



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF DEUTSCHE BANK TRUST COMPANY AMERICAS

AS OF MARCH 31, 2023

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

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.

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I - GENERAL INFORMATION

This document is an evaluation (the “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 Bank’s CRA performance based on an evaluation conducted as of March 31, 2023.

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 institutions’ 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 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 Evaluation.

II- OVERVIEW OF INSTITUTION’S PERFORMANCE

The Department evaluated DBTCA 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, 2021 to March 31, 2023. The Department assigned DBTCA a rating of “1” indicating an “**Outstanding**” record of helping to meet community credit needs.

This rating is based on the following criteria:

A. Community Development Test:

DBTCA’s community development performance demonstrated a high level of community development loans, qualified investments and services, considering the Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

Community Development Lending:

During the evaluation period, DBTCA originated \$445.4 million in new community development loans, and still had \$59.9 million outstanding from prior evaluation periods.

Qualified Investments:

During the evaluation period, DTBCA made \$128.7 million in new qualified investments and still had \$87.8 million in qualified investments outstanding from prior evaluation periods. In addition, the Bank made \$14.5 million in qualified grants.

Community Development Services:

During the evaluation period, DBTCA performed 213 community development services.

B. Innovative or Complex Practices:

DBTCA demonstrated an extensive use of innovative or complex community development practices.

C. Responsiveness to Credit and Community Development Needs:

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 Banking Law and Part 76 of the General Regulations of the Superintendent.

III - PERFORMANCE CONTEXT

A. Institution Profile

DBTCA is a New York State chartered banking institution located in New York City. The Bank is a wholly owned subsidiary of Deutsche Bank USA, which in turn is owned by Deutsche Bank A.G.

In addition to the community development activities performed directly by DBTCA, community development loans and investments are made through affiliate entities Deutsche Bank AG (New York Branch) and DBAH Capital LLC, while community development grants and philanthropic loans/investments are made through the Deutsche Bank Americas Foundation (“DBAF”).

Designated as a wholesale institution for CRA purposes, DBTCA does not operate retail banking offices or ATMs and does not provide deposit services or extend home mortgage, small business or consumer loans to the general public. Instead, the Bank provides financial services and products to private individuals, agencies, corporations, governments, and other institutional clients.

In its Consolidated Report of Condition (the “Call Report”) as of March 31, 2023, filed with the Federal Deposit Insurance Corporation (“FDIC”), DBTCA reported total assets of \$36.1 billion, of which \$14.8 billion were net loans and lease financing receivables. It also reported total deposits of \$23.6 billion, resulting in an LTD ratio of 62.5%. According to the latest available comparative deposit data as of June 30, 2022, DBTCA obtained a market share of 1.49%, or \$29.1 billion in a market of \$1.9 trillion, ranking it 10th among 108 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2021 and December 31, 2022 Call Reports:

TOTAL GROSS LOANS OUTSTANDING				
Loan Type	12/31/2021		12/31/2022	
	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	2,376,000	19.1	2,246,000	16.0
Commercial & Industrial Loans	2,348,000	18.9	2,410,000	17.1
Commercial Mortgage Loans	1,739,000	14.0	1,931,000	13.7
Multifamily Mortgages	1,764,000	14.2	1,916,000	13.6
Consumer Loans	281,000	2.3	305,000	2.2
Loans to Depository Institutions	1,102,000	8.9	1,281,000	9.1
Construction Loans	21,000	0.2	119,000	0.8
Loans to nondepository insitutions	113,000	0.9	68,000	0.5
Other Loans	2,610,000	21.0	3,770,000	26.8
Lease financing	63,000	0.5	26,000	0.2
Total Gross Loans	12,417,000		14,072,000	

As illustrated in the above table, DBTCA was primarily a commercial lender with commercial and industrial loans (17.1%) and commercial mortgage loans (13.7%) making up 30.8% of its gross loan portfolio, while residential and multifamily mortgage loans (16% and 13.6%, respectively)

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comprised 29.6%.. The Bank’s total gross loan portfolio as of December 31, 2022, increased approximately \$1.9 billion (15.3%) from the date of the prior evaluation (December 31, 2020).

Examiners did not find evidence of financial or legal impediments that had an adverse impact on DBCTA’s ability to meet the credit needs of its community.

B. Assessment Area

The Bank’s assessment area consists of Bronx, Kings, New York, Queens, and Richmond counties¹.

There are 2,327 census tracts in the Bank’s assessment area, of which 285 are low-income, 570 are moderate-income, 727 are middle-income, 596 are upper-income, and 149 are tracts with no income indicated. While the assessment area remained unchanged from the prior evaluation, the number of tracts increased from the 2,167 census tracts reported at the prior evaluation. Additionally, the percentage of LMI income tracts declined to 36.7% for the current evaluation period from 39.6% recorded at the prior evaluation. This is attributable to the aforementioned increase in the total number of census tracts as well a slight decrease in the number of low-income census tracts and an increase in the number of middle-income census tracts.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
Kings	46	91	235	263	170	805	40.5
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Richmond	7	3	13	42	61	126	12.7
Total	149	285	570	727	596	2,327	36.7

C. Demographic & Economic Data

The assessment area had a population of 8,804,190 during the evaluation period. Approximately 14.2% of the population was over the age of 65 and 22.5% was under the age of 16.

Of the 1,902,630 families in the assessment area, 29.8% were low-income, 16.0% were moderate-income, 16.2% were middle-income and 38.0% were upper-income. There were 3,191,691 households in the assessment area, of which 17.2% had income below the poverty level and 4.7% were on public assistance.

The weighted average median family income in the assessment area was \$88,081.

¹ The Counties of Kings, New York, and Richmond are commonly referred to as the Boroughs of, respectively, Brooklyn, Manhattan, and Staten Island.

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There were 3,519,595 housing units within the assessment area, of which 38.5% were one- to four-family units and 61.3% were multifamily units. A majority (60.9%) of the housing units were rental-occupied units while 29.8% were owner-occupied units.

Of the total 2,143,429 rental-occupied units, 49.4% were in LMI census tracts while 49.1% were in middle- and upper-income census tracts. Average monthly gross rent was \$1,590.

Of the 1,048,262 owner-occupied housing units, 20.7% were in LMI census tracts while 78.6% were in middle- and upper-income census tracts. The median age of the housing stock was 72 years, and the median home value in the assessment area was \$676,656.

There were 1,123,072 non-farm businesses in the assessment area. Of these, 91.9% were businesses with reported revenues of less than or equal to \$1 million, 3.2% reported revenues of more than \$1 million and 5.0% did not report their revenues. Of all the businesses in the assessment area, 97.4% were businesses with less than fifty employees while 95.3% operated from a single location. The largest industries in the area were Services (33.5%), Retail Trade (11.7%) and Finance, Insurance & Real Estate (9.6%); 31.4% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, the average annual unemployment rates for New York State and the five counties in the Bank’s assessment area decreased significantly during the evaluation period. This trend coincided with the decline of the COVID-19 pandemic and the resulting improvement in economic conditions. However, the average unemployment rate for each county in the assessment area exceeded the statewide average in both full years of the assessment period. Additionally, Bronx County had the highest annual average unemployment rates while New York County had the lowest unemployment rates for both 2021 and 2022.

Assessment Area Unemployment Rate						
	Statewide	Bronx	Kings	New York	Queens	Richmond
2021	7	13.5	10.1	7.6	9.6	8.7
2022	4.3	7.8	5.9	4.6	5.2	5.5
Average of Years above	5.7	10.7	8.0	6.1	7.4	7.1

D. Community Information

DFS examiners conducted community contact interviews with representatives from two nonprofit organizations operating in the Bank’s assessment area to obtain their perspectives on the economy and community and credit needs within the New York City metropolitan area.

The first interview was held with a representative of an organization that builds, maintains, and improves affordable housing in the Bronx. The representative of this organization felt that the availability of banking products and services in the community was inadequate. The representative expressed significant concern regarding bank branch closures in the Bronx, reportedly leaving check cashers as the primary source of access to financial products. Additionally, while there are also reportedly non-bank ATMS in the area, the representative felt that the lack of significant regulation of such facilities was problematic. The representative also stated that many community

residents do not have dependable connectivity via a computer or mobile device to access banking services and therefore depend on physical branch locations. The reduction in the number of branch locations reportedly forces local residents seeking to use in-person bank services to travel extensively by public transportation to reach a branch location.

Additionally, the representative of this organization stated that access to affordable housing is becoming more challenging as single-family home prices are unaffordable for many LMI families and individuals. Additionally, single family homes are reportedly being replaced by multifamily buildings which often charge rent unaffordable to many LMI families. The representative stated that while the biggest employers in the area are medical and educational institutions, salary/wages are often insufficient to meet the cost of living. Finally, the representative stated that community residents would be helped if they had greater access to unsecured small dollar loans, which could help them build credit for more consumer credit, including automobile loans.

The second interview was conducted with a representative from an organization that serves a neighborhood in Brooklyn in which many individuals and families reside in public housing. The representative stated that the area's residents, most of whom are LMI individuals and families, need convenient access to affordable banking services and products. The representative stated that there have been no bank or credit union branches in the area since 2020, reportedly leaving check cashers as the primary providers of financial services; residents who need to get to a bank branch must take public transportation. Similarly, small business owners in the community lack convenient access to depository institutions to deposit daily cash receipts.

IV - PERFORMANCE TEST AND ASSESSMENT FACTORS

The Department evaluated DBTCA under 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.

DFS derived statistics employed in this Evaluation from various sources. DBTCA submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included the period from January 1, 2021 to March 31, 2023.

In its prior Community Reinvestment Act Performance Evaluation as of December 31, 2020, DFS assigned DBTCA a rating of “1” reflecting an “Outstanding” compliance with regulatory standards.

Current CRA Rating: Outstanding

A. Community Development Test:

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DBTCA's community development performance demonstrated a high level of community development loans, qualified investments and services, considering DBTCA's capacity and the need and availability of such opportunities for community development in its assessment area.

During the evaluation period, DBTCA's total community development loans, qualified investments and community development grants totaled (inclusive of newly originated loans, investments, and grants plus remaining balances of loans and investments from prior evaluation periods) \$736.4 million. Although the total dollar amount of these activities decreased by \$118.5 million from the prior evaluation's total of \$854.9 million, the annual average of DBTCA's community development loans and investments in fact increased by 5.3% as the current evaluation period was, at 2.25 years versus 2.75 years, shorter than the prior evaluation period.

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

1. Community Development Lending:

During the evaluation period, DBTCA originated \$445.4 million in new community development loans, and still had \$59.9 million outstanding from prior evaluation periods², demonstrating an excellent level of responsiveness to community development needs.

DBTCA's level of community development loans (inclusive of newly originated loans, and remaining balances of loans from prior evaluation periods) totaling \$505.3 million for the evaluation period (2.25 years) decreased by approximately 10.2% when compared on an annual average basis from the \$687.4 million recorded at the prior evaluation period (2.75 years). This resulted from the lower volume of the Bank's new community development loans - \$445.4 million, which represented a decline from the prior evaluation's new community development loans of \$636.7 million.

The majority of DBTCA's new community development financed construction, acquisition and rehabilitation of affordable housing throughout the assessment area.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	28	356,448	16	20,289
Economic Development	12	18,948	5	5,053
Community Services	5	59,924	13	30,059
Revitalization/Stabilization	3	10,120	2	4,475
Total	48	445,440	36	59,876

Below are highlights of DBTCA's community development lending.

² For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. The level of lending is reviewed across the time period of the evaluation.

Affordable Housing:

- The Bank refinanced a \$166.4 million mortgage loan secured by two adjacent high-rise apartment buildings in Manhattan. The buildings contain 410 rental units restricted to residents earning a maximum of 60% of area median income (“AMI”). Additionally, all tenants in the buildings are eligible to participate in the Section 8 rental voucher program, under which tenants’ rental expense is limited to 30% of their income.
- The Bank provided a \$38.2 million loan to finance an investor’s acquisition of an interest in a seller’s note from a municipal housing authority. The note is secured by six properties located in the Bronx, Brooklyn, and Manhattan containing 876 units restricted to residents earning no more than 60% of AMI. Additionally, all properties secured by the loan participate in the Section 8 rental voucher program. The proceeds from the sale of the note were expected to provide the housing authority with liquidity for other affordable housing projects.
- The Bank twice renewed a \$12 million line of credit to a fund which finances the acquisition and predevelopment of land for affordable housing in New York City.

Community Services:

- DBTCA originated three construction loans totaling \$57.5 million for the construction of three charter schools in New York City. More than 80% of the students attending these charter schools are from low-income families.
- The Bank renewed a \$5 million renewable line of credit to a Community Development Financial Institution (CDFI) that provides capital financing to build, renovate and expand community healthcare facilities in underserved communities in the assessment area.

Economic Development

- The Bank twice renewed a \$5 million one-year renewable line of credit to a business development corporation that provides SBA and other specialized credit products to small businesses, including minority and women-owned business enterprises throughout New York State.

Revitalization & Stabilization (Climate Change Resiliency)

- The Bank twice renewed a \$5 million line of credit to a nonprofit corporation that provides financing and technical expertise to building owners to help them to make their properties more affordable and less carbon-intensive, contributing to climate resiliency.

2. Qualified Investments:

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During the evaluation period, DBTCA made \$128.7 million in new qualified investments and still had \$87.8 million investments outstanding from prior evaluation periods. In addition, DBTCA made \$14.5 million in qualified grants.

DBTCA’s level (inclusive of new investments and remaining balances of investments from prior evaluation periods) of total investments significantly increased to \$216.6 million for the evaluation period (2.25 years) and increased by approximately 76.7% when compared on an annual average basis, from the \$149.8 million recorded at the prior evaluation period (2.75 years). This was the result of a significant increase in new investments, reaching \$128.7 million during the current evaluation period, compared to the \$26.6 million in new investments during the prior evaluation period.

The Bank’s new investments primarily supported acquisition and development of multifamily properties for the purpose of affordable housing.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing	4	108,728	12	83,940
Economic Development	2	12,000	7	3,220
Community Services			1	677
Revitalization/Stabilization	1	8,000		
Total	7	\$ 128,728	20	\$ 87,837
CD Grants	# of Grants	\$000	<i>Not Applicable</i>	
Affordable Housing	57	5,308		
Economic Development	21	1,713		
Community Services	128	6,499		
Revitalization/Stabilization	22	1,003		
Total	228	\$ 14,523		

Below are highlights of DBTCA’s qualified investments:

- DBTCA participated in the amount of \$59.2 million via a total return swap to support the acquisition and the minor rehabilitation of five multifamily buildings in the assessment area containing 471 units restricted to tenants earning 60% of AMI. Additionally, the buildings participate in the Section 8 housing voucher program.
- The Bank made a \$15 million investment in a housing equity fund. The Fund will make targeted investments for the acquisition and preservation of affordable housing properties, including Section 8 and LIHTC properties in the assessment area.
- DBTCA made an investment of \$7 million in a Small Business Investment Corporation (“SBIC”) Fund, focusing on providing financing to small businesses in the assessment area.

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- The Bank invested \$8 million in a private equity fund focused on improving access to healthcare, education, and clean energy systems for LMI populations and areas.

Below are highlights of DBTCA’s community development grants:

- The Bank matched \$295,965 in donations by its employees to CRA-qualified organizations that offer various community services throughout New York City and New York State.
- The Bank made six donations totaling \$515,000 to a foundation that makes grants to various nonprofit organizations focusing on poverty, justice, education, health, arts, environment, and quality of life for all New Yorkers. The Bank’s grants primarily supported the foundation’s workforce development and educational programs.
- DBCTA made two grants totaling \$333,334 to a nonprofit organization located in New York City that works with leaders in various sectors across major American cities to improve the economic well-being of low-income people and narrow racial income and wealth gaps.
- The Bank made four grants totaling \$250,000 to a nonprofit organization whose mission is to maintain and create affordable housing for low- and moderate-income, and special needs people in Brooklyn. The organization also operates a number of community service facilities in that borough.

3. Community Development Services:

During the evaluation period, DBTCA performed 213 community development services.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	119
Technical Assistance	87
Seminars	4
Financial Literacy	3
Total Community Development Services	213

Below are highlights of DBTCA’s community development services.

- DBTCA donated space to a nonprofit organization that works to increase employment opportunities for adults from overlooked and under-resourced communities in New York City. Additionally, more than 100 employees of the Bank volunteered to participate as mentors in the organization’s various programs. These programs seek to impart interpersonal skills to young adults to help them become more readily employable. Additionally, the organization connects individuals who complete its programs to opportunities for internships and jobs.

- Bank employees in various titles volunteered at career development events with a nonprofit organization to use their professional and technical skills to assess and select candidates from underserved communities for training and career development in the tech industry. Additionally, the organization provides on-the-job support for three years to candidates who obtain employment through this program.
- A managing director of DBTCA serves on the board of a nonprofit organization that provides community and educational programs to children in an underserved neighborhood in the Bronx.
- Two managing directors serve on the board of a nonprofit organization that provides tutoring to elementary school students in under-resourced communities. In addition, the organization employs youths from the same communities to tutor their younger peers, providing these young people with employment.

B. Innovative or Complex Practices:

DBTCA demonstrated an extensive use of innovative or complex community development practices. During the evaluation period, DBTCA provided community development loans and qualified investments to finance various complex and innovative transactions that promoted affordable housing and community services for LMI individuals, families and communities. In addition, the Bank made recoverable grants to nonprofit community-based organizations to support specific mission-driven initiatives for underserved communities and populations throughout New York State.

Below are highlights of these practices:

- In 2021 DBTCA created its Wealth Creations Opportunities Program to identify needs and provide grants to organizations that seek to create wealth generation opportunities for LMI individuals and communities of color in the assessment area.
- DBTCA’s Supportive Housing Acquisition and Rehabilitation Effort (“DB SHARE”) is focused on committing resources towards expanding services and developing long-term strategies to secure permanent housing for New York City’s homeless population. The ninth round of the DB SHARE program was initiated in 2022 through which the Bank awarded \$255,000 in grants and \$120,000 in recoverable grants to each of ten organizations to create or maintain supportive housing.
- DBTCA’s Working Capital Program provided philanthropic support to eight community development corporations (“CDC”) to support creation and preservation of over 4,000 affordable homes in the assessment area.
- DBTCA’s New Initiatives Fund offers capital to nonprofits and mission-driven for-profit social organizations that use innovative, market-based strategies to advance equity, justice, and opportunity in LMI communities in the assessment area.

- DBTCA is a founding member of the NYC Fund to End Youth and Family Homelessness, a collaborative of funders and individuals with expertise to address family and youth homelessness in New York City. The goal of this organization is to make homelessness for these populations rare, brief, and nonrecurring.
- DBTCA co-chaired the strategic planning committee for the Change Capital Fund - a 20-member collaborative of banks, foundations, other intermediaries, and the Mayor's Office for Economic Opportunity. The purpose is to engage the community development corporation sector in New York City and State to reframe its Request for Proposals (RFP) and grant cycle to provide support for community ownership, prioritizing racial equity, and to provide local communities with more power to make decisions about what best benefits them.

C. Responsiveness to Credit and Community Development Needs:

DBTCA demonstrated an excellent level of responsiveness to credit and community development needs. DBTCA, as detailed in various section of the report, utilizes a multi-faceted approach consisting of community development loans, qualified investments, grants, and services to address community development needs.

D. 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 CRA

DBTCA's Board of Directors has established a special Committee (chaired by an independent director of the Bank) on Public Responsibility and Concern (PRC) to oversee the Bank's CRA performance.

The Bank also has a management-level Community Reinvestment Advisory Council (CRA Council) that provides guidance and additional oversight of the Bank's CRA program. The CRA Council considers and provides feedback on the Bank's overall CRA strategy, periodic self-assessments and efforts to ascertain the credit needs of the community. The CRA Council consists of executives from various bank business, infrastructure and control groups.

Ongoing CRA activities are managed by the CRA Officer, who is the head of the Community Development Finance Group (CDFG), a specialized team that directly conducts the Bank's CRA activities. The CDFG manages, monitors, and assesses the Bank's community development activities and reports to the CRA Council at least twice a year. Furthermore, the CRA Officer provides regular updates regarding CRA to the PRC to ensure the committee and the board are kept abreast of CRA activities.

1. 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 practices.

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

While DBTCA did not open or close any branches during the evaluation period, the Bank moved its main office to midtown Manhattan (1 Columbus Circle) from downtown (60 Wall Street).

However, as a wholesale bank, DBTCA does not offer retail services to the general public. Therefore, the relocation of its main office had no impact on consumers' access to credit and any other retail banking services.

3. 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.

DBTCA's ascertains the credit needs of the community by actively and regularly engaging with partners from nonprofit, community-based, and government agencies as well as other sectors to maintain ongoing communication regarding community needs. While the Bank's CDFG and DBAF teams are primarily responsible for carrying out these activities, they are supported by all levels of management including senior management and also receive information and support through employee volunteer initiatives and programs.

- 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

Since DBTCA does not offer retail products and does not operate retail branches, it does not market to retail consumers. Instead, the Bank regularly produces and distributes reports and publications to highlight its community development efforts.. The primary channel for outreach and marketing to the community development sector in New York City is the Bank's competitive RFP processes, through which the majority of its community development grant-making is managed. RFPs are broadly circulated to organizations that are active in underserved and LMI communities. DBTCA also distributes marketing material at industry and annually sponsored fundraising events. In addition, the Bank's website includes information regarding the Bank's community development programs.

4. 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

In addition, to the CRA efforts made at the management level, the Bank seeks to keep employees abreast of these efforts with the aim to educate and raise awareness among employees about issues experienced by LMI individuals, families and communities in New York. Additionally, DBTCA has organized various volunteer programs to help employees engage directly in efforts to assist underserved and disadvantaged communities and populations.

V - GLOSSARY

Aggregate Lending

“Aggregate lending” means 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.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- 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;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the Federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means 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 LMI persons (DFS multifamily industry letter <https://www.dfs.ny.gov/system/files/documents/2020/03/il141204.pdf>);
- 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

“Community development service” means a 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.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means 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 Metropolitan Statistical Area (“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

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current 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 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 Block Numbering Areas (“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

“LMI borrowers” means 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 Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

“LMI individuals” or “LMI persons” means 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 the FFIEC.

LMI Penetration Rate

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTC were 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. The tax credits 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.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits 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 CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means 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;

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- 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.

Small Business Loan

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