

Insideview

Forging New Paths – The Bundesbank’s Transformation Journey

INTERVIEW WITH KARMELA HOLTGREVE

The Deutsche Bundesbank joined the efl in May 2023. We would like to take this opportunity to extend a warm welcome to your institution. Ms. Holtgreve, you will represent the Bundesbank on the efl’s Board of Directors. What do you hope to gain from your membership?

As an institutional partner, we hope to benefit from the skills and expertise present in the efl. We see our membership as an opportunity to further strengthen our own analytical capabilities and foster new partnerships outside the central banking universe. We want to play an active role ourselves in developing cooperative networks and technical solutions.

Beyond that, our colleagues are already looking forward to the training events offered by the efl and to meeting many talented people.

You mentioned fostering networks outside the “central banking universe”. Is this some-

thing that the Bundesbank is looking to promote more in the future?

Yes, we want to broaden our horizons. That is why, for example, we are stepping up our collaborations with start-ups from the FinTech scene. But it doesn’t stop there. The digital revolution presents us with challenges that do not affect central banks alone. For me, it is only logical that we try to solve these challenges together with a diverse range of partners. Innovation can come from within – but sometimes it requires an outside force.

Since the start of 2023 you have been in charge of the newly founded Directorate General Strategy and Innovation. What is your impression, how do the Bundesbank and innovation fit together?

Fortunately, the fit is getting better and better. The Bundesbank stands for stability and tradition. Stability requires constant questioning,



Karmela Holtgreve
Director General Strategy and Innovation
Deutsche Bundesbank

which is why we cannot afford to stand still. And the world around us certainly does not. In particular, the world of finance is evolving at a rapid pace. This is also one reason why, at the start of 2023, we launched the largest transformation program the Bundesbank has seen in decades.

As I mentioned earlier, the digital revolution is shaking up business models and the way we work together. We came to the conclusion that if we wish to continue to fulfill our legal mandate in the best possible way, we need to make the Bundesbank future proof.

Let us take a look at the near future. Are there any specific use cases that bring innovation to the Bundesbank and that you are already working on?

To give an example, we have recently started to work on two prototypes that involve the use of ChatGPT and other large language models.

Colleagues there have to deal with vast amounts of information and reports. They need fast and accurate access to information from these enormous reports in order to do their work.

We have collected a large number of these publicly available documents and news articles. We use these in combination with large language models in an internal Bundesbank chatbot. This allows us to efficiently identify text passages to find information, answer questions and help the business unit in their work. Our colleagues can then engage with it for efficient information extraction and interactive Q&A, further improving their work.

In general, we try to help our colleagues to use innovations like ChatGPT in a sensible and safe way.

Thank you for this interesting conversation.