



CITY FIRST BANK OF DC

# REACHING NEW MARKETS... EXPANDING OUR BASE...



# 2011

ANNUAL REPORT

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**300**

jobs were retained  
or created  
as a result  
of our loans

**CLOSED  
\$39.3M  
in NMTC  
transactions**

**362**

units of  
affordable  
housing  
were financed



*We saw unprecedented growth  
in our loan portfolio last year,  
an increase of 22%.*

— Brian E. Argrett, CEO

# REACHING NEW MARKETS... EXPANDING OUR BASE...

## MESSAGE FROM THE BOARD CHAIRMAN:



On behalf of the Board of Directors of CFBanc Corporation and City First Bank of DC, N.A., we are proud to present our 2011 Annual Report. We had another outstanding year in 2011 – our fifth consecutive year of profitability. The City First team was able to maintain momentum both

in our community development impact and financial performance.

2011 was a year of economic challenges, and in spite of those challenges, we are pleased to share the following highlights with you:

- Overall, bank pre-tax earnings were \$1.4 million, the fifth year of steady profitability for City First. This is good news under any circumstances but in light of the current economic environment our earnings are remarkable.
- For the first time over the past three years, the commercial bank successfully retired its entire OREO portfolio.
- The bank closed 45 new commercial loans totaling \$47.2 million, growing our portfolio by 22% to \$128 million. City First loans resulted in the creation or retention of 300 jobs; the financing of 362 units of affordable housing, and the construction or renovation of 157,844 square feet of commercial and retail space.
- In recognition of our volume of lending in highly distressed locations, the Bank was awarded a Bank Enterprise Award of \$500,000 from the CDFI Fund. The award will add to our bottom line in 2012 and in future years.
- Our New Markets Tax Credit (NMTC) program continues as an industry leader. In February 2012, City First received its fifth allocation of NMTC authority, bringing the total to \$370 million.

- We closed NMTC transactions totaling \$39.3 million on three very high impact projects, including the expansion of the campus of Kipp Shaw DC Public Charter School.
- In recognition of our leadership in the community, City First Bank received the Corporate Citizen of the Year Award from Bread for the City.

Perhaps the most significant event in the life of City First in 2011 was the arrival of our new President and CEO, Brian Argrett. Brian is a native of the area and a truly outstanding individual. By now, many of you have met Brian. He brings energy, experience and passion to City First.

Under Brian's leadership, with the oversight of a truly outstanding and committed board and the hard work, skill and commitment of the City First staff, we are excited by the prospect of a growing and evolving City First – with expanded product offerings, new customers and innovative community development initiatives. We are not daunted by continued challenges in the marketplace. For underserved communities, these factors are not new but a constant reality. Given our mission to serve these markets, we see the current economic climate as an opportunity to do what we do best.

Most importantly, we look forward to working with you – our customers, our community and our stakeholders. Do not be strangers; join Brian and the City First team as we seek to address the financial needs of our community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chuck Muckenfuss'.

Chuck Muckenfuss  
Chairman of the Board

## LETTER FROM OUR CEO:

Joining City First is like coming home for me – in more ways than one. I grew up in the Washington area and many of my family and friends are here. But I am also at



home at the helm of a mission oriented community development bank. Throughout my professional career I have chosen work that is exciting, intellectually stimulating and impactful. At City First I will use my training, experiences and background to promote the mission of the bank – the

development of disadvantaged small companies and empowerment of low income communities.

As you might imagine given my background in law and finance, I also appreciate metrics. Monitoring the impact of our lending activities is an important tool for self-evaluation and it allows all of our stakeholders to measure and appreciate the value of their contribution to our work. From that perspective, the cumulative impact of our small institution has been nothing short of remarkable. Since 1998, when City First opened for business, through 2011, we have provided financing that secured 4,715 units of affordable housing, helped create 6,619 charter school seats for our community's children, and helped to retain or create 3,616 jobs. We have helped to start companies that are now operating around the region, and are proud to call many local businesses like Cake Love and Pete's Apizza our customers. In fact, a remarkable 80% of our portfolio is specifically committed to community development.

Our New Markets Tax Credit (NMTC) program has been an enormously important additional tool that has allowed us to expand that community impact even further by financing large-scale projects that serve as significant catalysts for economic development. These important projects support economic development by creating jobs, providing vital community services and producing affordable housing. As a solid NMTC player with the deployment of \$269 million in tax credit financings to date, we have attracted another \$234 million in additional leverage which funded the creation or retention of 6,173 jobs, 430 affordable housing units, 1.9 million square feet of commercial space, and increased the client capacity of our non-profit service providers by 596,061 people.

My arrival at City First comes at a significant time in the Bank's history and a critical time for the communities we serve. In 2011, we carefully navigated the worst recession in modern times while guiding the bank to profitability for the fifth straight year.

Further, we are led by a committed and accomplished Board of Directors and a talented and driven staff that I believe are among the best in the industry. But we will need every ounce of that strength, expertise and experience. Although we sit at the center of the nation's power, the Washington area was recently cited as having among the highest levels of income inequality in the nation and even more tragically, a disparity that has only grown over time. Not surprisingly, similar polarization exists for employment, housing availability, health care and education.

We are poised and ready for the challenge. We drove unprecedented growth in our loan portfolio last year, an increase of 22%. Our nationally recognized NMTC program has achieved scale as City First has become the "go to" institution for facility financing in Washington. Our financial footings are strong, we are well capitalized, and City First offers a robust and competitive suite of financial products and services. Our risk practices meet industry standards, but are aggressive enough to allow us to serve the needs of our vital customer base and be a powerful catalyst for change within our community. We have a loyal, ambitious and growing customer base. We are built for and driven to make a real difference in Washington.

As I get reacquainted with my hometown and get to know our many customers and partners, I look forward to growing the bank, increasing our strength, and expanding our impact. My goal is to help lead the bank to its next stage of development by prudently expanding our markets, quickly building a stronger platform for electronic and mobile banking to make City First even more accessible, and using our creativity to develop product and service offerings that help to further stabilize and expand the local economy.

I am honored to sit at the helm of City First Bank and thank you for the warm welcome I have received since joining the bank last November. I look forward to meeting those of you I have yet to meet to share our story and learn how we might better serve you.

Sincerely,

A stylized, handwritten signature in dark ink, appearing to read "B. Argrett".

Brian E. Argrett  
President and Chief Executive Officer





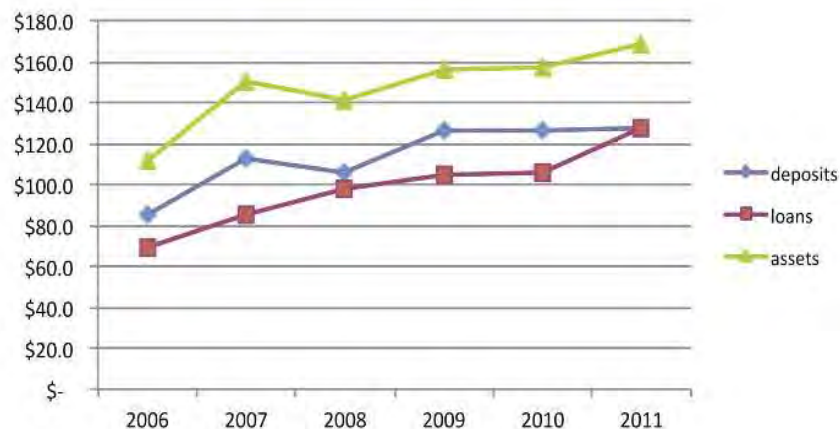
# EXPANDING OUR BUSINESS & PUTTING YOUR DEPOSITS TO WORK

City First, as a commercial bank, distinguishes itself from other banks because of our mission. On average 80% to 100% of the loans we originate each year are located in distressed and low wealth communities. Typically, our customers are developers of affordable housing, community service organizations, small businesses that operate in and provide jobs in low income communities, as well as charter schools, churches and other community institutions. So while we have a community service mission, we are still a regulated commercial bank that offers insured deposits like all commercial banks. Our CDARS® product allows us to insure deposits of up to \$50 million – which is a huge advantage for large and institutional depositors.

*On average 80% to 100% of the loans we originate each year are located in distressed and low wealth communities.*

Deposits are a critical component of our business because they are the best source of funding loans. As our deposits grow, so does our loan portfolio – higher deposits equal higher loan volume. Placing deposits with City First is the ideal strategy for the socially responsible investor. Last year on average, remarkably, 93% of our deposits were being used to fund community development loans. So as a depositor you can enjoy the security of FDIC insurance and at the same time, know that your funds are working hard to improve the economic and social vitality of low wealth communities right here in the Washington area.

As illustrated at the right, our business is growing. We have seen steady expansion of our lending volume and in 2012 we want to continue this growth. Consequently, much of our focus over the coming years will be to grow our deposit base to keep pace with loan demand.





KIPP SHAW CAMPUS – WASHINGTON, DC

*Our CDARS® product allows us to insure deposits of up to \$50 million – which is a huge advantage for large and institutional depositors.*

# LENDING IN LOW WEALTH COMMUNITIES





**ISLAND PRESS – WASHINGTON, DC**

As a dedicated community development bank, City First specializes in making difficult loans that others cannot or will not make. We specifically target investments that provide vital consumer, education and health services and affordable housing in low wealth communities, primarily east of 16th Street and in Wards 5, 7 and 8. We finance affordable housing, commercial real estate, small businesses, non-profit operations and community facilities and our borrowers are typically very small investors and business operators with limited financial capacity.

Our lending team is accustomed to finding creative ways to extend credit to individuals and small companies that need capital to start or expand a business or deliver goods and services in low wealth communities. Our loan portfolio grew 22% to \$128 million including 45 new loans originated last year with an aggregate value of \$47.2 million. This was a substantial increase from 2010 when we originated \$18 million in new loans.

The vast majority of our loans financed projects and businesses located in low to moderate income communities – 71%. In addition, 80% of our loans fulfilled our community development mission, and 70% of our small business loans were originated to companies with annual sales of less than \$1 million.

On average, 93% of our deposits were at work in low wealth communities financing high impact deals – deals that create or sustain jobs and provide vital community services. As the result of our 2011 financings, 362 affordable housing units were produced, we helped businesses to retain 258 jobs and create three new ones and we financed 157,844 square feet of neighborhood and retail commercial space.

**GIRARD ST. NW – WASHINGTON, DC**



**KIPP SHAW CAMPUS – WASHINGTON, DC**

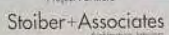
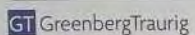
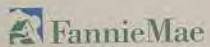


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keeping DC Homes Affordable

1 BR from the 190s  
2 BR from the 240s



CITY FIRST BANK



## 1415 GIRARD ST. NW COOPERATIVE ASSOCIATION

The 1415 Girard Street Cooperative was established in 1950 to secure permanent affordable housing by converting a rental building into cooperative home ownership. With most of the original owners deceased or having moved away, in 1992, with the support of a local CDC, the Development Corporation of Columbia Heights, the cooperative was restructured and the units were renovated and sold to new owners. As the community began to become more popular and housing prices soared, inadequate property management, deferred maintenance and changing demographics helped to push the cooperative toward financial insolvency. Last year, the cooperative received pro-bono legal assistance from the law firm of Greenberg Traurig, which in turn, brought in a new management company. In an innovative partnership made possible because of our unique ownership structure, City First Bank and its affiliate, City First Enterprises, teamed up to provide financing.

City First originated a \$490,000 bank loan and City First Enterprises provided \$535,000 in the form of a recoverable grant. The funds were used to refinance an existing loan and to renovate vacant units for sale on the open market, some of which would be sold at market pricing.

*The City First financing preserved 20 units of owner occupied affordable housing.*

The City First financing allows the cooperative to continue operations, balance and diversify its ownership, bring in much needed revenue to the cooperative to support its operations and preserve 20 units of owner occupied affordable housing.

## PARK ROAD COMMUNITY CHURCH

The Park Road Community Church has served the Washington community for over 80 years. The Church, with the technical assistance of the Development Corporation of Columbia Heights, came to City First to secure an \$890,000 loan to renovate a vacant eight unit apartment building adjacent to and owned by the church. The project also had a pre-development loan from Local Initiatives Support Corporation. At the time of the loan, only one unit was occupied. Financing from City First covered the complete gut renovation of the building including new electrical, plumbing, HVAC and sprinkler systems. New kitchens, bathrooms, carpets and fixtures were installed. In addition, the loan paid for a new roof, gutters and windows throughout the building. Once the renovation is completed, the apartment units will be leased to low income families providing an important housing option in an area of rapidly increasing prices. The revenue generated by the building will diversify the revenue base of the church and support its community services and operations.



## QUINN ENTERPRISES

Quinn Enterprises is a small family-owned company that has been involved in the estate disposition and auction business since 1995. In 2011 when the Quinn family came to City First, they were seeking financing to purchase a building to house their business operations. In order to increase efficiency of the company, control their occupancy expenses and reduce operating costs, the family determined that purchasing a building and fitting it to meet the unique needs of the company would be a more cost effective strategy than to continue to lease space in various buildings. City First structured a creative loan to purchase a 14,070 square foot building in Falls Church, VA. Using a 504 loan guarantee that supported 40% of the loan, City First was able to lend up to 90% of the purchase price as well as provide a competitive blended interest rate on the combined debt.

## THE ISLAND PRESS - CENTER FOR RESOURCE ECONOMICS

City First helps non-profit organizations to sustain their important work through lines of credit that stabilize revenue and provide a cushion when payments and other receipts are delayed. Island Press, headquartered in Washington, DC, was established in 1978 to provide ideas and information to those seeking to understand and protect the environment. Each year, Island Press publishes approximately 40 books on topics related to ecology, natural resource conservation and management and sustainable development. These publications are coupled with coordinated campaigns to deliver the messages in print, in person, and online using the latest electronic media tools and outlets. In addition the organization conducts public awareness campaigns and hosts conferences and trainings on environmental issues. City First provided a line of credit in the amount of \$500,000 to support operations and cash flow of this mission oriented, non-profit organization.

## TRIPLE STREET

While the focus of City First lending is in the District of Columbia, we also make loans in suburban communities to support community development such as affordable housing and small business development. One of the larger loans originated in 2011 was \$3 million to finance building improvements and fund major maintenance items for an 84 unit multi-family apartment building in Westminster, MD. The rents are set at \$500 to \$700 per month and are affordable for low to moderate income families in a community of much higher priced housing. Typically residents in the community pay less than 30% of their monthly income in housing costs and the estimated family income of residents is \$28,000 per year.



*City First helps non-profit organizations to sustain their important work through lines of credit that stabilize revenue and provide a cushion when payments and other receipts are delayed.*



# NEW MARKETS

## TAX CREDIT PROGRAM:

Using Creative Financing to Achieve Maximum Leverage



**WILL Academy**

**MISSION STATEMENT**  
The WILL Academy prepares students to be successful in the workforce and life.

**We Believe...**

- All of us will learn.
- The use of technology for learning.
- Technology systems are caring allies.
- Every student has the ability to be successful in the workforce and life.
- You will make mistakes, but we will learn from them.

KIPP SHAW CAMPUS – WASHINGTON, DC



**THEARC – WASHINGTON, DC**

Our projects have helped to transform communities; for example, the Tivoli Square project on 14th Street led to the development of the DC USA retail shopping mall and the revitalization of Columbia Heights. As mentioned by *The Washington Post*, The Atlas Performing Arts Center has been the centerpiece of the renaissance of the H Street corridor. And E.L. Haynes Public Charter School and the new Mary's Center clinic have helped to rejuvenate and support commercial and residential development on Georgia Avenue near the Metro station.

*A total of 966 new jobs have been created by our borrowers, their tenants have created an additional 972 jobs and 3,644 construction jobs were created.*

City First NMTC deals typically range from \$8 million to \$14 million, but have been as large as \$24 million. Because of their scale, projects financed by NMTC have a substantial and immediate impact in the economic success of the community. Over our previous four cycles of funding, NMTC deals have leveraged an additional \$233 million in outside financing, effectively doubling the total capital we brought to these deals. A total of 966 new jobs have been created by our borrowers, their tenants have created an additional 972 jobs and 3,644 construction jobs were created. In 2011, City First closed two deals in Pennsylvania and the largest transaction ever financed by City First, the \$24 million loan for the renovation and construction of a new building on the Shaw campus of the Kipp DC Public Charter School at 4th and P Streets NW.



**E.L. HAYNES PUBLIC CHARTER SCHOOL**

## KIPP SHAW CAMPUS

Kipp DC is a network of high performing charter schools that was founded in 2001. Kipp DC currently operates eight schools in DC on three campuses with a combined student enrollment of 2,069. A ninth school is expected to open in the fall of 2012. The Kipp DC network of public charter schools is the highest performing in the city, recognized by *The Washington Post* as home to “the most celebrated middle schools in the area.”

The Shaw campus of Kipp DC, located at 4th and P Streets, NW, is a 90,000 square foot facility that serves 430 students in two schools – Grow Academy and WILL Academy. A third school is to be added to the campus by 2015 to serve an additional 1,000 students. The school provides a superior education to students, in addition to a variety of ancillary academic enrichment programs. Over 80% of the current students enrolled are low income and qualify for the free and reduced lunch program.

The loan financed extensive renovations that converted approximately 30,000 square feet from an open space with 16 new classrooms, substantial site improvements and upgraded the infrastructure of the entire campus. As an added benefit, Kipp cleaned and restored an athletic field adjacent to the campus that will be open to the entire community. The City First NMTC loan resulted in the creation of 300 local construction jobs and 31 permanent new jobs at the school.

## WILKES BARRE YMCA

To finance the \$15 million transaction to modernize the historic Wilkes Barre YMCA, City First partnered with Cornerstone Commonwealth Group with an allocation of \$7.5 million each. Wells Fargo provided the tax credit equity. The Wilkes Barre YMCA was established in 1863 and opened the current building in 1934. It offers a variety of fitness and ancillary educational services to the community including sports leagues for children and adults, daycare for children age six weeks to five years, preschool programs, aftercare for children age five to twelve years, free tutoring, drop-in emergency child care on a sliding fee basis, summer camps, and special low cost memberships for junior and high

school age students. City First combined NMTC with Historic Tax Credit Equity to finance the modernization of the building, consolidate program and service delivery space to lower costs and increase efficiency of the Y operations. Unused space was renovated to build 21 units of student housing which will generate income to support Y community programs.

Currently, the Y provides approximately \$400,000 in financial assistance to low income members of the Wilkes Barre community each year and 55% of its members receive some form of financial assistance. The project resulted in the creation of 135 construction jobs and the retention of 47 existing jobs and five new jobs. One hundred percent of the jobs will be held by local or low to moderate income individuals.

## HAMILTON HEALTH CENTER

Located in Harrisburg, PA, Hamilton Health Center is a federally qualified health center established in 1973. It is the only health service provider in a 25 mile radius that offers services on a sliding fee scale. The clinic focuses on issues that disproportionately impact minority and low income populations. Each year Hamilton completes over 40,000 visits; 30% of their patients are uninsured and the balance are underinsured. Hamilton sought \$16 million in NMTC financing to purchase and renovate a 67,000 square foot new facility that allowed the consolidation and expansion of clinical and administrative functions from three existing locations. Our partners in the deal were Fulton Bank and Cornerstone Commonwealth Group, which provided half of the allocation.

The new South Allison facility was renovated with 50,000 square feet for expanded clinical operations – both dental and medical, and build out of space to be leased for a pharmacy, independent medical lab and the local Women’s, Infants and Children program. The new facility increased adult medicine exam rooms from 11 to 20; pediatric exam rooms from 5 to 18; women services rooms from 4 to 17 and dental space from 8 to 12 exam rooms. With the expansion of the facility, Hamilton will offer longer business hours and greater efficiency of delivery of health services and operating expenses will be substantially reduced. The project created 30 new construction jobs and 88 permanent administrative jobs, 70% of which will be targeted to low or moderate income individuals.



# BAPTIST AWARDS

The Baptist Award was established in memory of our founding President and CEO, Debbi Hurd Baptist. Each year, City First honors partners who exemplify Debbi's commitment to improving the economic health of low wealth communities and ensuring access to underserved people and neighborhoods in the Washington area. This year, the 2011 Baptist Award celebrates Mi Casa and N Street Village.



**Debbi Hurd Baptist**  
1949—2000

## 2010

DC Primary Care Association  
Maria Gomez, President and CEO of Mary's Center  
for Maternal and Child Care

## 2009

Bread for the City  
Jobs for Homeless People  
Oramenta Newsome, Director, DC LISC

## 2008

Building Hope  
Metropolitan Washington Bankers Group  
Kelly Sweeney McShane

## 2007

The Cooperative Assistance Fund  
Edward E. Furash  
Sue Marshall

## 2006

Latin American Youth Center and the Latin American  
YouthBuild Public Charter School  
Desa Sealy Ruffin

## 2005

SOME, Inc.  
E. L. Haynes Public Charter School  
Atlantic Street Baptist Church

## 2004

Brightwood Manor Tenants Association  
Booker T. Washington Public Charter School  
for Technical Arts  
Hemingway Memorial African Methodist  
Episcopal Church  
Andre's Brushless Car Wash  
Career Technical Institute, Inc.

## 2003

Nextgen Construction and Renovation  
Washington Math Science Technology Public Charter  
High School  
Floyd Myers, Marshall Heights Community  
Development Organization

## 2002

Adrian Washington, Neighborhood  
Development Corporation  
North Capitol Neighborhood Development, Inc.  
Washington Area Community Investment  
Fund, WACIF  
One Economy and Columbia Heights/Shaw Family  
Support Collaborative  
Warren Brown, CakeLove

## 2001

Gregory Maison  
Visions Cinema/Cafe/Lounge  
Capital City Public Charter School  
Hercules Pitts, HOP and Associates

## 2000

Bethel Christian Fellowship Church  
Venus Peterson/SkilledCare, Inc.

## BUILDING HOPE (2008)



## BREAD FOR THE C



# 2011 WINNERS

## N STREET VILLAGE

N Street Village was founded in 1972 by members of Luther Place Memorial Church to serve homeless and low-income women in Washington, D.C. With comprehensive services addressing both emergency and long-term needs, it helps women achieve personal stability through its continuum of care. N Street operates its main 150,000 square foot facility at 14th and N Streets, NW which houses its day center, education, employment and wellness centers, as well as five residential programs. In October 2011, N Street Village expanded its reach to a second program site by incorporating Miriam's House, a residential community for homeless women living with HIV and AIDS in Northwest D.C. Women experiencing homelessness are at increased risk for contracting HIV, and with this acquisition, N Street Village made a commitment to growing its HIV/AIDS services for women in need. Each year N Street Village serves nearly 900 homeless and low-income women, who account for nearly 60% of the city's homeless women. N Street Village is a critical part of the vital safety net for underserved, vulnerable women in the District.

## MI CASA

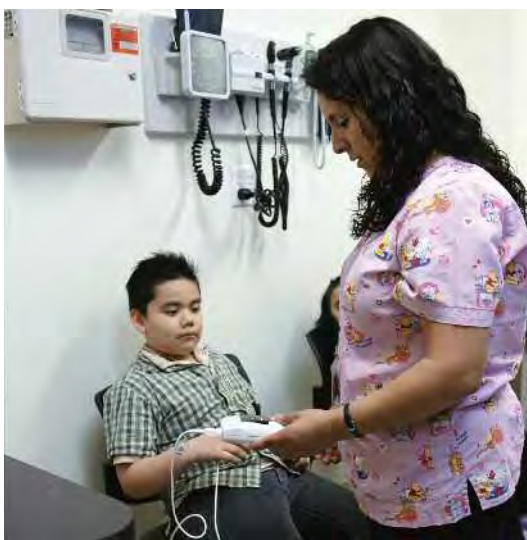
Founded in 1992, Mi Casa Inc. is a nationally recognized, DC based non-profit organization whose mission is to provide affordable home ownership and other housing opportunities to those who would otherwise not be able to access quality housing. Since it began operations, Mi Casa has purchased, renovated, and sold 40 single family properties to low and moderate income homebuyers, as well as over 400 units of affordable multi-family housing units. Nearly all of the multi-family units were developed and sold as limited equity cooperatives, thereby insuring long term affordable housing for the owners. Since most of the housing developed by Mi Casa is deteriorated and vacant, their

work not only supplies affordable housing, but it also helps to reduce crime and stabilize, invigorate and restore balanced neighborhoods. Mi Casa also uses its housing development activities to bolster job growth and economic development by working with local contractors, vendors and suppliers. Mi Casa employs green building techniques by using energy efficient appliances and installing green roofs and energy efficient building components. Mi Casa also was recognized for its work to support Latino communities in the DC area with a \$7 million grant from the Neighborhood Stabilization Program to help to rebuild low income communities in DC and Baltimore, MD.

CITY (2009)



MARY'S CENTER (2010)



MI CASA (2011)



# LEADERSHIP TEAM

## BOARD OF DIRECTORS

Cantwell (Chuck) F. Muckenfuss, III, Chairman of the Board, Partner, Gibson, Dunn & Crutcher, LLP  
David McGrady, Vice Chairman of the Board, Consultant  
Brian E. Argrett, President and CEO, City First Bank and CFBanc Corporation  
John M. Hamilton, President, City First Enterprises, Inc.  
Joseph F. Horning, Jr., President, Horning Brothers  
Leonade D. Jones, Director, American Funds Mutual Funds  
Thomas F. Kelley, Group EVP, Commercial Real Estate, SunTrust Bank (Retired)  
William Longbrake, Executive in Residence at the Robert H. Smith School of Business at the University of Maryland  
Nicole Mandeville, Senior Vice President Finance and Treasurer, The Freedom Forum  
Kathy J. McKinless, CPA  
Obiora "Bo" Menkiti, President and CEO, Menkiti Group  
Hassan Minor, Jr., Senior Vice President, Howard University  
Ellen Seidman, Visiting Scholar, Federal Reserve Bank of San Francisco  
W. Christopher Smith, Chairman and CEO, William C. Smith Company  
Kristi Cunningham Whitfield, Co-Owner, Curbside Cupcakes

## EXECUTIVE OFFICERS

Brian E. Argrett, President and CEO  
Marie Mann Bibbs, Executive Vice President, Director, NMTC  
Kimberly J. Levine, Executive Vice President, CFO, COO  
William F. Lindlaw, Executive Vice President, CLO

## ADVISORY BOARD

Marshall E. Purnell, Principal, Devroux & Purnell  
Carmen Ramos-Watson, President and CEO, QMRI, Inc

## NMTC ADVISORY BOARD

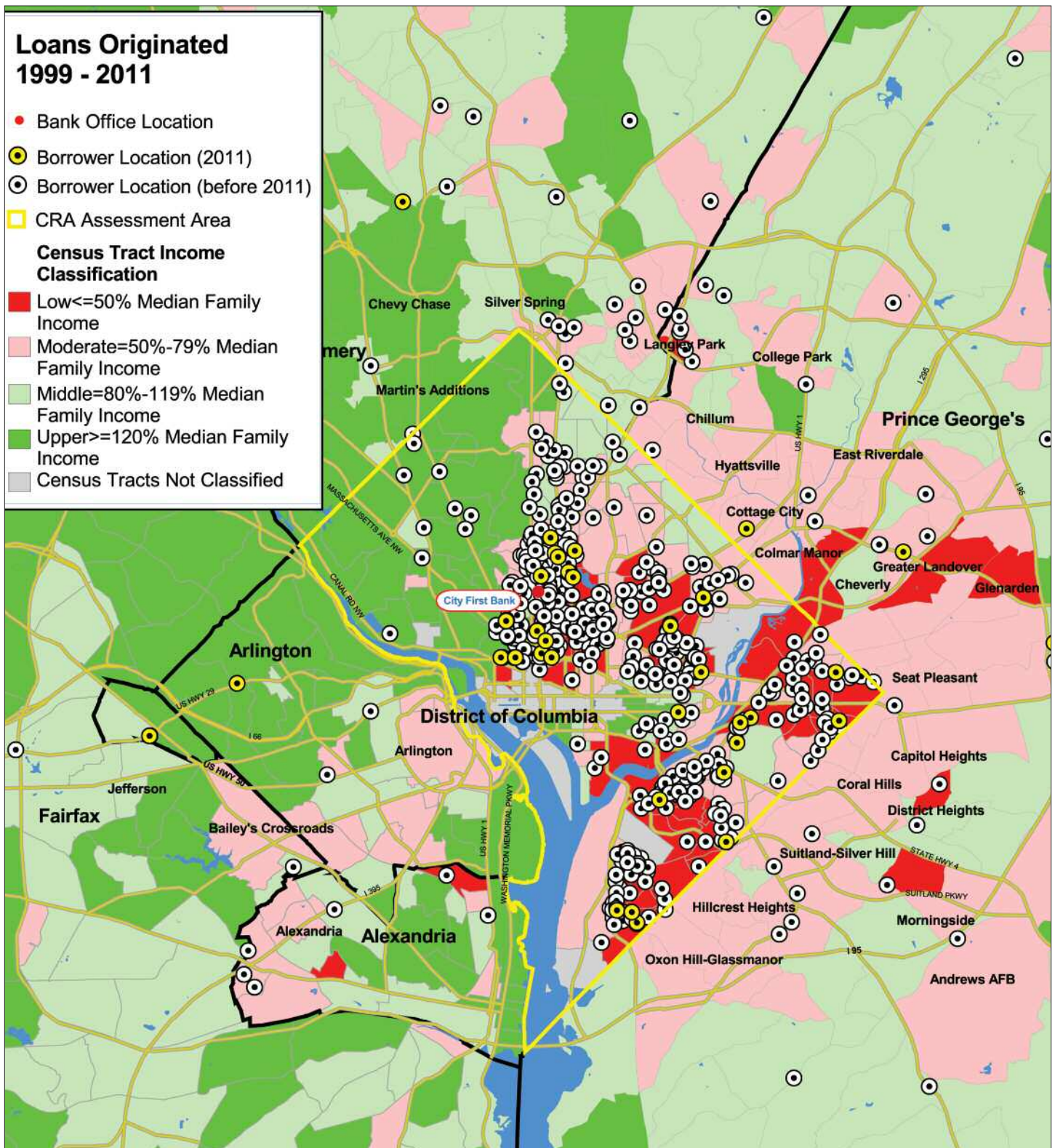
Freddie Lewis Archer, President and CEO, Lewis Real Estate Services  
Karen Kollias, Loan Fund Director, NCALL Research  
Kevin McQueen, Partner, Brody Weiser and Burns  
Henry Posko, President and CEO, Humanim  
Michael Tierney, Executive Vice President and Chief Operating Officer, LISC (Retired)

## SHAREHOLDERS

Bank of America  
Calvert Social Investment Fund Balanced Portfolio  
Capital One, FSB  
CDFI Fund  
CitiCorp  
City First Enterprises  
Community Foundation of the National Capital Region  
Cooperative Assistance Fund  
Georgetown University  
JPMorgan Chase Community Development Corporation  
M&T Bank

National Community Investment Fund  
PNC  
RBC Wealth Management Services  
SBP Capital Corporation  
SunTrust Bank, NA  
SunTrust Community Development Corporation  
US Department of the Treasury  
Wells Fargo Affordable Housing Community Development Corporation  
Wells Fargo

# CITY FIRST BANK LOANS 1999-2011



# FINANCIALS

## CF BANC CORPORATION & SUBSIDIARIES

### Comparative Consolidated Statements Of Income (Loss) And Other Key Data

#### INCOME STATEMENT DATA:

(\$ in thousands, except per share data)

	Years ended December 31,	
	2011	2010
Interest income	\$ 7,988	\$ 7,397
Interest expense	685	1,049
Net interest income	7,303	6,348
Provision for credit losses	1,498	300
Net interest income after provision for credit losses	5,805	6,048
Noninterest income	2,911	2,468
Noninterest expense	7,284	6,806
Income (loss) before income taxes	1,432	1,710
Income taxes benefit (expense)	(576)	(642)
Net income (loss)	\$ 856	\$ 1,068

#### COMMON SHARE DATA:

Net income	\$ 0.40	\$ 0.56
Book value	11.95	11.41
Common stock outstanding at end of period	1,864,113	1,863,813
Weighted average Common shares outstanding during period	1,864,016	1,863,774

#### BANK PERFORMANCE DATA:

Return on average total assets	0.53%	0.68%
Return on average total equity	3.08%	4.65%
Net interest income as a % of average assets	4.51%	4.03%
Loans to deposits	100%	83%

#### BANK CAPITAL RATIOS:

Tier 1 risk-based capital	19.69%	23.11%
Total risk-based capital	20.96%	24.38%
Tier 1 leverage	16.55%	16.17%



## Comparative Consolidated Balance Sheets

### BALANCE SHEET DATA:

(\$ in thousands, except per share data)

#### Assets:

	2011	2010
Cash & due from banks	\$ 2,069	\$ 2,919
Short-term Investments	6,497	13,525
Investment Securities	27,500	28,810
Loans, net	123,467	102,355
Other Assets	9,491	10,378
<b>Total Assets</b>	<b>\$ 169,024</b>	<b>\$ 157,987</b>

#### Liabilities:

##### Deposits:

Non-interest bearing demand	\$ 20,555	\$ 11,937
NOW	18,248	19,196
Money Market & Savings	36,367	34,014
Time, \$100,000 or more	9,210	11,664
Other time	43,028	49,525
<b>Total Deposits</b>	<b>127,408</b>	<b>126,336</b>
Borrowings	11,590	2,555
Other Liabilities	1,966	2,046
<b>Total Liabilities</b>	<b>140,964</b>	<b>130,937</b>
Stockholder's Equity	28,060	27,050
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$ 169,024</b>	<b>\$ 157,987</b>

### Loan Portfolio Composition

	At December 31,	
	2011	2010
	(In thousands)	
Commercial business	\$ 24,548	\$ 28,468
Real Estate:		
Commercial mortgage	96,757	70,386
Construction and land development	7,259	6,873
Installment loans to individuals	19	10
<b>Total Gross Loans</b>	<b>128,583</b>	<b>105,737</b>
Less: net deferred loan fees	(620)	(425)
<b>Total Loans, net of deferred fees</b>	<b>127,963</b>	<b>105,312</b>
Less: Allowance for credit losses	(4,496)	(2,957)
<b>Loans, net</b>	<b>\$ 123,467</b>	<b>\$ 102,355</b>



For more information, visit  
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