NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: **December 31, 2010**

Institution: **Deutsche Bank Trust Company Americas**
60 Wall Street
New York, NY 10045

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Deutsche Bank Trust Company Americas ("DBTCA") prepared by the New York State Banking Department. The evaluation represents the Banking Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2010.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution's record of helping to meet the credit needs of its entire community, including low and moderate-income ("LMI") areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

(1) Outstanding record of meeting community credit needs;

(2) Satisfactory record of meeting community credit needs;

(3) Needs to improve record of meeting community credit needs; and

(4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public ("Evaluation"). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall CRA Rating: "Outstanding"

DBTCA's performance was evaluated according to the community development test for wholesale or limited purpose banking institutions pursuant to Part 76.11 of the General Regulations of the Banking Board. The assessment period covered the 4th quarter ended December 31, 2008 and calendar years 2009 and 2010. DBTCA is rated "1" indicating a "Outstanding" record of helping to meet community credit needs. This rating is the same from the prior rating of "1," (Outstanding) based on the NYSBD Performance Evaluation dated September 30, 2008.

This rating is based on the following factors:

Community Development Activity (Loans, Investments, Services): "Outstanding"

DBTCA's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area considering DBTCA's capacity, and the need and availability of such opportunities for community development in its assessment area.

Community Development Loans: "Outstanding"

During the evaluation period, DBTCA originated $209 million in new community development loans, and still had $103 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period[1]. New CD loans increased by 73% compared to $121 million during the prior evaluation period.

Community Development Qualified Investments: "Outstanding"

DBTCA made $61.4 million in new community development investments, including grants and still had $70 million outstanding from prior evaluation periods. Qualified investments during this evaluation increased by $44 million or 60%, and the level of qualified investments remained strong.

Community Development Services: "Outstanding"

DBTCA demonstrated an excellent level of community development services over the course of the evaluation period. Its strong relationships with non-profit organizations and community development intermediaries, and its financial capabilities enabled DBTCA to engage in a wide variety of community development activities for LMI residents.

[1] For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit.

DBTCA's officers and employees provided financial advice and technical assistance to community development intermediaries and community based partners.

<u>Innovative or Complex Practices</u>: "Outstanding"

DBTCA demonstrated an excellent level of innovative community development practices.

<u>Responsiveness to Credit and Community Development Needs</u>: "Outstanding"

DBTCA demonstrated an excellent level of responsiveness to credit and community development needs.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution Profile:

Deutsche Bank Trust Company Americas ("DBTCA") located at 60 Wall Street, NY, NY 10045 was originally chartered in 1903 as Bankers Trust Company ("BT"). The current name was adopted following BT's acquisition by Deutsche Bank AG, in April 2002. DBTCA is a wholly-owned subsidiary of Deutsche Bank Trust Corporation ("DBTC"), a bank holding company based in New York City. In turn, DBTC is a wholly-owned subsidiary of Taunus Corporation, a U.S. bank holding company owned by Deutsche Bank AG of Frankfurt, Germany.

DBTCA is a wholesale commercial bank that provides global institutional services such as leverage finance, loan trading and correspondent banking. The Federal Reserve Bank of New York approved DBTCA as a wholesale bank for CRA purposes on August 18, 1997. As a wholesale bank, DBTCA is not in the business of originating or purchasing residential mortgages, consumer loans, small business or small farm loans to retail customers, except as an accommodation to its existing clients.

DBTCA's CRA activities are primarily conducted by a specialized business unit based in New York City, which is comprised of the Community Development Finance Group ("CDFG") and Deutsche Bank Americas Foundation ("DBAF"), both headed by the same President/Managing Director. Through its portfolio of community development loans and investments, CDFG helps to finance affordable housing, economic development, and community services in distressed neighborhoods, primarily in New York City. DBAF administers the Bank's philanthropic activities in the U.S. with a focus on community development, education and the arts. As a wholesale bank, DBTCA, in carrying out its CRA mission objectives, relies significantly on its business relationships with CDFIs and CDC partners, to bring resources to communities in need through its community development loans and investments, grants and services.

As per the Consolidated Report of Condition (the Call Report) as of December 31, 2010, DBTCA reported total assets of $45.5 billion, of which $13.3 billion were net loans receivables. It also reported total liabilities of $36 billion, including domestic deposits of $17.7 billion, deposits in foreign offices of $7.8 billion and federal funds purchased in domestic offices of $7.7 billion.

The following is a summary of the bank's loan portfolio, based on Schedule RC-C of the bank's December 31, 2008, December 31, 2009 and December 31, 2010 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
	12/31/2008		12/31/2009		12/31/2010	
Loan type	$000's	%	$000's	%	$000's	%
Real estate loans						
1-4 family residential mortgage	2,172,000	17.0	3,499,000	28.0	4,098,000	30.5
Commercial Mortgage	747,000	5.8	848,000	6.8	890,000	6.6
Multifamily (5 or more)	1,000	0.0	3,000	0.0	0	0.0
Construction Loans	79,000	0.6	61,000	0.5	40,000	0.3
Commercial & Industrial	3,315,000	25.9	2,704,000	21.6	2,854,000	21.3
Consumer Loans	824,000	6.4	924,000	7.4	1,013,000	7.5
Other loans						
Loans to purchase securities	2,352,000	18.4	2,004,000	16.0	1,952,000	14.5
Loans to banks outside U.S.	694,000	5.4	339,000	2.7	524,000	3.9
All other Loans	2,608,000	20.4	2,129,000	17.0	2,053,000	15.3
Total Gross Loans	12,792,000	100.0	12,511,000	100.0	13,424,000	100.0

DBTCA, as a wholesale commercial bank is primarily engaged in private banking services and lending to large businesses such as corporate clients and other financial institutions, both in the U.S. and foreign countries. As illustrated in the above chart, commercial mortgage, commercial & industrial and other loans represented 62.0% of its total gross loans.

There are no known financial or legal impediments that adversely impacted the bank's ability to meet the credit needs of its community.

Assessment Area:

DBTCA's assessment area consists of the five boroughs of New York City. There are 2,217 census tracts in the area, of which 326 are low-income, 613 moderate-income, 663 middle-income, 557 upper-income and 58 tracts with no income indicated. Overall, LMI areas represented 42.4% of total census tracts. Census tracts in Bronx, New York (Upper Manhattan) and Kings (Central Brooklyn) Counties represented 81% of total LMI areas.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	14	132	98	65	46	355	64.8
Kings	15	119	297	235	117	783	53.1
New York	9	60	59	24	144	296	40.2
Queens	18	12	148	310	185	673	23.8
Richmond	2	3	11	29	65	110	12.7
Total	58	326	613	663	557	2,217	42.4

The assessment area appears reasonable based upon the location of the DBTCA's offices and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Demographic & Economic Data

The assessment area had a population of 8 million during the 2000 U.S. Census. About 11.7% of the population were over the age of 65 and 21.6% were under the age of 16.

Of the 1.87 million families in the assessment area, 30.7% were low-income, 16.7% were moderate-income, 17.0% were middle-income and 35.5% were upper-income families. There were 3.02 million households in the assessment area, of which 19.7% had income below the poverty level and 7.5% were on public assistance.

The MSA median family income within the assessment area was $49.5 thousand. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area was $65.6 thousand in 2010. Among the five counties, Bronx County had the lowest median household income at $29.5 thousand and Richmond County was highest (Staten Island) at $55.6 thousand.

There were 3.2 million housing units within the assessment area, of which 39.1% were one- to four-family units, and 61% were multifamily units. A majority (65.9%) of the area's housing units were renter-occupied, while 28.5% were owner-occupied. Of the 2.1 million renter-occupied housing units, 33.9% were in moderate-income geographies while 23.6% were in middle-income tracts. The median gross rent was $745. Of the 912 thousand owner-occupied housing units, 17.3% were in moderate-income tracts and 34.4% in middle-income tracts. The median age of the housing stock was 60 years and the median home value in the assessment area was $241 thousand.

There were 499 thousand non-farm businesses in the assessment area. Of these, 74.9% were businesses with reported revenues of less than or equal to $1 million, 5.3% reported revenues of more than $1 million and 19.8% did not report their revenues. Of all the non-farm businesses in the assessment area, 83.8% were businesses with less than fifty employees while 92.5% operated from a single location. The largest industries in the area were service providers (46.4%), followed by retail trade industry (16.9%) and finance, insurance and real estate (9.5%), while 8.7% of businesses in the assessment area were not classified.

Statistics on Pre-foreclosure Filings (PFF), Modifications or Foreclosures

New York's 2009 Mortgage Foreclosure Law approved on December 15, 2009, requires that a pre-foreclosure notice be sent to all borrowers with home loans at least 90 days before the lender commences legal action against a borrower. The latest report on the 90-day pre-foreclosure notice mailing requirement compiled and issued by the New York State Banking Department, covered the period between February 13, 2010 and August 31, 2010. It involved 134,000 borrowers with mortgages on owner-occupied 1-to-4 family residential properties in New York State.

PFF notices were highest in Queens County among the five counties in New York City, which also ranked second highest among the 62 counties in New York State.

Breakdown of PFF notices in the five counties representing the New York City region are as follows:

County	PFF Volume	% to total filings
Queens	15,184	11.3%
Kings	11,037	8.2%
Bronx	4,639	3.5%
Richmond	4,620	3.4%
New York	2,980	2.2%

The statewide average of 90-day pre-foreclosure filings as a percentage of total mortgages on comparable properties was 5.2% representing 134,000 borrowers and 2.577 billion mortgage loans. All counties (except New York County) were above the statewide average, as indicated in the chart below.

PFF notices as a percentage of total mortgages on comparable properties for the 5 boroughs were as follows:

County	PFF Volume	% to PFF notices	Mortgages (in thousands)	% of Mortgages
Bronx	4,639	3.46%	62,226	7.5%
Queens	15,184	11.33%	223,351	6.8%
Kings	11,037	8.24%	175,471	6.3%
Richmond	4,620	3.45%	87,260	5.3%
New York	2,980	2.22%	108,125	2.8%
Total NYC Region	38,460	28.70%	656,433	25.5%

The New York City region, with 38,460 PFF notices, received the most number of notices in all ten regions in New York State at 28.7% of all 90-day pre-foreclosure notices mailed in the state.

NYS DOL unemployment rates

Statistics published by the New York State Department of Labor showed that the average unemployment rate for New York State escalated from 5.3% in 2008 to 8.4% in 2009 and 8.6% in 2010. The same upward trend was manifested in the five counties.

The chart below describes how unemployment rates in the New York City region compared with statewide averages for the last three years. In 2010, New York County showed an improvement in its unemployment rate at 8.0% which was 0.6% lower than the statewide average of 8.6% for the same period, while the four other counties exceeded the average.

Assessment Area Unemployment Rate						
Year	NYS	Bronx	Kings	New York	Queens	Richmond
2008	5.3%	7.3%	5.8%	4.7%	4.9%	4.9%
2009	8.4%	12.2%	10.1%	8.5%	8.6%	8.4%
2010	8.6%	12.8%	10.2%	8.0%	8.5%	8.7%

Community Information

In addition to information provided by DBTCA, the examiners reviewed information provided by officials from several community development organizations operating in New York City to gain an understanding of the local credit needs.

Community development corporations (CDCs) contacted for the community information section are as follows:

- The New York branch of a large U.S. community development intermediary founded by the Ford Foundation in 1979. The non-profit provides grants, financing, and technical assistance to community development corporations active in distressed areas.

- A non-profit organization established in 1974 with a mission of assisting Asian Americans and others in need. Their services include community development and housing preservation, social services, homeownership counseling, and small business development serving NYC's more than 800,000 Asian American residents.

- A city-wide, tax-exempt, not-for-profit organization, founded in 1970 whose mission is to preserve and develop affordable housing for low and moderate-income New Yorkers with emphasis on senior citizens in the neighborhood.

The recession that began in 2007 has been more stressful for low-, moderate- and middle-income Americans and has significantly impacted community development lending and investing activities. On the national level, unemployment exceeded 10% at its peak. A significant percentage (55%) of adults in the work force suffered work related hardships such as unemployment, pay cuts or reductions in hours.

As a result of the meltdown of the real estate market, an average U.S. household experienced a 20% drop in net worth and 22% of home owners had negative equity in their houses. As of August, 2010, the Mortgage Bankers Association reported an estimated 14% of U.S. mortgages were delinquent or in foreclosure.

Non-profit organizations were severely restrained in their ability to respond to the needs of the low-income population and underserved communities due to the decline of philanthropic endowments and government subsidy. State and local governments were under fiscal pressure as a result of huge declines in tax revenues such as those related to real estate transactions.

Economic conditions, such as unemployment and bankruptcy rates were reported to be less dismal in New York City than national averages, while homes in the New York City area have held their value better than most other big cities. However, the effects of the recession were also mostly felt by low-income communities and organizations involved in meeting community credit needs. New York City neighborhoods, where DBTCA has been working with community based partners and CDFIs over the last twenty years were hard hit with job and income losses, declines in real estate values and escalating foreclosures.

The effects of the recession and financial crisis in terms of community development lending and investments were felt in New York City in several ways:

- The market for Low Income Housing Tax Credit (LIHTC) was disrupted as corporate profits diminished. The LIHTC is a dollar-for-dollar tax credit to corporate investors to encourage affordable housing investments. The LIHTC program has helped meet a critical affordable housing shortage by encouraging investments to fund affordable multi-family housing projects.

However, as the profits of corporate investors diminished, so did the demand for LIHTC. As a result, new construction in NYC for multi-family affordable housing projects dropped, as did projects to preserve and rehabilitate older affordable housing buildings.

- A growing percentage of default and imminent foreclosure of commercial real estate properties was evident in shopping and outlet malls and overleveraged residential multi-family rental properties.

  Many of the multi-family buildings now facing default or foreclosure were purchased at inflated prices during the housing boom with the unrealistic expectations of increasing the rent stabilized apartments to market rates. As owners have defaulted, the properties have fallen into disrepair. Lenders are unwilling or unable to foreclose on these properties. It was estimated that there were probably close to 100,000 multifamily rental housing units in NYC and another 100,000 units throughout NYS of overleveraged multifamily rental housing units.[1]

- Job loss escalated; homelessness reached an all-time high; the number of apartments (including public housing) considered affordable for low-income households declined, while there was an increase in the number of mortgage loan defaults and foreclosures of 1-4 family homes.

- Community based organizations were faced with financial problems of their own, such as liquidity pressures and high cost of operating expenses. These non-profit organizations also had to deal with tightened underwriting by lenders, for avoidance or aversion to what is perceived as high credit risk for CD loans favoring LMI communities or individuals.

  The Managing Director and the Special Projects Coordinator of two CDCs credited DBTCA, particularly the officers of the CDFG and DBAF for "thinking outside the box" and the leadership displayed in their role as members of the board of directors and working committees of community based organizations. Another CDC, gave DBTCA a Pioneer Spirit Award to acknowledge DBTCA's role in providing innovative approaches to community development, such as the financing of energy efficient improvements in NYC multi-family buildings aimed at addressing climate changes while improving the health and affordability of housing for LMI communities.

[1] Debt Threat – Saving Multifamily rental Housing from Zombie Mortgages by Harold Shultz, Senior Fellow of Citizens Housing & Planning Council

PERFORMANCE TEST AND ASSESSMENT FACTORS

The Banking Department evaluates the CRA performance of wholesale banks pursuant to the "community development test" as provided in Section 76.11 of the General Regulations of the Banking Board. Performance criteria include (1) the number and amount of community development loans, qualified investments or community development services; (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which investments are not routinely provided by private investors; and (3) the banking institution's responsiveness to credit and community development needs. In addition, the following factors were also considered in assessing Deutsche Bank Trust Company Americas' (DBTCA) record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors such as activities to ascertain credit needs; and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The assessment period included the 4th quarter ended December 31, 2008 and calendar years 2009 and 2010.

Statistics employed in this evaluation were derived from various sources. The demographic data referred to in this report were derived from the 2000 U.S. Census data with the updated median family income figures provided by the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report were derived from information on US businesses, enhanced by Dun & Bradstreet and updated annually. Call report data that the institution filed with the Federal Reserve Board are also used in the analysis.

DBTCA received a rating of "1" reflecting an "Outstanding" record of helping to meet community credit needs based on the **prior** NYSBD Performance Evaluation dated September 30, 2008.

Current CRA Rating: **"OUTSTANDING"**

Community Development Activities: "Outstanding"

DBTCA's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area considering DBTCA's capacity, and the need and availability of such opportunities for community development in its assessment area.

As a wholesale bank, DBTCA relied primarily on its strong relationships with non-profit organizations (NPOs) and community development corporations (CDCs) to make loans and investments and provide grants and services to meet the credit needs and create opportunities for LMI communities and residents within its assessment area.

DBTCA's community development activities included loans, investments and grants to the areas that were hard hit by foreclosure.

DBTCA also launched the Neighborhood Energy Loan Program (NELP) to finance energy efficiency improvements on older multi-family buildings located in LMI neighborhoods. Other related activities that were initiated by DBTCA included exploring ways to reduce energy consumption in multi-family buildings, stabilize affordable housing, improve health benefits for LMI residents and create new employment opportunities for community residents.

During the evaluation period, DBTCA originated $209 million in new community development loans, and still had $103 million outstanding from prior evaluation periods. Also during the evaluation period, DBTCA made $49 million in new community development investments and had $70 million outstanding from prior evaluation periods. DBTCA made $13 million in community development grants.

Combined, community development loans, qualified investments and grants totaled $432 million, a net increase of 89% over the previous evaluation period's $228 million. While CD loans and lines of credit increased more than two-fold by $170 million or 120%, qualified investments increased by $44 million or 60%. Affordable housing represented 88% of total CD loans and qualified investments, and remains the largest category of DBTCA's activities.

A more detailed description of DBTCA's community development activity follows:

Community Development Lending: "Outstanding"

During the evaluation period, DBTCA originated $209 million in new community development loans, and still had $103 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period[1]. New CD loans increased by 73% compared to $121 million during the prior evaluation period.

[1] For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the exam.

Community Development Loans				
	This Evaluation Period		Outstanding from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	32	179,645	30	101,661
Economic Development	3	2,650	3	305
Community Services	3	20,075	7	1,090
Neighborhood Revitalization	2	6,500	0	
Total	40	208,870	40	103,056

DBTCA maintained its support of NPOs and CD intermediaries by renewing existing lines of credit and developing new relationships. The following are some of the community development lending activities the bank undertook:

- DBTCA renewed a $50 million line of credit to a large community development intermediary and leading syndicator of low income housing tax credits. The funds will be used to make short term loans to its affiliates for rehabilitation and construction of multi-family affordable housing projects.

- DBTCA took a $24 million or 80% senior participation in a $30 million pool of construction loans made by a private, nonprofit mortgage lender which specializes in financing the rehabilitation of deteriorated LMI housing.

- In 2010, DBTCA created a $20 million new line of credit to a leading nonprofit lender with a strong track record of community impact through its health center, education and housing lending. The facility will be primarily used for construction, bridge and short-term loans to charter schools, health centers and other nonprofit borrowers in LMI communities.

DBTCA helped stabilize neighborhoods hard hit by foreclosure:

- DBTCA committed a $6 million multi-draw facility to the New York City REO Fund for the acquisition and rehabilitation of 100 foreclosed/REO and other distressed 1-4 family homes in NYC neighborhoods that have the highest concentration of foreclosures.

DBTCA, under its Working Capital Program established in 1994, assisted CDCs in their efforts to preserve and rebuild neighborhoods struggling with neglect, disinvestment, and the impact of a stagnant or deteriorating real estate market. It provided $225 thousand each to five CDCs structured as a $150 thousand grant and $75 thousand in no-interest loans for a three year period.

As part of an innovative CD lending program, DBTCA, in collaboration with a private not-for-profit mortgage lender, launched the Neighborhood Energy Loan Program (NELP) aimed at reducing energy consumption in multi-family dwellings in LMI areas. DBTCA provided the community development corporation with a $15 million revolving line of credit to finance energy efficiency improvements in NYC multifamily buildings.

Community Development Investments: "Outstanding"

During the evaluation period, DBTCA made $61.4 million in new community development investments, including grants and still had $70 million outstanding from prior evaluation periods. Qualified investments during this evaluation increased by $44 million or 60%, and the level of qualified investments remained strong.

Community Development Investments and Grants				
	This Evaluation Period		Outstanding from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing	6	$ 41,251	19	57,553
Economic Development	3	$ 750	6	11,379
Community Services	0	$ -	1	828
Neighborhood Revitalization	10	$ 6,600		
Total	19	$ 48,601	26	69,760
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	92	$ 4,244		
Economic Development	152	$ 4,267		
Community Services	60	$ 2,466		
Other (Please Specify) *		$ 1,808		
Total	304	$ 12,785		

* *Matching contributions made by DBTCA for employee donations for CRA activities.*

DBTCA continued its support of investments and grants to finance affordable housing, support CDFIs, and revitalize neighborhoods hard hit by the foreclosure crisis. Some of these investments and grants were as follows:

- Invested $6.3 million in collateral trust notes issued by Community Preservation Corporation (CPC) to purchase interests in numerous pools of permanent mortgage loans originated by CPC. CPC is a private, non-profit corporation engaged in financing affordable multi-family housing projects.

- DBTCA invested almost $30 million in CRA-targeted residential mortgage-backed securities (RMBS) brokered by Bank of America/Merrill Lynch. The underlying assets were pools of residential loans made in New York State, of which 77% or $23 million were made to low- to moderate-income borrowers.

Provided $2.4 million total in grants to 16 organizations under its Working Capital and DB Share programs. The grant recipients are involved in various affordable housing projects and small business developments in NYC neighborhoods.

- Invested $1.6 million in below market rate deposits and committed a $5 million deposit facility to federally designated “low-income” credit unions through the National Federation of Community Development Credit Unions (NFDCU).

- Made $200 thousand in grants to the Center for New York City Neighborhoods, a coordinator for organizations providing legal and financial counseling and foreclosure assistance to thousands of New Yorkers who are at risk of losing their houses.

- Deutsche Bank Americas Fund (DBAF), through its Matching Gifts Program, supports employees’ charitable interests, by matching every dollar contribution its employees make to organizations that promotes community development and social service activities. During the evaluation period, DBTCA contributed $1.81 million to community based organizations such as homeless shelters and neighborhood centers that help low income families with legal problems, senior citizens with transportation and companionship and victims of child and domestic abuse.

Community Development Services: **“**Outstanding**”**

DBTCA demonstrated an excellent level of community development services over the course of the evaluation period. Its strong relationships with NPOs and CD intermediaries and its financial capabilities enabled DBTCA to engage in a wide variety of community development activities for LMI residents. DBTCA’s officers and employees, particularly the staff of the Community Development Finance Group (CDFG) and DBAF, provided financial advice and technical assistance to community development intermediaries and community based partners. Below are highlights of DBTCA’s community development services.

- Worked with public and private sector and nonprofit organizations to identify and finance energy efficiency opportunities for multi-family buildings that will not only preserve these buildings that are in physical distress, but also help low-income residents save on their energy bills. As part of the project, DBTCA assembled a stakeholder representative working group to develop a reliable set of building performance data that will eventually change underwriting practices to allow underwriting and lending based on energy savings.

- Provided technical assistance to the NYC Office of Long Term Planning and Sustainability (OLTPS) and worked with a group of public and private sector stakeholders on the creation of a quasi-public social enterprise called the New York City Energy Efficiency Corporation (NYCEEC). The corporation will initially focus on improving energy efficiency on multi-family affordable/rent stabilized buildings.

Provided financial and technical assistance to nonprofit organizations and CDCs through membership on the organizations' board of directors and working committees. At least 45 employees served as members of the board of directors or working committees of 66 community organizations supporting NYC neighborhoods.

- The Managing Director/President and three other senior officers of DBTCA's CDFG and DBAF, including a senior officer/member of the bank's Community Reinvestment Committee are on the board of directors and working committees of Living Cities. Living Cities is a collaboration of the country's most prominent foundations and financial institutions providing loans and grants to stimulate the production of affordable housing, neighborhood revitalization and economic development

- The CEO of Deutsche Bank Americas is on the board of directors of Local Initiatives Support Corporation (LISC). Senior officers of CDFG and DBAF are members of the Local Advisory Committee of LISC, New York City. LISC is a large community development support organization dedicated to helping low-income urban and rural communities grow into healthy communities through loans, investments and grants to rehabilitate affordable homes and develop retail, community and educational facilities nationwide. The Managing Director of CDFG/DBAF, served as chair of the NYC LISC Local Advisory Committee.

- A managing director was the chairman of the board of the Neighborhood Opportunities Fund, while another managing director served on the board of directors of Enterprise Community Partners. Both non-profit intermediaries provide capital and expertise for affordable housing and community development.

- The new head of Global Markets for North America was on the board of directors of City Meals-on-Wheels, a nonprofit organization that provides home-delivered meals or human company to elderly residents of New York City who can no longer cook nutritious meals for themselves.

Although Deutsche Bank Americas has no retail branches, it developed innovative means to bring financial advice and technical assistance to local communities in need.

- LISC NYC developed its First Responder Initiative to assist CDC partners with significant housing portfolios located in neighborhoods with the highest needs. The initiative consisted of field assessments and technical assistance. DBTCA developed a new employee volunteer effort to recruit and organize a select group of experienced staff to serve as advisors to CDCs serviced by LISC NYC. The volunteers assist in business plan development, strategic planning and management of the organizations' real estate portfolio.

- DBTCA volunteered to provide free tax preparation services during the 2010 tax season to clients of the Food Bank for New York City, a hunger-relief organization working to end food poverty throughout the five boroughs.

Innovative or Complex Practices: "Outstanding"

DBTCA demonstrated an excellent level of innovative community development practices.

- DBTCA, along with a nonprofit partner (Community Preservation Corp.), launched its first multi-family construction loan program called Neighborhood Energy Loan Program (NELP) to finance energy saving improvements in NYC multi-family buildings. The objectives of the program are to help preserve some of the older multi-family housing units in physical distress, reduce energy bills for its low-income residents, provide important health benefits by improving indoor air quality and create new employment opportunities for community residents.

- DBTCA, through its Supportive Housing Acquisition and Rehabilitation Effort (DB Share) committed $2.475 million to eleven organizations (structured as a $150 thousand grant and a $75 thousand no-interest loan) for the production of new, permanent housing for the homeless with special needs within NYC.

Responsiveness to Credit and Community Development Needs: "Outstanding"

DBTCA demonstrated an excellent level of responsiveness to credit and community development needs.

- DBTCA, recognizing the financial challenges facing its CDFIs and other CDC partners, fortified the capacity of CDFIs, by extending and increasing existing lines of credit and establishing new ones;

- Investing in below market rate non-member deposits with federal and NYS chartered credit unions serving low income members;

- Address the foreclosure crisis and neighborhood stabilization by providing a high level of grant support to non-profits organized to respond to the foreclosure crisis and participating with other banks in a credit facility to acquire, rehabilitate and resell foreclosed/REO properties.

Additional Factors

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

DBTCA's board of directors Public Responsibility and Concern (PRC) committee provided board oversight over CRA compliance. During the meetings held twice a year, the committee reviewed and discussed the bank's community development activities The meetings included discussion of budget issues, review of economic reports regarding trends in unemployment, homeless residents, affordable housing units, and public and private philanthropic endowments in New York City neighborhoods.

In addition to the board committee, the staff of CDFG/DBAF monitors the bank's community development activities on an ongoing basis. A Community Reinvestment Committee (CRC) consisting of 12 senior managers from throughout the bank provides regular guidance and oversight over CRA-related activities. The CRC, meeting twice a year, reviews the quality of the CD loan and investment portfolio and discusses projects and updates presented by CDFG/DBAF managers.

The Bank also performs a strategic plan review of its community development activities on a biennial basis, identifying goals, objectives and challenges. The plan, developed as a self-assessment tool, is reviewed by CDFG and DBAF management and updated on a semi-annual basis.

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File

NYSBD noted no practices that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices

NYSBD noted no evidence of prohibited discriminatory or other illegal practices.

The banking institution's record of opening and closing offices and providing services at offices

DBTCA has not opened or closed any branches since the prior evaluation. As a wholesale bank, DBTCA does not offer retail services at its offices.

Process Factors

Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking *institution*.

As a wholesale bank, DBTCA performs its CD lending in partnership with community development intermediaries and non-profit organizations serving NYC neighborhoods. Throughout the evaluation period, DBTCA made deliberate outreach efforts and constant contacts with its community development partners to ascertain the credit needs of its assessment area. The program included formal contacts during credit reviews of CD borrowers, extensive site visits of program awardees and grant recipients and tours of foreclosure sites.

These formal contacts were supplemented by participations in industry gatherings, conferences, networking activities, and engagement with New York City based research institutions.

DBTCA staff also gained insight on the credit needs of the community through participation on the board of directors and working committees of community development intermediaries and non-profit organizations.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

DBTCA has maintained an enhanced outreach program with its CDC partners enabling the bank to design community development activities to meet the needs of LMI communities. For example, through the representation by bank officers on the boards of nonprofit organizations and interactions between bank staff and prospective grantees, further marketing of the Bank's credit services and to low- and moderate-income communities is achieved.

It has also created new materials for publication and distribution to reach community development organizations. Some of these publications are as follows:

1. "Community Focus" a newsletter used as the main forum to communicate the bank's community development and corporate social responsibility initiatives and projects. The newsletter was distributed to community leaders, bank employees and other stakeholders. The external mailing list included approximately 2,700 organizations.

2. The "Americas Annual Corporate Social Responsibility Report" communicates the community development efforts of DBAF and CDFG and was distributed to all bank employees, community leaders and other community development partners of CDFG and DBAF.

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs

of its entire community

None.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

The term "community development" is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income ("LMI") individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration ("SBA") Development Company or Small Business Investment Company programs, or have gross annual incomes of $1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

A "community development loan" is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income ("LMI") persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A "qualified investment" is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
  - ❖ Serving on a loan review committee;
  - ❖ Developing loan application and underwriting standards;
  - ❖ Developing loan processing systems;

- Developing secondary market vehicles or programs;
- Assisting in marketing financial services, including the development of
- advertising and promotions, publications, workshops and conferences;
- Furnishing financial services training for staff and management;
- Contributing accounting/bookkeeping services; and
- Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act ("HMDA")

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues ("GAR") of $1 million or less ("< = $ 1MM").

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas ("BNAs"), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area ("MSA") or Primary Metropolitan Statistical Area ("PMSA"), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of < = $1MM.