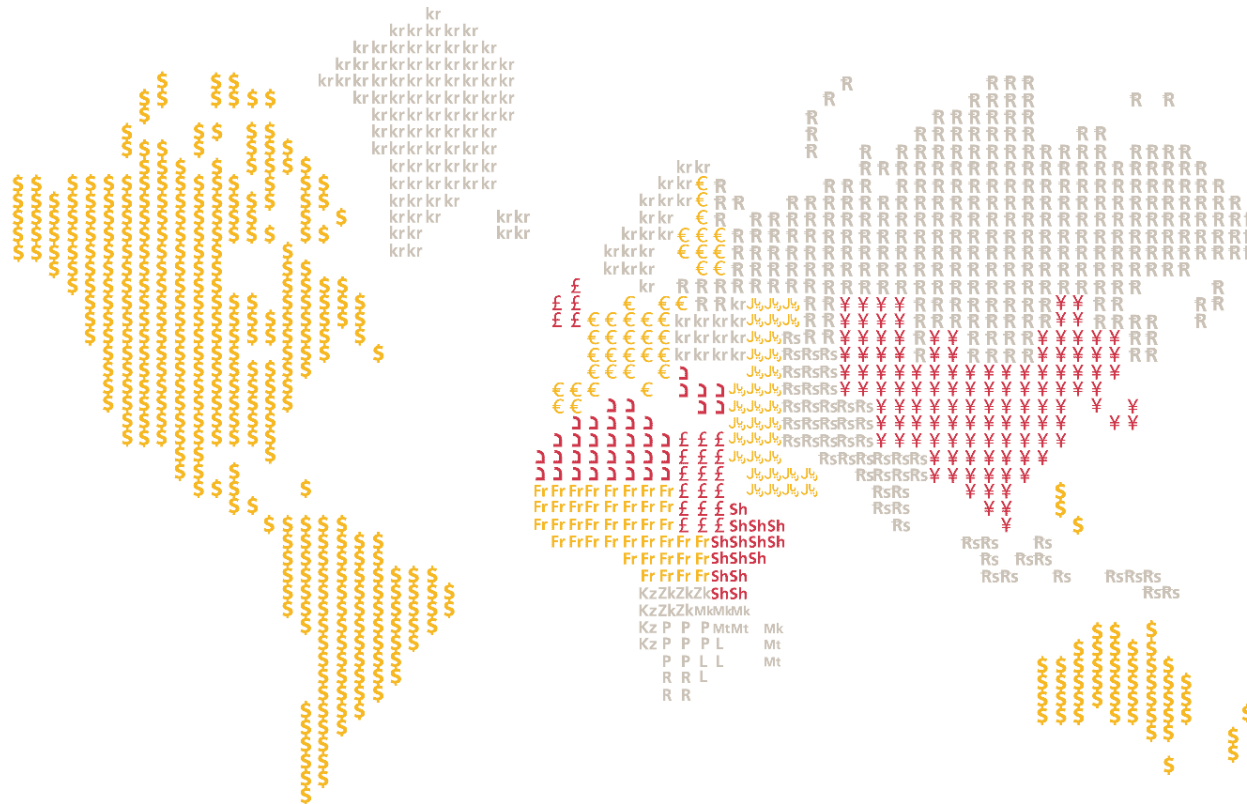


DRAFT

WELLS
FARGO



ANZ – WF Block Chain POC

Multi-Staged Proposal

Mayur Chheda – Global Product Management

Confidential and Restricted Document

Together we'll go far

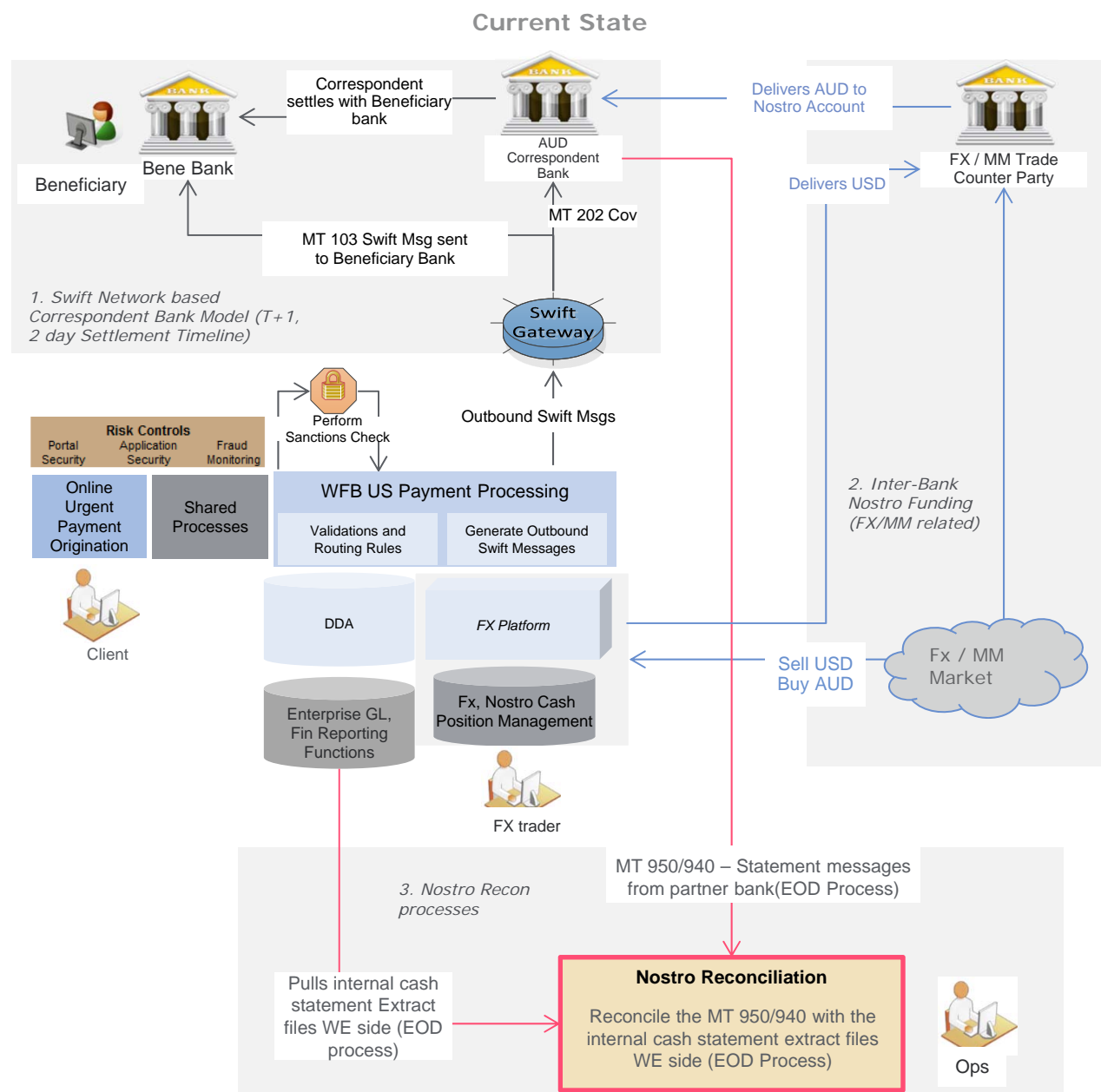


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E2E Business Architecture: Cross Border, FX Settlement between Banks

Opportunity to Innovate:

1. Swift based Correspondent Bank Network
 - ~4 MM cross border payment transactions using Swift based Correspondent Bank Network
 - Settlement in 1-2 days depending on CCY, Originating and Bene Bank location, etc.
 - Manage Nostro relationships and maintain routing rules
2. Interbank (Nostro) Funding
 - 100s of Nostro Accounts across the globe. Cash monitoring and projections maintained throughout the day
 - FX / MM Settlement and counter party trades
3. Nostro Account Recon (Financial Risk Control)
 - majority of Nostro transactions reconciled overnight automatically.
 - Unmatched transactions resolved with manual effort. Breaks may be due to delay in fee assessment by correspondent bank, time delay in settlement or other reasons.



Proposal for POC and Pilot

Consider Multi-Stage Approach

Proof of Concept:

- Stage 1 – Proof of Technology (30-90 Days effort?)
- Stage 2 – Use TEST Accounts for Proof of Concept with Minimal Technology
Interface to Production Systems (90 Days effort?)

Proof of Business Use (effort tbc)
Thinking we need to focus on the outcomes we want to achieve with this, and then discuss the best way to make this happen – may be test accounts but may also be achieved through another means...

Pilot:

- Stage 3 – Pilot parallel process with Production Accounts and Interface to
Production Systems (6-12 Month effort?)

Stage 1: Set up Block Chain Ledger

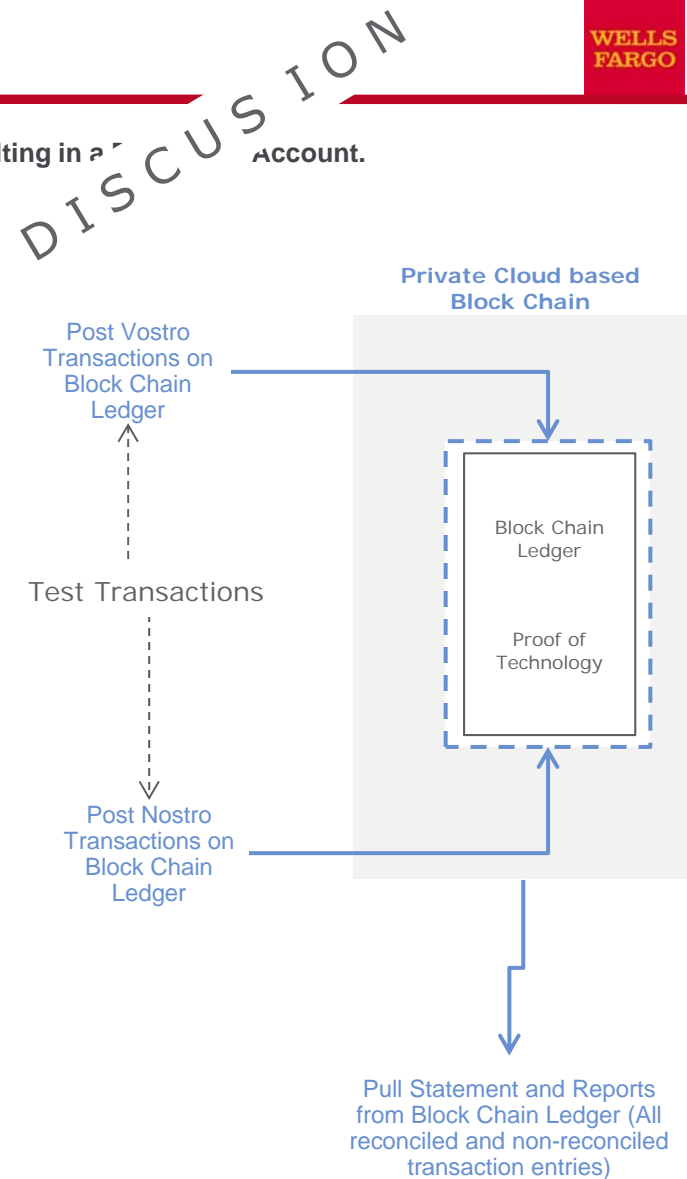
Scenario: Direct Transactions in Single CCY between ANZ and WF, resulting in a ² Account.

Scope:

- ✓ Set up the distributed ledger on a private cloud based technology platform.
- ✓ Build business logic to match transactions and generate report/statements
- ✓ Post test Nostro and Vostro transactions in parallel on Ledger.
- ✓ Confirm Nostro and Vostro transactions on the Ledger
- ✓ Review reports/statements to validate the transactions

Success Criteria:

1. Successfully post transaction on the Block Chain Ledger
2. Successfully confirm settled transactions on the Blockchain Ledger.
3. Successfully validate the Block Chain Ledger generated reports and statements.



60-90 Days Implementation and Testing Time (?)

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Potential Patent Document.

Stage 2: Test Business Processes

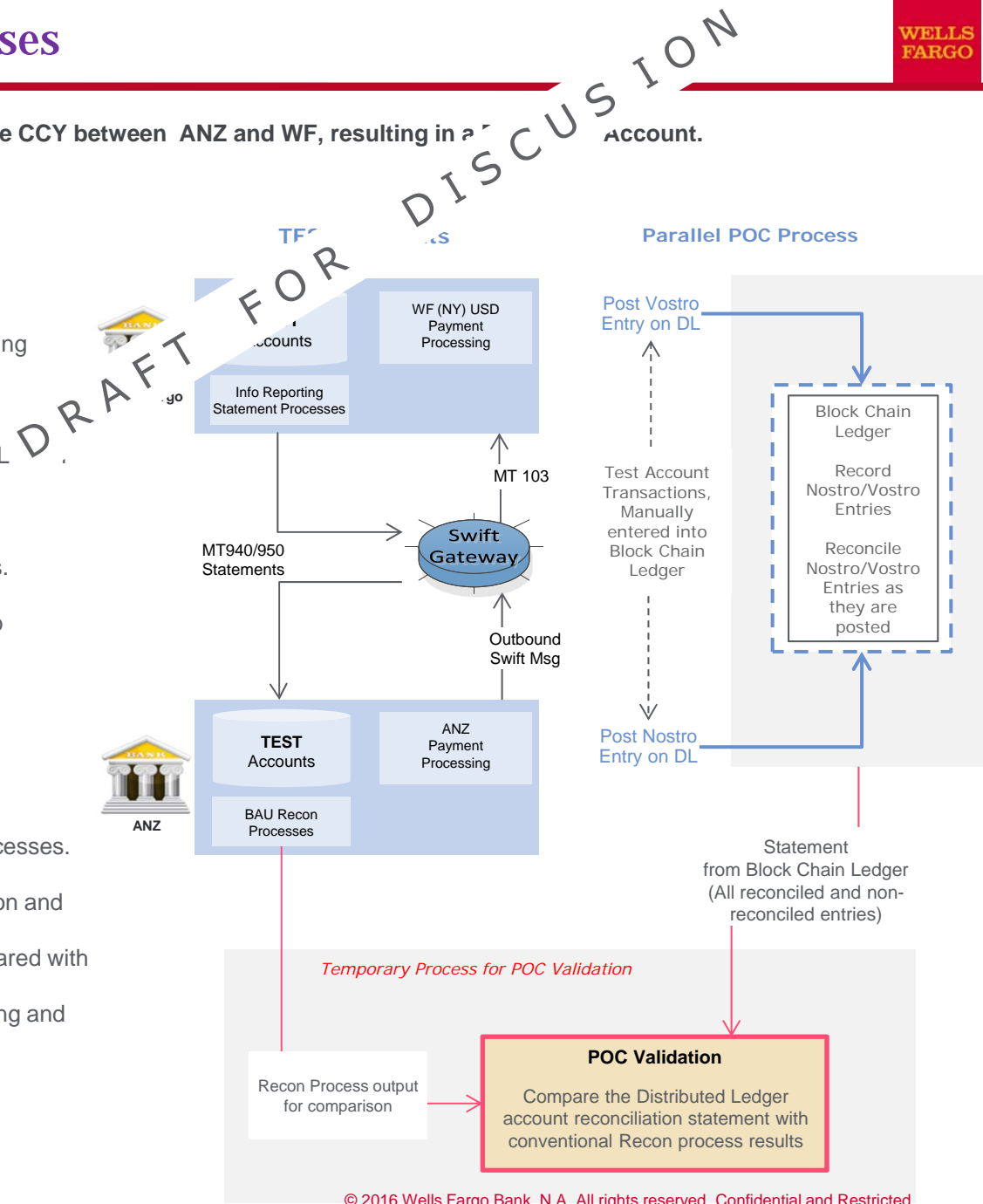
Scenario: Direct Transactions in Single CCY between ANZ and WF, resulting in a **Account**.

Scope:

- ✓ Set up **TEST Accounts** at ANZ and WF.
- ✓ Post 'fake' transactions on **TEST Accounts** using existing Payment Engines and SWIFT.
- ✓ Replicate the 'fake' transaction posting on Block Chain L (Manual Entry of 10-15 Transactions?).
- ✓ Run BAU Nostro Recon process on the TEST Accounts.
- ✓ Generate Report/Statement from Block Chain Ledger to compare results with BAU Recon Process.

Success Criteria:

1. Successfully validate the Block Chain Ledger Reports/Statements against standard BAU Recon processes.
2. Improve efficiency and timing of recon item investigation and resolution (need to agree measurement criteria) compared with standard BAU Recon processes by eliminating matching and streamlining investigations
3. Increase visibility of transaction status for all parties



Stage 3: Parallel Pilot with Production Accounts and API

Scenario: Direct Transactions in Single CCY between ANZ and WF, resulting in a DR. on the Account.

▪ Scope:

- ✓ Continue to use Swift based messaging for all payment transactions.
- ✓ Post transactions in parallel on the Block Chain Ledger.
- ✓ Use Block Chain Ledger for tracking Vostro account balance.
- ✓ Use API based interface with Core Payment Systems to run the POC in parallel

▪ Success Criteria:

1. Successfully post transaction details using API on the Block Chain Ledger.
2. Successfully confirm settled transactions using API on the Blockchain Ledger.
3. Successfully validate the Block Chain Ledger Statements against standard BAU Recon processes.

