

# German Bank Deposits \$35 Billion by Mistake

Posted June 11, 2018

Category : Business

## Unlocking Word Meanings

Read the following words/expressions found in today’s article.

- 1. **derivative** / **dɪˈrɪv ə tɪv** / (n) – a financial contract whose value is determined by underlying assets  
*Example:* Some companies rely on **derivatives** for additional profit.
- 2. **shortcoming** / **ˈʃɔrt,kʌm ɪŋ** / (n) – a flaw  
*Example:* The lack of manpower is one of our business’ **shortcomings**.
- 3. **risk management** / **rɪsk ˈmæn ɪdʒ mənt** / (n) – the assessment of a business risk to avoid or lessen its negative effects  
*Example:* I will train my staff on effective **risk management** techniques.
- 4. **erroneous** / **əˈrou ni əs, ɛˈrou-** / (adj) – incorrect  
*Example:* The bank statement contains a lot of **erroneous** information such as incorrect birth date and home address.
- 5. **retrieve** / **rɪˈtrɪv** / (v) – to gain something back  
*Example:* I was able to **retrieve** the amount that I accidentally deposited to my client.

## Article

Read the text below.

Deutsche [doich] Bank AG (DB) has recently made an error of depositing \$35 billion to one of its external accounts.

The said amount is greater than the German investment bank’s market value, which is reported to be at around \$28 billion. According to DB, the error happened when it was transferring money to its account in Eurex, a leading international exchange that facilitates the trading of European **derivatives**.

DB spokesperson Charlie Olivier explained that the accidental transfer was an operational error and that the amount to be deposited was supposed to be not as large as the transferred amount. Olivier added that the company was able to immediately identify and resolve the error. The company has also looked into the error’s causes and is now implementing preventive measures to avoid the same mistake.

While the error did not lead to any financial repercussions, it may imply that even advanced firms like DB are not spared from **shortcomings**. Because the incident took place at the time when Christian Sewing replaced John Cryan as CEO, people are questioning the bank’s **risk management**. During Cryan’s time as CEO, he attempted to improve DB’s processes, but the bank continued to suffer from major losses.

This is not the first time that DB made an **erroneous** deposit.

In June 2015, a junior trader from DB’s Frankfurt-based foreign exchange sales team processed an incorrect figure and mistakenly sent \$6 billion to a US-based client. The bank was able to **retrieve** the said amount a day after the error was committed.

## Viewpoint Discussion

Enjoy a discussion with your tutor.

### Discussion A

- How do you think this error will affect DB’s image?

- In your opinion, how can DB avoid repeating the same error? Explain.
- Discussion B**
- Do you think it is still safe to keep one’s money in banks? Why or why not?
  - How would you evaluate the banks in your country in terms of security?
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**Discussion B**

- Do you think it is still safe to keep one’s money in banks? Why or why not?
- How would you evaluate the banks in your country in terms of security?

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