EXCLUSIVE: DEUTSCHE BANK TO CUT WORKFORCE BY A QUARTER - SOURCES

News / Finance

Deutsche Bank aims to **cut** roughly 23,000 jobs, or about one quarter of total staff, through layoffs mainly in technology activities and by spinning off its PostBank division, financial **sources** said on Monday.

That would bring the group's workforce down to around 75,000 full-time positions under a reorganization being finalised by new Chief Executive John Cryan, who took control of Germany's biggest bank in July with the promise to cut costs.

Cryan presented preliminary details of the plan to members of the supervisory board at the weekend. A spokesman for the bank declined comment.

Deutsche's share price has suffered badly under stalled reforms and rising costs on top of fines and settlements that have pushed the bank down to the bottom of the valuation rankings of global investment banks. It has a price-book ratio of around 0.5, according to ThomsonReuters data.

The bank unveiled a broad restructuring plan in April but co-chief executives Anshu Jain and Juergen Fitschen quit shortly afterwards, handing over its execution to Cryan.

"This is the first time ever that you had the feeling that somebody is talking straight," said one of the sources. "But the problem is he has to deliver soon."

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Deutsche is mainly reviewing cuts to the parts of its technology and back office operations that process transactions and work orders for staff who deal with clients.

A significant number of the roughly 20,000 positions in that area will be reviewed for possible cuts, a financial source said. Back-office jobs in the group's large investment banking division will be concentrated in London, New York and Frankfurt, the source said.

PostBank has about 15,000 positions, pointing to roughly 8,000 layoffs at Deutsche once the unit's spinoff is completed as planned in 2016.

Cryan aims to present details of the restructuring plan before October, close to when the new CEO of investment banking rival Credit Suisse, Tidjane Thiam, is expected to present his plans for reforms.

Other European banks, including Italy's UniCredit, are also in the process of major job cuts.

In an effort to lower the bank's regulatory capital requirements and avoid raising new equity capital, Cryan will speed up changes to strategy and cut the balance sheet to avoid big one-off charges, Reuters has reported.

Deutsche Bank shares swung from negative territory to trade up almost 1 percent following the Reuters report on the headcount cuts to become the top gainer in the Stoxx index of European Banks, which was down over 1 percent at 1412 GMT.

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SOURCE: REUTERS
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