

PUBLIC DISCLOSURE

December 1, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**DEUTSCHE BANK TRUST COMPANY AMERICAS
RSSD No. 214807**

**60 Wall Street
New York, New York 10005**

**Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045**

NOTE:

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING: Deutsche Bank Trust Company Americas is rated “Outstanding.”

The outstanding performance of Deutsche Bank Trust Company Americas (“Deutsche Bank”) with regard to the Community Reinvestment Act (“CRA”) is based on the following performance criteria:

- High levels of community development loans, qualified investments and community development services;
- Extensive use of innovative or complex community development loans, qualified investments and community development services; and
- Excellent responsiveness to credit and community development needs in the bank’s assessment area.

SCOPE OF EXAMINATION

Deutsche Bank’s performance was evaluated using the Interagency CRA Procedures and Guidelines for Wholesale and Limited Purpose Institutions. The evaluation covers Deutsche Bank’s activity from October 1, 2006 through September 30, 2008. Examiners also reviewed information received from contacts with two community development organizations in order to gain an understanding of local credit needs.

DESCRIPTION OF INSTITUTION

Headquartered in New York City, Deutsche Bank is a state-chartered banking institution providing investment management, private banking and fiduciary services. The bank’s assets totaled \$44 billion as of September 30, 2008, with total deposits of \$10 billion and net loans of \$14 billion.

Deutsche Bank does not extend home mortgage, small business or consumer credit to retail customers or the public at large. The bank does, however, originate some retail loans to accommodate its private banking clientele. Accordingly, on August 18, 1997, the Federal Reserve Board of Governors designated Deutsche Bank (previously known as Bankers Trust Company) a CRA wholesale bank. This designation was reaffirmed at this examination.

Deutsche Bank’s previous CRA examination was conducted as of November 20, 2006, at which time the bank was evaluated as a wholesale CRA bank and given an overall rating of “outstanding.” There are no financial or legal factors that would prevent Deutsche Bank from fulfilling its obligations under CRA.

DESCRIPTION OF ASSESSMENT AREA

Deutsche Bank has designated as its assessment area the five boroughs of New York City, which includes Manhattan (New York County), Brooklyn (Kings County), Staten Island (Richmond County), Queens (Queens County), and the Bronx (Bronx County). These areas are a part of MD 35644 (New York-White Plains-Wayne, NY-NJ).

The bank's assessment area has not changed since the last examination and is in compliance with the requirements Section 228.41 of Regulation BB. A map of the assessment area is on page BB12.

PERFORMANCE CONTEXT

The data used to describe the assessment area and evaluate the context in which the bank operates was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census, the U.S. Department of Labor, the U.S. Department of Housing and Urban Development ("HUD") and the New York City Department of Housing Preservation and Development ("HPD").

Demographic Characteristics

According to the 2000 Census, the population in the assessment area is over 8 million. Almost 2.9 million of the city's population, or 36%, was born outside the United States. Flexible underwriting may be needed for recent immigrants who may have limited credit histories and nontraditional incomes. In addition, immigrants may be unfamiliar with the credit application process and could benefit from financial literacy education.

Income Characteristics

The HUD-adjusted median family income ("MFI") for MD 35644 (New York-White Plains-Wayne, NY-NJ) was \$59,500 in 2007 and \$59,300 in 2006. A significant proportion of families, almost 19%, subsist below the poverty level in the assessment area. In Bronx County, 28% of families are living below the poverty level. More than 42% of the census tracts in the assessment area are LMI, with those areas concentrated in upper Manhattan, northern Brooklyn and Bronx County. New York City also has a large proportion of non-family households which tend to have lower incomes. Only 63% of households in the bank's assessment area are families.

Housing Characteristics

The assessment area has approximately 3.2 million housing units, of which 29% percent are owner-occupied, 66% are rental units, and 6% are vacant. Housing is expensive relative to income levels in New York City, causing significant affordability issues for the LMI population. According to the National Association of Realtors, the median price of a single-family home in MD 35644 was \$540 thousand in the 3rd quarter of 2007, increasing slightly from \$539 thousand in the 3rd quarter of 2006. These prices are unaffordable to LMI families, and even many middle-income borrowers.

The assessment area also has a shortage of affordable rental housing, with an increasing gap between renter incomes and the cost of housing. According to HPD's 2008 New York City Housing and Vacancy Survey, the median income of renter households was \$36 thousand in 2007 while the median monthly gross rent was \$1054 in 2008. The survey noted that 29% of all renter households in New York City paid more than 50% of their income for gross rent in 2008.

The sharp disparity between incomes and costs of either owned or rented housing indicates that the LMI population needs affordable mortgage programs and affordable rental property development. Programs to develop housing for the lowest income New Yorkers are especially needed.

Labor, Employment and Economic Characteristics

Employment stabilized as unemployment rates were level during the examination period. The New York State Department of Labor reported that the annual average unemployment rate for New York City was 5.0% in 2007 and 2006. While the annual average for 2008 was not yet available, 2008 rates indicate an increasing trend.

Exhibit 1 on the following page provides additional assessment area demographics.

EXHIBIT # 1								
Assessment Area Demographics								
Assessment Area: New York City								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	326	14.7	310,882	16.6	128,229	41.2	574,246	30.7
Moderate-income	613	27.6	586,320	31.4	136,861	23.3	311,873	16.7
Middle-income	663	29.9	522,015	27.9	59,653	11.4	318,556	17.0
Upper-income	557	25.1	450,592	24.1	21,091	4.7	665,134	35.6
Unknown-income	58	2.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,217	100.0	1,869,809	100.0	345,834	18.5	1,869,809	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	471,421	30,113	3.3	6.4	411,139	87.2	30,169	6.4
Moderate-income	923,923	158,133	17.3	17.1	714,817	77.4	50,973	5.5
Middle-income	850,907	313,795	34.4	36.9	497,604	58.5	39,508	4.6
Upper-income	954,512	410,088	45.0	43.0	485,867	50.9	58,557	6.1
Unknown-income	149	4	0.0	2.7	28	18.8	117	78.5
Total Assessment Area	3,200,912	912,133	100.0	28.5	2,109,455	65.9	179,324	5.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	23,430	8.5	20,059	8.7	1,986	5.9	1,385	12.0
Moderate-income	57,043	20.7	49,190	21.3	4,874	14.5	2,979	25.8
Middle-income	58,807	21.3	50,569	21.9	5,655	16.8	2,583	22.3
Upper-income	132,124	47.9	107,507	46.6	20,130	59.7	4,487	38.8
Unknown-income	4,348	1.6	3,132	1.4	1,083	3.2	133	1.1
Total Assessment Area	275,752	100.0	230,457	100.0	33,728	100.0	11,567	100.0
	Percentage of Total Businesses:			83.6			12.2	4.2

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Deutsche provided a high level of community development loans, qualified investments and community development services that were responsive to the credit and community development needs in the bank's assessment area.

Community Development Lending

As shown in Exhibit 2 on the following page, Deutsche Bank's community development lending totaled \$258 million. Of this total, \$205 million was originated since the prior CRA examination. Forty two million of the total community development loans were extended to organizations that did not have a presence in the New York City assessment area. Deutsche Bank is able to get credit for qualifying community development activities outside of its assessment area because it has adequately addressed community development credit needs within its assessment area.

Exhibit 2		
Summary of Community Development Lending		
October 1, 2006 – September 30, 2008*		
Designation	(\$ millions)	%
Affordable Housing	\$257	99%
Economic Development	\$1	1%
Revitalize and Stabilize	\$0	0%
Community Services	\$0	0%
TOTAL ACTIVITY	\$258	100%

**Lending activity includes new loans extended during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/08.*

Lending activity was directed to financial intermediaries that provide loans and other services to community development organizations. Most of these intermediaries take a multifaceted approach to community development and their activities meet multiple community development definitions. In an effort to leverage its lending, Deutsche Bank maintains ongoing relationships with its intermediary borrowers that include investment and service activity.

Nearly all of the loans were extended to organizations that provide affordable housing, and were very responsive to critical housing needs in the assessment area. In addition, many of the loans had flexible terms that resulted in reduced financing costs for the borrower.

The following are some examples of Deutsche Bank's community development loans:

- A \$30 million unsecured line of credit to an intermediary supporting local community development corporations through its tax credit syndication affiliate. The proceeds of the line of credit are intended to cover project costs associated with the rehabilitation of housing under the low-income housing tax credit program until bridge financing is secured.
- An eighty percent senior participation in a \$32 million pool of 18 construction loans for affordable housing in New York City. A total of 244 units are being financed by this project, and a total of fifty-three percent of the units are new construction, thus adding to the supply of affordable housing in New York City. Gut rehabilitation has rescued 81 units from abandonment and removal from the housing stock and 34 units are undergoing moderate rehabilitation, ensuring that they remain in good repair and remain in the housing stock.
- A \$15 million line of credit to an innovative community development intermediary to increase the stock of affordable housing by purchasing mortgages in the secondary market and by making long-term equity investments in properties. The borrower's charter requires that it invest in assets that meet CRA guidelines.

Qualified Investments

As shown in Exhibit 3, Deutsche Bank made \$115 million in qualified investments. New qualified investments totaled \$41 million which included \$14 million in grants and donations to organizations providing community development activities throughout Deutsche Bank’s assessment area.

As with lending activities, most community development investment activity was concentrated in New York City’s five boroughs, the bank’s assessment area. Due to the outstanding performance in meeting the community development needs of the bank’s assessment area, investments outside the assessment area were also considered.

Exhibit 3		
Summary of Qualified Investments		
October 1, 2006 – September 30, 2008*		
Designation	(\$ millions)	%
Affordable Housing	\$89	78%
Economic Development	\$21	18%
Community Services	\$5	4%
Revitalize and Stabilize	\$0	0%
TOTAL ACTIVITY	\$115	100%

** Investments include investments and grants made during the examination period as well as existing balances from the prior examination that were outstanding as of 9/30/08.*

Many of the bank’s qualified investments target affordable housing needs. Most are considered innovative and complex and demonstrate a leadership role requiring much management attention and expertise. Low-income housing tax credit (“LIHTC”) investments are the largest proportion of the investment dollars. These investments, which help meet the assessment area’s critical need for affordable housing, are considered complex because of their highly technical accounting requirements.

Examples of qualified investments include:

- A \$7 million investment in a LIHTC equity fund that has taken the lead in managing projects in which the fund investments have a local nonprofit organization or a for-profit developer with a community development objective. The tax credits provide a direct subsidy to the project, allowing it to remain affordable for low- and moderate-income residents in New York City.
- A \$3 million investment in a real estate fund that invests in businesses in transitional, inner-city low- and moderate-income neighborhoods in New York, San Francisco and Los Angeles, creating jobs for low- and moderate-income people.
- An investment of \$3 million in preferred stock of an innovative community development intermediary that purchases term mortgage loans on affordable housing projects and makes equity investments in affordable multifamily properties. The intermediary’s

mission is to expand the amount of capital flowing to underserved communities, to increase and preserve affordable housing stock and to advance community development initiatives.

Community Development Services

Deutsche Bank provides community development services within its assessment area through on-going board and committee memberships, providing technical assistance and developing new programs that respond to identified needs within distressed communities. Exhibit 4 summarizes the different types of services provided.

EXHIBIT 4	
Summary of Community Development Services	
October 1, 2006 – September 30, 2008	
<u>ACTIVITY TYPE</u>	Number of Activities
On-Going Board & Committee Memberships	68
Technical Assistance Events	55
Seminars and other services	49
TOTAL	172

Most of the community development services provided are ongoing activities requiring regular participation on boards, loan committees and advisory committees of local community development organizations. Also, one managing director serves as chairman of an organization that serves a critical role in setting urban policy and addressing key issues such as the foreclosure crisis. The same managing director has provided technical advice to a revitalization project and is co-chairman of a collaborative effort of 15 financial institutions, foundations and government agencies committed to the revitalization of America’s urban centers. Another managing director has served on the board of a nonprofit community and social services organization that serves Lower Manhattan and Flushing, Queens. The organization addresses and advocates for the housing and community development needs of South Asian American communities in New York City.

Deutsche Bank employees serve as trainers and advisors for a community development organization which provides job readiness training to under-employed and unemployed New Yorkers.

Other innovative community development services include the following:

- Deutsche Bank played a key role in convening affordable housing advocates to launch the “Housing First! Campaign,” an alliance of non-profits, businesses and other civic leaders committed to investing in New York City’s housing infrastructure. The organization focuses on preserving affordable housing.

- Deutsche Bank created a program that trains its senior executives as ambassadors for social responsibility efforts, primarily focused on interacting with community groups and non-profit organizations. Twenty-four managing directors have gone through the program, which results in placement on boards of community development nonprofit organizations and as mentors for schools located in low- and moderate-income New York City neighborhoods.
- Approximately thirty Deutsche Bank employees volunteer their time and expertise facilitating an annual summer business camp. The camp immerses a diverse group of high school students, including low- and moderate-income students, in an intensive, week-long study of business principles. Subsequently, some attendees are placed in Deutsche Bank's internship program on a rotational basis.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No credit practices were identified as being inconsistent with helping to meet credit needs of the assessment area.

CRA APPENDIX A

GLOSSARY

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Development Financial Institution ("CDFI"): A CDFI is an organization that has been certified by the U.S. Treasury as a provider of loans and services that assist specially funded institutions that revitalize LMI areas and assist LMI persons.

Family: A family is a group of two people or more related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

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 statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

Household: A household consists of all persons who occupy a housing unit. Persons not living in households are classified as living in group quarters.

Low-income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

Metropolitan Area (“MA”): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

Moderate-income: Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Small loan(s) to business (es): A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (“Call Report”) and the Thrift Financial Reporting (“TFR”) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Upper-income: Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.

Wholesale bank: A bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with the CRA regulation.

Deutsche Bank Trust Company Americas

Assessment Area

October 1, 2006 - September 30, 2008

