

**Werner Plumpe, Alexander Nützenadel, and Catherine R. Schenk, *Deutsche Bank: The Global Hausbank, 1870-2020***, trans., Patricia C. Sutcliffe, Sally Hudson Dill, and Andrew Evans, London, Bloomsbury, 2020, xvi + 736pp., figures, tables, photographs, notes, glossary, primary sources and archives, bibliography, index. Cloth; ISBN: 9781472977328, US\$40.00.

Perhaps no other German company has been studied as much as Deutsche Bank. It has been condemned by some and celebrated by others. For those who condemn the German bank, which was established in Berlin in 1870 and became the biggest bank in the world at the end of the twentieth century, it has been an irresponsible corporate citizen which has manipulated interest rates, laundered billions of dollars for Russian oligarchs, done currency dealings with rogue states like Iran, Syria, Myanmar, brought about the collapse of the world's oldest bank, hidden derivative losses, and misled customers, investors and American, German and British regulators. Deutsche Bank, according to the critics, was thus a reckless institution willing to do business with clients – like Donald Trump – that nobody else would touch.

Critics also note the bank's collaboration with the Nazis. When the issue of business' involvement in Nazism captured the public's attention in the late 1990s, Deutsche Bank struck a special commission of academics to examine aspects of the institution's dealings during the Third Reich. One of the results was Harold James' *The Deutsche Bank and the Nazi Economic War against the Jews*, which shows how the bank helped the Nazis steal Jewish wealth and participated in "Aryanization" in Germany, Austria, Czechoslovakia and Poland. In short, Deutsche Bank was "Hitler's Bank."

For those who celebrate the bank, on the other hand, it has been the source of growth and stability. The solemnizers maintain that the Deutsche Bank has played a significant part in the development of Germany, becoming partners in the nation's advancement. Deutsche Bank used its size and scope to develop unusually close ties to German enterprise. Through these ties, the argument goes, the bank was able to provide industry with financing on terms unavailable from banks in other countries. By tending to national enterprises and mobilizing the nation's financial resources, Deutsche Bank ensured that the nation developed, and reciprocally, that it also grew and prospered.

So why another book on Deutsche Bank and why now? In the preface to the book, the bank's CEO, Christian Sewing, states that the company, which turned 150 in 2020, has recently passed through its most difficult chapter. In 1999, after a series of acquisitions, in terms of its balance sheet, Deutsche Bank was rated as the biggest bank in the world. But since then, it has stumbled from one crisis to the next. And today, Deutsche Bank is but a shadow of its former self. Putting a positive spin on things, Sewing maintains that: "Our bank today is less complex, safer and more robust. In a nutshell, we have performed a radical clean-up job" (viii). This book is part of that "clean-up job"; an attempt to lay bare and come to terms with the past and all business dealings, both good and bad.

The book, which is over six hundred and fifty pages, is divided into three parts and examines "the processes to handle and manage changes, over which the bank itself often had limited influence" (xv). Part one is written by Werner Plumpe from Frankfurt's Goethe University, and

focuses on the age of the first globalisation, from 1870 to the onset of the First World War. Founded as a private commercial bank for financing foreign trade and promoting German exports, Deutsche Bank's initial focus was almost exclusively on serving the needs of its corporate clients. A group of German businessmen had created the bank to liberate German industry from its dependency on British capital for its international expansion. By establishing network economies, Deutsche Bank played an important role in the creation and growth of Germany's large corporations, helping them to expand, get access to the stock market, build up international operations and acquire other firms through mergers and acquisitions. The bank thus played a critical role in the process of Germany's belated industrialization. At the same time, Deutsche Bank was establishing branches in far-flung places, aiding Germany in its imperial mission. By the 1880s the German bank had branches in China, Japan, the United States, Argentina, Chile, Peru and London. "In the 1880s and 1890s, Deutsche Bank became so well established in Latin America, North America and East Asia – three important regions in the global economy – that it was gradually able to function as a comprehensive provider of banking services" (79). But the bank's international business model was largely destroyed by the First World War.

Part two covers the period from 1914 to 1989 and is written by Alexander Nützenadel from Berlin's Humboldt University, and examines the impact that developments in Germany – war, revolution, inflation, depression, the rise of National Socialism and Rhenish capitalism – had on the bank. As a consequence of Germany's defeat in 1918, the bank lost a large portion of its international operations and investment. But the defeat also caused the erosion of the bank's domestic capital market business. The rise of National Socialism and the renewal of aggression between Germany and its neighbours ensured that these losses were not merely the consequences of losing the war. After a number of failed attempts to re-establish itself as a global player, Deutsche Bank was transformed into a financial institution that was fundamentally reliant on the domestic market. During the Third Reich, politics became the single determining factor in the bank's strategy. As the most prominent financial institution in Germany, Deutsche Bank collaborated with the Nazis, being part of the National Socialist war economy, and involved in the crimes committed by the Nazis. Agreeing with many of the critics of the bank, the authors argue that the Bank forced out the Jews among its ranks and played a major role in Aryanization. The role of Deutsche Bank under the Nazis was thus characterized by "two-faced opportunism." The bank not only adapted itself politically to the regime, it also attempted to make optimal use of the business opportunities that the Nazi regime created for it" (318).

By the end of the war, however, the bank (like many other German firms) was on the brink of insolvency. But the bank managed to survive by mobilizing its remaining resources and taking advantage of the favourable circumstances of the rapid post-war economic recovery. The bank focused on domestic business and industrial loans.

Part three examines the period from Deutsche Bank's takeover of Morgan Grenfell in 1989 until the present day and is written by the Oxford academic Catherine R. Schenk. During this period, the Deutsche Bank once again dedicated itself to being a major global financial institution – this time by engaging in investment banking. The strategy was partly defensive: an attempt to retain its domestic customers while getting its hands on some of the huge short-term revenues being generated in the new global securities trading environment. Furthermore, according to Schenk,

“in the mergers and acquisitions wave in financial services in the 1990s the bank needed to grow to protect itself from being taken over and to provide a balance sheet large enough to leverage profitability” (609). The purchase of Morgan Grenfell was the first in a long line of mergers and acquisitions which aimed to transform Deutsche Bank into one of the world’s biggest investment institutions. There were challenges, of course, (e.g. culture clashes and the fact that most of Deutsche Bank’s senior management knew next to nothing about investment banking when the strategy was first embraced) and lessons learned. One consequence of this reorientation was that Deutsche Bank discontinued its role as a house-bank, sold most of its substantial block-holdings in German corporations, and stopped taking seats on supervisory boards. Ultimately, Deutsche Bank became a leader in global investment banking. But over the last two decades Deutsche Bank has had to cope with a series of scandals and costly regulatory failings.

While a highly-detailed case study, the book could have benefited from more engagement with the existing historiography and business theory. In addition, there is no conclusion to the book (although there are conclusions to parts one and two). Furthermore, for such a long book, the index of 10 pages (with no reference to the company’s most famous client, Donald Trump) is inadequate.

Nevertheless, *Deutsche Bank: The Global Hausbank* is the definitive history of one of the world’s most dominant banks. It offers fresh insights into the bank’s role in the Wilhelmine Society, its financing development projects in the post-colonial world, the acquisition of Morgan Grenfell, and Postbank, and the Greek Sovereign Debt Crisis. The readable narrative along with the sure-footed analysis of the material will attract business executives and academics alike.

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