



## Deutsche Bank Current Status

Over the past 3 years First Edge has been monitoring all the facts and speculations surrounding Deutsche Bank.

(The research information presented below has been compiled by First Edge and FEM along with other financial institutions and independents companies were connected to).

Deutsche Bank posts worst quarterly loss in four years

German lender counts cost of plan to cut 18,000 jobs as it records £3.1 billion shortfall

Deutsche Bank has made its biggest quarterly loss in four years as it counts the costs of plans to reduce its global workforce by 18,000.

The German lender made a €3.1bn (£2.8bn) net loss in the second quarter, driven by €3.4bn in costs related to job cuts and reorganisation at the bank.

Deutsche Bank expects the turnaround strategy to cost a total of €7.4bn and is aiming to return to profit next year.

It is the bank's biggest quarterly net loss since the third quarter of 2015, when that figure reached €6bn, and is the second largest since the final months of 2008, when the financial crisis took hold. It also follows a €201m profit in the first quarter of 2019



The Deutsche Bank CEO, Christian Sewing,



## **Here's what went wrong at Deutsche Bank?**

### **1989-1999**

Deutsche Bank embarks on a period of global expansion, beginning with the acquisition of merchant bank Morgan Grenfell in the UK and other European markets such as Spain, where it buys Banco de Madrid. It consolidates its US operations into one, in an effort to take on the big beasts of Wall Street such as Goldman Sachs, and in 1999 it builds on its US foothold by snapping up New York-based Bankers Trust for \$10bn.

### **2001**

Deutsche Bank floats on the New York Stock Exchange, cementing its position as one of the major players, not just on Wall Street but in global banking.

### **2004-2008**

Deutsche Bank becomes a leader in mortgage-backed securities, bundling up homeowners' debt into huge packages and selling them on to investors. The bank continues to sell toxic mortgage-based investments even as the market turns south and it begins betting against such products itself. The bank reports its first annual loss for five decades for the 2008 financial year, losing €3.9bn.

### **2009**

An internal investigation finds that the bank hired private detectives to spy on people it considered a threat – including a shareholder, a journalist and a member of the public. German prosecutors find no evidence of criminal wrongdoing or that senior executives were

### **2015**

It is fined \$2.5bn (£1.7bn) by US and UK regulators for rigging the Libor interest rate, ordered to fire seven employees and accused of being obstructive towards regulators. Joint chief executives Anshu Jain and Jürgen Fitschen resign in the wake of the Libor scandal. The bank is fined a further \$258m in the US for doing business with US-sanctioned countries like Iran and Syria.

### **2016**

As regulators continue to sift through the wreckage of the banking crash, Deutsche takes a large slice of the blame. In September 2016, its shares slump on news that the institution faces a \$14bn (£10.5bn) charge over mis-selling mortgage securities in the US. It eventually reaches a \$7.2bn settlement with the US Department of Justice.

### **2017**

UK and US regulators fine Deutsche more than \$630m (£506m) after finding that the lender failed to prevent \$10bn of Russian money laundering via 'mirror trades', which had no economic purpose and served only to transfer money covertly.



## **2018**

New York financial regulators hand down a fresh fine, just \$205m this time, for 'lax oversight' in the bank's foreign exchange business when it was the world's largest dealer in foreign currency.

Christian Sewing takes over as chief executive and after three consecutive years of heavy losses, he slashes 7,000 jobs from Deutsche's bloated investment banking arm.

## **2019**

Deutsche enters merger talks with another troubled German lender, Commerzbank. The talks fall apart in April 2019, scuppering plans for a bank that would have been the eurozone's second largest. Sewing announces 18,000 jobs cuts, 20% of its workforce, with the axe falling worldwide.

Even without the extra charges, Deutsche's net income would have dropped by more than 40% to €231m in the second quarter, compared with the same period a year earlier. Further restructuring charges are expected to dent the bank's earnings in the second half of the year and the lender is expected to report a full-year loss for 2019.

This month, Deutsche Bank announced the plans to cut about a fifth of its 91,500-member global workforce by 2022. Over the past two and a half weeks, more than 900 employees have either been handed their notice or told their role will be eliminated. Most were employed in the equity trading division, and the Guardian understands that hundreds have been lost from Deutsche's City of London office.

It is unclear how many jobs will go in London, where Deutsche Bank is one of the Square Mile's largest employers with about 7,000 staff.

The company's shares were down 2.3% at €6.97 in afternoon trading on Wednesday.

In a message to staff, the chief executive, Christian Sewing, said: "The past few weeks have been extremely challenging for all of us ... but we can say with confidence that we have passed the first hurdle

"By and large our strategy is no longer being called into question, either by our investors or by the media or – most importantly – by our clients. And I have the impression that you too believe we are on the right track."

Sewing said the job cull had been "painful" but that it was important not to leave staff "in limbo". "Where our restructuring creates the need for further reductions, we will do everything we can to be able to communicate our decisions as soon as possible."



## Top 10 Owners of Deutsche Bank AG

Stockholder	Stake	Shares owned	Total value (\$)	Shares bought / sold	Total change
Hudson Executive Capital LP	3.14%	64,861,476	470,245,701	0	0.00%
The Vanguard Group, Inc.	2.91%	60,137,652	435,997,977	+917,133	+1.55%
Goldman Sachs International	1.62%	33,458,750	242,575,938	-5,076,930	-13.17%
Amundi Pioneer Asset Management, ...	1.16%	24,009,300	174,067,425	+11,449,751	+91.16%
Norges Bank Investment Management	0.96%	19,849,531	143,909,100	-5,687,497	-22.27%
COMMERZBANK AG (Investment Manage...	0.78%	16,156,222	117,132,610	-323,952	-1.97%
Deka Investment GmbH	0.78%	16,137,808	116,999,108	+89,366	+0.56%
Credit Suisse Securities (USA) LL...	0.75%	15,546,559	112,712,553	-2,023,149	-11.51%
Merrill Lynch International (Inve...	0.73%	15,061,687	109,197,231	-4,036,273	-21.13%
Franklin Mutual Advisers LLC	0.59%	12,276,874	89,007,337	-63,549	-0.51%