

Deutsche Bank to Get Qatari Commitment for More Funds

- By *Steven Arons and Dinesh Nair*
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Deutsche Bank AG has secured a commitment for additional investment from Qatar as the troubled German lender seeks to bolster its finances, according to people with knowledge of the matter.

The investment is likely to be made through the Qatar Investment Authority, the country's sovereign wealth fund, the people said, asking not to be identified because the talks are private. Two other Qatari investment vehicles, controlled by members of the royal family and other prominent politicians, already own a stake.

While the discussions are at an advanced stage, no final agreement has been reached, said the people. The timing and the size of the investment aren't clear. A Deutsche Bank spokesman declined to comment. Representatives for QIA didn't respond to requests for comment.



Mohammed bin Abdulrahman al Thani Photographer: Chris Ratcliffe/Bloomberg

The German government has been moving to fix Deutsche Bank as shares of the lender have slumped by almost half in the past year. The government is studying ways to make it easier for the lender to merge with Commerzbank AG, Bloomberg reported last month, while also considering other possibilities such as seeking fresh investment from existing or new shareholders.

Deutsche Bank, which has been trying to regain its footing after years of restructuring in the aftermaths of the global financial crisis, faces broadening U.S. scrutiny as a leading Republican lawmaker joined Democratic colleagues in questioning the lender's steps to combat money-laundering amid reports that its U.S. unit may have been a key conduit for dirty cash.

QIA, which manages \$320 billion, is known for its big-name investments and has purchased stakes in companies including Rosneft PJSC and Volkswagen AG. QIA Chairman Sheikh Mohammed bin Abdulrahman Al Thani suggested in an interview at the World Economic Forum in Davos that Deutsche Bank is among the major German companies the sovereign wealth fund is talking to about potential stake purchases.

QIA is looking "at different sectors" in Germany, said the chairman, who is also deputy prime minister and foreign minister of gas-rich Qatar. "Financial services is among them," as are infrastructure and industrials, he said.

Many sovereign wealth funds have been "underweighting traditional financial stocks and moving into the fintech space, so this would be an interesting investment," Rachel Pether, an adviser at the Sovereign Wealth Fund Institute. "The financial services industry holds a strategic importance in the development of a country's economy, and given the strategic importance of Deutsche Bank to the German economy, this is perhaps as much a political decision as a financial one."

Last year, Qatar said its projected investment of 10 billion euros (\$11 billion) in the German economy over the next five years would be its largest single investment in the country to date.

— With assistance by Mohammed Sergie, Yoolim Lee, and Archana Narayanan