



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Claudia BUCH

Chair of the Supervisory Board

COURTESY TRANSLATION

Dr Michael Meister
Deutscher Bundestag
Platz der Republik 1
D-11011 Berlin

Frankfurt am Main, 18 June 2024

Re: Your letter of 8 May 2024

Honourable Member of the Deutscher Bundestag, dear Dr Meister,

Thank you for your letter concerning disruptions following Deutsche Bank's IT migration at the end of 2022, which was passed on to me by Ms Bärbel Bas, President of the Deutscher Bundestag, on 8 May 2024.

In your letter, you inquired on whether ECB Banking Supervision, as the direct supervisor of Deutsche Bank, sees structural organisational problems within the bank in light of disruptions following the Postbank IT migration.

Let me first note that, for reasons of confidentiality, I cannot comment on individual credit institutions. Furthermore, in connection with the issue you mention, consumer protection aspects were discussed that do not fall within the scope of the supervisory tasks conferred on the ECB. These remain the responsibility of the national competent authorities, in this case the Federal Financial Supervisory Authority (BaFin).

That said, ECB Banking Supervision in its ongoing evaluation of supervised institutions focuses on ensuring their compliance with all regulatory obligations, particularly in maintaining operational resilience amid digital transformation. Supervised institutions must have the capacity to navigate the effects of digitalisation and IT-related risks effectively.

Hence, more broadly, banks' governance arrangements and IT risk management are central themes in the supervisory priorities of the Single Supervisory Mechanism (SSM) for the years 2023-25.¹ Regarding governance arrangements, we conducted a targeted review of management bodies in 2023. We will soon publish an ECB Guide setting out our expectations and banks' best practices in the area of governance and

¹ See "ECB Banking Supervision: SSM supervisory priorities for 2023-25", available online at: https://www.bankingsupervision.europa.eu/banking/priorities/html/ssm.supervisory_priorities202212~3a1e609cf8.en.html

risk culture. Moreover, the aim of our supervisory actions is to enhance banks' non-financial risk management practices. This also covers IT risk. For instance, every year, the SSM surveys banks' IT risk practices.² This information feeds into the annual Supervisory Review and Evaluation Process for individual banks. On the basis of the data collected, we publish aggregated information about the key observations on IT and cyber risk found in supervised entities.³ This work is accompanied by tailored work programmes for each bank to identify and mitigate any key risks in this respect.

Thank you for bringing your concerns to our attention. Please do not hesitate to contact us if you have further questions on the supervisory priorities of the SSM.

Yours sincerely,

[signed]

Claudia Buch

² See "IT Risk Questionnaire (ITRQ) Publication – 2023", available online at:
https://www.bankingsupervision.europa.eu/banking/srep/2023/html/ssm.srep_ITRQ2023.en.pdf

³ See "IT and cyber risk – key observations", 2023, available online at:
https://www.bankingsupervision.europa.eu/banking/srep/2023/html/ssm.srep2023_ITandcyberrisk.en.pdf
See also "IT and cyber risk – key observations", 2022, available online at:
https://www.bankingsupervision.europa.eu/banking/srep/2022/html/ssm.srep2022_ITandcyberrisk.en.pdf