



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
CONSUMER PROTECTION AND FINANCIAL ENFORCEMENT
DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: March 31, 2018

Institution: Deutsche Bank Trust Company Americas
60 Wall Street
New York, NY 10005

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 Department of Financial Services concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

	Section
General Information	1
Overview of Institution's Performance	2
Performance Context	3
Institution Profile	
Assessment Area	
Demographic & Economic Data	
Community Information	
Performance Tests and Assessment Factors	4
Community Development Test	
Innovative or Complex Practices	
Responsiveness to Credit and Community Development Needs	
Additional Factors	
Glossary	5

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Deutsche Bank Trust Company Americas (“DBTCA” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of March 31, 2018.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services 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 Superintendent (“GRS”) implements Section 28-b and further requires that the 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 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 in 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 (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an 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"

The Department evaluated DBTCA's performance according to the community development test for wholesale or limited purpose banking institutions pursuant to Section 76.11 of the GRS. The evaluation period covered January 1, 2015 through March 31, 2018. The Bank is rated "Outstanding" or "1." This rating means the Bank had outstanding record of helping to meet community credit needs.

This rating is based on the following factors:

Community Development Test: "Outstanding"

DBTCA's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering Bank's capacity and the need and availability of such opportunities for community development in its assessment area. Also, the Bank made extensive use of innovative or complex community development loans, qualified investments, and services.

Community Development Lending: "Outstanding"

During the evaluation period, DBTCA originated \$354.4 million in new community development loans and had \$6.1 million outstanding from prior evaluation period, for a total of \$360.5 million. This demonstrated an excellent level of community development lending over the course of the evaluation period.

Qualified Investments: "Outstanding"

During the evaluation period, DBTCA made \$312.2 million in new community development investments and \$20.1 million in grants, and had \$139.9 million in investments outstanding from prior evaluation periods. This demonstrated an excellent level of qualified investments over the course of the evaluation period.

Community Development Services: "Outstanding"

DBTCA officers and employees participated in more than 300 qualified community development services, which demonstrated an excellent level of community development services over the course of the evaluation period.

Innovative or Complex Practices: "Outstanding"

DBTCA demonstrated an excellent level of innovative or flexible community development practices.

DBTCA's innovative or flexible community development practices include taking leadership roles by providing capital via investments or grants in the early stage and pre-development activities for affordable housing and other community projects in partnership with nonprofit organizations, financial intermediaries and local government.

Responsiveness to Credit and Community Development Needs: "Outstanding"

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

DBTCA's community development activities supported revitalization and stabilization of New York City neighborhoods and provided funding and grants for various affordable housing projects. DBTCA also disbursed predevelopment grants (recoverable and nonrecoverable) to various nonprofit organizations providing supportive housing in New York City. Community development activities also included loans to improve access and availability of educational, health and housing services in LMI communities by providing construction financing for schools, healthcare facilities and senior housing.

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

PERFORMANCE CONTEXT

Institution Profile

DBTCA is a New York State-chartered bank, headquartered in New York City. DBTCA is a wholly-owned subsidiary of Deutsche Bank Trust Corporation, a bank holding company based in New York, which is owned by Deutsche Bank AG.

DBTCA has been designated a wholesale bank for CRA purposes by the Federal Reserve Board of Governors (August 18, 1997). The Bank's CRA activities are primarily conducted by the Community Development Finance Group ("CDFG") and the Deutsche Bank Americas Foundation ("Foundation").

DBTCA offers financial services and products to institutions and high net worth individuals, which include private banking, investment management, fiduciary services, debt finance, loan trading and correspondent banking. DBTCA does not extend home mortgage, small business, or consumer credit to retail customers or the general public, but may originate or purchase these types of loans as accommodations for current clients, either directly or through its non-bank subsidiary, DB Private Wealth Mortgage Ltd.

Per the Consolidated Report of Condition (the "Call Report"), as of March 31, 2018, filed with the Federal Deposit Insurance Corporation ("FDIC"), DBTCA reported total assets of \$42.1 billion, which is a decline of 21.3% from the \$53.5 billion reported as of December 31, 2014, the end of the prior evaluation period. The Bank's net loans and leases also declined (40.5%) to \$9.3 billion as of March 31, 2018, from the \$15.7 billion reported at the prior evaluation period. DBTCA reported total deposits of \$29.8 billion, which is also a decline from the \$40.1 billion reported at the prior evaluation. According to the latest available comparative deposit data, as of June 30, 2017, DBTCA had a market share of 2.5%, or \$32.6 billion in a market of \$1.3 trillion, ranking it 7th among 111 deposit-taking institutions.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2015, 2016, 2017, and March 31, 2018's Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	12/31/2015		12/31/2016		12/31/2017		3/31/2018	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	3,894,000	20.8	3,659,000	32.2	3,065,000	32.7	2,915,000	31.3
Commercial & Industrial Loans	3,407,000	18.2	1,942,000	17.1	1,082,000	11.6	1,040,000	11.2
Commercial Mortgage Loans	1,785,000	9.5	1,279,000	11.3	1,249,000	13.3	1,204,000	12.9
Multifamily Mortgages	878,000	4.7	955,000	8.4	905,000	9.7	900,000	9.7
Consumer Loans	131,000	0.7	119,000	1.0	114,000	1.2	113,000	1.2
Loan to Depository Institutions	2,825,000	15.1	563,000	5.0	430,000	4.6	624,000	6.7
Construction Loans	78,000	0.4	209,000	1.8	216,000	2.3	216,000	2.3
Loans to Foreign Governments	3,000	0.0	14,000	0.1	0	0.0	0	0.0
Loan to Non-Depository Institutions	5,720,000	30.6	2,621,000	23.1	2,300,000	24.6	2,304,000	24.7
Total Gross Loans	18,721,000		11,361,000		9,361,000		9,316,000	

The Bank's loan portfolio declined sharply during the evaluation period, driven by a decline in commercial & industrial loans, loans to non-depository, and loans to depository institutions. Residential mortgage loans are now the largest segment of the loan portfolio, followed by loans to non-depository institutions and commercial mortgage loans. As a wholesale bank, DBTCA does not offer any retail services at its branch.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on DBTCA'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, which are New York, Kings, Richmond, Queens, and Bronx counties. The assessment area remained unchanged from the prior evaluation.

There are 2,167 census tracts in the assessment area, of which 347 are low-income, 608 are moderate-income, 631 are middle-income, 515 are upper-income, and 66 have no income indicated. LMI areas represented 44.1% of the total census tracts in the assessment area.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	7	160	90	56	26	339	73.7
Kings	14	115	280	211	141	761	51.9
New York	15	44	51	20	158	288	33.0
Queens	27	24	176	308	134	669	29.9
Richmond	3	4	11	36	56	110	13.6
Total	66	347	608	631	515	2,167	44.1

Demographic & Economic Data

The assessment area had a population of 8,426,743 during the evaluation period. Approximately 12.7% of the population were over the age of 65 and 19.1% were under the age of 16.

Of the 1,865,277 families in the assessment area, 32.6% were low-income, 16.2% were moderate-income, 15.7% were middle-income, and 35.6% were upper-income. There were 3,113,535 households in the assessment area, of which 19.4% had income below the poverty level and 4.1% were on public assistance.

The weighted average median family income in the assessment area was \$70,541.

There were 3,422,225 housing units within the assessment area, of which 39.4% were one-to-four family units and 60.4% were multifamily units. A majority (62%) of the area's housing units were rental units, while 29% were owner-occupied units. Of the 991,350 owner-occupied housing units, 24.2% were in LMI census tracts while 75.6% were in middle- and upper-income census tracts. The median age of the housing stock was 69 years, and the median home value in the assessment area was \$536,278.

There were 509,507 non-farm businesses in the assessment area. Of these, 85.9% were businesses with reported revenues of less than or equal to \$1 million, 7.3% reported revenues of more than \$1 million, and 6.8% did not report their revenues. A large majority (96.9%) of the businesses in the assessment area had less than fifty employees, while 91.1% operated from a single location. The largest industries in the area were services (47.5%), retail trade (15.7%), and finance, insurance and real estate (9.6%); 9.6% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the annual average unemployment rates for New York State and all five counties in the assessment area declined each year of the evaluation period. New York County continuously had the lowest annual average unemployment rates, while Bronx County had the highest and also exceeding New York State's rates.

Assessment Area Unemployment Rate						
	Statewide	Bronx	Kings	New York	Queens	Richmond
2015	5.3%	7.80%	5.90%	4.90%	5.00%	5.80%
2016	4.8%	7.10%	5.30%	4.50%	4.50%	5.20%
2017	4.7%	6.20%	4.60%	4.00%	4.00%	4.60%

Community Information

Examiners interviewed representatives of two nonprofit organizations as community contacts for the evaluation. One organization serves the residents of the South Bronx, providing LMI individuals and families with affordable housing, rental assistance,

Medicaid service coordination, and summer camp/after school programs. The other organization represents approximately 200 nonprofit organizations that have collectively created more than 50,000 units of supportive housing across New York State. Its primary mission is to increase the public's understanding of supportive housing by sharing best practices among its membership organizations to continually improve supportive housing and encourage the creation of more supportive housing to end homelessness among the most vulnerable New Yorkers.

Both organizations identified the lack of affordable housing as the most significant need in the communities they serve. In addition, the representative of one of the organizations also noted the lack of low-cost financial services and products, which in part has provided opportunities for predatory lenders such as pay day lenders, among others. Both organizations viewed DBTCA favorably in supporting LMI individuals, families, and communities.

PERFORMANCE TEST AND ASSESSMENT FACTORS

The Department evaluated DBTCA according to the wholesale banking institution performance standards pursuant to the “community development test,” as provided in Section 76.11 of the GRS. 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 are also considered in assessing DBTCA’s 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; the Bank’s 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 New York 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 evaluation period for this Performance Evaluation was January 1, 2015 through March 31, 2018.

At its prior Performance Evaluation as of December 31, 2014, DFS assigned DBTCA a rating of “1,” reflecting an “Outstanding” record of helping to meet community credit needs

Current CRA Rating: “Outstanding”

Community Development Test: “Outstanding”

DBTCA’s community development performance demonstrated an excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering the Bank’s capacity and the need and availability of such opportunities for community development in its assessment area. Also, DBTCA made extensive use of innovative or complex community development loans, qualified investments, and community development services.

Led by the Bank’s CDFG and Foundation team, the Bank’s community development strategy involves meeting regularly to foster relationships and partnerships with various

community development corporations, nonprofit organizations, community development financial institutions, and other community-based organizations with various missions to gather information and stay abreast of community development and credit needs for LMI neighborhoods, LMI families, and small businesses through a variety of channels and programs. As a wholesale bank, DBTCA has historically focused on deploying loans, investments, grants, and services strategically to optimize the impact of its community development activities. Board and senior management are actively involved in overseeing the Bank's CRA program via periodic self-assessments, ongoing reporting activities, and promoting a culture around positive social impact by engaging directly with stakeholders in LMI communities.

During the evaluation period, DBTCA originated \$354.4 million in new community development loans, and had \$6.1 million outstanding from prior evaluation periods. DBTCA made \$312.2 million in new community development investments and had \$139.9 million outstanding from prior evaluation periods. In addition, the Bank made \$20.1 million in community development grants. Overall, DBTCA's community development loans and qualified investments totaled \$852.7 million. While this was an increase from the prior period's \$806.6 million, the current evaluation period was one year longer than the prior evaluation period. Though the amount of community development loans originated during the current evaluation increased by \$149.1 million and grants increased by \$4.3 million, investments decreased by \$106.6 million.

DBTCA's community development lending and investment activities outside the assessment area increased significantly during the current evaluation period; \$300 million in lending and nearly \$500 million in investments were made in California, Pennsylvania, Florida, Maryland, and Minnesota. The financial intermediaries in these states agreed to make best efforts to direct or allocate these funds in New York City.

DBTCA's excellent level of community development activities demonstrates the Bank's commitment to foster relationships and partnerships with community development organizations and financial intermediaries by providing needed community development loans, investments and services.

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

Community Development Lending: "Outstanding"

During the evaluation period, DBTCA originated \$354.4 million in new community development loans, and had \$6.1 million outstanding from prior evaluation periods for a total of \$360.5 million in community development loans. This demonstrated an excellent level of community development lending over the course of the evaluation period.

DBTCA's community development loans increased significantly from the \$205.3 million in community development loans made during the prior evaluation period. As a result, annualized community development lending activities for the evaluation period

represented 0.22% of average assets, an increase from the 0.18% recorded for the prior evaluation period. This level of community development lending activity is excellent.

The creation and preservation of affordable housing remains a persistent and critical need in New York City. The need for affordable housing was also identified by the representatives of the two nonprofit organizations interviewed for this evaluation. The majority of DBTCA’s newly originated community development loans (78.2% or \$277.2 million) were for construction, acquisition, and rehabilitation of affordable housing inclusive of providing working capital to Community Development Financial Institutions (“CDFI”), community development corporations (“CDC”), and other nonprofit organizations whose primary goal is to provide and promote affordable housing.

In addition, DBTCA made more than \$300 million in community development loans to financial intermediaries located outside of its assessment area and New York State. While these financial intermediaries were in states such as California, Pennsylvania, Florida, Maryland, and Minnesota, some of them were required to make best efforts to participate in New York based projects as a part of their loan agreement.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	40	277,240	13	5,281
Economic Development	7	12,230	2	370
Community Services	8	59,890		
Revitalize and Stabilize	1	5,000	5	449
Total	56	354,360	20	6,100

Below are highlights of DBTCA’s community development lending:

- In 2016 and 2017, the Bank made a total of \$15 million in term loans to a fund which provides financing for the acquisition and predevelopment of land to build affordable housing. Since the fund’s inception, DBTCA has provided a leadership role in helping to structure and capitalize the fund. When the fund was restructured during the current evaluation period, the Bank provided \$10 million of debt to re-capitalize the fund. To date, the fund has invested over \$365 million in New York City and has created or preserved over 11,226 affordable housing units.
- In 2016, DBTCA extended \$40 million as its participation in a \$450 million revolving/term credit facility to a nonprofit CDFI. The funds were used to restructure previous bank financing and improve the balance sheet of the CDFI. Since its inception in 1974, the CDFI has financed more than 170,000 affordable housing units.

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- The Bank renewed a \$20 million line-of-credit (“LOC”) each year of the evaluation period for a total of \$80 million. The LOC was to a real estate investment trust with a mission to develop and preserve affordable housing and stabilize LMI communities. The LOC will provide funding to acquire affordable housing debt and properties, and cover operating costs if necessary.
 - In 2017, the Bank made a \$14 million construction loan to a K-5th grade charter school located in Harlem, New York. The loan is to finance the construction of a 41,000-square foot school building that will allow the charter school to consolidate its operation and expand to K-8th grade, increasing enrollment from 375 to over 500. The new building is expected to be completed by 2018. The charter school serves a high proportion of special needs and autism spectrum students and more than 80% of students receive free or reduced lunch.
 - DBTCA renewed a \$4 million LOC to a private for-profit business development corporation to support its small business lending programs. The corporation was established more than 60 years ago to promote employment and economic development state-wide by financing small businesses including start-ups, mature businesses, and minority and women-owned businesses, which may not meet requirements for traditional financing.

Qualified Investments: “Outstanding”

During the evaluation period, DBTCA made \$312.2 million in new community development investments and \$20.1 million in grants and had \$139.9 million in investments outstanding from prior evaluation periods. This demonstrated an excellent level of qualified investments over the course of the evaluation period.

While demand for investments in construction, preservation, and revitalization projects in LMI areas remained high during the evaluation period, competition for investments in these types of projects was also high. Therefore, there were limited opportunities for large investments such as the two investments that totaled nearly \$400 million made by DBTCA during the prior evaluation period.

DBTCA’s number of community development investments increased slightly to 18 from 15 at the prior evaluation; however, the dollar amount of investments decreased to \$312.2 million from \$438.8 million. As a result, the level of qualified investments for the current evaluation period declined to 0.3% of average assets from 0.5% reported at the prior evaluation period. Still, the level of qualified investments is excellent.

DBTCA also made nearly \$500 million in qualified investments outside its assessment area in such states as California, Maryland, Texas, Pennsylvania, and Virginia. However, some of these investments were required to make best efforts to participate in New York-based projects.

DBTCA made grants of \$20.1 million during the evaluation period. Grants are administered through its Foundation, which makes grants to and works in partnership with local nonprofit organizations to provide safe and affordable housing and programs for economic advancement in distressed communities. Many of the grants were made through two of DBTCA's proprietary programs, the Working Capital ("WC") and Supporting Housing Acquisition and Rehabilitation Effort ("SHARE") programs.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	14	304,158	22	134,647
Economic Development			4	5,208
Community Services	4	8,000		
Revitalize and Stabilize				
Total	18	312,158	26	139,855
	# of Grants	\$000	<i>Not Applicable</i>	
CD Grants				
Affordable Housing	109	7,944		
Economic Development	26	1,643		
Community Services	178	8,834		
Revitalize and Stabilize	20	1,670		
Total	333	20,091		

Below are highlights of DBTCA's qualified investments:

- DBTCA purchased a total of \$375 million in bonds (\$275 million of the bonds were tax-exempt and issued by a housing agency) that will provide financing for a property with 616 units located in New York City. DBTCA received CRA credit of \$77.3 million (20%) for this investment as the project contains 127 (20%) affordable housing units restricted to households earning between 40%-50% of the area median income ("AMI"). The property is located in an upper-income census tract where affordable housing is essential considering 78% of students in the area's public school receive free or reduced school lunches.
- The Bank purchased \$47 million in tax-exempt bonds issued by a housing agency for the development of a new 205-unit affordable housing project on New York City's lower east side. The units will be deed restricted to remain permanently affordable to households earning 60% or less than the AMI and is expected to create a positive impact to the affordable housing market in the Bank's assessment area.
- DBTCA invested \$24.9 million in a \$276 million Low-Income Housing Tax Credit

(“LIHTC”) fund. The fund is allocated to a new construction project in Brooklyn that will provide 116 units of supportive and affordable housing. Supportive housing for chronically homeless adults with HIV/AIDS will have an allocation of 69 units, while the remaining 47 will be set aside for households earning 60% or less of AMI.

- The Bank made three \$1 million deposits in a CDFI based in New York City. The CDFI’s mission is to provide financial products, services, and education through community development credit unions to underserved communities and LMI families so they can achieve financial independence.

Below are highlights of DBTCA’s community development grants:

- DBTCA, via its WC program, made three annual grants totaling \$255,000 to a community improvement association located in the South Bronx with a primary mission of preservation and development of affordable housing. The grants were to ensure the overall preservation of 23 buildings with approximately 600 units that comprise the association’s core properties.
- The Bank, through its WC program, made three annual grants totaling \$255,000 to a community development organization founded in 1974 that develops affordable housing and provides community services to LMI individuals and families. Services include assistance to secure housing subsidies, food stamps, and Medicaid, and assistance with immigration matters.
- DBTCA, via its SHARE program, awarded a nonprofit organization three annual grants totaling \$220,000. The organization offers programs for individuals with mental illness discharged from psychiatric care and with little or no experience living in the community. Programs and services include mental health and substance abuse treatment, healthcare, education, vocational training, job placement, housing, and creative arts therapies. The organization will use the grant money towards the construction of a 60-unit residential building, with 45 units set aside for special needs residents with AMI of 30%-60%, and 15 units for families with AMI of 61%-80%.
- The Bank awarded a nonprofit organization three annual grants totaling \$220,000 via its SHARE program. The organization’s mission is to end the dual crisis of homelessness and AIDS through advocacy and services including comprehensive healthcare, housing, job training, and legal assistance. The organization also runs a thrift store, online store, and bookstore café. These businesses also provide crucial funding to the organization and the opportunity to employ former clients that have successfully completed job training. The grants will support the development of permanent supportive housing (28 units) in Brooklyn for formerly homeless individuals living with HIV/AIDS.

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- DBTCA made three annual grants totaling \$220,000 to a nonprofit organization. The organization develops, manages, and provides affordable housing that includes independent apartments, single room supportive housing, and congregate supportive housing for older persons that have experienced homelessness or are living with mental illness, persons living with chronic medical conditions, and grandparents raising grandchildren.

Community Development Services: “Outstanding”

DBTCA demonstrated an excellent level of community development services over the course of the evaluation period.

Bank officers and employees participated in more than 300 qualified community development services, which included serving on board and committees of various community development organizations, and providing financial services that supported youth education, housing for the homeless, affordable housing in LMI communities for individuals and families, as well as technical assistance benefiting small businesses.

Below are highlights of DBTCA’s community development services:

- A managing director of DBTCA serves on the board of trustees and a member of the audit committee of a nonprofit organization whose mission is to create affordable housing for LMI people in diverse and thriving communities. In addition, a director and an assistant vice president served on committees of two subsidiaries of the nonprofit organization.
- A vice president served as a committee member in two nonprofit organizations that promote economic development. One of the organizations is focused on workforce development and the training of high-risk individuals and communities. The other organization works to create long-term economic security for low-income women, girls, and gender-fluid individuals.
- DBTCA provided volunteers to two organization to assist as workforce development mentors. One organization helps unemployed and underemployed skilled immigrants to more fully integrate into the American workforce by leveraging their professional experience and skills. The other organization pairs business professionals with mentees who are unemployed or underemployed and living in underserved communities; the mentors provide mentees with skills and resources to secure and maintain employment.
- An employee of DBTCA met twice with members of a housing organization to share her experience and expertise relating to the preservation of affordable housing. In their first meeting she discussed community land trusts and how they can be preserved to maintain affordable housing for LMI in NYC. In the second meeting she discussed nuances of guarantees in affordable housing projects.

Innovative and Complex Practices: “Outstanding”

DBTCA demonstrated an excellent level of innovative or flexible community development practices.

The Bank’s innovative or flexible community development practices include taking leadership roles by providing capital, via investments or grants, in the early stage and pre-development activities for affordable housing and other community projects in partnership with nonprofit organizations, financial intermediaries, and local governments.

Below are highlights of some of these programs:

- *Deutsche Bank Supportive Housing Acquisition and Rehabilitation Effort (“DB SHARE”) Program*

The DBSHARE program provides nonprofit and community-based organizations with grants and recoverable grants to support permanent housing projects for homeless New Yorkers with special needs. The DBSHARE program’s sixth round of grants concluded during the evaluation period, and its seventh round of grants, totaling \$3.75 million, were awarded to 10 organizations. The grants are structured over three years with each organization receiving \$125,000 a year for a three-year total of \$375,000.

- *Working Capital Program (“WCP”)*

DBTCA established WCP to support community-based organizations in the early stage and pre-development activities to construct affordable housing, community centers, and commercial facilities in New York City. WCP is structured as a three-year award for a total of up to \$375,000 per recipient in grants and recoverable grants.

- *Joint Ownership Entity (“JOE”) NYC*

DBTCA played a pioneering role in the creation of JOE. The Foundation was the lead supporter in its early stages and provided \$500,000 towards its first working capital loan through the New Initiatives Fund. JOE was created to assemble ownership of affordable housing projects owned by CDCs. CDC members assign ownership interests in properties to JOE and receive a membership interest, a seat on the board, a proportional share of net revenues, and developer fees. JOE owns and manages affordable multifamily properties on behalf of CDC members. It also acts as a co-guarantor for CDC members on new affordable housing developments.

- *New Initiatives Fund (“NIF”)*

DBTCA launched the NIF in response to the need for flexible capital that did not fit the Bank’s loan terms, investments, or grants. NIF provides flexible financing for community development projects that serve the needs of poor and disadvantaged

communities. To date, the fund has provided more than \$16 million to a variety of initiatives throughout the US, including capital to build and improve childcare facilities in New York City.

- *Low-Income Housing Tax Credit (“LIHTC”)*

During the evaluation period, DBTCA invested \$113.8 million into six LIHTC funds. The LIHTC program provides tax incentives on a dollar-for-dollar basis to encourage investment in the development, acquisition, and rehabilitation of affordable rental housing. LIHTC investments are considered complex due to the many administrative rules and regulations.

Responsiveness to Credit and Community Development Needs: “Outstanding

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

The Bank’s community development activities supported revitalization and stabilization of New York City neighborhoods and provided funding and grants for various affordable housing projects. The Bank, through its WCP program, provided predevelopment capital for various affordable housing projects. Promoting early-stage endeavors assists in securing bank financing, and encourages public-sector investments and philanthropic grants to support the later stages of these projects. DBTCA also disbursed predevelopment grants (recoverable and nonrecoverable grants), through its DBSHARE program, to various nonprofit organizations of supportive housing in New York City. The Bank’s community development activities included loans to improve access and availability of health services, educational services, and housing services in LMI communities, by providing construction financing for healthcare facilities, senior housing, and schools for LMI students.

Additional Factors

The extent of participation by the banking institution’s Board of Directors in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the CRA

- DBTCA’s CRA activities are managed by CDFG, a dedicated team based in New York City and headed by the CRA officer. The CDFG is charged with monitoring and assessing the Bank’s community development activities. It reports semi-annually to the Community Reinvestment Advisory Council (“CRA Council”).
- CDFG and Deutsche Bank Americas Foundation (“DBAF”) monitor and ascertain the Bank’s community development activities in line with LMI needs. CDFG monitors the CRA activities of other banking institutions in order to maintain a

position of leadership in the assessment area. CDFG and DBAF also evaluate the opportunities, challenges, and goals which are then reviewed by management.

- The CRA Council is a management body that provides guidance and oversight for the Bank's CRA program. The CRA Council is chaired by the COO of the global transaction banking division and includes executives from various business areas such as tax, legal, global markets, credit risk management, asset management, and wealth management. The CRA Council considers and provides feedback on the Bank's ascertainment efforts for credit and community needs, self-assessment, and overall CRA strategy. The CRA Council meets semi-annually.
- DBTCA's board established a Committee on Public Responsibility and Concern ("PRC") to oversee CRA performance. This committee currently consists of one external and two internal directors. The CRA officer provides the PRC with updates on the Bank's CRA activity and performance during the committee's meetings. The PRC met six times during the evaluation period.

Discrimination and other illegal practices

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

DFS did not note any 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.*

DFS did not note any evidence of prohibited discriminatory or other illegal consumer credit 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.*

The CDFG and DBAF teams engage in ongoing dialogue and maintain a flow of information with various community organizations that includes assessing the credit

needs of the communities in the Bank's assessment area. While the CDFG and DBAF teams provide the lead in community engagement, DBTCA encourages these activities from all levels of the Bank as follows:

- Establishing a culture of community engagement through senior management leadership;
 - Encouraging employee volunteer initiatives;
 - Engaging with different types of community and government partners, including CDCs, CDFIs, public sectors, and community groups.
- *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 is a wholesale financial institution without a retail branch presence. The CDFG and DBAF teams are responsible for reaching out and making themselves accessible to various community and government organizations. They have also developed special community development products to meet the credit needs of LMI communities. The teams' marketing and outreach efforts includes building strategic relationships with community development organizations that positively impact low- and moderate-income communities.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

During the evaluation period, DBTCA received awards for their efforts and leadership role in supporting affordable housing, community services and economic development in the assessment area.

- In May 2016, a local organization honored Deutsche Bank North America's CEO for his leadership as Chairman of the Deutsche Bank Americas Foundation and his personal commitment to making New York a better place for children and families. The organization is focused on providing services to LMI children such as child welfare, housing, juvenile justice and financial stability.
- In 2017, DBTCA was awarded the Private Sector Partner of the Year award from an organization specializing in affordable housing with on-site services that help formerly homeless, disabled tenants.
- In March 2018, the Bank became the first recipient of the Champion Award for their long-standing support of a nonprofit organization offering workforce development and training for LMI individuals.

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

“Community development”:

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.

Community Development Loan

A loan that has 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.

Community Development Service

Service that has community development as its *primary purpose*, 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.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

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 for borrowers is based on household or family income. 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

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. 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 cases 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 represents 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.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.