

# Deutsche Bank from 1870 until today

## Rooted in Germany – global from the beginning



# Under the Empire

1870–1918

When the idea of founding Deutsche Bank became reality in 1870, banking was in the throes of radical change: industrialisation meant that industry's financing needs were growing and the highly traditional banking sector was going to have to move with the times.



Adelbert Delbrück

In Berlin, a number of private bankers were open to new ideas. Their leading lights were Adelbert Delbrück and Ludwig Bamberger, both regarded as the "true founders" of Deutsche Bank. The bank's statute was adopted on January 22, 1870, and a little under two months later, on March 10, 1870,

the Prussian government granted it a banking license. This was the last license issued to a joint-stock bank in Prussia. The license requirement was abolished that same year.

The statute placed great emphasis on foreign business: "The object of the company is to transact banking business of all kinds, in particular to promote and facilitate trade relations between Germany, other European countries and overseas markets." The direct aim was to challenge the hegemony of British banks, which continued to dominate the financing of German foreign trade. From the outset, international business was built up steadily. Between 1871 and 1873 Deutsche Bank opened five branches:

in Bremen, Shanghai, Yokohama, Hamburg and London.

The founders, all of them bankers, showed vision in choosing the name Deutsche Bank even before Germany had been established as a nation-state. However, little did they suspect that they were creating tough competition for themselves. In the long run, financing foreign trade was not viable on its own, so the newly-founded bank was soon on the lookout for other areas of business.



First share certificate of Deutsche Bank

In the very year of its foundation, Deutsche Bank began to accept deposits in cash. Nowadays that sounds self-evident, but for the German banking world it was little short of revolutionary. The bank needed a solid base and

**1870**

Deutsche Bank is founded in Berlin

**1871–72**

First domestic branches in Bremen and Hamburg

First foreign branches in Shanghai and Yokohama in 1872

**1873**

Opening of the London branch, Deutsche Bank's most important foreign branch until its closure on the beginning of the First World War in 1914

**1876**

Acquisition of Berliner Bank-Verein and Deutsche Union-Bank

**1883**

Participation in Northern Pacific Railroad Company in the US

**1886**

Foundation of Deutsche Ueberseeische Bank  
Opening of the Frankfurt branch

**1887**

Participation in the founding of AEG (electrical engineering industry)

**1888**

The Turkish government grants a Deutsche Bank-led consortium the first concession to build and run the Anatolian Railway, linking Istanbul and Ankara

found it in the deposit-taking business. Georg von Siemens, one of the two original members of the Management Board and a leading light in the history of Deutsche Bank, realised this from the start. By promoting this area of business he not only created a broad capital base for the company; he also helped deposit-taking business to become firmly established in Germany.

When Deutsche Bank started business on April 9, 1870 its first office was at 21 Französische Strasse in Berlin, on the first floor of a rather ordinary-looking building.



First premises at Französische Straße, Berlin

The bank remained there for just over a year and then moved, together with around fifty staff, to premises very near the Berlin Stock Exchange. In 1876, construction began on new head-office buildings at the junction of three streets – Behren Strasse, Mauer Strasse and Französische Strasse. The view of the two connecting "bridges" was to become something of a trademark for the bank.



Deutsche Bank's head office in Berlin, around 1910

**1889**

Participation in the founding of Deutsch-Asiatische Bank

**1890**

Participation in the founding of Mannesmannröhren-Werke (steel pipe industry)

**1892**

Opening of Munich branch

**1894**

Participation in the founding of Banca Commerciale Italiana

**1897**

Deutsche Bank supports the conversion of Siemens & Halske into a joint-stock company

**1898**

Participation in the Shantung Railway Company and Shantung Mining Company in Northern China

**1901**

Opening of branches in Leipzig and Dresden

**1903**

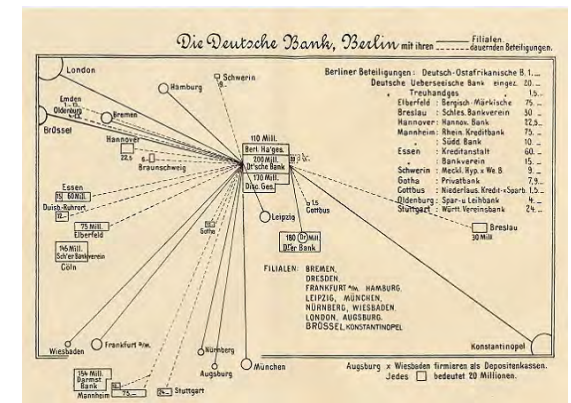
Concession to build the Baghdad Railway  
Acquisition of Romanian oil company Steaua Romana

Deutsche Bank's early decades were a period of rapid expansion; the bank had an eye for good business prospects and a sound feel for risk. Issuing business began to grow in importance in the 1880s, and in the 1890s it really took off. And it meant that the capital market could be tapped for investments in new industrial and infrastructure enterprises. The bank played a major part in the development of Germany's electrical-engineering industry, but it also gained a strong foothold in chemicals and steel. A solid base in Germany permitted the financing of business abroad, which in some cases kept the bank occupied for years, the best-known example being the Baghdad Railway. The second half of the 1890s saw the beginning of a new period of expansion

at Deutsche Bank. The bank formed alliances with large regional banks, giving itself an entrée into Germany's main industrial regions. Joint ventures were symptomatic of the concentration then underway in the German banking industry. For Deutsche Bank, domestic branches of its own were still something of a rarity at the time; the Frankfurt branch dated from 1886 and the Munich branch from 1892, while further branches were established in Dresden and Leipzig in 1901. In addition, the bank soon recognised the value of specialist institutions for the promotion of foreign business, concentrating on Latin America and Asia. Deutsche Ueberseeische Bank was established as the sole subsidiary in 1886.

Its operations were focused on Argentina, Brazil and Chile. Three years later Deutsch-Asiatische Bank, headquartered in Shanghai, was established with the backing of a consortium of the leading German banks. In Africa, Deutsche Bank's activities were via stakes in banks and railways.

When in spring 1914 the "Frankfurter Zeitung" told its readers that Deutsche Bank was "the biggest bank in the world", the claim marked not only the climax but the end of an era. The First World War brought the first phase of the globalisation of the world economy to an end and forced Deutsche Bank to concentrate on its activities in Germany for a long period.



Deutsche Bank branch offices and holdings in 1909

**1905-06**  
Opening of branches in Nuremberg and Augsburg

**1909-10**  
Opening of branches in Istanbul and Brussels

**1914**  
Acquisition of Bergisch Märkische Bank in Elberfeld and its branches in the Rhineland-Westphalia industrial region

**1916**  
Participation in the Deutsche Ozean-Reederei and the Mitropa

**1917**  
Merger with Schlesischer Bankverein and Norddeutsche Creditanstalt

# In the Weimar Republic 1919–1932

After the First World War the banks had to come to terms with a very different world. Before business was able to recover, Germany was hit by inflation.



At the peak of inflation in 1923: banknote for 20 billion marks

The immediate post-war period was a time of liquidations and acquisitions. The bank had lost most of its foreign investments and branches. In Germany, by contrast, the branch network was expanded considerably, mainly via mergers with partner regional banks.

There was new business, some of which was to have an impact for a long time to come. The bank played a significant role in the establishment of the film production company, UFA, and in the merger of Daimler and Benz.

The consolidation of the German banking industry peaked in 1929 when Deutsche Bank merged with its most powerful rival, Disconto-Gesellschaft. For eight years what was easily Germany's largest bank operated under a dual name – Deutsche Bank und Disconto-Gesellschaft – before reverting to its former, rather more memorable name in 1937.

Increasing costs and the trend towards consolidation throughout the industry were the main reasons for the merger. It was the most significant merger in the German financial world for decades, and it came at just the right time to help counteract the unfolding world economic and banking crisis.

In terms of its political impact, that crisis was the most disastrous economic event of the century. The shortage of liquidity that paralyzed the banks was fuelled by a combination of short-term foreign debt and borrowers no longer able to pay their debts, while the inflexibility of the state exacerbated the situation.

For many years, it would not be possible to return to circumstances that might in some ways have been considered reminiscent of the 'golden age' before the First World War.



Merger of „Deutsche Bank und Disconto-Gesellschaft“ 1929

**1920**  
Acquisition of Hannoversche Bank, Braunschweiger Privatbank and Privatbank zu Gotha

**1923**  
Hyperinflation in Germany

**1924–25**  
Acquisition of Württembergische Vereinsbank in Stuttgart and Essener Credit-Anstalt

**1926**  
Participation in the founding of Lufthansa and in the merger of Daimler Motoren-Gesellschaft, Stuttgart, with Benz & Cie., Mannheim, to form Daimler-Benz

**1927**  
Acquisition of Lübecker Privatbank

**1928**  
Acquisition of Hildesheimer Bank

**1929**  
Merger of Deutsche Bank and Disconto-Gesellschaft; the company is now called 'Deutsche Bank und Disconto-Gesellschaft'

**1931–32**  
Following the banking crisis, Deutsche Bank und Disconto-Gesellschaft has to deposit one-third of its share capital with the state-owned Golddiskontbank

# In the Third Reich

1933–1945

Hitler's seizure of power in 1933 marked the beginning of the darkest chapter in the history of Deutsche Bank. By 1945, after twelve years of National-Socialist rule and six years of war, not only was the bank itself on the brink of the abyss; it had also allowed itself to become a tool of the Nazi state.



Newsletter of the National Socialist Working Organization for Deutsche Bank and Disconto-Gesellschaft

Although its leading representatives scarcely agreed with the ideology of National Socialism, they complied with

the racist goals of the regime from the outset, putting up no resistance; the feeling of impotence and feebleness instilled in them by the aftermath of the 1931 banking crisis and the anti-bank ideology of leading Nazis was simply too great. Adaptation and a willingness to compromise were in their view the order of the day. For instance, by 1934 the three members of the bank's Management Board whom the new government defined as Jews had been banished from this body. Only on the Supervisory Board was a Jewish colleague tolerated as late as 1938.

What had begun with the dismissal of Jewish staff soon continued with the so-called 'Aryanisation' of Jewish firms. This ousting of the Jewish population

from the business life of the nation reached its peak in 1938, when following a series of laws and decrees Jews were forbidden to indulge in any kind of economic activity. By the end of 1938, Deutsche Bank had been involved as an intermediary and lender in at least 363 cases of 'Aryanisation'.

When in 1938 the National-Socialist government began systematically to monitor and freeze Jewish assets, Deutsche Bank's Jewish customers were affected as much as those of all other banks. By the time the war ended, almost all account assets and deposits held by Jewish customers had been transferred to the German Reich. This exercise in dispossession proceeded under cover of a seamless panoply of laws and ordinances that

gave a semblance of legality to what was in effect robbery by the state. No one offered any direct resistance to the new Nazi legislation; in fact, to do so would have been extremely dangerous, as witnessed by the example of two Deutsche Bank directors who were executed in 1943 simply for voicing "defeatist" remarks.

Even before the Second World War, Deutsche Bank used the aggressive expansion of the German Reich into Austria and Czechoslovakia in order to open new branches in those areas and acquire holdings in banks already operating there. Once the War had commenced, the same kind of business expansion was pursued in the occupied countries of western and south-eastern Europe.

## 1933–34

Jewish members Oscar Wassermann, Theodor Frank and Georg Solmssen are forced to resign from the Management Board

## 1936

The reprivatization of the share capital of Deutsche Bank und Disconto-Gesellschaft is completed

## 1937

The company's name reverts to 'Deutsche Bank'

## 1938

'Aryanisations' reach their peak – Deutsche Bank has been involved in 363 of them

Acquisition of the Sudeten-German branches of Böhmisches Union-Bank

## 1939–40

Opening of branches in annexed territories

## 1941

Participation in Bankverein, Belgrade, and Bankverein für Kroatien, Zagreb

## 1942

Majority holding in Creditanstalt-Bankverein, Vienna

## 1942–43

Closure (due to war) of 82 branches and 54 sub-branches

As a bank with international connections and a branch of its own in neutral Turkey, in the period between 1942 and 1944 Deutsche Bank was also involved in the German Reich's gold transactions. During those years, Deutsche Bank purchased 4,446 kg of gold from the Reichsbank, selling it on in Istanbul. As we now know from the findings of the independent Historical Commission Appointed to Examine the History of Deutsche Bank in the Period of National Socialism, at least 744 kg of that gold came from Holocaust victims. However, no crystal-clear answer could be found to the question of whether the bank was aware of the origin of that gold.



Deutsche Bank Katowice branch

Research by the independent Historical Commission also found that the Katowice branch and the sub-branches under it had granted loans to construction firms working at Auschwitz, where they were engaged in building the IG-Farben factory and the concentration camp.

Deutsche Bank acknowledges its ethical and moral responsibility. That is why it was not only involved in the foundation set up jointly by German business and the federal government, "Remembrance, Responsibility and the Future"; it is also making every effort to have its own past fully and critically reappraised.

#### 1945

Closure of Deutsche Bank head office in Berlin and of all branches in the Soviet-occupied zone

#### 1939–45

1,299 active and retired employees were killed during fighting and in concentration camps

# Reconstruction

## 1946–1957

In 1945, after 75 years in business, Deutsche Bank was on the verge of ruin.



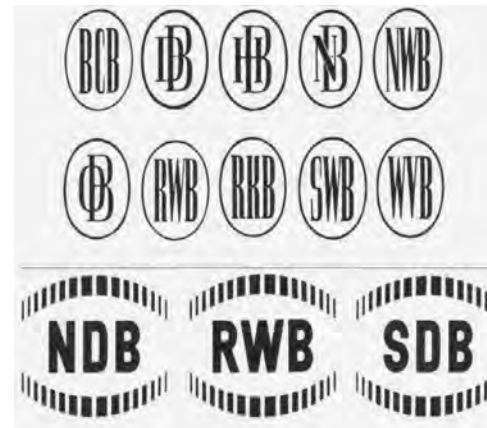
Damaged Deutsche Bank's head office in Berlin

The post-war period proved to be the toughest in its history. The occupying forces either nationalised all banks – as happened in the Soviet zone, for example –

or allowed them to remain in operation at regional level. In 1947–48, Deutsche Bank was broken up into ten banks, thereby briefly reviving at least the names of some banks that had disappeared in mergers many years before. Banking under the name “Deutsche Bank” was henceforth forbidden.

The economic downsides of this fragmentation soon became tangible. Following the formation of the Federal Republic (“West Germany”, as it was commonly called), the bank was able to regroup in two stages, chiefly thanks to the efforts of Hermann Josef Abs. In 1952 an interim solution was reached, with Rheinisch-Westfälische Bank being set up in Düsseldorf, Süddeutsche Bank

in Frankfurt and Munich, and Norddeutsche Bank in Hamburg. In 1957 the three merged to form Deutsche Bank once again.



Postwar logos of Deutsche Bank's successor institutions



Deutsche Bank's head office in Frankfurt

### 1946–47

The American military government (OMGUS) investigates Deutsche Bank

### 1947–48

In the Western zones of occupation, Deutsche Bank is split into ten autonomous institutions

### 1949

In West Berlin, Berliner Disconto Bank is established as the successor institution to Deutsche Bank

### 1952

The successor institutions are combined to form three joint-stock companies: Norddeutsche Bank, Rheinisch-Westfälische Bank and Süddeutsche Bank

### 1953

The London Debt Agreement – negotiated by the subsequent Spokesman of the Management Board of Deutsche Bank – restores the creditworthiness of the Federal Republic of Germany

### 1956

Foundation of DWS (mutual fund company)

### 1957

Merger of the three successor institutions to form Deutsche Bank AG, a joint-stock company with its registered office in Frankfurt



# Internationalisation

## 1958–1988

After Deutsche Bank was re-established it succeeded in readopting its traditional role in international financing and entering new lines of business in Germany.

The post-war period was a time of crucial decisions concerning banking policy. Product policy played a relatively minor role. This changed at the end of the 1950s when the bank ventured into general retail banking. Within a couple of years the number of private clients increased immensely, corresponding with strong growth in the domestic branch network.



Bank advertising in 1960



Foreign bond for the Anglo-American Corporation of South Africa

International issuing business became more important as Germany moved from being a debtor to being a creditor nation. A major milestone was the 1958

flotation of a foreign-currency bond for the Anglo-American Corporation of South Africa, with which Deutsche Bank reopened the German bond market to foreign companies.

International business grew far more important in the 1970s. Deutsche Bank began to take shape as a global group. New branches abroad supported this development. The evolution of financial markets, technological progress and the acquisition of major banks in Italy, Spain, the UK, and the United States have all meant that Deutsche Bank has changed more in the last decades than in the preceding century.



New logo of Deutsche Bank

**1958**  
On behalf of Anglo-American Corporation of South Africa, Deutsche Bank floats what is the first foreign bond on the German capital market since 1914

**1959**  
Deutsche Bank enters the retail banking business by introducing small personal loans

**1963**  
Start of "club banking" through the foundation of the European Advisory Committee, from which EBIC emerges in 1970

**1970**  
Foundation of Compagnie Financière de la Deutsche Bank in Luxembourg, the precursor of today's Deutsche Bank Luxembourg

**1973**  
Representative offices open in London and Moscow

**1974**  
Launch of Deutsche Bank's current logo

**1976–79**  
Branches in London, Tokyo, Paris, Brussels, Antwerp, New York, Hong Kong, Milan, and Madrid

**1986–88**  
Acquisition of Banca d'America e d'Italia  
Expansion in twelve countries of the Asian Pacific region, as well as in Brazil, Canada, Portugal and the Netherlands

# Becoming a global player 1989 until now

The nineties were marked by additional acquisitions and the establishment of subsidiaries abroad, in no small part against the background of political transformations in Eastern Europe.



Deutsche Bank – a global player



Acquisition of Morgan Grenfell in 1989

In the following years international investment banking accounted for an ever-increasing share of Deutsche Bank's business. Globalisation brought the capital markets even closer together. The liberalisation of economic areas and innovative technologies opened up new growth opportunities. Since then Asia in particular has seen new markets develop at breakneck speed.



Completion of acquisition of Bankers Trust with 'closing day' on June 4, 1999

Starting with the acquisition of the UK merchant bank Morgan Grenfell in 1989 global expansion culminated in the acquisition of the New York investment bank Bankers Trust, which

opened the American market up to Deutsche Bank.

**1989**

Acquisition of the UK's Morgan Grenfell Group

**1990**

Deutsche Bank begins to operate in the former East Germany by founding Deutsche Bank-Kreditbank

Representative offices in Budapest, Warsaw and Prague

**1991**

All US activities merged under the holding company Deutsche Bank North America Holding

**1993**

Acquisition of Banco de Madrid and Banca Popolare di Lecco

**1995**

Deutsche Bank Polska founded in Warsaw  
Bank 24, a branchless bank, commences operations

**1998**

Acquisition of Crédit Lyonnais Belgium

**1999**

Acquisition and integration of Bankers Trust in the US

Retail and small-business customers are transferred to Deutsche Bank 24

**2001**

Deutsche Bank's share is listed on the New York Stock Exchange



Asia – a growth market for Deutsche Bank

In 2008 Deutsche Bank had to overcome the most severe global financial crisis since the Second World War. In subsequent years several cases of rule breaches and misconduct were discovered that damaged the company's reputation. In early 2017 the Management Board issued a public apology for serious errors, for example in its US mortgage business activities between 2005 and 2007.

The repercussions make it absolutely essential to implement changes over the long-term. The aim is to make the bank a pillar of society once again.

Deutsche Bank was founded almost 150 years ago as a partner to German companies for their global banking needs.

Today it is a leading European bank with global reach. Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services.



The Deutsche Bank twin towers in Frankfurt

**2002**  
Takeover of Scudder Investments

**2003**  
Acquisition of the Swiss Private Bank Rued, Blass & Cie

**2004**  
Opening of a branch office in Beijing  
  
Acquisition of the Russian investment bank United Financial Group (completed in 2006)

**2006**  
Takeovers of Berliner Bank and Norisbank  
  
Branch openings in Dubai and Riyadh

**2010**  
Acquisition of Postbank and Sal. Oppenheim in Germany as well as parts of ABN AMRO in the Netherlands

**2018**  
Initial Public Offering of DWS  
  
DB Privat- und Firmenkundenbank AG created from the merger of Postbank and Deutsche Bank's private and commercial clients business