Banking in the Future

The potential impact of Blockchain technology

What if everything they say about Blockchain is true and in the future two worlds will co-exist - the "real world" of institutions and physical goods and the "digital world" providing services and applications powered by Blockchain technology?

Blockchain would have a significant impact on business models and transaction are regulated. It would change day-to-day operations providing a higher degree of automation through the transfer of ownership onto digitally accessible and secure rails of all parties involved.

technology would penetrate various industries, not only banking, and would enable new services that don't exist today.

If multiple Blockchains emerge for each with a new system of record keeping, and thus create a "digital world" where data/ measure and exchange value.

In such scenario however the need for a "gateway" and trusted advisor between the two worlds remains, particularly in the financial services sector. Such "facilitator" would interface with both worlds e.g. advising on accessing information assets such as accounts. find and verify real world events (did the agreed parameters actually occur e.g. FX rates) and entering and recording transactions into a Blockchain.

Computer programmes (e.g. smart contracts and other coded information) would suddenly become the key connector between the "digital world".



Deutsche Bank's Blockchain journey

Investigate, buy, build, partner



In-house **Kick-off**

1H|2015

Initial focus on crypto-currency (after the rise of Bitcoin) and exploring the potential implications for cash products

> In-house Discovery

Investigation moved on to focus on Blockchain the protocol behind Bitcoin. Initial view was that there was a less compelling business case for cash and potentially greater opportunity to transform the Securities space

2H | 2015

In-house Actively engaged

Market collaboration Internal projects specific to 'bounded' businesses in Deutsche Bank that could be transformed with Deutsche Bank Labs, clients and business partners



Collaboration externally **Utility Settlement Coin**

Consortium focused on creation of a clearing and settlement coin



Collaboration externally H-Farm Blockchain accelerator in cooperation with large industry partners



In-house **Proof of Value**

Smart Contract for a Corporate Bond with Deutsche Bank Labs and FinTech



Early member of the Blockchain consortium around R3. 1% stake acquired in second funding round. Active project participation.

In-house **Proof of Value**

Smart Contracts for a Commercial Loan + ongoing testing of practical integration points with the DB Labs



Collaboration externally We.Trade

Consortium focused on cross-border commerce for SMEs by leveraging DLT







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For any questions on our Blockchain activities please contact Claudia.Coppenolle@db.com

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