

MIFIDPRU 8 DISCLOSURES

For the period ended March 31, 2025

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2. Introduction

2.1. About this document and its background

This is our MIFIDPRU 8 disclosure requirement as referred to in the Wise plc FY2025 Annual Report and Accounts (MIFIDPRU 8 Group Disclosure Report). Admittedly, it's not a light read. But transparency is at the heart of everything we do, so we want to make it clear we're not hiding anything behind the dense language and jargon. We've ensured that everything you might need to know about our financial health, risk management, governance arrangements and salaries are in the following pages. It's all there.

This document provides disclosures on a consolidated basis for Wise plc ("the Company") and its subsidiaries ("Wise Consolidation Group", "the Group") as of 31 March 2025. Wise plc is the parent entity of the Wise Consolidation Group, which includes Wise Payments Limited, an FCA authorised E-Money Institution with registration number (FRN 900507) and Wise Assets UK Limited (a wholly owned subsidiary of Wise Investment Holdings) an FCA firm authorised to carry out investment services under Part 4a of the Financial Services and Markets Act 2000 (FSMA) (FRN 839689).

Wise Assets UK Limited is classified as a non-SNI firm, based on not meeting the criteria of an SNI firm as per MIFIDPRU 1.2.1R, with Wise plc group complying with MIFIDPRU on a consolidated basis to the extent required. Wise has voluntarily chosen to comply with MIFIDPRU 8 on a consolidated basis and has made this disclosure as if the Wise Consolidation Group were a non-SNI firm. The Group performed its Internal Capital Adequacy and Risk Assessment (ICARA) in line with the MIFID Investment firm prudential sourcebooks (MIFIDPRU) in accordance with the Investment Firm Prudential Regulation (IFPR) regime.

The annual disclosures made by Wise Consolidation Group, are designed to comply with the requirements of the FCA non-SNI MIFIDPRU Investment Firm disclosures. Additional disclosures are made in accordance with supervisory expectations regarding future disclosures and to aid understanding of the activities of Wise Consolidation Group.

This document gives details of the governance structure, risk management policy, own funds and capital requirements, and remuneration policy of Wise Consolidation Group. The document has not been independently verified and should not be relied upon in making any judgements in respect of the financial position of the Wise Consolidation Group.

The most recent audited financial statements of Wise Consolidation Group are as at 31 March 2025. These can be accessed at <https://wise.com/owners/results-reports-presentations>.

2.2. Regulatory Context

The FCA Prudential sourcebook for MIFID Investment Firms (MIFIDPRU) sets out the framework governing the amount and nature of financial resources that investment firms must maintain. The rulebook is binding on any MIFID investment firm authorised and regulated by the FCA.

The disclosure framework in MIFIDPRU 8 covers:

- Governance arrangements
- Risk management objectives and policies
- Own funds
- Own funds requirement
- Remuneration policies and practices
- Investment Policies

2.3. Basis of preparation and frequency of disclosure

The disclosures of Wise Consolidation Group and Wise Assets UK Limited are in line with the disclosure requirements as stated in MIFIDPRU 8 of the FCA Handbook which applies to MIFID investment firms. Wise Assets UK Limited entity disclosures are published later in the year once the entity audit is finalised. The information provided in this disclosure report must be read in conjunction with the most recent Wise Consolidation Group Annual Report that is produced under IFRS.

In complying with the disclosure rules, Wise has provided a level of detail in its qualitative disclosures that is appropriate to its size and internal organisation, and to the nature, scope, and complexity of its activities.

Wise publicly makes its disclosure report on an annual basis on the date it publishes its annual report. However, where particular circumstances demand it, Wise will make more frequent disclosures.

Wise Consolidation Group does not apply methodologies which require special approval by the Regulators (FCA). The responsibilities for disclosures are principally owned by the CFO with material input from the Finance, Risk, Company Secretariat and People teams. Overall, Wise believes that its disclosures presented throughout this report (when read in conjunction with the most recent annual report), appropriately detail the overall risk profile of the Wise Consolidation Group and have been reviewed and approved by the Wise plc board.

2.4. Company Structure & Business activities

As of 31 March 2025, Wise plc is the ultimate holding company of Wise Consolidation Group and is subject to consolidated supervision by the FCA in the UK due to the authorisation held by Wise Assets UK Limited as a MIFIDPRU investment firm, a wholly owned subsidiary of Wise plc.

The accounting consolidation for the annual financial statements includes all the entities of the Wise Consolidation Group and is prepared under IFRS. The table below provides a list of the Wise Consolidation Group entities and their respective jurisdictions:

Name	Nature of business	Effective holding % of Ordinary shares	Country	Registered address
Wise Europe SA	Online currency exchange service	100%	Belgium	Rue du Trône 100/Lvl 3, Ixelles, 1050 Brussels, Belgium
Wise Payments South Africa (Pty) Ltd	Dormant	100%	South Africa	WeWork, 155 West Street, Sandown, Sandton, Gauteng, South Africa, 2031
Wise Switzerland AG	Dormant	100%	Switzerland	Talacker 41, 8001, Zürich
Wise Payments Limited	Online currency exchange service	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise Newco Holdings Limited	Holding company	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise Newco Limited	Dormant	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise Assets Europe AS	Investment activities	100%	Estonia	Kopli tn 68a, Põhja-Tallinna linnaosa. Tallinn, Harju maakond, 10412 Estonia
Wise ILS Ltd	Online currency exchange service	100%	Israel	POINT BY AZRIELI, Azrieli Sarona Tower, 121 Menachem Begin Street, Floor 59, Office 72, Tel Aviv, 6701203, Israel
Wise Financial Holdings Ltd*	Holding company	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise Investments Holdings Ltd	Holding company	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise Nuqud Ltd	Online currency exchange service	100%	United Arab Emirates	WeWork @ Hub71, 15-141, level 15, Al Khatem Tower, Adgm Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
Wise Fintech Network LLC	Online currency exchange service	100%	United Arab Emirates	Boulevard Plaza, Tower 1, Level 9, Office 15, Sheikh Mohammed Rashid Blvd, Dubai
Wise Australia Pty Ltd	Online currency exchange service	100%	Australia	Suite 1, Level 11, 66 Goulburn Street, Sydney NSW 2000, Australia
Wise Australia Investments Pty Ltd	Investment activities	100%	Australia	Suite 1, Level 11, 66 Goulburn Street, Sydney NSW 2000, Australia
Wise China Ltd	Online currency exchange service	100%	China	Room 2162, Floor 21, Mirae Asset. No. 166 Lujiazui Ring Road, Pudong, China (Shanghai), Pilot Free Trade Zone, 200120
Wise Payments Hong Kong Ltd	Online currency exchange service	100%	Hong Kong	Unit 1922, 19/F., China Building, 29 Queen's Road Central, Hong Kong
Wise Financial Services Hong Kong Limited	Online currency exchange service	100%	Hong Kong	Unit 1922, 19/F., China Building, 29 Queen's Road Central, Hong Kong

Name	Nature of business	Effective holding % of Ordinary shares	Country	Registered address
Wise Payments India Private Ltd	Online currency exchange service	100%	India	B/105, The Capital, G-Block, Plot C-70, Bandra Kurla Complex, Bandra East Bandra (East), Mumbai, Bandra, Maharashtra, 400051
Vaho Forex Private Ltd	Online currency exchange service	100%	India	4/55 Wea Saraswati Marg, Karol Bagh, Delhi 110005, India
PT Wise Payments Indonesia	Online currency exchange service	100%	Indonesia	GoWork, Plaza Indonesia Mall, Lantai 5, Jl. M. H. Thamrin Kav 28-30 RT. 009 RW. 005 Gondangdia, Menteng, Menteng, Kota Adm. Jakarta Pusat, DKI Jakarta, 10350, Indonesia
Wise Payments Japan K.K.	Online currency exchange service	100%	Japan	WeWork Nippon Life Nihonbashi Building, 2-13-12, Nihonbashi, Chuo-ku, Tokyo
Wise Payments Malaysia Sdn. Bhd.	Online currency exchange service	100%	Malaysia	Level 13A-6, Menara Milenium, Jalan Damanlela,, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia
Wise Malaysia Assets Sdn. Bhd.	Investment activities	100%	Malaysia	Level 13A-6, Menara Milenium, Jalan Damanlela,, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia
Wise Pilipinas Inc.	Online currency exchange service	100%	Philippines	WeWork 30 th Floor Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Bel-Air, Makati City 1226, Philippines
Wise Asia-Pacific Pte Ltd	Online currency exchange service	100%	Singapore	2 Tanjong Katong Road, #07-01, PLQ 3, Singapore 437161
Wise Singapore Assets Pte Ltd	Investment activities	100%	Singapore	2 Tanjong Katong Road, #07-01, PLQ 3, Singapore 437161
Wise Payments Korea Ltd	Dormant	100%	South Korea	WeWork Yeouido Station, 22F, 83 Uisadang-daero, Yeouidodong, Seoul
Wise Payments (Thailand) Ltd	Dormant	100%	Thailand	999/9, The Offices at Central World, Common ground zone, G Floor, Unit C08, Rama I Road, Pathumwan Sub-district, Pathumwan District, Bangkok
Wise Payments Holdings (Thailand) Limited	Holding company	100%	Thailand	No. 87/1 Capital Tower All Seasons Place, 16 th Floor, Unit 1 1604- 6, Witthayu Road Lumpini, Pathumwan, Bangkok
Wise Payments New Zealand Limited	Dormant	100%	New Zealand	Level 11, 41 Shortland Street, Auckland, 1010, New Zealand.
Wise Brasil Corretora de Câmbio Ltda.	Online currency exchange service	100%	Brazil	Rua Girassol, 555, 1 andar, Vila Madalena, Cidade de São Paulo, Estado de São Paulo, 05433-001, Brazil
Wise Brasil Instituição de Pagamentos Ltda.	Online currency exchange service	100%	Brazil	Rua Girassol, 555, 1 andar, Vila Madalena, Cidade de São Paulo, Estado de São Paulo, 05433-001, Brazil
Wise Payments Canada Inc	Online currency exchange service	100%	Canada	99 Bank Street, Suite 1420, Ottawa, ONK1P 1H4, Canada
Wise Chile SpA	Online currency exchange service	100%	Chile	Rosario Norte 407, Office 1601, Las Condes, Chile
Wise Pagos Mexico, S.A. de C.V.	Online currency exchange service	100%	Mexico	WeWork Reforma Latino Av. Paseo de la Reforma 296, Juárez, Cuauhtemoc, 06600 Ciudad de México, CDMX, Mexico

Name	Nature of business	Effective holding % of Ordinary shares	Country	Registered address
Wise Assets UK Limited	Investment activities	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise Assets Nominees Ltd	Investment activities	100%	UK	1 st Floor, Worship Square, 65 Clifton Street, London, EC2A 4JE, United Kingdom
Wise US Inc	Online currency exchange service	100%	USA	30 W. 26 th St, Sixth Floor, New York NY NY 10010, United States

* Directly held by the Company

2.5. Materiality

In line with Wise Consolidation Group's disclosure process, there may be some cases where the Group omits certain disclosures due to immateriality, the information being proprietary or the information being confidential. In cases where this information is omitted, a dedicated and planned process is followed in accordance with the terms of reference of the Group's Disclosure Committee.

2.6. Location and verification

The Wise MIFIDPRU 8 Group Disclosure Report provides detail as required by MIFIDPRU 8. Wise publicly makes its disclosure report on an annual basis on the date it publishes its annual financial statements. However, where particular circumstances demand it, Wise plc considers it appropriate to make more frequent disclosures.

For full disclosure, this document should be read in conjunction with the Wise plc Annual Report. The MIFIDPRU 8 Group Disclosure Report is published on the company's website at <https://wise.com/owners/results-reports-presentations>.

3. Governance Structure

3.1. Board Structure & Committees

In line with MIFIDPRU 8.3, Wise has defined its governance arrangements below. The following lists are the names, positions and external directorships of the Directors as at 31 March 2025.

Name	Position	No. of External Directorships
David Wells	Chair	3
Kristo Käärman	Chief Executive Officer	2
Emmanuel Thomassin	Chief Financial Officer (Appointed 1 October 2024)	6
Terri Duhon	Independent Non-Executive Director	7
Clare Gilmartin	Senior Independent Non-Executive Director	2
Alastair (Alex) Rampell	Non-Executive Director	20
Hooi Ling Tan	Independent Non-Executive Director	1
Ingo Uytdehaage	Independent Non-Executive Director	2
Elizabeth Chambers	Independent Non-Executive Director	6

Executive Management Team

The Wise Group operates a functional management structure with key roles and responsibilities reporting to the CEO. Each area of responsibility reports to the CEO except for the General Counsel and Chief Risk Officer who report to the CTO, and the Global Head of Internal Audit who reports to the CFO. The CRO and Global Head of Internal Audit also have joint reporting into the Board for independence purposes.

The following changes occurred with respect to the Leadership Team of Wise during the year:

- After the resignation of Matthew Briers as CFO, Kingsley Kemish, Senior Finance Director, was appointed as Interim CFO effective from 25 March 2024. Following a considered recruitment process, Emmanuel Thomassin was appointed as CFO effective from 1 October 2024.
- Following the resignation of Ben Steyn as Chief Compliance Officer (“CCO”) on 31 December 2024, Ser-Jin Lee assumed the position of Interim CCO whilst an executive search is being conducted for an appropriate replacement.

Corporate Governance

The Board is committed to high standards of corporate governance and, as such, has established a nomination committee, a remuneration committee, a disclosure committee, and an audit and risk committee. If the need should arise, the Board may set up additional committees as appropriate. The Board delegates the day-to-day responsibility of running the Group to the CEO, who has in turn established his Leadership Team to enable him to discharge his obligations. The Leadership Team is responsible for setting Wise’s vision, overseeing key metrics, creating and sustaining the culture and environment for Wise and Wisers to thrive, and allocating resources and accountability at a high level.

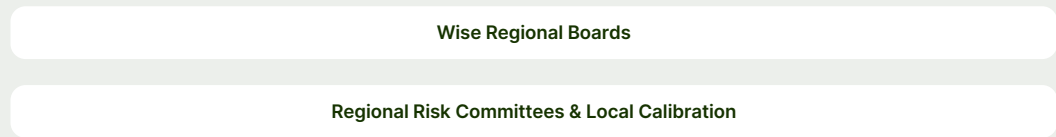
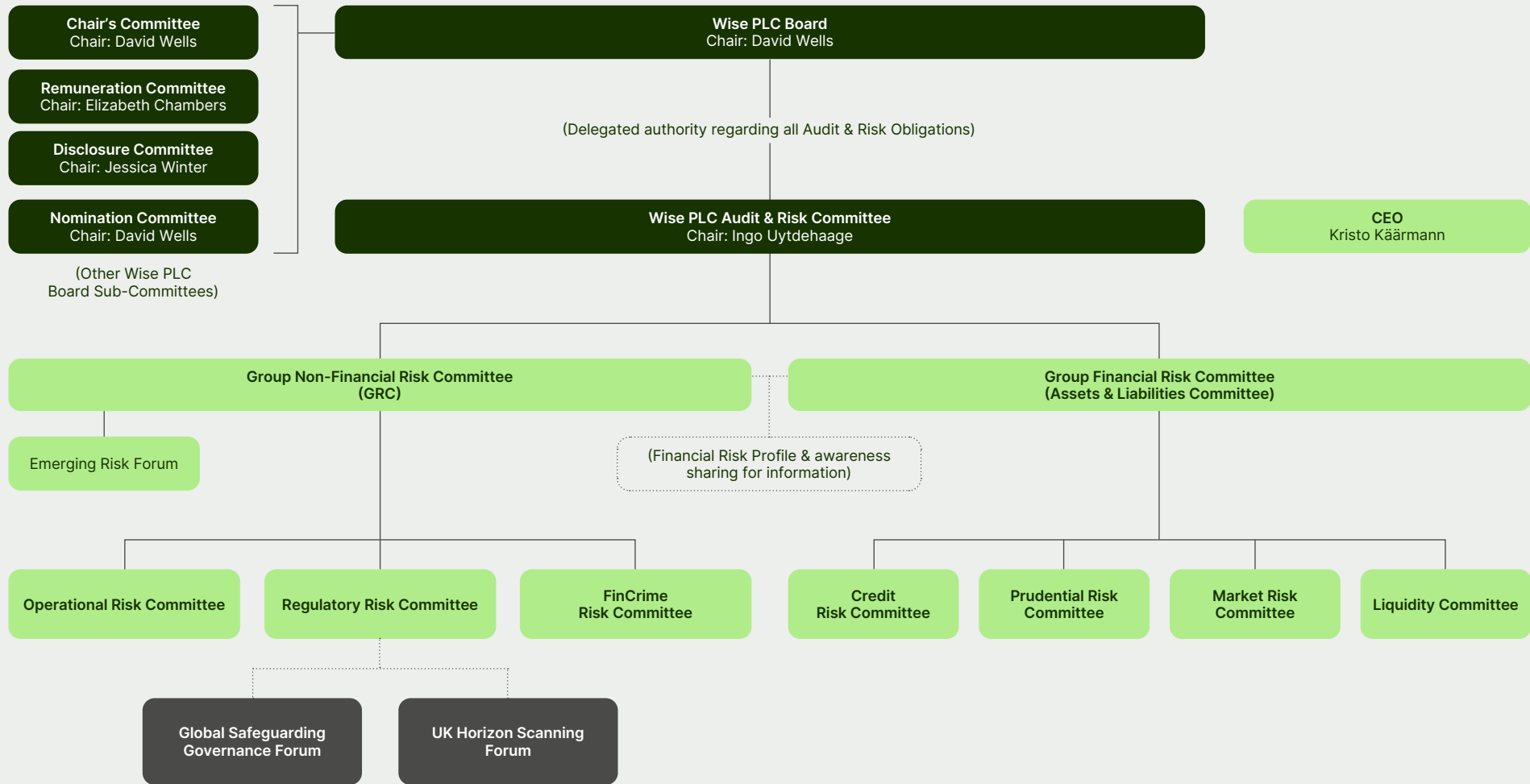
All of the Board Non-executive Directors have significant experience in their fields and hold roles outside Wise plc. Controls are in place to ensure that suitable arrangements are made where a Director’s external position or personal financial interests could come into conflict with their duties as a Director of Wise plc. Each Director is required to notify the Board of any actual or potential situational or transactional conflict of interest and to update the Board with any changes to the facts and circumstances surrounding such conflicts. In accordance with the Companies Act 2006, the UK Corporate Governance Code and the Company’s Articles of Association, we have a conflicts of interest policy in place to ensure that all Directors adhere to the highest standards.

Under MIFIDPRU 8 rules, Wise plc is required to have a board-level risk committee. The CEO has also established various management risk committees that provide oversight, challenge and advice on risk matters, which in turn have established their own sub-committees.

The committees are:

- Group Risk Committee (“GRC”)
- Financial Crime Risk Committee*
- Operational Risk Committee
- Regulatory Risk Committee
- Assets and Liabilities Committee (“ALCO”)
- Credit Risk Committee
- Prudential Risk Committee
- Market Risk Committee
- Liquidity Risk Committee
- Emerging Risk & Strategic Forum

* The CEO has also established various management risk committees that provide oversight, challenge and advice on risk matters, which in turn have established their own sub-committees.



- Tier 1 Markets:
- United Kingdom (Wise Payments Limited)
 - Europe (Wise Europe SA)
 - Australia (Wise Australia Limited)
 - North America/United States (Wise US Inc.)

● Wise Board + NEDs ● Group Risk Committees ● Sub-Committees ● Regional Boards (NEDs for Au; EU)

Board Diversity Policy

The Board aspires to have diverse representation:

- A. Female/male parity on the Board is the ultimate goal, with a commitment to have no less than 40% female representation on the Board;
- B. At least one director is from an ethnic minority background¹;
- C. A female appointed to at least one of the senior board positions of Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer;

while recognising that periods of change in Board composition may result in temporary periods when this balance is not achieved.

As at 31 March 2025, the Board's composition meets the above policy provisions.

The aspiration for diverse representation applies equally to Board committees and appointments to committees are made with all of these aspects in mind.

3.2. Risk Governance Structure

Appropriate governance of risks provides assurance to the Board that risks are being identified across the business and managed adequately.

Wise Consolidation Group manages risks by adopting a Three Lines of Defence ("3LoD") model. It sets out the roles and responsibilities we all play in the management of risks at Wise, providing clear accountability across all areas of the business. Effective implementation of the 3LoD ensures that there are appropriate controls in place which safeguard against material business risks and breaches in legal, regulatory and compliance requirements.

3.3. Governance Hierarchy

In order to embed the 3LoD model at Wise, the company has in place a robust risk governance hierarchy which promotes a top-down and bottom-up approach to the flow of risk control oversight and management.

The Board is responsible for monitoring the effectiveness of the Group's risk management and internal control systems, and oversight of this has been delegated to the Board Audit and Risk Committee ("ARC"). The ARC reviews key trends and metrics relating to the Group's principal financial and non-financial risks, whilst also considering key emerging risks that have the potential to impact both the Mission and the Company in general. This oversight includes challenging management on key actions to manage and mitigate risk and the embedding of a positive risk culture across the Group.

In addition to the work of the ARC, the CEO has established appropriate risk committees that provide further governance, oversight and advice to the ARC and senior management as set out in section 3.2.

¹. As defined in the Parker review.

4. Risk Management

4.1. Risk management objectives

As a global provider of financial services our operating environment at Wise is dynamic, causing our risk landscape to constantly evolve as we build and operate products to achieve our Mission.

This requires our risk strategy to be nimble and our frameworks to be adaptive to the challenges we face. Our Enterprise Risk Management Framework (“ERMF”) underpins our overall Mission, with our risk principles and strategy acting as a key enabler in how we achieve this Mission.

The objective of the ERMF is to provide a structured approach to identifying, assessing, managing and monitoring risks across Wise. It outlines how Wise designs, implements, evaluates, improves and integrates risk management throughout the business on a consistent and reliable basis.

There are key risk management principles which underpin our approach to risk management at Wise:

Proactive Identification: Continuously identify, assess, and anticipate risks across all business lines and activities including emerging risks.

Comprehensive Assessment: Conducting thorough analysis to understand the nature, severity, and potential impact of identified risks and effectiveness of control environment through application of consistent frameworks.

Integrated Approach: Fostering a culture where risk awareness is embedded in decision making and business operations, and there is a feedback loop from incidents, monitoring and other processes, continually informing our risk position.

Transparency: Emphasis on open communication, transparency of risk issues and learning from mistakes rather than assigning blame, fosters an environment where all Wiser’s feel empowered to identify and address potential risks and issues proactively.

Continuous Improvement: Regularly review and enhance risk management processes, tools, strategic prioritisations and controls to adapt to changing market conditions, strategy and regulatory requirements.

Balanced approach: We recognise that accepting calculated exposure to risks is essential for innovation and growth, and ensure that it is done in a manner to minimise impact to customers and safeguard long term viability of Wise as well as interest of our shareholders.

4.2. Risk Strategy

Our risk management Principles are actively embedded across the business (and enable our Wise strategy) through the following risk management approach.

Positive tone from the top	Risk mitigation is a fundamental pillar of our product design and managers should encourage their team to execute on the risk management processes.
Empowered Employees	All employees are encouraged by their managers to actively identify, report, and mitigate risks within their areas of responsibility with emphasis on fixing problems rather than assigning blame. This improves the chances that risks are identified and mitigated early.
Open Communication	Transparent communication channels facilitate the sharing of risk information, concerns, and best practices across the organisation. This principle aligns to our core value of transparency. We don’t just talk about our risks within Risk Committees, we make our risk information available to all Wisers, and are open with each other in the way we talk about risk and what our plans are to mitigate it.
Accountability	Risk owners and Principal Risk Owners are clear about their accountability and authority to take decisions necessary to manage or mitigate risks.
Risk Awareness and Training	Ongoing training and education programs enhance employees’ understanding of risk management principles, processes, and best practices.
Effective Governance	Appropriate governance structures, including risk committees and oversight functions, help ensure risks are discussed, challenged and escalated in a timely manner.
Continuous Improvement	Lessons learned from risk events (incidents) and near misses are used to enhance risk management processes and controls.

Regulatory Compliance	Commitment to compliance with regulatory requirements, with proactive measures taken to address emerging regulatory challenges.
Ethical Conduct	Adherence to high ethical standards and integrity in all business dealings, with zero tolerance for unethical behaviour or misconduct that may compromise our reputation or financial stability

Through proactive risk identification, comprehensive assessment, and agile mitigation measures, we are committed to safeguarding the interests of our customers and stakeholders as we seek to achieve our Mission. How Risk will support each of our key mission pillars is summarised in the following table.

Mission Pillar	How risk management processes are an enabler...
Price	Govern the management of financial risks and operating losses which directly impact prices we can offer our customers.
Convenience	Thoughtful risk management can avoid ineffective controls that could inconvenience customer's experience of Wise.
Speed	Effective and automated controls enable instant payments and money movement.
Transparency	We are open about our risks and how we manage them.

4.3. Risk Appetite

Risk appetite is defined as the amount and types of risk the business is prepared to take in pursuit of its strategic objectives and business plan. It reflects the business strategy and guides the business in its decision making and day-to-day activities.

Risk appetite reinforces a strong risk culture whereby risk is taken consciously and methodically, and material risks are managed to levels that preserve financial and operational resilience and ensure the ongoing confidence of customers, regulators and investors.

Group Risk Appetite Statements ("RAS") are set by the Wise plc Board to exercise governance over the risk exposures of the business.

As part of management information and risk governance reporting, the GRC, ALCO and ARC have regular (quarterly) oversight on performance of the business against our risk appetite as set out in their respective terms of reference. In the event any risk is in breach of the appetite limits set by the Board, this must be escalated to the ARC, with clear remediation plans.

4.4. Risk reporting & Governance

Reporting of the performance against our risk management framework follows a defined and robust risk governance structure set out in the Enterprise Risk Management Framework and is supported by our Group Risk Governance Framework, seen in the Governance structure section. In order to embed our Three Lines of Defence ("3LoD") model at Wise, we have in place a governance hierarchy which promotes a top-down and bottom-up approach to the flow of risk and control oversight and management.

All members of the Leadership Team are part of the GRC and are material risk takers for Wise Leadership Team members also take key membership and governance chair roles across ALCO, GRC and subordinate fora.

Our risk governance structure is also supported by regional risk committees that consider our risk position in each location and support the overall Group Risk Governance Framework in managing risk across Wise through oversight and escalation. Our Licensed Entity Boards also play a vital role in the management and oversight of local risk and compliance obligations for the Licensed Entity. We also have dedicated safeguarding and horizon scanning forums that oversee and ensure we are protecting customers' money appropriately and remain aware of upcoming regulatory changes.

Refer back to the diagram in the Governance section of this disclosure to review the Risk Committee structure at Wise plc.

4.5. Board Declaration

The Wise plc Board is the ultimate governing body responsible for the Enterprise Risk Management Framework and overall risk oversight, including resource, culture and capability. The Board is fully accountable for the approval of the risk appetite statements and risk management approach.

4.6. Risk Profile

When we consider our business activities across Wise, we are subject to a broad range of risk areas that have the potential to negatively impact our Mission or provide opportunities for exploration. These risk types can be categorised across two key risk types, Financial Risks and Non-Financial Risk.

4.6.1 Financial Risk

Financial risk refers to those events which can impair an organisation's ability to meet its financial obligations as a consequence of the exposure to financial transactions under adverse situations such as market volatility, credit quality deterioration or changes in customer behaviours. Managing financial risk is paramount to ensuring stability and delivery of our Mission while adhering to regulatory standards and preserving trust. At Wise, we categorise these into three significant areas of risk – Liquidity Risk, Credit Risk and Market Risk.

By proactively managing our Financial Risk, Wise can hold capital and liquidity sufficient to withstand distressed situations, while continuing to comply with regulatory and internal adequacy requirements on a spot and forward looking basis, whilst also facilitating strategic decision-making by providing insights into risk exposure, enabling prudent allocation of resources and adaptation to market changes.

4.6.2 Non-Financial Risk

Non-financial risk refers to those risk types that do not directly involve the risks of financial transactions or market fluctuations but can still impact the operations, reputation, or sustainability of the Wise Group. Non-financial Risk encompasses a wide range of factors, including operational, strategic, compliance, reputational, and environmental risks. At Wise, we categorise these into two significant areas of risk – Regulatory Compliance Risk and Operational Risk.

Operational Risk: Loss resulting from inadequate or failed internal processes, people and systems.

Compliance (including Financial Crime, Conduct & Regulatory) Risk: Compliance with laws, regulations and ethical standards, including the risk we fail to create the mechanisms by which to detect and prevent financial crime.

4.6.3 Principal Risks

Our Principal Risks and mitigation strategies are reviewed annually and are disclosed to key stakeholders in the Wise plc Annual Report.

Principal risks represent events or circumstances that have been identified as having the greatest potential to threaten Wise's business model, future performance, solvency or liquidity, and reputation. In deciding which risks are principal risks, Wise considers the potential impact and probability of the related events or circumstances, and the timescale over which they may occur.

Therefore, while the risk taxonomy contains a comprehensive and logically structured list of risks that may affect the business, the five principal risks below provide an overview of those risks or combinations of risks which the Board considers the most important:

- **Financial crime and fraud**

Financial crime risk covers any failure on the part of the business to detect and prevent customers using our services for financial crimes, such as money laundering, bribery and corruption and other fraudulent activity. Fraud risk is the possibility of the organisation, its customers, or both, being subject to fraudulent activity. This can come either from within (by Wisers) or externally (by individuals abusing our services and/or our customers while they use our services).

- **Cyber security**

Cyber security risk refers to the effectiveness, availability, integrity and security of IT systems in the face of the risk of either external or internal security compromise. The almost exclusively digital nature of our business means that cyber security risks are particularly acute. They are central to our operational considerations – even where risk appears minimal.

- **Operational resilience**

This is the risk that Wise is vulnerable to an internal or external incident which has the capacity to adversely affect our ability to provide important business services to consumers or wider market participants.

- **Liquidity management**

The risk that Wise does not have the right type and quantity of funds, in the right place, at the right time, and in the right currency to meet liabilities as they fall due.

- **Regulatory risk**

The risk that Wise fails to comply with applicable requirements as a group of regulated entities with licences to provide our products and services globally.

4.7. Risk of Harms Assessment

As part of our risk management process and in order to produce a reasonable estimate of the own funds needed (in line with MIFIDPRU 7) to address any potential material harms that the Group, its customers and the industry face, a risk identification process which takes into account the causes of harms to our customers, the market participants, stakeholders and industry overall is performed by Wise.

This process involves

- Mapping the causes of harms identified to each level 4 risk categories that exist in our risk taxonomy.
- Assessing the existence and validity of harms for each level 4 risk.
- Identifying gross harm and controls in place.
- Assessing the potential impact before and after controls as well as the likelihood of the risk materialising.
- Where the controls do not sufficiently mitigate the risks, we assess reasonably the amount of capital required based on stress testing risks and estimating severe but plausible exposure.

Overall, the Group is aware of the potential for harms associated with its business strategy, against its clients, the industry and the firm. In particular the Group acknowledges risks in IT, security, privacy, third party vendors, and financial crime prevention. Further information regarding the Group's risk strategies and processes to manage each of the categories can be found in the Risk Management section of the Wise plc Annual Report.

5. Own Funds

5.1 Regulatory composition of Own Funds

As required by MIFIDPRU 3.2, the Group's total own funds ("capital") is the sum of its:

- Common Equity Tier 1 capital ("CET1"), which is comprised of common shareholders' equity, after deducting disallowed items and other adjustments;
- Additional Tier 1 capital, which is comprised of other qualifying capital instruments; and
- Tier 2 capital, which consists of long term qualifying subordinated debt and preferred shares.

Wise Common Shareholder's Equity consists of 1,025,000,252 Class A Ordinary shares valued at £0.01 per share, with an overall value of £10,250,002.52; and 243,584,255 Class B Ordinary Shares valued at £0.000000001 per share, with an overall value of £0.24. Currently the Group has no Additional Tier 1 or Tier 2 instruments.

As of 31 March 2025, the Group's total CET1 capital was £1,386.2m (2024: £980.0m) before deductions and £1,297.5m (2024: £870.5m) after regulatory deductions, including audited current year profits.

The table below provides a summary of the Group's own funds and regulatory deductions as

	2025 £m	2024 £m
Share capital and share premium	10.2	10.2
Share-based payment reserves	299.4	306.5
Retained earnings	753.3	388.3
Current Year Profit	416.7	354.6
Other reserves	(93.4)	(79.7)
CET1 Capital (Pre Regulatory Deductions)	1,386.2	979.9
Regulatory Deductions		
Intangible Assets	4.0	6.5
Deferred Tax Assets	84.7	103.0
Total Regulatory Deductions	88.7	109.5
Common Equity Tier 1 Capital	1,297.5	870.4
Tier 2 Capital	0.0	0.0
Total Available Regulatory Capital	1,297.5	870.4

5.2 Deductions from CET1

1. Intangible Assets

Relate to internal software development costs that are capitalised when they meet certain criteria under IFRS as well as other intangibles such as licenses or domain purchases.

2. Deferred tax assets

Related to future tax benefits and deducted when they rely on future profitability, in accordance with MIFIDPRU 3.3.6R. As most deferred tax items rely on future profitability we deduct our total deferred tax asset balance in the calculation of qualifying capital.

5.3 Current year audited profits

As at the date of publication of this report, the current year profits have been independently audited and verified and are therefore included in CET1.

Further information on the composition of CET1 is also provided in the Appendix of this document.

6. Own Funds Requirements

6.1 Introduction

As per MIFIDPRU 7.4.7R, the Group must at all times hold adequate own funds to ensure that:

- It remains viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- That its business can be wound down in an orderly manner, minimising harm to consumers or to other market participants.

6.2 Own Funds Requirement

Wise Group as non-SNI firm is subject to a variable own funds requirement according to MIFIDPRU 4.3 that is the highest of:

- Its permanent minimum capital requirement, which given the consolidation of the Wise Group, also includes the base capital requirements of entities within the consolidation group. Wise Assets UK Limited is classified as a Non-SNI MIFIDPRU firm, with a permanent minimum capital requirement of £750,000 under MIFIDPRU 4.4. When including the requirements of other entities, the Group's permanent minimum requirement totals £6,400,241 as of 31 March 2025.

Or

- Its fixed overheads requirement ("FOR") under MIFIDPRU 4.5. FOR is equal to one quarter of the firm's relevant expenditure. Given the growth in relevant expenditure, FOR is now calculated on a forecast basis. As at 31 March 2025, audited 31 March 2025 FOR has been used.

Or

- Its K-Factor Requirement ("KFR") under MIFIDPRU 4.6. Wise has assessed all K-factors and has deemed applicable to the Group only the following:
 - K- Assets Safeguarded and Administered (K-ASA),**
 - K- Net Position Risk (K-NPR)** and
 - K- Daily Trading Flow (K-DTF).**

The Group's FOR results from the accounting framework ("IFRS") used by the Group and the most recent annual financial statements. It equals to a quarter of the Group's relevant expenditure during the financial year.

The FOR is also intended to calculate a minimum amount of capital that an MIFIDPRU investment firm would need to have available to absorb losses if it has cause to wind down or exit the market.

The group has assessed the wind-down cost of the group for FY25 separately and this has been calculated to be lower than the FY25 FOR.

The table below provides details of the K-factors that are applicable to the Group as at 31 March 2025, according to MIFIDPRU 8.5.

	2025 £k	2024 £k
Sum of K-AUM, K-CMH and K-ASA	1,538	695
Sum of K-COH, K-DTF	108	60
Sum of K-NPR, K-CMG, K-TCD and K-CON	38,339	21,707
Consolidated K-Factor Requirement	39,985	22,462

The table below provides the Own Funds Requirement calculation for the Group as of 31 March 2025.

	2025 £k	2024 £k
Highest of:		
Permanent Minimum Requirement	6,400	6,187
K-Factor Requirement	39,985	22,462
Fixed Overhead Requirement	219,764	151,342
Own Funds Requirement	219,764	151,342
Eligible Capital Available	1,297,511	870,445
Excess eligible Capital over Own Funds Requirement	1,077,747	719,103
Own Funds Requirement surplus buffer	590.41%	575.15%

The Group is required to have own funds (capital) that satisfy all the following requirements:

- CET1 capital ratio greater than 56% of the Group's own funds requirement;
- Sum of CET1 and AT1 greater than 75% of the Group's own funds requirement; and
- Firm's own funds must be equal or greater than 100% of the Group's own funds requirement.

With Eligible Capital only composed by CET1, all the above criteria are met at all times and forecasted to be fulfilled in the future.

The Group's approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule is to calculate both the own funds requirement and eligible capital figures as detailed above on a monthly basis at minimum. As well as monitoring of early warning indicators, these are compared to prior period calculations, internal metrics and external guidelines.

7. Remuneration Policy and Practices

Wise's Remuneration Policy has been designed to attract, retain, and motivate world-class talent in order to deliver our mission and long term sustainable success.

Our remuneration principles are consistent across the Group. We aim to ensure that our reward packages for all employees (both executives and the wider global Wise team) are market competitive and we undertake regular market benchmarking to support this objective. All permanent employees at Wise receive share awards, to enable a culture of ownership, alignment to our wider shareholders and a focus on the long term growth of Wise.

The current Remuneration Policy is underpinned by the following four principles:

1. We believe it is critical to the delivery of our mission that we can attract, motivate and retain the very best global technology talent. We operate in a highly competitive global marketplace for talent, comprising publicly listed and private global FinTech and technology companies as well as traditional Financial Services companies, and competition for talent is intense. It is therefore crucial for Wise to continue to offer competitive total compensation.
2. We have a long-term mission and are focused on creating sustainable value for shareholders. Our compensation is therefore weighted towards the long-term and has a high equity component.
3. We believe our employees should be shareholders in Wise to further align their success with that of all shareholders. In practice, this means that a substantial component of our compensation is variable and delivered in shares.
4. Remuneration arrangements take into account (i) our listing in the UK; (ii) the provisions of the 2018 UK Corporate Governance Code; (iii) regulatory requirements; and (iv) general investor expectations.

7.1 Remuneration Committee

The Remuneration Committee comprises at least three Independent Non-Executive Directors.

- Elizabeth Chambers (Chair of Remuneration Committee)
- David Wells (Chair of the Board)
- Ingo Uytdehaage (Chair of Audit and Risk Committee)

During FY2025, there have been no changes in the composition of the Remuneration Committee.

In order to support the Remuneration Committee, the following are regular attendees:

- Global Head of Reward;
- Chief Executive;
- Chief People Officer and
- Group Company Secretary.

The Remuneration Committee meets regularly with our advisors and holds Independent Non-Executive Director only sessions. No individual takes part in any decision in relation to his or her own remuneration and no member of the Remuneration Committee has any personal financial interest (other than as a Wise Owner) in the decisions made by the Remuneration Committee, nor do they have any day-to-day involvement in running the business.

The Remuneration Committee has key responsibilities relating to remuneration matters for the Group as a whole, including the following:

- Overseeing the design of remuneration policies and practises which support Wise's business vision, aligned with all relevant regulatory requirements and promote long-term sustainable success;
- Determining the Group's approach to Executive Director remuneration in the context of company culture and employee remuneration, approving appropriate levels of remuneration for Executive Directors and also the members of the Company's Senior Leadership team within the terms of the agreed Remuneration Policy; and
- Overseeing the Group's employee share schemes.

For more information on the Remuneration Committee's Terms of Reference visit <https://wise.com/owners/>

7.2 Remuneration Philosophy

Wise's remuneration principles outline the structure of remuneration arrangements globally, ensuring alignment with Wise's vision and long-term sustainable success, as well as adhering to our guiding cultural principles of transparency and fairness. These principles form part of Wise's Risk Management Framework.

There are a number of bodies who are responsible for remuneration at Wise:

- The Group Head of Reward is responsible for developing Wise's approach to reward, remuneration principles and Policy, managing the day-to-day implementation of this.
- The Wise Board approves the recommendations from the Remuneration Committee regarding the Wise's Remuneration Policy and principles.
- Wise's Remuneration Committee sets the remuneration for the Chair of the Company, Executive Directors, Senior Executive Group and Wise Assets UK Material Risk Takers, in accordance with the Principles and Provisions of the UK Corporate Governance Code ('Code') and UK regulatory remuneration rules. The Remuneration Committee also oversees the policies and frameworks in place for remuneration for the wider company, including the review of available data relating to pay gaps or disparity (such as gender pay gap information or pay ratio analysis).

External advisors

In February 2023, following a comprehensive tendering process, the Remuneration Committee appointed Deloitte LLP to be its independent advisors on executive remuneration. Deloitte LLP is a founding member of the Remuneration Consultants Group and, as such, voluntarily operates under its Code of Conduct in relation to executive remuneration matters in the UK. The Committee is satisfied that the advice it has received from Deloitte LLP is independent and that the engagement partner and team that have provided remuneration advice do not have connections with the Company that might impair their independence. The fees paid to Deloitte LLP in FY2025 in relation to advice provided to the Committee were £154,000. Deloitte also provided tax advisory services to Wise during FY2025.

7.3 Pay & Performance

Fixed remuneration

This element of pay is designed to attract, motivate and retain employees to deliver our mission and long term sustainable success.

Base salaries are normally reviewed annually, with increases at the discretion of the Company and the Remuneration Committee. When setting base salaries, the Company takes into account a number of factors including (but not limited to):

- skills and experience of the individual
- the size, scope and complexity of the role
- salary increases across the team, function and Company
- salary levels for comparable roles in other similarly sized companies globally

An out-of-cycle review may be conducted if it is deemed appropriate. Performance of the firm and business units is not taken into account when setting fixed remuneration.

Any incoming employees are hired at market competitive salaries. Pension contributions (if market applicable) for employees are aligned with the wider employee base in the country where the individual is based. Competitive, cost-effective benefits are given based on the market in which the employee is employed.

Share based compensation

In line with the principle of weighting remuneration towards the long-term and aligning with the Company mission and shareholder success, share based compensation is granted to all employees. Awards are based on role and level within the Company.

Executive director remuneration

Annual bonus

We do not award annual bonuses across the Company, however we do have the ability to do so for Executive Directors as a part of the Directors' Remuneration Policy, for example if the Remuneration Committee believed it necessary to recruit and, or motivate Leadership or for succession reasons. No bonuses have been given to date in FY25 and further details of the policy are set out in the Annual Report and Accounts.

Long-term incentive plan (LTIP)

Executive Directors are eligible to participate in the Hybrid LTIP. The LTIP award opportunity is split between:

- Performance shares with a maximum opportunity of 325% of salary, subject to the achievement of performance targets over a three-year period, with a two-year post-vesting holding period. In the year to 31 March 2025, Relative TRS, Volume Growth and Customer NPS targets were used to measure performance.
- Restricted shares with a maximum opportunity of 325% of salary. These shares will vest in equal annual tranches over three years, subject to continued employment and the satisfaction of appropriate performance underpins. Each tranche is subject to a two-year post-vesting holding period.

Shares from vested LTIP awards must be held for a further two years to help ensure that performance delivered over the performance period is sustainable.

Executive Directors are subject to share ownership guidelines of 300% of base salary, and this requirement will continue for two years post cessation of employment.

Risk Adjustment

Risk adjustment is any downward adjustment made to variable remuneration.

For ex-ante risk adjustment, Wise monitors the company's identified risks and performs an assessment to determine whether any adjustments to the planned stock grants are required. Prior to the grant of each quarterly stock batch, an assessment of the appropriateness of the proposed awards is submitted to the Remuneration Committee. The assessment must evidence that the awards are appropriate from all financial, risk and people perspectives.

Ex-post risk adjustment refers to the adjustment of variable remuneration to take account of a specific crystallised risk or adverse performance outcome including those relating to misconduct. Ex-post risk adjustments include reducing current year awards as well as the application of malus and clawback.

Malus and Clawback

Variable remuneration awards made to employees or Executive Directors under the respective Policies, including annual bonus, deferred bonus shares and share awards, may be subject to malus and clawback provisions, where applicable.

Malus refers to the reduction, including to nil, of unvested or unpaid awards. Clawback refers to the recovery of any value delivered in connection with the award. Malus can be applied at the discretion of the Remuneration Committee, and clawback provisions can be triggered in cases defined in the applicable contractual terms, including in summary: circumstances of misconduct or failure to meet appropriate standards of fitness and propriety, errors or material misstatements resulting in overpayment or over-allocation of awards, material failures of risk management, responsibility for conduct that resulted in significant losses, an instance of corporate failure affecting the Company or entities representing a material proportion of the group or behaviour resulting in material reputational damage.

For Executive Directors, awards are subject to Clawback for five years from the date of grant in line with the time horizon for Executive Director LTIP awards. For other Wisers, awards will be subject to Clawback for four years from the date of grant in line with the total time horizon for stock awards. In the case of top-up and bridging grants, where the time horizon may be shorter than four years, awards will be subject to Clawback from the date of grant to when the award has fully vested, although the Remuneration Committee retains discretion in the case of material harm to extend this to the full four years.

The Remuneration Committee will ensure that robust mechanisms are operated to ensure that these provisions are enforceable.

Wise does not have a particular severance pay policy, with any scenarios evaluated on a case by case basis.

7.4 Aggregate quantitative information on remuneration

The following remuneration components were awarded in the year ended 31 March 2025 and are included in the below information:

- Base Salary
- Other allowances (including non-pensionable supplements);
- Remuneration delivered in equity;
- Pension Contributions (or cash in lieu thereof);
- Severance payments
- Other Benefits

2025 Aggregate Remuneration – Wise Consolidation Group

	Fixed Pay £k	Variable Pay £k	Total £k	No. of Beneficiaries
Wise plc Board (incl. NEDs)	1,649	3,000	4,649	9
Leadership Team (Non-Board)	2,528	7,041	9,569	10
Other SMFs & MRTs	1,268	781	2,049	7
Total Staff Remuneration	354,312	58,440	412,752	6,151

Material Risk Takers (MRTs) are defined based on those registered as FCA Authorised Positions with Wise Assets UK Limited. The selection of MRTs is reviewed on an annual basis by Reward, Compliance and Risk teams, using the MRT identification methodology approved by the Remuneration Committee in November 2024. This considers how the criteria from SYSC 19G 5.3 and SYSC 19G.5.5 aligns to Wise's internal structure, and where the ultimate risk impact is managed.

8. Investment Policy

The disclosure obligations relating to an Investment Policy outlined in MIFIDPRU 8.7 do not apply to the Group. As of 31st March 2025, the Group does not own any shares in external companies; therefore an investment policy has not been developed.

9. Appendix

The table below shows the composition of our regulatory own funds as at 31 March 2025 (in the format prescribed in MIFIDPRU 8.4.1R). The Group did not opt for any transitional provisions and the amounts below are consistent to IFRS accounting standards followed in the Group's financial statements.

Cross reference columns serve as a link between the two tables.

Table 1
Composition of regulatory own funds (OF1)

Item	Amount (£k)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1 OWN FUNDS	1,297,511	
2 TIER 1 CAPITAL	1,297,511	
3 COMMON EQUITY TIER 1 CAPITAL	1,297,511	
4 Fully paid up capital instruments	10,250	a
5 Share premium	0	
6 Retained earnings	1,170,033	b, c, d
7 Accumulated other comprehensive income	(93,448)	e, f, g, h
8 Other reserves	299,367	i
9 Adjustments to CET1 due to prudential filters	0	
10 Other funds	0	
11 (-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	(88,691)	j, k
19 CET1: Other capital elements, deductions and adjustments	0	
20 ADDITIONAL TIER 1 CAPITAL	0	
21 Fully paid up, directly issued capital instruments	0	
22 Share premium	0	
23 (-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	0	
24 Additional Tier 1: Other capital elements, deductions and adjustments	0	

Item	Amount (£k)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
25 TIER 2 CAPITAL	0	
26 Fully paid up, directly issued capital instruments	0	
27 Share premium	0	
28 (-) TOTAL DEDUCTIONS FROM TIER 2	0	
29 Tier 2: Other capital elements, deductions and adjustments	0	

Table 2

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements (OF2)

	A	B	C
	Balance sheet as in published/ audited financial statements (£m)	Under regulatory scope of consolidation (£m)	Cross- reference to template OF1
	2025	2025	
Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements			
1 Deferred tax assets	84.7	84.7	j
2 Property, plant and equipment	115.9	115.9	
3 Intangible assets	4.0	4.0	k
4 Trade and other receivables	386.4	386.4	
5 Current tax assets	15.0	15.0	
6 Short-term financial investments	4,654.9	4,654.9	
7 Derivative financial assets	2.5	2.5	
8 Cash and cash equivalents	13,982.8	13,982.8	
9 Total Assets	19,246.2	19,246.2	
Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements			
1 Trade and other payables	17,624.6	17,624.6	
2 Provisions	37.7	37.7	
3 Deferred tax liabilities	4.0	4.0	
4 Borrowings	99.4	99.4	
5 Derivative financial liabilities	3.7	3.7	
6 Current Tax Liabilities	4.4	4.4	
7 Lease liabilities	86.2	86.2	
8 Total Liabilities	17,860.0	17,860.0	

	A	B	C
	Balance sheet as in published/ audited financial statements (£m)	Under regulatory scope of consolidation (£m)	Cross- reference to template OF1
	2025	2025	
Shareholders' Equity			
1 Share capital	10.2	10.2	a
2 Equity merger reserve	(8.0)	(8.0)	e
3 Share-based payment reserves	299.4	299.4	i
4 Own shares reserve	(69.1)	(69.1)	f
5 Other reserves	(2.1)	(2.1)	g
6 Currency translation reserve	(14.2)	(14.2)	h
7 Prior year retained earnings	742.9	742.9	b
8 Current Year Audited Profit	416.7	416.7	c
9 Recycling of share-based compensation equity to retained earnings on exercise	10.4	10.4	d
10 Total Shareholders' equity	1,386.2	1,386.2	
Own funds: main features of own instruments issued by the firm			
1 Directly issued Class A Ordinary share capital	10.2	10.2	
2 Directly issued Class B Ordinary share capital	0	0	
Total	10.2	10.2	



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