

# Making a Difference

## Brand and Culture

An Interview with Seth H. Waugh,  
Chief Executive Officer, Deutsche Bank Americas

**EDITORS' NOTE** A graduate of Amherst College with dual bachelor's degrees in economics and English, Seth Waugh joined Deutsche Bank Securities Inc. in April 2000 as Regional Head of Global Markets for North America. He was appointed Regional Head of Global Markets and Equities for the Americas in June 2000 and was named CEO of the Americas region for the corporate and investment banking division of Deutsche Bank in February 2001. Prior to joining Deutsche Bank, Waugh was CEO of Quantitative Financial Strategies, a \$2.5 billion hedge fund, and spent 11 years at Merrill Lynch, where he was Cobead of the Global Debt Markets division. He assumed his current post in May 2002.



Seth H. Waugh

**COMPANY BRIEF** Deutsche Bank (NYSE: DB) is a leading global investment bank with a strong and profitable private clients franchise. A leader in Germany and Europe, the bank ([www.db.com](http://www.db.com)) is continuously growing in North America, Asia, and key emerging markets and has more than 78,000 employees in 76 countries, including more than 12,000 in the United States.

**How critical is corporate responsibility and community involvement to the culture of Deutsche Bank Americas, and how do you encourage employees to commit to such activities?**

I always link brand and culture together, because if you're doing it right, they're part of the same virtuous circle. Your culture becomes your brand. By "brand," I don't mean getting credit for doing good as much as creating a sense that the bank is a member of a community – both internally and externally. We want to create awareness that we care and that giving back is part of our DNA and our culture.

Internally, we're very proud of our foundation and what it has done to make a difference in a variety of areas. But we're also really proud of the opportunity we give our employees to participate in that work, both financially and by getting personally involved. The shared experience is very important to us, so we try to give everybody a voice and sweat equity in what we're doing.

**You mentioned a variety of areas. How do you focus your efforts when there is so much need?**



One area we focus on is community development and poverty alleviation. We partner with many innovative, local community groups by seeding them and trying to help them fund themselves sustainably. We also focus on opportunities where we can bring our financial expertise to bear on a problem, because that's what we know best and that's how we can truly make a difference. We complement our grant making with financing in the form of loans and investments to projects that can achieve a social and economic return. While outright charity is certainly important, I think we have a lot more to offer, as anyone can just write a check.

When it comes to poverty, we don't focus just on the U.S., although most of the DB Americas Foundation's efforts are here. For instance, outside the U.S., we've been a longtime champion of microfinance. It has become much more broadly recognized since Dr. Muhammad Yunus's Nobel Peace Prize, but we were one of the earliest corporations to take an active interest in this market. Almost 10 years ago, we were the first financial services firm to start lending to the sector. Our first fund was announced with Dr. Yunus, who remains an important partner of ours. Since then, we've continued to use our financial expertise to innovate, creating new financial instruments as the demand for capital has grown with the expansion of microfinance throughout the developing world. We are especially proud of the Global Commercial Microfinance Consortium, which brought together foundation, corporate, individual, and institutional investors from around the world to try to create a \$50 million fund. We actually raised \$80 million.

Education is another area where we spend a lot of time, because we feel that the cure to most ills is creating fair opportunities for quality education. We believe that addressing that issue creates a long-term solution to so many other problems by leveling the playing field. So, for example, we launched a million-dollar initiative in New York this year to train black male teachers, which we believe can make a measurable difference in the graduation rates for black male students. Arts and culture are also important parts of our mission.

Given that climate change may well prove to be the most challenging problem of our generation, we have also been concentrating aggressively on this area. Not only are we trying to reduce our own carbon footprint but, as a global bank we are in a unique position to help our corporate and investor clients create a more sustainable business model.

**Is it challenging to measure the results of your work in these areas? Do you have effective systems in place to do that?**

We review our commitments all the time, to make sure that our money is being invested effectively. Ultimately, we are more concerned about the sustainability of our projects than the business return but, by definition, these kinds of activities need to have a reasonable return or they're not sustainable. It is a bit more of an art than a science, but our first obligation is to our shareholders. Therefore, we need to make sure that what we're doing is intelligent and adding value to the bank overall.

**Are the bank's philanthropic efforts regionally focused?**

Yes, absolutely. We have an Americas Foundation, an Asia Foundation, an Africa Foundation, and a major European commitment, but we also cross borders when need be. When the world needs us, we step up. After 9/11, in addition to a corporate donation, we dedicated the commissions from a day of trading to the widows and orphans of New York police and fire officers and raised \$14 million, which I believe is still the single largest gift they've ever received. After Hurricane Katrina, we dedicated a day of trading to the hurricane victims in New Orleans. After the Asian tsunami, we made one of the largest corporate gifts to help the victims of that disaster, which included a microfinance strategy to help restart the local village economies. So the answer is yes, we do act locally, because we are local everywhere in the world. But we also look at importing and exporting expertise. Sharing expertise and knowledge across borders is what we do in our business, and it's certainly what we try to do in our community service as well. ●

Seth Waugh with the first group of teachers chosen for the Deutsche Bank Teachers as Leaders program in New York