

## Deutsche Bank Chief Apologizes for Lender's Past Misconduct

By Jack Ewing, New York Times, Feb. 2, 2017

FRANKFURT — The chief executive of Deutsche Bank apologized in especially contrite terms on Thursday for the long list of misdeeds that tarnished the German lender's reputation and cost it billions of euros in fines and settlements, adding that bonuses of top managers would be cut.

The unusually strong expression of humility, which came as the bank disclosed a quarterly loss of 1.9 billion euros, or \$2 billion, reflected the tone that John Cryan, the chief executive, has tried to set since taking over in July 2015. His comments at a news conference signaled another step away from the aggressive risk-taking that was part of the lender's attempt to keep pace with American investment banking titans like Goldman Sachs and JPMorgan Chase.

Speaking slowly and with a grave demeanor, Mr. Cryan expressed "deep regret for what happened."

"We would like to apologize sincerely," he said. "Serious errors were made."

Under Mr. Cryan's leadership, Deutsche Bank has followed European rivals like Credit Suisse in scaling back operations on Wall Street. But Mr. Cryan said on Thursday that Deutsche Bank would nevertheless retain a strong presence in the United States.

"We cannot be the international bank we need to be and want to be unless we can deal with the largest economy in the world," he said.

Deutsche Bank's top managers will take "substantial" cuts in their bonuses for 2016, Mr. Cryan said, declining to give exact figures. It would be inappropriate, he added, for executives to receive large bonuses when the bank was not paying a dividend to shareholders and was laying off thousands of workers. The €1.9 billion loss in the last three months of 2016 compared to a loss of €2.1 billion during the quarter a year earlier.

The lender has been hiring more internal overseers to try to prevent the behavior that eventually led to a \$7.2 billion settlement with the United States Justice Department related to the bank's sale of toxic mortgage securities. Deutsche Bank has also had to deal with accusations that it colluded with other banks to manipulate benchmark interest rates and helped wealthy Russians to launder \$10 billion.

Mr. Cryan acknowledged that the bank had endured a crisis in September and October after reports emerged that the mortgage securities settlement would be as high as \$14 billion. The news caused Deutsche Bank shares to plunge, and led to speculation the bank might collapse.

“I hope to never go through something like that again,” he said. Shares fell as much as 7 percent on Thursday in Frankfurt before recovering in the early afternoon, to €18.18 per share.

Separately, when asked about President Trump’s moves to block people from some predominantly Muslim countries from entering the United States, Mr. Cryan declined to comment directly. But he did say that Deutsche Bank was proud to have employees of many nationalities and religions. “We are absolutely committed to equality, inclusion and freedom of movement,” he said.

In the short term, Mr. Cryan said, the turmoil that Mr. Trump created had been good for Deutsche Bank, prompting more intense trading on financial markets, generating commissions. “We have been very pleased” with trading income during January, Mr. Cryan said.