



Media Release

London, Frankfurt

18th October 2018

Forward-thinking regulation will be the catalyst for banking transformation, says new Deutsche Bank white paper

For technology to truly be transformative, further global regulatory alignment is needed, with any regulatory approach accepting the “new realities” created by emerging solutions.

The emergence of new technology solutions relating to Open APIs, cloud, blockchain and artificial intelligence – and their uptake by the banking industry – has driven increasing volumes of digital data, and new market players, business models and evolving client expectations. Yet their transformative impact will only be realised with further global regulatory alignment and acceptance of the “new realities” created by emerging technologies, says Deutsche Bank’s white paper, “Regulation for banking transformation”, which includes contributions from leading experts across the banking, technology and legal industries.

“Technology provides us with a huge opportunity to change our business models, releasing some control of the component value chain in order to better meet the new needs of clients,” says Thomas Nielsen, Chief Digital Officer, Global Transaction Banking, Deutsche Bank. “Getting this right is something that can only be done through collaboration with regulators and a wide range of industry groups. We must be responsible – but we need to disrupt, or be disrupted.”

The paper, which provides detailed analysis on the current regulatory landscape with respect to emerging technology, and the key challenges to implementing technological innovation in transaction banking, concludes that conducive and forward-thinking regulation stands to be a major catalyst for a thriving and innovative banking industry. For this to happen, it concludes that any regulatory approach must be: globally aligned; technology-neutral; digitally relevant; embracing of new solutions; and industry-led.

“Further regulatory alignment on a global level would greatly support the development of innovative technologies for global business. This is particularly important in the context of data protection and security standards – as long as the rules vary across jurisdictions, technological solutions will be constrained by local boundaries, diluting their potential to transform the industry,” says Polina

Evstifeeva, Head of Regulatory Strategy, GTB Chief Digital Office, Deutsche Bank. “This doesn’t mean we have to establish a single global standard for regulation, however. The realistic goal here is attaining a threshold level of alignment across jurisdictions in order to unleash the full benefits.”

The paper highlights a number of areas where regulation may not yet completely account for the “new realities” of technology. For instance, legislation relies on traditional means of ensuring data and information security – requiring access to premises where data is stored on cloud for the purpose of physical audits, as one example. Re-thinking this approach to rather focus on the advanced distributed platforms and cyber security tools employed by cloud service providers would accelerate the movement of core banking services to cloud, suggests the paper. It highlights a number of similar issues – the European Union’s General Data Protection Regulation (GDPR), for instance, enshrines the “right to be forgotten”, potentially hindering the opportunities derived from the immutability of blockchain.

To read “Regulation for banking transformation”, please click [here](#).

- END -

To receive a PDF copy of “Regulation for banking transformation”, or to receive further information about Deutsche Bank’s work in this area, please contact:

Thomas Morris
Moorgate Communications
+ 44(0)2073774998
thomas.morris@moorgategroup.com

About Deutsche Bank

Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals. Deutsche Bank is Germany’s leading bank, with a strong position in Europe and a significant presence in the Americas and Asia Pacific.

This release contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 16 March 2018 under the heading “Risk Factors”. Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.