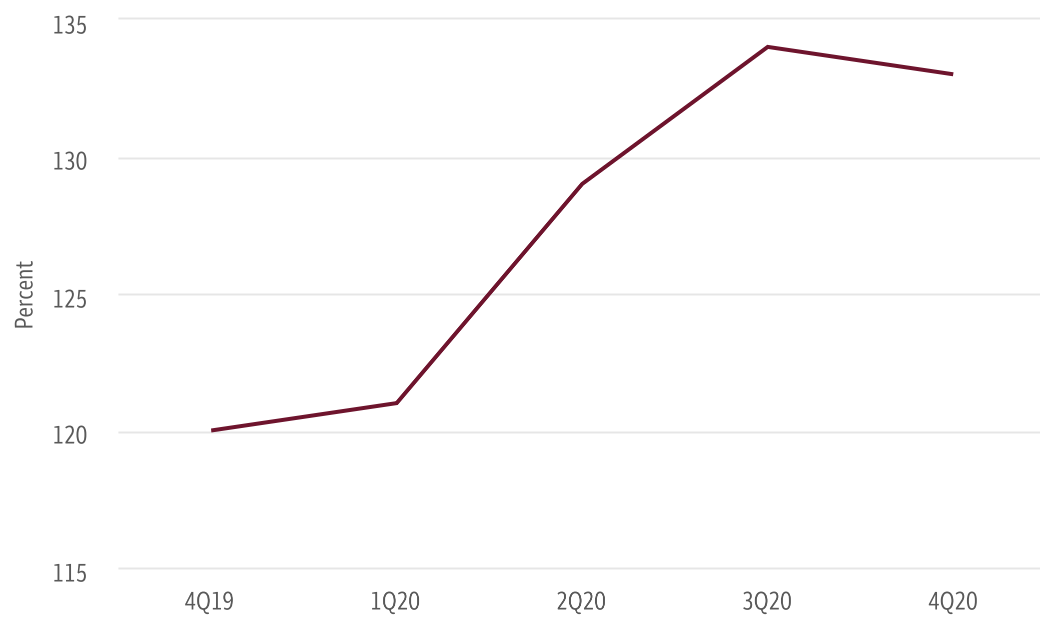


Another goal is to maintain a strong liquidity position. We currently maintain available liquid assets in excess of our forecasted resolution liquidity execution need (RLEN) requirement and continually monitor financial resources at each material entity against established triggers that could indicate deterioration of available liquidity to facilitate timely management actions. From the first quarter of 2012, when financial institutions began enhancing their liquidity position, to the first quarter of 2021, our liquid assets, as a percentage of total assets, increased from approximately 15% to 35%. We ended 2020 with a higher liquidity coverage ratio than

[1] 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."

the year prior, as shown in the following figure. The ratio demonstrates the amount of high-quality liquid assets (HQLAs) we have compared to our projected net cash outflows over a 30-day period.

Figure 1-2 Liquidity Coverage Ratio



The goal of a resolution plan is to demonstrate a financial institution's ability to be resolved without government or taxpayer support while maintaining its key operations and functions and protecting the financial needs of its customers. As a leading financial services company, we recognize the important role that resolution planning plays for the broader financial system. By serving one in three U.S. households and more than 10% of all middle market companies and small businesses in the U.S., we embrace the responsibility we have to the financial stability of the U.S.

Since filing our 2019 165(d) Plan, we continue to maintain a single point of entry (SPOE) approach to our Preferred Resolution Strategy. Pursuant to this approach, only the Parent would enter a bankruptcy proceeding under the U.S. Bankruptcy Code. All other material entities would either remain solvent and operational, including the three new material entities we designated since filing our 2019 165(d) Plan, or be wound down consistent with our Preferred Resolution Strategy. We believe this approach aligns with our business model and corporate structure, is designed to provide continuity for our customers and financial markets, and reduces systemic risk.

We also continue to advance our resolution preparedness by assessing, testing, and enhancing our resolution capabilities. For example, we enhanced our Governance Mechanisms and Liquidity capabilities to address the shortcoming identified in connection with our 2019 165(d) Plan. The shortcoming focused on our governance mechanisms processes and capabilities to implement actions under the Secured Support Agreement and our Preferred Resolution Strategy. The Secured Support Agreement is a contract that obligates WFC Holdings, LLC (WFCH), an intermediate holding company (IHC) that is a direct subsidiary of the Parent, to support specific legal entities should the Company enter Resolution. This Preferred Resolution Strategy where, among other things, the Parent files for bankruptcy, will be discussed later in this document.

We believe the enhancements we made in response to the shortcoming both (1) balance timeliness and accuracy in producing reporting used to inform actions that could be taken pursuant to the Secured Support

Agreement, and (2) make procedural improvements necessary to produce Secured Support Agreement reporting for an extended period of time. In addition, we enhanced how we calculate RLEN, a measure of liquidity needs for a legal entity after resolution, by improving how we calibrate input assumptions. These improvements are designed to reduce the likelihood of a false trigger that alerts us to the Company's failure.

Furthermore, in the Capability Assessment Testing program, the Recovery & Resolution Program Office (RRPO) annually inventories testing that is executed to support the Company's recovery- and resolution-related capabilities. This program is a collaboration between our Business Groups,[2] Enterprise Functions,[3] Independent Risk Management, and Internal Audit. Since filing our 2019 165(d) Plan, we methodically maintained and enhanced other resolution capabilities to further advance our financial resiliency.

We also enhanced our resolution readiness through our efforts to simplify our business model. We are engaged in numerous transactions to divest certain businesses deemed no longer consistent with the long-term strategic goals of the Company. These efforts are designed, in part, to improve our resolution preparedness by having a less complex business model, reducing risk, and creating a roadmap for improved financial performance. The steps involved in completing these transactions have largely occurred in a virtual environment caused by the COVID-19 pandemic, which helped strengthen our ability to perform certain activities during a time of stress.

[2] Business Groups are organizational units that are client facing and generate revenue.
[3] Enterprise Functions are organizational units that support and oversee the Company and its Business Groups.

Roadmap to the Public Section

The following information is included in this document and will help you understand more about our resolution preparedness.

Section 2. Company Overview – Provides a high-level overview of the Company, how our business activity is organized, and information about U.S. and non-U.S. activity.

Section 3. Core Business Lines – Describes each of our six core business lines.

Section 4. Material Entities – Describes our process for designating material entities, the changes in designated material entities since 2019, descriptive information for each material entity designated for this 2021 Targeted 165(d) Resolution Plan, and the financial and operational interconnectedness between material entities.

Section 5. Company's Preferred Resolution Strategy – Explains how we developed a Preferred Resolution Strategy, which is based on an SPOE approach, 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 6. Resolution 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, operational interconnectedness of our material entities with regard to service delivery and financial market utility (FMU) membership, and financial interconnectedness between our material entities.

Section 7. Resolution Plan Oversight – Explains the governance structure, senior management engagement, resolution planning processes, internal controls, and material supervisory authorities who provide oversight of our resolution planning efforts.

Section 8. Approach to Maintaining Financial Resiliency – Describes how we approach maintaining our financial health to avoid resolution. This section includes information about risk identification, strategic planning, financial forecasting, Capital Management and Liquidity Risk Management in a business as usual environment, and recovery planning.

Section 9. Non-U.S. Operations – Provides information about our presence outside the U.S. and explains how our non-U.S. activity is predominantly conducted within the Corporate & Investment Banking core business line.

Section 10. Financial Information – Provides our balance sheet, regulatory capital information, and total-loss absorbing capital (TLAC).

Section 11. Identities of Principal Officers

Section 12. Glossary

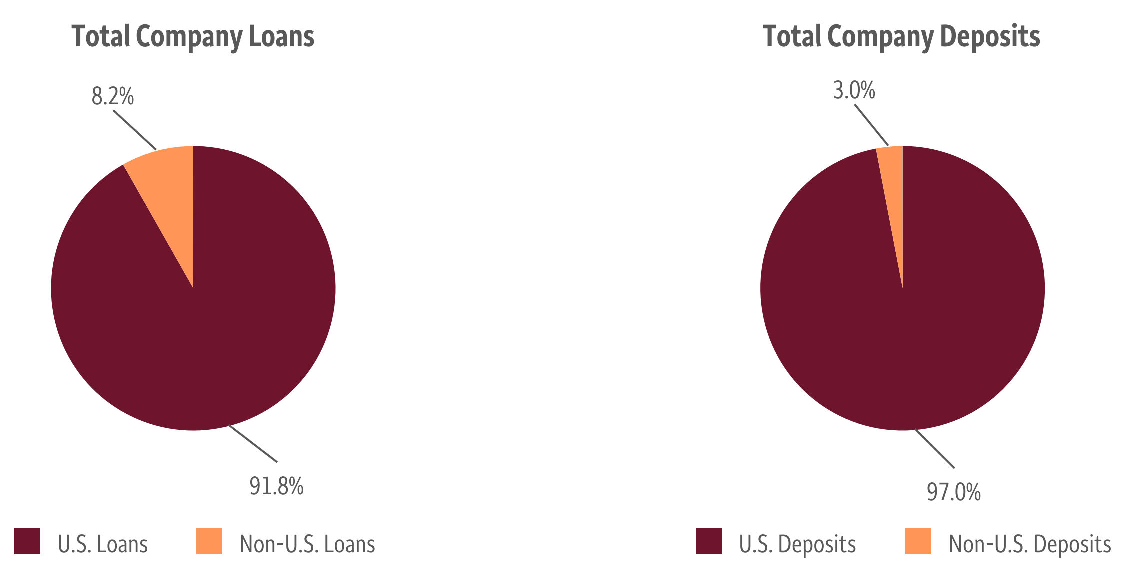
2. Company Overview

Wells Fargo is a global systemically important bank (G-SIB) with approximately $1.9 trillion in total consolidated assets and a market capitalization of $124.8 billion. We provide a diversified set of banking, investments, and mortgage products and services, as well as consumer and commercial finance, through 6,900 locations, more than 13,000 ATMs, digital (online, mobile, and social), and contact centers (phone, email, and correspondence). We provide these products and services with the majority of activity occurring in Wells Fargo Bank, National Association,[4] which accounts for $1.8 trillion of the Company's approximately $1.9 trillion in total consolidated assets.

Our business activity, for resolution planning purposes, is focused in the following six core business lines: (1) Consumer & Small Business Banking (CSBB), (2) Consumer Lending, (3) Commercial Banking, (4) Corporate & Investment Banking (CIB), (5) Wealth & Investment Management (WIM), and (6) Corporate Treasury. Core business lines are those that upon failure we believe could result in a material loss of revenue, profit, or franchise value to the Parent. They may differ from the operating segments that we use for our reports filed with the Securities and Exchange Commission (SEC). Our operating segments are based on the way management organizes business lines for making operating decisions and assessing performance. The operating segments are generally defined by product type and customer segment.

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. For 2020, total revenue derived outside the U.S. was $1.9 billion, which represented 2.6% of our total revenue. Moreover, non-U.S. loans represented just 8.2% of total consolidated outstanding loans, while non-U.S. deposits made up approximately 3% of total deposits, as depicted in the following figure. For more detail on our non-U.S. operations, please see Section 9, Non-U.S. Operations.

Figure 2-1 Company Loans and Deposits



[4] Wells Fargo Bank, National Association is referred to as "WFBNA" or the "Bank."

3. Core Business Lines

We evaluate our business lines to determine which ones should be considered core business lines. A core business line is a business line of the covered 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 to the Parent. As previously mentioned, these designations may differ from the operating segments that we use for our reports filed with the SEC. Our analysis includes, among other items, the assets, revenue, and employee contributions of a business line to the Company. We designated six core business lines and they are: (1) CSBB, (2) Consumer Lending, (3) Commercial Banking, (4) CIB, (5) WIM, and (6) Corporate Treasury. Each of these business lines have various sub-business lines. As part of our Preferred Resolution Strategy, detailed in Section 5, 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[5] and critical services[6] through resolution, thereby mitigating systemic risk that may result from the unlikely event of our failure. The remainder of this section describes the products and services offered by each core business line.

Consumer & Small Business Banking

CSBB offers a complete line of diversified financial products and services to consumers and small businesses, and a full range of business credit products to small businesses through a range of channels, including approximately 5,000 retail banking branches and more than 13,000 ATMs. CSBB is organized into four business groups consisting of Branch Banking, Deposits, Small Business Banking, and Operations (including contact centers). Functional support groups, consisting of Strategy & Transformation, Diverse Segments and Control, work with the business segments to understand and anticipate their customers' needs and provide customized financial products and services. In addition, CSBB includes the Consumer Chief Marketing Office and Consumer Data and Engagement Platforms.[7]

Consumer Lending

Consumer Lending offers mortgage loans and home equity products, auto loans, personal lines and loans, and general purpose, co-branded, private label 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. Consumer Lending also relies on the retail deposits held by CSBB as one source of funding to support its lending activities. Consumer Lending is organized into four major business groups consisting of (1) Home Lending, (2) Wells Fargo Auto, (3) Cards, Retail & Merchant Services, (4) the Personal Lending Group, and two functional support groups — Shared Services and Consumer Lending Control — that work together to understand and anticipate their customers' needs and provide customized, comprehensive, and flexible financial products and services.

Commercial Banking

Commercial Banking offers a range of products and services allowing us to support the varying financial needs of our customers. Core products consist of credit products and treasury management services, which are the foundation of Commercial Banking's relationship-banking model. Commercial Banking is organized into

[5] 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.
[6] Critical services are ones that must remain operational during the recovery and resolution process to facilitate the orderly execution of our strategy.
[7] On April 2, 2021, the Chief Customer Office was changed to Consumer Data and Engagement Platforms.

three major lines of business working together to understand and anticipate its customers' needs, bringing them financial solutions. These three major lines business are Middle Market Banking, Treasury Management & Payment Solutions, and Wells Fargo Commercial Capital.

Corporate & Investment Banking

CIB delivers a suite of corporate banking, commercial real estate, investment banking, equity and fixed income solutions, with sales, trading and research capabilities, to corporate and institutional clients. CIB is organized into three major lines of business with an overarching International governance group. These three major lines of business are Banking, Markets, and Commercial Real Estate.

Wealth & Investment Management

WIM offers personalized wealth management, investment, planning, and retirement products and services to support clients' unique needs and help them achieve financial goals. WIM also provides investment strategies and capabilities to individual and institutional investors via a variety of funds and investment vehicles. WIM businesses include Wells Fargo Advisors; The Private Bank, including the Company's ultra-high-net-worth clients; and Well Fargo Asset Management.[8]

Corporate Treasury

Corporate Treasury is organized into several major divisions, including Global Funding, Liquidity Risk Management, Asset Liability Management, Capital Management, the Investment Portfolio (reports to the chief financial officer (CFO)), and also our RRPO. These divisions work together to help Wells Fargo maintain sufficient capital and liquidity resources to support growth in the Company's businesses, while also helping Wells Fargo maintain a satisfactory financial cushion to protect against unforeseen stresses in the economic environment or the Company's operations. Corporate Treasury provides regulators, senior leaders, and the Board of Directors with key information to support risk management, financial performance management, and strategic planning. Corporate Treasury is also responsible for leading, managing, and coordinating Strategic Corporate Transactions (i.e., mergers, acquisitions, joint ventures, strategic investments, and divestitures) involving Wells Fargo. Partnering closely with some of the Corporate Treasury teams, the Investment Portfolio manages the Company's portfolio of available-for-sale and held to maturity investments and Bank Owned Life Insurance.

[8] Wells Fargo has reached an agreement with GTCR, LLC and Reverence Capital Partners, L.P. to sell Wells Fargo Asset Management, part of the WIM core business line. This sale will include the Wells Capital Management, Inc. and Wells Fargo Funds Management, LLC material entities. The transaction is expected to close in the second half of 2021.

4. Material Entities

We evaluate which subsidiaries or non-U.S. offices should be designated as material entities. A material entity is a subsidiary or foreign office of the covered company that is significant to the activities of an identified critical operation[9] or core business line, or is financially or operationally significant to the resolution of the company. These designations are not completed pursuant to any SEC rules or related requirements.

4.1 Material Entity Designation

We evaluate our legal entities at least annually as part of our material entity designation process. This process is conducted through an established governance framework that includes oversight from Business Groups, Enterprise Functions, Independent Risk Management, and Internal Audit. The evaluation process includes quantitative and qualitative components to assess legal entities for potential materiality in the following areas:

- Contributions (financial and labor resource) to core business lines and critical operations
- Provision of critical services (or components[10] 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 FMUs

The RRPO leads the overall material entity designation process and partners closely with select focus areas to conduct analysis that aligns with their areas of expertise.

The following figure demonstrates our material entity designation process and the results for our 2017 165(d) Plan, 2019 165(d) Plan, and this 2021 Targeted 165(d) Resolution Plan. New material entities for a given submission cycle are denoted in red text.

[9] 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.
[10] Critical service components are used to provide a service, which include personnel, facilities, systems, third-party vendors, and intellectual property.

Figure 4-1 Material Entity Designation Process

All legal entities are included in the material entity assessment population → Quantitative screening metrics are applied that narrow the material entity assessment population → Qualitative factors are applied that result in material entity designations

2017 Results	2019 Results	2021 Results
Wells Fargo & Company	Wells Fargo & Company	Wells Fargo & Company
Wells Fargo Bank, National Association	Wells Fargo Bank, National Association	Wells Fargo Bank, National Association
Wells Fargo Securities, LLC	Wells Fargo Securities, LLC	Wells Fargo Securities, LLC
Wells Fargo Clearing Services, LLC[(1)]	Wells Fargo Clearing Services, LLC	Wells Fargo Clearing Services, LLC
WFC Holdings LLC	WFC Holdings LLC	WFC Holdings LLC
Peony Asset Management, Inc.	Peony Asset Management, Inc.	Peony Asset Management, Inc.
Wells Fargo Funding, Inc.	Wells Fargo Funding, Inc.	Wells Fargo Funding, Inc.
Wells Fargo India Solutions Private Limited[(2)]	Wells Fargo EGS (India) Private Limited[(2)]	Wells Fargo International Solutions Private Limited[(2)]
Wells Fargo Global Services, LLC[(3)]	Wells Fargo Global Services, LLC[(3)]	Wells Fargo International Solutions LLC[(3)]
Forum Capital Markets LLC[(3)]	Forum Capital Markets LLC[(3)]	Wells Fargo Global Third Party Services LLC[(3)]
Wells Fargo Properties	Wells Fargo Properties	Wells Fargo Properties
	Wells Fargo Bank, N.A., London Branch	Wells Fargo Bank, N.A., London Branch
	Wells Fargo National Bank West	Wells Fargo National Bank West
		Wells Fargo Bank International Unlimited Company
		Wells Capital Management Incorporated
		Wells Fargo Funds Management, LLC

(1) Wells Fargo Advisors, LLC and First Clearing, LLC merged in 2016 to form Wells Fargo Clearing Services, LLC.
(2) Wells Fargo India Solutions Private Limited's name changed after the 2017 Resolution Plan was filed to Wells Fargo EGS (India) Private Limited, and again in 2020 to Wells Fargo International Solutions Private Limited.
(3) In 2020, Wells Fargo Global Services, LLC and Forum Capital Markets LLC changed their names to Wells Fargo International Solutions LLC and Wells Fargo Global Third Party Services LLC, respectively.

Based on this designation process, the following figure shows the key designation contributors for each of our material entities.

Figure 4-2 **Key Contributors to Material Entity Designation Process**

Material Entity	Material Entity Designation Key Contributor						
	Core Business Line	Critical Operation	Critical Services	Global Treasury	Assets Under Management/ Custody	Derivatives	FMU Access[1]
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	✓	✓	✓			✓	✓
Wells Capital Management Incorporated		✓					
Wells Fargo Funds Management, 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.			✓				

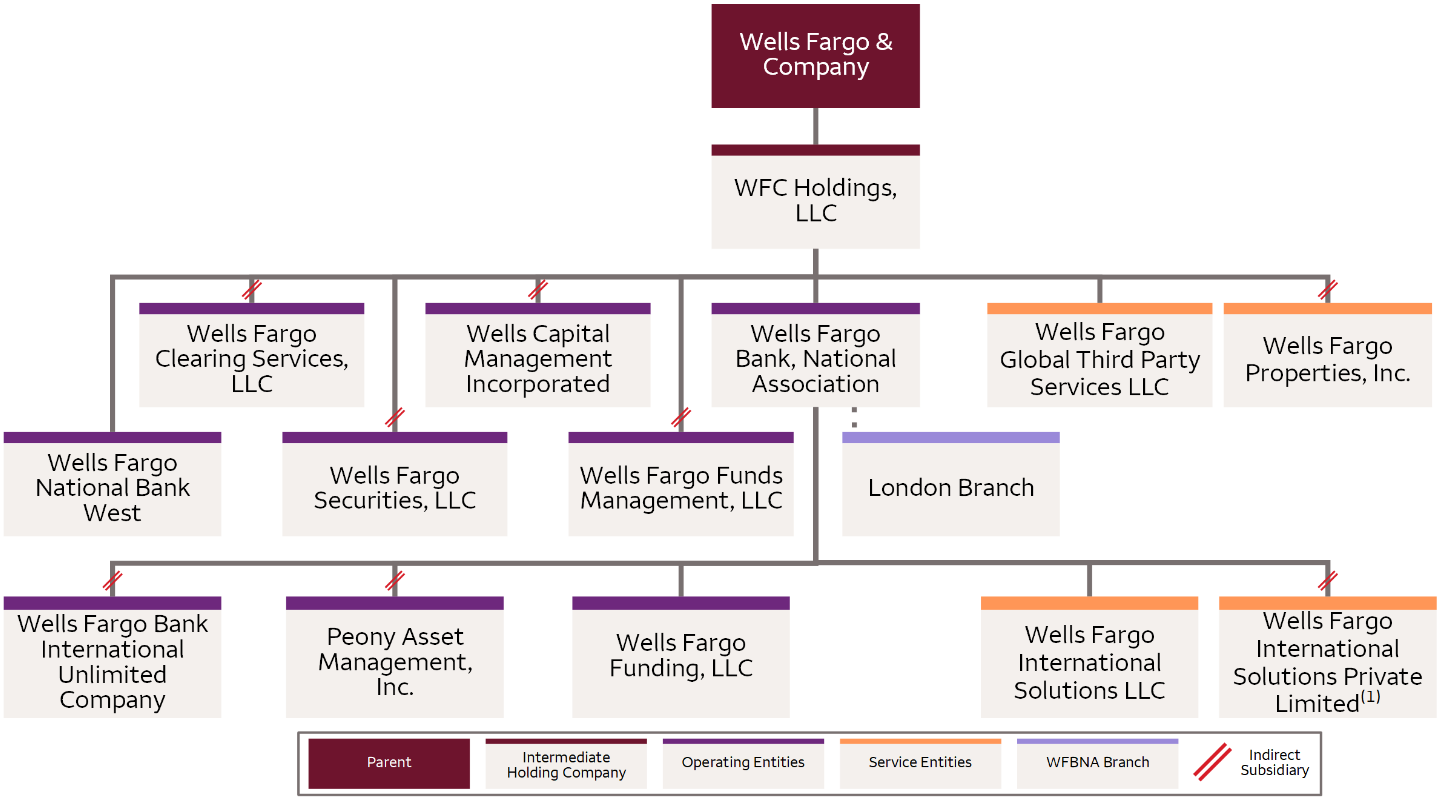
[1] FMUs, for purposes of this figure, also include agent banks.

We added the following three new material entities for the purposes of this 2021 Targeted 165(d) Resolution Plan:

- Wells Capital Management Incorporated and Wells Fargo Funds Management, LLC were designated as material entities because of their importance to the money market mutual fund product offerings.
- 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.

The following figure shows our current material entity structure.

Figure 4-3 **Material Entity Structure**



(1) 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.

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 $378.7 billion, as a stand-alone legal entity, and approximately $1.9 trillion, as a consolidated legal entity. The Parent had liabilities of $193.8 billion, as a stand-alone legal entity, and $1.8 trillion, as a consolidated legal entity. The Parent's most significant assets were intercompany balances as a combination of investments in subsidiaries and loans to subsidiaries, which comprised approximately 94.9% of the Parent's total assets. Similarly, the Parent's most significant liabilities were long-term debt, which comprised approximately 94% of its total liabilities. The Company had total equity of $185.9 billion. In 2020, the Company generated $72.3 billion in revenue, had noninterest expense of $57.6 billion, and net income of $3.3 billion. For a summary of capital figures and the Company balance sheet, see Section 10, Financial Information.

As described in Section 5, 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

WFCH, the 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 $356.6 billion, liabilities of $189.5 billion, and equity of $167.1 billion, as a stand-alone legal entity. The majority of the assets and liabilities were intercompany balances.

As described in Section 5, 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

WFBNA is a national banking association and an indirect, wholly owned subsidiary of the Parent. WFBNA is the Company's primary insured depository institution and engages in retail, commercial, corporate banking, real estate lending, trust, and investment services. With its subsidiaries, WFBNA holds 90% of the Company's consolidated assets and accounts for over 94% of the Company's consolidated revenue and net income. WFBNA also provides over 99% of the critical services it relies on.

WFBNA held approximately $837.1 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 $837.1 billion, $447.9 billion, or 53.5%, represented loans secured by real estate. Loans and leases represented approximately 46.5% of WFBNA's total balance sheet. WFBNA and its subsidiaries held approximately $211.6 billion in available-for-sale securities at fair value, which represented approximately 12% of its total assets. WFBNA's liabilities included $1.4 trillion in domestic deposits, which represented 90% of WFBNA's total liabilities. WFBNA had $1.8 trillion in assets, $1.6 trillion in liabilities, and $170.9 billion in equity, as a consolidated legal entity. In 2020, WFBNA generated $63.7 billion in net interest income, noninterest income, and realized gains (losses) on available-for-sale securities. WFBNA had noninterest expense of $48.3 billion and net income of $3.5 billion in 2020. For a summary of capital figures, see Section 10, Financial Information.

As described in Section 5, 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 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. and outside the U.S. WFBNA-LB facilitates the Commercial Banking and CIB 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 5, Company's Preferred Resolution Strategy, WFBNA-LB continues 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 a national banking association located in Nevada that holds mortgage loans purchased from WFBNA and uses them as collateral to borrow from the Federal Home Loan Bank - San Francisco, and issues brokered CDs. WFNBW had $22.0 billion in assets.

As described in Section 5, 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 a wholly owned indirect subsidiary of WFBNA. WFBI is the Company's only European Union regulated bank. WFBI provides lending, deposit taking, and off-balance sheet services to its customers.

As described in Section 5, Company's Preferred Resolution Strategy, WFBI would continue to operate throughout resolution, receiving capital and liquidity support, 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 WIM core business line.

WFCS' most significant assets included net receivables from customers, representing approximately 55% of WFCS' total assets. Cash and cash equivalents, cash and securities segregated under federal and other regulations, and securities purchased under agreements to resell represented approximately 22% of WFCS' total assets. WFCS' liabilities included payables to customers and payables to brokers, dealers, and clearing organizations, which represented approximately 66% of WFCS' total liabilities. WFCS had $24.3 billion in assets, $14.2 billion in liabilities, and $10.1 billion in equity.

As described in Section 5, Company's Preferred Resolution Strategy, WFCS would continue to operate throughout resolution, receiving capital and liquidity support, 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 (CFTC) as a futures commission merchant. WFS LLC is the Company's primary institutional broker-dealer and engages in aspects of the CIB core business line.

WFS LLC's assets consisted primarily of financial instruments owned (39%) and securities purchased under agreements to resell (14%), which combined, represented 53% of total assets. WFS LLC's liabilities, not including subordinated borrowings, consisted primarily of financial instruments sold (17%) and securities sold under repurchase agreements to repurchase (61%). WFS LLC had $132.8 billion in assets, $123.7 billion in liabilities, and $9.1 billion in equity.

As described in Section 5, 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 because it is an indirect subsidiary of WFCH. 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 (PNV).

Wells Capital Management Incorporated

Wells Capital Management Incorporated (WellsCap) is an incorporated investment adviser that is registered with the SEC. It is a wholly owned indirect subsidiary of the Parent. WellsCap provides investment management services to mutual funds, private funds, endowments, foundations, health care organizations, public agencies, multi-employer plans, sovereign organizations, insurance companies, and Taft Hartley plans.

As described in Section 5, Company's Preferred Resolution Strategy, WellsCap 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 Funds Management, LLC

Wells Fargo Funds Management, LLC (WFFM) is an incorporated investment adviser that is registered with the SEC. It is an indirect wholly owned subsidiary of the Parent. It serves as an investment advisor for mutual funds and provides advisory services to retail separate account and wrap programs sponsored by affiliated and unaffiliated broker-dealers.

As described in Section 5, Company's Preferred Resolution Strategy, WFFM would continue to operate throughout resolution, receiving capital and liquidity support from WFCH, as necessary, under the terms of the Secured Support Agreement.

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, including debt and equity securities considered HQLA.

As described in Section 5, 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 corporation and a direct, wholly owned subsidiary of WFBNA. It holds mortgage loan participations, representing a significant amount of the assets of WFBNA’s consumer mortgage portfolio, a significant component of the Consumer Lending core business line.

As described in Section 5, 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 components of critical services) they provide to the other material entities. The following descriptions provide information about each of these material entities. As previously shown in Figure 4-2, 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 6, Resolution Focus Areas and Capabilities. To keep critical services operational in resolution, we pre-position at least six months of working capital so services can continue, we put arm's length pricing and resolution-resilient language in our intercompany agreements between legal entities, and these material entities are parties to the Secured Support Agreement. As described in Section 5, 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, and 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. Company's Preferred Resolution Strategy

5.1 Introduction to the Preferred Resolution Strategy

We continue to have a Preferred Resolution Strategy that uses a single point of entry (SPOE) approach. In an SPOE approach, the Parent would enter chapter 11 bankruptcy 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 and operation of these material entities is planned to be achieved through 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.

We continue to believe the SPOE approach for our Preferred Resolution Strategy 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 should have sufficient capital and liquidity 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 restrictions on 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 by expanding our divestiture options to include options that implicate business lines spanning multiple material entities or jurisdictions.
- Providing more flexibility in the future if our structure, size, or risk profile should change.

Moreover, since filing the 2019 165(d) Plan, we strengthened the effectiveness of the Preferred Resolution Strategy by:

- Continuing to review and enhance the financial, operational, structural, governance, strategic, and legal preparedness actions that are part of our Preferred Resolution Strategy preparedness. Some of these actions include:
    - Updating our Governance Playbooks, Bankruptcy Playbook, and Employee Retention Strategy.
    - Refining our financial forecasting tools.
    - Enhancing our trigger framework and escalation protocols.
    - Simplifying the organizational structure of our material entities.
    - Identifying new divestiture options and modifying existing ones to provide us with optionality that aligns to our operating model and a variety of different types of financial stress.
- Designating new material entities, which became parties to the Secured Support Agreement. Doing so allowed us to confirm that under the Preferred Resolution Strategy our most significant legal entities would receive necessary capital and liquidity funding in resolution.

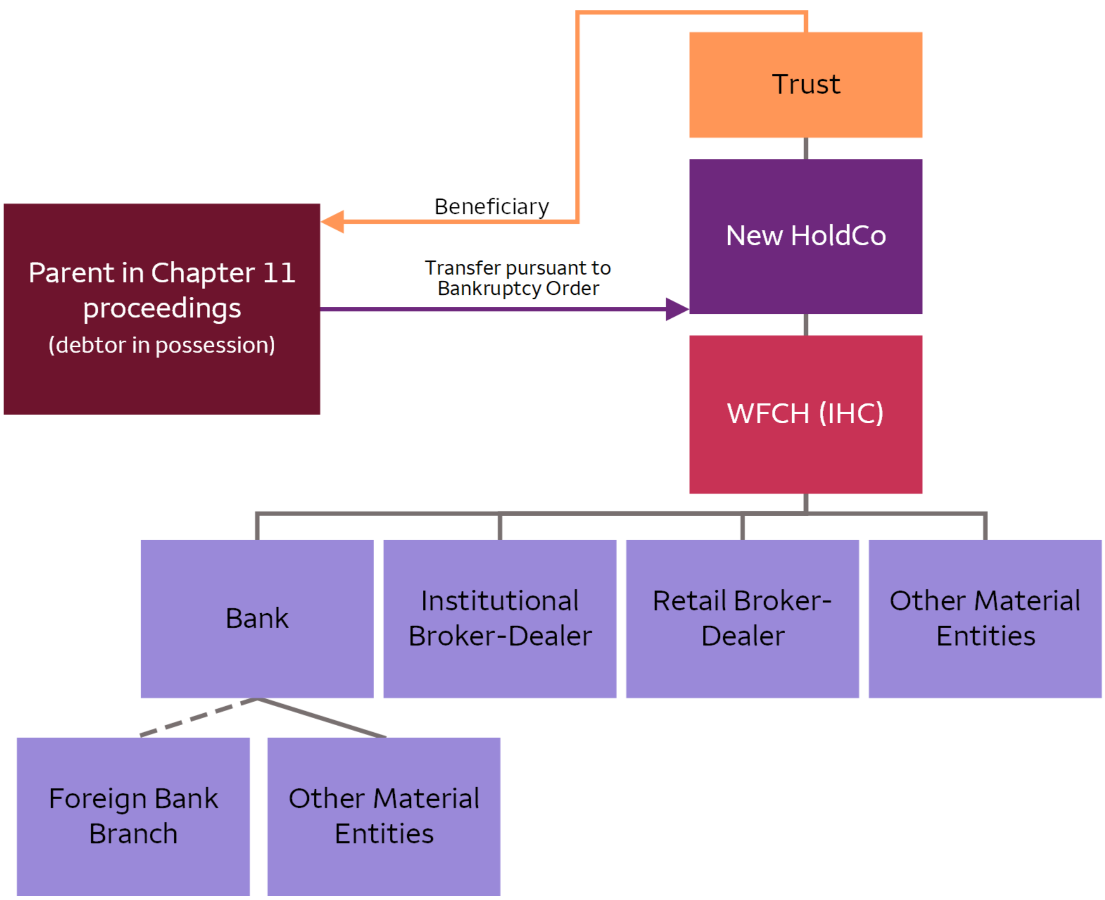
Guarantees

Our Intercompany Guarantee Policy 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. In connection with our resolution planning process, our Intercompany Guarantee Policy facilitates our Legal Entity Rationalization (LER) Criteria. It also prohibits WFCH from providing guarantees in furtherance of our Preferred Resolution Strategy.

The Effects of Resolution Actions on the Company

Consistent with the Preferred Resolution Strategy, after the resolution trigger is breached 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. Following the Parent beginning its voluntary Chapter 11 case under the Bankruptcy Code, 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, the Emergency Transfer Motion would request 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.

Figure 5-1 Legal Entity Ownership Structure Following Parent's Bankruptcy



5.2 Achieving Our Resulting Organization Post-Bankruptcy

After commencing the Parent's chapter 11 proceeding, the Parent would transfer, upon the bankruptcy court's approval, its equity interests in WFCH to a new, substantially debt-free holding company "New HoldCo," the equity interests of which would be held in a trust (Trust) for the exclusive benefit of the Parent's bankruptcy estate. As a result of the transfer of WFCH to New HoldCo, all of WFCH's material entity subsidiaries would become indirect subsidiaries of New HoldCo.

Pursuant to the Preferred Resolution Strategy, we would reduce our complexity and size through the solvent wind-down of WFS LLC, our wholesale broker-dealer, the solvent wind-down of additional business lines, and executing a series of divestiture options. While New HoldCo 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.

The Parent entering a chapter 11 proceeding is only one part of our Preferred Resolution Strategy. 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. We refer to the resulting organization as the Preferred RemainCo. The Preferred RemainCo would still be a nationally-focused bank with full-service retail and wealth management offerings as well as core wholesale 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.

When assessing a remaining company after executing any resolution strategy, it is important to look at not only the size of the surviving entity but also the underlying complexity of the remaining businesses. Upon completing our Preferred Resolution Strategy, we believe we would be less interconnected, with fewer intra-financial system assets and liabilities, as well as less complex due to lower derivatives, securities, and level 3 asset balances. We would also have a reduced amount of cross-jurisdictional activity and short-term wholesale funding.

5.3 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 material entities (other than the Parent) during resolution.[11] The Secured Support Agreement was initially executed on June 28, 2017 between the Parent, WFCH, WFBNA, WFS LLC, and WFCS. At the 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 additional parties and to comply with our Preferred Resolution Strategy shift to an SPOE approach. Actions previously taken under the Secured Support Agreement, including the Parent contributions described below, are unchanged under the amended Secured Support Agreement. Since filing the 2019 165(d) Plan, new parties have joined the Secured Support Agreement, including as a result of the Company designating new material entities.

[11] 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.

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, which 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 contribution, the Parent transferred substantially all of its liquid assets to WFCH.

Notwithstanding the Parent's initial contribution of substantially all of its liquid assets, 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 actually needs, during business as usual the Secured Support Agreement requires the Parent to make additional contributions to WFCH of any new 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.

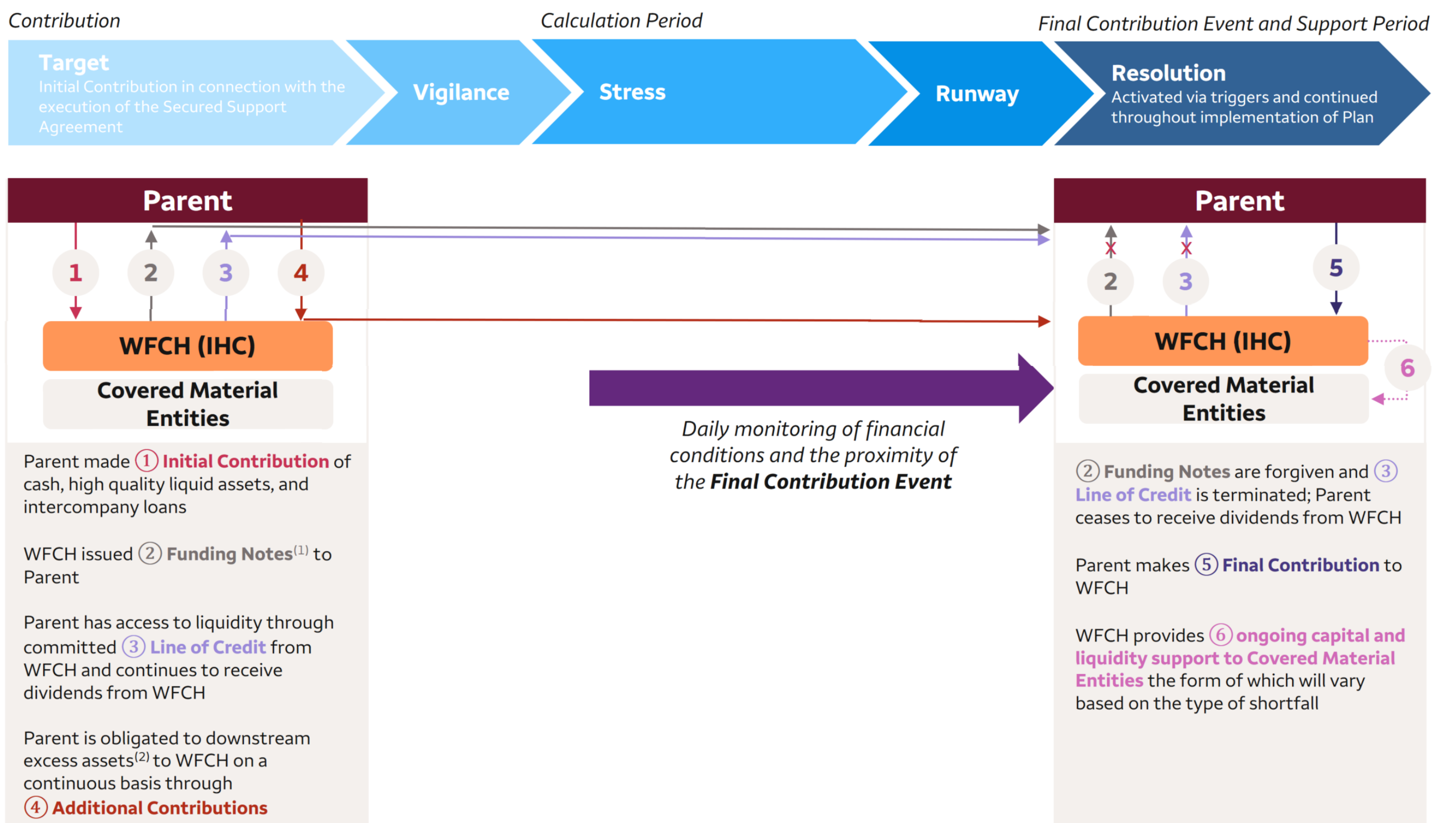
Under the Secured Support Agreement, WFCH has a committed line of credit available to the Parent that the Parent may use to replenish its cash reserve or pay near-term expenses. The committed line of credit, together with payments made by WFCH under the funding notes, provides the Parent with ongoing liquidity that can be used to satisfy its debts and short-term funding needs. The Parent also continues to receive dividends or distributions made by WFCH during business as usual. WFCH is obligated to (1) cooperate with the Parent to facilitate the continuation of 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.

The financial obligations under the Secured Support Agreement are reflected in the following figure. These obligations are shown in relation to our Enterprise Financial Assessment Levels (EFALs), which indicate the magnitude of financial stress we would experience throughout escalating levels of stress and financial deterioration. EFAL changes are informed by quantitative triggers and qualitative factors. These triggers incorporate financial and non-financial factors and are designed to inform and assist the Board and senior management in their decision making and response to stress. 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, as reflected under the Resolution EFAL in the following figure. In 2021, we tested the

Company's ability to collect information that would be needed to prepare for a Parent bankruptcy filing during the Runway EFAL through a simulated three day "pressure test." Through the simulation, we validated the Runway EFAL trigger calibration of eight business days prior to PNV. More information about the EFALs, referred to in the following figure, can be found in the Governance Mechanisms section of Section 6, Resolution Focus Areas and Capabilities.

Figure 5-2 Secured Support Agreement Includes Obligations that Occur Across Enterprise Financial Assessment Levels



(1) Funding Notes are unsecured and subordinated to WFCH's obligations under the Secured Support Agreement
(2) Subject to certain exceptions

Effect of the Secured Support Agreement on the Parent and WFCH

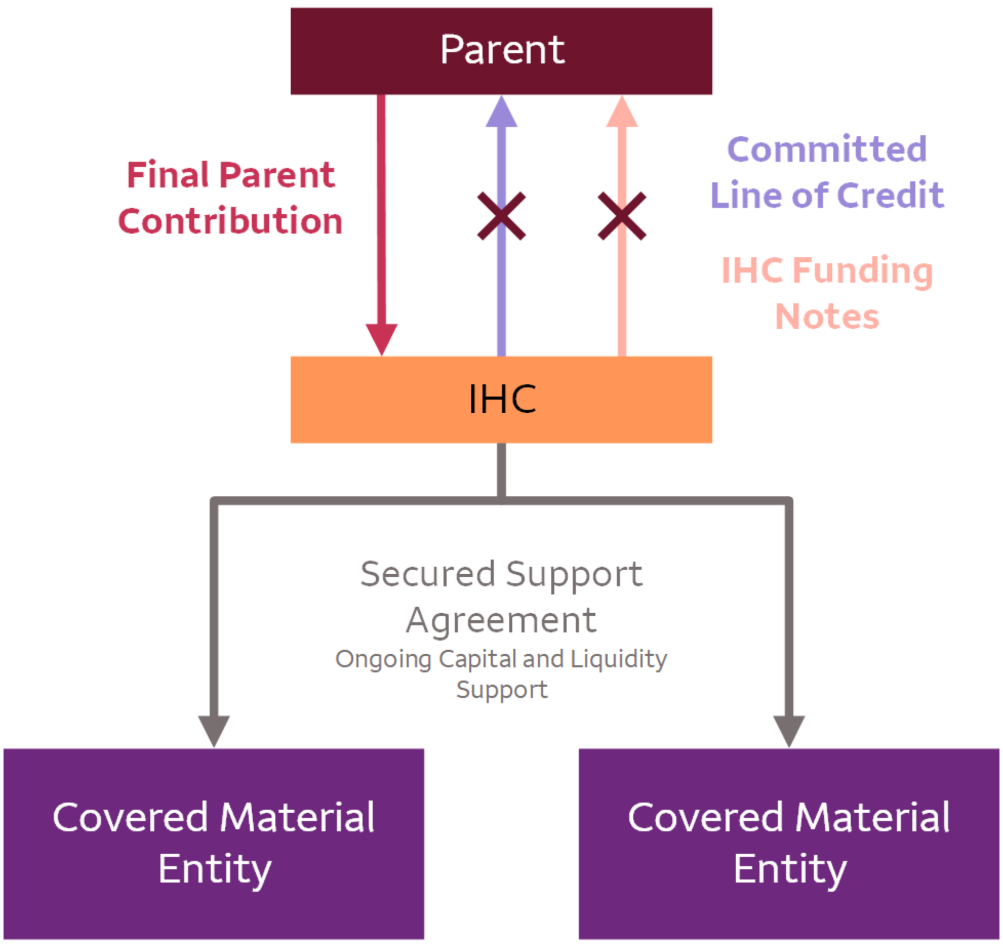
The Company designed the Resolution trigger so it has sufficient resources to execute the Preferred Resolution Strategy. The Secured Support Agreement incorporates the Resolution trigger, where PNV is projected to occur in less than or equal to two business days. PNV is the day before Available Financial 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 would 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 and the Parent's committed line of credit is automatically terminated.

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 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 5-3 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, 2020, the Parent had $150.6 billion of senior unsecured long-term debt and $31.6 billion of subordinated long-term debt outstanding. The Parent had $21.0 billion of preferred stock outstanding. Under the SPOE ownership structure, the Parent's creditors would be entitled to a pro rata share of the equity value of certain of the Parent's pre-bankruptcy subsidiaries. The Trust would, consistent with its obligations under the Trust Agreement, provide its sole beneficiary, the Parent's bankruptcy estate, with distributions consisting of such value. The proceeds of such distributions ultimately would be distributed 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 forces any losses to be borne by the Parent and its creditors. In addition to losses that would be borne by the Parent's creditors, the Parent's equity holders could face significant or complete losses. The ultimate recovery for a particular group of creditors would depend on a number of factors, including the amount and type of a creditor's claim against the Parent.

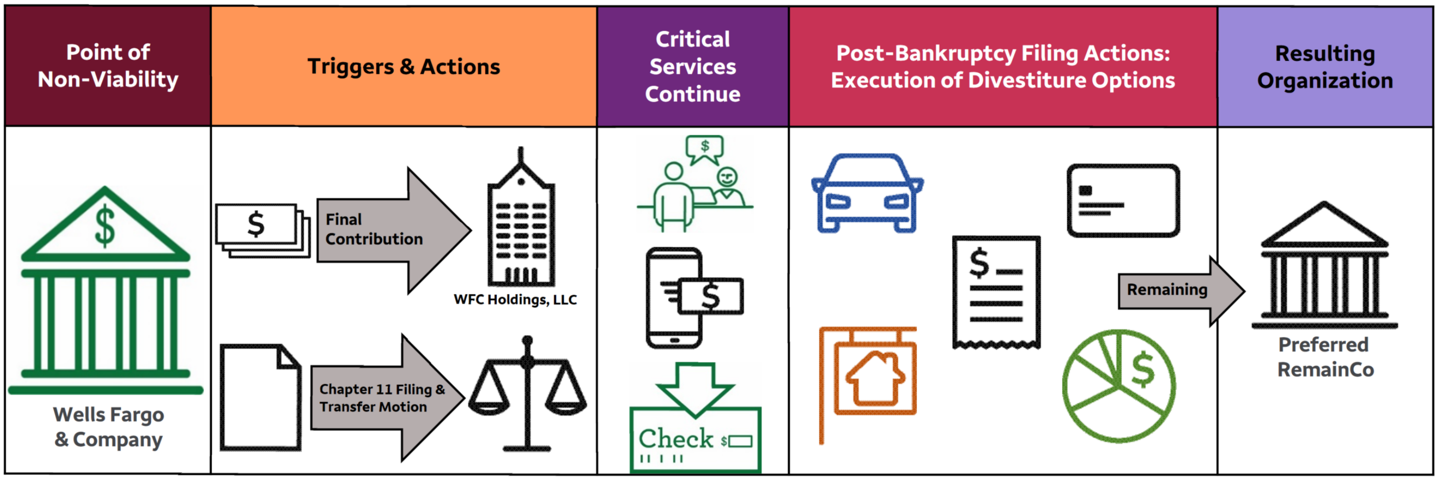
Complying with the Secured Support Agreement

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 all of the Parent's and WFCH's respective assets, except for certain excluded property. These security interests were granted pursuant to the Security Agreement for the benefit of the Covered Material Entities and were 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 other material entities' acceptance of capital and liquidity support.

The following figure shows how all of these actions 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 5-4 Company's Resolution Plan in SPOE



6. Resolution Focus Areas and Capabilities

Our successful and orderly resolution requires the commitment of stakeholders across the Company. We functionally organized the stakeholders across focus areas. These focus areas are Capital; Funding & Liquidity; Governance Mechanisms; Legal Entity Rationalization (LER); Separability; Payment, Clearing, & Settlement (PCS) activities; Management Information Systems (MIS); Services; Collateral Management; Derivatives and Trading (D&T); Financial Projections; Legal Analysis; Human Resources; and Stakeholder Engagement.

Focus areas 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 also assist with preparing our Resolution Plans.

The following information explains how each focus area implemented processes to prepare for resolution. Capital Management and Liquidity Risk Management have additional processes, beyond those created for resolution, that are detailed in Section 8, Approach to Maintaining Financial Resiliency as part of our integrated Companywide approach to financial resiliency.

6.1 Capital

We have a comprehensive process to continually measure our capital adequacy under normal and stressed conditions. Detailed information about this process can be found in the Capital Management section of Section 8, Approach to Maintaining Financial Resiliency. However, we also implemented additional measures as part of our resolution planning.

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 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. Our RCAP framework seeks to position resources at our material entities in a way that balances the certainty associated with pre-positioning resources directly at the material entities with the flexibility of holding resources at the Parent and at 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), in the event the Parent fails and files for bankruptcy. Our RCEN calculations for the material entities 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.

Our capability to produce RCAP and RCEN estimates allows us to frequently 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.

6.2 Funding & Liquidity

Similar to Capital Management, we also 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 to be positioned at each material entity and is designed to ensure that adequate and appropriately positioned liquidity is readily available on a daily basis to meet deficits. This daily liquidity calculation is known as RLAP. We believe we currently have sufficient RLAP liquidity, 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 required by each material entity 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.

We run the RLEN forecast on a monthly basis in business as usual and would run it daily in times of financial stress. The objective of calculating RLEN daily during a period of financial stress is to produce a more accurate RLEN forecast using updated spot balances and dynamic assumptions reflective of prevailing stress conditions. Calibrating and updating RLEN input assumptions is intended to reduce the likelihood of a false resolution trigger. We recently successfully tested producing RLEN daily for an extended period of time as part of our efforts to remediate the governance mechanisms shortcoming identified in our 2019 165(d) Plan. We currently 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 deterioration of available liquidity and facilitate timely management actions.

6.3 Governance Mechanisms

We continue to improve our comprehensive governance mechanisms to monitor, detect, escalate, and respond to a range of financial stresses. Our governance mechanisms, which include both financial and non-financial metrics, include monitoring triggers related to capital, liquidity, market conditions, and operating conditions. Specific to resolvability, these governance mechanisms are implemented to support our resolvability in the following three areas: (1) triggers and escalation protocols, (2) pre-bankruptcy Parent support, and (3) Governance-Related Playbooks. The governance mechanisms are designed to promptly identify financial stress (including the Stress, Runway, and Resolution EFALs), facilitate executing contingency plans and recovery options, and improve conditions so we can return to financial strength. The following figure shows how these three areas fit within Governance Mechanisms.

Figure 6-1 Governance Mechanisms Overview

Governance Mechanisms

Triggers and Escalation Protocols	Pre-Bankruptcy Parent Support	Governance-Related Playbooks
• Enterprise Financial Assessment Levels • Triggers • Escalation protocols • Incident management structure	• Maintaining Secured Support Agreement • Pre-funding WFCH • Pre-positioning financial resources at material entities • Legal analysis of potential creditor challenge issues • Updating Bankruptcy Playbook	• Material Entity Governance Playbooks • Stakeholder Engagement Playbook • Employee Retention Strategy

The governance mechanisms include the following key structures and protocols:

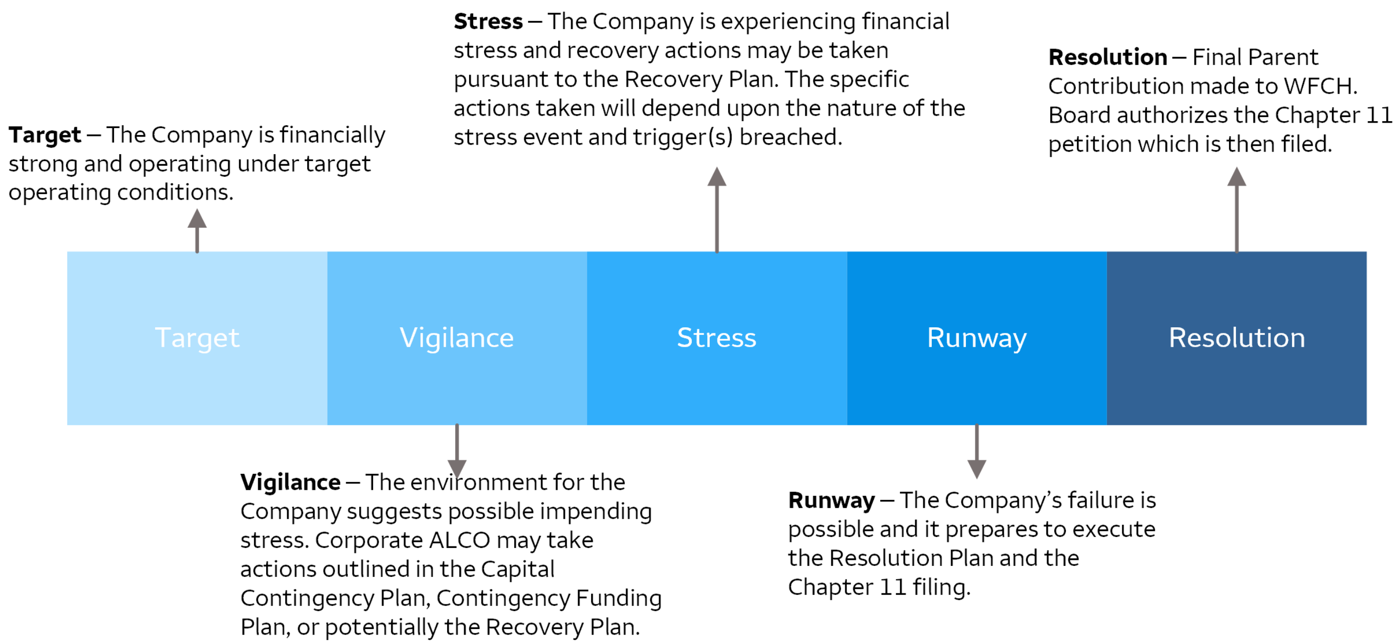
- **EFALs and triggers** — Triggers are quantitative or qualitative indicators that help enable us to identify and monitor the onset of stress in a timely manner. EFALs indicate the level of financial stress the Company is experiencing. Triggers are tied to specific EFALs to guide the Company's response 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 management.
- **Incident management structure** — Facilitates rapid execution of actions by the Board and senior management 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 WFCH and the other material entities (except the Parent) to protect against potential creditor challenges.
- **Governance preparedness** — Prepared Governance Playbooks covering all material entities to help enable informed decision making and executing pre-determined actions; a Stakeholder Engagement Playbook to help provide efficient and effective communications in response to stress events through resolution; an Employee Retention Strategy that guides its execution in support of the Preferred Resolution Strategy; and a Bankruptcy Playbook that sets forth the steps to take to prepare for the Parent's potential voluntary bankruptcy case.

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 management to declare the appropriate EFAL.

The following figure displays our EFALs and how we define each level.

Figure 6-2 **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

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 the RLEN and the RCEN of the material entities using updated 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 been breached. Upon breach of the Resolution trigger, we would automatically move into the Resolution EFAL and a Final Contribution Event would occur under the Secured Support Agreement.

Triggers and Escalation Protocols

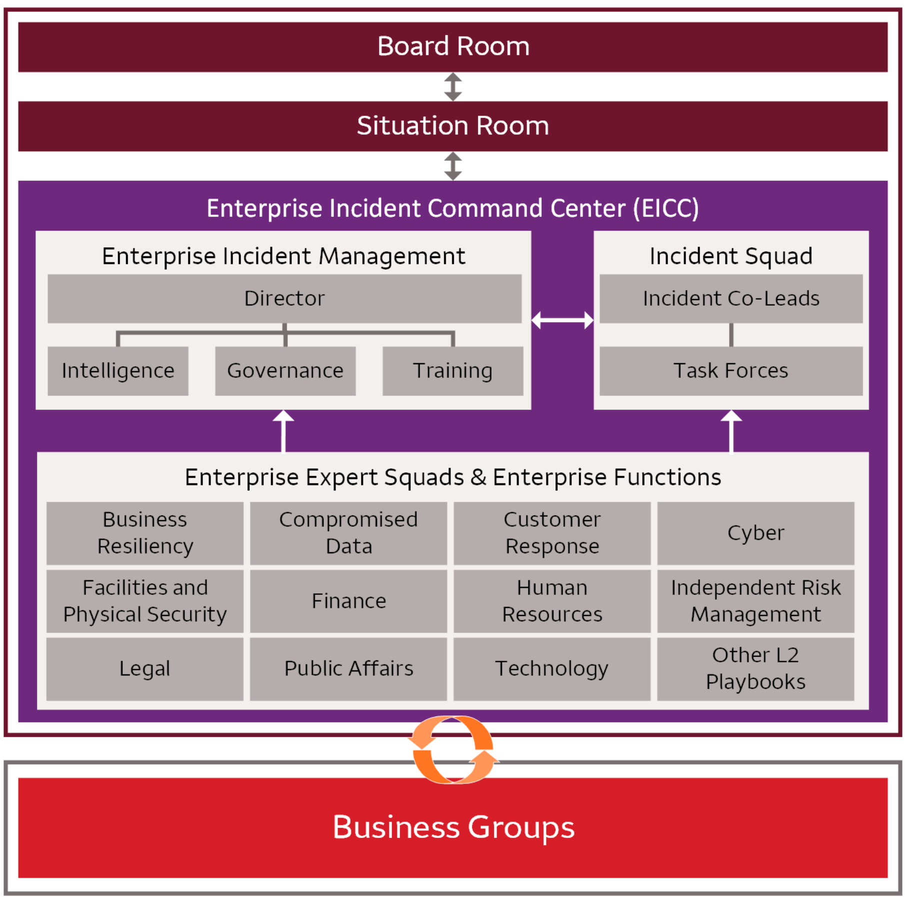
We seek to maintain our ability to effectively monitor capital, liquidity, market, and operating conditions across material entities through triggers that are designed to both provide early warning indicators of stress as well as inform decision making during the events leading up to resolution. These triggers, as well as our support methodologies and forecasting tools, are reviewed and updated on a regular basis to help provide the most effective tools to monitor stress.

Incident Management Structure

Our incident management structure is embedded within our governance mechanisms and provides integral communication, coordination, and decision-making support and logistics throughout the EFALs. The incident management structure is designed to facilitate rapid execution of actions by the Board and senior management during various incidents, whether it be physical hazard, cyber-security breaches, or financial stress in nature (that may be reflected by a change in EFAL), by enabling collaboration and timely communication among those groups and our business and functional areas. 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 such that in times of financial stress, we have process familiarity.

The incident management structure includes three distinct and interrelated modules: (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. The following figure shows the three modules of our incident management structure.

Figure 6-3 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 to mitigate key vulnerabilities, as needed. The Board chair leads the Board Room module and provides direction on Board actions and decisions. The Board Room's primary objective is to enable the Board to perform their 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 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 (CRO) 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 squad leads, who are responsible for communicating with the Situation Room

The EICC is composed of several enterprise expert and Enterprise Function squads including Business and Operations, Public Affairs, Facilities and Physical Security, Finance, Human Resources, Technology, Cyber, Customer Response, Compromised Data, and Legal and Regulatory, among others, which convene through virtual breakout rooms and address issues relevant to their specific business or functional areas.

The EICC Finance squad, led by the head of the RRPO, is composed of representatives from Corporate Treasury and the RRPO, among others, who coordinate during a financial stress event.

Enterprise Incident Management, part of Enterprise Business Resiliency, provides logistical support to the three modules. All three modules of the incident management structure can be activated to facilitate information-sharing and execution of actions during an incident. The incident management structure is scalable and flexible, allowing for each module to be activated as needed.

We test our emergency management processes and protocols at various levels of the organization so that relevant stakeholders are prepared to follow proper processes and protocols. Specifically, we conduct incident management testing and training, including financial stress incidents, through the three interrelated modules of the incident management structure (the Board Room, the Situation Room, and the EICC).

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 are a few of the 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 so capital and liquidity support is provided and to help mitigate any potential creditor challenges that could impede our successful execution of the Preferred Resolution Strategy.
- We pre-positioned financial resources at various material entities and pre-positioned at least six months of working capital at our Service Material Entities to maintain continuity of services during resolution.

Governance Playbooks

We created Governance Playbooks that detail the Board and senior management actions through all of the EFALs, which include facilitating our Preferred Resolution Strategy. The Governance Playbooks include a proposed internal and external communications strategy, the Boards of Directors' fiduciary responsibilities and how any actions would be consistent with those responsibilities, potential conflicts of interest, and triggers identifying the onset of the runway and resolution periods and any associated escalation procedures and actions.

Training and Testing

The RRPO designs, delivers, and oversees training related to resolution planning. The training complements our efforts to further integrate resolution planning into our governance structure and processes. As part of this effort, the RRPO works with the focus areas, the Legal Department, and other groups, as necessary, to develop, maintain, and administer resolution training across the Company to stakeholders, senior management, and our material entity Boards of Directors. After we enhanced our Secured Support Agreement reporting and ability to calculate dynamic RLEN based on current conditions, we conducted a successful simulation to demonstrate we could produce reporting for an extended period of time and that we could provide necessary reporting for our senior leaders, that included the Company's CFO and CRO, that assists their decision making during stress. We also continue to train our material entity Boards and senior leaders on our escalation protocols, the Secured Support Agreement, and our Governance Playbooks.

6.4 Legal Entity Rationalization

We established LER Criteria to govern our legal entity structure, including the assessment of corporate structure changes. We previously implemented these criteria, and we update them at least annually, to support our Preferred Resolution Strategy and minimize risk to the stability of the U.S. financial system. The LER Criteria guide our corporate structure and legal entity arrangements to facilitate our resolvability under different market conditions as strategic changes occur. These LER Criteria are built into our ongoing process for creating, maintaining, and optimizing our structure and operations on a continuous basis. The LER Criteria are composed of priorities, decision points, and specific decision parameters, including quantitative and qualitative metrics.

The LER Criteria are intended to:

- Promote a more resolvable legal entity organizational structure.
- Be clear, unambiguous, and actionable.
- Mitigate the resolvability risks that we face in executing our Preferred Resolution Strategy.

- Guide the assessment of our activities and structure to facilitate our timely and orderly resolution.
- Assist in making management decisions in light of competing priorities.

As part of this review, lines of business and corporate functions, such as the RRPO and the Legal Department, align the LER Criteria to our Preferred Resolution Strategy to mitigate applicable resolvability risks. Independent Risk Management and Internal Audit also participate in the review to actively monitor the process, while preserving necessary independence. The Legal Entity Governance Committee approved the most recent version of the LER Criteria in December 2020.

In addition to the ongoing business as usual reviews of legal entity events against the LER Criteria and Justification Principles, the Legal Entity Office embeds the LER Criteria in the Company's business as usual policies and procedures and facilitates periodic assessments of those legal entities most significant to our resolvability. These assessments are intended to provide a holistic review of our organizational structure, Service Delivery Model, funding model, and other significant activities and relationships between legal entities. The Legal Entity Office monitors and tracks approved LER Criteria exceptions until the exception is resolved.

6.5 Separability

We have a dedicated mergers and acquisitions team, Corporate Development, that conducts business as usual divestitures and acquisitions and would continue to do so in recovery and resolution scenarios. Corporate Development's operational separability expertise would be leveraged for a timely and orderly operational separation for each divestiture.

We maintain capabilities to successfully execute meaningful divestitures in a reasonable time frame while maintaining operational continuity. We identify discrete portfolios and businesses that could be sold during times of financial stress that would improve our financial position and facilitate recovery or resolution, as applicable. The portfolio sales 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 to support the timely and orderly sale and execution of our divestiture options in stress, including a recovery or resolution scenario. The execution playbooks identify key steps, responsibilities, and anticipated timelines for those divestitures. As a critical component in our recovery and resolution planning and to make divestiture options actionable, we perform a reverse due diligence process that includes an impediment and mitigant analysis, impact assessment, and comprehensive divestiture playbook documentation.

Each divestiture option playbook uses a detailed template that demonstrates the transparency and the granularity of our reverse due diligence analysis. This template approach allows us to communicate divestiture option-specific potential impediments, and mitigating strategies that could be taken, if needed, to address those impediments. We consider operational, legal, and financial separability factors relative to each divestiture option.

We are prepared to execute our divestiture options in a resolution period and would use our experienced Corporate Development team to lead the divestiture process. As part of our business as usual divestiture process, Corporate Development is responsible for managing and coordinating the various internal parties required to execute a transaction, including senior management, lines of business, support functions, and functional subject matter experts (collectively known as Transaction Partners). Each divestiture involves a process that includes the following resolution-related capabilities: (1) conducting reverse due diligence on the business or portfolio to be divested, (2) preparing a valuation analysis, and (3) updating a detailed virtual data room, as well as other items necessary for transaction execution.

6.6 Payment, Clearing, & Settlement Activities

The Company conducts PCS activities through FMUs and agent banks across seven instruments: (1) ACH, (2) checks, (3) cards, (4) wires, (5) real-time payments, (6) securities, and (7) derivatives. FMUs are multilateral systems that provide the infrastructure for transferring, clearing, and settling payments, securities, and other financial transactions in a global economy. 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 ACH movements through WFBNA on behalf of its customers. WFBNA's check and cards operations are also significant drivers of payment activity, given the Company's 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 WIM clients. WFS LLC clears and settles securities on behalf of CIB clients. WFS LLC also clears and settles derivatives for CIB clients, affiliates, and is the only registered futures commission merchant of the Company's material entities. WFBNA is a registered derivatives swap clearing member, and also settles foreign exchange currency derivatives.

Materiality Assessment

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 reflect our most material FMU and agent bank relationships. The results from the most recent assessment, reported below, were the same as the ones we reported in our 2019 165(d) Plan.

The following figure identifies the top 20 memberships by type and direct membership.

Figure 6-4 Material FMU/Agent Bank Memberships

FMU/Agent Bank			Material Entities				
			Parent	WFCH	WFBNA	WFS LLC	WFCS
Payment	Checks	FedChecks			✓		
		SVPCO			✓		
		Viewpointe			✓		
	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, the Company's 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.

6.7 Services

The Company is committed to providing a resiliency strategy for maintaining continuity of critical services during a recovery or resolution period. The Company provides both critical and non-critical services among and between legal entities. Beginning with the total services provided between and within legal entities, the Company identifies which services must remain operational during the resolution process to allow for resolution in an orderly and efficient manner. These services are deemed critical services. Critical services include all services required to maintain operational continuity for critical operations, core business lines, and divestiture options. The Company also identifies components used to provide a service, called service components. The Company's service components include personnel, facilities, systems, third-party vendors and FMUs, and intellectual property (IP).

The Services Delivery Model emphasizes the role of WFBNA as a service provider for as many bank-permissible activities as possible. It also minimizes the provision of critical services between bank and nonbank legal entities, aligns service providers and service receivers within the same entities or businesses where possible, mitigates continuity risks to support operational resilience during a recovery or resolution period, and increases transparency around service delivery and associated costs. This approach strives to centralize the delivery of services within WFBNA and simplify the interconnections and interdependencies across affiliates, non-U.S. subsidiaries, and third-party vendors.

The Services Delivery Model supports operational continuity in a recovery or resolution period through intercompany service agreements, financial resiliency of critical services, and critical service component continuity. The Company mitigates the risk that critical services may be susceptible to disruption by including resolution-resilient language in intercompany service agreements and by including 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 financial resources at Service Material Entities and Operating Material Entities to fund critical services. In the event the Company's other steps to prevent disruption are insufficient, the Company additionally implements critical service component-based contingency strategies, such as maintaining retention strategies for Key Roles and incorporating resolution-resilient language in critical third-party vendor engagements, critical facility leasing agreements, and critical IP licensing agreements.

The Company has a Service Catalog, which provides an understanding of the Company’s services, the service components used to perform these services, and the legal entities that provide and receive these services. The Service Catalog includes (1) an inventory of all services the Company uses to run its businesses (the Service Taxonomy), including those services designated as critical services, (2) an inventory of all service components needed to support each service, including those needed to support each critical service (critical service components), such as personnel, facilities, systems, third-party vendor engagements, and IP, and (3) a mapping of services to critical operations, core business lines, and divestiture options. The Service Catalog also documents the legal entities, which include material entities, that provide and receive services and service components through intercompany and intra-company legal entity relationships.

Operational interconnectedness represents reliance by one material entity, core business line, or critical operation on a critical service documented in the Service Catalog. The Company believes it is necessary to understand interconnections between the many parts of the Company as any disruptions to operational interconnectedness may adversely impact the Company. Identifying and monitoring interconnectedness and interdependencies is necessary to provide continuity of service to customers, verify data accuracy, and maintain the strength of the Company's financial position. Therefore, the Company maintains the Services Delivery Model and an approach to maintaining operational continuity to help prevent and mitigate any potential disruptions to operational interconnectedness.

6.8 Management Information Systems

Wells Fargo manages the technology necessary to maintain the core business lines, critical operations, and material entities in periods of stress and resolution through the Technology RRP Team, which is part of the larger Wells Fargo Technology (Technology) organization. The technology required to support these objectives is segmented into the following three functions: (1) maintaining critical systems, (2) managing critical reporting, and (3) supplying the technology support and mechanisms necessary to promote separability.

MIS capabilities help monitor our resolution risks through critical systems, which are a key component to supporting the Company's critical services, critical operations, core business lines, and material entities. 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 a resolution period. Identifying these critical systems prior to stress allows us to focus on their continued operation during times of stress. The Service Catalog, which obtains this systems information from our system of record for technology assets, stores all of our critical systems that support critical services.

MIS maintains the technology that delivers reporting for senior leaders to execute our Preferred Resolution Strategy. MIS, in conjunction with its line of business partners, identifies 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 EFALs, including Resolution. 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.

MIS also provides the support and technology to enable us to execute divestiture options. From a support perspective, MIS maintains information about the technology-related activities and risks associated with each divestiture option. In addition, MIS maintains processes to produce on-demand reports required for buyer due diligence during a divestiture. From a technology perspective, MIS maintains the Virtual Data Room technology that we use to store this documentation and securely share relevant information with potential buyers.

6.9 Collateral Management

We receive and pledge collateral under a variety of transactions across Business Groups and Enterprise Functions (e.g., Consumer Lending, Commercial Banking, CIB, WIM, 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. These 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.

We maintain governance and oversight of collateral management through (1) a cross-functional Collateral Management Subcommittee 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, these 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 Function's routine collateral management practices.

6.10 Derivatives & Trading

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

Booking Model

We have a comprehensive booking model framework that articulates the principles, rationales, and approach to implementing our booking practices. Our principles for derivatives booking practices focus on minimizing the complexity of our derivatives portfolios and, centralizing risk management efficiency, and supporting our Preferred D&T Wind-Down Strategy.

Wind-down of Derivatives

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

Figure 6-5 Wind-Down Strategies

Strategy	Definition
Termination	Termination reflects our expectation that derivatives-related counterparties will exercise applicable 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). Termination rights may be exercised both before PNV and after PNV, though in the case of post-PNV termination rights, such rights have a minimal impact on our portfolio due to the application of the QFC Stay Rules.
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 to an over-the-counter derivative transaction with a new contract between the remaining party and a third party.

The active wind-down period is the 12 months following the one month runway period. During this time, each strategy is applied to the segmented Companywide portfolio over three "exit phases," where the timing of the exit of segments is based on applicable business assumptions and portfolio liquidity. The wind-down helps to provide order while balancing time and cost. It is anticipated that the wind-down will result in approximately 94% of the gross notional of the overall derivatives portfolio exited by the end of the preferred wind-down period. A small residual portfolio would remain consisting of long-dated derivatives (i.e., trades that have 30-year+ maturities), structured derivatives (i.e., illiquid or complex products), derivatives that have legal constraints to exit, and banking book derivatives (i.e., derivatives that are identified under FAS133 or Economic Hedge Programs), which we determined 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 of our material entities that enter into derivatives transactions other than the Parent would remain solvent and operational upon and after the commencement of chapter 11 proceedings of the Parent.[12] The closeout of the Parent's direct derivatives holdings by counterparties in connection with the Parent's failure is not expected to have a material effect on counterparties or the market generally due to the limited amount of Parent derivatives holdings. We have limited reliance on Parent guarantees and, in any case, the Preferred Resolution Strategy provides for the Parent to file an Emergency Transfer Motion with the Bankruptcy Court upon commencement of chapter 11 proceedings. If granted, the motion would allow the Parent to transfer all of its equity interests in our other material entities and any Parent guarantees to a solvent New HoldCo in compliance with the creditor protection conditions of the 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)). 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 the execution of the Preferred Resolution Strategy, minimizing impacts on customers, counterparties, and the markets generally. Additionally, as all of our derivatives booking material entities have adhered to the ISDA Protocols, we confirmed that all of our major external counterparties also have adhered. Accordingly, the Qualified Financial Contract (QFC) Stay Rules (further described below) and adherence to the ISDA Protocols would work to 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.

To execute the Preferred D&T Wind-Down Strategy, we developed the D&T Wind-Down Tool. The Wind-Down Tool is used to segment the portfolio, calculate exit costs, and forecast liquidity flows (e.g., exit costs, re-hedging costs due to initial margin requirements, and variation margin) to help execute an orderly wind-down of our D&T positions.

Additionally, the D&T Wind-Down Tool was designed and maintained as an extension of our derivative stress liquidity forecasting capability (described below) for recovery and resolution planning. It supports D&T's inputs to RLEN, RLAP, and the resolution financial projections balance sheet. This process continues to support monthly RLEN and daily RLAP as part of business as usual liquidity forecasts performed by Liquidity Risk Management.

The derivative stress liquidity forecasting capability consumes market stress data, and governing agreements data, which is designed to enable us to forecast discrete changes in collateral requirements and settlement timing based upon the stress scenario. The derivative stress liquidity forecasting capability for recovery and resolution planning would be leveraged to help forecast the credit and collateral requirement change implications of the Preferred D&T Wind-Down Strategy for Liquidity Risk Management and Capital Management.

Inter-affiliate Risk Management

We extended our existing Market Risk framework to monitor and manage inter-affiliate exposures, including a requirement that all inter-affiliate derivatives transactions have properly approved counterparty credit limits. All such inter-affiliate derivatives transactions are also governed by our Counterparty Credit Risk Management Policy, our Intercompany and Affiliate Counterparty Credit Risk Policy, and Regulation W. This helps us assess the risk of disruption with respect to trades between affiliates.

[12] As previously explained, WFS LLC would undergo a solvent wind-down.

Compliance with Qualified Financial Contract Stay Rules

The Office of the Comptroller of the Currency, Federal Reserve, and FDIC issued stay regulations (QFC Stay Rules) with respect to QFCs in the fall of 2017. Among other requirements, the QFC Stay Rules require G-SIBs to include contractual stays on certain termination rights within QFCs.

In-Scope QFCs must provide the following:

- Recognition of (i) existing limits on the exercise of default rights by counterparties under the Orderly Liquidation Act provisions of Title II of the Dodd Frank Act, and the Federal Deposit Insurance Act, and (ii) the power of the FDIC to transfer all QFCs with a counterparty to a bridge institution; and
- Limitation on counterparties exercising certain broadly-defined default rights directly or indirectly related to an affiliate of a G-SIB entering into insolvency proceedings, as well as any restriction on the transfer in resolution of related credit enhancements provided by an affiliate of a G-SIB, subject to certain creditor protections.

The QFC Stay Rules require that if a G-SIB enters into a QFC with a counterparty after January 1, 2019, such QFC conforms to the QFC Stay Rules and all outstanding QFCs that any Wells Fargo entity has with that counterparty and that counterparty's affiliates also conform to the QFC Stay Rules on or prior to certain compliance dates between January 1, 2019 and January 1, 2020. Wells Fargo has adhered all of its derivative booking entities on or prior to the applicable compliance deadline for those entities.

A counterparty can remediate outstanding QFCs that are not otherwise compliant with the QFC Stay Rules by one of three methods:

- Adherence to the ISDA Protocols
- ISDA Bespoke Agreement
- Bilateral Negotiations

In addition, 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.

Cross-Defaults

A QFC with cross-defaults related to the failure of an affiliate may subject the direct counterparty (as a result of the affiliate's entry into insolvency proceedings) to the early termination of derivative transactions, a suspension or delay in payments associated with such derivative transactions, or the delivery or return of derivative collateral, an increase in derivative margin requirements, the liquidation of derivative collateral, and the exercise of derivative setoff rights against the entity.

We have limited exposure to cross-default provisions under our derivatives contracts and other QFCs, particularly in light of the fact that all of our derivatives booking material entities have adhered to the ISDA Protocols. To further control exposure to cross-defaults, we (including WFBNA) adopted policies that place restrictions on affiliate cross-defaults and certain other early termination provisions against us and our affiliates in our agreements.

The ISDA Protocols and other measures for complying with the QFC Stay Rules provide protection against the risk of early termination of our derivatives transactions due to certain affiliate cross-defaults. As noted, all G-SIBs have adhered to the ISDA Protocols and the vast majority of our external non-G-SIB counterparties have adhered to the ISDA Protocols. In conjunction therewith, Section 2(a) of the 2015 ISDA Universal

Resolution Stay Protocol and the comparable provision under the U.S. Protocol, which have already become effective on the applicable compliance dates of the QFC Stay Rules (between January 1, 2019 and January 1, 2020), provide for an automatic override of certain cross-defaults under our contracts with other adhering parties that are related directly or indirectly to an affiliate of ours entering U.S. resolution proceedings without the need for a court order or other court action. Any bilateral amendment to comply with the QFC Stay Rules would similarly include an override of such types of cross-defaults related to an affiliate of ours entering into any resolution proceeding. Additionally, though certain early termination rights are not stayed by operation of the ISDA Protocols, we conducted an analysis of such rights in our derivatives agreements and determined that the exercise of such rights by counterparties, which are assumed to be exercised when beneficial to such counterparties (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), would likely have a minimal impact on our derivatives portfolio.

For the limited number of Parent guarantees that do exist, the Parent is expected to file an Emergency Transfer Motion seeking relief from the Bankruptcy Court to satisfy the requirements of Section 2(b) of the 2015 ISDA Universal Resolution Stay Protocol and thus prevent the counterparties to those QFCs from closing out those QFCs based on the Parent's chapter 11 filing. However, even if the Bankruptcy Court declined to provide the relief requested, we do not anticipate this would have a significant impact on the implementation of our Preferred Resolution Strategy or our Preferred D&T Wind-Down Strategy, given our limited use of Parent guarantees for material entities' QFCs.

The following figure shows the notional or contractual amounts and fair value of derivatives.

Figure 6-6 **Notional or Contractual Amounts and Fair Value of Derivatives**

December 31, 2020			Fair Value
$ Millions	Notional or contractual amount	Asset Derivatives	Liability derivatives
Derivatives designated as hedging instruments			
Interest rate contracts	$ 184,090	3,212	789
Foreign exchange contracts	47,331	1,381	607
Total derivatives designated as qualifying hedging instruments		4,593	1,396
Derivatives not designated as hedging instruments			
Economic hedges:			
Interest rate contracts	261,159	341	344
Equity contracts	25,997	1,363	490
Foreign exchange contracts	47,106	331	1,515
Credit contracts - protection purchased	73	31	—
Subtotal		2,066	2,349
Customer accommodation, trading and other derivatives			
Interest rate contracts	7,947,941	32,510	25,169
Commodity contracts	65,790	2,036	1,543
Equity contracts	280,195	17,522	21,516
Foreign exchange contracts	412,879	6,891	6,034
Credit contracts	34,329	64	58
Subtotal		59,023	54,320
Total derivatives not designated as hedging instruments		61,089	56,669
Total derivatives before netting		65,682	58,065
Netting		(39,836)	(41,556)
Total	**$ 9,306,890**	**$ 25,846**	**$ 16,509**

Prime Brokerage

Our Prime Brokerage line of business (Prime Brokerage) 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.

6.11 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 RCEN. 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.

6.12 Legal Analysis

The Legal Analysis focus area creates and 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 material entity boards during periods of financial stress. Among the documents the Legal Analysis focus area maintains are the Secured Support Agreement, the Security Agreement, and a memorandum analyzing the potential state law and bankruptcy law challenges and mitigants to capital and liquidity support. The Legal Analysis focus area also maintains the Bankruptcy Playbook that guides the orderly execution of the Company's Preferred Resolution Strategy by describing 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.

As part of our resolution preparedness, we recently conducted a bankruptcy preparation exercise that verified the calibration of our Runway EFAL period and tested our ability to gather factual information that could be used to complete documents required to commence a Parent bankruptcy case in accordance with our Preferred Resolution Strategy. The Legal Analysis focus area engaged outside counsel, with experience representing debtors in complex chapter 11 proceedings, to assist in planning, preparing for, executing, and assessing outcomes from the bankruptcy preparedness exercise.

6.13 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 key employees necessary to support the Preferred Resolution Strategy and Recovery Plans, to maximize the number of employees retained, and to deploy retention packages and payments. We regularly review and update the list of key employees and retention packages so information remains current should financial stress occur.

As a part of our resolution preparedness, we recently conducted a successful simulation of our employee retention strategy. The purpose of the simulation was to assess the feasibility of executing our employee retention strategy within the prescribed timeframe should the Company experience a severe financial stress event. The simulation involved all lines of businesses and demonstrated our ability to conduct the entire process, with all necessary stakeholders, on time or ahead of schedule.

6.14 Stakeholder Engagement

Efficient and effective communications can help mitigate the impacts that stress events may have on the Company. The Company seeks to coordinate 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 is designed to provide effective and timely communication to external and internal stakeholders throughout each EFAL.

7. Resolution Planning Oversight

Oversight over the resolution planning process is an integral part of resolution planning and can be grouped into the following categories: (1) ownership and execution, (2) governance bodies' review, (3) internal controls and independent review, and (4) external oversight.

7.1 Ownership and Execution

Our CFO is the executive sponsor of our Recovery and Resolution Plans. The head of the RRPO is responsible for coordinating resolution preparedness and leading the development of our Resolution Plans. 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 RRPO and our front line ownership is explained below.

RRPO

The RRPO is the team primarily responsible for coordinating resolution preparedness at the Company and managing the end to end process to develop the Company's Resolution Plans. The RRPO 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 have ownership of 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.

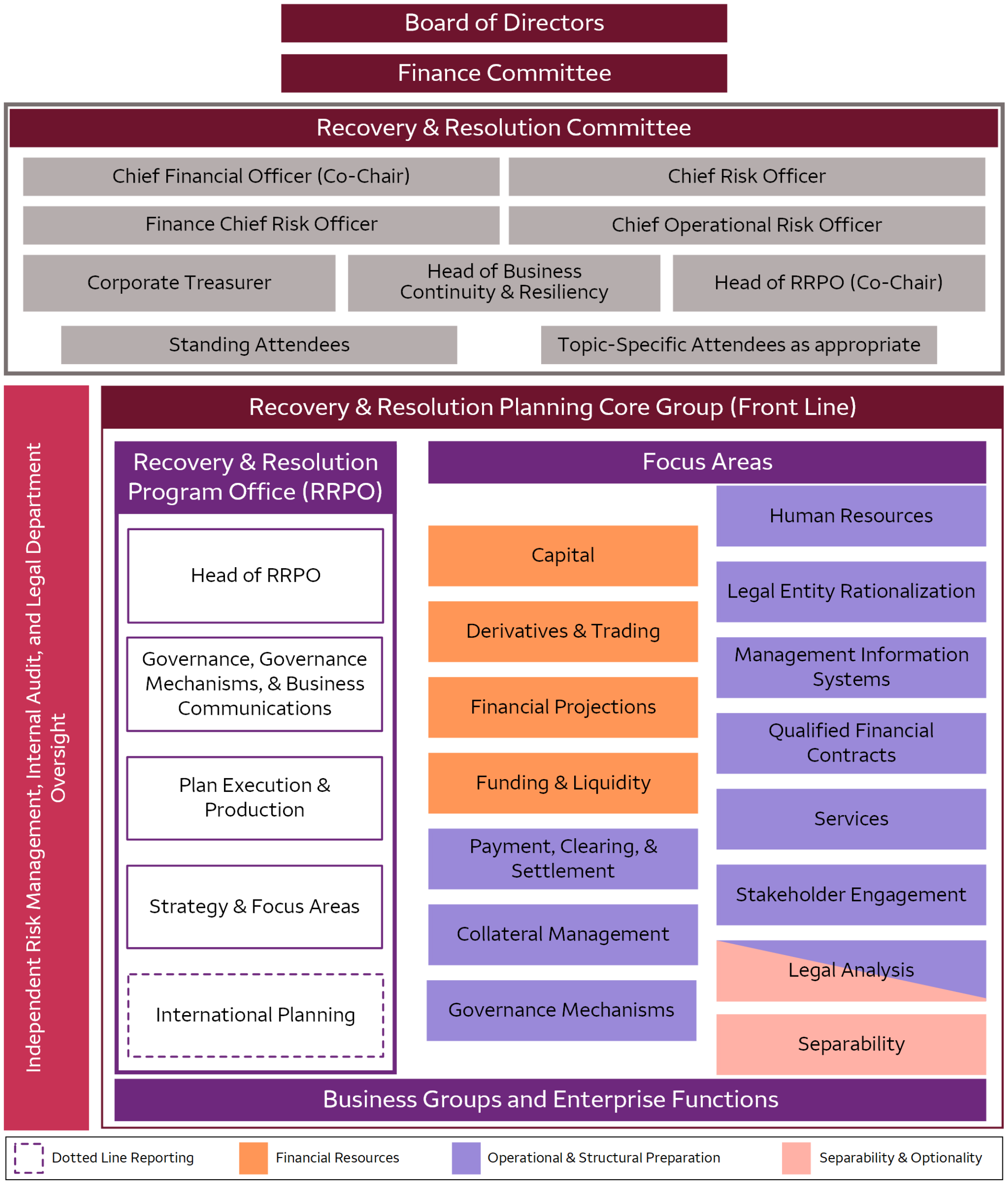
7.2 Governance Bodies

Our Board and senior management 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 management 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 RRPO. The RRC oversees our Preferred Resolution Strategy and related initiatives. In addition to the CFO and the head of the RRPO, members of the RRC also include our CRO; corporate treasurer; Finance chief risk officer, chief operational risk officer, and head of Business Continuity & Resiliency.

The following figure shows our resolution planning governance structure.

Figure 7-1 Recovery and Resolution Planning Governance Structure



Our executive management and senior management 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 7-2 Key Resolution Planning Stakeholders and Responsibilities

Stakeholder	Roles and Responsibilities
Board	The Board oversees the Company's 165(d) resolution planning process and approves the 165(d) Plan, as reflected in Board minutes. The Board delegated the responsibility of providing ongoing oversight of resolution planning to the Finance Committee.
Board Finance Committee	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.
Recovery & Resolution Committee	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 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 as wells as significant changes to the Preferred Resolution Strategy.
Recovery & Resolution Planning Core Group (Core Group)	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 RRPO, the Legal Department, and management-level employees from the resolution focus areas, lines of business, and support functions.

7.3 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 strategic assumptions, an inventory of resolution risks and mitigants, and a formalized process for designating material entities and core business lines.
- Independent Risk Management 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 efforts. The oversight program includes identifying, assessing, monitoring, and reporting of recovery and resolution risks and issues. In addition, Independent Risk Management monitors and evaluates the effectiveness of front line recovery and resolution activities, plans, policies, procedures, controls, and capabilities. Independent Risk Management aligns subject matter experts to each focus area, core business line, critical operation, and material entity, and targets engagement with additional subject matter experts for relevant topics, as appropriate.
- Internal Audit independently oversees whether the risk management, system of controls, and governance processes for preparing the 2021 Targeted 165(d) Resolution Plan are adequate and functioning as intended. 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.

7.4 External Oversight

The following authorities exercise material supervisory or regulatory authority over our material entities:

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

8. Approach to Maintaining Financial Resiliency

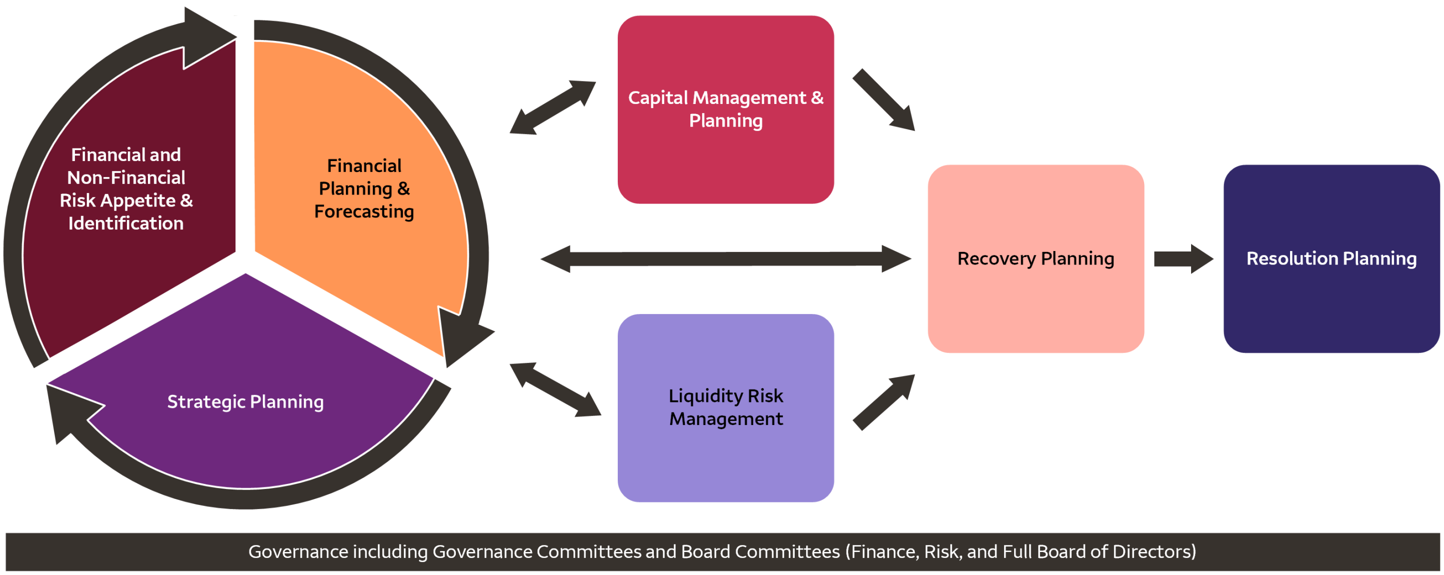
We have a responsibility to our customers, creditors, employees, and the financial system as a whole to remain financially resilient. We also aim to meet and exceed expectations for safety and soundness. Maintaining financial strength means planning for the expected and unexpected. While we believe our financial risk management disciplines have the appropriate measures to monitor and begin a coordinated response upon the onset of financial stress, we must also take the prudent approach to plan for the extreme events that may lead to the Parent's resolution. Our comprehensive resolution planning process adheres to the primary responsibility outlined above by planning for the least disruptive path with enough financial strength to allow core banking operations to continue following the Parent's failure. We consider resolution planning as just one component of a larger group of integrated processes that focus on financial resiliency. Risk management, strategic planning, financial forecasting, capital management, liquidity management, and recovery planning are all part of this financial resiliency process. This section will explain these activities as they are leveraged for the resolution planning process.

A financial institution cannot predict which risks, stressors, or future events could damage its business, but it can set up early warning indicators to help identify the impacts from events as well as plan and be prepared to address them. A financial institution needs to have processes to identify and manage risk, design meaningful triggers and response options, and establish timely and effective response procedures. We believe we are well 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. We take these steps to remain strong and avoid enacting our Resolution Plan.

The following figure shows the integrated processes designed to help us to identify, monitor, and respond to financial stress before it becomes significant enough to bring us to the point of resolution. It also shows the connection of these various activities to resolution planning. While the figure may be linear, our process is not. We purposefully designed our processes to be interconnected so risk, strategic planning, and financial objectives are all taken into consideration. Integrating these processes also allow them to feed into our capital, liquidity, and recovery planning.

We deliberately integrate risk identification and risk appetite, strategic planning, and financial forecasting. These processes form the foundation for capital planning and liquidity planning, which come together in recovery planning. The two directional arrows are important in that they reflect the feedback loop that is necessary to maintain the proper balance of each objective. The financial resiliency process is used both for forward-looking financial risk management planning and in our routine monitoring. Finally, our resolution planning process was not built separately from these core processes, but is an extension of the integrated processes with a shared objective of financial resiliency in expected and unexpected conditions.

Figure 8-1 Key Processes Used to Maintain Financial Resiliency



8.1 Risk Management

Enterprise Risk Inventory

The Enterprise Risk Identification and Assessment program establishes risk identification and assessment 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 risk titles, descriptions, risk 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, and serves as the critical first step in our financial resiliency process through to resolution planning. 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 Board's Risk Committee meet quarterly to review and discuss the Enterprise Risk Inventory.

Risk Appetite (Risk Measurement)

We have a Risk Measurement Policy that aligns with our strategic plan and overall risk capacity. The Risk Measurement Policy sets forth how our risk appetite is established. Risk appetite is the nature and level of risks we are willing to take in pursuit of our strategic and business objectives, while confirming that we operate in a safe and sound manner consistent with applicable laws and regulations. Risk appetite measures and thresholds are set so we do not exceed Companywide risk capacity. Additionally, risk appetite measures (which consist of both quantitative and qualitative assessment criteria) strive to capture exposure to the most significant risks we face.

8.2 Strategic Planning

Our Strategic Plan outlines our long-term goals and overall strategy and serves as a high-level basis for future business decisions. In addition, the annual strategic planning process is designed to help surface and identify our most significant opportunities and challenges, develop options to address them, evaluate the risks and/or trade-offs of each, and articulate the resulting decisions. The planning process integrates financial, liquidity, and capital planning, as well as our Statement of Risk Appetite. Front line employees and Independent Risk Management are involved in the process with the Board ultimately approving the Strategic Plan.

8.3 Financial Forecasting

We have an established nine-quarter forecasting process that projects our financial performance under various macroeconomic conditions, including stress testing. The financial forecast incorporates the priorities and initiatives identified in our Strategic Plan and its output is used to align risk appetite, capital adequacy, and liquidity. The financial forecasting process can both inform and be informed by all other components of our financial resiliency model.

8.4 Capital Management

We have an active program for managing capital through a comprehensive process for assessing the Company's 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 primarily fund our capital needs through the retention of earnings net of both dividends and share repurchases, as well as through the issuance of preferred stock and long-term and short-term debt.

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 to the Board by Capital Management. 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 as well as 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.

The Federal Reserve's capital plan rule establishes capital planning and other requirements that govern capital distributions, including dividends and share repurchases, by certain BHCs, including Wells Fargo. The Federal Reserve assesses, among other things, the overall financial condition, risk profile, and capital adequacy of BHCs when evaluating their capital plans. The Federal Reserve conducts an annual Comprehensive Capital Analysis and Review (CCAR) exercise and has also published guidance regarding its supervisory expectations for capital planning, including capital policies regarding the process relating to common stock dividend and repurchase decisions in the Federal Reserve's SR Letter 15-18. 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.

8.5 Liquidity Risk Management

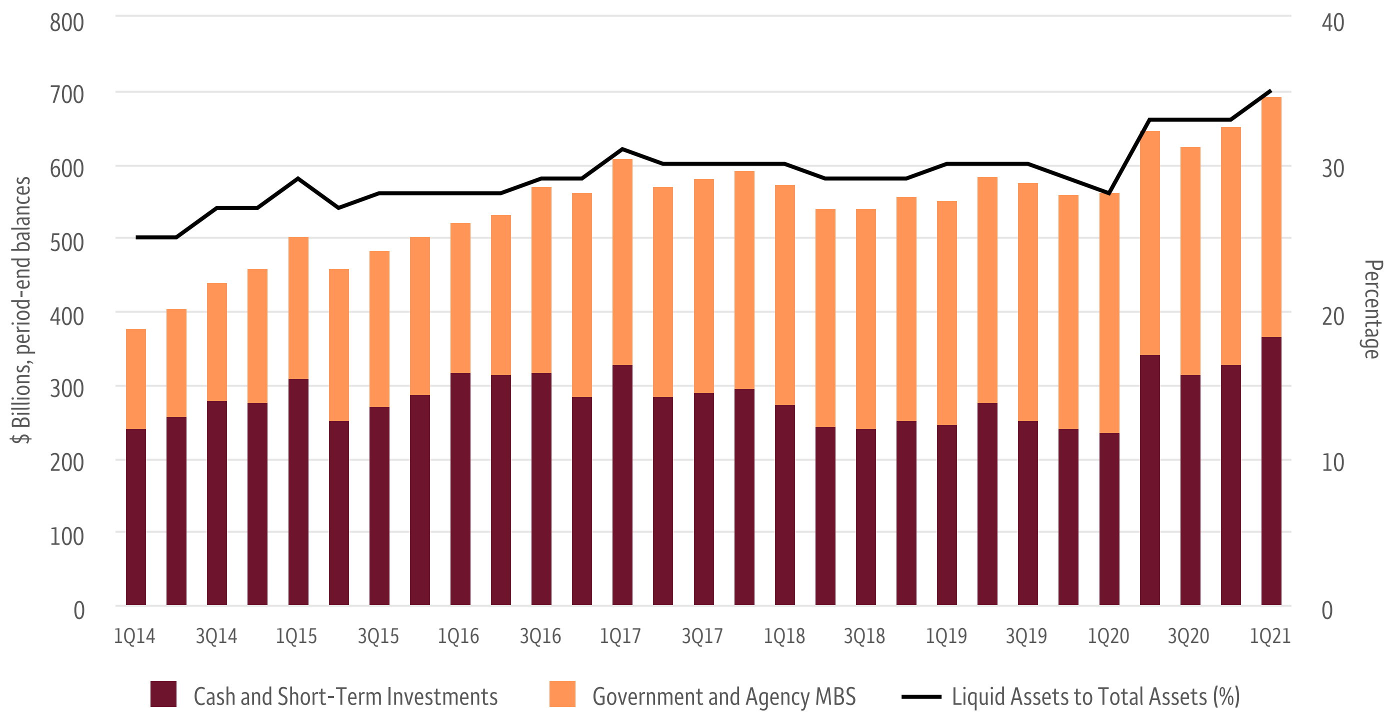
We actively manage our liquidity risk profile in accordance with Wells Fargo's Statement of Liquidity Risk Appetite, Funding and Liquidity Risk Management Policy, and our Contingency Funding Plan (CFP). Our liquidity risk management objective is to meet customer loan requests, customer deposit maturities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

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

- Identifying 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 help ensure operational readiness for liquidity events.

Our available 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. Since the beginning of 2014, we significantly increased our liquid assets as a percentage of total assets, as illustrated in the following figure.

Figure 8-2 Liquid Assets Over Time



Deposits have historically provided a sizable source of relatively stable and low-cost funds. Our deposits were 158% of our total loans as of December 31, 2020. 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 in excess of minimum regulatory requirements by the Board). We maintain operational and governance processes designed to manage, forecast, monitor, and report to management and the Board liquidity levels in relation to regulatory requirements and management metrics and limits. Under this comprehensive process, we perform regulatory-prescribed (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 8-3 **Triggers and Limits for Funding and Liquidity Risk Management**

Liquidity Stress Testing	**Internal Liquidity Stress Test** - Calculation that provides a forward looking view of the Company's liquidity position under three scenarios and over six time horizons **Liquidity Coverage Ratio** - Calculation of the ratio of the Company's high-quality liquid assets compared to its projected net cash outflows over a 30-day period **RLAP** - Calculation of the required amount of liquidity to be positioned at or readily available to material entities to meet unanticipated outflows **RLEN** - Calculation of the amount of liquidity required post-failure to successfully execute the Company's Preferred Resolution Strategy
Market Conditions	Measures of market conditions designed to provide information about how the Company is perceived in the market and about the overall availability of liquidity in the market
Operating Conditions	Measures of internal operating conditions such as unusual deposit outflows that help identify whether the Company is experiencing liquidity stress
Liquidity Risk Composition	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
Buffer Composition	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

8.6 Recovery Plan

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
- Interconnections and interdependencies and how a disruption of these would materially affect the company
- 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 that the company could undertake to restore its financial strength and viability, which includes how it would carry out 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 are sufficiently robust to allow us to avoid resolution.

9. Non-U.S. Operations

We have limited operations outside the U.S. conducted through our subsidiaries and branches. Our international activity is predominantly conducted within the CIB core business line. CIB lines of businesses, including Banking, Markets, and Commercial Real Estate, provide the majority of these services.

The international footprint is managed 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. As previously stated in Section 4, Material Entities, WFBNA-LB and WFBI are our only non-U.S. Operating Material Entities. WFBNA-LB was designated as a material entity because of its role as a critical service provider allowing WFBNA and WFS LLC to use WFBNA-LB to access its memberships with material FMUs. WFBI 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 resolvability is also enhanced by our primarily U.S. footprint, as most of our banking activity takes place in the U.S. Our non-U.S. presence is modest because we generally position ourselves to serve certain U.S. customers as they engage in non-U.S. financial activity rather than attempting to gain new customers in different non-U.S. markets. Thus, our non-U.S. activities are minimal from a financial perspective. For instance, total revenue derived outside the U.S. in 2020 was $1.9 billion, which represented 2.6% of the Company's total revenue. Moreover, non -U.S. loans represented just 8.2% of total consolidated outstanding loans, while non-U.S. deposits made up approximately 3% of total deposits.

10. Financial Information

This section provides additional financial information about us. The following information includes our balance sheet, regulatory capital information, and TLAC.

For additional financial information, please refer to our reports filed with the SEC and available on the SEC's website at www.sec.gov,[13] including our Annual Report on Form 10-K for the year ended December 31, 2020.

Figure 10-1 Company Balance Sheet

Wells Fargo & Company and Subsidiaries Consolidated Balance Sheet	
($ Millions, except shares)	12/31/2020
Assets	
Cash and due from banks	28,236
Interest-earning deposits with banks	236,376
Total cash, cash equivalents, and restricted cash	264,612
Federal funds sold and securities purchased under resale agreements	65,672
Debt securities:	
Trading, at fair value	75,095
Available-for-sale, at fair value (includes amortized cost of $215,533, net of allowance for credit losses)	220,392
Held-to-maturity, at amortized cost, net of allowance for credit losses (fair value $212,307)	205,720
Loans held for sale (includes $18,806 carried at fair value)	36,384
Loans	887,637
Allowance for loan losses	(18,516)
Net loans	869,121
Mortgage servicing rights (includes $6,125 carried at fair value)	7,437
Premises and equipment, net	8,895
Goodwill	26,392
Derivative assets	25,846
Equity securities (includes $34,009 carried at fair value)	62,260
Other assets	87,337
Total assets[(1)]	**1,955,163**
Liabilities	
Noninterest-bearing deposits	467,068
Interest-bearing deposits	937,313
Total deposits	1,404,381
Short-term borrowings	58,999
Derivative liabilities	16,509
Accrued expenses and other liabilities (includes $22,441 carried at fair value)	76,404
Long-term debt	212,950
Total Liabilities[(2)]	1,769,243
Equity	
Wells Fargo stockholders' equity:	

[13] 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.

Wells Fargo & Company and Subsidiaries Consolidated Balance Sheet	
($ Millions, except shares)	12/31/2020
Preferred stock	21,136
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	60,197
Retained earnings	162,890
Cumulative other comprehensive income	194
Treasury stock - 1,337,799,931 shares	(67,791)
Unearned ESOP shares	(875)
Total Wells Fargo stockholders' equity	184,887
Noncontrolling interests	1,033
Total equity	185,920
Total liabilities and equity	**1,955,163**

(1) Our consolidated assets at December 31, 2020, included the following assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs: Debt securities, $967 million; Net loans, $10.9 billion; All other assets, $310 million; and Total assets, $12.1 billion.

(2) Our consolidated liabilities at December 31, 2020, included the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Long-term debt, $203 million; All other liabilities, $900 million; and Total liabilities, $1.1 billion.

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, 2020 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

The following figure provides information about our risk-based capital and related ratios as calculated under Basel III capital guidelines. The Basel III capital requirements for calculating CET1 and tier 1 capital, along with risk-weighted assets (RWA), are fully phased-in. However, the requirements for determining tier 2 and total capital are still in accordance with Transition Requirements and are scheduled to be fully phased-in by the end of 2021.

Figure 10-2 Regulatory Capital Information as of 12/31/20

	Wells Fargo & Company		WFBNA	
$ Millions, except ratios	Advanced Approach	Standardized Approach	Advanced Approach	Standardized Approach
Regulatory capital:				
Common equity tier 1	138,297	138,297	150,168	150,168
Tier 1	158,196	158,196	150,168	150,168
Total	186,934	196,660	164,412	173,719
Assets:				
Risk-weighted	1,158,355	1,193,744	1,012,751	1,085,599
Adjusted average	1,900,258	1,900,258	1,735,406	1,735,406
Capital ratios:				
Common equity tier 1 capital	11.94 %	11.59%[1]	14.83 %	13.83%[1]
Tier 1 capital	13.66 %	13.25%[1]	14.83 %	13.83%[1]
Total capital	16.14%[1]	16.47 %	16.23 %	16.00%[1]
	Wells Fargo & Company		WFBNA	
Regulatory leverage:				
Total leverage exposure[2]	1,963,971		2,041,952	
Supplementary leverage ratio[2]	8.05 %		7.35 %	
Tier 1 leverage ratio[3]	8.32 %		8.65 %	

[1] Denotes the binding ratio based on the lower calculation under the Advanced and Standardized Approaches

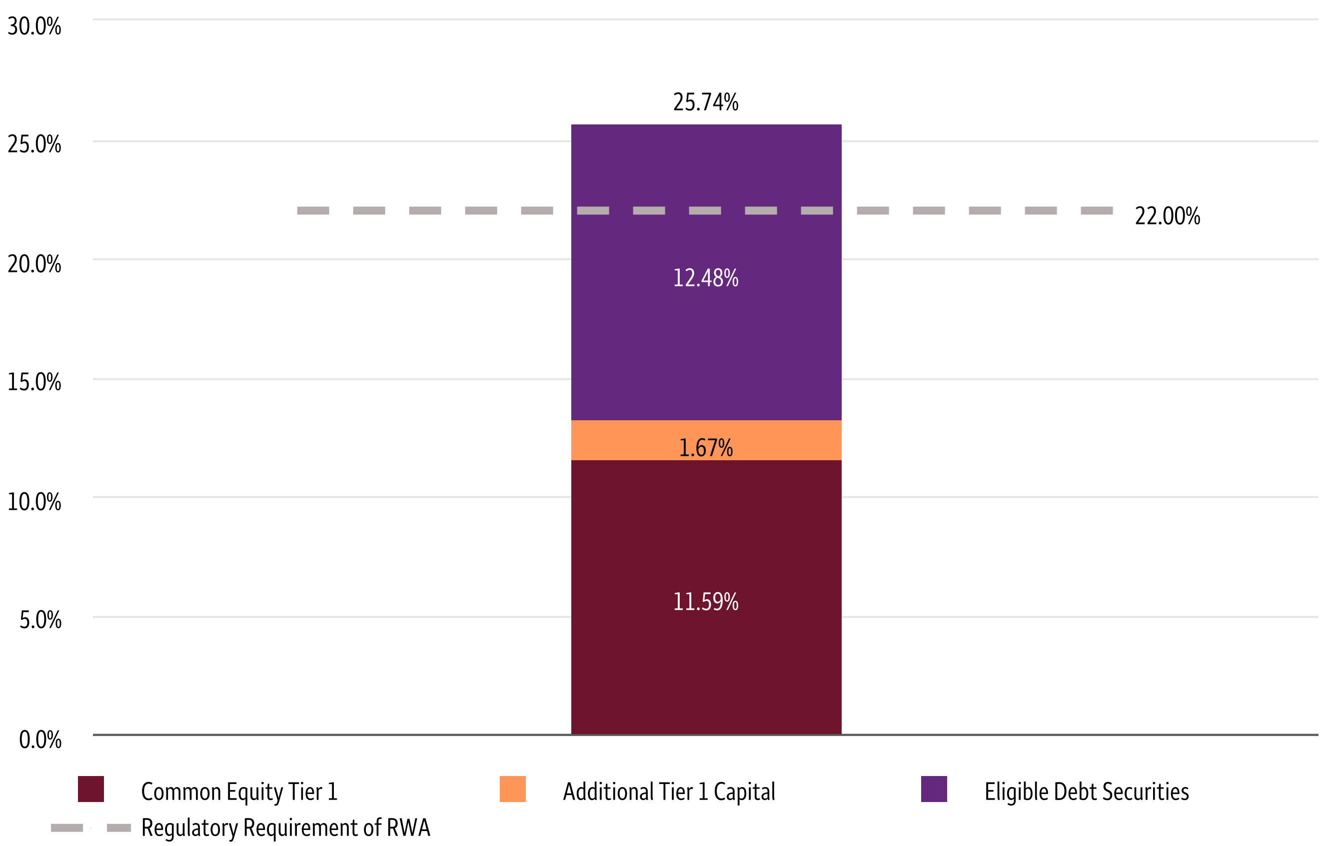
[2] The supplementary leverage ratio consists of tier 1 capital divided by total leverage exposure. Total leverage exposure consists of total average assets, less goodwill and other permitted tier 1 capital deductions (net of deferred tax liabilities), plus certain off-balance sheet exposures.

[3] 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 G-SIB, 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 TLAC. For additional information on the TLAC 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, 2020 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

As of December 31, 2020, our eligible external TLAC as a percentage of total RWAs was 25.74% compared with a required minimum of 22.00%. The following figure demonstrates the breakdown of our external TLAC compared to the regulatory requirement.

Figure 10-3 **External Total Loss-Absorbing Capital (% RWA) as of 12/31/20[1]**



[1] Effective 1/1/2021, the Company's method 1 G-SIB surcharge has decreased to 1.0% which reduces our regulatory requirement to 21.5% of RWA.

11. Identities of Principal Officers

The following figure identifies our principal officers and their positions as of June 29, 2021.

Name	Position
Muneera S. Carr	Executive vice president, chief accounting officer, and controller
William H. Daley	Vice chairman of Public Affairs
Derek A. Flowers	Senior executive vice president and head of Strategic Execution and Operations
Mary T. Mack	Senior executive vice president and CEO of Consumer & Small Business Banking
Amanda G. Norton	Senior executive vice president and chief risk officer
Lester J. Owens	Senior executive vice president and head of Operations
Ellen R. Patterson	Senior executive vice president and general counsel
Perry G. Pelos	Senior executive vice president and CEO of Commercial Banking
Scott E. Powell	Senior executive vice president and chief operating officer
Michael P. Santomassimo	Senior executive vice president and chief financial officer
Kleber R. Santos	Senior executive vice president; head of Diverse Segments, Representation & Inclusion; and interim head of Human Resources
Julie L. Scammahorn	Senior executive vice president and chief auditor
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 head of Technology
Michael S. Weinbach	Senior executive vice president and CEO of Consumer Lending
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 Platform, and Innovation

12. Glossary

Term	Definition
2019 165(d) Plan	The Company's required Resolution Plan, due by July 1, 2019, submitted to the Federal Reserve and FDIC pursuant to Section 165(d) of Title I of the Dodd-Frank Act.
2021 Targeted 165(d) Resolution Plan	The Company's required Resolution Plan, due 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.
Agencies	Collectively, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation.
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 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.
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.
BHC	bank holding company
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.
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.
CCP	Capital Contingency Plan
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 limit triggers, recommend mitigating actions, and monitor and report on the status of liquidity-related actions.
CFTC	Commodity Futures Trading Commission

Term	Definition
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 is broken down into five categories (1) personnel, (2) facilities, (3) systems, (4) third-party vendors 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 corporate functions.
Covered Material Entities	An entity entitled to receive financial support under the Secured Support Agreement, which currently include: WFBNA, WFNBW, WFBI, WFCS, WFS LLC, WellsCap, WFFM, Peony, WFF, WFGTPS, WFIS, WFISP, and WFP.
CRI	Critical Reports Inventory; the Company's inventory of critical reports that is maintained and updated on a semi-annual basis.
critical operation	An operation, including associated operations, services, functions, and support that, if they were to fail or be discontinued, could pose a threat to the financial stability of the United States.
critical personnel	Employees of a legal entity who provide support to other entities and multiple core business lines and critical operations.
critical services	Those services that must remain operational during the recovery and resolution process to facilitate the orderly execution of the Company's Preferred Resolution Strategy.
CRO	chief risk officer
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act (of 2010)
EFAL	Enterprise Financial Assessment Level
ENFA	Enterprise Non-Financial Assessment
Enterprise Services Governance Office	Oversees the Company's Service Delivery Model 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.
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, to help ensure that 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

Term	Definition
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
Governance Playbooks	Guides for the material entity boards and senior management 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 Testing
In-Scope QFCs	Refers to Qualified Financial Contracts as defined under the U.S. Department of Treasury and Federal Reserve and FDIC rules pertaining to the definition and treatment of QFCs for both Recordkeeping and Stay purposes.
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.
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.
Key Role	Key Roles are positions needed to maintain critical operations, critical services, core business lines, and franchise components, as well as to execute Recovery and Resolution Plans (e.g., wind-down, divestiture); they are not generally easily substituted. Their loss, as Wells Fargo experiences adverse conditions, could deprive Wells Fargo of necessary leadership, customer relationship management, unique skills, or other transition support.

Term	Definition
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 to help ensure that the Company's legal entity organizational structure, (1) promotes the best alignment of legal entities and business lines and (2) facilities 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.
MIS	management information systems
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.
Operating Material Entities	WFBNA, WFBNA-LB, WFNBW, WFBI, WFCS, WFS LLC, WellsCap, WFFM, 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
PCSO	Payment, Clearing & Settlement Office; the office responsible for interactions with FMUs and agent banks before and during resolution.
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 smaller and less complex national bank, focusing on retail, wealth management, and core wholesale banking capabilities.
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 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.

Term	Definition
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.
RDD	reverse due diligence; the Company conducted a detailed and thorough RDD analysis to help confirm that its divestitures are legally, financially, and operationally separable, and to determine the impact that such divestitures would have on the remaining franchise. The Company leverages its business as usual RDD process to demonstrate that the business and portfolio sales are actionable in stress, including recovery or resolution. The RDD process is similar to the acquisition due diligence process, but is performed on the Company's business, rather than on a target company.
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.
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.
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.
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.
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.
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 Resolution Planning Policy, approving changes to key elements, 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.
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.

Term	Definition
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	A relational database with flexible query and reporting capabilities that contains the following services-related data: Service Taxonomy, service components used to perform services in the Service Taxonomy, legal entity providing and receiving service components and services, and service linkages to recovery and resolution planning-specific elements.
Service Delivery Model	The Service Delivery Model identifies what services are performed across the Company, how they are performed, and who provides and receives the services.
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.
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.
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.

Term	Definition
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 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."
WellsCap	Wells Capital Management Incorporated
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
WFFM	Wells Fargo Funds Management, LLC
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.