

PUBLIC DISCLOSURE

November 20, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

**60 Wall Street
New York, New York 10006**

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

NOTE: 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.

TABLE OF CONTENTS

Institution	
Institution's CRA Rating	BB1
Description of Institution	BB1
Description of Assessment Areas	BB2
Performance Context	BB2
Conclusions With Respect to Performance Criteria	BB4
Community Development Lending.....	BB4
Qualified Investments	BB6
Community Development Services	BB7
Fair Lending or Other Illegal Credit Practices Review	BB8
Exhibits	
Exhibit 1 - Assessment Area Demographics.....	BB4
Exhibit 2 - Summary of Community Development Lending.....	BB5
Exhibit 3 - Summary of Qualified Investment Activity.....	BB6
Exhibit 4 - Summary of Community Development Service Activity.....	BB7
CRA Appendices	
CRA Appendix A: Glossary.....	BB9
CRA Appendix B: Map of Assessment Area.....	BB12

INSTITUTION'S CRA RATING: Deutsche Bank Trust Company Americas is rated "OUTSTANDING."

The outstanding performance of Deutsche Bank Trust Company Americas ("DBTCA") 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

DBTCA's performance was evaluated using the *Interagency Procedures and Guidelines for Wholesale and Limited Purpose Institutions*. The evaluation covers DBTCA's activity from October 1, 2004, through September 30, 2006. 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, DBTCA is a state-chartered banking institution providing investment management, private banking and fiduciary services to high net worth individuals and institutions throughout the New York area. The bank's assets totaled \$39 billion as of September 30th, 2006, with total deposits of \$12 billion and net loans of \$7 billion.

DBTCA 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 DBTCA (previously known as Bankers Trust Company) a CRA wholesale bank. This designation was reaffirmed at this examination.

DBTCA's previous CRA examination was conducted as of November 15, 2004, 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 DBTCA from fulfilling its obligations under CRA.

DESCRIPTION OF ASSESSMENT AREA

DBTCA 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, representing a 9% increase since 1990. Much of that increase is the result of immigration. Almost 2.9 million of the city's population, or 36%, was born outside the United States. Flexible underwriting is 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 2006 HUD-adjusted median family income ("MFI") for MD 35644 (New York-White Plains-Wayne, NY-NJ) is \$59,200 and \$57,650 in 2005. 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 62% 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 \$559 thousand in the 3rd quarter of 2006, increasing from \$495 thousand in the 3rd quarter of 2005. 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 2005 New York City Housing and Vacancy Survey, the median income of renter households was \$32 thousand in 2004 while the median monthly gross rent was \$920 in 2005. The survey noted that almost 29% of all renter households in New York City paid more than 50% of their income for gross rent.

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 has stabilized due to strong earnings in the financial sector and unemployment rates decreased during the examination period. The New York State Department of Labor reported that the annual average unemployment rate for New York City was 5.8% in 2005, down from 7.0% in 2004. While the annual average for 2006 was not yet available, 2006 rates indicate a continued downward 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

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

Community Development Lending

As shown in Exhibit 2, DBTCA's community development lending totaled \$255 million, a \$58 million or 29% increase from the prior CRA examination. Of this total, \$143 million was originated since the prior CRA examination. In addition, \$25 million in community development loans were extended to organizations that did not have a presence in the New York City assessment area. DBTCA 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, 2004 – September 30, 2006*		
Designation	(\$ millions)	%
Affordable Housing	\$243	95%
Economic Development	\$2	1%
Revitalize and Stabilize	\$10	4%
Community Services	>\$1	0%
TOTAL ACTIVITY	\$255	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 9/30/06. 58 loans totaling \$112 million were outstanding from the prior CRA exam.*

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, DBTCA maintains ongoing relationships with its intermediary borrowers that include investment and service activity as well.

Most 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 DBTCA's community development loans:

- A \$2 million participation in a \$10 million revolving credit facility to an organization whose mission is to solve homelessness by moving people from streets and shelters into permanent affordable housing. Recently the organization completed renovations to a hotel in lower Manhattan which created 416 units of permanent affordable housing. Half of the residents have income of less than \$10,000 per year. The organization's goal is to create over 1,000 units of affordable housing by the end of 2007 and an additional 3,000 units by 2014.
- An \$8 million participation in a \$37 million construction loan. Proceeds will construct a 93 unit residential condominium complex in a moderate-income area of Harlem under NYC's HPD Cornerstone II program. Forty units have been restricted for low- and moderate-income borrowers.
- A \$20 million participation in a \$132 million fund to acquire derelict and vacant manufacturing properties in such areas as Morrissana in the Bronx, Greenpoint and Williamsburg in Brooklyn and the downtown section of Jamaica in Queens. Loans from the fund will be made to for-profit and not-for-profit developers for site acquisition and development costs associated with new housing and the preservation of existing at-risk affordable housing, thereby revitalizing and stabilizing low- and moderate-income communities.

- Various bridge loans to financial intermediaries that develop affordable housing through low-income housing tax credits.

Qualified Investments

As shown in Exhibit 3, DBTCA made \$140 million in qualified investments, a 77% increase over the \$79 million reported at the prior examination. New qualified investments totaled \$65 million which included \$11 million in grants and donations to organizations providing community development activities throughout DBTCA’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, 2004 – September 30, 2006*		
Designation	(\$ millions)	%
Affordable Housing	\$86	61%
Economic Development	\$46	33%
Revitalize and Stabilize	\$0	0%
Community Services	\$8	6%
TOTAL ACTIVITY	\$140	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 9/30/06.

Many of the bank’s qualified investments are considered innovative and complex and demonstrate a leadership role requiring much management attention and expertise. Low-income housing tax credit 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. DBTCA has also invested in new market tax credits with the goal of creating economic development for low- to moderate-income communities.

Examples of qualified investments include:

- A \$2 million investment in new markets tax credits that will create a community center offering educational, recreational, and supportive services to the South Bronx, a low-income area of New York City.
- \$2.5 million in working capital grants were distributed from DBTCA’s working capital program to 15 nonprofit community development corporations that support neighborhood revitalization throughout New York City. The grants focus on organizations that create affordable housing which is intelligently designed, has open space, or retail space, or

serves a cultural, health, or educational purpose. Each organization received \$50,000 to \$75,000 in grants each year for three years and \$25,000 in 0% interest loans.

- A \$10 million investment in a LIHTC fund that will create over 1,000 units of affordable rental housing in the Gulf Opportunity Zone for residents displaced by hurricanes Katrina and Rita.
- A \$3 million equity investment in a fund that invests in businesses located in inner cities or low-income neighborhoods that have the capacity to create jobs for low-income people.

Community Development Services

DBTCA is a leader in providing 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 shows summarizes the different types of services provided.

EXHIBIT 4	
Summary of Community Development Services	
October 1, 2004 – September 30, 2006	
<u>ACTIVITY TYPE</u>	Number of Activities
On-Going Board & Committee Memberships	39
Technical Assistance Events	27
Seminars	34
TOTAL	100

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. Participation is at the highest levels, including the bank’s president who serves as a director on boards of three community development organizations.

Many officers and staff at DBTCA offer technical assistance to community development organizations, in addition to their service on boards of those organizations. One Managing Director has served as Chairman of a local community development organization for 12 years and in that capacity has set the strategic direction for the organization. The same Managing Director has provided technical advice to another local community development corporation on forming a business district in the area and was the co-chairman of a national community initiative, a collaborative effort of 15 financial institutions, foundations, and government agencies committed to the revitalization of the nation’s urban centers.

Another officer is a member of the advisory panel for a community development organization which helps childcare providers build or expand daycare facilities targeted to low- and moderate-income individuals.

DBTCA has provided support for programs that target workforce development by sitting on the advisory board and working committee of a community development organization which sponsors a training and career program for under-employed youths 17 – 22. This transition to work program trains underemployed youth for jobs as tellers and administrative positions in the financial services industry.

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

DBTCA offers financial literacy programs to young people especially low- and moderate-income young people through programs such as “Youth About Business”, where students participate in a week long summer camp and learn to make investment banking decisions. Other programs, such as “Banking on Our Future” train youth with the basic information and core skills necessary for building their financial futures. The bank provides trainers and serves on the advisory board for this program.

Other innovative community development services include:

- The creation of a new series of leadership development programs for non-profits known as “practitioner groups” that covers topics such as improving management, green building, and partnering with for-profit developers.
- The creation of an ambassador program that trains senior DBTCA executives as ambassadors for the bank’s social responsibility efforts. Forty managing directors have gone through the program. Twelve employees were placed on the board of directors of NYC non-profits.
- DBTCA served as a founding partner of the Coalition to End Homelessness with major foundations such as the Rockefeller Foundation and the Robert Wood Johnson Foundation, as well as Fannie Mae.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices, including the Equal Credit Opportunity Act and the Fair Housing Act, was identified as being inconsistent with helping to meet community credit needs.

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, 2004 - June 30, 2006

