

# FRB Consent Order Implementation Report

12/5/11

## Section 3 – Enterprise Risk Management

### Consent Order Requirement – 3c

**The plan shall, at a minimum, be designed to: establish limits for compliance, legal, and reputational risks and provide for regular review of risk limits by appropriate senior management and the board of directors or authorized committee of the board of directors.**

Status: Complete

### Requirements Summary

Wells Fargo has established a corporate risk appetite framework including metrics for operational risk. These were developed under the direction of Wells Fargo's Chief Risk Officer, reviewed with the Risk Committee of the Board of Directors, revised based on the input of the Committee, and finalized at a recent meeting of the Committee. A copy is attached.

These limits form an important part of the Operational Risk reporting requirements which were introduced in the 3rd quarter for all Wells Fargo businesses, and which are required in the 4th quarter (for reporting on 3rd quarter activities). A copy of the required reporting template is attached. In addition, the businesses involved in residential mortgage lending will monitor performance against the parameters in the Statement and report on and review performance as part of the existing senior management risk committees established to govern residential mortgage lending businesses. The first report and review will occur prior to the end of 1Q12 and quarterly thereafter.

### Supporting Artifacts

Corporate level Statement of Risk Appetite & Governance Protocols



New Operational Risk Reporting Template – see page 4 Risk limits)



Risk Appetite – Q2 2011 Tolerance vs. Actual Levels 06302011 – Risk Book

